

**SERIES ADJUSTMENTS - 2005-078**  
**ONN INFORMATION CIRCULAR #1015**  
**June 13, 2005**

**Caesars Entertainment (CZR) Pending Merger with Harrah's Entertainment, Inc. (HET)**

On Friday, March 11, 2005, the shareholders of Caesars Entertainment (CZR) voted concerning a proposed merger with Harrah's Entertainment, Inc. (HET).

**The merger is expected to become effective on Monday, June 13, 2005.**

**The Merger: Aggregate Terms**

**The merger was approved, and consummated, CZR Common Shares will be converted as follows:**

66.425 of all outstanding CZR Common Shares will be converted into 0.3247 HET Common Shares (Stock Consideration). Cash will be paid in lieu of fractional HET shares.

The remaining outstanding CZR Common Shares will be converted into \$17.75 Cash (Cash Consideration).

**The Merger: Individual Share Elections**

Within the terms of the aggregate merger, individual CZR Shareholders may

elect to receive .3247 Harrah's Entertainment, Inc. Common Shares for each CZR Common Share (Stock Election). Shareholders who do not register no preference by not electing to receive the Stock Consideration (Non-Election). Under the terms of the election, shares which are not subject to an effective election will automatically be considered "cash-electing" shares.

**Pending Contract Adjustments**

Pursuant to Options Clearing Corporation (OCC) by-laws, all outstanding Caesars Entertainment options will be adjusted as follows:

<b>Adjustment Date:</b>	<b>Effective the opening of business day after the merger is consummated</b>
<b>ISE Underlying Symbol</b>	CZR becomes CZX
<b>OPRA Option Symbols:</b>	CZR Becomes CZX
	YVK Becomes YWK
	ODL Becomes OFD
<b>Strike Prices:</b>	No Change
<b>No. Of Contracts:</b>	No Change
<b>Multiplier:</b>	100*(eg., Premium of 1.00 = \$100)
<b>New Deliverable/Contract:</b>	<b>The deliverable for adjusted Caesars Entertainment, Inc. options will be based on the merger consideration which accrues to non-electing CZR Shareholders (stated in terms of a 100-Share CZR deliverable). As mentioned previously, the adjusted deliverable may be cash or a combination of cash and stock</b>

*\*\*The foregoing is an unofficial summary of the terms of the Merger, prepared by the ISE for the convenience of its members. ISE accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

**GTC Order Cancellation:**

Immediately after the ISE close on the effective date of the merger, all resting orders in the CZR order book will be cancelled.

Questions regarding this release may be directed to Iris Rodriguez at (212) 897-0264

