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DGE Announces 2012 Results

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Highlights for 2012 versus 2011:

- ✓ Casino Hotel Non-Gaming Revenues grow 2.8%.
- ✓ Sales by Third Party Businesses rose 39%.
- ✓ Occupied room nights exceeded 5.2 million, a new annual record and 2.6% growth over 2011.
- ✓ Three Atlantic City Tourism Indicators grow between 6% and 12.6%.

ATLANTIC CITY —

Total Revenue

According to financial reports filed with the Division of Gaming Enforcement (Division), the twelve casinos reported total revenue of \$4.3 billion for 2012. While casino revenue declined for the year, the casinos reported revenue growth of 2.8% in non-gaming categories for 2012, with increases of 2.2% in rooms revenue and 15.6% in entertainment and other revenue sources, as illustrated below:

(\$ in Millions)	2012	2011	Change
Casino Hotels			
Casino	\$ 3,032	\$ 3,300	-8.1%
Rooms	519	508	2.2%
Food and Beverage	551	553	-0.4%
Entertainment and Other	193	167	15.6%
Casino Hotel Total Revenue	<u>4,295</u>	<u>4,528</u>	-5.2%
Third Party Business Sales	246	177	39.0%
Combined Sales	<u>\$ 4,541</u>	<u>\$ 4,705</u>	-3.5%

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In addition to the improvement in non-gaming revenues reported by the casinos, businesses that lease space within the casino properties (Third Party Businesses) reported a 39% increase in sales for 2012, to \$246 million. Overall, the significant improvement in sales by Third Party Businesses reflects an increase in the number of businesses industry-wide from 115 businesses with sales in 2011 to 162 businesses in 2012. Adding the total revenue reported by the casinos to the gross sales reported by Third Party Businesses results in combined gross sales totaling \$4.5 billion for 2012.

Industry revenues were significantly impacted by Hurricane Sandy during the fourth quarter of 2012. For the first nine months of the year, non-gaming revenue categories were growing at rates between 4.7% and 19.5%, while sales by Third Party Businesses were growing at 42.8% over the first nine months of 2011, as shown in the chart below:

(\$ in Millions)	Nine Months Sept. 2012	Nine Months Sept. 2011	Change
Casino Hotels			
Casino	\$ 2,425	\$ 2,555	-5.1%
Rooms	419	393	6.6%
Food and Beverage	448	428	4.7%
Entertainment and Other	153	128	19.5%
Casino Hotel Total Revenue	3,445	3,504	-1.7%
Third Party Business Sales	197	138	42.8%
Combined Sales	\$ 3,642	\$ 3,642	0.0%

In advance of Hurricane Sandy, all casinos closed on October 28, 2012 and reopened between November 2nd and November 5th. Subsequently, it took time for casinos to resume normal operations and open all of their amenities to the public. Additionally, there were numerous conventions, conferences, trade shows and fairs cancelled as a result of the hurricane, along with the cancellation of many concerts and other entertainment functions. Thus, the impact of Hurricane Sandy was not limited to the days the casinos were closed, but for most of the fourth quarter of 2012.

Hotel Occupancy

The industry-wide number of occupied rooms increased 2.6% for the year, from 5,075,900 for 2011 to 5,206,942 for 2012. Despite the impact of Hurricane Sandy in the fourth quarter, the opening of Revel helped drive occupied rooms to a historical new annual record. The industry hotel occupancy rate for the casinos that were open in both years (excluding Revel) was 81.6% for the year and 82.6% for 2011. Including Revel, the industry occupancy rate was 80.3% for 2012.

