



JOHN J. HOFFMAN, *Acting Attorney General*

**Division of Gaming Enforcement**

David Rebeck, *Director*

## DGE Announces Quarterly Results

**For Immediate Release:**

August 22, 2014

### Highlights for the six months ended June 2014:

- ✓ Sales by Third Party Businesses grew 7.4% in first half of 2014
- ✓ Five of six Atlantic City Tourism Indicators showed improvement for the twelve months ended June 2014
- ✓ Atlantic City Casino Hotels' occupancy rate increased 4.9 percentage points to 83.3% for the quarter ended June 2014
- ✓ Gross Operating Profit increased 34.9% for the 2<sup>nd</sup> Quarter of 2014

**Contact:** Kerry Langan  
(609) 317-6201  
[info@njdge.org](mailto:info@njdge.org)

ATLANTIC CITY —

According to financial reports filed with the Division of Gaming Enforcement, the casino licensees reported total revenue of \$1.9 billion for the first half of 2014. While total revenue declined for the six months ended June 2014 by 3.5%, this decline was partially offset by the increase in third party business sales of 7.4%, as illustrated below:

<b>For the Six Months Ended</b> <b>(\$ in Thousands)</b>	<b>June 30,</b> <b>2014</b>	<b>June 30,</b> <b>2013</b>	<b>Change</b>
<b>Casino Licensees:</b>			
Casino	\$ 1,315,144	\$ 1,367,745	-3.8%
Rooms	234,700	242,699	-3.3%
Food and Beverage	242,071	251,369	-3.7%
Entertainment and Other	86,405	85,119	1.5%
<b>Casino Licensees Total Revenue</b>	<b>1,878,320</b>	<b>1,946,932</b>	<b>-3.5%</b>
<b>Third Party Business Sales</b>	<b>136,058</b>	<b>126,627</b>	<b>7.4%</b>
<b>Combined Sales</b>	<b>\$ 2,014,378</b>	<b>\$ 2,073,559</b>	<b>-2.9%</b>

**NJ Department of Law and Public Safety / Office of the Attorney General:**

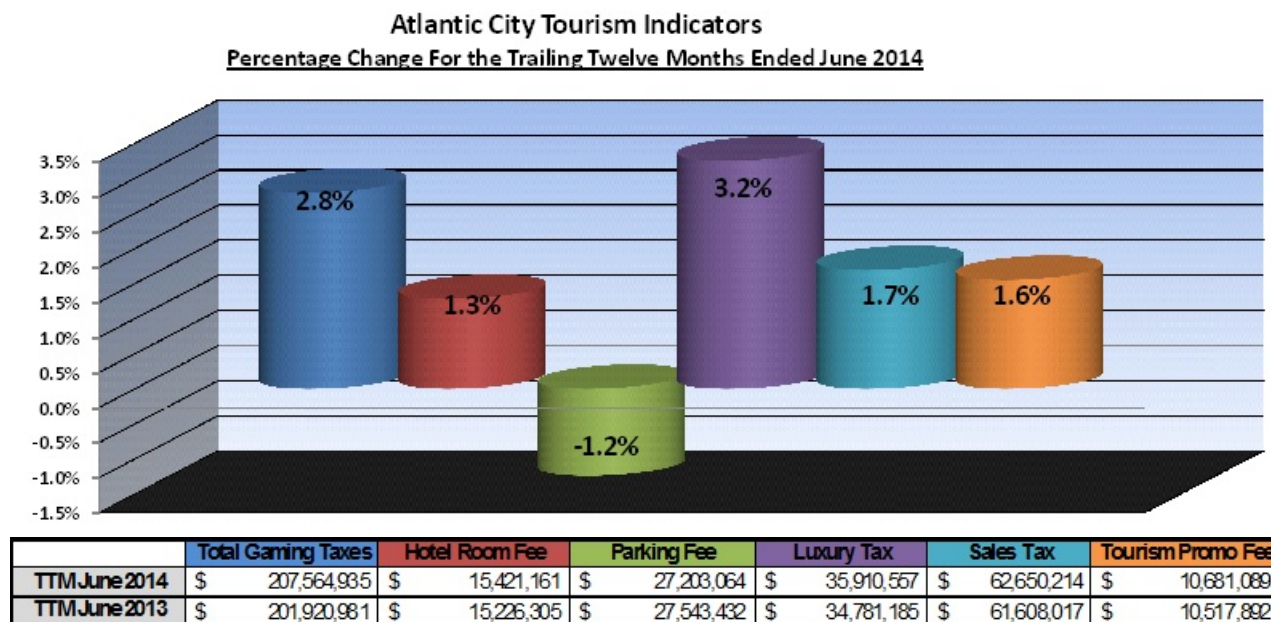
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## Hotel Occupancy

The occupancy rate in the city's casino hotels for the second quarter of 2014 was 83.3% reflecting an increase of 4.9 percentage points from the comparable period last year. The occupancy rate for the first six months of 2014 was 76.6% an improvement of 2.7 percentage points from the same period last year.

