

QUARTERLY REPORT

TRADING NAME OF LICENSEE: GNOC, CORP. (Atlantic City Hilton)

For The Quarter Ended September 30, 2000

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

TRADING NAME OF LICENSEE: GNOC, CORP. (Atlantic City Hilton)

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FOR THE QUARTER ENDED SEPTEMBER 30, 2000

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BALANCE SHEETS

SEPTEMBER 30, 2000 AND 1999
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2000 (c)	1999 (d)
	ASSETS		
	Current Assets:		
1	Cash and cash equivalents	\$ 18,646	\$ 16,525
2	Short-term investments	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 2000, \$ 6,047 ; 1999, \$ 4,894)..... NOTE 2.....	13,858	18,836
4	Inventories	1,815	2,375
5	Prepaid expenses and other current assets	2,061	2,225
6	Total current assets	36,380	39,961
7	Investments, Advances, and Receivables..... NOTE 3.....	8,488	7,681
8	Property And Equipment - Gross..... NOTE 4.....	520,010	511,518
9	Less: Accumulated Depreciation/Amortization..... NOTE 4.....	(208,091)	(189,906)
10	Other Assets..... NOTES 5 & 9..	85,943	88,164
11	Total Assets	\$ 442,730	\$ 457,418
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable.....	\$ 6,313	\$ 5,022
13	Notes payable	-	-
	Current portion of long-term debt.....		
14	Due to affiliates.....	-	-
15	Other.....	-	-
16	Income taxes payable and accrued.....	-	-
17	Other accrued expenses..... NOTE 6.....	22,220	20,087
18	Other current liabilities..... NOTE 7.....	6,665	4,533
19	Total current liabilities.....	35,198	29,642
	Long-Term Debt:		
20	Due to affiliates..... NOTE 8.....	200,000	200,000
21	Other.....	-	-
22	Deferred Credits.....	-	-
23	Other Liabilities..... NOTE 9.....	162,250	193,369
24	Commitments And Contingencies..... NOTE 1.....	-	-
25	Total Liabilities.....	397,448	423,011
26	Stockholders', Partners', Or Proprietor's Equity..... NOTE 10.....	45,282	34,407
27	Total Liabilities And Equity.....	\$ 442,730	\$ 457,418

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 and 1999

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2000 (c)	1999 (d)
	Revenues:		
1	Casino.....	\$ 243,241	\$ 215,481
2	Rooms.....	19,426	18,829
3	Food and beverage.....	31,228	29,891
4	Other.....	6,822	7,569
5	Total Revenues.....	300,717	271,770
6	Less: Promotional allowances.....	35,201	37,457
7	Net Revenues.....	265,516	234,313
	Costs And Expenses:		
8	Cost of goods and services.....	135,189	129,878
9	Selling, general, and administrative.....	67,335	63,334
10	Provision for doubtful accounts.....	2,198	1,852
11	Total Costs and Expenses.....	204,722	195,064
12	Gross Operating Profit.....	60,794	39,249
13	Depreciation and Amortization.....	16,864	18,169 *
	Charges from affiliates other than interest:		
14	Management fees..... NOTE 11.....	8,208	7,026
15	Other.....	-	-
16	Income (Loss) From Operations.....	35,722	14,054
	Other Income (Expenses):		
17	Interest (expense)-affiliates.....	(13,445)	(13,499)
18	Interest (expense)-external.....	-	-
19	Investment alternative tax and related income (expense) - net.....	(1,068)	(1,436) *
20	Nonoperating income (expense) - net..... NOTE 12.....	321	658
21	Total Other Income (Expenses).....	(14,192)	(14,277)
22	Income (Loss) Before Income Taxes And Extraordinary Items.....	21,530	(223)
23	Provision (credit) for income taxes.....	9,174	(92)
24	Income (Loss) Before Extraordinary Items.....	12,356	(131)
25	Extraordinary items (net of income taxes - 199_, \$).....	-	-
26	Net Income (Loss).....	\$ 12,356	\$ (131)

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

* Restated to conform to 2000 presentation.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2000 and 1999

