

News



New Jersey
Office of the Attorney General

NEW JERSEY DEPARTMENT OF LAW & PUBLIC SAFETY

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DGE Announces 1st Quarter 2018 Results

For Immediate Release:

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ATLANTIC CITY —

Casino Licensees Financial Results:

According to financial reports filed with the Division of Gaming Enforcement (DGE), the casino licensees' Net Revenue decreased 3.2% to \$599.2 million. Additionally, Gross Operating Profit for the industry decreased 11.7% for the quarter to \$123.6 million

Third Party Business Sales:

Sales from third party businesses decreased 4.0% to \$39.2 million for the three months ended March 2018.

Hotel Occupancy:

The occupancy rate in the industry's casino hotels for the three months ended March 2018 was 77.9%, which is 3.2 percentage points lower than the comparable period last year.

NOTICE - CHANGE IN FINANCIAL REPORTING REQUIREMENTS: The Financial Accounting Standards Board and International Accounting Standards Board have updated standards on revenue recognition, including ASC 606: "Revenue from Contracts with Customers". For New Jersey casino licensees, ASC 606 changes the reporting of revenue on the Income Statement by requiring the former "Promotional Allowances" line to be reported as a reduction to the "Casino Revenue" line. Accordingly, the "Total Revenue" and "Promotional Allowances" lines have been removed from the Income Statement effective January 1, 2018. For Income Statements filed with the DGE after the effective date, prior periods will be restated to conform with ASC 606 and ensure consistency and comparability among casino licensees as mandated by the Casino Control Act.

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

Divisions -- Alcoholic Beverage Control · Civil Rights · Consumer Affairs · Criminal Justice ·
Gaming Enforcement · Highway Traffic Safety · Law · State Police

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

Notes:

- Net Revenue is the amount reported on Line 5 of the income statement. Net Revenue reflects Casino Revenue (less all promotional allowances) plus Rooms Revenue, Food and Beverage Revenue and Other Revenue as reflected on each casino licensee's income statement.
- Gross Operating Profit reflects earnings before interest, taxes, depreciation, amortization, charges from affiliates, and other miscellaneous items as reflected on each casino licensee's income statement. It is a widely-accepted measure of profitability in the Atlantic City gaming industry.
- Third Party Businesses reflect individuals or entities that lease space within the casino licensee whose sales are not included in the revenues reported by the casino licensee. Only businesses that provide food, beverage, retail, entertainment, or hospitality-related items were included in the statistics.
- Average Rate Per Occupied Room reflects Rooms Revenue as reported on the casino licensee's Statements of Income (which includes the value of complimentary rooms) divided by the number of occupied room nights for the period.
- The footnotes are an integral part of each casino licensee's financial statements. Valid comparisons cannot be made without using the information contained in the footnotes.

Additional information on Atlantic City tourism can be found on the Casino Reinvestment Development Authority's 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>

**ATLANTIC CITY CASINO INDUSTRY
STATEMENT OF INCOME STATISTICS
FOR THE QUARTER ENDED MARCH 31, 2018 AND 2017
(\$ in Thousands)**

	Net Revenue			Gross Operating Profit		
	2018	2017	Variance	2018	2017	Variance
Casino Hotels:						
Bally's AC	49,086	49,869	-1.6%	6,212	4,494	38.2%
Borgata (a)	192,441	205,596	-6.4%	45,128	61,919	-27.1%
Caesars (b)	63,759	76,369	-16.5%	12,577	20,270	-38.0%
Golden Nugget (a)	57,664	52,466	9.9%	10,009	6,196	61.5%
Harrah's	100,431	96,510	4.1%	28,415	23,940	18.7%
Resorts Casino (c)	36,317	39,869	-8.9%	1,682	4,006	N/A
Tropicana (a)	84,535	85,998	-1.7%	17,474	16,400	6.5%
Internet Gaming Only:						
CIENJ (b)	7,679	6,504	18.1%	2,909	2,095	38.9%
Resorts Digital (c)	7,315	6,065	20.6%	(815)	570	N/A
Industry Total	<u>\$ 599,227</u>	<u>\$ 619,246</u>	-3.2%	<u>\$ 123,591</u>	<u>\$ 139,890</u>	-11.7%

(a) Casino Licensees with Internet gaming operation. The statistics in the table include each licensee's share of the revenue and Gross Operating Profit associated with Internet gaming operations.

(b) Caesars Interactive Entertainment NJ (CIENJ) operates under an Internet Gaming Permit issued to Caesars. As a separate reporting casino licensee, CIENJ's revenue and GOP statistics are included in the table.

(c) Resorts Digital operates under an Internet Gaming Permit issued to Resorts Casino. As a separate reporting casino licensee, Resorts Digital's revenue and GOP statistics are included in the table.

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
HOTEL STATISTICS
FOR THE QUARTER ENDED MARCH 31, 2018**

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	1,251	112,590	85,600	76.0%	92.77
Borgata	2,767	249,030	200,063	80.3%	175.31
Caesars	1,141	102,586	84,530	82.4%	121.59
Golden Nugget	716	64,440	44,414	68.9%	78.67
Harrah's	2,587	229,366	177,268	77.3%	108.38
Resorts	942	75,690	58,761	77.6%	70.73
Tropicana	2,369	193,645	149,241	77.1%	113.97
INDUSTRY TOTAL	11,773	1,027,347	799,877	77.9%	\$121.47

* Number of guest rooms at end of quarter