



Harrah's Chester Revitalization

HARRAH'S CHESTER CASINO & RACETRACK

FEBRUARY, 2012



Harrah's Chester Objective

Improve Guest Experience and Grow Revenues

~\$7M in committed capital expenditures that will transform existing Food and Beverage outlets

Significant investment in new slot product

Enhanced F&B footprint and elevated Gaming Experience will drive incremental visitation and extended stay



Harrah's Chester Unit Count Proposal

Request to permanently reduce Unit Count to 2,800

- **Sufficient Supply for Demand**

Trailing 7 month occupancy data indicates adequate supply for 100% of available operational hours on a unit count of 2,800

- **Enhancement to Overall Gaming Experience**

Drive incremental WPUD due to increased length of play as a result of bank size optimization and improved player comfort

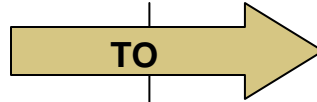
Unit reconfiguration proposal will enhance overall experience and service flexibility

Dedicating space to Restaurant Capacity and improved egress throughout the building

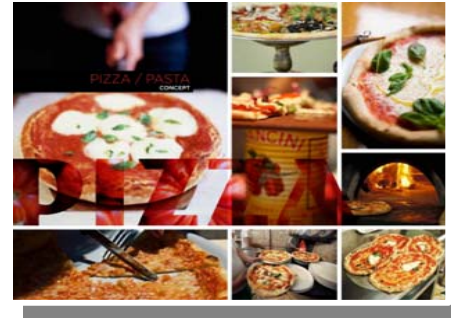


Food and Beverage Transformation

Club Cappuccino



Café Napoli

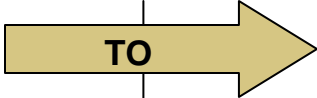


Cafe Napoli Concept

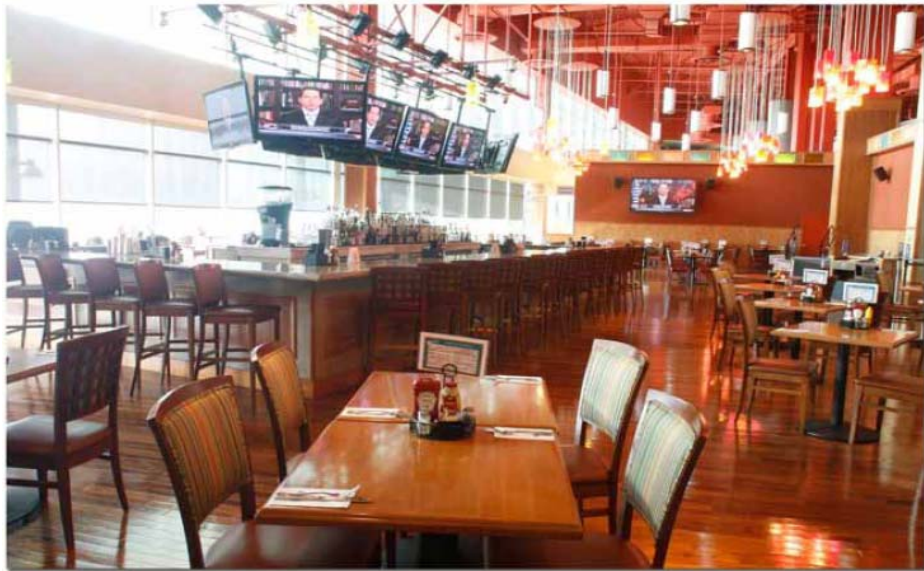


Food and Beverage Transformation

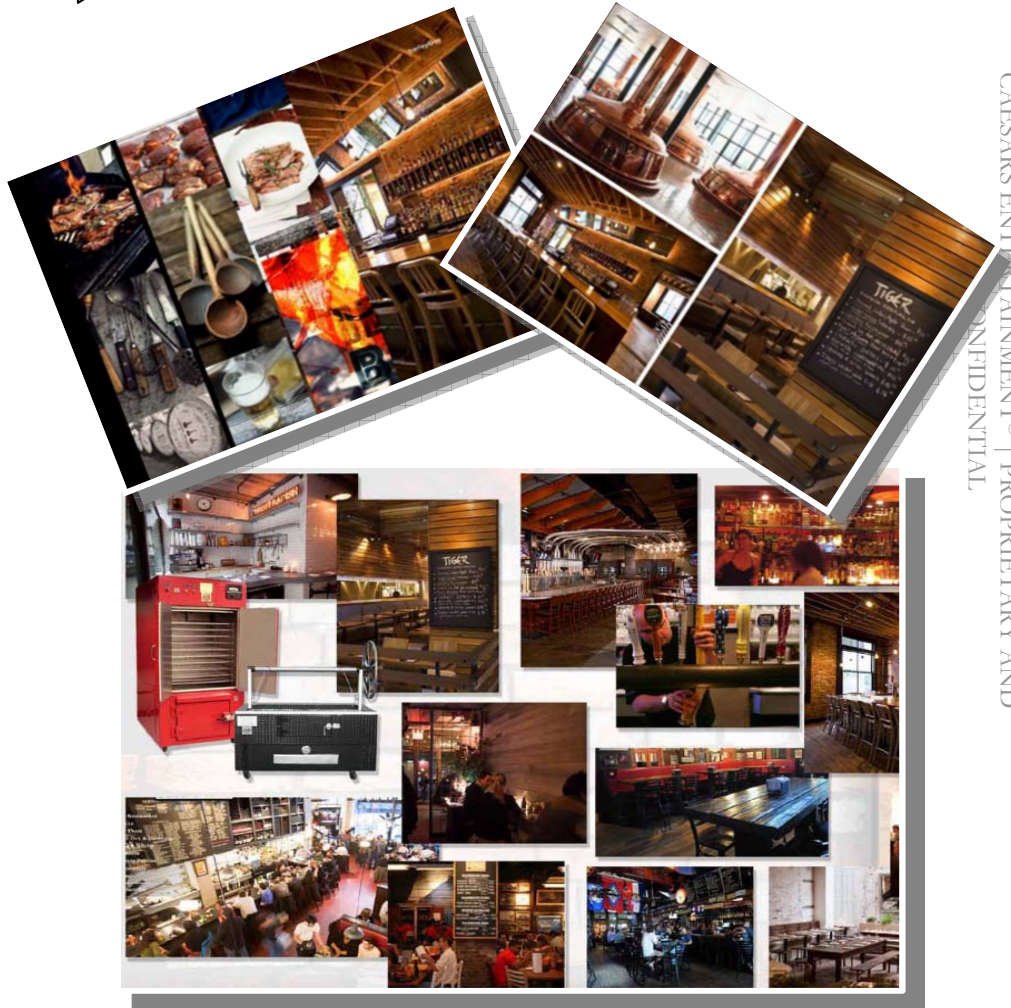
Endzone Sports Bar



barleyQue



Endzone Sports Bar & Grill

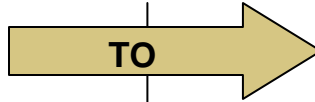


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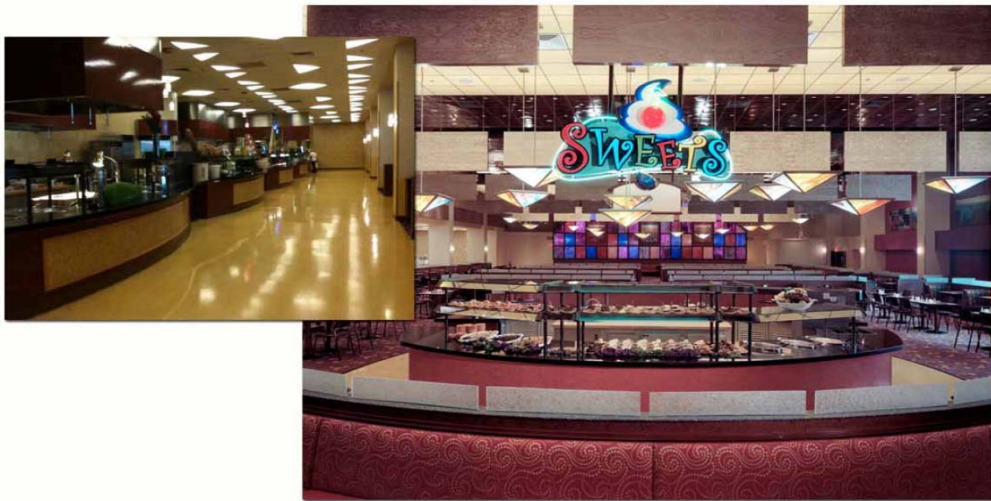


