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DGE Announces August 2018 Total Gaming Revenue Results

For Immediate Release:

September 12, 2018

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Industry:

Based upon filings with the Division of Gaming Enforcement, Total Gaming Revenue for August was \$303.9 million compared to \$244.8 million in August 2017, reflecting a 24.1% increase. Casino Win for August was \$269.9 million increasing 20.7% from the same month last year. Internet Gaming Win was \$24.8 million in August compared to \$21.3 million in the prior period, reflecting an increase of 16.6%. Sports Wagering Gross Revenue was \$9.2 million for the month.

For the year-to-date, the Industry's Total Gaming Revenue was \$1.867 billion for 2018 compared to \$1.803 billion in 2017, reflecting an increase of 3.5%. Casino Win was \$1.660 billion reflecting a 1.2% increase over the prior period. Internet Gaming Win increased 16.5% to \$190.2 million for 2018. Sports Wagering Gross Revenue was \$16.5 million since inception on June 14, 2018.

Tax Information:

For the month of August 2018, total gaming taxes were \$23.8 million. Total gaming taxes reflect 8% of taxable casino gross revenue, 15% of Internet gaming gross revenue, 8.5% tax on casino and racetrack sports wagering gross revenue and 13% tax on casino and racetrack sports wagering Internet gross revenue. In addition, the casino industry incurred \$4.1 million in Investment Alternative Tax Obligations, which reflects 1.25% of casino gross revenue and casino sports wagering gross revenue, as well as, 2.5% of Internet gaming gross revenue. For the month of August 2018, the Racetrack Economic Development Tax of 1.25% of racetrack sports wagering gross revenue was \$49,480.

FOOTNOTES:

- Total Gaming Revenue consists of Casino Win, Internet Gaming Win and Sports Wagering Gross Revenue. Specific launch date information is located on the statistical comparison pages and sports wagering statistical information page of this press release.

Additional Information:

Gross Revenue Reports (DGE website):

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

Internet Gross Revenue Reports (DGE website):

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

Sports Wagering Revenue Reports (DGE website):

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

Tourism Data (CRDA website):

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

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

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AUGUST 2018 STATISTICS

<u>AUGUST</u>			Increase (Decrease)	
	2018	2017	\$	%
Slot Machine Win	\$ 196,381,456	\$ 166,030,222	\$ 30,351,234	18.3
Table Game Win	73,557,348	57,527,913	16,029,435	27.9
Casino Win	<u>269,938,804</u>	<u>223,558,135</u>	<u>46,380,669</u>	20.7
Peer-to-Peer	1,815,820	2,082,360	(266,540)	(12.8)
Other Authorized Games	22,988,738	19,196,519	3,792,219	19.8
Internet Gaming Win	<u>24,804,558</u>	<u>21,278,879</u>	<u>3,525,679</u>	16.6
Sports Wagering Revenue	<u>9,182,943</u>	<u>-</u>	<u>9,182,943</u>	N/A
Total Gaming Revenue	<u>\$ 303,926,305</u>	<u>\$ 244,837,014</u>	<u>\$ 59,089,291</u>	24.1
<u>AUGUST YEAR-TO-DATE</u>				
Slot Machine Win	\$ 1,196,603,924	\$ 1,166,416,518	\$ 30,187,406	2.6
Table Game Win	463,296,510	473,700,747	(10,404,237)	(2.2)
Casino Win	<u>1,659,900,434</u>	<u>1,640,117,265</u>	<u>19,783,169</u>	1.2
Peer-to-Peer	14,803,359	16,676,207	(1,872,848)	(11.2)
Other Authorized Games	175,438,867	146,602,506	28,836,361	19.7
Internet Gaming Win	<u>190,242,226</u>	<u>163,278,713</u>	<u>26,963,513</u>	16.5
Sports Wagering Revenue	<u>16,487,491</u>	<u>-</u>	<u>16,487,491</u>	N/A
Total Gaming Revenue	<u>\$ 1,866,630,151</u>	<u>\$ 1,803,395,978</u>	<u>\$ 63,234,173</u>	3.5
<u>INVESTMENT ALTERNATIVE TAX AND ECONOMIC DEVELOPMENT TAX OBLIGATIONS INCURRED:</u>				
	Casino IAT	Racetrack Economic		
	<u>Obligations (a)</u>	<u>Development Tax (b)</u>		
August 2018	\$ 4,060,532	\$ 49,480		
YTD August 2018	\$ 25,605,431	\$ 105,826		

(a) Casino IAT Obligations reflect 1.25% of casino gross revenue, 2.5% of Internet gross revenue, and 1.25% of sports wagering gross revenue and Internet sports wagering gross revenue.

