

NEW JERSEY CASINO CONTROL COMMISSION

Tennessee Avenue and Boardwalk
Atlantic City, NJ 08401

CCC Announces 2007 Results

For Immediate Release

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ATLANTIC CITY— The city's casino hotels reported a 9.6 percent decline in gross operating profits in 2007, including a 15.1 percent decline in the fourth quarter alone, according to figures released Wednesday by the New Jersey Casino Control Commission.

Gross operating profits totaled almost \$1.25 billion in 2007 compared to \$1.38 billion in 2006. During the same period, net revenues fell 4.8 percent to \$4.82 billion. In the fourth quarter of 2007, casinos reported gross operating profits of \$243.7 million compared to \$287 million in the same period a year earlier. Net revenues for the quarter were \$1.1 billion versus \$1.2 billion a year earlier, a 6.7 percent decline.

Gross operating profit represents earnings before interest, taxes, depreciation, amortization and charges from affiliates. It is a widely accepted measure of profitability in the gaming industry. After all of those other charges, the industry reported a net loss of \$59.7 million compared to a profit of \$364.6 million in 2006. In the fourth quarter, the industry reported a combined net loss of \$230.3 million compared to net income of \$57.7 million for the same period a year earlier. The net losses in the quarter and the 12 months were largely the result of non-cash write-offs at several casinos.

Borgata led the industry with gross operating profits of \$245 million in 2007, a decrease of 2 percent over 2006. Caesars was the only casino to report an increase in gross operating profits with \$184.9 million or 4 percent higher than the prior year.

Harrah's earned gross operating profits of \$165.8 million in 2006, a decline of 7.7 percent; Bally's Atlantic City earned \$160.8 million in gross operating profits, down 19.3 percent; and Trump Taj Mahal earned \$119.6 million in gross operating profits, a decline of 3.2 percent from the prior year. Showboat reported gross operating profits of \$115.5 million, down 12.3 percent; Tropicana earned \$118 million in gross operating profits last year, a decline of 14.8 percent; and Trump Plaza earned \$46.2 million in gross operating profits, a decline of 0.9 percent. Trump Marina earned \$36.5

million in gross operating profits in 2007, down 33.7 percent; the Atlantic City Hilton earned \$31.5 million, down 39.2 percent compared to 2006; and Resorts earned \$24.8 million in gross operating profits last year, down 6.9 percent.

The results for 2006 also include \$793,000 in gross operating profits for the Sands Hotel Casino which closed on the morning of November 11, 2006.

The occupancy rate in the city's casino hotels declined slightly to 91.6 percent from 91.7 percent in 2006. The total amount of promotional allowances and expenses declined 2.4 percent in 2007 to \$1.43 billion.

(Copies of the reports filed by the individual casinos are available on the commission's web page at www.njccc.gov/casinos/financia/qtrincome/)

**ATLANTIC CITY CASINO INDUSTRY
STATEMENT OF INCOME STATISTICS
FOR THE QUARTER ENDED DECEMBER 31, 2007 AND 2006
(\$ in Thousands)**

| | Net Revenue | | Fav (Unfav) Var % | Gross Operating Profit | | Fav (Unfav) Var % | Net Income | | Fav (Unfav) Var % |
|----------------------------|---------------------|---------------------|----------------------------|------------------------|-------------------|----------------------------|---------------------|------------------|----------------------------|
| | <u>2007</u> | <u>2006</u> | | <u>2007</u> | <u>2006</u> | | <u>2007</u> | <u>2006</u> | |
| AC Hilton | \$ 60,304 | \$ 69,576 | (13.3) | \$ 2,415 | \$ 8,149 | (70.4) | \$ (11,627) | \$ 34,300 | N/A |
| Bally's AC | 144,065 | 155,282 | (7.2) | 33,527 | 39,322 | (14.7) | (2,601) | 1,337 | N/A |
| Borgata | 202,726 | 198,840 | 2.0 | 54,801 | 54,558 | 0.4 | 29,412 | 29,222 | 0.7 |
| Caesars | 125,929 | 133,668 | (5.8) | 34,909 | 39,459 | (11.5) | (1,051) | 1,078 | N/A |
| Harrah's Marina Resorts | 118,564 | 111,841 | 6.0 | 38,059 | 38,142 | (0.2) | 3,917 | 4,209 | (6.9) |
| | 58,136 | 61,069 | (4.8) | 3,670 | 3,380 | 8.6 | 10,234 | (9,464) | N/A |
| Sands (a) | N/A | 14,382 | N/A | N/A | (2,806) | N/A | N/A | (2,776) | N/A |
| Showboat | 86,513 | 91,647 | (5.6) | 21,816 | 25,022 | (12.8) | (7,680) | (6,118) | (25.5) |
| Tropicana | 92,921 | 117,132 | (20.7) | 17,818 | 31,583 | (43.6) | (30,296) | (193) | N/A |
| Trump Marina | 54,715 | 57,080 | (4.1) | 6,375 | 10,386 | (38.6) | (158,879) | 910 | N/A |
| Trump Plaza | 61,715 | 67,507 | (8.6) | 8,189 | 11,529 | (29.0) | (36,456) | (1,532) | N/A |
| Trump Taj Mahal | 112,185 | 119,611 | (6.2) | 22,164 | 28,325 | (21.8) | (25,270) | 6,725 | N/A |
| Industry | <u>\$ 1,117,773</u> | <u>\$ 1,197,635</u> | (6.7) | <u>\$ 243,743</u> | <u>\$ 287,049</u> | (15.1) | <u>\$ (230,297)</u> | <u>\$ 57,698</u> | N/A |
| Industry without Sands | <u>\$ 1,117,773</u> | <u>\$ 1,183,253</u> | (5.5) | <u>\$ 243,743</u> | <u>\$ 289,855</u> | (15.9) | <u>\$ (230,297)</u> | <u>\$ 60,474</u> | N/A |

