

Harrah's Baltimore

Video Lottery Facility Location Commission Presentation



November 14, 2011

Agenda

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| II. | Introduction to Rock Gaming | Matt Cullen |
| III. | Baltimore Project | Tony Deering |
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INTRODUCTION TO CBAC GAMING

THEO RODGERS

PRESIDENT, A&R DEVELOPMENT

INTRODUCTION TO ROCK GAMING

MATT CULLEN

PRESIDENT AND COO, ROCK GAMING

Rock Gaming

- > Midwest-based gaming partnership formed to develop first-class urban casinos
- > Dan Gilbert family of business interests:
 - > 40+ companies, 6,000 employees
 - > Flagship Quicken Loans, 25 years+
 - > Nation's largest online lender, Top 5 U.S. retail mortgage lenders
 - > 2010 J.D. Power and Associates Award - Highest in Customer Satisfaction for Mortgage Processing and Closing in U.S.
- > Commitment to urban revitalization
 - > Detroit
 - > Cleveland
 - > Cincinnati



Quicken Loans®
Engineered to Amaze™



FORTUNE
**100
BEST**
COMPANIES
TO WORK FOR
2011



BIZDOM



Rock Gaming in the News

The New York Times **Detroit Pushes Back** **With Young Muscles**

7/1/11

THE CINCINNATI ENQUIRER

**A Broadway Commons casino is raising
hopes of an economic boon** 12/20/09

The Cincinnati
HERALD

Cincinnati, Cleveland
firms help casino
developer meet,
exceed 20 percent
inclusion goal 1/8/11

THE PLAIN DEALER

**Gilbert is a driving force
to revive Detroit downtown**

9/21/11

THE PLAIN DEALER

**Creating an urban casino
that rises to the next level**



**Gilbert takes his talents
& company to Detroit** 10/31/11

New Urban Casino Concept

- > Outward facing
- > Connect with existing attractions
- > Use local hotels
- > Good fit with surrounding area
- > Attract & promote tourism





BALTIMORE PROJECT

TONY DEERING

*NON-EXECUTIVE CHAIRMAN, CAVES VALLEY
PARTNERS*

THE CAESARS ADVANTAGE

GARY LOVEMAN

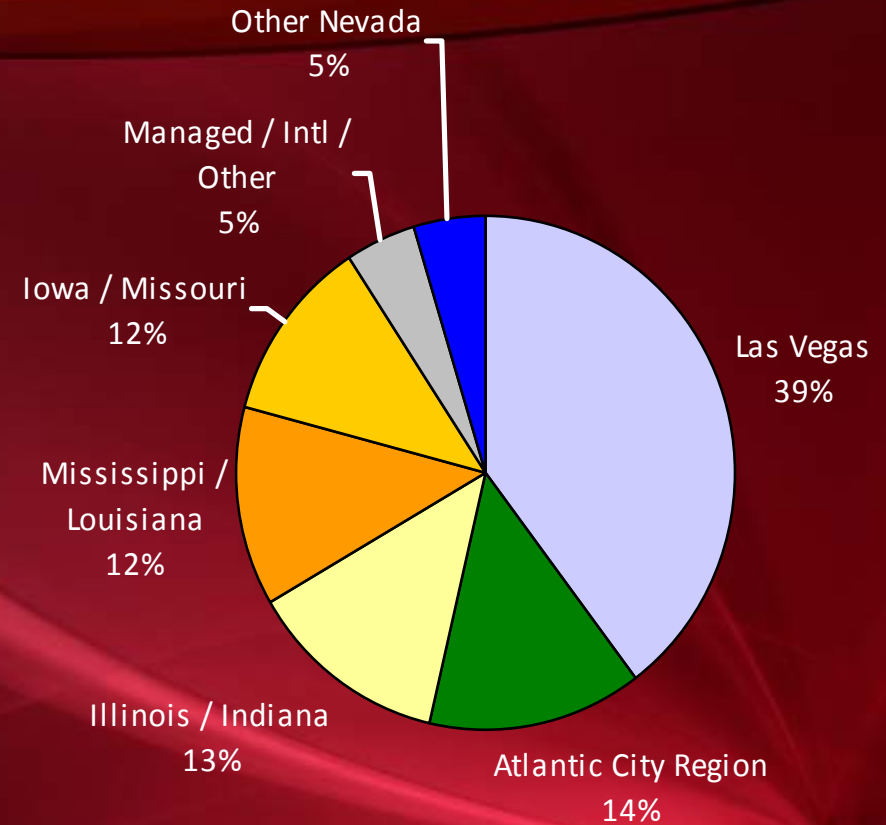
CHAIRMAN OF THE BOARD, CEO AND PRESIDENT

