Bally's Park Place, Inc (Bally's Atlantic City)

QUARTERLY REPORT

FOR THE QUARTER ENDED March 31, 2008

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

DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

Bally's Park Place, Inc (Bally's Atlantic City)
BALANCE SHEETS

AS OF MARCH 31, 2008 AND 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$19,208	$42,652
2	Short-Term Investments			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2008, $ 8,149, 2007, $6,686)	4	13,137	13,657
4	Inventories		479	819
5	Other Current Assets	5	28,807	15,910
6	Total Current Assets		61,631	73,038
7	Investments, Advances, and Receivables	6	262,304	768,040
8	Property and Equipment - Gross	1,7	718,722	786,932
9	Less: Accumulated Depreciation and Amortization	1,7	(5,843)	(64,798)
10	Property and Equipment - Net	7	712,879	722,134
11	Other Assets	8	332,953	445,165
12	Total Assets		$1,369,767	$2,008,377
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$11,224	$13,820
14	Notes Payable			
	Current Portion of Long-Term Debt:			
15	Due to Affiliates			
16	External		62	51
17	Income Taxes Payable and Accrued		913	1,652
18	Other Accrued Expenses	9	36,434	74,151
19	Other Current Liabilities		2,105	2,894
20	Total Current Liabilities		50,738	92,568
	Long-Term Debt:			
21	Due to Affiliates	10	584,000	584,000
22	External	10	588	741
23	Deferred Credits		103,003	129,881
24	Other Liabilities	11	33,722	546,903
25	Commitments and Contingencies	12		
26	Total Liabilities		772,051	1,354,093
27	Stockholders', Partners', or Proprietor's Equity		597,716	654,284
28	Total Liabilities and Equity		$1,369,767	$2,008,377

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

Amended 2/27/2009

Bally's Park Place, Inc (Bally's Atlantic City)
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
	Revenue:			
1	Casino		$142,170	$156,311
2	Rooms		12,051	12,889
3	Food and Beverage		17,374	19,136
4	Other		4,928	5,227
5	Total Revenue		176,523	193,563
6	Less: Promotional Allowances		39,830	45,901
7	Net Revenue		136,693	147,662
	Costs and Expenses:			
8	Cost of Goods and Services		90,628	94,353
9	Selling, General, and Administrative		13,562	16,456
10	Provision for Doubtful Accounts		752	373
11	Total Costs and Expenses		104,942	111,182
12	Gross Operating Profit		31,751	36,480
13	Depreciation and Amortization		10,673	12,786
	Charges from Affiliates Other than Interest:			
14	Management Fees			
15	Other	3	6,332	6,745
16	Income (Loss) from Operations		14,746	16,949
	Other Income (Expenses):			
17	Interest Expense - Affiliates		(12,410)	(12,410)
18	Interest Expense - External		(25)	(26)
19	CRDA Related Income (Expense) - Net		(813)	(1,465)
20	Nonoperating Income (Expense) - Net		(382)	285
21	Total Other Income (Expenses)		(13,630)	(13,616)
22	Income (Loss) Before Taxes and Extraordinary Items		1,116	3,333
23	Provision (Credit) for Income Taxes		1,188	2,886
24	Income (Loss) Before Extraordinary Items		(72)	447
	Extraordinary Items (Net of Income Taxes -			
25	20__, $0; 20__, $0)			
26	Net Income (Loss)		($72)	$447

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

Bally's Park Place, Inc (Bally's Atlantic City)
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2007 AND THE THREE MONTHS ENDED MARCH 31, 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	**Balance, December 31, 2006..........**		100	$1	0	$0	$597,787	$0	$56,049	$653,837
2	Net Income (Loss) - 2007.............								13,424	13,424
3	Contribution to Paid-in-Capital.....									0
4	Dividends.....................................									0
5	Prior Period Adjustments.............									0
6	Cummulative Effect of Adoption								(3,118)	(3,118)
7	of FIN 48 on January 1, 2007									0
8										0
9										0
10	**Balance, December 31, 2007..........**		100	1	0	0	597,787	0	66,355	664,143
11	Net Income (Loss) - 2008.............								(72)	(72)
12	Contribution to Paid-in-Capital.....									0
13	Dividends.....................................									0
14	Prior Period Adjustments.............									0
15	Acquisition by TPG/Apollo								(66,355)	(66,355)
16										0
17										0
18										0
19	**Balance, March 31, 2008 ....**		100	$1	0	$0	$597,787	$0	($72)	$597,716

