

ANALYZING A CASE STUDY

The purpose of the case study is to let you apply the concepts you've learned when you analyze the issues facing a specific company. To analyze a case study, therefore, you must examine closely the issues with which the company is confronted. Most often you will need to read the case several times - once to grasp the overall picture of what is happening to the company and then several times more to discover and grasp the specific problems.

Generally, detailed analysis of a case study should include the following contents:

1. Executive Summary (summary of your report) *Put it on the front (first page)*
2. The history, development, and growth of the company over time
3. Company's mission statement (What the company does and why the company does as it does) *Mission is the past and present*
4. Company's vision (What did the company want to become) - *future (1999)*
5. The identification of the company's internal strengths and weaknesses *(SWW)*
6. The nature of the external environment surrounding the company *PEST*
7. A SWOT analysis
8. The kind of corporate-level strategy pursued by the company
9. The nature of the company's business-level strategy and functional level strategy
10. The company's structure and how they match its strategy
11. The evaluation of the company's financial performance (in terms of liquidity and profitability)
12. Your recommendations and conclusions

Good luck and hope to see your best performance

Double space, front, size 12 From 10 to 15 pages

- | | |
|---------------|------------------------------------|
| ⑥ PEST | ⑨ <u>Functional level strategy</u> |
| Political | Production |
| Economical | Finance |
| Social | Marketing |
| Technological | ⑩ Company's structure p. 84 |

Harrah's Entertainment, Inc.—1998

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www.harrahs.com
stock symbol HET

Headquartered in Memphis, Tennessee, Harrah's Entertainment, Inc., (901-762-8600) is one of the leading casino entertainment companies in the United States, currently operating facilities in 14 different markets. Harrah's casino business commenced operations nearly 60 years ago and is unique in its broad geographic diversification. Harrah's operates casino/hotels in the five traditional U.S. gaming markets of Nevada's Reno, Lake Tahoe, Las Vegas, and Laughlin and of New Jersey's Atlantic City. It operates riverboat casinos in Joliet, Illinois, and in North Kansas City and St. Louis in Missouri. Harrah's also operates dockside casinos in both Vicksburg and Tunica, Mississippi, and in Shreveport, Louisiana. Harrah's manages limited-stakes casinos in Central City and Black Hawk, Colorado, as well as casinos on two Native American reservations—one near Phoenix, Arizona, and the other north of Seattle, Washington. In 1996, the company commenced operations of a land-based casino in Auckland, New Zealand.

Harrah's operating profits per division are given in Exhibit 1.

Harrah's 1997 gaming volume percentage by region are given in Exhibit 2.

EXHIBIT 1: Harrah's Entertainment, Inc., Operating Profit

(in millions of dollars)

Division	1997	1996	1995
Riverboat	\$124	\$141	\$172
Atlantic City	73	75	86
Southern Nevada	42	68	73
Northern Nevada	45	60	66
Native American/Limited Stakes	10	7	8
New Orleans	0	0	(28)

Source: Harrah's Entertainment, Inc., *Annual Report* (1997): 26-29.

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EXHIBIT 2: Harrah's Entertainment, Inc., 1997 Gaming Volume Percentage by State, New Zealand

<i>Region</i>	<i>Percentage</i>	<i>Region</i>	<i>Percentage</i>
Nevada	27.5	Mississippi	8.2
New Jersey	16.5	New Zealand	6.6
Missouri	14.1	Arizona	5.6
Louisiana	10.2	North Carolina	1.1
Illinois	9.5	Washington	0.6

Source: Harrah's Entertainment, Inc., *Annual Report* (1997): 22.

Harrah's mission statement, as given on page 1 of the company's 1997 *Annual Report*, is as follows:

Our vision at Harrah's Entertainment, Inc., is to offer exciting environments and to be legendary at creating smiles, laughter, and lasting memories with every guest we entertain.

SOUTHERN NEVADA DIVISION

Consisting of Las Vegas and Laughlin, Harrah's Southern Nevada Division experienced a 38.4 percent decline in operating profits from \$68 million in 1996 to \$42 million in 1997, as indicated in Exhibit 3.