Food and Beverage Transformation

Temptations Buffet



Heartland Buffet and Pub Burger



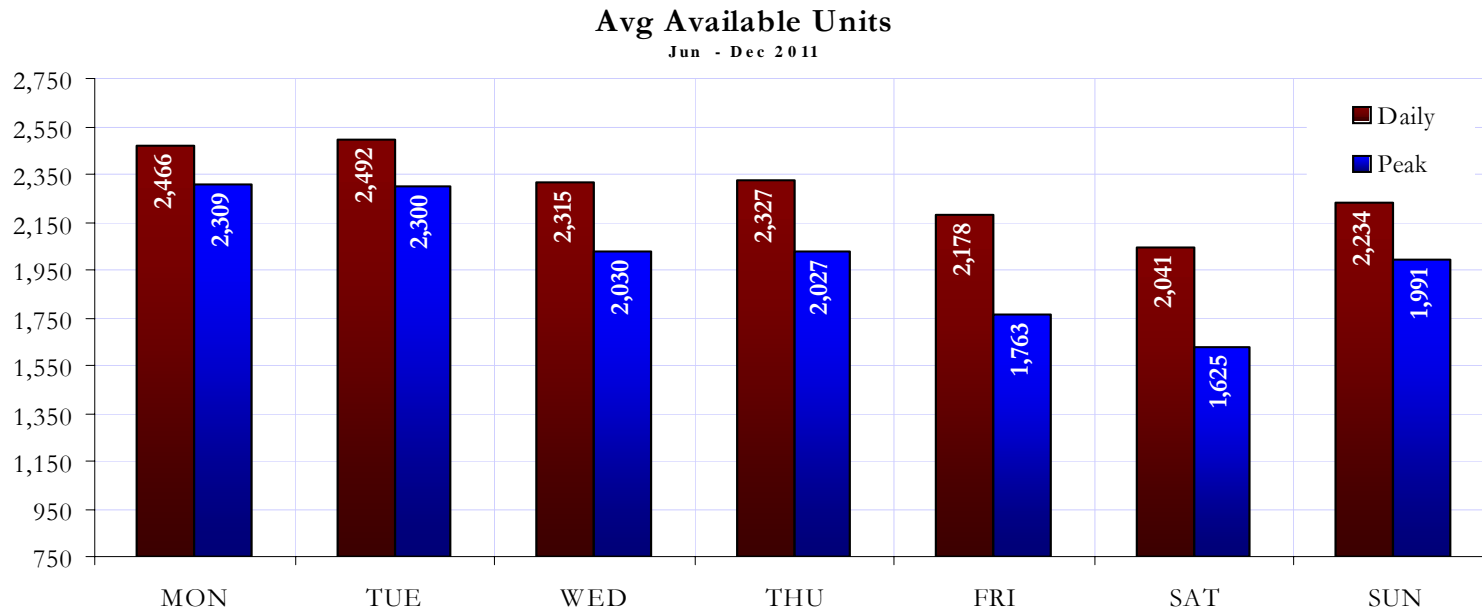
Temptations Buffet



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Slot Availability



Current Slot unit supply far exceeds demand

- 77.5% of supply **available** on average
- 54.9% of supply **available** during peak time on busiest avg day (Saturdays)
 - Peak time designated from 4p – 2a daily
- On the busiest hour of the busiest day there were 600+ available units



Slots Count Optimization

Caesar's Entertainment has a rigorous process to determine optimal slot count

- Proprietary CET studies indicate current oversupply of units based on historical occupancy / volume
 - Optimal slot count ~ 2,400
 - Risk averse slot count ~ 2,600
- Optimal target extended period occupancy of ~70%
 - Ensures desirable machines are available during key result times
 - Maximize Game Type / Denom Yield
- People drive slot win
 - Example: Harrah's Resort AC peak volume occurred on 8/28, coin in was **\$26M with ~2900 units**. Chester's peak volume for a Saturday in 2011 was **\$17M** on 7/31. HAC generated 150% more volume then CCR with 100 less slot units