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2000 (c)	1999 (d)
	Revenues:		
1	Casino.....	\$ 84,521	\$ 79,094
2	Rooms.....	7,592	7,593
3	Food and beverage.....	11,654	10,835
4	Other.....	2,929	3,544
5	Total Revenues.....	106,696	101,066
6	Less: Promotional allowances.....	13,372	14,121
7	Net Revenues.....	93,324	86,945
	Costs And Expenses:		
8	Cost of goods and services.....	46,389	46,054
9	Selling, general, and administrative.....	22,096	22,125
10	Provision for doubtful accounts.....	581	750
11	Total Costs and Expenses.....	69,066	68,929
12	Gross Operating Profit.....	24,258	18,016
13	Depreciation and Amortization.....	5,547	5,925
	Charges from affiliates other than interest:		
14	Management fees..... NOTE 11.....	2,953	2,606
15	Other.....	-	-
16	Income (Loss) From Operations.....	15,758	9,485
	Other Income (Expenses):		
17	Interest (expense)-affiliates.....	(4,469)	(4,500)
18	Interest (expense)-external.....	-	-
19	Investment alternative tax and related income (expense) - net.....	(350)	(326)
20	Nonoperating income (expense) - net..... NOTE 12.....	100	151
21	Total Other Income (Expenses).....	(4,719)	(4,675)
22	Income (Loss) Before Income Taxes And Extraordinary Items.....	11,039	4,810
23	Provision (credit) for income taxes.....	4,889	1,965
24	Income (Loss) Before Extraordinary Items.....	6,150	2,845
25	Extraordinary items (net of income taxes - 199, \$).....	-	-
26	Net Income (Loss).....	\$ 6,150	\$ 2,845

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (Atlantic City Hilton)

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1999 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2000

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Shareholder's Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1998	3,002,510	\$ 30		\$	\$ 323,421	\$	\$ (88,913)	\$ 234,538
2	Net Income (Loss) - 1999.....							(1,612)	(1,612)
3	Contribution to Paid-in Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6	Distribution to Bally's Park Place Inc.					(200,000)			(200,000)
7									
8									
9									
10	Balance, December 31, 1999	3,002,510	\$ 30		\$	\$ 123,421	\$	\$ (90,525)	\$ 32,926
11	Net Income (Loss) - 2000.....							12,356	12,356
12	Contribution to Paid-in Capital.....								
13	Dividends.....								
14	Prior Period Adjustments.....								
15	Distribution to Bally's Park Place Inc.								
16									
17									
18									
19	Balance, September 30, 2000	3,002,510	\$ 30		\$	\$ 123,421	\$	\$ (78,169)	\$ 45,282

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

**STATEMENT OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY**

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1999 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2000

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Defecit) (d)		Total Equity (Deficit) (f)
				(e)	
1	Balance, December 31, 1998. . . .				
2	Net Income (Loss) - 1999.				
3	Capital Contributions.				
4	Capital Withdrawals.				
5	Partnership Distributions.				
6	Prior Period Adjustments.				
7					
8					
9					
10	Balance, December 31, 1999. . . .				
11	Net Income (Loss) - 2000.				
12	Capital Contributions.				
13	Capital Withdrawals.				
14	Partnership Distributions.				
15	Prior Period Adjustments.				
16					
17					
18					
19	Balance, September 30, 2000. . . .				

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 and 1999

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2000 (c)	1999 (d)
1	Net Cash Provided (Used) By Operating Activities	\$ 42,510	\$ 17,366
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	-	-
3	Proceeds from the sale of short-term investment securities	-	-
4	Cash outflows for property and equipment	(8,034)	(6,301)
5	Proceeds from disposition of property and equipment	24	55
6	Purchase of casino reinvestment obligations	(1,278)	(1,697)
7	Purchase of other investments and loans/advances made	-	-
8	Proceeds from disposal of investment and collection of advances and long-term receivables	-	-
9	Cash outflows to acquire business entities	-	-
10	Increase in construction - related liabilities	-	-
11		-	-
12	Net Cash Provided (Used) By Investing Activities	(9,288)	(7,943)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	-	-
14	Payments to settle short-term debt	-	-
15	Cash proceeds from issuance of long-term debt	-	-
16	Costs of issuing debt	-	-
17	Payments to settle long-term debt	-	-
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock	-	-
20	Payments of dividends or capital withdrawals	-	-
21	Change in payable to affiliate	(36,023)	(18,141) *
22	Debt retirement costs	-	-
23	Net Cash Provided (Used) By Financing Activities	(36,023)	(18,141)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(2,801)	(8,718)
25	Cash And Cash Equivalents At Beginning Of Year	21,447	25,243
26	Cash And Cash Equivalents At End Of Year	\$ 18,646	\$ 16,525

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	\$ 13,445	\$ 13,499
28	Income taxes paid (refunded) - net	\$ 9,174	\$ (92)

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

* Restated to conform to 2000 presentation.