Las Vegas

Newly renovated, Harrah's—Las Vegas is located on approximately 17.3 acres on the Las Vegas Strip and consists of a 15-floor hotel tower, a 23-floor hotel tower, and a 35-story hotel tower. The hotel features 1,651 guest rooms and 46 suites. Adjacent low-rise buildings house the casino and the 15,000-square-foot convention center. The casino occupies approximately 79,800 square feet and has 1,980 slot machines and 85 game tables. Also on site are five restaurants, the 525-seat Commander's Theatre, a 367-seat cabaret, an arcade, a health club, and a heated pool.

EXHIBIT 3: Harrah's Entertainment, Inc., Southern Nevada Division Revenues, Operating Profit and Margin, 1995-1997

	<i>(in millions)</i>			<i>Percentage of Difference</i>	
	<i>1997</i>	<i>1996</i>	<i>1995</i>	<i>97 v. 96</i>	<i>96 v. 95</i>
Casino revenues	\$191.0	\$190.8	\$198.3	0.1	(3.8)
Total revenues	288.2	289.8	297.2	(0.6)	(2.5)
Operating profit	41.9	68.0	72.8	(38.4)	(6.6)
Operating margin	14.5%	23.5%	24.5%	(9.0)	(1.0)

Source: Harrah's Entertainment, Inc., *Annual Report* (1997): 27.

The 1997 \$200 million expansion of Harrah's—Las Vegas included a new 35-story hotel tower with 986 rooms and 46 suites; 22,200 additional square feet of casino space; three new restaurant facilities; and a complete renovation of the facade of the casino located on the Strip. The casino's primary feeder markets for the Southern Nevada Division are the Midwest, California, and Canada.

Laughlin

Harrah's Laughlin, Nevada, facility is located on a 44.9-acre site in a natural cove on the Colorado River and features a hotel with 1,635 standard rooms and 21 suites; a 90-seat cabaret; five restaurants; and two snack bars, including a McDonald's and a Baskin Robbins which are operated by nonaffiliated companies. Harrah's—Laughlin has approximately 47,000 square feet of casino space; 1,366 slot machines; 41 game tables; and approximately 7,000 square feet of convention center space. In 1996, a 378-seat showroom and a 3,164-seat outdoor amphitheater were constructed at the property. Other amenities include a health club, swimming pools, an arcade, and retail shops. It is the only property in Laughlin with a developed beachfront on the river. The casino's primary feeder markets are the Los Angeles and Phoenix areas, where a combined total of more than 17 million people reside.

NORTHERN NEVADA DIVISION

Consisting of Lake Tahoe and Reno, Harrah's Northern Nevada Division experienced a 25.6 percent decline in operating profits from \$60 million in 1996 to \$45 million in 1997, as indicated in Exhibit 4.

Lake Tahoe

Harrah's—Lake Tahoe is situated on 22.9 acres near Lake Tahoe and consists of an 18-story tower and an adjoining low-rise building which has a 16,500-square-foot convention center; approximately 63,200 square feet of casino space; 1,871 slot machines; and 109 game tables. The casino/hotel, with 79 suites and 453 luxury rooms, has seven restaurants, three snack bars, the 688-seat South Shore Showroom, a health club, retail shops, a heated pool, and an arcade.

EXHIBIT 4: Harrah's Entertainment, Inc., Northern Nevada Division Revenues, Operating Profit and Margin, 1995–1997

	<i>(in millions)</i>			<i>Percentage of Difference</i>	
	1997	1996	1995	97 v. 96	96 v. 95
Casino revenues	\$217.3	\$226.5	\$243.6	(4.1)	(7.0)
Total revenues	287.8	299.2	315.6	(3.8)	(5.2)
Operating profit	44.5	59.8	66.4	(25.6)	(9.9)
Operating margin	15.5%	20.0%	21.0%	(4.5)	(1.0)

Source: Harrah's Entertainment, Inc., *Annual Report* (1997): 27.

