



ILLINOIS GAMING BOARD

Press Release

For Immediate Release
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March 5, 2004

Harrah's Entertainment Inc. selected as "Leading Bidder"

CHICAGO -- The Illinois Gaming Board voted unanimously Friday, selecting Harrah's Entertainment Inc. as the leading bidder to purchase Emerald Casino Inc. On March 10th, 2004 an auction will be held to sell Emerald Casino Inc. The Gaming Board will take action in Open Session on March 15, 2004 designating the winning bidder.

The sale of Emerald Casino Inc. is being conducted under a bankruptcy reorganization plan that was negotiated by Illinois Attorney General Lisa Madigan. U.S. Bankruptcy Court Judge Eugene Wedoff has approved the sales process. In addition to the Board, Judge Wedoff must approve the final sale of Emerald Casino Inc. Once the sale has received approvals from Judge Wedoff and the Board, it is estimated the 10th license will become operational within 15 months.

On Wednesday, March 10, 2004, the investment-banking firm Rothschild Inc. will be conducting an auction for the purchase of Emerald Casino Inc. The auction will be held at the law firm of Kirkland & Ellis LLP, located at the Aon Center, 200 East Randolph Drive, Chicago, Illinois.

The auction will begin at approximately 9:30 a.m., Wednesday, March 10, 2004. The media and the public will not be allowed entry until 8:30 a.m. The auction will conclude when each company has submitted a final bid. This process may be lengthy and stretch into the early morning hours of Thursday, March 11, 2004.

This is a process being conducted under the auspices of a bankruptcy court order approving bidding procedures for an auction. This is a process that is regularly held behind closed doors and not open to the media and the public.

The Illinois Gaming Board is requiring Emerald Casino Inc. to open this process to the media and the public as much as possible. Space however will be limited. **Representatives of the media and members of the public wishing to cover or attend this event must write, fax or e-mail Mr. Sven Nylén. Representatives of the media and members of the public who do not contact Mr. Nylén by 5 p.m. Monday, March 8, 2004 will not be allowed entry. Access to the Aon Building after regular business hours is limited.**

Mr. Nylén is an attorney with the law firm of Kirkland & Ellis LLP. He can be contacted by phone at (312) 861-2000 ext. 3025, by fax at (312) 660-7942 or e-mail at

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snlyen@kirkland.com. Kirkland and Ellis LLP reserves the right to deny entry or exclude persons or organizations that disrupt the proceedings.

PLEASE NOTE that contacting Mr. Nylen by mail, fax or e-mail is merely a prerequisite to attending the auction. Due to space limitations, seating will be available strictly on a first-come basis. When the auction room is full, no further members of the public or media will be allowed entrance until such space is available.

The following entities listed in alphabetical order will participate in the auction to purchase Emerald Casino Inc.:

- **Harrah's Entertainment Inc.** which has partnered with SL Waukegan LLC, tendered a \$375 million bid to construct a casino in Waukegan. Harrah's would form Waukegan Gaming LLC to serve as the Illinois licensee in the event the Gaming Board selects it as the winning bidder.

Harrah's plans to construct a 50,000 square foot permanently moored barge on a 32-acre parcel of property located on the former site of Lakehurst Mall, which is located near Interstate 94 and Illinois Route 120. In addition to the casino, Harrah's would build a 250 to 500-room hotel and four Harrah's-brand restaurants at the site. Harrah's estimates the proposed project would take approximately 15 months to construct. Harrah's estimates that the casino operation would create 1,500 to 2,000 permanent jobs with benefits. Waukegan has agreed to share 40% of its future tax revenues with the cities of North Chicago, Zion, Beach Park and Park City, their respective school systems and the Round Lake School District.

Harrah's would consider existing Emerald Casino, Inc., shareholders, which the Gaming Board finds suitable, as potential investors. Harrah's has proposed the following persons as "Key Persons," as defined by the Gaming Board's adopted rules: (1) Gary Loveman, the current president and CEO of Harrah's Entertainment, Inc.; (2) Alan B. Ludwig, a real estate businessman and owner of a Ramada Inn in Waukegan; (3) Richard A. Stein, a real estate businessman who has worked on such projects as the McCormick Place South Expansion Project and the United Center; and (3) William F. Cellini, a Key Person of Argosy Gaming Company, which operates two casinos in Illinois.

Harrah's is currently licensed in Arizona, California, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nevada, New Jersey and North Carolina. Harrah's operates 26 casinos nation-wide.

