CAESARS WORLD, INC.

1801 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067

Notice of Annual Meeting of Stockholders
December 10, 1985

TO THE STOCKHOLDERS OF CAESARS WORLD, INC.

Notice is hereby given that the Annual Meeting of the Stockholders of Caesars World, Inc. will be held at the Beverly Hilton Hotel, 9876 Wilshire Boulevard, Beverly Hills, California 90210 on December 10, 1985 at 10:00 A.M. Pacific Standard Time, for the following purposes:

1. To elect nine directors for the ensuing year; and
2. To transact such other business as may properly come before the meeting.

Only stockholders of record at the close of business on October 15, 1985 will be entitled to notice of or to vote at the meeting or any adjournments of the meeting. The Company's transfer books will not be closed.

IF YOU DO NOT INTEND TO BE PRESENT IN PERSON AT THE MEETING, PLEASE SIGN AND PROMPTLY RETURN THE ENCLOSED PROXY. IF YOU ATTEND THE MEETING AND VOTE IN PERSON, THE PROXY WILL NOT BE USED.

By order of the Board of Directors

PHILIP L. BALL
Secretary

Dated: October 24, 1985

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PROXY STATEMENT

CAESARS WORLD, INC.

1801 Century Park East
Los Angeles, California 90067

The accompanying Proxy is solicited by the Board of Directors of Caesars World, Inc. (the "Company"). All shares represented by proxies will be voted in the manner designated. If no designation is made on a proxy, it will be voted for the election of directors. This Proxy Statement and the accompanying form of Proxy are being mailed to the stockholders on or about October 24, 1985.

REVOCATION

Execution and delivery of the enclosed proxy will not affect the right of any person to attend the meeting and vote in person. Any stockholder giving a proxy has the power to revoke it any time before it is voted by delivery of a written instrument of revocation or a duly executed proxy bearing a later date to the Secretary of Caesars World, Inc., 1801 Century Park East, Los Angeles, California 90067. The presence of a stockholder at the meeting will not operate to revoke a proxy, but the casting of a ballot by a stockholder who is present at the meeting will revoke a proxy as to the matter on which the ballot is cast.

SOLICITATION EXPENSES

The Company will bear the cost of soliciting proxies. Proxies are being solicited by mail and, in addition, directors, officers and employees of the Company may solicit proxies personally or by telephone or telegraph. No additional compensation will be paid on account of any such solicitations. Although there is no formal agreement to do so, the Company will reimburse custodians, brokerage houses, nominees and other fiduciaries for the cost of sending proxy material to their principals. The Company will use the services of The Carter Organization, Inc., a professional soliciting organization, to assist in soliciting proxies from brokerage houses, custodians, nominees and other fiduciaries. The Company estimates that the fee to The Carter Organization, Inc. for these services will be approximately $10,000.

VOTING SECURITIES

Only stockholders of record at the close of business on October 15, 1985, will be entitled to vote at the meeting. The outstanding voting securities of the Company on that date were 29,729,769 shares of $0.10 par value Common Stock. Each of the outstanding shares is entitled to one vote.

PRINCIPAL STOCKHOLDER

To the best of the knowledge of the Company, the only person holding more than 5% of the Company's common stock as of October 15, 1985 was Martin Sosnoff who held 2,800,000 shares representing 9.42% of the outstanding common stock of the Company on that date. On that day Cede & Co., which is a nominee for firms which are members of the New York Stock Exchange, owned of record 23,225,630 shares, equal to 78.12% of the Company's then outstanding Common Stock.

ELECTION OF DIRECTORS

Nominees for Election

The Board of Directors currently consists of nine members and nine persons are to be elected at this annual meeting. It is the intent of the persons named in the accompanying proxy to vote for the following persons as directors of the Company, to hold office until the next annual meeting of the stockholders and until their successors are duly elected and qualified:

PHILIP L. BALL, ABRAHAM S. BOLSKY, WILLIAM E. CHAIKIN, PETER ECHEVERRIA, HENRY GLUCK, J. TERRENCE LANNI, M. PETER SCHWEITZER, PETER J. SPRAGUE AND MANUEL YELLEN.

Under the present interpretation of New Jersey licensing requirements, a director may not assume office until temporarily qualified by the New Jersey Casino Control Commission. Temporary qualification can be obtained only upon petition to the Casino Control Commission, which petition may not be considered earlier than 30 days from the date an application for licensure is submitted by a newly elected director. Such temporary qualification is limited to 180 days or until such director is fully investigated and found qualified or until a license renewal hearing occurs, whichever is earlier. All the foregoing nominees are now qualified.