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

Bally's Park Place, Inc (Bally's Atlantic City)
STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		($540,410)	$23,077
	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.....		(12,315)	(62,874)
5	Proceeds from Disposition of Property and Equipment.....		16	
6	CRDA Obligations		(1,788)	(2,028)
7	Other Investments, Loans and Advances made.....			
8	Proceeds from Other Investments, Loans, and Advances		0	221
9	Cash Outflows to Acquire Business Entities.....		0	0
10	.....			
11	.....			
12	Net Cash Provided (Used) By Investing Activities.....		(14,087)	(64,681)
	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.....		(80)	(45)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....			
20	Payments of Dividends or Capital Withdrawals.....			
21	Change in payable to/receivable from affiliate….		543,654	35,535
22	.....			
23	Net Cash Provided (Used) By Financing Activities.....		543,574	35,490
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(10,923)	(6,114)
25	Cash and Cash Equivalents at Beginning of Period.....		30,131	48,766
26	Cash and Cash Equivalents at End of Period.....		$19,208	$42,652

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		$24,573	$12,436
28	Income Taxes.....		$0	$2,886

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

Bally's Park Place, Inc (Bally's Atlantic City)
STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2008 (c)	2007 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)		($72)	$447
30	Depreciation and Amortization of Property and Equipment		8,900	9,619
31	Amortization of Other Assets		1,773	3,167
32	Amortization of Debt Discount or Premium			
33	Deferred Income Taxes - Current		0	702
34	Deferred Income Taxes - Noncurrent		(533)	(1,255)
35	(Gain) Loss on Disposition of Property and Equipment		76	
36	(Gain) Loss on CRDA-Related Obligations		813	1,465
37	(Gain) Loss from Other Investment Activities			
38	(Increase) Decrease in Receivables and Patrons' Checks		395	504
39	(Increase) Decrease in Inventories		373	132
40	(Increase) Decrease in Other Current Assets		(2,343)	534
41	(Increase) Decrease in Other Assets		(1)	43
42	Increase (Decrease) in Accounts Payable		809	(5,397)
43	Increase (Decrease) in Other Current Liabilities		(2,697)	13,144
44	Increase (Decrease) in Other Liabilities		(547,903)	(28)
45				
46				
47	Net Cash Provided (Used) By Operating Activities		($540,410)	$23,077

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		($12,315)	($62,874)
49	Less: Capital Lease Obligations Incurred			
50	Cash Outflows for Property and Equipment		($12,315)	($62,874)
	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.

Amended 2/27/2009

Bally's Park Place, Inc (Bally's Atlantic City)
SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE THREE MONTHS ENDED MARCH 31, 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	282,738	7,910		
2	Food	443,909	6,597		
3	Beverage	2,366,110	4,733		
4	Travel			4,412	714
5	Bus Program Cash	194,837	3,973		
6	Other Cash Complimentaries	385,887	14,363		
7	Entertainment	119,780	597		
8	Retail & Non-Cash Gifts	28,090	1,440		
9	Parking				
10	Other*	3,105	217	21,410	702
11	Total	3,824,456	$39,830	25,822	$1,416

FOR THE THREE MONTHS ENDED MARCH 31, 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	282,738	$7,910		
2	Food	443,909	6,597		
3	Beverage	2,366,110	4,733		
4	Travel			4,412	714
5	Bus Program Cash	194,837	3,973		
6	Other Cash Complimentaries	385,887	14,363		
7	Entertainment	119,780	597		
8	Retail & Non-Cash Gifts	28,090	1,440		
9	Parking				
10	Other*	3,105	217	21,410	702
11	Total	3,824,456	$39,830	25,822	$1,416

*No item in this category exceeds 5%.

Bally's Park Place, Inc (Bally's Atlantic City)
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED March 31, 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.

