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Division of Gaming Enforcement

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DGE Announces 4th Quarter and Year-End 2013 Results

For Immediate Release:

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Highlights:

- ✓ Total Revenue increased 8.1% for the 4th Quarter
- ✓ Food and Beverage Revenue improved 14.7% for the 4th Quarter
- ✓ Rooms Revenue up 13% for the 4th Quarter
- ✓ Third Party Business Sales grew 25.8% for the 4th Quarter; 17.5% for the year
- ✓ 4 of 6 Atlantic City Tourism Indicators held steady or improved for the year

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ATLANTIC CITY —

According to financial reports filed with the Division of Gaming Enforcement (Division), the Atlantic City casino industry reported total revenue of \$917.7 million for the 4th Quarter of 2013, which represents an 8.1% improvement over 2012 and includes initial revenues from Internet gaming operations. In addition to the 14.7% increase in food and beverage revenue and the 13% growth in rooms revenue, there was a 25.8% improvement in Third Party Business sales, as illustrated below:

For the Three Months Ended (\$ in Thousands)	Dec. 31, 2013	Dec. 31, 2012	Change
Casino Licensees			
Casino	\$ 644,125	\$ 606,477	6.2%
Rooms	113,077	100,055	13.0%
Food and Beverage	117,453	102,400	14.7%
Entertainment and Other	43,006	40,134	7.2%
Casino Licensees Total Revenue	917,661	849,066	8.1%
Third Party Business Sales	61,090	48,554	25.8%
Combined Sales	\$ 978,751	\$ 897,620	9.0%

The 4th Quarter 2012 results were impacted by Hurricane Sandy. All casinos closed on October 28, 2012 and reopened between November 2 and 5, 2012.

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

As illustrated below, the Atlantic City casino industry reported total revenue of \$4.1 billion for the year. While casino revenue decreased by 6.4% for 2013, rooms revenue held relatively stable and the combined sales from food, beverage, entertainment, other departments, and Third Party Businesses grew by 1.1%.

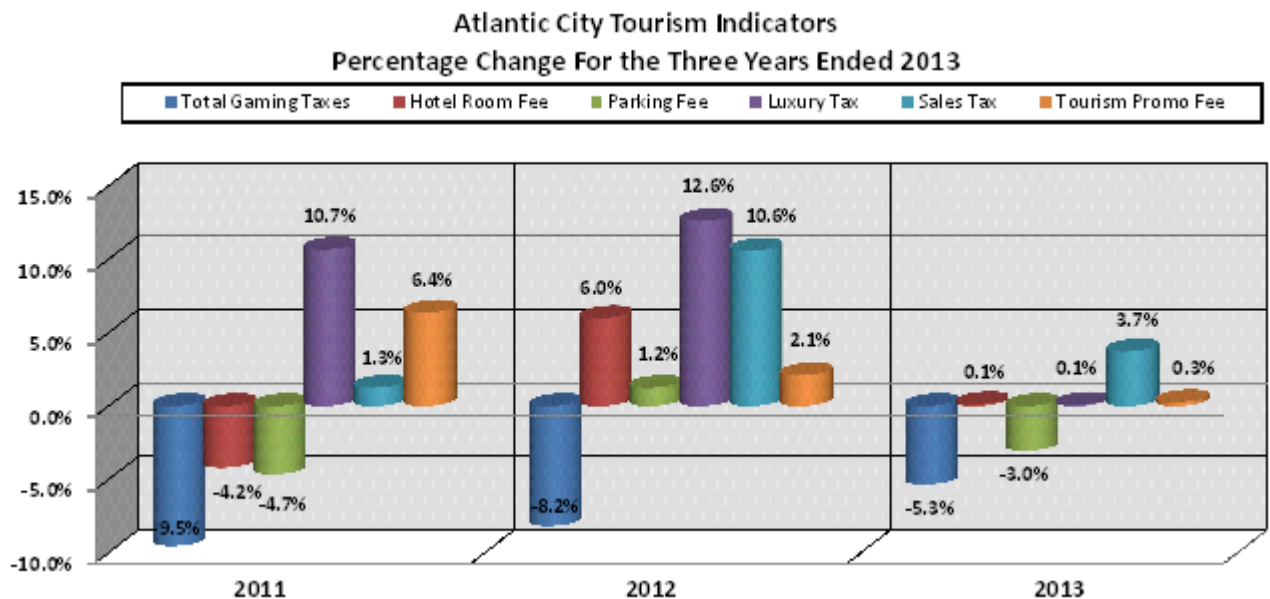
For the Year Ended (\$ in Thousands)	Dec. 31, 2013	Dec. 31, 2012	Change
Casino Licensees			
Casino	\$ 2,838,084	\$ 3,031,811	-6.4%
Rooms	517,673	519,410	-0.3%
Food and Beverage	521,635	550,503	-5.2%
Entertainment and Other	190,107	193,122	-1.6%
Casino Licensees Total Revenue	4,067,499	4,294,846	-5.3%
Third Party Business Sales	289,067	245,958	17.5%
Combined Sales	\$ 4,356,566	\$ 4,540,804	-4.1%