Security Ownership of Certain Beneficial Holders and Management

The following table sets forth certain information as of October 1, 1985 with respect to the shares of the Company's Common Stock and the shares of Common Stock of Caesars New Jersey, Inc. ("CNJ"), a subsidiary of the Company, beneficially owned by each of the named directors and by the directors and officers of the Company as a group:

	Ceasars New Jersey, Inc. Common Stock		Ceasars World, Inc. Common Stock	
Name	Amount Beneficially Owned(1)	Percent of Total Outstanding	Amount Beneficially Owned(2)	Percent of Total Outstanding
Philip L. Ball	0	*	10,100	*
Abraham S. Bolsky	0	*	1,000	*
William E. Chaikin	0	*	0	*
Peter Echeverria	0	*	22,250	*
Henry Gluck	0	*	125,000	*
J. Terrence Lanni	130	*	84,595	*
M. Peter Schweitzer	0	*	19,750	*
Peter J. Sprague	0	*	0	*
Manuel Yellen	800	*	37,460	*
All Directors and Officers as a Group (18 persons)	1,240	*	334,659	1.13%

* The asterisk in the column captioned "Percent of Total Outstanding" for Caesars New Jersey, Inc. Common Stock and Caesars World, Inc. Common Stock indicates less than 1% of the Outstanding Common Stock of the respective Companies is beneficially owned as of October 1, 1985.

(1) The number of shares of Caesars New Jersey, Inc. Common Stock beneficially owned by each of named directors and all directors and officers as a group does not include any shares as to which such beneficial owner has a right to acquire since no such rights are known to exist.

(2) The number of shares of Caesars World, Inc. Common Stock listed as beneficially owned by the named directors and all directors and officers as a group includes the following number of shares not presently owned but as to which such listed beneficial owner has the right to acquire beneficial ownership by exercise of option on or before November 29, 1985: Mr. Ball (10,000 shares); Mr. Echeverria (18,750 shares); Mr. Gluck (125,000 shares); Mr. Lanni (61,470 shares); Mr. Schweitzer (18,750 shares); and All Directors and Officers as a Group (259,470 shares). Except for such shares, each person listed in the table has sole voting and sole investment power with respect to all shares listed in the table opposite such person's name.

Additional Information Concerning Nominees and Members of the Board of Directors

All directors also serve and are standing for election as directors of Caesars New Jersey, Inc. ("CNJ"), an 86.6% owned subsidiary of the Company.

Philip L. Ball (age 51) is a Senior Vice President, the Secretary, the General Counsel and a director of the Company and CNJ and has held this position since he joined the Company and CNJ in July 1983. From 1971 until he joined the Company he was Vice President, General Counsel and Secretary, and beginning in 1973 a director, of Monogram Industries, Inc., a diversified manufacturing company. Mr. Ball became a director of the Company in July, 1983.

Abraham S. Bolsky (age 63) has been President of Tishman Construction Corporation of California, a general contractor and construction manager on major projects in the western United States, for more than the past five years. In addition, Mr. Bolsky has been a Director (for more than five years) and Executive Vice President (for about five years) of Tishman Realty and Construction Co., a leading construction and development firm. Mr. Bolsky has been a director of the Company since December 1983.

William E. Chaikin (age 66) since 1983 has been a general partner in a private limited partnership in the business of acquiring and distributing motion pictures. Since 1969 he has been Vice President and part owner of California Casa Corp., a privately owned company actively engaged in real estate acquisitions and management in the greater Los Angeles, California area.

Peter Echeverria (age 67) has recently retired after having been engaged for more than thirty-five years in the practice of law as a member of Echeverria and Osborne, Reno, Nevada. He was a member of the Nevada Gaming Commission from April 1973 to April 1977 and was its Chairman from August 1973 to April 1977. Since July 1, 1983 he has conducted a consulting firm in Reno, Nevada. He has been a director of Desert Palace, Inc., a subsidiary of the Company, since November 1977 and a director of the Company and CNJ since May 1981.

Henry Gluck (age 57) has been Chief Executive Officer of the Company and CNJ since February 1983 and Chairman of the Board of these Companies since June 1983. From 1973 to February 1983, he was President of Arluck International, a private management advisory firm. From February 1979 to April 1983, he served as Chairman of the Board of Standun, Inc., a major supplier of can making equipment. He is also a director of Cordura Corporation. Mr. Gluck became a director of the Company and CNJ in October 1982.