Caesars Entertainment

Key Statistics

- > #1 or #2 market share in almost every major market in the U.S.
- > 52 casinos in seven countries
 - > 17 Harrah's branded properties in the U.S.
- > Amenities include
 - > 42,000 hotel rooms
 - > 3.2 million square feet of casino gaming space
 - > 2 million square feet of convention center space
- > Industry leading Total Rewards loyalty program with over 40 million members
 - > Approximately 1 million in the Baltimore area

Q3 2011 TTM Property EBITDA = \$2.0B



Portfolio of Winning Brands



CAESARS

Most recognized name in gaming entertainment for over 40 years

WORLD SERIES OF POKER

“Richest sporting event in the world” with tournaments in the U.S, Europe, Latin America and Japan

TOTAL REWARDS

Industry’s leading guest loyalty program with over 40 million members

Caesars Entertainment's Domestic Network



Total Rewards is the Gaming Industry's Biggest and Best Loyalty Program

Program Attributes

Unmatched scale

- > 40+ million members

Unparalleled options

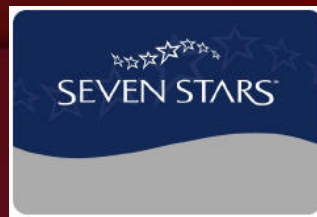
- > Reward Credits earned and redeemed across all properties
- > One account balance

Ubiquitous usage

- > 80% of gaming spend is tracked

Largest network

- > Accepted at 40+ casinos nationwide



Reward Credits Attributes

Earning

- > Earn Reward Credits for full entertainment spend (gaming, hotel, dining, retail shopping, shows, spas)
- > No expiration as long as there is activity within 6 months

Redemption

- > Can be redeemed for food & beverage, hotel, merchandise or gift cards
- > Gift card can be used at the Forum Shops in Las Vegas, the Pier Shops at Caesars in AC and network external partners

Harrah's Brand in Baltimore

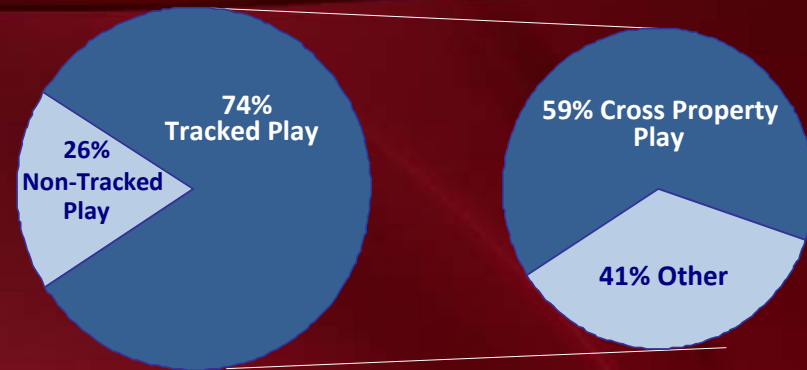
- > The most prominent regional gaming brand
- > Harrah's integrates gaming as part of the overall entertainment experience
- > Harrah's delivers a contemporary entertainment experience
 - > Playful and welcoming
 - > Social and friendly
 - > "Come Out and Play"



