TRUMP TAJ MAHAL ASSOCIATES, LLC
QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2007

SUBMITTED TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

TRUMP TAJ MAHAL ASSOCIATES, LLC
BALANCE SHEETS

AS OF DECEMBER 31, 2007 AND 2006

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2007 (c)	2006 (d)	
	ASSETS:				
	Current Assets:				
1	Cash and Cash Equivalents		$47,692	$34,029	*
2	Short-Term Investments				
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2007, $9,239; 2006, $6,068)		29,042	29,804	*
4	Inventories		5,213	5,488	*
5	Other Current Assets		6,748	7,399	*
6	Total Current Assets		88,695	76,720	*
7	Investments, Advances, and Receivables	15	27,557	22,739	
8	Property and Equipment - Gross	5	1,051,468	860,042	*
9	Less: Accumulated Depreciation and Amortization	5	(82,260)	(51,601)	*
10	Property and Equipment - Net	5	969,208	808,441	*
11	Other Assets	6	141,044	190,416	*
12	Total Assets		$1,226,504	$1,098,316	*
	LIABILITIES AND EQUITY:				
	Current Liabilities:				
13	Accounts Payable		$40,940	$14,273	*
14	Notes Payable				
	Current Portion of Long-Term Debt:				
15	Due to Affiliates				
16	External	7	1,548	5,496	
17	Income Taxes Payable and Accrued	8	3,470	9,286	
18	Other Accrued Expenses	10	19,482	20,497	*
19	Other Current Liabilities	11	21,523	33,856	*
20	Total Current Liabilities		86,963	83,408	*
	Long-Term Debt:				
21	Due to Affiliates	7	697,766	564,327	
22	External	7	8	769	
23	Deferred Credits	8	14,285	16,767	*
24	Other Liabilities	8	6,252	436	*
25	Commitments and Contingencies	15			
26	Total Liabilities		805,274	665,707	*
27	Stockholders', Partners', or Proprietor's Equity		421,230	432,609	*
28	Total Liabilities and Equity		$1,226,504	$1,098,316	*

* Reclassifications to conform to present year presentation.

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

TRUMP TAJ MAHAL ASSOCIATES, LLC
STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007 AND 2006

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2007 (c)	2006 (d)	
	Revenue:				
1	Casino		$504,090	$525,437	
2	Rooms		38,048	35,654	*
3	Food and Beverage		57,979	57,712	
4	Other		21,503	21,661	*
5	Total Revenue		621,620	640,464	*
6	Less: Promotional Allowances		132,107	137,773	
7	Net Revenue		489,513	502,691	*
	Costs and Expenses:				
8	Cost of Goods and Services		286,509	299,376	*
9	Selling, General, and Administrative		78,735	76,957	*
10	Provision for Doubtful Accounts		4,627	2,757	
11	Total Costs and Expenses		369,871	379,090	*
12	Gross Operating Profit		119,642	123,601	*
13	Depreciation and Amortization		29,335	33,932	
	Charges from Affiliates Other than Interest:				
14	Management Fees				
15	Other	12	10,937	6,998	*
16	Income (Loss) from Operations		79,370	82,671	
	Other Income (Expenses):				
17	Interest Expense - Affiliates	7	(48,002)	(48,043)	*
18	Interest Expense - External	7	(2,108)	(2,601)	*
19	CRDA Related Income (Expense) - Net	15	(1,907)	(2,222)	
20	Nonoperating Income (Expense) - Net	13	(25,019)	1,996	
21	Total Other Income (Expenses)		(77,036)	(50,870)	
22	Income (Loss) Before Taxes and Extraordinary Items		2,334	31,801	
23	Provision (Credit) for Income Taxes	8	(2,540)	2,638	
24	Income (Loss) Before Extraordinary Items		4,874	29,163	
25	Extraordinary Items (Net of Income Taxes - 2007, $0; 2006, $0)				
26	Net Income (Loss)		$4,874	$29,163	

* Reclassifications to conform to present year presentation.

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

TRUMP TAJ MAHAL ASSOCIATES, LLC
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2007 AND 2006

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2007 (c)	2006 (d)	
	Revenue:				
1	Casino		$114,375	$123,956	
2	Rooms		9,422	8,852	*
3	Food and Beverage		14,612	13,744	
4	Other		6,340	4,423	*
5	Total Revenue		144,749	150,975	*
6	Less: Promotional Allowances		32,564	31,364	
7	Net Revenue		112,185	119,611	*
	Costs and Expenses:				
8	Cost of Goods and Services		70,795	70,708	*
9	Selling, General, and Administrative		17,658	19,700	*
10	Provision for Doubtful Accounts		1,568	878	
11	Total Costs and Expenses		90,021	91,286	*
12	Gross Operating Profit		22,164	28,325	*
13	Depreciation and Amortization		7,015	7,989	
	Charges from Affiliates Other than Interest:				
14	Management Fees				
15	Other	12	3,157	1,862	*
16	Income (Loss) from Operations		11,992	18,474	
	Other Income (Expenses):				
17	Interest Expense - Affiliates	7	(12,576)	(11,704)	*
18	Interest Expense - External	7	(548)	(304)	*
19	CRDA Related Income (Expense) - Net	15	(514)	(520)	
20	Nonoperating Income (Expense) - Net	13	(26,364)	537	
21	Total Other Income (Expenses)		(40,002)	(11,991)	
22	Income (Loss) Before Taxes and Extraordinary Items		(28,010)	6,483	
23	Provision (Credit) for Income Taxes	8	(2,740)	(242)	
24	Income (Loss) Before Extraordinary Items		(25,270)	6,725	
25	Extraordinary Items (Net of Income Taxes - 2007, $0; 2006, $0)				
26	Net Income (Loss)		($25,270)	$6,725	

* Reclassifications to conform to present year presentation.

