TRUMP TAJ MAHAL ASSOCIATES, LLC
QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 2008

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 JUNE 30, 2008 AND 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$26,442	$32,943
2	Short-Term Investments			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2008, $9,616; 2007, $7,341)		29,188	31,952
4	Inventories		5,521	5,023
5	Other Current Assets		13,185	8,301
6	Total Current Assets		74,336	78,219
7	Investments, Advances, and Receivables	8	29,489	23,940
8	Property and Equipment - Gross		1,153,844	954,144
9	Less: Accumulated Depreciation and Amortization		(96,752)	(65,576)
10	Property and Equipment - Net		1,057,092	888,568
11	Other Assets	3	139,755	187,291
12	Total Assets		$1,300,672	$1,178,018
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$47,717	$23,767
14	Notes Payable			
	Current Portion of Long-Term Debt:			
15	Due to Affiliates			
16	External	4	355	2,770
17	Income Taxes Payable and Accrued	5	3,470	3,470
18	Other Accrued Expenses		20,227	21,584
19	Other Current Liabilities	4 & 7	17,622	92,710
20	Total Current Liabilities		89,391	144,301
	Long-Term Debt:			
21	Due to Affiliates	4	763,431	564,327
22	External	4	5,812	97
23	Deferred Credits	5	14,285	16,817
24	Other Liabilities	5	6,252	6,252
25	Commitments and Contingencies	8		
26	Total Liabilities		879,171	731,794
27	Stockholders', Partners', or Proprietor's Equity		421,501	446,224
28	Total Liabilities and Equity		$1,300,672	$1,178,018

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 SIX MONTHS ENDED JUNE 30, 2008 AND 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)	
	Revenue:				
1	Casino		$229,929	$243,939	
2	Rooms		19,259	17,832	
3	Food and Beverage		28,975	26,853	
4	Other		11,563	7,787	
5	Total Revenue		289,726	296,411	
6	Less: Promotional Allowances	2	62,665	58,802	
7	Net Revenue		227,061	237,609	
	Costs and Expenses:				
8	Cost of Goods and Services		139,592	138,071	*
9	Selling, General, and Administrative	2	33,777	41,172	*
10	Provision for Doubtful Accounts		2,164	1,910	
11	Total Costs and Expenses		175,533	181,153	
12	Gross Operating Profit		51,528	56,456	
13	Depreciation and Amortization		17,376	14,136	
	Charges from Affiliates Other than Interest:				
14	Management Fees				
15	Other	7	7,216	4,325	
16	Income (Loss) from Operations		26,936	37,995	
	Other Income (Expenses):				
17	Interest Expense - Affiliates	4	(25,123)	(23,141)	
18	Interest Expense - External	4	(1,296)	(1,093)	
19	CRDA Related Income (Expense) - Net	8	(982)	(781)	
20	Nonoperating Income (Expense) - Net		566	791	
21	Total Other Income (Expenses)		(26,835)	(24,224)	
22	Income (Loss) Before Taxes and Extraordinary Items		101	13,771	
23	Provision (Credit) for Income Taxes	5		200	
24	Income (Loss) Before Extraordinary Items		101	13,571	
25	Extraordinary Items (Net of Income Taxes - 2008, $0; 2007, $0)				
26	Net Income (Loss)		$101	$13,571	

* 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 JUNE 30, 2008 AND 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)	
	Revenue:				
1	Casino		$112,007	$122,025	
2	Rooms		10,051	9,495	
3	Food and Beverage		14,769	14,392	
4	Other		6,011	4,112	
5	Total Revenue		142,838	150,024	
6	Less: Promotional Allowances	2	29,827	30,851	
7	Net Revenue		113,011	119,173	
	Costs and Expenses:				
8	Cost of Goods and Services		69,479	70,043	*
9	Selling, General, and Administrative	2	15,854	21,231	*
10	Provision for Doubtful Accounts		1,232	1,069	
11	Total Costs and Expenses		86,565	92,343	
12	Gross Operating Profit		26,446	26,830	
13	Depreciation and Amortization		8,758	7,359	
	Charges from Affiliates Other than Interest:				
14	Management Fees				
15	Other	7	3,614	2,296	
16	Income (Loss) from Operations		14,074	17,175	
	Other Income (Expenses):				
17	Interest Expense - Affiliates	4	(12,593)	(11,606)	
18	Interest Expense - External	4	(612)	(494)	
19	CRDA Related Income (Expense) - Net	8	(487)	(602)	
20	Nonoperating Income (Expense) - Net		246	429	
21	Total Other Income (Expenses)		(13,446)	(12,273)	
22	Income (Loss) Before Taxes and Extraordinary Items		628	4,902	
23	Provision (Credit) for Income Taxes				
24	Income (Loss) Before Extraordinary Items		628	4,902	
25	Extraordinary Items (Net of Income Taxes - 2008, $0; 2007, $0)				
26	Net Income (Loss)		$628	$4,902	