## Atlantic City Tourism Indicators

During the most recent trailing twelve month (TTM) period beginning July 2013 and ending June 2014, five of the six Atlantic City Tourism Indicators showed improvement over the prior comparable period.



The notes on the following page are integral to understanding the financial information contained in this press release. The notes provide a description and source of the data.

(Additional information on Atlantic City tourism can be found on the Atlantic City Convention and Visitor's Authority website at: <http://www.atlanticcitynj.com/about/stats.aspx>)

Reports filed by the individual casinos can be found at the Division's website at: <http://www.nj.gov/oag/ge/quarterlyfinancialrpt.html>

**NJ Department of Law and Public Safety / Office of the Attorney General:**  
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Notes:

- Entertainment and Other Revenue reflects concert and show admissions, casino-owned spa revenue, casino-owned retail sales, rental income and other miscellaneous revenue sources.
- Total Revenue is the amount reported on line 5 of the income statement and is not the same as Net Revenue, which is reported on line 7 of the income statement. Net revenue is after promotional allowances are deducted.
- Third Party Businesses reflect individuals or entities that lease space within the casino licensees whose sales are not included in the revenues reported by the casino licensees. Only businesses that provide food, beverage, retail, entertainment, or hospitality-related items were included in the statistics.
- Gross operating profit reflects earnings before interest, taxes, depreciation, amortization, charges from affiliates, and other miscellaneous items. It is a widely-accepted measure of profitability in the Atlantic City gaming industry.
- The footnotes are an integral part of each licensee's financial statements. Valid comparisons cannot be made without using the information contained in the footnotes. Note that certain real estate tax matters were resolved in 2013 and 2014, which impacts the comparability of operating results among licensees.
- Atlantic City Tourism Indicators are based upon tax/fee filings for the most recent twelve month period (TTM), which are preliminary and subject to future adjustments, as follows:
  - Gross Revenue Tax: 8% of Taxable Gross Revenue as reported to the Division of Gaming Enforcement.
  - Casino Hotel Room Fee: \$3 per occupied room night in casino hotels reported to the Division of Taxation.
  - Casino Hotel Parking Fee: \$3 daily fee collected by casino hotels for parked cars as reported to the Casino Control Commission.
  - Atlantic City Luxury Tax: 3% to 9% tax on show admissions, hotel rooms, alcohol consumed on premises and other tourist-related items as reported to the Division of Taxation.
  - Sales Tax: Based upon Atlantic City-based business entities active during the year as reported by the Division of Taxation. These figures do not typically include sales tax revenue from business entities that have Atlantic City locations but are primarily based outside Atlantic City.
  - Tourism Promotional Fee: \$1 or \$2 fee per occupied hotel/motel room in Atlantic City as reported to the Division of Taxation.

**ATLANTIC CITY CASINO INDUSTRY  
STATEMENT OF INCOME STATISTICS  
FOR THE QUARTER ENDED JUNE 30, 2014 AND 2013  
(\$ in Thousands)**