(b) Economic Development Tax reflects 1.25% of racetrack licensees' sports wagering gross revenue and Internet sports wagering gross revenue.

As of September 12, 2018

**MONTHLY COMPARISON
FOR THE MONTH ENDED AUGUST 2018 VERSUS 2017**

Casino Licensees	CASINO WIN			INTERNET GAMING WIN			SPORTS WAGERING REVENUE (a)			TOTAL GAMING REVENUE		
	2018	2017	% Change	2018	2017	% Change	2018	2017	% Change	2018	2017	% Change
Bally's AC	\$ 18,714,799	\$ 20,954,093	(10.7)	\$ -	\$ -	n/a	267,796	\$ -	n/a	18,982,595	\$ 20,954,093	(9.4)
Borgata	70,886,617	70,399,755	0.7	4,655,466	4,294,399	8.4	855,152	-	n/a	76,397,235	74,694,154	2.3
Caesars	27,956,659	27,725,969	0.8	-	-	n/a	-	-	n/a	27,956,659	27,725,969	0.8
Caesars Interactive NJ	-	-	n/a	3,487,965	4,447,519	(21.6)	-	-	n/a	3,487,965	4,447,519	(21.6)
Golden Nugget	20,523,258	19,936,454	2.9	8,172,508	5,190,954	57.4	215,109	-	n/a	28,910,875	25,127,408	15.1
Hard Rock (b)	30,764,976	-	n/a	481,803	-	n/a	-	-	n/a	31,246,779	-	n/a
Harrah's	31,282,019	32,256,893	(3.0)	-	-	n/a	298,521	-	n/a	31,580,540	32,256,893	(2.1)
Ocean Resort (c)	19,606,998	-	n/a	385,802	-	n/a	519,563	-	n/a	20,512,363	-	n/a
Resorts	18,008,562	18,642,266	(3.4)	-	-	n/a	98,087	-	n/a	18,106,649	18,642,266	(2.9)
Resorts Digital	-	-	n/a	4,027,035	3,524,344	14.3	2,970,331	-	n/a	6,997,366	3,524,344	98.5
Tropicana	32,194,916	33,642,705	(4.3)	3,593,979	3,821,663	(6.0)	-	-	n/a	35,788,895	37,464,368	(4.5)
Total: Casino Industry	\$ 269,938,804	\$ 223,558,135	20.7	\$ 24,804,558	\$ 21,278,879	16.6	\$ 5,224,559	\$ -	n/a	\$ 299,967,921	\$ 244,837,014	22.5
Racetrack Licensees												
Meadowlands	-	-	n/a	-	-	n/a	3,060,367	-	n/a	3,060,367	-	n/a
Monmouth Park	-	-	n/a	-	-	n/a	898,017	-	n/a	898,017	-	n/a
Grand Total	\$ 269,938,804	\$ 223,558,135	20.7	\$ 24,804,558	\$ 21,278,879	16.6	\$ 9,182,943	\$ -	n/a	\$ 303,926,305	\$ 244,837,014	24.1

(a) Sports Wagering commenced on June 14, 2018.

(b) Hard Rock commenced operations (soft play period on June 25, 2018). Hard Rock opened to the public June 27, 2018. Internet gaming operations commenced on June 28, 2018.

(c) Ocean Resort commenced operations (soft play period on June 25, 2018). Ocean Resort opened to the public June 27, 2018. Internet gaming operations commenced on July 10, 2018.