* 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, 2007
AND THE SIX MONTHS ENDED JUNE 30, 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 2006..........**		$387,353	$45,255		$432,608
2	Net Income (Loss) - 2007..........			4,874		4,874
3	Capital Contributions................					0
4	Capital Withdrawals..................					0
5	Partnership Distributions...........					0
6	Prior Period Adjustments..........					0
7	Restrictive Stock Awards	7	167			167
8	Non-cash transactions with					0
9	TER Holdings		(16,419)			(16,419)
10	**Balance, December 31, 2007..........**		371,101	50,129	0	421,230
11	Net Income (Loss) - 2008..........			101		101
12	Capital Contributions................					0
13	Capital Withdrawals..................					0
14	Partnership Distributions...........					0
15	Prior Period Adjustments..........					0
16	Restrictive Stock Awards	7	170			170
17						0
18						0
19	**Balance, June 30, 2008..................**		$371,271	$50,230	$0	$421,501

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 SIX MONTHS ENDED JUNE 30, 2008 AND 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		$4,094	$94,463
	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		(86,684)	(89,064)
5	Proceeds from Disposition of Property and Equipment			15
6	CRDA Obligations	8	(2,936)	(3,102)
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		(89,620)	(92,151)
	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	4	(1,193)	(3,398)
18	Cash Proceeds from Issuing Stock or Capital Contributions		0	0
19	Purchases of Treasury Stock			
20	Payments of Dividends or Capital Withdrawals			
21	Borrowings under Revolving Grid Note Payable	4	65,469	
22				
23	Net Cash Provided (Used) By Financing Activities		64,276	(3,398)
24	Net Increase (Decrease) in Cash and Cash Equivalents		(21,250)	(1,086)
25	Cash and Cash Equivalents at Beginning of Period		47,692	34,029
26	Cash and Cash Equivalents at End of Period		$26,442	$32,943

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)		$33,907	$257
28	Income Taxes		$0	$0

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 SIX MONTHS ENDED JUNE 30, 2008 AND 2007

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)		$101	$13,571
30	Depreciation and Amortization of Property and Equipment		17,376	14,136
31	Amortization of Other Assets		367	567
32	Amortization of Debt Discount or Premium			
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent			
35	(Gain) Loss on Disposition of Property and Equipment			
36	(Gain) Loss on CRDA-Related Obligations	8	982	781
37	(Gain) Loss from Other Investment Activities			
38	(Increase) Decrease in Receivables and Patrons' Checks		(630)	(2,399)
39	(Increase) Decrease in Inventories		(308)	465
40	(Increase) Decrease in Other Current Assets		(5,818)	(2,978)
41	(Increase) Decrease in Other Assets		899	2,154
42	Increase (Decrease) in Accounts Payable		(116)	5,674
43	Increase (Decrease) in Other Current Liabilities	4	(8,929)	62,446
44	Increase (Decrease) in Other Liabilities			
45	Restrictive Stock Awards	7	170	46
46				
47	Net Cash Provided (Used) By Operating Activities		$4,094	$94,463

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment		($92,684)	($89,064)
49	Less: Capital Lease Obligations Incurred	4	6,000	
50	Cash Outflows for Property and Equipment		($86,684)	($89,064)
	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

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 SIX MONTHS ENDED JUNE 30, 2008

(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	141,576	$11,206			
2	Food	598,896	11,408			
3	Beverage	1,180,572	5,462			
4	Travel			33,105	5,826	
5	Bus Program Cash	195,387	4,250			
6	Other Cash Complimentaries	627,052	25,930			
7	Entertainment	6,355	397	11,452	853	
8	Retail & Non-Cash Gifts	53,829	3,637	55,487	4,219	
9	Parking			245,751	737	
10	Other	9,349	375	49,890	(245)	*
11	Total	2,813,016	$62,665	395,685	$11,390	

* Other includes the change in the outstanding comp dollar liability from 12/31/07 to 6/30/08