Hotel Occupancy

The occupancy rate for the city's casino hotels for 2013 was 77.4%. The occupancy rate for the 4th quarter was 70.7%.

Atlantic City Tourism Indicators

For the three years ended December 2013, four of the six Atlantic City Tourism Indicators showed improvement from the year ended December 2010.



	Total Gaming Taxes	Hotel Room Fee	Parking Fee	Luxury Tax	Sales Tax	Tourism Promo Fee
2010	\$ 260,939,621	\$ 15,381,693	\$ 29,816,148	\$ 28,478,537	\$ 54,990,626	\$ 9,939,606
2011	\$ 236,095,955	\$ 14,736,963	\$ 28,427,193	\$ 31,515,009	\$ 55,687,948	\$ 10,572,608
2012	\$ 216,819,136	\$ 15,617,832	\$ 28,781,529	\$ 35,485,647	\$ 61,573,297	\$ 10,794,002
2013	\$ 205,256,811	\$ 15,637,872	\$ 27,907,278	\$ 35,519,040	\$ 63,866,628	\$ 10,822,323

Additional Information:

Quarterly Reports (DGE website):

<http://www.nj.gov/oag/ge/quarterlyfinancialrpt.html>

Tourism Data (ACCVA website):

<http://www.atlanticcitynj.com/about/stats.aspx>

Notes

The Notes below are integral to understanding the financial information contained in this press release and the Quarterly Financial Reports submitted by the Casino Licensees.

- Due to the commencement of Internet gaming operations in November 2013, the operating results of casino licensees are not directly comparable.
 - Borgata, Golden Nugget, Tropicana, Trump Plaza, Trump Taj Mahal, and Caesars Interactive Entertainment NJ (CIENJ) commenced Internet gaming operations (soft play) on November 21, 2013. Except for CIENJ (discussed below), the financial statements for these licensees include the impact of Internet gaming operations in accordance with the terms of their agreement with their Internet platform provider. A general description of this arrangement is contained in the footnotes to the financial statements.
 - Atlantic Club, Bally's AC, Caesars, Harrah's, Resorts, Revel and Showboat did not conduct Internet gaming operations during 2013.
 - CIENJ obtained a casino license in November 2013 and holds two Internet Gaming Permits as an affiliate of Caesars and Bally's AC. As a casino licensee, CIENJ must file a Quarterly Financial Report with the Division. Since CIENJ does not operate a casino hotel, the data contained in its Quarterly Financial Report solely reflects Internet gaming operations and CIENJ's operating results are not comparable to any other casino licensee.
- 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 sales 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 Income Statement statistics 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.
- 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 recent years, which further impacts the comparability of operating results among licensees and from period to period.
- Atlantic City Tourism Indicators are based upon tax/fee filings for the trailing twelve month period (TTM), which are preliminary and subject to future adjustments, as follows:
 - Total Gaming Taxes: 8% of Taxable Gross Revenue as reported to the Division of Gaming Enforcement. 15% of Internet Gross Revenue beginning November 21, 2013.
 - 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 Sales and Use Tax for 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 DECEMBER 31, 2013 AND 2012
(\$ in Thousands)**