Player Comfort and Overall experience is a Critical Component of Slot Win

Layouts effect player comfort, Length of Play and win

- Smaller banks perform at a premium to larger banks
- Wider aisle ways and sightlines allow for more effective slot merchandising

Increase end positions through reduction

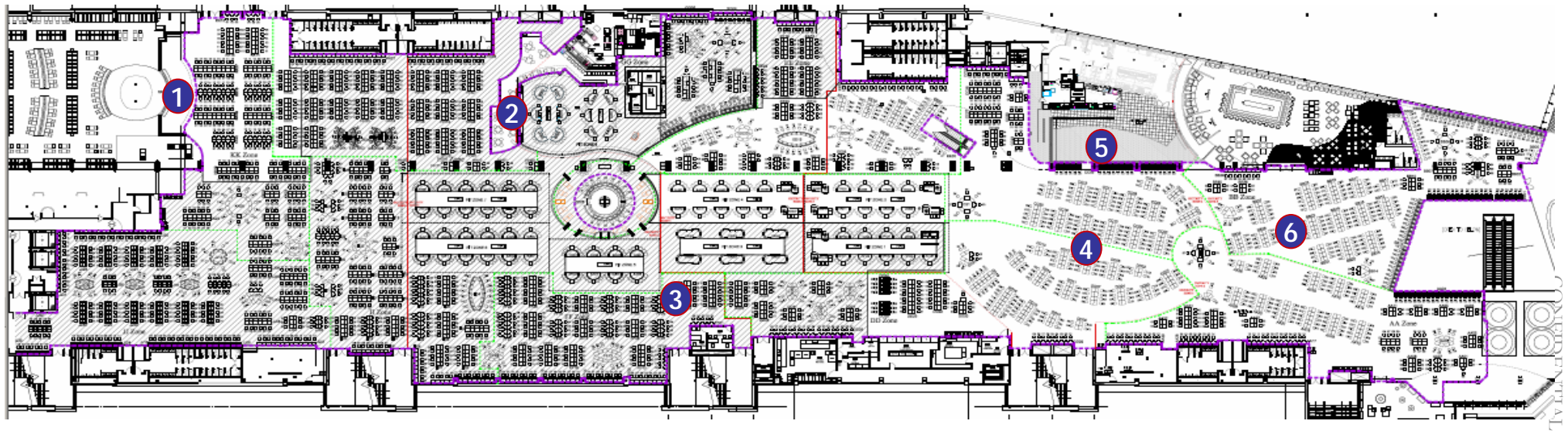
- At Chester looking at the main areas effected by the proposed plans the games on the ends of banks due on average 15% better then all the games on the bank
- With this reduction and repositioning we plan to add more end positions

Improved Restaurant offerings and capacity will improve visitation and extend length of play

- allows for the expansion of critical F&B outlets and re-concept
 - allows better site lines to the F&B outlets
 - a clear and delineated egress to each F&B outlet
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Proposed Floor Layout – 2,800 Units



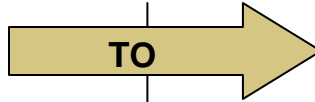
200 Game reduction

- ① 28 Game Removal – Buffet /Burger Bar Expansion & Renovation
- ② 41 Game Removal – Noodle Bar Expansion, improve egress
- ③ 2 Game Removal – Widen Isle, improve egress, and reduce bank size
- ④ 32 Game Removal – Widen Isle, improve egress, and reduce bank size
- ⑤ 63 Game Removal – New Café Napoli Restaurant
- ⑥ 34 game Removal – Widen Isle and Line of Sight