(a) Sands ceased operations on November 10, 2006.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENT OF INCOME STATISTICS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007 AND 2006
(\$ in Thousands)**

| | <u>Net Revenue</u> | | Fav (Unfav) Var % | <u>Gross Operating Profit</u> | | Fav (Unfav) Var % | <u>Net Income</u> | | Fav (Unfav) Var % |
|------------------------|---------------------|---------------------|----------------------------|-------------------------------|---------------------|----------------------------|--------------------|-------------------|----------------------------|
| | <u>2007</u> | <u>2006</u> | | <u>2007</u> | <u>2006</u> | | <u>2007</u> | <u>2006</u> | |
| AC Hilton | \$ 267,614 | \$ 294,271 | (9.1) | \$ 31,481 | \$ 51,797 | (39.2) | \$ (26,939) | \$ 57,149 | N/A |
| Bally's AC | 622,348 | 658,958 | (5.6) | 160,762 | 199,115 | (19.3) | 14,551 | 41,556 | (65.0) |
| Borgata | 838,643 | 813,265 | 3.1 | 244,982 | 250,053 | (2.0) | 141,332 | 153,833 | (8.1) |
| Caesars | 552,518 | 532,523 | 3.8 | 184,915 | 177,801 | 4.0 | 33,477 | 36,254 | (7.7) |
| Harrah's Marina | 494,312 | 470,214 | 5.1 | 165,803 | 179,645 | (7.7) | 32,614 | 53,017 | (38.5) |
| Resorts | 248,727 | 252,281 | (1.4) | 24,810 | 26,635 | (6.9) | (23,413) | (26,097) | 10.3 |
| Sands (a) | N/A | 138,376 | N/A | N/A | 793 | N/A | N/A | (10,245) | N/A |
| Showboat | 375,731 | 391,443 | (4.0) | 115,464 | 131,670 | (12.3) | (10,528) | 5,511 | N/A |
| Tropicana | 432,283 | 487,217 | (11.3) | 117,973 | 138,433 | (14.8) | (24,643) | 17,007 | N/A |
| Trump Marina | 231,004 | 244,747 | (5.6) | 36,532 | 55,065 | (33.7) | (161,055) | 14,068 | N/A |
| Trump Plaza | 267,718 | 278,843 | (4.0) | 46,255 | 46,669 | (0.9) | (40,016) | (6,595) | N/A |
| Trump Taj Mahal | 489,513 | 502,691 | (2.6) | 119,642 | 123,601 | (3.2) | 4,874 | 29,163 | (83.3) |
| Industry | <u>\$ 4,820,411</u> | <u>\$ 5,064,829</u> | (4.8) | <u>\$ 1,248,619</u> | <u>\$ 1,381,277</u> | (9.6) | <u>\$ (59,746)</u> | <u>\$ 364,621</u> | N/A |
| Industry without Sands | <u>\$ 4,820,411</u> | <u>\$ 4,926,453</u> | (2.2) | <u>\$ 1,248,619</u> | <u>\$ 1,380,484</u> | (9.6) | <u>\$ (59,746)</u> | <u>\$ 374,866</u> | N/A |

(a) Sands ceased operations on November 10, 2006.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE QUARTER ENDED DECEMBER 31, 2007
(\$ in Thousands)**