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

TRUMP TAJ MAHAL ASSOCIATES, LLC
STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2006
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	___ ___ ___ (e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 2005.........**		$389,339	$16,092		$405,431
2	Net Income (Loss) - 2006.........			29,163		29,163
3	Capital Contributions................					0
4	Capital Withdrawals..................					0
5	Partnership Distributions...........	12	(2,080)			(2,080)
6	Prior Period Adjustments..........					0
7	Restrictive Stock Awards	12	94			94
8						0
9						0
10	**Balance, December 31, 2006.........**		387,353	45,255	0	432,608
11	Net Income (Loss) - 2007.........			4,874		4,874
12	Capital Contributions................					0
13	Capital Withdrawals..................					0
14	Partnership Distributions...........					0
15	Prior Period Adjustments..........					0
16	Restrictive Stock Awards	12	167			167
17	Reduction of Goodwill	6	(16,419)			(16,419)
18						0
19	**Balance, December 31, 2007.........**		$371,101	$50,129	$0	$421,230

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

TRUMP TAJ MAHAL ASSOCIATES, LLC
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007 AND 2006

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2007 (c)	2006 (d)	
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		$65,213	$78,292	*
	CASH FLOWS FROM INVESTING ACTIVITIES:				
2	Purchase of Short-Term Investments				
3	Proceeds from the Sale of Short-Term Investments				
4	Cash Outflows for Property and Equipment...........................		(173,828)	(64,307)	*
5	Proceeds from Disposition of Property and Equipment..........		15		
6	CRDA Obligations	15	(6,467)	(6,662)	
7	Other Investments, Loans and Advances made......................				
8	Proceeds from Other Investments, Loans, and Advances				
9	Cash Outflows to Acquire Business Entities..........................		0	0	
10	....				
11	....				
12	Net Cash Provided (Used) By Investing Activities...................		(180,280)	(70,969)	*
	CASH FLOWS FROM FINANCING ACTIVITIES:				
13	Proceeds from Short-Term Debt				
14	Payments to Settle Short-Term Debt.....................................				
15	Proceeds from Long-Term Debt				
16	Costs of Issuing Debt..				
17	Payments to Settle Long-Term Debt......................................	7	(4,709)	(12,786)	
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0	
19	Purchases of Treasury Stock..				
20	Payments of Dividends or Capital Withdrawals......................				
21	Partnership Distribution			(2,080)	
22	Note Payable-TER/Payments to settle Intercomp	7	133,439	(10,000)	
23	Net Cash Provided (Used) By Financing Activities..................		128,730	(24,866)	
24	Net Increase (Decrease) in Cash and Cash Equivalents.............		13,663	(17,543)	*
25	Cash and Cash Equivalents at Beginning of Period..................		34,029	51,572	*
26	Cash and Cash Equivalents at End of Period............................		$47,692	$34,029	*

Line	Description	Notes	2007	2006
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)......................................		$68,362	$30,750
28	Income Taxes..		$0	$175

* Reclassifications to conform to present year presentation.

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

TRUMP TAJ MAHAL ASSOCIATES, LLC
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007 AND 2006

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2007 (c)	2006 (d)	
	CASH FLOWS FROM OPERATING ACTIVITIES:				
29	Net Income (Loss)..		$4,874	$29,163	
30	Depreciation and Amortization of Property and Equipment...	5	29,335	33,932	*
31	Amortization of Other Assets..	6	31,381	735	
32	Amortization of Debt Discount or Premium.........................				
33	Deferred Income Taxes - Current		(2,540)	417	
34	Deferred Income Taxes - Noncurrent				
35	(Gain) Loss on Disposition of Property and Equipment.........				
36	(Gain) Loss on CRDA-Related Obligations...........................		1,907	2,222	
37	(Gain) Loss from Other Investment Activities.......................				
38	(Increase) Decrease in Receivables and Patrons' Checks		512	(6,812)	
39	(Increase) Decrease in Inventories		275	528	*
40	(Increase) Decrease in Other Current Assets..........................		(942)	(1,064)	*
41	(Increase) Decrease in Other Assets......................................		459	2,969	*
42	Increase (Decrease) in Accounts Payable..............................		13,196	(7,315)	*
43	Increase (Decrease) in Other Current Liabilities		(13,411)	23,923	*
44	Increase (Decrease) in Other Liabilities			36	
45	Other			(536)	*
46	Restrictive Stock Awards		167	94	
47	Net Cash Provided (Used) By Operating Activities...................		$65,213	$78,292	*

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2007 (c)	2006 (d)	
	ACQUISITION OF PROPERTY AND EQUIPMENT:				
48	Additions to Property and Equipment...................................		($173,828)	($64,352)	*
49	Less: Capital Lease Obligations Incurred..............................			45	
50	Cash Outflows for Property and Equipment..............................		($173,828)	($64,307)	*
	ACQUISITION OF BUSINESS ENTITIES:				
51	Property and Equipment Acquired...				
52	Goodwill Acquired...				
53	Other Assets Acquired - net				
54	Long-Term Debt Assumed..				
55	Issuance of Stock or Capital Invested....................................				
56	Cash Outflows to Acquire Business Entities.............................		$0	$0	
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:				
57	Total Issuances of Stock or Capital Contributions..................		$0	$0	
58	Less: Issuances to Settle Long-Term Debt............................				
59	Consideration in Acquisition of Business Entities..................				
60	Cash Proceeds from Issuing Stock or Capital Contributions......		$0	$0	

* Reclassifications to conform to present year presentation.

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

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

TRUMP TAJ MAHAL ASSOCIATES, LLC
SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007

(UNAUDITED)
($ IN THOUSANDS)

		Promotional Allowances		Promotional Expenses		
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)	
1	Rooms	290,272	$22,754			
2	Food	1,349,787	25,568			
3	Beverage	6,266,497	10,151			
4	Travel			80,693	10,445	
5	Bus Program Cash	458,478	8,335			
6	Other Cash Complimentaries	1,226,600	58,981			
7	Entertainment	6,207	821	20,459	1,350	
8	Retail & Non-Cash Gifts	62,620	4,761	123,093	9,962	
9	Parking			334,551	1,004	
10	Other	13,159	736	106,211	4,445	*
11	Total	9,673,620	$132,107	665,007	$27,206	

* Promotional Expenses - Other includes $2,720 of comp dollars earned but not redeemec

FOR THE THREE MONTHS ENDED DECEMBER 31, 2007

		Promotional Allowances		Promotional Expenses		
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)	
1	Rooms	71,409	$5,652			
2	Food	330,598	6,422			
3	Beverage	1,576,009	2,568			
4	Travel			19,109	2,598	
5	Bus Program Cash	96,100	1,928			
6	Other Cash Complimentaries	279,508	12,908			
7	Entertainment	1,803	158	6,426	356	
8	Retail & Non-Cash Gifts	30,404	2,754	47,767	3,144	
9	Parking			116,049	348	
10	Other	3,151	174	26,624	(189)	*
11	Total	2,388,982	$32,564	215,975	$6,257	

* Promotional Expense - Other includes a credit for the expiration of comp dollars related to the initia seeding of accounts at the inception of the program.