- **Isle of Capri Casinos Inc.** tendered a \$351 million bid to construct a casino in Rosemont. Isle of Capri would form a separate entity to serve as the Illinois licensee in the event the Gaming Board selects Isle of Capri as the winning bidder.

Isle of Capri plans to construct a 40,000 square foot "Caribbean-themed" casino at the current Emerald Casino site. In addition, the development will include four signature

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restaurants. Isle of Capri estimates that the proposed project would take approximately 12 months to construct. Isle of Capri estimates that the development would create approximately 1,400 full-time jobs. Isle of Capri has adopted Rosemont's plan to share much of Rosemont's portion of the gaming taxes with 71 other cities, communities and other municipal organizations.

Under the Isle of Capris' proposal, the statutorily mandated minority shareholders would be treated as passive investors, with no role in the operation of the proposed casino, although the group would have a member on the board of directors of the licensee. Isle of Capri plans to utilize an investment banker to identify minority investors. Isle of Capri has proposed the following persons as "Key Persons," as defined by the Gaming Board's adopted rules: (1) Bernard Goldstein, a 7.1% shareholder, CEO and chairman of the board of directors of Isle of Capri Casinos, Inc.; (2) Robert S. Goldstein, a 34.3% shareholder and member of the board of directors for Isle of Capri Casinos, Inc.; (3) B.I.J.R.R. Isle, Inc., a 30% shareholder of Isle of Capri Casinos, Inc.; (4) B.I. Isle Partnership, LP, a 15.6% shareholder of Isle of Capri Casinos, Inc.; (5) Jeffrey D. Goldstein, a 9.8% shareholder and member of the board of directors for Isle of Capri Casinos, Inc.; (6) Alter Company, a 5.2% shareholder for Isle of Capri Casinos, Inc.; (7) Goldstein Group, Inc., which owns 100% of the shares of Alter Company; (8) Timothy M. Hinkley, the president and COO for Isle of Capri Casinos, Inc.; (9) Thomas J. Carr, the senior vice president of operations for Isle of Capri Casinos, Inc.; (10) Roger Deaton, the regional vice president of operations for Isle of Capri Casinos, Inc.; and (11) Allan B. Solomon, the executive vice president and general counsel for Isle of Capri Casinos, Inc.

Isle of Capri is currently licensed in Louisiana, Iowa, Mississippi, Missouri, Colorado, Florida, the Grand Bahamas and the United Kingdom. Isle of Capri operates 12 gaming facilities.

• **Midwest Gaming and Entertainment LLC**, which was originally partnered with Wynn Resorts Limited, has tendered a \$360 million bid to construct a casino in Des Plaines. Mr. Steve Wynn and Wynn Resorts Limited withdrew from the bidding process on February 18, 2004. Midwest would form Midwest Acquisition, LLC to serve as the Illinois licensee in the event the Gaming Board selects it as the winning bidder.

Midwest plans to construct a 40,000 square foot casino on a permanently moored barge located on a nine-acre parcel at 3000 Des Plaines River Road. The development will be positioned as a "destination" casino with signature restaurants and a 300 to 500 room hotel. Midwest estimates that the proposed development would take approximately 15 months to construct. Midwest estimates that the development would create 1,700 full-time jobs. Des Plaines has agreed to share 25% of the future tax revenues from the casino with 10 of the most economically depressed communities in Cook County, which Midwest has not yet identified.

Midwest would treat the statutorily mandated minority shareholders as passive investors, with no role in the operation of the proposed casino, although the group would have a member on the board of directors of the licensee. Midwest has proposed the following persons as "Key Persons," as defined by the Gaming Board's adopted rules: (1) Neil G. Bluhm, a real estate investor and developer and president of JMB Realty Corp.; (2) Gregory A. Carlin, managing

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director for LAMB Partners, a Bluhm family investment partnership that oversees all non-real estate investments; (3) Andrew G. Bluhm, founder and managing member of Delaware Street Capital, an investment fund; (4) Leslie N. Bluhm, president of Chicago Cares, a not-for-profit service organization; and (5) Meredith A. Bluhm-Wolf, a former attorney with the Corporation Counsel of the City of Chicago Law Department.

Important Dates in the Emerald Sales Process

Emerald Casino Inc. has filed notices in U.S. Bankruptcy Court detailing what will occur in the bidding process and on which date, as follows:

- March 10, 2004 An auction will be held among the Final Bidders.
- March 15, 2004 The Board will announce the winning bidder.
- On or about
 April 1, 2004 U.S. Bankruptcy Court confirmation hearing.