FOR THE THREE MONTHS ENDED JUNE 30, 2008

		Promotional Allowances		Promotional Expenses		
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)	
1	Rooms	68,979	$5,505			
2	Food	281,636	5,439			
3	Beverage	547,476	2,607			
4	Travel			13,493	3,033	
5	Bus Program Cash	107,104	2,344			
6	Other Cash Complimentaries	310,187	11,812			
7	Entertainment	4,552	341	5,035	319	
8	Retail & Non-Cash Gifts	24,858	1,634	18,628	1,813	
9	Parking			121,067	363	
10	Other	5,449	145	23,156	(317)	*
11	Total	1,350,241	$29,827	181,379	$5,211	

* Other includes the change in the outstanding comp dollar liability from 03/31/08 to 6/30/08

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

FOR THE QUARTER ENDED JUNE 30, 2008

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.

8/15/2008
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
JUNE 30, 2008
(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"), a Delaware Limited Partnership. Trump Entertainment Resorts, Inc. ("TER"), 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 primarily 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.

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"). Accordingly, certain information and note disclosures normally included in financial statements prepared in conformity with accounting principles generally accepted in the United States have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in Taj Associates' December 31, 2007 Quarterly Report as filed with the CCC.

Subject to the foregoing, the accompanying financial statements have been prepared without audit. 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.

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

NOTE 2 – TRUMP ONE UNIFIED PLAYER'S PROGRAM

In June 2007, TER implemented the Trump ONE unified player's program ("Trump ONE"), our 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 our 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. During June 2007, we accrued $2,094 of Selling, General and Administrative expense to record the initial comp dollar liability, including consideration of estimated forfeitures. As of June 30, 2008, we had $1,604 accrued for the estimated cost of 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.

(in thousands)

NOTE 3 – 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 was included in other assets on the December 31, 2007 balance sheet and nonoperating income (expense) as an other intangible asset impairment charge in the statement of income for the quarter and 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.

A rollforward of trademarks and goodwill is as follows:

	Trademarks	Goodwill
Balance December 31, 2006	$ 81,000	$ 92,981
Non-cash charge in lieu of income taxes	—	(200)
Non-cash transactions with TER Holdings	—	(16,419)
Trademarks impairment charge	(30,447)	—
Balance December 31, 2007 and June 30, 2008	$ 50,553	$ 76,362

NOTE 4 - LONG-TERM DEBT

Long-term debt consists of:

	June 30,	
	2008	**2007**
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	199,104	—
Capitalized lease obligations - interest rates at 4.43% to 12.0%, secured by equipment financed	6,167	2,867
Total long-term debt	769,598	567,194
Less: current maturities	(355)	(2,770)
Long-term debt, net of current maturities	$ 769,243	$ 564,424

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.

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.

Guarantees

The Company, along with Trump Plaza Associates, LLC ("Plaza Associates") and Trump Marina Associates, LLC ("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 June 30, 2008, TER had outstanding borrowings of $441,159 and $1,248,969 under the Credit Facility and the TER Notes, respectively.

Capitalized Lease Obligations

During January 2008, in connection with the construction of the new hotel tower at the Trump Taj Mahal, we entered into an amendment to our thermal energy service agreement with a subsidiary of a local utility company which provides thermal energy services (steam heating and chilled water cooling services) to the Trump Taj Mahal. The Amendment (i) requires the supplier to design, install and construct certain additions which will enable the Trump Taj Mahal's existing thermal energy production facilities to provide the heating and cooling requirements of the new hotel tower, (ii) extends the term of the original thermal energy service agreement to December 31, 2027 and (iii) changes the fixed monthly thermal energy fees. The estimated cost of the additions was $6 million and has been recorded as a capital lease obligation.

NOTE 5 - 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.

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 term "Predecessor Company" refers to the Company for periods prior to and including May 19, 2005, and the term "Reorganized Company" refers to the Company for periods on and subsequent to May 20, 2005.

(in thousands)

The state income tax provision is as follows:

	Six Months Ended June 30	
	2008	**2007**
Current	—	—
Deferred	—	—
Non-cash charge in lieu of taxes	—	200
	—	$ 200

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.

At June 30, 2008, the Company had unrecognized tax benefits of approximately $13,558 (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 Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties as a component of income tax expense. During the six months ended June 30, 2008 and 2007, the Company recognized approximately $585 and $466, respectively, in potential interest associated with uncertain tax positions. At June 30, 2008, the Company had approximately $3,439 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").

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.