TRUMP TAJ MAHAL ASSOCIATES, LLC
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 2007

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.

3/31/2008
Date

James L. Wright

Director of Finance
Title

003507-11
License Number

On Behalf of:

TRUMP TAJ MAHAL ASSOCIATES, LLC
Casino Licensee

TRUMP TAJ MAHAL ASSOCIATES, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Unaudited)
(in thousands)

NOTE 1 - GENERAL

Organization and Operations

Trump Taj Mahal Associates LLC ("Taj Associates" or the "Company"), a New Jersey Limited Liability Corporation, is 100% beneficially owned by Trump Entertainment Resorts Holdings, LP ("TER Holdings," formerly known as Trump Hotels & Casino Resorts Holdings, LP ("THCR")), a Delaware Limited Partnership. Trump Entertainment Resorts, Inc. ("TER," formerly known as Trump Hotels & Casino Resorts, Inc.), a Delaware corporation, currently beneficially owns an approximate 76.5% profits interest in TER Holdings, as both general and limited partner, and Donald J. Trump ("Mr. Trump") owns directly and indirectly an approximate 23.5% profits interest in TER Holdings, as a limited partner.

Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City, New Jersey hotel, casino and convention center complex. Taj Associates derives its revenue from casino operations, room rental, food and beverage sales, and entertainment revenue. The casino industry in Atlantic City is seasonal in nature with the peak season being the spring and summer months.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the rules and regulations of the Casino Control Commission of the State of New Jersey (the "CCC"). In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations, and cash flows for the periods presented, have been made.

The prior period financial statements presented herein have been revised to reflect the inclusion of Trump Taj Mahal Associates Administration ("Taj Administration"), a separate division of the Company that provides certain shared services to Trump Marina Associates LLC ("Marina Associates"), Trump Plaza Associates LLC ("Plaza Associates") and the Company. The prior periods' statements of income are unchanged as Taj Administration's expenses have historically been allocated to Marina Associates, Plaza Associates and the Company. The balance sheet as of December 31, 2006 has been revised to include Taj Administration's total assets, liabilities and equity. The statements of equity and cash flows have also been revised to include the changes in equity and cash flows associated with Taj Administration for the period from January 1, 2006 through December 31, 2006.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers cash and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Revenue Recognition and Allowance for Doubtful Accounts

The majority of our revenue is derived from gaming activities. As our gaming revenues are primarily generated from cash transactions, our revenues do not typically require the use of estimates. Gaming revenues represent the difference between amounts of gaming wins and losses. Revenues from hotel and other services are recognized at the time the related services are performed. The Company extends credit on a discretionary basis to certain qualified patrons. Credit limits are established for approved casino customers following investigations of creditworthiness. The Company maintains an allowance for doubtful accounts based on a specific review of customer accounts as well as a review of the history of write-offs of returned markers. Management believes that the reserve recorded is reasonable; however, these estimates could change based on the actual collection experience with each returned marker.

(in thousands)

Inventories

Inventories of provisions and supplies are carried at the lower of cost (weighted average) or market value.

Property and Equipment

The carrying value of property and equipment acquired prior to May 20, 2005, the effective date of Trump Hotels & Casino Resorts, Inc. and certain of its subsidiaries Second Amended and Restated Joint Plan of Reorganization is based on its allocation of reorganization value and is being depreciated on the straight-line method using rates based on the estimated remaining useful lives. Property and equipment acquired on or after May 20, 2005 is recorded at cost. Property and equipment is depreciated on the straight-line method using rates based on the estimated annual useful lives as follows:

Buildings and building improvements	40 years
Furniture, fixtures and equipment	3 - 10 years
Leasehold improvements	40 years or remaining life of lease

Depreciation expense includes amortization of assets under capital lease obligations.

Capitalized Interest

The Company capitalizes interest for associated borrowing costs of construction projects. Capitalization of interest ceases when the asset is substantially complete and ready for its intended use. Interest capitalized during the years ended December 31, 2007 and 2006 was $4,151 and $745, respectively.

Long-Lived Assets

In accordance with the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” (“SFAS 144”), when events or circumstances indicate that the carrying amount of long-lived assets to be held and used might not be recoverable, the expected future undiscounted cash flows from the assets is estimated and compared with the carrying amount of the assets. If the sum of the estimated undiscounted cash flows was less than the carrying amount of the assets, an impairment loss would be recorded. The impairment loss would be measured by comparing the fair value of the assets with their carrying amount. Long-lived assets that are held for disposal are reported at the lower of the assets’ carrying amount or fair value less costs related to the assets’ disposition.

Goodwill and Other Intangible Assets

In accordance with the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 142, “Goodwill and Other Intangible Assets” (“SFAS 142”), intangible assets are amortized over their estimated useful lives unless their lives are determined to be indefinite. Goodwill and other intangible assets with indefinite lives are not amortized but are subject to tests for impairment at least annually. SFAS 142 requires that impairment tests be performed more frequently than annually if events or circumstances indicate that the value of goodwill or intangible assets with indefinite lives might be impaired. Goodwill represents the Company’s reorganization value in excess of amounts allocable to identifiable assets. See Note 6 regarding intangible asset impairment charges recorded during 2007 resulting from the annual impairment test.

Deferred Financing Costs

Financing costs, including underwriters' discounts and direct transactional fees (including accounting, legal and printing) associated with the issuance of debt have been capitalized as deferred financing costs in the accompanying balance sheets and are being amortized to interest expense over the terms of the related debt.

Self-Insurance Reserves

Self-insurance reserves represent the estimated amounts of uninsured claims related to employee health medical costs, workers’ compensation and personal injury claims that have occurred in the normal course of business. These reserves are established by management based upon specific review of open claims, with consideration of incurred but not reported claims as of the balance sheet date. The costs of the ultimate disposition of these claims may differ from these reserve amounts.

(in thousands)

Promotional Allowances

The retail value of accommodations, food, beverage, and other services provided to patrons without charge is included in revenue and deducted as promotional allowances. The estimated costs of providing such promotional allowances are as follows:

	Years Ended December 31, 2007	2006
Rooms	$ 11,484	$ 11,430
Food and Beverage	33,374	36,540
Other	4,843	5,195
	$ 49,701	$ 53,165

Cash discounts based upon a negotiated amount with each affected patron are recognized as promotional allowances on the date the related revenue is recorded. Cash-back program awards based upon earning points for future redemption that are given to patrons are accrued as the patron earns the points. The amount is recorded as promotional allowances in the statements of income.