| | AC Hilton | Bally's AC | Borgata | Caesars | Harrah's Marina | Resorts | Showboat | Tropicana | Trump Marina | Trump Plaza | Trump Taj Mahal | Industry |
|--|--------------------|-------------------|------------------|-------------------|--------------------|------------------|-------------------|--------------------|---------------------|--------------------|--------------------|---------------------|
| REVENUE: | | | | | | | | | | | | |
| Casino | \$ 67,552 | \$ 146,295 | \$ 179,529 | \$ 131,431 | \$ 118,169 | \$ 64,348 | \$ 89,154 | \$ 87,308 | \$ 57,112 | \$ 66,538 | \$ 114,375 | \$ 1,121,811 |
| Rooms | 5,094 | 14,619 | 24,082 | 8,979 | 13,134 | 4,687 | 10,141 | 17,657 | 4,668 | 5,740 | 9,422 | 118,223 |
| Food and Beverage | 9,848 | 17,182 | 33,130 | 12,610 | 15,050 | 8,370 | 12,309 | 11,698 | 7,034 | 6,693 | 14,612 | 148,536 |
| Other | 2,417 | 5,132 | 11,019 | 4,243 | 5,812 | 1,313 | 3,615 | 5,244 | 4,267 | 2,250 | 6,340 | 51,652 |
| Total Revenue | 84,911 | 183,228 | 247,760 | 157,263 | 152,165 | 78,718 | 115,219 | 121,907 | 73,081 | 81,221 | 144,749 | 1,440,222 |
| Less: Promotional Allowances | 24,607 | 39,163 | 45,034 | 31,334 | 33,601 | 20,582 | 28,706 | 28,986 | 18,366 | 19,506 | 32,564 | 322,449 |
| NET REVENUE | 60,304 | 144,065 | 202,726 | 125,929 | 118,564 | 58,136 | 86,513 | 92,921 | 54,715 | 61,715 | 112,185 | 1,117,773 |
| | | | | | | | | | | | | |
| COSTS AND EXPENSES: | | | | | | | | | | | | |
| Cost of Goods and Services | 44,485 | 102,809 | 118,278 | 72,393 | 65,887 | 43,400 | 52,667 | 60,003 | 36,713 | 41,229 | 70,795 | 708,659 |
| Selling, General, and Administrative | 12,412 | 6,801 | 27,964 | 17,398 | 14,242 | 10,351 | 11,523 | 14,747 | 10,985 | 11,750 | 17,658 | 155,831 |
| Provision for Doubtful Accounts | 992 | 928 | 1,683 | 1,229 | 376 | 715 | 507 | 353 | 642 | 547 | 1,568 | 9,540 |
| Total Costs & Expenses | 57,889 | 110,538 | 147,925 | 91,020 | 80,505 | 54,466 | 64,697 | 75,103 | 48,340 | 53,526 | 90,021 | 874,030 |
| | | | | | | | | | | | | |
| GROSS OPERATING PROFIT | 2,415 | 33,527 | 54,801 | 34,909 | 38,059 | 3,670 | 21,816 | 17,818 | 6,375 | 8,189 | 22,164 | 243,743 |
| Depreciation and Amortization | 4,336 | 14,004 | 17,496 | 14,499 | 12,745 | 3,604 | 11,168 | 19,633 | 4,558 | 4,684 | 7,015 | 113,742 |
| Charges from Affiliates Other than Interest: | | | | | | | | | | | | |
| Management Fees | - | - | - | - | - | 1,049 | - | - | - | - | - | 1,049 |
| Other | 1,414 | 6,323 | - | 5,210 | 4,559 | 829 | 6,727 | - | 2,228 | 1,819 | 3,157 | 32,266 |
| | | | | | | | | | | | | |
| INCOME (LOSS) FROM OPERATIONS | (3,335) | 13,200 | 37,305 | 15,200 | 20,755 | (1,812) | 3,921 | (1,815) | (411) | 1,686 | 11,992 | 96,686 |
| | | | | | | | | | | | | |
| OTHER INCOME (EXPENSES): | | | | | | | | | | | | |
| Interest (Expense) - Affiliates | (7,700) | (12,410) | - | (11,014) | (13,000) | (6,617) | (14,433) | (22,767) | (5,525) | (7,007) | (12,576) | (113,049) |
| Interest (Expense) - External | 6 | (37) | (7,770) | (134) | - | (198) | - | (6) | (297) | (560) | (548) | (9,544) |
| Invest. Alt. Tax & Related Income (Exp.)-Net | (636) | (1,351) | (1,412) | (276) | (757) | (561) | (1,666) | (40) | (297) | (460) | (514) | (7,970) |
| Nonoperating Income (Expense) - Net | 176 | (411) | (499) | (1,862) | 226 | 19,442 | 187 | (2,524) | (159,328) | (33,701) | (26,364) | (204,658) |
| Total Other Income (Expenses) | (8,154) | (14,209) | (9,681) | (13,286) | (13,531) | 12,066 | (15,912) | (25,337) | (165,447) | (41,728) | (40,002) | (335,221) |
| | | | | | | | | | | | | |
| Income(Loss) Before Taxes&Extraordinary Items | (11,489) | (1,009) | 27,624 | 1,914 | 7,224 | 10,254 | (11,991) | (27,152) | (165,858) | (40,042) | (28,010) | (238,535) |
| Provision (Credit) for Income Taxes | 138 | 1,592 | (1,788) | 2,965 | 3,307 | 20 | (4,311) | 3,144 | (6,979) | (3,586) | (2,740) | (8,238) |
| Income (Loss) Before Extraordinary Items | (11,627) | (2,601) | 29,412 | (1,051) | 3,917 | 10,234 | (7,680) | (30,296) | (158,879) | (36,456) | (25,270) | (230,297) |
| Extraordinary Items (Net of Income Taxes) | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | |
| NET INCOME (LOSS) | \$ (11,627) | \$ (2,601) | \$ 29,412 | \$ (1,051) | \$ 3,917 | \$ 10,234 | \$ (7,680) | \$ (30,296) | \$ (158,879) | \$ (36,456) | \$ (25,270) | \$ (230,297) |

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE QUARTER ENDED DECEMBER 31, 2006
(\$ in Thousands)**