J. Terrence Lanni (age 42) is the President and Chief Operating Officer of the Company and CNJ. He joined the Company in January 1977 and became its Treasurer in February 1977, a Senior Vice President in April 1978, its Executive Vice President in December 1979 and its President in April 1981. He became a director of the Company and CNJ in February 1982.

M. Peter Schweitzer (age 75) has been the Vice Chairman of the Boards of the Company and CNJ since December 1981 (having performed the function of Vice Chairman of these Boards for eight months prior to that). He has been a director of the Company since 1977 and of CNJ since 1978.

Peter J. Sprague (age 46) has for more than five years been the Chairman of the Board of National Semiconductor Corporation, an international manufacturer of integrated circuits. He became a director of the Company and CNJ in October 1982.

Manuel Yellen (age 72) has been a consultant to the Company since January 1975. He is retired, having formerly been the Chairman of the Board and Chief Executive Officer of P. Lorillard Company, Inc., a manufacturer of tobacco and other products. Mr. Yellen is also a director of Topps Chewing Gum, Inc. He has been a director of the Company since 1973 and of CNJ since 1978.

Functioning and Compensation of the Board of Directors and the Audit and Compensation Committee

Non-employee directors of the Company including Mr. Yellen, who is also a paid consultant to the Company, receive $2,000 per month for serving as directors of the Company and $1,000 per month for serving on the CNJ Board. Also, Peter Echeverria receives $1,000 per month for serving as a director of Desert Palace, Inc., a subsidiary of the Company.

The Boards of Directors of the Company and CNJ each have Audit and Compensation Committees with identical composition currently consisting of Messrs. Echeverria (Chairman), Bolsky, and Chaikin. Members of the Audit and Compensation Committees except the Chairman receive $750 for each Committee meeting of the Company and $750 for each meeting of CNJ's Audit and Compensation Committee. The Chairman receives a fee of $15,000 per year from the Company and a fee of $10,000 per year from CNJ for serving as Chairman of the respective Audit and Compensation Committees. The functions of the Audit and Compensation Committees are making recommendations regarding the engagement of the Company's and CNJ's independent auditors after consultation with management, reviewing the arrangements for and scope of the engagement of the independent auditors, approving compensation of certain senior officers of the Company and CNJ and reviewing transactions in which officers, directors or control persons of the Company and CNJ may have potential conflicts of interest. As officers and full-time employees of the Company, Messrs. Gluck, Lanni, Schweitzer and Ball receive no separate compensation for services as directors. See Executive Compensation in this Proxy Statement for a description of the compensation of these persons.

The Company's Board of Directors held four regular meetings and three telephonic meetings during fiscal 1985. As the members of the Board also serve as the Board of Directors of CNJ, all such sessions were joint meetings. All directors were present at all meetings except Mr. Sprague who missed one regular meeting and two telephonic meetings. During the fiscal year ended July 31, 1985, the Audit and Compensation Committees of the Company and CNJ held ten meetings (including six telephonic meetings), nine of which were in joint session. Neither the Company nor CNJ has a nominating committee.

EXECUTIVE COMPENSATION

Cash Compensation

The following table sets forth the cash compensation paid and accrued by the Company and its subsidiaries during the fiscal year ended July 31, 1985, to each of the five most highly compensated executive officers of the Company and to all executive officers as a group:

Cash Compensation Table

Name of individual or number in group	Capacities in which served	Cash Compensation
Henry Gluck	Chairman of the Board and Chief Executive Officer	$ 799,597
J. Terrence Lanni	President and Chief Operating Officer	$ 448,901
Philip L. Ball	Senior Vice President and Secretary, General Counsel	$ 228,466
Stephen H. Ackerman(1)	Senior Vice President — Finance and Administration	$ 208,391
M. Peter Schweitzer	Vice Chairman of the Board	$ 152,556
Executive Officers as a group (14 persons)		$2,777,109

(1) Mr. Ackerman's employment terminated on April 19, 1985 and the report in the table includes compensation to July 31, 1985 plus the prorated incentive compensation paid to him pursuant to the Senior Officers Incentive Compensation Plan.

