BOARDWALK REGENCY CORPORATION
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

BOARDWALK REGENCY CORPORATION
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		$14,984	$30,847
2	Short-Term Investments			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2008, $13,464; 2007, $11,434)	2 & 4	21,941	24,314
4	Inventories	2	1,173	1,185
5	Other Current Assets	5	16,350	17,499
6	Total Current Assets		54,448	73,845
7	Investments, Advances, and Receivables	6	13,880	170,854
8	Property and Equipment - Gross	2 & 7	802,878	718,680
9	Less: Accumulated Depreciation and Amortization		(8,279)	(54,843)
10	Property and Equipment - Net		794,599	663,837
11	Other Assets	2 & 8	595,962	573,899
12	Total Assets		$1,458,889	$1,482,435
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$21,652	$31,874
14	Notes Payable	9		
	Current Portion of Long-Term Debt:			
15	Due to Affiliates			
16	External		41	37
17	Income Taxes Payable and Accrued	2	3,239	5,517
18	Other Accrued Expenses	10	33,317	58,191
19	Other Current Liabilities	2 & 11	3,091	2,907
20	Total Current Liabilities		61,340	98,526
	Long-Term Debt:			
21	Due to Affiliates	12	518,330	518,330
22	External	13	549	591
23	Deferred Credits	2	127,554	131,298
24	Other Liabilities	14	167,534	89,999
25	Commitments and Contingencies			
26	Total Liabilities		875,307	838,744
27	Stockholders', Partners', or Proprietor's Equity		583,582	643,691
28	Total Liabilities and Equity		$1,458,889	$1,482,435

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

BOARDWALK REGENCY CORPORATION
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		$133,717	$139,153	
2	Rooms		6,985	8,621	
3	Food and Beverage		13,775	14,218	*
4	Other		3,232	3,314	
5	Total Revenue		157,709	165,306	
6	Less: Promotional Allowances		30,682	35,449	*
7	Net Revenue		127,027	129,857	
	Costs and Expenses:				
8	Cost of Goods and Services		71,462	72,546	
9	Selling, General, and Administrative		15,729	15,658	
10	Provision for Doubtful Accounts		1,269	867	
11	Total Costs and Expenses		88,460	89,071	
12	Gross Operating Profit		38,567	40,786	
13	Depreciation and Amortization	2	14,229	13,465	
	Charges from Affiliates Other than Interest:				
14	Management Fees				
15	Other	2 & 3	5,255	5,913	
16	Income (Loss) from Operations		19,083	21,408	
	Other Income (Expenses):				
17	Interest Expense - Affiliates	9 & 12	(10,896)	(11,015)	
18	Interest Expense - External		(292)	(135)	
19	CRDA Related Income (Expense) - Net	2	(556)	(1,200)	
20	Nonoperating Income (Expense) - Net		(785)	458	
21	Total Other Income (Expenses)		(12,529)	(11,892)	
22	Income (Loss) Before Taxes and Extraordinary Items		6,554	9,516	
23	Provision (Credit) for Income Taxes	2	4,522	4,224	
24	Income (Loss) Before Extraordinary Items		2,032	5,292	
25	Extraordinary Items (Net of Income Taxes - 20__, $0; 20__, $0)				
26	Net Income (Loss)		$2,032	$5,292	

* These amounts from prior year have been restated to reflect the current 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.

BOARDWALK REGENCY CORPORATION
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	$1,370			$582,276		$54,753	$638,399
2	Net Income (Loss) - 2007.............								32,155	32,155
3	Contribution to Paid-in-Capital.....									0
4	Dividends....................................									0
5	Prior Period Adjustments.............									0
6	Initial Adoption of FIN 48								(2,522)	(2,522)
7										0
8										0
9										0
10	**Balance, December 31, 2007..........**		100	1,370	0	0	582,276	0	84,386	668,032
11	Net Income (Loss) - 2008.............								2,032	2,032
12	Contribution to Paid-in-Capital.....									0
13	Dividends....................................									0
14	Prior Period Adjustments.............									0
15	Acquisition by TPG/Apollo								(86,482)	(86,482)
16										0
17										0
18										0
19	**Balance, March 31, 2008 ....**		100	$1,370	0	$0	$582,276	$0	($64)	$583,582