| | AC Hilton | Bally's AC | Borgata | Caesars | Harrah's Marina | Resorts | Sands (a) | Showboat | Tropicana | Trump Marina | Trump Plaza | Trump Taj Mahal | Industry |
|--|------------------|-----------------|------------------|-----------------|-----------------|-------------------|-------------------|-------------------|-----------------|---------------|-------------------|-----------------|------------------|
| REVENUE: | | | | | | | | | | | | | |
| Casino | \$ 76,581 | \$ 159,633 | \$ 172,554 | \$ 141,053 | \$ 125,164 | \$ 68,268 | \$ 15,173 | \$ 99,716 | \$ 107,848 | \$ 60,559 | \$ 72,089 | \$ 123,956 | \$ 1,222,594 |
| Rooms | 5,217 | 13,416 | 25,497 | 9,236 | 12,279 | 5,194 | 1,335 | 10,094 | 17,926 | 4,425 | 5,792 | 8,852 | 119,263 |
| Food and Beverage | 10,302 | 19,469 | 34,464 | 15,386 | 13,283 | 8,393 | 2,052 | 13,352 | 13,968 | 6,708 | 7,767 | 13,744 | 158,888 |
| Other | 3,789 | 4,063 | 12,191 | 3,540 | 2,415 | 2,774 | 305 | 2,413 | 6,504 | 2,244 | 2,116 | 4,423 | 46,777 |
| Total Revenue | 95,889 | 196,581 | 244,706 | 169,215 | 153,141 | 84,629 | 18,865 | 125,575 | 146,246 | 73,936 | 87,764 | 150,975 | 1,547,522 |
| Less: Promotional Allowances | 26,313 | 41,299 | 45,866 | 35,547 | 41,300 | 23,560 | 4,483 | 33,928 | 29,114 | 16,856 | 20,257 | 31,364 | 349,887 |
| NET REVENUE | 69,576 | 155,282 | 198,840 | 133,668 | 111,841 | 61,069 | 14,382 | 91,647 | 117,132 | 57,080 | 67,507 | 119,611 | 1,197,635 |
| COSTS AND EXPENSES: | | | | | | | | | | | | | |
| Cost of Goods and Services | 47,731 | 101,600 | 114,329 | 71,961 | 59,118 | 45,096 | 14,101 | 51,598 | 68,768 | 35,699 | 42,687 | 70,708 | 723,396 |
| Selling, General, and Administrative | 13,153 | 14,138 | 27,818 | 21,370 | 14,245 | 12,179 | 2,945 | 14,440 | 16,256 | 10,729 | 13,020 | 19,700 | 179,993 |
| Provision for Doubtful Accounts | 543 | 222 | 2,135 | 878 | 336 | 414 | 142 | 587 | 525 | 266 | 271 | 878 | 7,197 |
| Total Costs & Expenses | 61,427 | 115,960 | 144,282 | 94,209 | 73,699 | 57,689 | 17,188 | 66,625 | 85,549 | 46,694 | 55,978 | 91,286 | 910,586 |
| GROSS OPERATING PROFIT | 8,149 | 39,322 | 54,558 | 39,459 | 38,142 | 3,380 | (2,806) | 25,022 | 31,583 | 10,386 | 11,529 | 28,325 | 287,049 |
| Depreciation and Amortization | 6,522 | 14,291 | 16,895 | 13,557 | 10,542 | 4,377 | 27 | 9,583 | 12,004 | 3,438 | 4,857 | 7,989 | 104,082 |
| Charges from Affiliates Other than Interest: | | | | | | | | | | | | | |
| Management Fees | - | 351 | - | - | - | 1,936 | - | - | 7,500 | - | - | - | 9,787 |
| Other | 2,747 | 5,497 | - | 5,611 | 4,841 | - | 50 | 6,977 | - | 998 | 1,167 | 1,862 | 29,750 |
| INCOME (LOSS) FROM OPERATIONS | (1,120) | 19,183 | 37,663 | 20,291 | 22,759 | (2,933) | (2,883) | 8,462 | 12,079 | 5,950 | 5,505 | 18,474 | 143,430 |
| OTHER INCOME (EXPENSES): | | | | | | | | | | | | | |
| Interest (Expense) - Affiliates | (6,902) | (12,410) | - | (10,924) | (13,000) | (5,342) | - | (14,432) | (8,760) | (5,047) | (6,361) | (11,704) | (94,882) |
| Interest (Expense) - External | (36) | 433 | (7,599) | (128) | - | (1,049) | (82) | - | (5) | (262) | (328) | (304) | (9,360) |
| Invest. Alt. Tax & Related Income (Exp.)-Net | (285) | (1,346) | (2,163) | (898) | (2,610) | (152) | 8 | 269 | 184 | (221) | (341) | (520) | (8,075) |
| Nonoperating Income (Expense) - Net | 43,066 | (355) | (76) | (1,295) | 99 | 270 | 181 | 21 | (3,970) | 224 | 265 | 537 | 38,967 |
| Total Other Income (Expenses) | 35,843 | (13,678) | (9,838) | (13,245) | (15,511) | (6,273) | 107 | (14,142) | (12,551) | (5,306) | (6,765) | (11,991) | (73,350) |
| Income(Loss) Before Taxes&Extraordinary Items | 34,723 | 5,505 | 27,825 | 7,046 | 7,248 | (9,206) | (2,776) | (5,680) | (472) | 644 | (1,260) | 6,483 | 70,080 |
| Provision (Credit) for Income Taxes | 423 | 4,168 | (1,397) | 5,968 | 3,039 | 258 | - | 438 | (279) | (266) | 272 | (242) | 12,382 |
| Income (Loss) Before Extraordinary Items | 34,300 | 1,337 | 29,222 | 1,078 | 4,209 | (9,464) | (2,776) | (6,118) | (193) | 910 | (1,532) | 6,725 | 57,698 |
| Extraordinary Items (Net of Income Taxes) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NET INCOME (LOSS) | \$ 34,300 | \$ 1,337 | \$ 29,222 | \$ 1,078 | \$ 4,209 | \$ (9,464) | \$ (2,776) | \$ (6,118) | \$ (193) | \$ 910 | \$ (1,532) | \$ 6,725 | \$ 57,698 |

(a) Sands ceased operations on November 10, 2006.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007
(\$ in Thousands)**