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000 and 1999

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2000 (c)	1999 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 12,356	\$ (131)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.	14,574	15,879
31	Amortization of other assets.	2,290	2,290 *
32	Amortization of debt discount or premium.	-	-
33	Deferred income taxes - current.	-	-
34	Deferred income taxes - noncurrent.	-	-
35	(Gain) loss on disposition of property and equipment.	(4)	(30)
36	(Gain) loss on casino reinvestment obligations.	1,068	1,436 *
37	(Gain) loss from other investment activities.	-	-
38	Net (increase) decrease in receivables and patrons' checks.	6,029	(2,392)
39	Net (increase) decrease in inventories.	734	(282)
40	Net (increase) decrease in other current assets.	(49)	(136)
41	Net (increase) decrease in other assets.	(1,487)	(750)
42	Net increase (decrease) in accounts payables.	(94)	(701)
43	Net increase (decrease) in other current liabilities excluding debt.	6,701	2,394
44	Net increase (decrease) in other noncurrent liabilities excluding debt.	392	(211) *
45	Loss on extinguishment of debt, net of tax benefit of \$.	-	-
46	Amortization of CRDA assets	-	-
47	Net Cash Provided (Used) By Operating Activities.	\$ 42,510	\$ 17,366

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.	\$ 8,034	\$ 6,301
49	Less: Capital lease obligations incurred.	-	-
50	Cash Outflows For Property And Equipment.	\$ 8,034	\$ 6,301
	Acquisition Of Business Entities:		
51	Property and equipment acquired.	\$ -	\$ -
52	Goodwill acquired.	-	-
53	Net assets acquired other than cash, goodwill, and property and equipment.	-	-
54	Long-term debt assumed.	-	-
55	Issuance of stock or capital invested.	-	-
56	Cash Outflows To Acquire Business Entities.	\$ -	\$ -
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.	\$ -	\$ -
58	Less: Issuances to settle long-term debt.	-	-
59	Consideration in acquisition of business entities.	-	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions.	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

* Restated to conform to 2000 presentation.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2000

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	82,447	\$ 4,566		\$
2	Food	413,094	5,497		
3	Beverage	938,080	2,439		
4	Travel			27,791	847
5	Bus Program Cash			237,508	4,202
6	Other Cash Complimentaries			177,805	7,662
7	Entertainment	9,541	414	1,216	152
8	Retail & Non-Cash Gifts	32,753	332	2,299	72
9	Parking				
10	Other *	7,710	124	70,013	587
11	Total	1,483,625	\$ 13,372	516,632	\$ 13,522

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	216,243	\$ 11,868		\$
2	Food	1,039,519	14,450		
3	Beverage	2,660,773	6,918		
4	Travel			53,152	2,495
5	Bus Program Cash			638,228	11,453
6	Other Cash Complimentaries			556,495	25,556
7	Entertainment	16,968	774	5,160	645
8	Retail & Non-Cash Gifts	40,672	901	4,200	220
9	Parking				
10	Other *	16,155	290	172,598	1,302
11	Total	3,990,330	\$ 35,201	1,429,833	\$ 41,671

* No item in this category exceeds 5%.

GNOC, CORP. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and basis of presentation

The accompanying financial statements include the accounts of GNOC, Corp., a New Jersey corporation (the "Company"). The Company is a wholly owned subsidiary of Bally's Park Place, Inc., which owns and operates the casino hotel resort in Atlantic City, New Jersey known as Bally's Park Place Casino Resort ("Bally's Park Place"), which is a wholly owned subsidiary of Park Place Entertainment Corporation ("PPE"). The Company owns and operates the casino hotel resort in Atlantic City, New Jersey known as the "Atlantic City Hilton." The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations. The accompanying financial statements should be read in conjunction with the Casino Control Commission Quarterly Report for the year ended December 31, 1999.

All adjustments have been recorded which are, in the opinion of management, necessary for a fair presentation of the balance sheets for the Company at September 30, 2000 and 1999, and its statements of income for the three and nine months ended September 30, 2000 and 1999 and its statements of cash flows for the nine months ended September 30, 2000 and 1999. All such adjustments were of a normal recurring nature.

Seasonal factors

The Company's operations are subject to seasonal factors and, therefore, the results of operations for the nine months ended September 30, 2000 and 1999 are not necessarily indicative of the results of operations for the full year.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses reported during the period. Actual results could differ from such estimates.

Reclassifications

The financial statements for the prior year reflect certain reclassifications to conform with classifications adopted in 2000. These reclassifications had no impact on previously reported net income.