Taj Associates offers other incentive programs. These programs include gift giveaways and other promotional programs. Management elects the type of gift and the person to whom it will be offered. Since these awards are not cash awards, Taj Associates records them as costs of goods and services in the statements of income. Such amounts are expensed on the date the award is utilized by the patron.

Gaming Taxes

The Atlantic City casinos are required to pay an annual tax of 8.0% on their gross casino revenues. Taj Associates gross revenue tax was $40,675 and $42,369 for the years ended December 31, 2007 and 2006, respectively, and is included on the accompanying statements of income.

Stock-based Compensation

Effective May 20, 2005, the Company adopted Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"). SFAS 123R requires the fair value of equity awards for new awards and previously granted awards that are not yet fully vested on the adoption date to be recognized in the financial statements. Compensation expense is recognized on a straight-line basis over the vesting period for awards granted to employees of the Company by TER.

Advertising Expense

Taj Associates expenses advertising costs as they are incurred. Advertising expense was $6,160 and $4,758 for the years ended December 31, 2007 and 2006, respectively.

Reclassifications

Certain reclassifications and disclosures have been made to prior year financial statements to conform to the current year presentation.

NOTE 3 - SETTLEMENT OF PROPERTY TAX APPEALS

On November 7, 2007, the Company, together with Marina Associates and Plaza Associates (collectively, the "Trump Properties") entered into a stipulation of settlement with the City of Atlantic City ("City") to settle a series of appealed real property tax assessments relating to Trump Taj Mahal, Trump Marina and Trump Plaza for various tax years through 2007. Under the terms of the agreement, the Trump Properties will receive a refund of $34,000 relating to previously paid taxes consisting of (i) $12,000 in cash, which was received on December 7, 2007, and (ii) $22,000 in credits to be applied against future real property tax payments as follows: $4,000 per year in 2009, 2010 and 2011 and $5,000 per year in 2012 and 2013.

(in thousands)

Taj Associates' portion of the total refund was $4,234, consisting of (i) $1,494 in cash and (ii) $2,740 in credits to be applied against future real property tax payments as follows: $498 per year in 2009, 2010 and 2011 and $623 per year in 2012 and 2013.

The present value of Taj Associates' portion of the settlement was $3,823 and is reflected in the 2007 statement of income as Non-Operating Income from settlement of property tax appeals. The present value of the future real property tax credits is reflected on the balance sheet as a receivable include in Other Assets. In addition, included in Non-Operating Income and Expenses in 2007 is $239 in legal fees incurred in connection with the settlement.

NOTE 4 – TRUMP ONE UNIFIED PLAYER'S PROGRAM

In June 2007, TER implemented the Trump ONE unified player's program ("Trump ONE"), its new, company-wide customer loyalty program. Under Trump ONE, customers are able to accumulate complimentary dollars ("comp dollars") based upon their slot machine and table games play which may be redeemed at their discretion for complimentary food, beverage and retail items. Unredeemed comp dollars are subject to the terms of the Trump ONE program, including forfeiture based upon the lapsing of time. The Company records the cost of comp dollars as a selling, general and administrative expense when earned by customers. The retail value of the complimentary food, beverage and other retail items is recorded as revenue with an offset to promotional allowances at the time customers redeem comp dollars. At December 31, 2007, there was $2,720 accrued related to the outstanding comp dollar liability.

In addition to comp dollars, our customers have the ability to earn points based on slot machine or table games play that are redeemable in cash ("cash-back points"). The Company has historically accrued the cost of cash-back points, after consideration of estimated forfeitures, as they are earned. The cost is recorded in promotional allowances.

Customers may also receive discretionary complimentary rooms, food and beverage and other services which are expensed as incurred.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31, 2007	December 31, 2006
Land and land improvements	$ 196,618	$ 196,618
Buildings and building improvements	630,726	567,560
Furniture, fixtures and equipment	102,159	63,222
Construction-in-progress	121,965	32,642
Total	1,051,468	860,042
Less: accumulated depreciation and amortization	(82,260)	(51,601)
Net property and equipment	$ 969,208	$ 808,441

(in thousands)

NOTE 6 – INTANGIBLE ASSETS AND GOODWILL

In accordance with SFAS 142, the Company performed its annual goodwill and other intangible asset impairment test as of October 1, 2007. With the assistance of an independent valuation firm, the Company used discounted cash flow, market capitalization and market multiple methodologies in the determination of the estimated fair value of the Company. Based upon the estimated fair value of Taj Associates, it was determined that goodwill was not impaired. However, the Company determined that the negative effects resulting from increased regional competition, the partial smoking ban in Atlantic City and a general weakening of the economy resulted in an impairment of its trademarks.

As a result, Taj Associates recorded an other intangible asset impairment charge of $30,447 relating to its trademarks. Such charge is included in Non-Operating Income (Expense) as an other intangible asset impairment charge in the statement of income for the year ended December 31, 2007.

The impairment test procedures performed in accordance with SFAS 142 require comprehensive estimates of the future cash flows of the Company. Due to uncertainties associated with such estimates, actual results could differ from such estimates. A continuation of the previously mentioned conditions may result in the determination that some or all of the Company's remaining goodwill and other intangible assets have become impaired, which could result in additional impairment charges.

Intangible assets consist of the following:

	As of December 31, 2007			As of December 31, 2006		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-Lived Intangible Assets:						
Goodwill	$ 76,362		$ 76,362	$ 92,981	$ -	$ 92,981
Trademarks	$ 50,553		$ 50,553	$ 81,000	$ -	$ 81,000
Other Intangible Assets:						
Customer relationships (weighted average useful life - 7 years)	$ 7,000	$ (2,616)	$ 4,384	$ 7,000	$ (1,616)	$ 5,384
Leasehold interests (weighted average useful life - 1.6 years)	466	(466)	-	466	(466)	-
Total other intangible assets	$ 7,466	$ (3,082)	$ 4,384	$ 7,466	$ (2,082)	$ 5,384

The Company recorded amortization expense of $1,000 and $1,179 for the years ended December 31, 2007 and 2006, respectively.