| | AC Hilton | Bally's AC | Borgata | Caesars | Harrah's Marina | Resorts | Showboat | Tropicana | Trump Marina | Trump Plaza | Trump Taj Mahal | Industry |
|--|-------------|------------|------------|------------|-----------------|-------------|-------------|-------------|--------------|-------------|-----------------|--------------|
| REVENUE: | | | | | | | | | | | | |
| Casino | \$ 301,665 | \$ 643,720 | \$ 748,649 | \$ 584,612 | \$ 513,192 | \$ 276,384 | \$ 403,133 | \$ 395,619 | \$ 239,690 | \$ 277,845 | \$ 504,090 | \$ 4,888,599 |
| Rooms | 21,625 | 62,290 | 100,898 | 38,135 | 57,200 | 18,787 | 45,493 | 77,208 | 19,410 | 26,275 | 38,048 | 505,369 |
| Food and Beverage | 42,750 | 80,559 | 141,061 | 61,337 | 65,003 | 33,760 | 55,620 | 54,693 | 30,412 | 30,568 | 57,979 | 653,742 |
| Other | 11,374 | 23,078 | 44,071 | 16,600 | 24,177 | 6,717 | 13,936 | 22,356 | 14,033 | 10,483 | 21,503 | 208,328 |
| Total Revenue | 377,414 | 809,647 | 1,034,679 | 700,684 | 659,572 | 335,648 | 518,182 | 549,876 | 303,545 | 345,171 | 621,620 | 6,256,038 |
| Less: Promotional Allowances | 109,800 | 187,299 | 196,036 | 148,166 | 165,260 | 86,921 | 142,451 | 117,593 | 72,541 | 77,453 | 132,107 | 1,435,627 |
| NET REVENUE | 267,614 | 622,348 | 838,643 | 552,518 | 494,312 | 248,727 | 375,731 | 432,283 | 231,004 | 267,718 | 489,513 | 4,820,411 |
| COSTS AND EXPENSES: | | | | | | | | | | | | |
| Cost of Goods and Services | 186,413 | 390,820 | 480,803 | 297,692 | 269,288 | 174,470 | 216,707 | 253,942 | 147,833 | 169,905 | 286,509 | 2,874,382 |
| Selling, General, and Administrative | 46,483 | 68,231 | 106,992 | 65,882 | 57,949 | 47,848 | 41,419 | 59,007 | 45,242 | 49,840 | 78,735 | 667,628 |
| Provision for Doubtful Accounts | 3,237 | 2,535 | 5,866 | 4,029 | 1,272 | 1,599 | 2,141 | 1,361 | 1,397 | 1,718 | 4,627 | 29,782 |
| Total Costs & Expenses | 236,133 | 461,586 | 593,661 | 367,603 | 328,509 | 223,917 | 260,267 | 314,310 | 194,472 | 221,463 | 369,871 | 3,571,792 |
| GROSS OPERATING PROFIT | 31,481 | 160,762 | 244,982 | 184,915 | 165,803 | 24,810 | 115,464 | 117,973 | 36,532 | 46,255 | 119,642 | 1,248,619 |
| Depreciation and Amortization | 18,783 | 54,239 | 68,576 | 56,644 | 48,871 | 16,438 | 41,911 | 66,176 | 16,549 | 19,329 | 29,335 | 436,851 |
| Charges from Affiliates Other than Interest: | | | | | | | | | | | | |
| Management Fees | - | - | - | - | - | 4,197 | - | - | - | - | - | 4,197 |
| Other | 4,472 | 26,418 | - | 21,796 | 18,686 | 3,180 | 27,225 | - | 6,324 | 6,998 | 10,937 | 126,036 |
| INCOME (LOSS) FROM OPERATIONS | 8,226 | 80,105 | 176,406 | 106,475 | 98,246 | 995 | 46,328 | 51,797 | 13,659 | 19,928 | 79,370 | 681,535 |
| OTHER INCOME (EXPENSES): | | | | | | | | | | | | |
| Interest (Expense) - Affiliates | (34,137) | (49,640) | - | (44,239) | (52,000) | (26,652) | (57,730) | (91,070) | (21,011) | (27,179) | (48,002) | (451,660) |
| Interest (Expense) - External | (7) | (181) | (31,194) | (539) | - | (927) | - | (21) | (937) | (1,911) | (2,108) | (37,825) |
| Invest. Alt. Tax & Related Income (Exp.)-Net | (1,622) | (5,267) | (5,312) | (3,641) | (4,722) | (1,434) | (4,029) | (1,486) | (985) | (1,454) | (1,907) | (31,859) |
| Nonoperating Income (Expense) - Net | 779 | 217 | (2,226) | (1,345) | (4,329) | 4,625 | 135 | 19,285 | (158,760) | (32,986) | (25,019) | (199,624) |
| Total Other Income (Expenses) | (34,987) | (54,871) | (38,732) | (49,764) | (61,051) | (24,388) | (61,624) | (73,292) | (181,693) | (63,530) | (77,036) | (720,968) |
| Income(Loss) Before Taxes&Extraordinary Items | (26,761) | 25,234 | 137,674 | 56,711 | 37,195 | (23,393) | (15,296) | (21,495) | (168,034) | (43,602) | 2,334 | (39,433) |
| Provision (Credit) for Income Taxes | 178 | 10,683 | (3,658) | 23,234 | 4,581 | 20 | (4,768) | 3,148 | (6,979) | (3,586) | (2,540) | 20,313 |
| Income (Loss) Before Extraordinary Items | (26,939) | 14,551 | 141,332 | 33,477 | 32,614 | (23,413) | (10,528) | (24,643) | (161,055) | (40,016) | 4,874 | (59,746) |
| Extraordinary Items (Net of Income Taxes) | - | - | - | - | - | - | - | - | - | - | - | - |
| NET INCOME (LOSS) | \$ (26,939) | \$ 14,551 | \$ 141,332 | \$ 33,477 | \$ 32,614 | \$ (23,413) | \$ (10,528) | \$ (24,643) | \$ (161,055) | \$ (40,016) | \$ 4,874 | \$ (59,746) |