Caesars Entertainment Proprietary Advantage

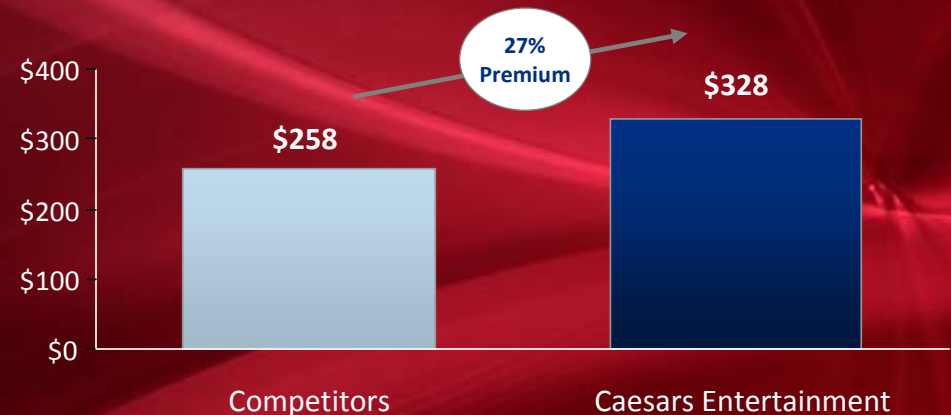
Tracked Play Q2 2011 YTD

Total Rewards and Caesars established network will benefit Harrah's Baltimore and expose the VLT facility to potential out-of-state guests



Local Markets Win per Position Comparison⁽¹⁾

Total Rewards and Caesars capabilities allows its properties to generally operate at a meaningful premium to competitors in their markets



Source: State Gaming Revenue Reports, Company Materials.

(1) Local markets include Chicago, St. Louis, and Kansas City; figures based on 2010 FY results.

Note: Win per position equals gaming revenue / 365 days / (slot units + gaming tables x 6).

CAESARS IN THE COMMUNITY

JAN JONES

*SENIOR VICE PRESIDENT OF COMMUNICATIONS AND
GOVERNMENT RELATIONS*

Steadfast Commitment to Integrity

Our Code of Commitment

The Caesars Code of Commitment governs the conduct of our business. It's a public pledge to our employees, guests, communities, and the environment to honor the trust they have placed in us.

A COMMITMENT TO ALL OUR EMPLOYEES TO TREAT THEM WITH RESPECT AND PROVIDE SATISFYING CAREER OPPORTUNITIES:

- We invest in our employees by providing excellent pay and valuable benefits, including health insurance and a retirement plan. And we share our financial success through bonuses for frontline employees.
- We encourage professional and personal growth through tuition reimbursement, on-the-job training, career development, and promotion from within.
- We actively seek and respond to employee opinions on all aspects of their jobs, from the quality of their supervisors to the quality of our casinos.
- We value employees from every possible background, and who approach issues and problems from different perspectives.

A COMMITMENT TO ALL OUR GUESTS TO PROMOTE RESPONSIBLE GAMING:

- We do not cash payroll, welfare, or unemployment checks.
- We have a process to deny casino play privileges and access to credit, check-cashing, and casino promotions.
- We display toll-free helpline numbers for problem gambling in our ads, brochures, and signs, and we provide financial support for those helplines.
- We train our employees about the importance of responsible gaming, and how to offer help to customers who may need it.
- We emphasize to our employees that casino gaming is an adults-only activity, and require them to be vigilant in preventing individuals under the legal age from playing at our casinos.
- We restrict the placement and content of our advertising and marketing materials to age-appropriate venues and messages.

A COMMITMENT TO ALL OUR COMMUNITIES TO HELP MAKE THEM HEALTHY AND VIBRANT PLACES TO LIVE AND WORK:

- We conduct our business with honesty and integrity, and act in accordance with the highest ethical and legal standards.
- We share our financial success with our communities by donating a portion of company profits to community and charitable causes.
- We encourage our employees to volunteer in community and charitable causes.
- We value the diversity and vitality of the communities in which we operate, and are committed to supporting a wide range of local businesses, charitable organizations, and community groups.

A COMMITMENT TO RESPONSIBLE STEWARDSHIP OF THE ENVIRONMENT:

- We invest in sustainable practices that increase energy efficiency and water conservation.
- We commit ourselves to measurable reductions in greenhouse gas emissions.
- We promote recycling and waste reduction at all our properties.