Future amortization expense of our amortizable intangible assets for the next five fiscal years is expected to be as follows:

2008	$ 1,000
2009	1,000
2010	1,000
2011	1,000
2012	384

A rollforward of goodwill for the period from December 31, 2005 to December 31, 2007 is as follows:

(in thousands)

Balance December 31, 2005	$ 94,072
Adjustment to reflect undistributed Note Payable	(674)
Non-cash charge in lieu of income taxes	(417)
Balance December 31, 2006	92,981
Non-cash transactions with TER Holdings	(16,419)
Non-cash charge in lieu of income taxes	(200)
Balance December 31, 2007	$ 76,362

NOTE 7 - LONG-TERM DEBT

Long-term debt consists of:

	December 31,	
	2007	**2006**
8.5% Note Payable - TER and TER Funding, due June 1, 2015, interest payable semi-annually due June and December	$ 564,327	$ 564,327
8.5% Revolving Grid Note Payable - TER Holdings, due January 1, 2013, interest due and payable monthly	133,439	-
Capitalized lease obligations - interest rates at 4.43% to 11.25%, secured by equipment financed	1,556	6,265
Total long-term debt	699,322	570,592
Less: current maturities	(1,548)	(5,496)
Long-term debt, net of current maturities	$ 697,774	$ 565,096

8.5% Note Payable – TER and TER Funding

In May 2005, TER Holdings and Trump Entertainment Resorts Funding, Inc., a wholly owned subsidiary of TER Holdings, (collectively, "the Issuers"), issued $1,250,000 principal amount of 8.5% Senior Secured Notes due June 1, 2015 (the "TER Notes"). From the proceeds of the issuance of the TER Notes, TER Holdings loaned $575,000 to Taj Associates. Under the terms of the Debtors' reorganization plan, any of the TER Notes issued to the Plan's disbursing agent and not distributed would revert to TER. During 2006, undistributed amounts included $1,038 in TER Notes. In connection with this matter, the undistributed TER Notes were retired and Taj Associates' Note Payable was reduced by $673. During the year ended December 31, 2006 Taj Associates repaid $10,000 of the 8.5% Note Payable. Included in accrued interest at December 31, 2007 and 2006 is $3,175 and $15,043, respectively, payable to TER Holdings.

8.5% Revolving Grid Note Payable – TER Holdings

In July 2007, Taj Associates entered into a Revolving Grid Note ("Grid Note") with TER Holdings. Pursuant to the Grid Note, Taj Associates agreed to repay up to $250,000 of advances made by TER Holdings, including any accrued unpaid interest on outstanding advances thereon. Upon execution of the Grid Note, outstanding amounts due to TER Holdings relating to intercompany borrowings and unpaid interest due on the 8.5% Note Payable were refinanced through the Grid Note.

(in thousands)

As of December 31, 2007, long-term debt and capital lease obligations mature as follows:

	Long-Term Debt	Capital Lease Obligations	Total
2008	$ –	$ 1,563	$ 1,563
2009	–	8	8
2010	–	–	–
2011	–	–	–
2012	–	–	–
Thereafter	697,766	–	697,766
Total minimum payments	697,766	1,571	699,337
Less: amount representing interest	–	(15)	(15)
Total value of principal payments	$ 697,766	$ 1,556	$ 699,322

Guarantees

The Company, along with Plaza Associates and Marina Associates, guarantees TER Holdings' and TER Funding's $493,250 Credit Facility and TER Notes on a joint and several basis. The Credit Facility is secured by substantially all of the assets of the Issuers and Taj Associates on a priority basis. Therefore, the TER Notes and the guarantee thereof are effectively subordinated to amounts borrowed by TER under the Credit Facility. At December 31, 2007, TER had outstanding borrowings of $393,250 and $1,248,969 under the Credit Facility and the TER Notes, respectively. The Credit Facility includes a $100,000 Term Loan which is restricted for use to fund the Company's new hotel tower.

NOTE 8 - INCOME TAXES

Federal Income Taxes

The accompanying financial statements do not include a provision for federal income taxes since the Company is a division of TER Holdings, which is taxed as a partnership for federal income tax purposes. Therefore, the Company's income and losses are allocated and reported for federal income tax purposes by TER Holdings' partners.

State Income Taxes

Under the New Jersey Casino Control Act, the Company is required to file New Jersey corporation business tax returns. As of December 31, 2007, the Company has state net operating loss carryforwards of approximately $35,200 available to offset future taxable income. The New Jersey state net operating losses expire from 2008 through 2014.

The Predecessor Company's net operating losses utilized to offset taxable income of the Reorganized Company will be recorded in the provision for income taxes as a non-cash charge in lieu of taxes and as a reduction to goodwill, if available, and additional paid-in-capital to the extent goodwill would be reduced to zero.

The state income tax provision (benefit) attributable to income from operations before income taxes is as follows:

	Year Ended December 31,	
	2007	**2006**
Current	$ -	$ 2,221
Deferred	(2,740)	-
Non-cash charge in lieu of taxes	200	417
	$ (2,540)	$ 2,638

(in thousands)

The deferred income tax benefit reflects the impact of a reduction in the Company's net deferred tax liabilities. The non-cash charge in lieu of income taxes represents the utilization of pre-reorganization tax benefits that are reflected as a reduction to goodwill.

On January 1, 2007, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48") which clarifies the accounting for uncertainty in income taxes recognized in the financial statements in accordance with FASB Statement No. 109, "Accounting for Income Taxes." FIN 48 provides guidance on the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on classification, interest and penalties, accounting in interim periods, disclosures and transition.

At December 31, 2007, the Company had unrecognized tax benefits of approximately $12,973 (including interest) of which $3,205 would affect its effective tax rate, if recognized. The application of FIN 48 did not have an impact on partners' capital on the date of adoption. It is reasonably possible that certain unrecognized tax benefits related to income tax examinations totaling $3,470 could be settled during the next twelve months.

The following table summarizes the activity related to the Company's unrecognized tax benefits:

Unrecognized tax benefits at January 1, 2007	$ 10,114
Increases (decreases) related to current year tax positions	5
Increases (decreases) related to prior years tax positions	-
Decreases related to settled tax positions	-
Decreases related to expired statutes of limitations	-
Unrecognized tax benefits at December 31, 2007	$ 10,119

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties as a component of income tax expense. During the year ended December 31, 2007, the Company recognized approximately $1,027 in potential interest associated with uncertain tax positions. At December 31, 2007, the Company had approximately $2,854 accrued for the payment of interest on uncertain tax positions. To the extent interest is not assessed with respect to uncertain tax positions of the Reorganized Company, amounts accrued will be reduced and reflected as a reduction of interest expense. To the extent interest is not assessed with respect to uncertain tax positions of the Predecessor Company, amounts accrued prior to the reorganization date will be reduced and the impact will reduce goodwill in accordance with Emerging Issues Task Force Issue 93-7, "Uncertainties Related to Income Taxes in a Purchase Business Combination" ("EITF 93-7").