	Total Revenue			Net Revenue			Gross Operating Profit		
	2013	2012	Variance	2013	2012	Variance	2013	2012	Variance
<u>Casinos with Internet Gaming (a)</u>									
Borgata	210,796	198,309	6.3%	157,128	147,565	6.5%	16,928	13,498	25.4%
Golden Nugget	41,052	37,329	10.0%	30,793	27,343	12.6%	(3,884)	(5,248)	26.0%
Tropicana	68,670	60,587	13.3%	51,965	45,865	13.3%	145	(6,426)	N/A
Trump Plaza	19,222	22,893	-16.0%	13,797	15,880	-13.1%	(4,676)	(3,996)	-17.0%
Trump Taj Mahal	76,031	74,494	2.1%	54,009	53,578	0.8%	(2,013)	(2,100)	4.1%
<u>Casinos without Internet Gaming</u>									
Atlantic Club	37,977	33,151	14.6%	23,657	21,995	7.6%	(5,363)	(5,627)	4.7%
Bally's AC (b)	73,853	75,373	-2.0%	50,529	55,520	-9.0%	(2,870)	3,113	N/A
Caesars (b)	105,060	94,121	11.6%	72,884	67,313	8.3%	7,131	7,932	-10.1%
Harrah's	124,460	113,962	9.2%	89,984	85,146	5.7%	16,287	18,161	-10.3%
Resorts	39,363	36,550	7.7%	27,189	25,493	6.7%	(5,517)	(5,408)	-2.0%
Revel	59,090	43,962	34.4%	43,006	35,947	19.6%	(22,200)	(38,894)	42.9%
Showboat	60,709	58,335	4.1%	41,314	42,149	-2.0%	1,546	3,339	-53.7%
<u>Internet Gaming Only</u>									
CIENJ (b)	1,378	-	N/A	1,361	-	N/A	(1,289)	-	N/A
Industry Total	<u>\$ 917,661</u>	<u>\$ 849,066</u>	8.1%	<u>\$ 657,616</u>	<u>\$ 623,794</u>	5.4%	<u>\$ (5,775)</u>	<u>\$ (21,656)</u>	73.3%
Industry w/o CIENJ (c)	<u>\$ 916,283</u>	<u>\$ 849,066</u>	7.9%	<u>\$ 656,255</u>	<u>\$ 623,794</u>	5.2%	<u>\$ (4,486)</u>	<u>\$ (21,656)</u>	79.3%

(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, this Industry total eliminates CIENJ from the statistics.

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 YEAR ENDED DECEMBER 31, 2013 AND 2012
(\$ in Thousands)**