Harrah's Entertainment, Inc.—1998

Harrah's also operates Bill's Lake Tahoe Casino, which is located on a 2.1-acre site adjacent to Harrah's—Lake Tahoe. The casino has approximately 18,000 square feet of space, with 590 slot machines and 20 game tables, and two casual on-premise restaurants, Bennigan's and McDonald's, operated by nonaffiliated restaurant companies. Most customers visiting Harrah's Northern Nevada casinos are from California and the Pacific Northwest.

Reno

Harrah's—Reno, situated on approximately 3.7 acres, consists of a casino/hotel complex with a 24-story structure; an approximately 14,500-square-foot convention center; and 57,000 square feet of casino space with 1,613 slot machines and 76 game tables. The facilities include a Harrah's hotel with 557 rooms and 8 suites, the 420-seat Sammy's Showroom, a 37-seat cabaret, a pool, a health club, and an arcade. The property has one snack bar and seven restaurants, including a Planet Hollywood restaurant and lounge and a McDonald's, operated by nonaffiliated restaurant companies. Harrah's operates a 408-room, 26-story Hampton Inn hotel adjacent to Harrah's—Reno. The hotel, which is operated by Harrah's pursuant to a license agreement from Promus Hotels, Inc. (a subsidiary of PHC), provides high-quality, moderately priced guest rooms to accommodate Harrah's guests. Customers visiting Harrah's—Reno mainly are from northern California, the Pacific Northwest, and Canada.

MANAGED CASINOS ON NATIVE AMERICAN LANDS

Harrah's manages three casinos on Native American lands. Harrah's continues to pursue additional development opportunities for casinos on Native American land and opened a casino in Cherokee, North Carolina, in November 1997. The facility contains approximately 60,000 square feet of casino space.

In early 1997, Harrah's received National Indian Gaming Commission approval of development and negotiated management agreements with the Prairie Band of Potawatomi Indians for a development near Topeka, Kansas. Plans call for the construction of a \$37 million casino facility which will include approximately 27,000 square feet of casino space. This facility is expected to be completed by the end of 1997.

Harrah's—Phoenix Ak-Chin casino is owned by the Ak-Chin Indian Community and is located on approximately 20 acres of land on the community's reservation, about 25 miles south of Phoenix, Arizona. The casino includes 38,000 square feet of casino space with 475 slot machines; 41 poker tables; bingo and keno playing space; two restaurants; an entertainment lounge; 3,250 square feet of meeting room space; and a retail shop. The primary markets for the casino are Phoenix and Tucson.

EXHIBIT 5: Harrah's Entertainment, Inc., Atlantic City Revenues, Operating Profit and Margin, 1995-1997

	<i>(in millions)</i>			<i>Percentage of Difference</i>	
	<i>1997</i>	<i>1996</i>	<i>1995</i>	<i>97 v. 96</i>	<i>96 v. 95</i>
Casino revenues	\$314.9	\$310.1	\$314.7	1.5	(1.5)
Total revenues	349.5	338.6	341.5	3.2	(0.8)
Operating profit	73.3	75.0	85.6	(2.3)	(12.4)
Operating margin	21.0%	22.2%	25.1%	(1.2)	(2.9)

Source: Harrah's Entertainment, Inc., *Annual Report* (1997): 27.

251 suites and 509 rooms; and adjoining low-rise buildings which house the casino space and the 26,100-square-foot convention center. The facilities include seven restaurants; an 820-seat showroom; a health club with swimming pool; a teen center with video games; child care facilities; and parking for 2,395 cars, including a substantial portion in a parking garage. The property also has a 72-slip marina. Harrah's also owns approximately 8.45 acres of land adjacent to Harrah's—Atlantic City and 170 acres of wetlands in the Marina area. Most of the casino's customers arrive by car from within a 150-mile radius which includes Philadelphia, New York, and northern New Jersey.