Executive Security Plan

The Company has an unfunded Executive Security Plan for full time salaried officers and other key employees of the Company and its subsidiaries. This Plan became effective on August 1, 1981, replacing a Selective Executive Incentive Plan. Under the Plan, each participant may become entitled to receive, beginning at age 65, an annual retirement benefit equal to 2% multiplied by the participant's average base compensation (average of highest five years of base compensation during the participant's last ten years of employment with the Company) multiplied by the number of years of credited service, but not more than 65% of the average base compensation. Base compensation includes salaries, exclusive of bonuses, and is not the same as cash compensation shown in the Cash Compensation Table under the Executive Compensation section of this Proxy Statement which includes incentive compensation and other payments. An additional 5% benefit is awarded after the first ten years of service. If a participant terminates employment with the Company before reaching age 65, he may choose to receive a termination benefit or a reduced benefit according to formulas set forth in the Plan. The benefits under the Plan vest after 5 years of service with the Company. The following table illustrates the annual retirement benefits payable by the Company stated as a straight life annuity for specified compensation and years of service classifications. The Plan also offers the options of a joint or survivor annuity at a reduced rate or a lump sum benefit settlement.

Pension Plan Table

Average Compensation for highest 5 of last 10 years	Estimated Annual Benefits at Age 65 For Representative Years of Service 15	20	25	30	35
$100,000	$ 35,000	$ 45,000	$ 55,000	$ 65,000	$ 65,000
$150,000	52,500	67,500	82,500	97,500	97,500
$250,000	87,500	112,500	137,500	162,500	162,500
$300,000	105,000	135,000	165,000	195,000	195,000
$350,000	122,500	157,500	192,500	227,500	227,500
$400,000	140,000	180,000	220,000	260,000	260,000
$480,000	168,000	216,000	264,000	312,000	312,000

Benefits shown on the table are not subject to reduction for social security benefits or other offset amounts.

As of July 31, 1985, the four officers listed below plus 57 other officers and employees of the Company and its subsidiaries were participating in the Executive Security Plan. The years of credited service and current base compensation of Messrs. Gluck, Lanni, Ball, and Schweitzer are as follows (Mr. Ackerman's benefits under the Plan terminated on April 19, 1985):

	Years of Credited Service	Current Base Compensation
Henry Gluck	3	$400,000
J. Terrence Lanni	8	300,000
Philip L. Ball	2	150,000
M. Peter Schweitzer	4	150,000

As of July 31, 1985, the Company and its subsidiaries had accrued $4,139,000 for the payment of benefits under the Executive Security Plan.

During the fiscal year ended July 31, 1985, the Company and its subsidiaries made employer contributions to the Caesars World, Inc. Individual Retirement Account Plan in connection with the Executive Security Plan on behalf of the eligible executive officers of the Company which contributions are reflected in the Cash Compensation Table of this Proxy Statement.

Incentive Compensation Plan

The Company has adopted Incentive Compensation Plans with respect to certain officers of the corporation. Basically, the Plans provide for a bonus for each officer designated to participate based on a designated percentage of corporate pre-tax income (before extraordinary items and minority interest) in excess of 12% of shareholders' equity as of July 31, 1985 (adjusted if certain stock sales or repurchases occur during fiscal 1986). The fiscal 1986 bonus percentages of each of the officers covered by the Plan separately listed in the Cash Compensation Table are as follows: Henry Gluck — 0.8%, J. Terrence Lanni — 0.48%, Philip L. Ball — 0.165%. The total bonus percentage for all executive officers to be covered under the Plans is 2.07%. No officer can receive a bonus in excess of a maximum of 50% of such person's salary except Mr. Gluck as to whom the maximum is 100%. For fiscal 1986, the maximums for Messrs. Gluck, Lanni, Ball and Lee increase in proportion to the increase of 1986 Plan Income over 1985 Plan Income up to a maximum of 1.25 to 1. Subject to the foregoing overall maximums, participating officers are also eligible for a discretionary bonus not to exceed 12.5% of their salary. There are a total of 11 participants in the Plans. Operating units have their own incentive compensation plans for their employees.

Bonuses were paid for the fiscal year ended July 31, 1985 and are included in the Cash Compensation Table in the Executive Compensation section of this Proxy Statement.

Stock Options Under the Company's 1983 Long-Term Stock Incentive Program

The 1983 Long-Term Stock Incentive Program was adopted by the Company and approved by the shareholders on December 15, 1983. It is administered by the Audit and Compensation Committee of the Company and that Committee is empowered to grant awards under the plan to key employees of the Company or any subsidiary. Under the plan, 1,250,000 shares are available for award. The plan continues until December 31, 1993. Awards under the plan may include performance shares, performance bonuses, stock grants, stock options (including Incentive Stock Options), stock appreciation rights, cash payments, or any combination thereof as the Audit and Compensation Committee may determine in its sole discretion. To date the only awards under this plan have been stock options (including Incentive Stock Options), limited stock appreciation rights and stock appreciation rights.