The tax effects of significant temporary differences representing deferred tax assets and liabilities, subject to valuation allowances are as follows:

(in thousands)

	December 31, 2007	December 31, 2006
Deferred tax assets:		
Accruals and prepayments	$ 6,762	$ 6,140
Net operating loss carryforwards	3,172	3,555
	9,934	9,695
Less: Valuation allowance	(8,796)	(8,229)
	1,138	1,466
Deferred tax liabilities:		
Basis differences on property and equipment, net	(9,790)	(10,238)
Trademarks and other	(5,155)	(7,775)
	(14,945)	(18,013)
Net deferred income tax liability	$ (13,807)	$ (16,547)

Federal and State Income Tax Audits

Tax years 2005 through 2007 remain subject to examination by the federal tax authority. Tax years 1997 through 2007 remain subject to examination by state tax jurisdictions.

Prior to 2007, state income taxes for the Company's New Jersey operations were computed under the alternative minimum assessment method. This alternative minimum tax assessment expired as of December 31, 2006 and therefore the Company has not recorded a provision for New Jersey state alternative minimum taxes in 2007. The Company believes it is exempt from these taxes and, as such, has not remitted payments of the amounts provided. The New Jersey Division of Taxation has issued an assessment to collect the unpaid taxes for the tax years 2002 through 2003. At December 31, 2007 and 2006, the Company has accrued $12,140 and $11,113, respectively, for taxes and interest relating to this alternative minimum tax assessment for 2002 and 2003, as well as the open years 2004 through 2006. The Company is currently in discussions with the New Jersey Division of Taxation regarding settlement of these assessments.

NOTE 9 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), "Business Combinations" ("SFAS 141(R)"). This Statement retained the fundamental requirements in SFAS 141 that the acquisition method of accounting (which SFAS 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. SFAS 141(R), which is broader in scope than that of SFAS 141, which applied only to business combinations in which control was obtained by transferring consideration, applies the same method of accounting (the purchase method) to all transactions and other events in which one entity obtains control over one or more other businesses. SFAS 141(R) also makes certain other modifications to SFAS 141. We are required to apply the provisions of SFAS 141(R) to business combinations for which the acquisition date is on or after January 1, 2009. Earlier application is prohibited. We do not expect the adoption of SFAS 141(R) to have a material effect on our financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 permits companies to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing companies with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The fair value option established by SFAS 159 permits all companies to choose to measure eligible items at fair value at specified election dates. At each subsequent reporting date, companies shall report in earnings any unrealized gains and losses on items for which the fair value option has been elected. SFAS 159 is effective for our fiscal year beginning January 1, 2009. We are currently evaluating whether to adopt the fair value option under SFAS 159 and evaluating what impact such adoption would have on our financial statements.

(in thousands)

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157") which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. On February 12, 2008, the FASB issued FASB Staff Position No. FAS 157-2, Effective Date of FASB Statement No. 157 ("FSP 157-2"), delaying the effective date of SFAS 157 to fiscal years beginning after November 15, 2008, for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. We do not expect that the adoption of SFAS 157 will have a material effect on our financial statements and are currently evaluating the effects of the deferment provisions of FSP 157-2.

NOTE 10 - OTHER ACCRUED EXPENSES

	December 31, 2007	December 31, 2006
Accrued advertising/marketing	$ 1,734	$ 1,480
Accrued payroll & related	11,943	12,714
Accrued CRDA obligation	1,450	1,555
Gaming tax payable	501	1,182
Other **	3,854	3,566
Total	$ 19,482	$ 20,497

** None of the individual components of Other exceed 5% of the total.

NOTE 11 – OTHER CURRENT LIABILITIES

	December 31, 2007	December 31, 2006
Accrued Interest	$ 6,029	$ 20,867
Self Insurance	5,682	7,324
Unredeemed Chips and Tokens	3,527	3,279
Advance Deposits	1,157	705
Patron Deposits	1,525	783
Trump One Card Liability	2,720	—
Other	883	898
	$ 21,523	$ 33,856

NOTE 12 - TRANSACTIONS WITH AFFILIATES

Taj Associates has engaged in certain transactions with Mr. Trump and entities that are wholly or partially owned by Mr. Trump. Amounts receivable/(payable) at December 31 are as follows:

	December 31, 2007	December 31, 2006
Marina Associates	$ (964)	$ (1,827)
Plaza Associates	733	(1,590)
Trump Entertainment Resorts	(47)	1,290
Trump Organization	—	(2)
	$ (278)	$ (2,129)

(in thousands)

Taj Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities that are affiliates of Mr. Trump. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance, advertising and payroll costs as well as complimentary services offered to customers.

Trump Taj Mahal Associates Administration, a separate division of Taj Associates ("Trump Administration") provides certain shared services for Taj Associates, Plaza Associates and Marina Associates. Trump Administration allocated and was re-imbursed expenses associated with such services totaling $13,322 and $7,798 for the year ended December 31, 2007 and 2006, respectively.

During September 2006, TER amended the Right of First Offer Agreement ("ROFO Agreement") with Trump Organization LLC. The amended ROFO agreement pertains to construction projects greater than $35,000. Under the terms of the amended ROFO Agreement Taj Associates paid $1,870 including minimum monthly fees of $600 and cost saving commissions of $1,270, to Trump Organization, LLC during the year ended December 31, 2007 and $1,051, including minimum monthly fees of $350 and cost saving commissions of $701, during the year ended December 31, 2006. These amounts were capitalized as part of the construction costs of the Taj Mahal's Hotel Tower.

Taj Associates made distributions to TER Holdings totaling $2,080 during the year ended December 31, 2006.

Taj Associates utilizes certain facilities owned by Mr. Trump to entertain high-end customers. Management believes that the ability to utilize these facilities has enhanced Taj Associates' revenues. Taj Associates incurred approximately $7 during the year ended December 31, 2006 for customer costs associated with such utilization. There were no such costs incurred during the year ended December 31, 2007.