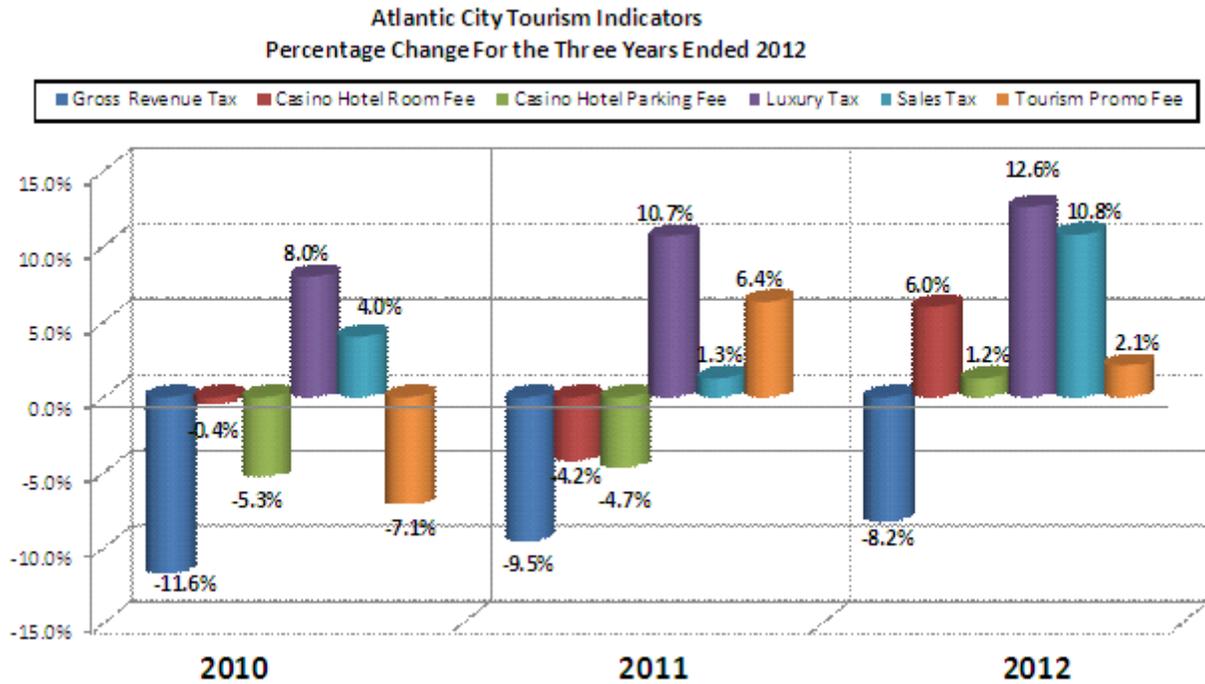
Atlantic City Tourism Indicators

In an effort to encompass the broader hospitality and tourism aspects of the Atlantic City market, the Division has identified six "Atlantic City Tourism Indicators" based upon tax and fee filings with the State of New Jersey. As illustrated in the following chart, many of the tourism indicators have improved significantly since 2010. For 2012, five of the six Atlantic City Tourism Indicators trended positively, with three indicators increasing

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between 6% and 12.6%.



The notes on the following page are integral to understanding the financial information contained in this press release. The notes also 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>

Notes:

- Revel opened on April 2, 2012. Certain statistics have been provided both with and without Revel to provide greater clarity as to comparability.
- The income statement and hotel occupancy rate include the temporary closure of the Atlantic City casinos due to Hurricane Sandy (October/November 2012) and Hurricane Irene (August 2011).
- 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 2011 and 2012, which impacts the comparability of operating results among licensees.
- Atlantic City Tourism Indicators are based upon tax/fee filings, 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 by the glass 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 (a)
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011
(\$ in Thousands)**