Alex Figueras

2/27/2009
Date

Alex Figueras

Vice President of Finance
Title

7438-11
License Number

On Behalf of:

Bally's Park Place, Inc (Bally's Atlantic City)
Casino Licensee

BALLY’S PARK PLACE, INC. (Bally’s Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

The accompanying financial statements include the accounts of Bally’s Park Place, Inc., a New Jersey corporation (the “Company”), an indirect, wholly owned subsidiary of Harrah’s Operating Company, Inc. (“HOC”), which is a direct wholly owned subsidiary of Harrah’s Entertainment, Inc. (“Harrah’s”).. The Company owns and operates the casino hotel resort in Atlantic City, New Jersey known as “Bally’s Atlantic City.”

The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations. The Company is licensed to operate the facility by the New Jersey Casino Control Commission (the “CCC”) and is subject to rules and regulations established by the CCC. The Company’s license is subject to renewal every four years with the current license expiring June 2008. The Company expects its license to be renewed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Acquisition - On January 28, 2008, Harrah’s was acquired by affiliates of Apollo Global Management, LLC and TPG Capital, L.P. in an all cash transaction, hereinafter referred to as the “Merger.” As a result of the Merger, the assets acquired and liabilities assumed in the Merger were revalued based upon their estimated fair values at the date of acquisition. The estimated fair values were determined after review and consideration of relevant information including discounted cash flows analyses, quoted market prices and Harrah’s own estimates. The purchase price that exceeds the fair value of the net identifiable tangible and intangible assets acquired was allocated to goodwill. The purchase price allocation is in process and will be completed within one year of the acquisition; thus, the allocation of the purchase price is subject to refinement.

For purposes of this regulatory filing, adjustments to the historical assets of the Company were reflected on March 31, 2008 and in its statement of operations for the three months ended March 31, 2008 and in its statement of cash flows for the three months ended March 31, 2008. The operations of the Company for the periods prior to January 28, 2008 are considered the “Predecessor Company.” The operations of the Company for the period from January 28, 2008 are referred to in these financial statements as the “Company.” The Company’s balance sheet, statements of income and statements of cash flow are not comparable to the Predecessor Company. The Company has assumed all Predecessor Company’s obligations.

The Merger has generated non-cash transactions as of January 28, 2008 as follows:

(All dollar amounts in thousands)

Land, buildings and equipment	$	7,132
Trademark		(9,520)
Intangible assets		(48,695)
Goodwill		(38,002)
Deferred income taxes		(16,332)
Retained Earnings		(66,355)

Allowance for Doubtful Accounts - The Company reserves an estimated amount for receivables that may not be collected. The methodology for estimating the allowance includes using specific reserves and applying various percentages to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific allowances.

Inventories - Inventories of provisions and supplies are valued at the lower of average cost, or market.

Land, Buildings and Equipment - Land, buildings, and equipment were stated at cost, through January 27, 2008 and revalued to fair value on January 28, 2008 in connection with the Merger, including capitalized interest on intercompany funds used to finance construction calculated at HOC overall weighted-average borrowing rate of interest.

Improvements that extend the life of the asset are capitalized. Building improvements are depreciated over the remaining life of the building. Maintenance and repairs are expensed as incurred.

Depreciation is provided using the straight-line method over the shorter of the estimated useful life of the asset or the related lease term, as follows:

Land improvements	12 years
Buildings and improvements	7 to 40 years
Furniture, fixtures and equipment	3 to 10 years

The Company reviews the carrying value of land, buildings and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the asset. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic factors.

Goodwill and Other Intangible Assets - In accordance with Statement of Financial Accounting

Standards ("SFAS") No. 142, *Goodwill and Other Intangible Assets*, the Company performs at least an annual review of goodwill and non-amortizing intangibles. The purchase price allocation related to the Merger will be completed within one year of the acquisition and goodwill represents the excess of the purchase price to the fair value of net identifiable tangible and intangible assets acquired. The Company completed its annual assessment for impairment as of September 30 of each year (measurement date), and determined that goodwill had not been impaired. In accordance with the provisions of SFAS No. 142, the Company does not amortize goodwill.