GNOC, CORP. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Cash and cash equivalents

Cash and cash equivalents include investments purchased with initial maturities of three months or less.

Inventories

Inventories are stated at the lower of cost (weighted average cost method) or market, which approximates replacement cost.

Property and equipment

Depreciation of property and equipment is provided on the straight-line method over the estimated economic lives of the related assets. Depreciation expense was \$4,784 and \$5,162 for the three months ended September 30, 2000 and 1999, respectively, and \$14,574 and \$15,879 for the nine months ended September 30, 2000 and 1999, respectively.

Costs in excess of acquired assets

In 1987, Bally Entertainment Corporation (formerly the parent of the Company) acquired the Company, other related properties and real estate leases in a transaction which was accounted for as a purchase. The excess of the total acquisition cost and debt assumed over the fair value of net assets acquired (goodwill) is being amortized on the straight-line method over forty years.

Long-lived assets

The provisions of Statement of Financial Accounting Standard No. 121 "Accounting for the Impairment of Long-Lived Assets," require, among other things, that an entity review its long-lived assets and certain related intangibles for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. The Company does not believe that any such changes have occurred.

Fair values of financial instruments

The fair values of the Company's financial instruments approximate their recorded book values at September 30, 2000 and 1999. The fair values are not necessarily indicative of the amounts the Company could have realized in a current market exchange.

GNOC, CORP. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Income taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of PPE. The Company provides for income taxes by applying the respective state and federal statutory rates to the results of operations. The corresponding liability or receivable is credited or charged to PPE. Deferred income tax assets and liabilities for temporary differences between the carrying amounts for financial reporting and income tax purposes, if any, are accounted for by PPE.

Casino Reinvestment Development Authority

The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company has satisfied this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the Casino Reinvestment Development Authority ("CRDA"). Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to fifty years and bear interest at below market rates. The Company records a charge to reflect the estimated realizable value of its CRDA investments.

Allocations and transactions with related parties

The Company transfers cash in excess of its operating needs to PPE on a daily basis. PPE provides the Company with cash advances for capital expenditures and working capital needs.

Certain executive, administrative and support operations of the Company and other PPE affiliates are consolidated, including limousine services, legal services, advertising, sales and marketing services, purchasing and other administrative departments. Costs of these operations are allocated to or from the Company either directly or using various formulas based on estimates of utilization of such services. Management believes the methods used to allocate these costs are reasonable. In addition, the Company leases land from Bally's Park Place.

Trade and service mark license

In 1998 PPE entered into a trade and service mark (the "Hilton mark") license agreement (the "License Agreement") with Hilton Hotels Corporation ("HHC") for the non-exclusive right and license to use the Hilton mark. The License Agreement is for a term of five years effective December 31, 1998, except with respect to the Company, the Las Vegas Hilton and the Reno Hilton, in which case, the term will be ten years.

GNOC, CORP. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Under this License Agreement, during the initial two-year term of the license, PPE will pay no license fees to HHC. Thereafter, PPE will pay a license fee of 3% of the net room revenues, as defined; provided, that, with respect to the Company, the Las Vegas Hilton and the Reno Hilton, PPE will pay a fixed license fee of five million dollars per year (in the aggregate) after the initial two-year term of the license. In addition, so long as PPE licenses the Hilton mark, PPE will cause each hotel that is branded with the Hilton mark to participate in Hilton Reservations Worldwide and in the Hilton HHonors Program and pay the applicable fees in connection therewith including a national and regional group advertising and sales promotions services fee equal to 1% of net room revenues for each hotel.

In July 2000, PPE entered into an agreement to sell the Las Vegas Hilton. The transaction is expected to be completed by year end and could affect future obligations under the License Agreement.

NOTE 2 – RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks as of September 30 consist of the following:

	<u>2000</u>	<u>1999</u>
Casino receivables (net of allowance for doubtful accounts – 2000, \$5,851; 1999, \$4,702)	\$ 10,288	\$ 8,945
Receivable from CRDA (See Note 3)	-	7,424
Other (net of allowance for doubtful accounts – 2000, \$196; 1999, \$192)	2,019	2,347
Due from affiliates	<u>1,551</u>	<u>120</u>
	<u>\$13,858</u>	<u>\$ 18,836</u>

NOTE 3 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of September 30, 2000 and 1999 consist of funds invested with the CRDA, net of related valuation reserves.

The Company has a credit agreement dated October 15, 1996, with the CRDA for approximately \$12,474 in funding for its 308 room hotel tower expansion which was completed in July 1997. The Company received funds from the CRDA to the extent the Company had available funds on deposit with the CRDA that qualified for this funding. The Company has received all funding from the CRDA under this agreement.