From 2002 through 2006, state income taxes for the Company's New Jersey operations were computed under the alternative minimum assessment method. The Company has asserted its position that New Jersey partnerships were exempt from these taxes and, as such, have 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 June 30, 2008, the Company has accrued $12,725 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 6 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In April 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position FAS 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP 142-3"). FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). The intent of FSP 142-3 is to improve the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R and other GAAP. FSP 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Early adoption of the standard is prohibited. FAS 142-3 is effective for our fiscal year beginning January 1, 2009. We are currently evaluating the impact of FAS 142-3, but do not believe that the adoption of the standard will have a material impact on our financial statements.

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. The Company is 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. The Company does 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 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. The Company adopted SFAS 159 effective January 1, 2008 and did not elect the fair value measurement option for any financial assets or liabilities.

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 and, accordingly, does not require any new fair value measurements. 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 non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Non-financial assets and non-financial liabilities for which the Company is not yet required to apply the provisions of SFAS 157 include our goodwill and intangible assets and long-lived assets measured at fair value under the provisions of SFAS 142, "Goodwill and Other Intangible Assets" and SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," respectively. The Company adopted SFAS 157 effective January 1, 2008 for financial assets and liabilities. The adoption of SFAS 157 did not impact our financial statements. The Company does not expect that the adoption of the deferment provisions of FSP 157-2 will have a material effect on our financial statements.

(in thousands)

NOTE 7 - TRANSACTIONS WITH AFFILIATES

The Company has engaged in certain transactions with TER, Plaza Associates and Marina Associates, all of which are affiliates of Trump. Amounts receivable/(payable) are as follows:

	June 30, 2008	June 30, 2007
Marina Associates	$ 2,404	$ 3,352
Plaza Associates	2,552	1,643
TER	227	(37,320)
Trump Organization, LLC	—	2
	$ 5,183	$ (32,323)

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 $16,090 and $9,908 for the six months ended June 30, 2008 and 2007, 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 million. Payments under the terms of the amended ROFO Agreement were as follows:

	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Minimum Monthly Fees	$ 250	$ 300
Cost Savings Commissions	129	963
	$ 379	$ 1,263

These amounts were capitalized as part of the construction costs of the Taj Mahal's Hotel Tower.

Since 2005, TER has awarded 116,366 restricted shares of TER common stock to employees of Taj Associates. At June 30, 2008, the remaining unrecognized compensation expense for nonvested restricted stock to be recognized over the remaining contractual life was $341. The weighted-average remaining contractual life of outstanding restricted stock grants at June 30, 2008 was approximately 1.5 years.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

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.

Construction Commitments

At June 30, 2008, the Company had outstanding construction commitments of approximately $89,000 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 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.

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.

NJSEA Subsidy Agreement

In April 2004, the casinos located in Atlantic City ("Casinos") executed an agreement ("NJSEA Subsidy Agreement") with the New Jersey Sports and Exposition Authority ("NJSEA") and the CRDA. The NJSEA Subsidy Agreement provides that the Casinos, on a pro rata basis according to their gross revenues, shall pay in cash and donate from the regular payment of their CRDA obligations a total of $86,000 in four annual installments in October of each of 2004 through 2007 to the NJSEA. It required that the funds be used by the NJSEA through December 31, 2008 to enhance purses, fund breeders awards and establish account wagering at New Jersey horse racing tracks. During this four year period, the Company's portion of this industry obligation was approximately 10.4%.

The NJSEA Subsidy Agreement further provided for a moratorium until January 2009 on the conduct of casino gaming at any New Jersey racetrack and conditioned the donation of the CRDA funds upon the enactment and funding of the Casino Expansion Fund Act which made funds available, on a pro rata basis, to each of the Casinos for investment in eligible projects in Atlantic City approved by the CRDA. In September 2006, the CRDA approved the new hotel tower presently under construction at the Trump Taj Mahal as an eligible project and, pursuant to October 2006 agreements, authorized grants to the Trump Atlantic City casinos in aggregate amounts of approximately $13,800 from the Atlantic City Expansion Fund and $1,575 from a separate Casino Capital Construction Fund, both administered by the CRDA.

The New Jersey Legislature amended the Casino Control Act effective April 18, 2008 to permit the Casinos to deduct the amount of certain promotional gaming credits wagered at their slot machines in calculating the tax on gross gaming revenue. The amendment, however, is inoperative until the Casinos execute a new subsidy agreement with the NJSEA for the benefit of the horse racing industry for $30,000 annually for a three-year period. Presently, the Casinos are negotiating the terms of a new subsidy agreement with the NJSEA and the New Jersey Casino Control Commission is considering regulations to establish procedures by which the Casinos may implement the tax deduction.