NEW ZEALAND

Sky City, a casino entertainment facility in Auckland, New Zealand, opened in February 1996. The project is owned by Sky City Limited, a publicly traded New Zealand corporation in which Harrah's ownership is 12.5 percent. The facility is located on 3.1 acres of land and has approximately 45,000 square feet of casino space; 1,050 slot machines; and 100 game tables. A special attraction of the facility is a 1,066-foot Sky Tower, which opened in 1997. The Sky Tower, the tallest structure in the Southern Hemisphere, features one open-air and two enclosed observation decks as well as a revolving bar and restaurant.

RIVERBOAT CASINOS

Harrah's Riverboat Division experienced a 12 percent decline in operating profits from \$141 million in 1996 to \$124 million in 1997, as indicated in Exhibit 6.

Joliet

Harrah's—Joliet is located in downtown Joliet, Illinois, on the Des Plaines River. The two riverboat casinos, the Harrah's *Northern Star*, a modern 210-foot yacht, and the *Southern Star II*, a 210-foot riverboat, offer a combined total of 37,000 square feet of casino space with 56 game tables and 988 slot machines. Each riverboat can accommodate approximately 825 guests per cruise. Harrah's—Joliet offers a total of 18 cruises per day. The Chicago metropolitan area is the primary market for Harrah's—Joliet as Joliet is only 30 miles from downtown Chicago. Harrah's—Joliet revenues declined 15.5 percent in 1997.

EXHIBIT 6: Harrah's Entertainment, Inc., Riverboat Casinos Revenues, Operating Profit and Margin, 1995–1997

	<i>(in millions)</i>			<i>Percentage of Difference</i>	
	<i>1997</i>	<i>1996</i>	<i>1995</i>	<i>97 v. 96</i>	<i>96 v. 95</i>
Casino revenues	\$614.8	\$596.0	\$557.2	3.2	7.0
Total revenues	656.2	629.1	593.5	4.3	6.0
Operating profit	124.2	141.2	172.2	(12.0)	(18.0)
Operating margin	18.9%	22.4%	29.0%	(3.5)	(6.6)

Source: Harrah's Entertainment, Inc., *Annual Report (1997)*: 26.

Tunica

Harrah's—Tunica Mardi Gras Casino is a stationary riverboat casino complex which opened in April 1996. It is situated on 88 acres of land in Tunica, Mississippi, approximately 30 miles south of downtown Memphis, Tennessee. The facilities include approximately 50,000 square feet of casino space with 1,166 slot machines and 51 game tables; three restaurants; a child care facility; an arcade; a retail shop; a 13,500-square-foot entertainment/ballroom area; and customer parking for 2,560 cars. The Harrah's hotel, which features 181 rooms, 18 suites, and exercise facilities, opened in June 1996. Tunica revenues increased 5.9 percent in 1997 over 1996.

Vicksburg

Harrah's—Vicksburg reported 1997 revenues and operating profit which were virtually even with the prior year. This is a dockside casino entertainment complex on approximately 10.3 acres in Vicksburg, Mississippi. The complex, which is located downtown on the Yazoo Diversion Canal of the Mississippi River, includes a 297-foot stationary riverboat casino designed in the spirit of a traditional 1800s riverboat and has approximately 11,800 square feet of casino space; 605 slot machines; and 31 game tables. The casino is docked next to Harrah's shoreside complex which features two restaurants, a snack bar/lounge, child care facilities, an arcade, a retail outlet, and more. Adjacent to the riverboat is a Harrah's hotel, with 109 rooms and eight suites. The casino's primary markets are western and central Mississippi and eastern Louisiana.

Shreveport

Harrah's—Shreveport is a dockside riverboat casino in downtown Shreveport, Louisiana, which includes a 254-foot nineteenth century-design paddle-wheel riverboat, the *ShreveStar*, with 28,000 square feet of gaming space; 1,033 slot machines; and 42 game tables. A pavilion, on 11.2 acres of land, adjoins the casino on the banks of the Red River and includes two restaurants and a 4,100-square-foot area for private parties and group functions. Customers visiting this casino usually are from northwestern Louisiana and east Texas, including the Dallas-Fort Worth area. Harrah's—Shreveport's 1997 revenues declined 1.9 percent although operating profit increased 2.5 percent.