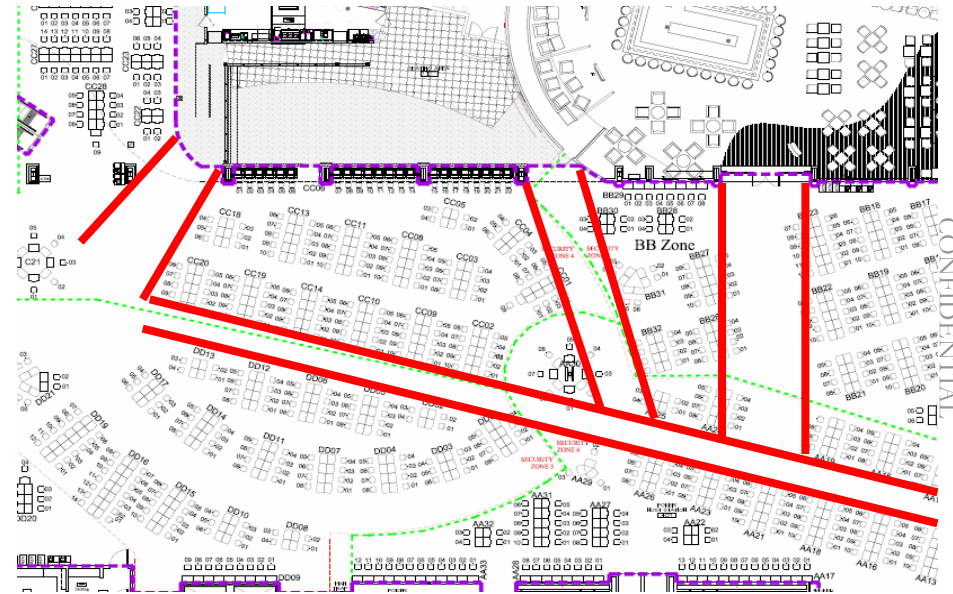
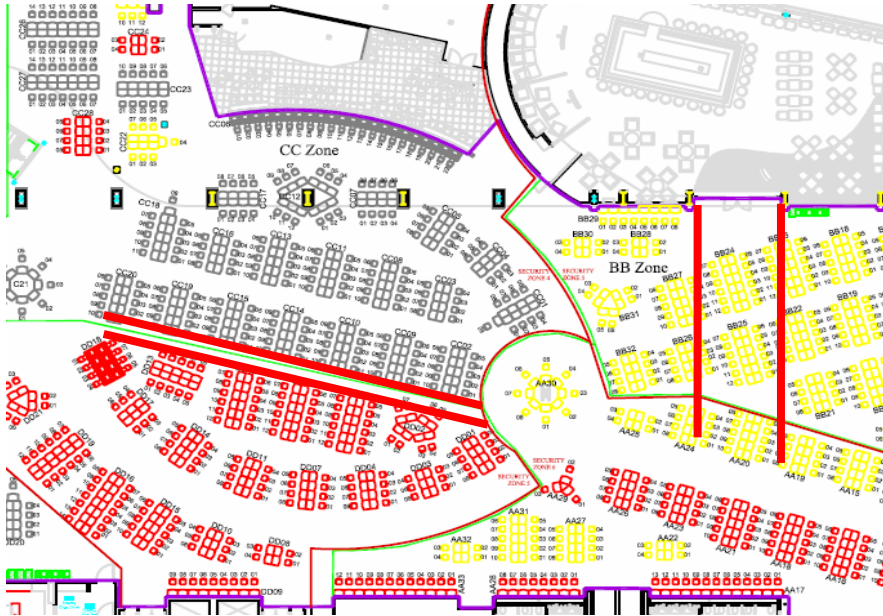


Enhanced Line of Sight / Egress

Current Congestion



Wider Isles / Access to Amenities



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Existing Egress – Noodle Bar





Existing Egress – Main Isle





Existing Egress – Main Isle





Conclusion

Sufficient Supply for Demand

Revenue generated by under-performing games will be absorbed by existing units

Enhancement to Overall Property Experience

Enhanced F&B offering will encourage increased visitation for current customer base in addition to driving new business

Enhancement to Overall Gaming Experience

Goal is always to increase player satisfaction and enhance overall customer experience, which will in turn drive additional revenues

This layout will drive slot revenues and is not a Cost Saving Exercise

Reduction will lead to minimal cost savings (Slot R&M down the line) and will not lead to any reduction in staff