GNOG, CORP. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

The Company, Bally's Park Place and the CRDA entered into a credit exchange agreement and an investment agreement in 1998. The credit exchange agreement permits the exchange of certain current and future CRDA obligations between the Company and Bally's Park Place, resulting in a long-term payable to Bally's Park Place (See Note 9). The investment agreement provides an investment plan for the use of certain current and future CRDA funds. These agreements have accelerated the funding of credits due the Company under the aforementioned credit agreement dated October 15, 1996.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment as of September 30 consist of the following:

	<u>2000</u>	<u>1999</u>
Land	\$ 66,655	\$ 66,655
Buildings and improvements	301,523	299,547
Furniture, fixtures and equipment	150,410	144,726
Construction in progress	<u>1,422</u>	<u>590</u>
	520,010	511,518
Less accumulated depreciation and amortization	<u>(208,091)</u>	<u>(189,906)</u>
	<u>\$ 311,919</u>	<u>\$ 321,612</u>

NOTE 5 - OTHER ASSETS

Other assets as of September 30 consist of the following:

	<u>2000</u>	<u>1999</u>
Cost in excess of acquired assets, less accumulated amortization of \$40,820 and \$37,767	\$ 80,655	\$ 83,708
Other	<u>5,288</u>	<u>4,456</u>
	<u>\$ 85,943</u>	<u>\$ 88,164</u>

GNOC, CORP. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 6 - OTHER ACCRUED EXPENSES

Other accrued expenses as of September 30 consist of the following:

	<u>2000</u>	<u>1999</u>
Accrued payroll and benefits	\$11,233	\$10,443
Insurance claims	3,725	4,107
Other	<u>7,262</u>	<u>5,537</u>
	<u>\$22,220</u>	<u>\$20,087</u>

NOTE 7 - OTHER CURRENT LIABILITIES

Other current liabilities as of September 30 consist of the following:

	<u>2000</u>	<u>1999</u>
Due to Bally's Park Place	\$ 534	\$ 330
Due to Atlantic City Country Club, Inc.	579	1,314
Due to affiliates-other	769	199
Unredeemed slot promotions liability	2,546	1,445
Unredeemed chip and token liability	1,602	515
Other	<u>635</u>	<u>730</u>
	<u>\$ 6,665</u>	<u>\$ 4,533</u>

NOTE 8 - LONG-TERM DEBT - DUE TO AFFILIATES

Long-term debt - due to affiliates as of September 30 consist of the following:

	<u>2000</u>	<u>1999</u>
9% Note payable to PPE due January 1, 2009	<u>\$200,000</u>	<u>\$200,000</u>

In January 1999, the Company declared a \$200,000 distribution payable in the form of a note payable to Bally's Park Place. Bally's Park Place then immediately assigned the \$200,000 note payable to PPE. The note payable bears interest at a rate of 9% per annum, payable on the last business day of each quarter.

GNOC, CORP. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 9 - OTHER LIABILITIES

Other liabilities as of September 30 consist of the following:

	<u>2000</u>	<u>1999</u>
Due to PPE	\$155,576	\$186,550
Due to Bally's Park Place (See Note 3)	1,386	2,806
Retirement plan	<u>5,288</u>	<u>4,013</u>
	<u>\$162,250</u>	<u>\$193,369</u>

Due to PPE consists of an unsecured, non-interest bearing intercompany account.

NOTE 10 - STOCKHOLDER'S EQUITY

At September 30, 2000 and 1999, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,510 were issued and outstanding.

NOTE 11 - CHARGES FROM AFFILIATES - MANAGEMENT FEE

During 1999, the Company and PPE entered into an administrative services and management agreement. Under the agreement, PPE provides certain services to the Company in the conduct of its business including, but not limited to operations, marketing, banking, accounting, insurance, tax, regulatory and public company reporting, human resource and benefit administration and other administrative functions. In consideration of the performance of these duties, the Company pays PPE a monthly management fee equal to three percent of revenues (net of complimentary services).

NOTE 12 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income consists primarily of interest income.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

STATE OF NEW JERSEY :
:SS.
COUNTY OF ATLANTIC :

Clifford R. Martin, being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to
before me this 15th day
of November, 2000.



Signature



Assistant Vice President/Controller
Title

Signature
ALANA MADISON
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 6/12/2006

006243-11

License Number

Basis of Authority

On Behalf of:

GNOC, Corp. (Atlantic City Hilton)
Casino License