Since 2005, TER has awarded 29,060 restricted shares of TER common stock to employees of Taj Associates. At December 31, 2007, the remaining unrecognized compensation expense for nonvested restricted stock to be recognized over the remaining contractual life was $173. The weighted-average remaining contractual life of outstanding restricted stock grants at December 31, 2007 was approximately 1.1 year.

Subsequent to December 31, 2007, 87,306 shares of additional restricted stock were awarded with unrecognized compensation expense of $337 to be recognized over the contractual life. The weighted-average contractual life of these grants was 2 years.

NOTE 13 - NON-OPERATING INCOME (EXPENSE)

Non-operating income (expense) for the year ended December 31, 2007 and 2006 consists of:

	2007	2006
Interest income	$ 1,834	$ 1,996
Settlement of Property Tax Appeals, net of expenses	3,594	–
Impairment of Intangible Assets - Trademarks	(30,447)	–
	$ (25,019)	$ 1,996

NOTE 14 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments included in current assets and current liabilities approximate their fair values because of their short-term nature. The carrying amounts of CRDA bonds and deposits approximate their fair values as a result of allowances established to give effect to below-market interest rates.

The carrying amount and estimated fair value of our remaining financial instruments at December 31, are as follows:

	2007		**2006**	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debt	$ 697,766	$ 528,558	$ 564,327	$ 561,505

(in thousands)

The fair value of the Note Payable and Grid Note is based on quoted market prices on the TER Notes as of December 31, 2007 and 2006. The estimated fair value of capital lease obligations approximates carrying value.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Leases

The Company has entered into leases for certain property, advertising billboards and various equipment under operating leases. Rent expense for the years ended December 31, 2007 and 2006 was $3,862 and $4,940, respectively.

Future minimum lease payments under noncancellable operating leases as of December 31, 2007 are as follows:

2008	$ 6,792
2009	5,245
2010	5,127
2011	2,289
2012	402
Thereafter	—
Total minimum payments	$ 19,855

Certain of these leases contain options to purchase the leased properties at various prices throughout the leased terms.

Construction Commitments

At December 31, 2007, the Company has outstanding future construction commitments of approximately $166,000 relating primarily to the construction of its new 782-room hotel tower.

Casino License Renewal

The Company is subject to regulation and licensing by the New Jersey Casino Control Commission (the "CCC"). The Company's casino license must be renewed periodically, is not transferable, is dependent upon the financial stability of the Company and can be revoked at any time. Due to the uncertainty of any license renewal application, there can be no assurance that the license will be renewed.

In June 2007, the CCC renewed the Company's license to operate the Taj Mahal for the next five year period through June 2012. Upon revocation, suspension for more than 120 days, or failure to renew the casino license, the Casino Control Act provides for the mandatory appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

Legal Proceedings

Taj Associates and certain of its employees are involved from time to time in various legal proceedings incidental to the Company's business. While any proceeding or litigation contains an element of uncertainty, management believes that the final outcomes of these matters are not likely to have a material adverse effect on the Company's results of operations or financial condition. In general, the Company has agreed to indemnify such persons, and its directors, against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings absent a showing of such persons' gross negligence or malfeasance.

(in thousands)

Coastal Area Facilities Review Act Agreement

Taj Associates received a permit under the Coastal Area Facilities Review Act ("CAFRA"), which included a condition of Taj Associates' casino license that initially required Taj Associates to begin construction of certain improvements on the Steel Pier by October 1992. Such improvements were to be completed within 18 months of commencement. In March 1993, Taj Associates obtained a modification of its CAFRA permit providing for the extension of the required commencement and completion dates of the improvements to the Steel Pier for one year, which has been renewed annually based upon an interim use of the Steel Pier as an amusement park. The pier sublease, pursuant to which Taj Associates leases the Steel Pier to an amusement park operator, terminates on December 31, 2008. The conditions of the CAFRA permit renewal thereafter are under discussion with the New Jersey Department of Environmental Protection.

Casino Reinvestment Development Authority Obligations

Pursuant to the provisions of the Casino Control Act, the Company must either obtain investment tax credits, as defined in the Casino Control Act, in an amount equivalent to 1.25% of its gross casino revenues, as defined in the Casino Control Act, or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by making qualified investments, as defined, or by depositing funds which may be converted to bonds by the Casino Reinvestment Development Authority (the "CRDA"), both of which bear interest at two-thirds of market rates resulting in a fair value lower than cost. The Company is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

For the year ended December 31, 2007 and 2006, the Company charged to operations $1,907 and $2,222, respectively, to give effect to the below market interest rates associated with CRDA deposits and bonds. From time to time, the Company has elected to donate funds it has on deposit with the CRDA for various projects. The Company is not obligated to make donations to any specific project and elects to donate funds based on the specific facts of each potential donation transaction.

At December 31, 2007, the Company's qualifying CRDA investments include approximately $524 in non-performing bonds, less a reserve of $311. These bonds are collateralized by equipment and real property. The Company records interest income on non-performing bonds as cash interest payments are received. The Company continues to evaluate the collectibility of these bonds. Future events may result in the need to record additional reserves relating to its investment in these bonds.

CRDA investments reflected on the accompanying balance sheets are comprised of the following:

	December 31,	
	2007	2006
CRDA deposits, net of allowances of $12,897 and $10,399, respectively	$ 25,429	$ 20,433
CRDA bonds, net of allowances of $1,436 and $1,335, respectively	2,128	2,306
	$ 27,557	$ 22,739

NJSEA Subsidy Agreement

On April 12, 2004, the casinos located in Atlantic City (the Casinos"), including Taj Associates, executed an agreement with the New Jersey Sports & Exposition Authority ("NJSEA") and the CRDA to, among other things, enhance purses, fund breeders' awards, and establish account wagering at New Jersey horse racing tracks ("NJSEA Subsidy Agreement"). The NJSEA Subsidy Agreement provides that the casinos, pro rata according to their gross revenues, shall: (i) pay $34,000 to the NJSEA in cash in four yearly payments through October 15, 2007 and donate $52,000 to the NJSEA from the regular payment of their CRDA obligations for use by the NJSEA through 2008 to enhance such purses, fund such breeders' awards, and establish such account wagering; and (ii) donate $10,000 from the regular payment of their CRDA obligations for use by the CRDA as grants to such other North Jersey projects as the CRDA shall determine. The Company has estimated its portion of the industry obligation at approximately 10.4%.