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

BOARDWALK REGENCY CORPORATION
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..		($16,066)	$25,177
	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		(19,907)	(25,737)
5	Proceeds from Disposition of Property and Equipment		1,327	290
6	CRDA Obligations		(1,672)	(1,749)
7	Other Investments, Loans and Advances made			
8	Proceeds from Other Investments, Loans, and Advances		18	(72)
9	Cash Outflows to Acquire Business Entities		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities		(20,234)	(27,268)
	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			
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/Payments of Intercompany Payable		27,343	(15,376)
22				
23	Net Cash Provided (Used) By Financing Activities		27,343	(15,376)
24	Net Increase (Decrease) in Cash and Cash Equivalents		(8,957)	(17,467)
25	Cash and Cash Equivalents at Beginning of Period		23,941	48,314
26	Cash and Cash Equivalents at End of Period		$14,984	$30,847

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)		$7,027	$11,150
28	Income Taxes		$0	$4,224

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

BOARDWALK REGENCY CORPORATION
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)		$2,032	$5,292
30	Depreciation and Amortization of Property and Equipment		11,699	10,215
31	Amortization of Other Assets		2,530	3,250
32	Amortization of Debt Discount or Premium			
33	Deferred Income Taxes - Current		1,505	
34	Deferred Income Taxes - Noncurrent		(12,337)	(1,529)
35	(Gain) Loss on Disposition of Property and Equipment		(4)	(25)
36	(Gain) Loss on CRDA-Related Obligations		988	(8,573)
37	(Gain) Loss from Other Investment Activities		119	119
38	(Increase) Decrease in Receivables and Patrons' Checks		763	578
39	(Increase) Decrease in Inventories		342	(105)
40	(Increase) Decrease in Other Current Assets		1,722	548
41	(Increase) Decrease in Other Assets		(33,931)	471
42	Increase (Decrease) in Accounts Payable		2,812	(3,950)
43	Increase (Decrease) in Other Current Liabilities		1,896	(64,014)
44	Increase (Decrease) in Other Liabilities		3,798	82,900
45				
46				
47	Net Cash Provided (Used) By Operating Activities		($16,066)	$25,177

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line	Description	Notes	2008	2007
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment		($19,907)	($25,737)
49	Less: Capital Lease Obligations Incurred			
50	Cash Outflows for Property and Equipment		($19,907)	($25,737)
	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		0	0
59	Consideration in Acquisition of Business Entities		0	0
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.

BOARDWALK REGENCY CORPORATION
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	116,946	$5,087		
2	Food	336,839	5,733		
3	Beverage	2,117,209	4,234		
4	Travel			3,129	1,358
5	Bus Program Cash	155,974	3,251		
6	Other Cash Complimentaries	222,521	11,641		
7	Entertainment	4,393	170	1,302	162
8	Retail & Non-Cash Gifts	23,796	476	10,828	1,750
9	Parking				
10	Other*	479	90	112,323	2,001
11	Total	2,978,157	$30,682	127,582	$5,271

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	116,946	$5,087		
2	Food	336,839	5,733		
3	Beverage	2,117,209	4,234		
4	Travel			3,129	1,358
5	Bus Program Cash	155,974	3,251		
6	Other Cash Complimentaries	222,521	11,641		
7	Entertainment	4,393	170	1,302	162
8	Retail & Non-Cash Gifts	23,796	476	10,828	1,750
9	Parking				
10	Other*	479	90	112,323	2,001
11	Total	2,978,157	$30,682	127,582	$5,271

* No item in this category exceeds 5%.

BOARDWALK REGENCY CORPORATION
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.

May 15, 2008
Date

Kimberly Coker
Kimberly Coker

Vice President of Finance
Title

008692-11
License Number

On Behalf of:

BOARDWALK REGENCY CORPORATION
Casino Licensee

Boardwalk Regency Corporation (Caesars Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Boardwalk Regency Corporation (the "Company"), a New Jersey corporation, is a wholly owned subsidiary of Caesars New Jersey, Inc. ("CNJ"), a New Jersey corporation. The Company owns and operates the casino hotel resort in Atlantic City, New Jersey known as "Caesars Atlantic City". CNJ is a wholly owned subsidiary of Caesars World, Inc. ("CWI"), a Florida corporation, and CWI is a wholly owned subsidiary of Harrah's Operating Company, Inc. ("HOC"). 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Acquisition - Prior to June 13, 2005, the Company was 100% owned by Caesars Entertainment, Inc.("CEI"). On June 13, 2005, Harrah's Entertainment, Inc. ("Harrah's") completed the acquisition of 100 percent of the outstanding shares of CEI. Following the purchase, the Company became an indirect wholly-owned subsidiary of HOC.