**YEAR-TO-DATE COMPARISON
FOR THE YEAR-TO-DATE ENDED AUGUST 2018 VERSUS 2017**

Casino Licensees	CASINO WIN			INTERNET GAMING WIN			SPORTS WAGERING REVENUE (a)			TOTAL GAMING REVENUE		
	2018	2017	% Change	2018	2017	% Change	2018	2017	% Change	2018	2017	% Change
Bally's AC	\$ 130,849,205	\$ 144,587,488	(9.5)	\$ -	\$ -	n/a	285,585	\$ -	n/a	\$ 131,134,790	\$ 144,587,488	(9.3)
Borgata	486,283,933	512,079,271	(5.0)	35,318,615	31,544,739	12.0	2,404,813	-	n/a	524,007,361	543,624,010	(3.6)
Caesars	194,517,575	222,834,756	(12.7)	-	-	n/a	-	-	n/a	194,517,575	222,834,756	(12.7)
Caesars Interactive NJ	-	-	n/a	29,124,042	29,109,455	0.1	-	-	n/a	29,124,042	29,109,455	0.1
Golden Nugget	153,844,630	146,724,899	4.9	66,445,159	44,438,870	49.5	215,109	-	n/a	220,504,898	191,163,769	15.3
Hard Rock (b)	67,323,167	-	n/a	817,022	-	n/a	-	-	n/a	68,140,189	-	n/a
Harrah's	232,390,001	244,279,064	(4.9)	-	-	n/a	298,521	-	n/a	232,688,522	244,279,064	(4.7)
Ocean Resort (c)	38,425,170	-	n/a	635,607	-	n/a	1,748,999	-	n/a	40,809,776	-	n/a
Resorts	123,382,377	128,887,724	(4.3)	-	-	n/a	98,087	-	n/a	123,480,464	128,887,724	(4.2)
Resorts Digital	-	-	n/a	30,462,467	29,151,879	4.5	2,970,331	-	n/a	33,432,798	29,151,879	14.7
Tropicana	232,884,376	240,724,063	(3.3)	27,439,314	29,033,770	(5.5)	-	-	n/a	260,323,690	269,757,833	(3.5)
Total: Casino Industry	\$ 1,659,900,434	\$ 1,640,117,265	1.2	\$ 190,242,226	\$ 163,278,713	16.5	\$ 8,021,445	\$ -	n/a	\$ 1,858,164,105	\$ 1,803,395,978	3.0
Racetrack Licensees												
Meadowlands	-	-	n/a	-	-	n/a	4,432,583	-	n/a	4,432,583	-	n/a
Monmouth Park	-	-	n/a	-	-	n/a	4,033,463	-	n/a	4,033,463	-	n/a
Grand Total	\$ 1,659,900,434	\$ 1,640,117,265	1.2	\$ 190,242,226	\$ 163,278,713	16.5	\$ 16,487,491	\$ -	n/a	\$ 1,866,630,151	\$ 1,803,395,978	3.5

(a) Sports Wagering commenced on June 14, 2018.

(b) Hard Rock commenced operations (soft play period on June 25, 2018). Hard Rock opened to the public June 27, 2018. Internet gaming operations commenced on June 28, 2018.

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Gross Revenue Tax, Internet Gross Revenue Tax and Sports Wagering Gross Revenue Tax Information

	FOR THE MONTH ENDED AUGUST 2018					FOR THE YEAR-TO-DATE ENDED AUGUST 2018				
	8% Gross Revenue Tax	8.5% Sports Wager Tax	15% Internet Gross Revenue Tax	13% Internet Sports Tax	TOTAL (a)	8% Gross Revenue Tax	8.5% Sports Wager Tax	15% Internet Gross Revenue Tax	13% Internet Sports Tax	TOTAL (a)
Bally's AC	1,394,043	22,763	-	-	1,416,806	9,836,202	24,275	-	-	9,860,477
Borgata	5,135,581	68,470	701,648	6,451	5,912,150	35,796,561	201,576	5,320,621	6,451	41,325,209
Caesars	2,077,489	-	-	-	2,077,489	14,617,125	-	-	-	14,617,125
Caesars Interactive NJ	-	-	524,566	-	524,566	-	-	4,378,520	-	4,378,520
Golden Nugget	1,382,617	9,502	1,226,338	13,432	2,631,889	10,548,178	9,502	9,973,292	13,432	20,544,404
Hard Rock	2,135,400	-	72,270	-	2,207,670	4,512,515	-	122,553	-	4,635,068
Harrah's	2,318,972	25,374	-	-	2,344,346	17,476,541	25,374	-	-	17,501,915
Ocean Resort	1,311,865	44,156	57,870	-	1,413,891	2,497,899	148,710	95,341	-	2,741,950
Resorts	1,241,282	8,337	-	-	1,249,619	8,763,817	8,337	-	-	8,772,154
Resorts Digital	-	-	604,055	386,143	990,198	-	-	4,569,370	386,143	4,955,513
Tropicana	2,173,966	-	539,097	-	2,713,063	16,256,247	-	4,115,897	-	20,372,144
Casino Total	\$ 19,171,215	\$ 178,602	\$ 3,725,844	\$ 406,026	\$ 23,481,687	\$ 120,305,085	\$ 417,774	\$ 28,575,594	\$ 406,026	\$ 149,704,479
Meadowlands	-	260,810	-	-	260,810	-	377,631	-	-	377,631
Monmouth Park	-	76,264	-	-	76,264	-	342,814	-	-	342,814
Racetrack Total	\$ -	\$ 337,074	\$ -	\$ -	\$ 337,074	\$ -	\$ 720,445	\$ -	\$ -	\$ 720,445
Grand Total	\$ 19,171,215	\$ 515,676	\$ 3,725,844	\$ 406,026	\$ 23,818,761	\$ 120,305,085	\$ 1,138,219	\$ 28,575,594	\$ 406,026	\$ 150,424,924