The intangible assets include customer relationship (database) totaling $58,600 with a useful life of 12 years and are being amortized using the straight-line method. Previous to the Merger, the Company maintained a trademark totaling $20,000 and customer relationships (database) totaling $130,000. The trademark was determined to have a useful life of five years and the customer relationships were determined to have a useful life of 15 years, and were being amortized using the straight-line method. Amortization expense for the three months ended March 31, 2008, and 2007 was approximately $1,773 and $3,167, respectively. Estimated annual amortization expense for the year ending December 31, 2008 is approximately $4,516, and for the years ending December 31, 2009, 2010 and 2011 is approximately $4,883.

Investments in Subsidiaries - The Company has an investment in Atlantic City Country Club reflected in the accompanying financial statements using the equity method.

Financial Instruments - The carrying amount of receivables and all current liabilities approximates fair value due to their short-term nature. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. After giving effect to their allowances, the Casino Reinvestment Development Authority ("CRDA") bonds and deposits approximately reflect their fair value based upon their below market interest rates.

Revenue Recognition - Casino revenues consist of the net win from gaming activities, which is the difference between gaming wins and losses. Food, beverage, rooms and other revenues include the aggregate amounts generated by those departments.

Total Rewards Program Liability - Harrah's customer loyalty program, Total Rewards, offers incentives to customers who gamble at the Company's property and certain affiliate casinos throughout the United States. Under the program, customers are able to accumulate, or bank, Reward Credits over time that they may redeem at their discretion under the terms of the program. The Reward Credit balance will be forfeited if the customer does not earn a Reward Credit over the prior six-month period. As a result of the ability of the customer to bank the Reward Credits, the Company accrues the expense of Reward Credits, after consideration of estimated breakage, as they are earned. The value of the cost to provide Reward Credits is expensed as the Reward Credits are earned and is included in Casino expense in the accompanying statements of income. To arrive at the estimated cost associated with Reward Credits, estimates and assumptions are made regarding incremental marginal costs of the benefits, breakage rates and the mix of goods and services for which Reward Credits will be redeemed. The Company uses historical data to assist in the determination of estimated accruals. At March 31, 2008 and 2007, $4,281 and $5,434, respectively, was accrued for the cost of anticipated Total Rewards credit redemptions.

(All dollar amounts in thousands)

In addition to Reward Credits, customers can earn points based on play that are redeemable in cash ("cash-back points"). The Company accrues the cost of cash-back points, after consideration of estimated breakage, as they are earned. The cost is recorded as contra-revenue and included in Casino promotional allowances in the accompanying statements of income. At March 31, 2008 and 2007, the liability related to outstanding cash-back points, which is based on historical redemption activity, was approximately $1,734 and $1,957, respectively.

Casino Promotional Allowances - Casino promotional allowances consist of the retail value of complimentary food and beverages, accommodations, admissions and entertainment provided to casino patrons. Also included is the value of the coupons redeemed for cash at the property. The estimated costs of providing such complimentary services are classified as casino expenses in the accompanying statements of income. These costs consisted of the following at March 31:

	2008	2007
Rooms	$ 3,274	$ 4,024
Food and beverage	9,413	10,942
Other	1,877	1,888
	$ 14,564	$ 16,854

Income Taxes - The Company is included in the consolidated federal tax return of Harrah's and files a separate New Jersey tax return. The provision for federal income taxes is computed based on the statutory federal rate as if the Company had filed a separate income tax return. The provision for state taxes is based on the statutory New Jersey tax.

The Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109" ("FIN 48"), on January 1, 2007. As a result of the implementation of FIN 48, at January 1, 2007, the Company recognized approximately a $3,118 increase in the net liability for unrecognized tax benefits, which was accounted for as a reduction to the January 1, 2007, balance of retained earnings.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Omission of Disclosures – In accordance with the Financial Reporting guidelines provided by the Casino Control Commission, the Company has elected not to include certain disclosures, which have not significantly changed since filing the most recent Annual Report. Accordingly, the following disclosures have been omitted: Employee Benefits, Equity Incentive Awards and certain Income Tax disclosures.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses reported during the period. Actual results could differ from such estimates.

Seasonal factors – The Company's operations are subject to seasonal factors and, therefore, the results of operations of the three months ended March 31, 2008 and 2007 are not necessarily indicative of the results of operations for the full year.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company participates with HOC and its other subsidiaries in marketing, purchasing, insurance, employee benefit and other programs that are defined and negotiated by HOC on a consolidated basis. The Company believes that participating in these consolidated programs is beneficial in comparison to the terms for similar programs that it could negotiate on a stand-alone basis.