During fiscal 1985 no options were granted with respect to any of the five named individuals in the Cash Compensation Table, however, options for 35,000 shares were granted to another three officers with an average per share exercise price of $12.33. Each option exercise price was equal to the market value of the common stock on the date the option was granted. Also, during the fiscal year ended July 31, 1985, Mr. Ackerman exercised options with respect to 10,000 shares realizing a net value upon such exercise of $20,575. The number of shares under option not vested for persons named in the Cash Compensation Table are as follows: Henry Gluck — 75,000 shares; J. Terrence Lanni — 18,750 shares; Philip L. Ball — 7,500 shares; and M. Peter Schweitzer — 9,375 shares.

All such unvested shares may become fully vested under the terms of the options in the event of a change of control which is defined as the acquisition of at least 20% of the common stock of the Company or a change in the majority of the Board pursuant to an election contest, a merger if the Company does not survive, or a sale of substantially all of the Company's assets.

Under the 1983 Long-Term Incentive Program, the Company has granted limited stock appreciation rights to each of its officers in tandem with existing stock options such officers presently hold (including options under the 1978 Plan described below). All such limited rights are exercisable in the event of the commencement of an offer for at least 20% of the Company's common stock and the exercise of such rights is in the alternative to the exercise of the stock options. Upon exercise, the holder is entitled to receive the excess over the option price of the highest price paid in any such tender or exchange offer during the tender offer period. In such case, the amounts payable in lieu of unvested options under both the 1983 Long-Term Stock Incentive Program and the 1978 Stock Option Plan for persons listed in the Cash Compensation Table based on the unrealized value for unvested shares as of September 23, 1985 would be as follows: Henry Gluck — $252,750; J. Terrence Lanni — $80,796; Philip L. Ball —$43,975; and M. Peter Schweitzer — $79,594.

Stock Options Under Company's 1978 Stock Option Plan

The 1978 Stock Option Plan provided for the grant of options to certain key personnel of the Company and its subsidiaries. The plan was administered by the Board of Directors of the Company and all grants were to be made by that body. During fiscal 1984, the Board delegated these powers to the Audit and Compensation Committee of the Company. Options were granted from time to time to eligible persons based on Board determination. Effective December 15, 1983, upon approval of the 1983 Long-Term Stock Incentive Program, the 1978 Stock Option Plan was closed for future issuances of stock options and continued only for administrative purposes.

During fiscal 1985 no options were granted with respect to any of the five named individuals in the Cash Compensation Table. Also, during the fiscal year ended July 31, 1985, Mr. Ackerman exercised options with respect to 15,000 shares realizing a net value upon such exercise of $111,450. The number of shares under option not vested for persons named in the Cash Compensation Table are as follows: J. Terrence Lanni — 3,480 shares; Philip L. Ball — 10,000 shares; and M. Peter Schweitzer — 6,250 shares.

All such unvested shares may become fully vested under the terms of the options in the event of a termination of employment within two years following a change of control which is defined as the acquisition of at least 20% of the common stock of the Company or a change in the majority of the Board pursuant to an election contest.

Also, during fiscal 1985, Messrs. Gluck and Lanni received stock appreciation rights as to previously granted options under such plan as to 100,000 and 50,000 shares respectively. Such options are exercisable at a price of $8.25 for Mr. Gluck and $7.32 for Mr. Lanni and are fully exercisable after having been accelerated as to non-vested portions of 50,000 shares for Mr. Gluck and 12,500 shares for Mr. Lanni during the year.

Other Compensation Plans, Change of Control Arrangements and Termination Arrangements

Messrs. Gluck and Lanni have employment contracts with the Company. Each of them is entitled to terminate his contract in the event of a change of control (as defined in such contracts) or in the event that such person is not continued in such person's respective position and in the event of such termination, such person is entitled to receive the entire amount of compensation due under such person's respective contract in a lump sum. To the extent there is a duplication of items for which the amounts are payable under the change of control agreements described below, there will be a reduction of payments to eliminate such duplication and the agreements provide for termination for cause and include restrictions on competition during the term. The annual compensation and expiration date under their respective agreements are as follows:

Name	Annual Compensation	Expiration Date
Henry Gluck	$400,000	December 31, 1988
J. Terrence Lanni	$300,000	December 31, 1988