IT'S WHO WE ARE



> To our guests, to promote responsible gaming

> To our employees, to treat them with respect and provide opportunities to build satisfying careers

> To our communities, to make them vibrant places to live and work, and to market responsibly

> To the environment, to invest in sustainable practices

Doing Right by our Customers

RESPONSIBLE GAMING MEANS:

Knowing when to stop

At Caesars, we're committed to responsible gaming. If you would like to restrict your credit, check cashing, mail, or casino play privileges, just ask any employee for more information.

WHEN GAMBLING MIGHT BE A PROBLEM:

Gambling makes home life unhappy.
Gambling to escape worry or trouble.
Gambling to obtain money for debts.
Considering or committing an illegal act to finance gambling.
Feeling remorse after gambling.
Changing sleeping or eating habits due to gambling.
Losing work time due to gambling.
Borrowing to finance gambling.
Considering harming yourself as a result of gambling.

Responsible Gaming Is Our Business.[®] If you think you or someone you care about may have a gambling problem, call: 1-800-522-4700. All calls are confidential.

YOU MUST BE 21 OR OLDER TO GAMBLE
©2001 Caesars Entertainment Company, LLC

IT'S WHO WE ARE

- > First casino company to recognize and operationally address problem gaming
 - > Harrah's programs serve as model for entire industry
- > Funded creation of first national helpline for problem gaming
- > Received first corporate award given by National Council on Problem Gaming
- > Regularly contributes to and assists international, national and local problem-gaming agencies
- > First to offer nationwide self-exclusion, self-restriction
- > Commitment to effective responsible gaming training for all employees

A Culture of Reaching Out

In 2010, employees
throughout the United States
volunteered 132,000 hours
through HERO programs

BECOME A HERO



Have you ever wanted to give back to our communities and make a difference, while having fun with friends and coworkers?

The HERO program makes it easier for you to make a difference by planning special events and providing contact resources at worthy civic and charitable groups. The goal is to help you choose a volunteer activity that best suits your skills, preferences and schedule. Best of all, by becoming a HERO, you can have fun with your colleagues and friends while serving your community.

Environmental Sustainability Successes

- > Only gaming company to be honored by the EPA
- > \$60 million invested to complete over 100 major conservation projects in six years
- > Annual reduction of energy usage equivalent to the CO₂ emissions from 100,000 jet flights from Los Angeles to New York
- > Reduced water consumption in laundry facilities
- > Improved efficiency and effectiveness of air-handling systems
- > Incorporated comprehensive recycling programs
- > Employee training on environmentally-friendly practices



Committed to LEED Silver Standard in Baltimore

Caesars Foundation

- > Committed nearly \$60 million to nonprofit organizations since its inception in 2003
- > Forged powerful partnerships with local and national organizations, including:
 - > AARP Foundation
 - > Meals On Wheels Association of America
 - > Second Wind Dreams



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DIVERSITY AND INCLUSION

FRED KEETON

VICE PRESIDENT AND CHIEF DIVERSITY OFFICER

Diversity and Inclusion at Caesars



> Business Support



> Human Resources Diversity



> Construction Contracting and Supplier Diversity



> Community Reinvestment Diversity

Business Support

- > Caesars Entertainment views diversity and inclusion as a business enhancer and enabler:
 - > Supports customer service mandates
 - > Bolsters continuous improvement
 - > Encourages identification of new opportunities and promotes innovation
 - > Enhances our problem solving capability

Human Resources Diversity

- > Caesars ensures a diverse, inclusive, engaged and high performing organization by:
 - > Encouraging a diverse, inclusive and engaged work environment that fully capitalizes on the talents, skills and potential of all our employees
 - > Actively searching for a diverse pool of candidates to provide required depth of potential, talent, and skills necessary to meet business goals
 - > Offering training, career development, tuition-reimbursement, mentoring programs and succession plans to ensure career-building opportunities
 - > Training and incenting our employees to provide all our guest demographics unsurpassed customer service