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North Kansas City

Harrah's owns and operates riverboat casino facilities situated on 55 acres of land in North Kansas City, Missouri. Operating profits for this facility declined 24.9 percent in 1997 on the heels of a 17.5 percent drop in 1996. The facilities include a 295-foot classic sternwheeler-designed stationary riverboat, the *North Star*, with approximately 31,600 square feet of casino space; 1,043 slot machines; and 53 game tables. In May 1996, the company opened a second casino at the North Kansas City property, the *Mardi Gras*, which is constructed on a floating stationary barge. At year end, with both boats operational, the facilities offered a combined total of approximately 62,100 square feet of casino space; 1,938 slot machines; and 98 game tables.

Shoreside facilities were expanded in 1996 and at year end included a pavilion that housed three restaurants and 10,000 square feet of meeting space. In March 1996, construction was completed on a three-story 1,060-car parking garage and new surface parking. Total on-site parking, including valet parking, is now available for 2,738 cars. In December 1996, the \$78 million expansion of the Harrah's—North Kansas City facilities was completed with the opening of a Harrah's hotel which features 181 rooms and 19 suites. Additional property amenities include two snack bars, an arcade, a swimming pool, and an exercise room. The casino's primary feeder market is the Kansas City area.

St. Louis

Harrah's newest riverboat casino project, Harrah's—St. Louis Riverport, reported an operating loss of \$1.4 million for 1997. With Players International, Inc., Harrah's is part of a riverboat casino project along the Missouri River in Maryland Heights, Missouri, in northwest St. Louis County, 16 miles from downtown St. Louis. The partnership formed by Harrah's and Players leases space to both Harrah's and Players in which both operate their separately branded casinos and specialty restaurants. Each company operates two riverboat casinos. Harrah's riverboats have approximately 26,000 square feet of gaming space each, with a total of approximately 1,230 slot machines and 80 game tables. A shoreside pavilion houses three restaurants, a snack bar, an entertainment lounge, and retail space. Additional amenities are a special events center and child care facilities. Also included in the shoreside facilities is a seven-story, 291-room Harrah's hotel; an 1,850-car parking garage; and additional parking for 3,000 cars. Harrah's manages the shoreside pavilion, hotel, and parking areas for a fee. Approximately 74 acres of land being used for the development are owned by Harrah's and leased to the partnership. Approximately 140 acres of additional land included in the development are owned by the partnership.

THE FUTURE

Harrah's obviously is spending a lot of money in a lot of places to capitalize on society's increasing acceptance of gaming. But company revenues and profits are not rising nearly enough to justify operating expenses (see Exhibit 7) and in many locations are falling. The company reports only a 1.5 percent increase of assets in 1997 over 1996 (see Exhibit 8). Harrah's is in need of a clear strategic plan. More customers are turning to the Internet to gamble rather than visiting gaming facilities. Analysts warn that Internet

gambling volume will accelerate annually and significantly erode Harrah's and other casino organizations' revenues.

What specific recommendations do you have for Harrah's new chair, president, and CEO Philip Satre? (See Exhibit 9.) Prepare a three-year strategic plan for Harrah's.