The NJSEA Subsidy Agreement further provides for a moratorium until January 2009 on the conduct of casino gaming at any New Jersey racetrack (unless casinos controlling a majority of the hotel rooms operated by the casinos in Atlantic City otherwise agree). Violation of the moratorium terminates the NJSEA Subsidy Agreement and all further payment obligations to the NJSEA and requires the NJSEA to return all undistributed cash to the casinos and the CRDA to return all undistributed donated investment alternative tax obligation payments to the casinos.

The NJSEA Subsidy Agreement also expressly conditioned the provision that the Casinos donate $62,000 of CRDA obligations upon the timely enactment and funding of the Casino Expansion Fund Act. That act timely became effective in 2004 and established the Atlantic City Expansion Fund. It further directed the CRDA to provide the fund with $62,000 and make that amount available, on a pro rata basis, to each casino licensee for investment in eligible projects in Atlantic City approved by the CRDA. An eligible project is defined by statute as one which adds hotel rooms and, in certain circumstances, retail, dining or non-gaming entertainment venues or other non-gaming amenities including parking spaces. In September 2006, the CRDA approved the new hotel tower now under construction at the Trump Taj Mahal as an eligible project and, pursuant to October 2006 agreements, authorized grants to our Atlantic City casinos in the aggregate amounts of approximately $13,800 from the Atlantic City Expansion Fund and $1,575 from a separate Casino Capital Construction Fund also administered by the CRDA.

The eleven Atlantic City casinos presently operating are currently negotiating with representatives of New Jersey state government to obtain a further moratorium on the conduct of casino gaming at New Jersey race tracks in exchange for further subsidy payments to the NJSEA.

NOTE 16 - EMPLOYEE BENEFIT PLANS

The Company sponsors a retirement savings plan for its nonunion employees under Section 401(k) of the Internal Revenue Code (“401(k) Plan”). A portion of participant contributions are matched on an annual basis in accordance with the 401(k) Plan. Matching contributions under the 401(k) Plan were $1,880 and $1,786 for the years ended December 31, 2007 and 2006, respectively.

The Company makes payments to various trusteed multi-employer pension plans under industry-wide union agreements. The payments are based on the hours worked by, or gross wages paid to, covered employees. Under the Employee Retirement Income Security Act, the Company may be liable for its share of the plans’ unfunded liabilities, if any, if the plans are terminated or if the Company withdraws from participation in such plans. Pension expense for the years ended December 31, 2007 and 2006, were $3,448 and $3,579, respectively.

TRUMP TAJ MAHAL

ANNUAL FILINGS

FOR THE YEAR ENDED DECEMBER 31, 2007

SUBMITTED TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

TRUMP TAJ MAHAL
SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
FOR THE YEAR ENDED DECEMBER 31, 2007

(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
Line (a)	**Description (b)**	**Account Balance (c)**	**Allowance (d)**	**Accounts Receivable (Net of Allowance) (e)**
	Patrons' Checks:			
1	Undeposited Patrons' Checks................................	$15,267		
2	Returned Patrons' Checks....................................	18,175		
3	Total Patrons' Checks..	33,442	$8,964	$24,478
4	Hotel Receivables..	2,483	275	$2,208
	Other Receivables:			
5	Receivables Due from Officers and Employees....	5		
6	Receivables Due from Affiliates...........................			
7	Other Accounts and Notes Receivables................	2,351		
8	Total Other Receivables....................................	2,356		$2,356
9	Totals (Form CCC-205)...	$38,281	$9,239	$29,042

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	**Description (g)**	**Amount (h)**
10	Beginning Balance (January 1)..	$17,365
11	Counter Checks Issued..	407,529
12	Checks Redeemed Prior to Deposit..	(301,826)
13	Checks Collected Through Deposits...	(87,741)
14	Checks Transferred to Returned Checks..	(20,060)
15	Other Adjustments..	
16	Ending Balance..	$15,267
17	"Hold" Checks Included in Balance on Line 16...	0
18	Provision for Uncollectible Patrons' Checks..	$4,507
19	Provision as a Percent of Counter Checks Issued..	1.1%

TRUMP TAJ MAHAL
EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2007
($ IN THOUSANDS)

Line (a)	Department (b)	Number of Employees (c)	Salaries and Wages: Other Employees (d)	Salaries and Wages: Officers & Owners (e)	Salaries and Wages: Totals (f)
	CASINO:				
1	Table and Other Games	1,202			
2	Slot Machines	121			
3	Administration	4			
4	Casino Accounting	219			
5	Simulcasting	10			
6	Other	10			
7	Total - Casino	1,566	$39,067	$0	$39,067
8	ROOMS	304	7,485	357	7,842
9	FOOD AND BEVERAGE	1,105	23,957	0	23,957
10	GUEST ENTERTAINMENT	198	2,102	84	2,186
11	MARKETING	147	7,589	288	7,877
12	OPERATION AND MAINTENANCE	293	10,687	0	10,687
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	3	84	830	914
14	Accounting and Auditing	100	3,781	0	3,781
15	Security	231	6,278	0	6,278
16	Other Administrative and General	111	7,623	0	7,623
	OTHER OPERATED DEPARTMENTS:				
17					0
18	Transportation	80	1,358	0	1,358
19	Health Club	8	233	0	233
20	Retail Operations	23	479	0	479
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	4,169	$110,723	$1,559	$112,282

TRUMP TAJ MAHAL
ANNUAL GROSS REVENUE TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2007

Line		
	GROSS REVENUE:	
1.	Table and Other Games…	$ 190,088,702
2.	Slot Machines	318,479,404
3.	Total Gross Revenue	508,568,106
4.	Adjustments…	236,553
5.	Taxable Gross Revenue (line 3 plus line 4)	508,804,659
6.	Tax on Gross Revenue - Reporting Year (8% of line 5)	40,704,373
7.	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years	11,537
8.	Total Taxes on Gross Revenue (the sum of lines 6 and 7)	40,715,910
9.	Total Deposits Made for Tax on Reporting Year's Gross Revenue	(40,704,375)
10.	Settlement of Prior Years' Tax on Gross Revenue Resulting from Audit or Other Adjustments - (Deposits) Credits	(11,537)
11.	Gross Revenue Taxes Payable (the net of lines 8, 9 and 10)	$ (2)

Under penalties of perjury, I declare that I have examined this Annual Gross Revenue Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

February 7, 2008
Date

Ford Palmer

Casino Controller 4086-11
Title (License Number)