Construction Contracting and Supplier Diversity

- > We procure products and services from a diversified pool of vendors, contractors and professional service providers:
 - > Formalize and integrate contracting and supplier diversity policy, process, procedure and vendor certification
 - > Create strategic partnerships with local government and targeted organizations that support a cross section of diverse suppliers
 - > Execute focused outreach efforts to communicate opportunities, identify and engage a diverse supplier and contractor base
 - > Encourage major suppliers and contractors to support our diversity efforts through formal second tier programs and provide mentor protégé opportunities

Community Reinvestment Diversity

- > Community reinvestment activities are in alignment with and support company diversity strategies and our Code of Commitment:
 - > Engage targeted local and state minority and women support organizations
 - > Identify channels for volunteer support efforts and sponsorship support in diverse communities
 - > Engage strategic partners to assist in employment recruiting and identification of volunteerism opportunities
 - > Mandate our executives' individual targeted involvement and support of select organizations



The background is a deep red color. A bright yellow swoosh curves across the top right. In the bottom left, there are several thin, white, concentric circular lines that fan out towards the center.

ECONOMIC IMPACT

TREVOR BUSCHE

VICE PRESIDENT CORPORATE DEVELOPMENT

Total Development Capital

(\$ in millions)

Construction Costs	\$175
Soft and Operational Costs	56
Financing Escrow and Fees	39
VLT License	23
Land and Other	<u>17</u>
Total Development Budget	\$310
Planned Direct Investment ⁽¹⁾	\$230
State Required Direct Investment for 3,750 VLTs	\$188

(1) Excludes financing costs, interest escrow, pre-opening startup costs, initial working capital and VLT license fee.

Sources of Capital

	<u>\$ (in millions)</u>	<u>%</u>
Cash Equity	\$125	40%
Project Debt	180	58%
Deferred Land Payment	5	2%
<hr/>		
Total Capitalization	\$310	100%

Project Financials

Gross VLT Revenue

Win per Unit per Day

(\$ in millions)



Based on 3,750 VLTs

City and State Projected Annual Direct Receipts



Source: The Innovation Group; based on year three of operations.

Economic Impact to Maryland

Construction Impact

- > \$317 million spending, wages, and benefits
- > 2,222 jobs created including 1,212 direct jobs

Annual VLT Facility Operations Impact

- > \$158 million annual spending, wages, and benefits
- > 2,022 long-term jobs created including 1,225 direct VLT facility jobs



HARRAH'S BALTIMORE

TREVOR BUSCHE

VICE PRESIDENT CORPORATE DEVELOPMENT

Creating a Downtown Destination

Harrah's New Orleans

- Experiential and differentiated programming
- Collaborate with local restaurants and hotels
- Leverage city events including football, basketball, and Mardi Gras