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2006
(\$ in Thousands)**

| | AC Hilton | Bally's AC | Borgata | Caesars | Harrah's Marina | Resorts | Sands (a) | Showboat | Tropicana | Trump Marina | Trump Plaza | Trump Taj Mahal | Industry |
|--|------------------|------------------|-------------------|------------------|------------------|--------------------|--------------------|-----------------|------------------|------------------|-------------------|------------------|-------------------|
| REVENUE: | | | | | | | | | | | | | |
| Casino | \$ 327,523 | \$ 669,961 | \$ 735,145 | \$ 551,300 | \$ 503,271 | \$ 279,816 | \$ 145,873 | \$ 424,656 | \$ 449,776 | \$ 255,616 | \$ 298,191 | \$ 525,437 | \$ 5,166,565 |
| Rooms | 22,901 | 54,970 | 97,646 | 38,071 | 52,069 | 21,360 | 11,456 | 43,013 | 76,077 | 18,470 | 23,713 | 35,654 | 495,400 |
| Food and Beverage | 43,980 | 84,392 | 133,700 | 64,412 | 55,864 | 32,889 | 16,703 | 57,590 | 58,425 | 29,987 | 34,911 | 57,712 | 670,565 |
| Other | 13,416 | 23,542 | 42,533 | 15,607 | 11,970 | 7,670 | 1,990 | 10,283 | 25,071 | 11,214 | 10,497 | 21,661 | 195,454 |
| Total Revenue | 407,820 | 832,865 | 1,009,024 | 669,390 | 623,174 | 341,735 | 176,022 | 535,542 | 609,349 | 315,287 | 367,312 | 640,464 | 6,527,984 |
| Less: Promotional Allowances | 113,549 | 173,907 | 195,759 | 136,867 | 152,960 | 89,454 | 37,646 | 144,099 | 122,132 | 70,540 | 88,469 | 137,773 | 1,463,155 |
| NET REVENUE | 294,271 | 658,958 | 813,265 | 532,523 | 470,214 | 252,281 | 138,376 | 391,443 | 487,217 | 244,747 | 278,843 | 502,691 | 5,064,829 |
| COSTS AND EXPENSES: | | | | | | | | | | | | | |
| Cost of Goods and Services | 192,781 | 416,407 | 444,626 | 299,123 | 236,836 | 177,340 | 95,556 | 214,607 | 279,100 | 149,332 | 175,648 | 299,376 | 2,980,732 |
| Selling, General, and Administrative | 47,828 | 42,657 | 111,299 | 52,551 | 52,828 | 47,258 | 41,444 | 44,025 | 67,286 | 39,609 | 54,856 | 76,957 | 678,598 |
| Provision for Doubtful Accounts | 1,865 | 779 | 7,287 | 3,048 | 905 | 1,048 | 583 | 1,141 | 2,398 | 741 | 1,670 | 2,757 | 24,222 |
| Total Costs & Expenses | 242,474 | 459,843 | 563,212 | 354,722 | 290,569 | 225,646 | 137,583 | 259,773 | 348,784 | 189,682 | 232,174 | 379,090 | 3,683,552 |
| GROSS OPERATING PROFIT | 51,797 | 199,115 | 250,053 | 177,801 | 179,645 | 26,635 | 793 | 131,670 | 138,433 | 55,065 | 46,669 | 123,601 | 1,381,277 |
| Depreciation and Amortization | 22,142 | 49,686 | 63,088 | 44,249 | 40,239 | 19,754 | 10,205 | 36,587 | 48,228 | 13,936 | 20,008 | 33,932 | 402,054 |
| Charges from Affiliates Other than Interest: | | | | | | | | | | | | | |
| Management Fees | - | 622 | - | - | - | 4,637 | - | - | 32,000 | - | - | - | 37,259 |
| Other | 5,734 | 19,825 | - | 16,804 | 20,172 | - | 373 | 26,110 | - | 4,169 | 4,583 | 6,998 | 104,768 |
| INCOME (LOSS) FROM OPERATIONS | 23,921 | 128,982 | 186,965 | 116,748 | 119,234 | 2,244 | (9,785) | 68,973 | 58,205 | 36,960 | 22,078 | 82,671 | 837,196 |
| OTHER INCOME (EXPENSES): | | | | | | | | | | | | | |
| Interest (Expense) - Affiliates | (6,902) | (49,640) | - | (43,877) | (52,000) | (21,336) | - | (57,740) | (35,040) | (20,187) | (24,991) | (48,043) | (359,756) |
| Interest (Expense) - External | (100) | (124) | (23,271) | (513) | - | (3,755) | (380) | - | (23) | (1,314) | (2,082) | (2,601) | (34,163) |
| Invest. Alt. Tax & Related Income (Exp.)-Net | (1,270) | (7,012) | (4,336) | (4,808) | (5,324) | (1,041) | (862) | 949 | (1,130) | (883) | (1,373) | (2,222) | (29,312) |
| Nonoperating Income (Expense) - Net | 43,524 | 1,127 | (7,641) | (2,846) | (874) | 881 | 957 | 483 | 5,453 | 860 | 918 | 1,996 | 44,838 |
| Total Other Income (Expenses) | 35,252 | (55,649) | (35,248) | (52,044) | (58,198) | (25,251) | (285) | (56,308) | (30,740) | (21,524) | (27,528) | (50,870) | (378,393) |
| Income(Loss) Before Taxes&Extraordinary Items | 59,173 | 73,333 | 151,717 | 64,704 | 61,036 | (23,007) | (10,070) | 12,665 | 27,465 | 15,436 | (5,450) | 31,801 | 458,803 |
| Provision (Credit) for Income Taxes | 2,024 | 31,777 | (2,116) | 28,450 | 8,019 | 3,090 | 175 | 7,154 | 10,458 | 1,368 | 1,145 | 2,638 | 94,182 |
| Income (Loss) Before Extraordinary Items | 57,149 | 41,556 | 153,833 | 36,254 | 53,017 | (26,097) | (10,245) | 5,511 | 17,007 | 14,068 | (6,595) | 29,163 | 364,621 |
| Extraordinary Items (Net of Income Taxes) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NET INCOME (LOSS) | \$ 57,149 | \$ 41,556 | \$ 153,833 | \$ 36,254 | \$ 53,017 | \$ (26,097) | \$ (10,245) | \$ 5,511 | \$ 17,007 | \$ 14,068 | \$ (6,595) | \$ 29,163 | \$ 364,621 |

(a) Sands ceased operations on November 10, 2006.