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." The underlying 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 was determined after review and consideration of relevant information including discounted cash flows analyses, quoted market prices and Harrah's own estimates. The purchase price exceeds the fair value of the net identifiable tangible and intangible assets acquired were 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.

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.

(All dollar amounts in thousands)

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's 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 12 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 related to the Caesars acquisition had not been impaired. In accordance with the provisions of SFAS No. 142, the Company does not amortize goodwill.

The company maintains customer relationships (database) totaling $111,700. The customer relationships have been determined to have a useful life of six years and are being amortized using the straight-line method. Previous to the Merger, the Company maintained a trademark totaling $83,000 and customer relationships (database) totaling $195,000. The trademark was determined to have indefinite life and, accordingly, was not amortized. 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 ending March 31, 2008 and 2007 was approximately $2,530 and $3,250, respectively. Estimated annual amortization expense for the year ending December 31, 2008 is $16,812, and amortization expense for the years 2009, 2010, 2011 and 2012, is $19,042.

Investment in ACES - In 2006, the Company entered into an agreement with Harrah's Atlantic City, an affiliate of the Company, and one other Atlantic City casino to form ACES. In accordance with FIN 46 (R), *Consolidation of Variable Interest Entities*, the Company is required to consolidate ACES as they are considered to be the primary beneficiary of the variable interest entity. With each member having a 33% interest, this New Jersey limited liability company was formed for the purpose of contracting with New Jersey Transit to operate express rail service between Manhattan, New York, and Atlantic City. The responsibilities of the managing member will rotate annually among the members. The total anticipated investment in ACES is approximately $15,000. ACES is currently in the development stage and is expected to be operational by the third quarter of 2008. As of March 31, 2008, the members have made contributions totaling $11,859, which were primarily used to fund construction in progress. ACES' net loss for the three months ended March 31, 2008 was $66 and is included in nonoperating expenses on the accompanying Statements of Income.

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 estimated cost to provide Reward Credits is expensed as the Reward Credits are earned and is included in Cost of Goods and Services 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, $4,150 and $5,695, respectively, was accrued for the cost of anticipated 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 $1,073 and $1,375, 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 as of March 31:

	2,008	2,007
Food & Beverage	$ 7,970	$ 8,201
Rooms	3,156	3,656
Other	1,193	429
Other Cash Complimentaries	14,892	17,170
	$ 27,211	$ 29,456

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.

Deferred tax assets and liabilities represent the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in existing tax rates is recognized as an increase or decrease to the tax provision in the period that includes the enactment date.

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: Future Lease Obligations, Employee Benefits and certain Income Tax disclosures.

Use of Estimates - The preparation of these financial statements in conformity with generally accepted accounting principles requires the Company 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 reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Reclassifications - Certain prior year balances have been reclassified to conform to the current year presentation.

Seasonal Factors - The Company's operations are subject to seasonal factors and, therefore, the results of operations for the three months ended March 31, 2008 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.

Certain of the more significant intercompany relationships between the Company and HOC are discussed in this footnote.

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 of 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 in the accompanying financial statements.

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 $5,255 and $5,913 for these services for the three months ended March 31, 2008 and 2007, respectively. The fee is included in charges from affiliates in the accompanying statements of income.

NOTE 4 – RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks as of March 31, 2008 and March 31, 2007 consist of the following:

(All dollar amounts in thousands)

	2008	2007
Casino Receivables (Net of Allowance for Doubtful Accounts - 2008, $13,222 & 2007, $11,191)	$ 17,882	$ 15,799
Other (Net of Allowance for Doubtful Accounts - 2008, $242 & 2007, $243)	4,059	8,515
	$ 21,941	$ 24,314

NOTE 5 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

	2,008	2,007
Tax Deferred Asset	$ 13,493	$ 14,657
Other	2,857	2,842
	$ 16,350	$ 17,499

NOTE 6 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of March 31, 2008 and March 31, 2007 consist of the following:

	2,008	2,007
CRDA Deposits	$ 19,482	$ 15,829
CRDA Bonds Receivable	6,658	6,373
CRDA Long Term Note Receivable	-	772
	$ 26,140	$ 22,974
Less Valuation Allowance on CRDA Investments	(12,260)	(10,747)
	$ 13,880	$ 12,227
Due from Harrahs	-	158,627
Due from Affiliates Other	-	-
	$ 13,880	$ 170,854

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment as of March 31, 2008 and March 31, 2007 consist of the following:

(All dollar amounts in thousands)