In addition, the Company has agreements with most of its executive officers (and Mr. Yellen) which provide that if (i) anyone acquires more than 20% of the Company's stock and people designated by that person or group are elected to at least one-third of the positions on the Board of Directors or someone designated by that person or group becomes the chief executive officer or chief operating officer of the Company (defined as a change in control), and (ii) within two years after the change in control the executive officer is discharged, other than for cause, or resigns because of several stated reasons including, but not limited to, a reduction in compensation or responsibilities or because the Company's principal offices are moved out of Los Angeles County, California, the executive officer will be entitled to receive a lump sum payment equivalent to the amount of salary that covered person would have received (without considering reductions after the change of control) during a period ending upon the later of two years after the change of control or one year after the termination of such person's employment and the bonus that would have been earned in the same period prorating the bonus amount actually payable for the full fiscal year preceding the year in which the change of control takes place. Benefits will also continue during such period. The change of control agreements also provide for pension benefits to be computed assuming that termination of employment occurred at the end of the two year/one year period described above and that the five year vesting period is not applicable.

Assuming that a change of control as defined in the above-described agreements were to occur on November 30, 1985 and all officers of the Company are immediately discharged, the amount distributable to persons named in the Cash Compensation Table under the above-described agreements in lieu of salary and bonus would be as follows: Henry Gluck — $1,998,437; J. Terrence Lanni — $1,225,000; Philip L. Ball — $450,000; and M. Peter Schweitzer —$300,000.

Mr. Yellen received $125,000 during the last fiscal year for consulting services to the Company and is currently employed as consultant at the rate of $10,417 per month. Mr. Jay Leshaw who ceased being a director on December 11, 1984 received $3,685 per month in retirement benefits during the last fiscal year as a result of his participation in the Company's Executive Security Plan.

The Company's 86.6% owned subsidiary CNJ has a stock option plan which it adopted on October 22, 1979 and which was approved by the shareholders of CNJ at its annual meeting held on June 16, 1980. This plan is named the Caesars New Jersey, Inc. 1979 Stock Option Plan. All directors, officers, employees and salaried personnel of the Company, CNJ or any of CNJ's subsidiaries are eligible for participation in the Plan. No options under this Plan have been granted to any current director or executive officer of the Company or CNJ. Two employees were granted options for 5,448 shares at an average per share exercise price of $8.69. As of September 30, 1985 such employees had exercised options for 2,724 shares and one had terminated employment resulting in the termination of such person's options as to 724 shares. This plan expires on October 22, 1989.

During the fiscal year ended July 31, 1985, the Company adopted a Stock Bonus Plan and a Deferred Compensation Plan. Each of these plans is to be administered by the Audit and Compensation Committee of the Board. Under the Stock Bonus Plan, awards of shares of common stock of the Company may be made in the discretion of the Committee as bonuses to key employees which contribute in a substantial degree to the success of the Company. The Committee has the discretion to determine the terms of any such award. Under the Deferred Compensation Plan, subject to the approval of the Committee, key employees may defer compensation under agreement with the Company and have the deferred compensation measured by the value of the Company's stock or by an interest bearing account. Both plans use of stock for this purpose are pursuant to the authority of the 1983 Long-Term Stock Incentive Program approved by the Shareholders and any shares so used would reduce the amount made available for options. No awards or deferrals have been made with respect to these plans to the date of this Proxy Statement.

INDEPENDENT ACCOUNTANTS

Arthur Andersen & Co. ("Arthur Andersen") audited the accounts of the Company for the fiscal year ended July 31, 1985. The selection of an accountant to audit the accounts of the Company for the fiscal year ending July 31, 1986 has not yet been completed.

Representatives of Arthur Andersen are expected to be present at the stockholders meeting. They will be given an opportunity to make a statement if they desire to do so and are expected to be available to answer questions.

STOCKHOLDER PROPOSALS FOR THE NEXT ANNUAL MEETING

Stockholder proposals intended to be presented at the next Annual Meeting must be received by July 1, 1986. Proposals should be addressed to the Secretary of Caesars World, Inc., 1801 Century Park East, Los Angeles, California 90067 and should be sent Certified Mail — Return Receipt Requested.

OTHER MATTERS

The management knows of no matters other than those described above which will be presented for action at the meeting. If any other matters properly come before the meeting, or any adjournments, the people voting the management proxies will vote them in accordance with their best judgment.

By order of the Board of Directors

PHILIP L. BALL
Secretary