	<u>Total Revenue</u>		Fav (Unfav) Var %	<u>Net Revenue</u>		Fav (Unfav) Var %	<u>Gross Operating Profit</u>		Fav (Unfav) Var %
	<u>2012</u>	<u>2011</u>		<u>2012</u>	<u>2011</u>		<u>2012</u>	<u>2011</u>	
Atlantic Club	\$ 157,333	\$ 176,498	(10.9)	\$ 103,789	\$ 126,676	(18.1)	\$ (19,190)	\$ (19,870)	3.4
Bally's AC	413,608	509,645	(18.8)	302,269	368,661	(18.0)	61,275	48,747	25.7
Borgata	903,539	954,520	(5.3)	686,222	730,274	(6.0)	119,583	162,558	(26.4)
Caesars	470,642	506,011	(7.0)	345,091	380,364	(9.3)	82,858	87,330	(5.1)
Golden Nugget (b)	175,064	101,503	72.5	127,166	73,010	74.2	(11,427)	(2,263)	n/a
Harrah's	584,754	629,462	(7.1)	440,693	467,124	(5.7)	126,914	112,373	12.9
Resorts	183,424	204,998	(10.5)	127,187	134,765	(5.6)	(7,768)	(12,244)	36.6
Showboat	318,088	351,012	(9.4)	225,600	242,259	(6.9)	47,155	48,415	(2.6)
Tropicana	348,022	390,644	(10.9)	264,037	279,063	(5.4)	17,997	17,648	2.0
Trump Marina (c)	0	60,557	n/a	0	45,084	n/a	0	(3,066)	n/a
Trump Plaza	141,250	183,286	(22.9)	101,201	134,691	(24.9)	9,937	2,663	n/a
Trump Taj Mahal	402,623	460,202	(12.5)	287,655	338,660	(15.1)	43,909	55,321	(20.6)
Industry w/o Revel	\$ 4,098,347	\$ 4,528,338	(9.5)	\$ 3,010,910	\$ 3,320,631	(9.3)	\$ 471,243	\$ 497,612	(5.3)
Revel (d)	196,499	0	n/a	152,932	0	n/a	(110,559)	0	n/a
Industry	<u>\$ 4,294,846</u>	<u>\$ 4,528,338</u>	(5.2)	<u>\$ 3,163,842</u>	<u>\$ 3,320,631</u>	(4.7)	<u>\$ 360,684</u>	<u>\$ 497,612</u>	(27.5)

(a) The income statement statistics contained herein reflect only the operating results of the casino licensees.

The statistics do not include third-party restaurants, nightclubs, retail outlets and other businesses operating within the casino properties.

(b) Golden Nugget commenced operations on May 24, 2011.

(c) Trump Marina ceased operations on May 23, 2011.

(d) Revel commenced operations on April 2, 2012.

The footnotes are an integral part of each licensee's financial statements.
Valid comparisons cannot be made without using information contained in the footnotes.

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STATEMENT OF INCOME STATISTICS (a)
FOR THE QUARTER ENDED DECEMBER 31, 2012 AND 2011
(\$ in Thousands)**

	Total Revenue		Fav (Unfav) Var	Net Revenue		Fav (Unfav) Var	Gross Operating Profit		Fav (Unfav) Var
	<u>2012</u>	<u>2011</u>	%	<u>2012</u>	<u>2011</u>	%	<u>2012</u>	<u>2011</u>	%
Atlantic Club	\$ 33,151	\$ 34,399	(3.6)	\$ 21,995	\$ 24,424	(9.9)	\$ (5,627)	\$ (6,597)	14.7
Bally's AC	75,373	112,548	(33.0)	55,520	81,328	(31.7)	3,113	7,140	(56.4)
Borgata	198,309	229,862	(13.7)	147,565	176,410	(16.4)	13,498	37,972	(64.5)
Caesars	94,121	114,153	(17.5)	67,313	85,263	(21.1)	7,932	14,028	(43.5)
Golden Nugget	37,329	35,347	5.6	27,343	23,213	17.8	(5,248)	(5,561)	5.6
Harrah's	113,962	143,176	(20.4)	85,146	105,514	(19.3)	18,161	18,130	0.2
Resorts	36,550	46,225	(20.9)	25,493	30,316	(15.9)	(5,258)	3,928	n/a
Showboat	58,335	76,468	(23.7)	42,149	52,659	(20.0)	3,339	7,370	(54.7)
Tropicana	60,587	93,694	(35.3)	45,865	67,274	(31.8)	(6,426)	1,132	n/a
Trump Plaza	22,893	35,479	(35.5)	15,880	25,545	(37.8)	(3,996)	(2,062)	(93.8)
Trump Taj Mahal	74,494	102,189	(27.1)	53,578	73,531	(27.1)	549	5,915	(90.7)
Industry w/o Revel	\$ 805,104	\$ 1,023,540	(21.3)	\$ 587,847	\$ 745,477	(21.1)	\$ 20,037	\$ 81,395	(75.4)
Revel (b)	43,962	-	n/a	35,947	-	n/a	(38,544)	-	n/a
Industry	<u>\$ 849,066</u>	<u>\$ 1,023,540</u>	(17.0)	<u>\$ 623,794</u>	<u>\$ 745,477</u>	(16.3)	<u>\$ (18,507)</u>	<u>\$ 81,395</u>	n/a