(a) Total Gross Revenue Taxes reflect: (1) 8% tax on Casino Gross Revenue, (2) 15% tax on Internet gaming gross revenue, (3) 8.5% tax on casino and racetrack sports wagering gross revenue, and (4) 13% tax on casino and racetrack Internet sports wagering gross revenue. Total Gross Revenue Taxes includes the tax impact of eligible promotional gaming credits. Total Gross Revenue Taxes are unaudited and subject to adjustment.

August 2018 Sports Wagering Information

Sports Wagering Launch Dates

Property/Licensee	Sports Wagering Lounge/On-Site Opening Date:	Internet Start Date:
Casino Hotels:		
Ballys AC	July 30, 2018	
Borgata	June 14, 2018	August 22, 2018
Golden Nugget	August 15, 2018	August 23, 2018
Harrahs	August 1, 2018	
Resorts	August 15, 2018	
Ocean Resort	June 28, 2018	
Resorts Digital		August 1, 2018
Racetrack:		
Meadowlands	July 14, 2018	
Monmouth Park	June 14, 2018	

Industry Month and Year-to-Date Total Handle Statistics*

Sports Wagering Handle	Monthly Handle	YTD Handle
On-site Sports Wagering	73,919,891	131,012,912
Internet (On-Line) Sports Wagering	21,714,157	21,714,157
Total Sports Wagering Handle	95,634,048	152,727,069

* Industry Handle includes wagers on future events and will differ from Completed Events Handle.

Industry Completed Events and Win Statistics Breakdown by Sport

Category	YTD Completed Events Gross Revenue	YTD Completed Events Handle	Win %
Football	191,585	5,849,038	3.3%
Basketball	-99,367	4,334,778	-2.3%
Baseball	3,628,643	84,010,308	4.3%
Other	3,513,742	51,933,628	6.8%
Total	7,234,603	146,127,752	5.0%

New Jersey Sports Wagering Information

Sports Wagering Gross Revenue

- Sports Wagering Gross Revenue as reported on the DGE-107 (Monthly Sports Wagering Tax Return) reflects the sum of all wagers (“Handle”), less only the payouts on winning wagers. Sports Wagering Gross Revenue includes:
 - Wagers less payouts for events where the outcome has been determined during the current month (“Completed Events”). The gross revenue tax deduction for payouts is limited to redeemed winning wagers. Unredeemed winning wagers (“Unredeemed Winning Wagers”) are not deductible until the month when the winning wager is paid.
 - Wagers on events that take place after the current month (“Future Events”). For example, a wager made in June 2018 on an NFL team to win the Super Bowl is included in Sports Wagering Gross Revenue and taxed in June 2018, while the winning wager payouts will not be deducted from gross revenue until the Super Bowl is held in 2019 and the winning wager is redeemed.
- By law, the tax on Sports Wagering Gross Revenue is on a cash basis in New Jersey. Accordingly, the wagers on Future Events and the Unredeemed Winning Wagers are taxed as current revenue. Individuals evaluating New Jersey Sports Wagering Gross Revenue statistics should be aware that:
 - Sports Wagering Gross Revenue is not revenue under the accrual basis of accounting and is not comparable to the win reported for Nevada casinos.
 - A relevant Sports Wagering Win Percentage in New Jersey cannot be calculated by dividing the total Sports Wagering Gross Revenue as reported on the DGE-107 by total Handle.
 - Sports Wagering Gross Revenue may be volatile on a monthly basis, since (1) the payouts for Future Events such as the Super Bowl could occur months after the original wager was made and (2) Unredeemed Winning Wagers from prior months will become deductible upon redemption in future months.
- The Division provides revenue statistics that converts the gross revenue into an accrual basis revenue amount that can be compared to the statistics reported for Nevada casinos. These statistics will be presented on a year-to-date basis for 2018, which accounts for Future Events from prior months that become Completed Events in the current month.