**ATLANTIC CITY CASINO INDUSTRY
PROMOTIONAL ALLOWANCES AND EXPENSES
FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2007**
(\$ in Thousands)

| | QUARTER | | | YEAR | | |
|------------------------------|------------|-----------|------------|--------------|------------|--------------|
| | Allowances | Expenses | Total | Allowances | Expenses | Total |
| AC Hilton | \$ 24,607 | \$ 3,093 | \$ 27,700 | \$ 109,800 | \$ 10,776 | \$ 120,576 |
| Bally's AC | 39,163 | 1,856 | 41,019 | 187,299 | 8,124 | 195,423 |
| Borgata | 45,034 | 9,468 | 54,502 | 196,036 | 38,819 | 234,855 |
| Caesars | 31,334 | 5,808 | 37,142 | 148,166 | 22,770 | 170,936 |
| Harrah's Marina | 33,601 | 3,401 | 37,002 | 165,260 | 14,567 | 179,827 |
| Resorts | 20,582 | 6,379 | 26,961 | 86,921 | 24,075 | 110,996 |
| Showboat | 28,706 | 894 | 29,600 | 142,451 | 3,584 | 146,035 |
| Tropicana | 28,986 | 3,281 | 32,267 | 117,593 | 11,381 | 128,974 |
| Trump Marina | 18,366 | 3,550 | 21,916 | 72,541 | 15,242 | 87,783 |
| Trump Plaza | 19,506 | 4,376 | 23,882 | 77,453 | 19,520 | 96,973 |
| Trump Taj Mahal | 32,564 | 6,257 | 38,821 | 132,107 | 27,206 | 159,313 |
| Industry | \$ 322,449 | \$ 48,363 | \$ 370,812 | \$ 1,435,627 | \$ 196,064 | \$ 1,631,691 |
| Incr (Decr) vs. Prior Period | -7.7% | -12.1% | -8.3% | -1.7% | -7.4% | -2.4% |

**ATLANTIC CITY CASINO INDUSTRY
PROMOTIONAL ALLOWANCES AND EXPENSES
FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2006**
(\$ in Thousands)

| | QUARTER | | | YEAR | | |
|-----------------|------------|-----------|------------|--------------|------------|--------------|
| | Allowances | Expenses | Total | Allowances | Expenses | Total |
| AC Hilton | \$ 26,313 | \$ 3,039 | \$ 29,352 | \$ 113,549 | \$ 10,699 | \$ 124,248 |
| Bally's AC | 41,299 | 5,944 | 47,243 | 173,907 | 20,831 | 194,738 |
| Borgata | 45,866 | 9,135 | 55,001 | 195,759 | 37,654 | 233,413 |
| Caesars | 34,942 | 9,085 | 44,027 | 134,388 | 33,308 | 167,696 |
| Harrah's Marina | 41,300 | 3,027 | 44,327 | 152,960 | 13,268 | 166,228 |
| Resorts | 23,560 | 6,817 | 30,377 | 89,454 | 20,507 | 109,961 |
| Sands (a) | 4,483 | 788 | 5,271 | 37,646 | 6,257 | 43,903 |
| Showboat | 33,928 | 1,332 | 35,260 | 144,099 | 4,866 | 148,965 |
| Tropicana | 29,114 | 3,168 | 32,282 | 122,132 | 13,483 | 135,615 |
| Trump Marina | 16,856 | 3,164 | 20,020 | 70,540 | 11,428 | 81,968 |
| Trump Plaza | 20,257 | 4,419 | 24,676 | 88,437 | 17,202 | 105,639 |
| Trump Taj Mahal | 31,364 | 5,092 | 36,456 | 137,773 | 22,307 | 160,080 |
| Industry | \$ 349,282 | \$ 55,010 | \$ 404,292 | \$ 1,460,644 | \$ 211,810 | \$ 1,672,454 |

(a) Sands ceased operations on November 10, 2006.

**ATLANTIC CITY CASINO INDUSTRY
HOTEL STATISTICS
FOR THE QUARTER ENDED DECEMBER 31, 2007**

| CASINO | NUMBER OF GUEST ROOMS IN PROPERTY* | NUMBER OF AVAILABLE ROOM NIGHTS | NUMBER OF OCCUPIED ROOM NIGHTS | OCCUPANCY RATE | AVERAGE RATE PER OCCUPIED ROOM |
|-------------------------|------------------------------------|---------------------------------|--------------------------------|----------------|--------------------------------|
| AC Hilton | 809 | 74,426 | 68,059 | 91.4% | \$ 74.86 |
| Bally's AC | 1,745 | 157,605 | 139,408 | 88.5% | 100.66 |
| Borgata | 1,971 | 179,659 | 162,630 | 90.5% | 144.70 |
| Caesars | 1,139 | 104,604 | 85,197 | 81.4% | 100.44 |
| Harrah's Marina | 1,630 | 149,960 | 130,406 | 87.0% | 100.72 |
| Resorts | 942 | 80,972 | 72,111 | 89.1% | 65.00 |
| Showboat | 1,331 | 122,452 | 100,322 | 81.9% | 101.08 |
| Tropicana | 2,129 | 194,903 | 167,129 | 85.7% | 105.65 |
| Trump Marina | 728 | 66,976 | 54,464 | 81.3% | 85.71 |
| Trump Plaza | 906 | 83,352 | 64,891 | 77.9% | 89.26 |
| Trump Taj Mahal | 1,245 | 114,540 | 101,665 | 88.8% | 92.85 |
| INDUSTRY TOTAL | 14,575 | 1,329,449 | 1,146,282 | | |
| INDUSTRY AVERAGE | | | | 86.2% | \$101.84 |