	Total Revenue			Net Revenue			Gross Operating Profit		
	2014	2013	Variance	2014	2013	Variance	2014	2013	Variance
<b><u>Casinos with Internet Gaming (a)</u></b>									
Borgata	240,573	223,830	7.5%	181,854	172,877	5.2%	43,241	28,144	53.6%
Golden Nugget	61,133	41,567	47.1%	43,938	29,429	49.3%	776	(6,506)	N/A
Tropicana	100,841	84,869	18.8%	77,818	66,527	17.0%	9,595	12,619	-24.0%
Trump Plaza	20,740	27,492	-24.6%	15,391	20,189	-23.8%	(3,299)	143	N/A
Trump Taj Mahal	81,138	89,405	-9.2%	58,800	66,069	-11.0%	1,799	5,757	-68.8%
<b><u>Casinos without Internet Gaming</u></b>									
Atlantic Club (d)	-	45,795	N/A	-	29,541	N/A	-	(2,375)	N/A
Bally's AC (b)	77,425	91,511	-15.4%	58,557	68,909	-15.0%	8,403	10,018	-16.1%
Caesars (b)	109,795	115,012	-4.5%	77,173	87,660	-12.0%	15,576	24,293	-35.9%
Harrah's	130,960	133,097	-1.6%	99,019	102,232	-3.1%	24,405	25,003	-2.4%
Resorts	46,499	46,668	-0.4%	34,910	33,364	4.6%	1,919	(1,326)	n/a
Revel	61,616	55,889	10.2%	48,222	42,689	13.0%	(24,344)	(43,747)	44.4%
Showboat	63,325	72,215	-12.3%	45,284	51,853	-12.7%	7,652	9,509	-19.5%
<b><u>Internet Gaming Only</u></b>									
CIENJ (b)	5,155	-	N/A	5,147	-	N/A	(2,703)	-	N/A
Industry Total	<u>\$ 999,200</u>	<u>\$ 1,027,350</u>	-2.7%	<u>\$ 746,113</u>	<u>\$ 771,339</u>	-3.3%	<u>\$ 83,020</u>	<u>\$ 61,532</u>	34.9%
Industry w/o CIENJ and Atlantic Club (c) (d)	<u>\$ 994,045</u>	<u>\$ 981,555</u>	1.3%	<u>\$ 740,966</u>	<u>\$ 741,798</u>	-0.1%	<u>\$ 85,723</u>	<u>\$ 63,907</u>	34.1%

(a) Borgata, Golden Nugget, Tropicana, Trump Plaza, and Trump Taj Mahal commenced Internet gaming operations (soft play) on November 21, 2013.

The statistics in the table include each licensee's share of the revenues and Gross Operating Profit associated with Internet gaming operations.

(b) Caesars Interactive Entertainment NJ (CIENJ) obtained a casino license in November 2013 and commenced Internet gaming operations as an affiliate of Caesars and Bally's on November 21, 2013. As a casino licensee, CIENJ's revenue and Gross Operating Profit statistics are included in the table.

(c) For a comparison of land-based casinos open in both years, this Industry total eliminates CIENJ and Atlantic Club from the statistics.

(d) Atlantic Club closed on January 12, 2014.

**The notes contained in the Quarterly Press Release and the footnotes contained in the Quarterly Report are an integral part of each licensee's financial results. Valid comparisons cannot be made without using this information.**

**ATLANTIC CITY CASINO INDUSTRY  
STATEMENT OF INCOME STATISTICS  
FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2013  
(\$ in Thousands)**

	Total Revenue			Net Revenue			Gross Operating Profit		
	2014	2013	Variance	2014	2013	Variance	2014	2013	Variance
<b><u>Casinos with Internet Gaming (a)</u></b>									
Borgata	459,453	439,310	4.6%	349,118	338,521	3.1%	64,282	57,469	11.9%
Golden Nugget	110,569	81,529	35.6%	79,228	58,756	34.8%	(1,022)	(8,666)	88.2%
Tropicana	182,846	159,146	14.9%	140,837	122,698	14.8%	41,688	14,596	N/A
Trump Plaza	38,162	50,317	-24.2%	28,067	36,974	-24.1%	(7,432)	(1,279)	N/A
Trump Taj Mahal	149,544	173,575	-13.8%	108,475	128,060	-15.3%	(1,394)	12,608	N/A
<b><u>Casinos without Internet Gaming</u></b>									
Atlantic Club (d)	5,016	84,395	N/A	3,924	55,190	N/A	(1,837)	(5,674)	N/A
Bally's AC (b)	145,780	171,436	-15.0%	106,322	129,564	-17.9%	6,842	19,358	-64.7%
Caesars (b)	202,912	210,178	-3.5%	140,611	157,967	-11.0%	21,708	36,348	-40.3%
Harrah's	253,686	258,585	-1.9%	188,403	200,632	-6.1%	45,598	52,971	-13.9%
Resorts	84,523	81,269	4.0%	63,219	58,272	8.5%	(449)	(7,393)	93.9%
Revel	117,987	101,395	16.4%	93,237	79,998	16.5%	(46,094)	(84,526)	45.5%
Showboat	116,758	135,797	-14.0%	81,428	98,517	-17.3%	9,648	17,987	-46.4%
<b><u>Internet Gaming Only</u></b>									
CIENJ (b)	11,084	-	N/A	11,054	-	N/A	(9,817)	-	N/A
Industry Total	<u>\$ 1,878,320</u>	<u>\$ 1,946,932</u>	-3.5%	<u>\$ 1,393,923</u>	<u>\$ 1,465,149</u>	-4.9%	<u>\$ 121,721</u>	<u>\$ 103,799</u>	17.3%
Industry w/o CIENJ and Atlantic Club (c)(d)	<u>\$ 1,862,220</u>	<u>\$ 1,862,537</u>	0.0%	<u>\$ 1,378,945</u>	<u>\$ 1,409,959</u>	-2.2%	<u>\$ 133,375</u>	<u>\$ 109,473</u>	21.8%