	Total Revenue			Net Revenue			Gross Operating Profit		
	2013	2012	Variance	2013	2012	Variance	2013	2012	Variance
<u>Casinos with Internet Gaming (a)</u>									
Borgata	913,516	903,539	1.1%	695,700	686,222	1.4%	121,613	119,583	1.7%
Golden Nugget	177,769	175,064	1.5%	131,235	127,166	3.2%	(10,424)	(11,427)	8.8%
Tropicana	318,194	348,022	-8.6%	244,471	264,037	-7.4%	26,549	17,997	47.5%
Trump Plaza	104,685	141,250	-25.9%	76,328	101,201	-24.6%	(4,725)	9,937	N/A
Trump Taj Mahal	353,932	402,623	-12.1%	257,883	287,655	-10.3%	19,619	43,909	-55.3%
<u>Casinos without Internet Gaming</u>									
Atlantic Club	174,126	157,333	10.7%	112,242	103,789	8.1%	(12,738)	(19,190)	33.6%
Bally's AC (b)	346,399	413,608	-16.2%	255,489	302,269	-15.5%	33,499	61,275	-45.3%
Caesars (b)	444,295	470,642	-5.6%	324,820	345,091	-5.9%	69,510	82,858	-16.1%
Harrah's	530,881	584,754	-9.2%	401,700	440,693	-8.8%	102,151	126,914	-19.5%
Resorts	176,547	183,424	-3.7%	124,618	127,187	-2.0%	(12,204)	(7,918)	-54.1%
Revel	250,426	196,499	27.4%	189,705	152,932	24.0%	(130,239)	(110,909)	-17.4%
Showboat	275,351	318,088	-13.4%	197,223	225,600	-12.6%	34,048	47,155	-27.8%
<u>Internet Gaming Only</u>									
CIENJ (b)	1,378	-	N/A	1,361	-	N/A	(1,289)	-	N/A
Industry Total	<u>\$ 4,067,499</u>	<u>\$ 4,294,846</u>	-5.3%	<u>\$ 3,012,775</u>	<u>\$ 3,163,842</u>	-4.8%	<u>\$ 235,370</u>	<u>\$ 360,184</u>	-34.7%
Industry w/o CIENJ and Revel (c)	<u>\$ 3,815,695</u>	<u>\$ 4,098,347</u>	-6.9%	<u>\$ 2,821,709</u>	<u>\$ 3,010,910</u>	-6.3%	<u>\$ 366,898</u>	<u>\$ 471,093</u>	-22.1%

(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 Revel (opened April 1, 2012) from the statistics.

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 DECEMBER 31, 2013**

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)	809	72,322	41,365	57.2%	\$ 58.62
Bally's AC	1,749	160,908	112,312	69.8%	87.85
Borgata	2,767	254,564	197,775	77.7%	128.97
Caesars	1,141	104,972	91,518	87.2%	94.48
Golden Nugget	727	66,884	49,358	73.8%	79.10
Harrah's	2,590	238,280	176,581	74.1%	91.92
Resorts	942	86,664	59,557	68.7%	71.25
Revel	1,399	128,708	92,157	71.6%	105.78
Showboat	1,329	122,268	84,230	68.9%	82.93
Tropicana	2,079	191,268	126,557	66.2%	84.22
Trump Plaza	906	83,352	40,813	49.0%	89.75
Trump Taj Mahal	2,010	184,920	126,334	68.3%	88.45
INDUSTRY TOTAL	18,448	1,695,110	1,198,557		
INDUSTRY AVERAGE				70.7%	\$94.32

* Number of guest rooms at end of quarter

**ATLANTIC CITY CASINO INDUSTRY
HOTEL STATISTICS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013**

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)	809	293,179	194,400	66.3%	\$ 60.50
Bally's AC	1,749	638,385	502,562	78.7%	89.68
Borgata	2,767	1,009,955	862,328	85.4%	131.26
Caesars	1,141	416,465	375,896	90.3%	99.56
Golden Nugget	727	265,355	210,924	79.5%	90.89
Harrah's	2,590	945,350	765,235	80.9%	95.38
Resorts	942	343,830	251,564	73.2%	77.12
Revel	1,399	510,635	372,071	72.9%	127.39
Showboat	1,329	485,085	380,832	78.5%	89.11
Tropicana	2,079	758,835	547,835	72.2%	91.36
Trump Plaza	906	330,690	201,007	60.8%	91.78
Trump Taj Mahal	2,010	733,650	548,239	74.7%	88.98
INDUSTRY TOTAL	18,448	6,731,414	5,212,893		
INDUSTRY AVERAGE				77.4%	\$99.30

* Number of guest rooms at end of quarter