* Number of guest rooms at end of quarter

**ATLANTIC CITY CASINO INDUSTRY
HOTEL STATISTICS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007**

| CASINO | NUMBER OF GUEST ROOMS IN PROPERTY* | NUMBER OF AVAILABLE ROOM NIGHTS | NUMBER OF OCCUPIED ROOM NIGHTS | OCCUPANCY RATE | AVERAGE RATE PER OCCUPIED ROOM |
|-------------------------|------------------------------------|---------------------------------|--------------------------------|----------------|--------------------------------|
| AC Hilton | 809 | 294,477 | 281,240 | 95.5% | \$ 76.88 |
| Bally's AC | 1,745 | 633,990 | 592,281 | 93.4% | 104.18 |
| Borgata | 1,971 | 714,833 | 677,772 | 94.8% | 143.72 |
| Caesars | 1,139 | 415,005 | 381,029 | 91.8% | 95.54 |
| Harrah's Marina | 1,630 | 594,429 | 553,553 | 93.1% | 103.33 |
| Resorts | 942 | 323,617 | 297,653 | 92.0% | 63.19 |
| Showboat | 1,331 | 485,815 | 438,252 | 90.2% | 103.80 |
| Tropicana | 2,129 | 772,095 | 702,304 | 91.0% | 109.93 |
| Trump Marina | 728 | 265,720 | 226,546 | 85.3% | 85.68 |
| Trump Plaza | 906 | 330,690 | 277,201 | 83.8% | 94.97 |
| Trump Taj Mahal | 1,245 | 455,330 | 414,306 | 91.0% | 92.03 |
| INDUSTRY TOTAL | 14,575 | 5,286,001 | 4,842,137 | | |
| INDUSTRY AVERAGE | | | | 91.6% | \$103.20 |

* Number of guest rooms at end of quarter

**THE ATLANTIC CITY CASINO INDUSTRY
CASINO WIN ANALYSIS
FOR THE YEAR-TO-DATE ENDED DECEMBER 2007 VERSUS 2006**

| | SLOT MACHINE WIN | | | TABLE GAME WIN | | | TOTAL CASINO WIN | | |
|-------------------------------|------------------------|------------------------|-----------------------------|------------------------|------------------------|-----------------------------|------------------------|------------------------|-----------------------------|
| | 2007 | 2006 | INCREASE (DECREASE) % | 2007 | 2006 | INCREASE (DECREASE) % | 2007 | 2006 | INCREASE (DECREASE) % |
| AC Hilton | 210,151,184 | 227,777,863 | (7.7) | 94,746,841 | 102,305,023 | (7.4) | 304,898,025 | 330,082,886 | (7.6) |
| Bally's AC | 462,939,908 | 506,812,194 | (8.7) | 178,477,792 | 170,478,063 | 4.7 | 641,417,700 | 677,290,257 | (5.3) |
| Borgata | 439,614,934 | 459,458,762 | (4.3) | 311,351,709 | 279,830,081 | 11.3 | 750,966,643 | 739,288,843 | 1.6 |
| Caesars | 374,486,028 | 370,351,996 | 1.1 | 208,852,379 | 184,891,060 | 13.0 | 583,338,407 | 555,243,056 | 5.1 |
| Harrah's Marina | 450,281,344 | 451,495,694 | (0.3) | 69,216,261 | 57,484,147 | 20.4 | 519,497,605 | 508,979,841 | 2.1 |
| Resorts | 208,011,470 | 216,006,471 | (3.7) | 70,719,206 | 66,889,246 | 5.7 | 278,730,676 | 282,895,717 | (1.5) |
| Sands (a) | N/A | 111,796,560 | N/A | N/A | 36,179,924 | N/A | N/A | 147,976,484 | N/A |
| Showboat | 333,680,749 | 362,534,606 | (8.0) | 73,740,876 | 66,979,072 | 10.1 | 407,421,625 | 429,513,678 | (5.1) |
| Tropicana | 285,874,818 | 338,935,428 | (15.7) | 117,791,849 | 120,214,518 | (2.0) | 403,666,667 | 459,149,946 | (12.1) |
| Trump Marina | 184,564,936 | 201,858,082 | (8.6) | 57,373,904 | 55,307,506 | 3.7 | 241,938,840 | 257,165,588 | (5.9) |
| Trump Plaza | 196,386,002 | 215,425,726 | (8.8) | 83,956,674 | 85,468,721 | (1.8) | 280,342,676 | 300,894,447 | (6.8) |
| Trump Taj Mahal | 318,479,404 | 341,202,837 | (6.7) | 190,088,702 | 188,030,215 | 1.1 | 508,568,106 | 529,233,052 | (3.9) |
| Total | \$3,464,470,777 | \$3,803,656,219 | (8.9) | \$1,456,316,193 | \$1,414,057,576 | 3.0 | \$4,920,786,970 | \$5,217,713,795 | (5.7) |
| Industry without Sands | \$3,464,470,777 | \$3,691,859,659 | (6.2) | \$1,456,316,193 | \$1,377,877,652 | 5.7 | \$4,920,786,970 | \$5,069,737,311 | (2.9) |

(a) Sands ceased operations on November 10, 2006.

As of April 1, 2008