EXHIBIT 7: Harrah's Entertainment, Inc., Consolidated Balance Sheets

<i>(in thousands, except per share amounts)</i>	<i>Year Ended December 31,</i>		
	<i>1997</i>	<i>1996</i>	<i>1995</i>
Revenues			
Casino	\$1,338,003	\$1,323,466	\$1,313,910
Food and beverage	196,765	188,081	181,312
Rooms	128,354	115,456	109,036
Management fees	24,566	16,227	12,762
Other	78,954	78,729	115,87
Less: casino promotional allowances	(147,432)	(135,939)	(154,102)
Total revenues	<u>1,619,210</u>	<u>1,586,020</u>	<u>1,578,795</u>
Operating expenses			
Direct			
Casino	685,942	649,720	620,438
Food and beverage	103,604	95,909	91,495
Rooms	39,719	35,460	32,915
Depreciation of buildings, riverboats and equipment	103,670	92,130	80,416
Development costs	10,524	12,021	17,428
Write-downs and reserves	13,806	52,188	93,348
Project opening costs	17,631	5,907	450
Other	385,630	358,000	353,318
Total operating expenses	<u>1,360,526</u>	<u>1,301,335</u>	<u>1,289,808</u>
Operating profit	258,684	284,685	288,987
Corporate expense	(27,155)	(34,348)	(30,347)
Equity in income (losses) of nonconsolidated affiliates	(11,05)	1,182	(49,245)
Venture restructuring costs	(6,94)	(14,601)	0
Income from operations	213,532	236,918	209,395
Interest expense, net of interest capitalized	(79,071)	(69,968)	(73,890)
Gains on sales of equity interests in			
New Zealand subsidiary	37,388	0	11,773
Other income, including interest income	11,799	5,160	4,305
Income before income taxes and minority interests	183,648	172,110	151,583
Provision for income taxes	(68,746)	(67,316)	(60,677)
Minority interests	(7,380)	(5,897)	(12,096)
Income from continuing operations	107,522	98,897	78,810
Discontinued operations			
Earnings from hotel operations, net of tax provision of \$15,434	0	0	21,230
Spin-off transaction expenses, net of tax benefit of \$5,134	0	0	(21,194)
	<u>0</u>	<u>0</u>	<u>(21,194)</u>

continued

EXHIBIT 7: *continued*

<i>(in thousands, except per share amounts)</i>	Year Ended December 31,		
	1997	1996	1995
Income before extraordinary loss	107,522	98,897	78,846
Extraordinary loss, net of tax benefit of \$4,477	(8,134)	0	0
Net income	<u>99,388</u>	<u>98,897</u>	<u>78,846</u>
Earnings (loss) per share-basic			
Continuing operations	1.07	0.96	0.77
Discontinued operations			
Earnings from hotel operations, net	0	0	0.21
Spin-off transaction expenses, net	0	0	(0.21)
Extraordinary loss, net	(0.08)	0	0
Net income	<u>0.99</u>	<u>0.96</u>	<u>0.77</u>
Earnings (loss) per share-diluted			
Continuing operations	1.06	0.95	0.76
Discontinued operations			
Earnings from hotel operations, net	0	0	0.21
Spin-off transaction expenses, net	0	0	(0.21)
Extraordinary loss, net	(0.08)	0	0
Net income	<u>0.98</u>	<u>0.95</u>	<u>0.76</u>
Weighted average common shares outstanding	<u>100,618</u>	<u>102,598</u>	<u>102,341</u>
Weighted average common and common equivalent shares outstanding	101,254	103,736	103,188

Source: Harrah's Entertainment, Inc.; www.freedgar.com.

EXHIBIT 8: Harrah's Entertainment, Inc., Consolidated Balance Sheets

<i>(in thousands, except per share amounts)</i>	Year Ended December 31,		
	1997	1996	1995
Assets			
Current assets			
Cash and cash equivalents	\$ 116,443	\$ 105,594	\$ 96,345
Receivables, less allowance for doubtful accounts of \$11,462 and \$14,064	43,767	41,203	37,751
Deferred income taxes	17,436	25,551	21,425
Prepayments and other	21,653	18,401	21,275
Inventories	13,011	10,838	12,040
Total current assets	<u>212,310</u>	<u>201,587</u>	<u>188,836</u>
Land, buildings, riverboats and equipment			
Land and land improvements	218,703	232,721	232,616
Buildings, riverboats and improvements	1,334,279	1,248,792	1,054,758
Furniture, fixtures and equipment	600,358	496,447	436,340
	<u>2,153,340</u>	<u>1,977,960</u>	<u>1,723,714</u>
Less: accumulated depreciation	(675,286)	(588,066)	(518,824)
	<u>1,478,054</u>	<u>1,389,894</u>	<u>1,204,890</u>