Harrah's Baltimore Entertainment Gateway



Harrah's Baltimore Exterior Rendering

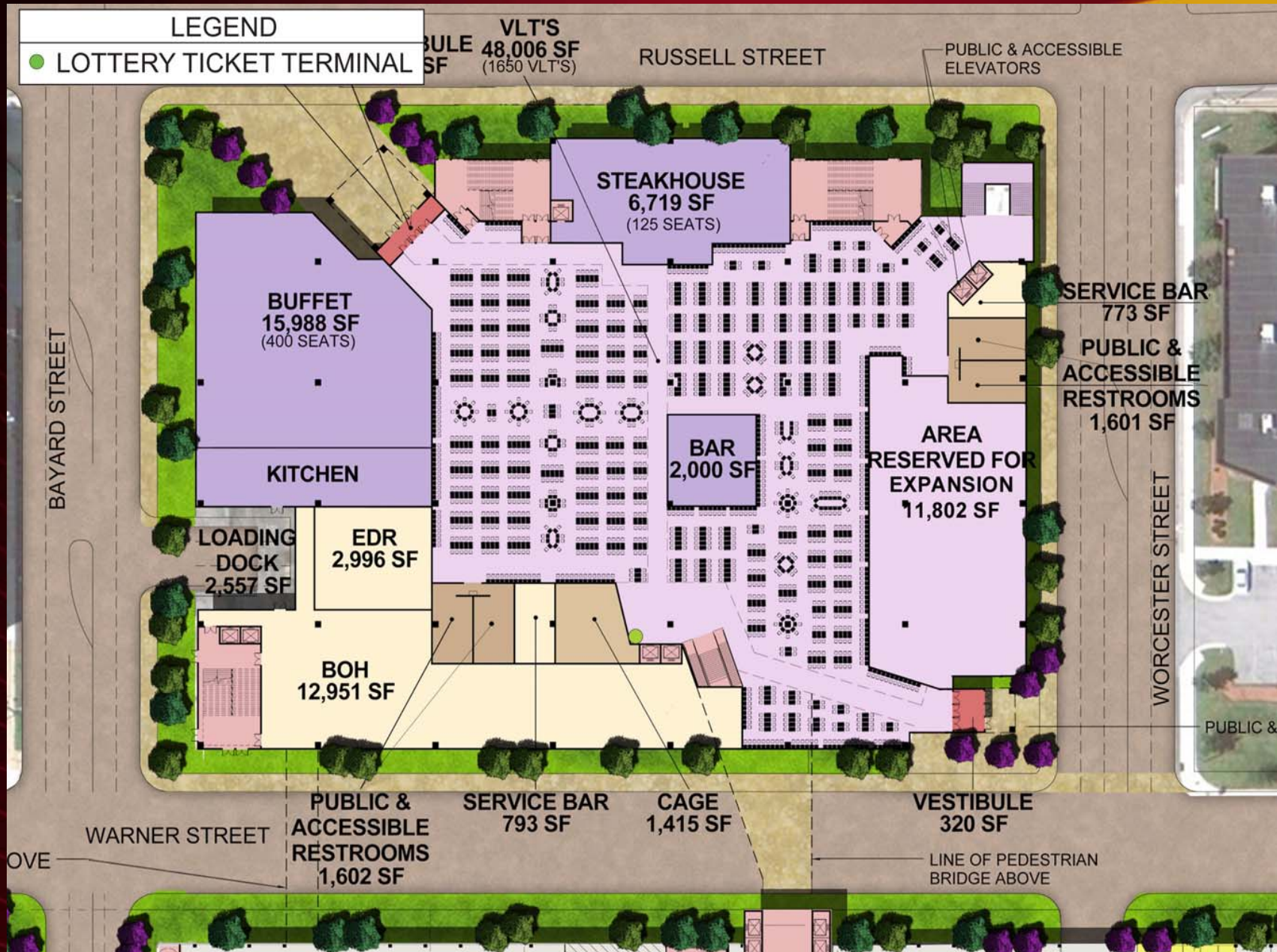


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VIDEO

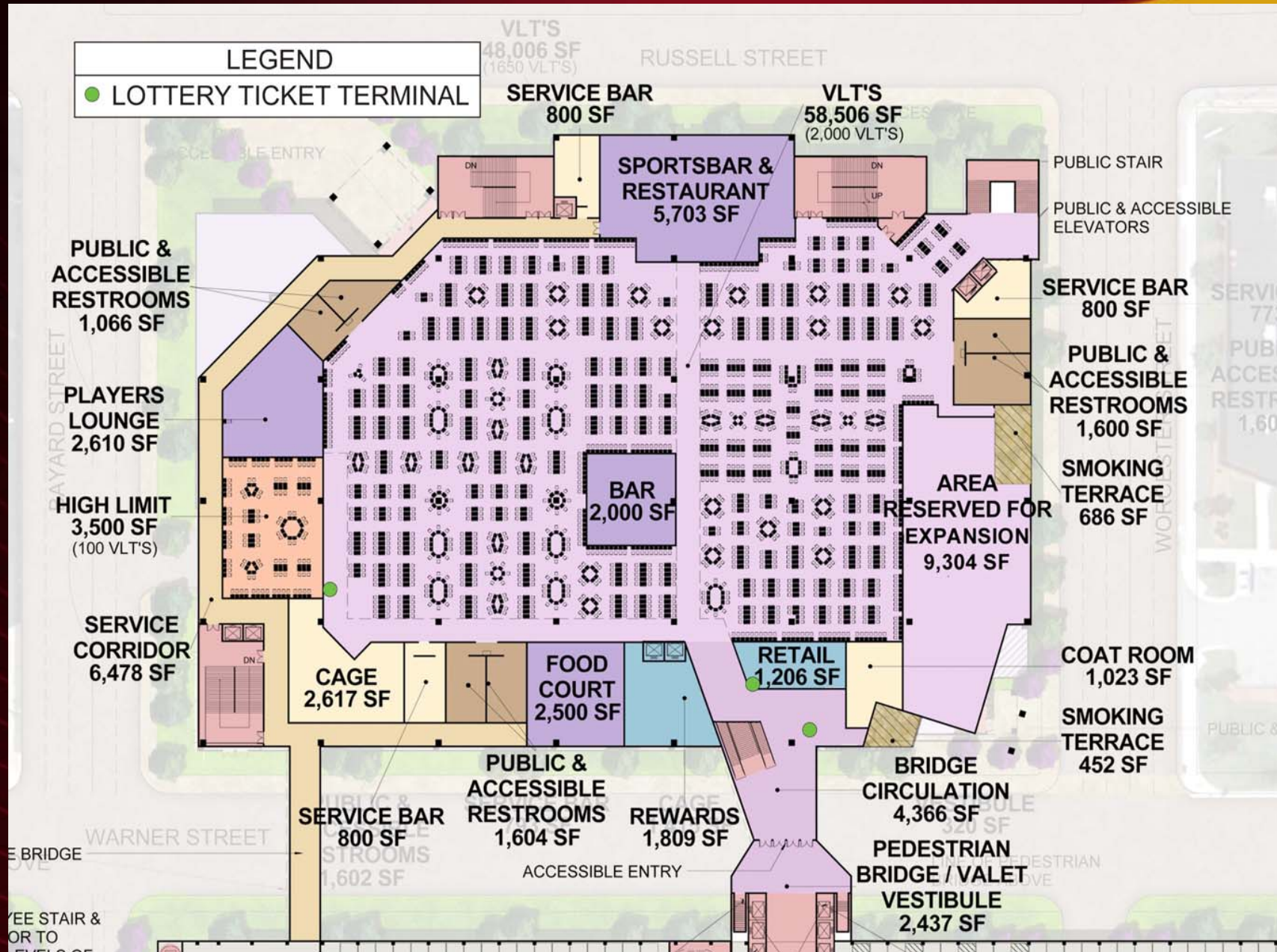
Harrah's Baltimore Site Plan

Street Level

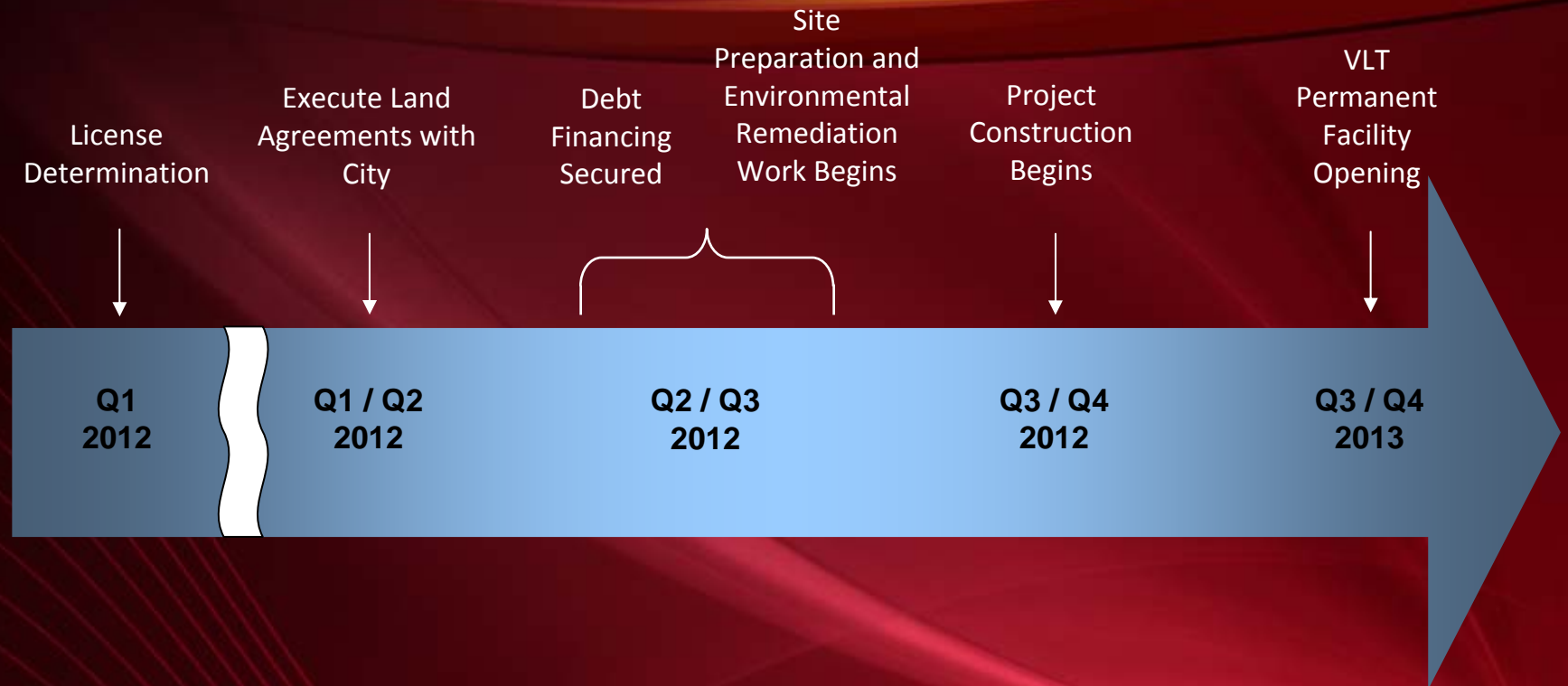


Harrah's Baltimore Site Plan

Second Level



Proposed Timeline



CONCLUSION

GARY LOVEMAN

CHAIRMAN OF THE BOARD, CEO AND PRESIDENT

What CBAC Brings to Baltimore City

- > Best in class operator with established brands
 - > Long-term agreement with Caesars to manage the VLT facility
 - > The Caesars Entertainment proprietary advantage
- > Deployment of industry leading Total Rewards customer loyalty program
 - > Approximately one million database member in the area