(a) The income statement statistics contained herein reflect only the operating results of the casino licensees.

The statistics do not include third-party restaurants, nightclubs, retail outlets and other businesses operating within the casino properties.

(b) Revel commenced operations on April 2, 2012.

The footnotes are an integral part of each licensee's financial statements.
Valid comparisons cannot be made without using information contained in the footnotes.

**ATLANTIC CITY CASINO INDUSTRY
HOTEL STATISTICS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012**

CASINO	NUMBER OF GUEST ROOMS IN PROPERTY*	NUMBER OF AVAILABLE ROOM NIGHTS	NUMBER OF OCCUPIED ROOM NIGHTS	OCCUPANCY RATE	AVERAGE RATE PER OCCUPIED ROOM
Atlantic Club	809	289,512	181,421	62.7%	\$ 65.77
Bally's AC	1,749	631,118	539,261	85.4%	90.36
Borgata	2,767	998,887	848,709	85.0%	132.80
Caesars	1,141	411,901	370,746	90.0%	98.28
Golden Nugget	727	244,471	204,807	83.8%	88.38
Harrah's	2,590	934,990	781,020	83.5%	95.73
Resorts	942	340,062	262,354	77.1%	77.24
Revel (a)	1,399	352,773	203,816	57.8%	161.64
Showboat	1,329	480,195	396,961	82.7%	90.50
Tropicana	2,079	750,245	581,735	77.5%	91.26
Trump Plaza	906	327,066	240,531	73.5%	85.31
Trump Taj Mahal	2,010	725,610	595,581	82.1%	88.67
INDUSTRY w/o Revel	17,049	6,134,057	5,003,126		
IND. AVE. w/o Revel				81.6%	\$97.00
INDUSTRY TOTAL	18,448	6,486,830	5,206,942		
INDUSTRY AVERAGE				80.3%	\$99.53

* Number of guest rooms at end of quarter

(a) Revel commenced operations on April 2, 2012.

**ATLANTIC CITY CASINO INDUSTRY
HOTEL STATISTICS
FOR THE QUARTER ENDED DECEMBER 31, 2012**

CASINO	NUMBER OF GUEST ROOMS IN PROPERTY*	NUMBER OF AVAILABLE ROOM NIGHTS	NUMBER OF OCCUPIED ROOM NIGHTS	OCCUPANCY RATE	AVERAGE RATE PER OCCUPIED ROOM
Atlantic Club	809	67,956	34,632	51.0%	\$ 58.04
Bally's AC	1,749	152,163	105,555	69.4%	82.10
Borgata	2,767	240,729	183,337	76.2%	125.54
Caesars	1,141	99,267	82,482	83.1%	84.56
Golden Nugget	727	63,249	44,113	69.7%	81.99
Harrah's	2,590	225,330	154,571	68.6%	90.92
Resorts	942	81,954	49,805	60.8%	70.71
Revel	1,399	120,314	54,696	45.5%	163.10
Showboat	1,329	115,623	78,424	67.8%	78.63
Tropicana	2,079	180,873	105,076	58.1%	81.74
Trump Plaza	906	78,822	38,072	48.3%	86.39
Trump Taj Mahal	2,010	174,870	115,428	66.0%	87.04
INDUSTRY w/o Revel	17,049	1,480,836	991,495		
IND. AVG. w/o Revel				67.0%	\$90.72
INDUSTRY TOTAL	18,448	1,601,150	1,046,191		
INDUSTRY AVERAGE				65.3%	\$94.51

* Number of guest rooms at end of quarter