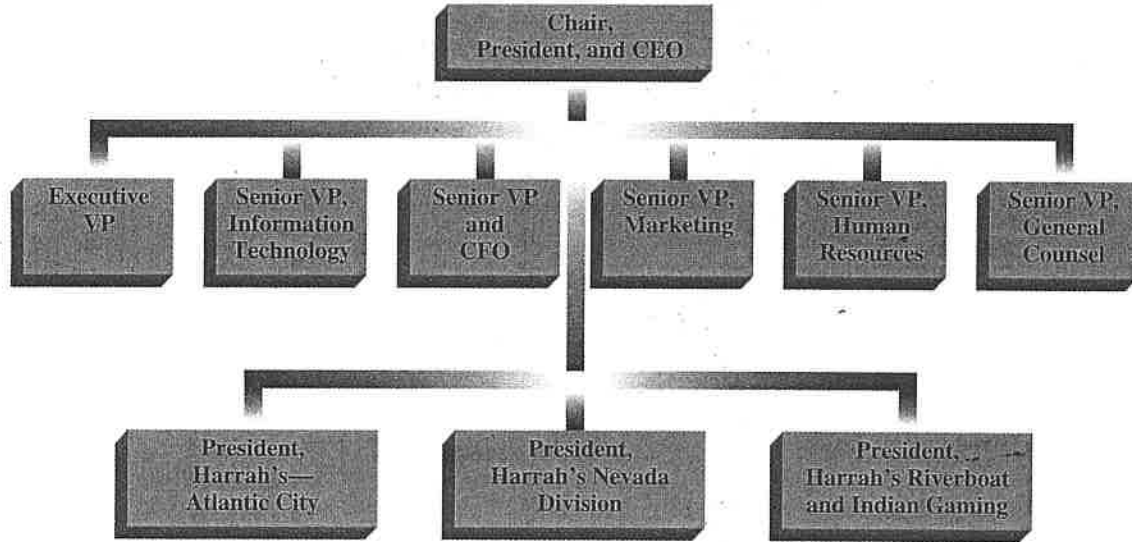
continued

EXHIBIT 8: *continued*

<i>(in thousands, except share amounts)</i>	<i>Year Ended December 31,</i>		
	<i>1997</i>	<i>1996</i>	<i>1995</i>
Investments in and advances to nonconsolidated affiliates	152,401	215,539	71,939
Deferred income tax benefits	0	0	4,532
Deferred costs and other	162,741	167,053	166,537
	<u>\$2,005,506</u>	<u>\$1,974,073</u>	<u>\$1,636,734</u>
Liabilities and Stockholders' Equity			
Current liabilities			
Accounts payable	45,233	44,934	46,178
Construction payables	7,186	17,975	4,718
Accrued expenses	156,694	139,892	148,632
Current portion of long-term debt	1,837	1,841	2,038
Total current liabilities	210,950	204,642	201,566
Long-term debt	924,397	889,538	753,705
Deferred credits and other	98,177	97,740	72,006
Deferred income taxes	22,361	45,443	0
	<u>1,255,885</u>	<u>1,237,363</u>	<u>1,027,277</u>
Minority interests	14,118	16,964	23,908
Commitments and contingencies			
Stockholders' equity			
Common stock, \$0.10 par value, authorized—360,000,000 shares, outstanding—101,035,898 and 102,969,699 shares (net of 3,001,568 and 771,571 shares held in treasury)	10,104	10,297	10,267
Capital surplus	388,925	385,941	362,783
Retained earnings	349,386	290,797	204,838
Unrealized gain on marketable equity securities	2,884	51,394	10,552
Deferred compensation related to restricted stock	(15,796)	(18,683)	(2,891)
	<u>735,503</u>	<u>719,746</u>	<u>585,549</u>
	<u>\$2,005,506</u>	<u>\$1,974,073</u>	<u>\$1,636,734</u>

Source: Harrah's Entertainment, Inc.; www.freedgar.com.

EXHIBIT 9: Harrah's Entertainment, Inc., Organizational Chart



Source: www.freeedgar.com