(a) Borgata, Golden Nugget, Tropicana, Trump Plaza, and Trump Taj Mahal commenced Internet gaming operations (soft play) on November 21, 2013.

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(b) Caesars Interactive Entertainment NJ (CIENJ) obtained a casino license in November 2013 and commenced Internet gaming operations as an affiliate of

Caesars and Bally's on November 21, 2013. As a casino licensee, CIENJ's revenue and Gross Operating Profit statistics are included in the table.

(c) For a comparison of land-based casinos open in both years, this Industry total eliminates CIENJ and Atlantic Club from the statistics.

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**ATLANTIC CITY CASINO INDUSTRY  
HOTEL STATISTICS  
FOR THE QUARTER ENDED JUNE 30, 2014**

CASINO	NUMBER OF GUEST ROOMS IN PROPERTY*	NUMBER OF AVAILABLE ROOM NIGHTS	NUMBER OF OCCUPIED ROOM NIGHTS	OCCUPANCY RATE	AVERAGE RATE PER OCCUPIED ROOM
Bally's AC	1,180	114,296	98,340	86.0%	90.09
Borgata	2,767	251,797	220,706	87.7%	131.97
Caesars	1,141	103,831	94,107	90.6%	99.43
Golden Nugget	727	66,157	59,913	90.6%	83.14
Harrah's	2,590	235,690	199,607	84.7%	93.71
Resorts	942	85,722	74,352	86.7%	78.92
Revel	1,399	127,309	119,008	93.5%	108.71
Showboat	1,329	120,939	103,689	85.7%	85.82
Tropicana	2,079	189,189	148,066	78.3%	89.21
Trump Plaza	906	82,446	47,214	57.3%	92.03
Trump Taj Mahal	2,010	182,910	134,818	73.7%	90.84
<b>INDUSTRY TOTAL</b>	<b>17,070</b>	<b>1,560,286</b>	<b>1,299,820</b>		
<b>INDUSTRY AVERAGE</b>				<b>83.3%</b>	<b>\$98.89</b>

\* Number of guest rooms at end of quarter

**ATLANTIC CITY CASINO INDUSTRY  
HOTEL STATISTICS  
FOR THE SIX MONTHS ENDED JUNE 30, 2014**

CASINO	NUMBER OF GUEST ROOMS IN PROPERTY*	NUMBER OF AVAILABLE ROOM NIGHTS	NUMBER OF OCCUPIED ROOM NIGHTS	OCCUPANCY RATE	AVERAGE RATE PER OCCUPIED ROOM
ACH (Atlantic Club)		9,120	5,053	55.4%	\$ 59.93
Bally's AC	1,180	253,465	195,173	77.0%	88.10
Borgata	2,767	500,827	417,270	83.3%	129.83
Caesars	1,141	206,521	177,360	85.9%	96.67
Golden Nugget	727	131,587	107,122	81.4%	81.58
Harrah's	2,590	468,790	367,543	78.4%	95.13
Resorts	942	170,502	130,967	76.8%	76.57
Revel	1,399	253,219	216,373	85.4%	105.88
Showboat	1,329	240,549	182,474	75.9%	85.45
Tropicana	2,079	376,299	268,910	71.5%	87.12
Trump Plaza	906	163,986	84,833	51.7%	92.35
Trump Taj Mahal	2,010	363,810	249,855	68.7%	89.64
<b>INDUSTRY TOTAL</b>	<b>17,070</b>	<b>3,138,675</b>	<b>2,402,933</b>		
<b>INDUSTRY AVERAGE</b>				<b>76.6%</b>	<b>\$97.68</b>

\* Number of guest rooms at end of quarter