 - > Unique ability to drive visitation and attract out-of-region guests
- > Socially responsible partner in the community
 - > The leading voice in the industry on responsible gaming
 - > Track record of philanthropy from each partner in the consortium
- > World class consortium
 - > Vision of urban development for Baltimore

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QUESTIONS

The background is a deep red color with a series of thin, curved, concentric lines that create a sense of motion and depth. A prominent, thick, yellowish-gold curved line runs across the upper portion of the image, adding a bright contrast to the red.

APPENDIX

Reconciliation of Net (Loss)/Income to Property EBITDA TTM Q3

<i>(\$ in millions)</i>	<u>TTM Q3</u>
Net Revenues	\$8,783.1
Property Operating Expenses	<u>(6,801.4)</u>
Property EBITDA	\$1,981.7
Depreciation and Amortization	(\$719.5)
Operating Profit / (Loss)	<u>1,262.2</u>
Projected Operating Costs and Other Items	(96.7)
Impairment of Intangible Assets	(49.0)
(Loss) / Income on Interests in Nonconsolidated Affiliates	(3.4)
Corporate Expense	(152.2)
Acquisition and Integration Costs	(8.9)
Amortization of Intangible Assets	(157.0)
Income / (Loss) from Operations	<u>795.0</u>
Interest Expense, Net of Interest Capitalized	(1,057.4)
Gains on Early Extinguishments of Debt	114.8
Other Income, Including Interest Income	30.2
Loss before Income Taxes	(1,018.0)
Benefit for Income taxes	<u>352.7</u>
Net Loss	(665.3)
Less: Net Income Attributable to Non-Controlling Interests	<u>1.7</u>
Net Loss Attributable to Casesars Entertainment	<u>(\$663.6)</u>

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