Cash Activity With HOC and Affiliates — The Company transfers cash in excess of its operating and regulatory needs to HOC on a daily basis. Cash transfers from HOC to the Company are also made based upon the needs to the Company to fund daily operations, including accounts payable and payroll, as well as capital expenditures. No interest is earned on the amount shown as due from affiliates, net, in the accompanying balance sheets.

Administrative and Other Services — The Company is charged a fee by HOC for administrative and other services (including consulting, legal, marketing, information technology, accounting, and insurance). The Company was charged approximately $6,332 and $6,745 for the years ended March 31, 2008 and 2007, respectively, for these services. The fee is included in other operating expenses in the accompanying statements of income.

Atlantic City Country Club — The net operating costs of ACCC are allocated to the Company as well as Caesars Atlantic City, Showboat Atlantic City and Harrah's Atlantic City, affiliates of the Company. The Company was charged approximately $213 and $226 for the years ended March 31, 2008 and 2007, respectively, for these services. The costs are included in other operating expenses in the accompanying statements of income

(All dollar amounts in thousands)

NOTE 4 – RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks as of March 31 consist of the following:

	2008	2007
Casino Receivable(Net of allowance for doubtful accounts-$8,056 in 2008and $6,655 in 2007)	$7,432	$7,189
Other (net of allowance for doubtful accounts of $93 in 2008 and $31 in 2007)	5,705	6,468
	$13,137	$13,657

NOTE 5- PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid Expense and Other Current Assets as of March 31 consist of the following:

	2008	2007
Tax Deferred Asset	$ 22,368	$ 10,084
Other	6,439	5,826
	$ 28,807	$ 15,910

NOTE 6 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of December 31 consist of the following:

	2008	2007
Due from Harrah's	223,802	734,429
Investment in wholly owned subsidiaries(see Note 2):		
Atlantic City Country Club 1, LLC	14,398	14,398
Casino Reinvestment Development Authority		
Investment obligations(net of valuation reserves of $21,224 in 2008 and 19,594 in 2007)	23,784	18,722
Jacobs Family Terrace mortgage receivable	320	491
(Net of valuation reserves of $250 in 2008 and 2007)	$262,304	$768,040

The amounts due from Harrah's as of March 31 are unsecured and non-interest bearing.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 7- PROPERTY AND EQUIPMENT – AMENDED 9/3/2008

Property and equipment as of March 31 consist of the following:

	2008	2007
Land	$192,495	$122,709
Buildings and Improvements	436,608	532,232
Furniture, Fixtures and Equipment	70,177	109,888
Construction in progress	19,442	22,103
	718,722	786,932
Less accumulated depreciation	(5,843)	(64,798)
	$712,879	$722,134

See Note 2 for discussion of fixed assets.

NOTE 8- OTHER ASSETS

Other assets as of March 31 consist of the following:

	2008	2007
Goodwill	$271,102	$310,874
Trademark(net of accumulated amortization of $7,189 in 2007)	-	12,811
Intangible asset (net of accumulated amortization of $853 in 2008 and $15,756 in 2007)	57,747	114,424
Long term CRDA	4,046	4,496
Other	58	2,560
	$332,953	$445,165

See Note 2 for discussion of Goodwill and other intangible assets.

NOTE 9- OTHER ACCRUED EXPENSES

Other accrued expenses as of March 31 consist of the following:

	2008	2007
Accrued Payroll	$ 12,278	$ 17,591
Accrued Utilities	$ 2,385	$ 4,180
Accrued Interest	8,674	37,230
Other	13,097	15,150
	$ 36,434	$ 74,151

(All dollar amounts in thousands)

NOTE 10- LONG-TERM DEBT-DUE TO AFFILIATES AND OTHER

Long-term debt-due to affiliates and other as of March 31 consist of the following:

	2008	2007
Long Term debt due to affiliates:		
8.5% Note payable to Harrah's Entertainment Ltd. Finance Corporation ("HEL") Due Jan 1, 2009)	500,000	500,000
8.5% Note Payable To HEL due May 31,2011	33,500	33,500
8.5% Note Payable To HEL due May 31,2011	50,000	50,000
8.5% Note Payable To HEL due April 30, 2013	500	500
	$584,000	$584,000
Long-term debt-other:		
Other secured and Unsecured debt	$588	$741

On July 1, 2006, the four promissory notes formerly held by Caesars Entertainment Finance Corporation ("CEFC") were assigned to HEL. Neither the terms nor the amounts of debt were affected by this assignment. The only notable change resulting from the assignment was a change in the timing of interest payments. Prior to the assignment interest payments were made monthly. However, for subsequent tax years, interest payments will be remitted annually, payable in the following year. As of March 31, 2008 and 2007, accrued interest related to the four intercompany notes totaled $8,674 and $37,230, respectively. Since the notes are due to an affiliate, a determination of fair value is not considered meaningful.

NOTE 11- OTHER LIABILITIES

Other liabilities as of March 31 consist of the following:

	2008	2007
Due to Affiliates	$ -	$545,451
Retirement and Other Employee benefit plans	1,345	1,427
Other	32,377	25
	$33,722	$546,903

Due to Affiliates as of March 31 consisted of the following unsecured, non-interest bearing intercompany amounts:

(All dollar amounts in thousands)

	2008	2007
Atlantic City Region	$ -	$538,716
Other	-	6,735
	$ -	$545,451

The Atlantic City Region consists of Harrah's casino licenses operating in Atlantic City, New Jersey.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Litigation - The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, these matters will not have a material effect on the Company's financial position or results of operations.

Insurance Reserve - The Company is self-insured for various levels of general liability coverage. Insurance claims and reserves include the accrual of estimated settlements for known and anticipated claims. Accrued expenses and other current liabilities in the accompanying balance sheets include insurance allowances of $395 and $165 as of March 31, 2008 and 2007, respectively. Actual results may differ from these reserve amounts.

CRDA Investment Obligation - The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the CRDA. Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to 50 years and bear interest at below market rates. The Company includes CRDA investment bonds and funds on deposit in investments, advances, and receivables in the accompanying balance sheets totaling $15,570 and $26,137, respectively, at March 31, 2008 and $16,358 and $21,957, respectively, at March 31, 2007. The Company records charges to operations to reflect the estimated net realizable value of its CRDA investment.

The twelve Atlantic City casino properties (the "AC Industry") and the CRDA have entered into an agreement with the New Jersey Sports & Exposition Authority (the "NJSEA") to provide funding to subsidize New Jersey's horseracing industry. In exchange for this funding, the NJSEA and the three active New Jersey racetracks will not conduct any casino gaming at the racetracks prior to January, 1 2009. As part of the agreement, the AC Industry provides $34,000 over a four year period to the NJSEA and must deposit another $62,000 in the Casino Expansion Fund (managed by the CRDA). The $62,000 will be derived from funds either currently on deposit or to be deposited with the CRDA pursuant to each casino property's investment obligation. The Company's obligation is equal to its fair-share of AC Industry casino revenues. The Company estimates this commitment over the four year period to be $4,800 the first payment of which was made November 2004. This amount will be charged to operations on a straight line basis through January 1, 2009. Once the Company meets its deposit obligation related to its fair share of the $62,000, the Company is eligible to receive funds from the Casino Expansion Fund for qualified construction expenditures. The Company has until June 30, 2014 to submit an application to exhaust its share of the Casino Expansion Fund. Any funds not transferred out of the Casino Expansion Fund by the required date will be transferred to funds on deposit with the CRDA pursuant to its ongoing investment obligations.

The parent company of the issuer ("Debtor") of certain CRDA-backed bonds held by the Company is in Chapter 11 bankruptcy. Debtor is currently in active negotiations to sell its company and has an identified buyer. The CRDA is representing the interest of the casino industry, including the Company, in negotiations with Debtor to restructure the bonds. The face value of the bonds held by the Company is $2,406, however, the Company maintains a reserve on these bonds and on all of its other CRDA-backed bonds. While it is probable the Company will be unable to collect all amounts due in accordance with the original contractual terms of the bond agreement, the Company has concluded that its reserves are currently adequate and will continue to monitor developments of this case.