	2,008	2,007
Land	$ 174,009	$ 88,003
Buildings and Improvements	488,532	466,763
Furniture, Fixtures, and Equipment	70,476	102,740
Construction in Progress	69,861	61,174
	$ 802,878	$ 718,680
Less Accumulated Depreciation & Amortization	(8,279)	(54,843)
	$ 794,599	$ 663,837

NOTE 8 – OTHER ASSETS

Other assets as of March 31, 2008 and March 31, 2007 consist of the following:

	2,008	2,007
Goodwill	$ 436,618	$ 271,285
Customer Database less Accumulated Amortization of $1,587 in 2008 & $23,364 in 2007	110,113	171,636
Trademark	0	83,000
Deferred Lease Incentive	41,875	42,437
CRDA Seat License	2,727	1,255
Other, Net	4,629	4,286
	$ 595,962	$ 573,899

During May 2003, the Company entered into an agreement to lease the Pier at Caesars (the "Pier") to developers for an initial term of 75 years. The 75 year term commenced upon completion of the Pier's construction which was completed in 2006. The lease agreement provides for the repayment of certain qualified pier development costs incurred by the developers.

As financing for the qualified pier development costs, the Company and certain of its Atlantic City affiliates entered into a credit agreement (the "Credit Agreement") with the CRDA. The Credit Agreement provides for funding from the CRDA of up to $42,800 for qualified development costs. The CRDA funding will come from amounts either currently on deposit or to be deposited with the CRDA pursuant to the Company's and its affiliates' investment obligations. Repayments to the developers are limited to the funds received from the CRDA. As of March 31, 2008, the Company has received $4,879 of previously deposited funds from the CRDA.

As of March 31, 2008, the Company repaid the developers approximately $42,800 through CRDA funds previously deposited by an affiliate. These payments are considered lease incentive payments and will be amortized over the life of the lease.

Boardwalk Regency Corporation (Caesars Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Refer to Note 2 for discussion of Goodwill and Other Intangible Assets.

NOTE 9 – NOTES PAYABLE

At December 31, 2000, the Company entered into an uncommitted $50,000 credit facility with Caesars Entertainment Finance Corporation ("CEFC"), a wholly owned subsidiary of HOC. At March 31, 2008, there was no outstanding balance.

NOTE 10 - OTHER ACCRUED EXPENSES

Other accrued expenses as of March 31, 2008 and March 31, 2007 consist of the following:

	2,008	2,007
Accrued Payroll & Benefits	$ 11,585	$ 12,055
Accrued Interest Payable	7,728	33,075
Real Estate Taxes	4,526	923
Other	9,478	12,138
	$ 33,317	$ 58,191

NOTE 11- OTHER CURRENT LIABILITIES

Other current liabilities as of March 31, 2008 and March 31, 2007 consist of the following:

	2,008	2,007
Unredeemed Chip and Token Liability	2,174	2,429
Other	917	478
	3,091	2,907

NOTE 12 - LONG-TERM DEBT - DUE TO AFFILIATES

Long-term debt, due to affiliates as of March 31, 2008 and March 31, 2007 consists of the following:

(All dollar amounts in thousands)

	2,008	2,007
8.5% Note Payable to Harrah's Entertainment, Ltd. ("HEL") due December 31, 2010	$ 518,330	$ 518,330
	$ 518,330	$ 518,330

On July 1, 2006, the note formerly held by CEFC was 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, accrued interest related to the intercompany note totaled $7,698. Since the note is due to an affiliate, a determination of fair value is not considered meaningful.

NOTE 13 – LONG-TERM DEBT, OTHER

Long-term debt, other as of March 31, 2008 and March 31, 2007 consists of the following:

	2,008	2,007
Mortgage Note due October 15, 2011 Interest at 10.0%	$ 590	$ 628
Less: Current Maturities	(41)	(37)
	$ 549	$ 591

NOTE 14 – OTHER LIABILITIES

Other Liabilities as of March 31, 2008 consisted of the following:

	2,008	2,007
Due to Affiliates, Atlantic City Region	$ 73,862	$ 51,034
Due to Harrah's	58,252	-
Due to Affiliates, Other	27,163	31,747
Other	8,257	7,218
	$ 167,534	$ 89,999

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

NOTE 15 – COMMITMENTS AND CONTIGENCIES

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.

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 $6,658 and $19,482 respectively, at March 31, 2008 and $6,373 and $15,829, 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 will provide $34,000 over a four year period to the NJSEA and must deposit another $62,000 into 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 a total of $3,700, the first payment of which was made November 2004. The total estimated commitment 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 $2,061; however, the Company maintains a reserve on these bonds and on all 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.