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## DGE Announces 1st Quarter 2014 Results

**For Immediate Release:**

May 22, 2014

### Highlights:

- ✓ For the casino hotels fully operating in both years:
  - Third Party Business Sales grew 5.9%
  - Gross Operating Profit increased 4.6%
  - Casino Hotel Occupancy improved to 70.0%
- ✓ 5 of 6 Atlantic City Tourism Indicators held steady or improved

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ATLANTIC CITY —

According to financial reports filed with the Division of Gaming Enforcement (Division), total revenue from the eleven casino hotels open in both years held relatively steady at \$868.2 million for the first quarter of 2014, compared to \$881 million for 2013. While there were minor declines in casino revenue and rooms revenue, these operators experienced growth in food and beverage revenue and other revenue, as well as a 5.9% improvement in Third Party Business sales, as illustrated below:

<u>For the Three Months Ended</u> <u>(\$ in Thousands)</u>	<u>March 31,</u> <u>2014</u>	<u>March 31,</u> <u>2013</u>	<u>Change</u>
<b>Casino Hotels:</b>			
Casino	\$ 610,835	\$ 622,104	-1.8%
Rooms	105,862	108,441	-2.4%
Food and Beverage	113,308	112,533	0.7%
Entertainment and Other	38,170	37,902	0.7%
<b>Casino Hotel Total Revenue</b>	<b>868,175</b>	<b>880,980</b>	<b>-1.5%</b>
<b>Third Party Business Sales</b>	<b>59,029</b>	<b>55,750</b>	<b>5.9%</b>
<b>Combined Sales</b>	<b>\$ 927,204</b>	<b>\$ 936,730</b>	<b>-1.0%</b>

Gross Operating Profit for the casino hotel properties open in both years improved 4.6% for the quarter.

**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

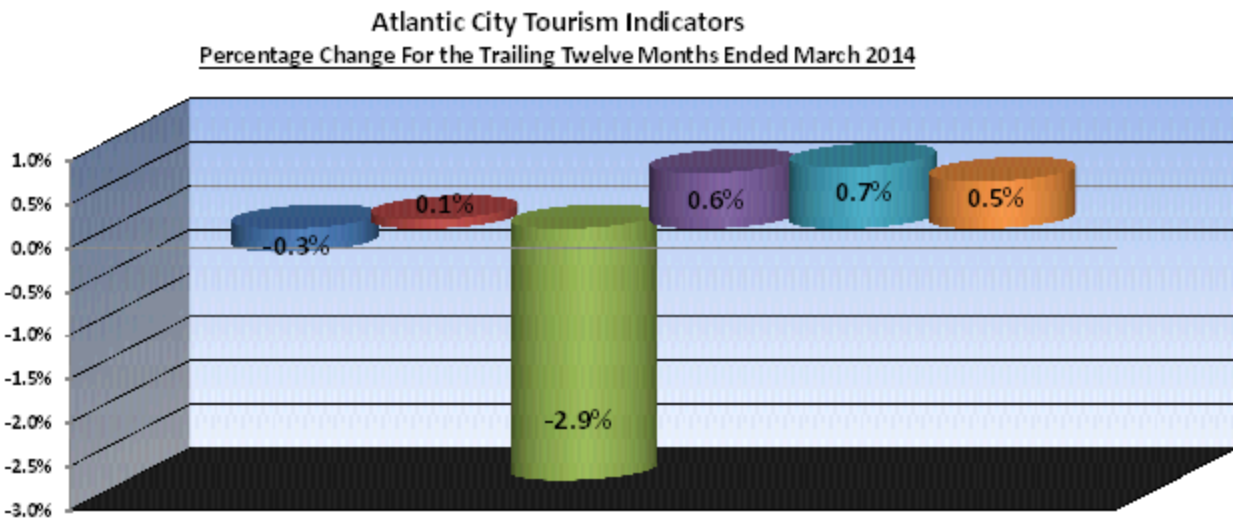
The industry results in the preceding table exclude the Atlantic Club Casino Hotel, which closed on January 12, 2014, and CIENJ, which commenced operations on November 21, 2013. Including Atlantic Club and CIENJ, total revenue for the industry was \$879.1 million for the first quarter of 2014, compared to \$919.6 million for 2013.

**Hotel Occupancy**

The occupancy rate for the city’s casino hotels open for the entire 1<sup>st</sup> Quarter was 70.0%, a slight improvement from the 69.4% occupancy rate from the same quarter last year.

**Atlantic City Tourism Indicators**

For the trailing twelve months ended March 2014, five of the six Atlantic City Tourism Indicators (which includes Atlantic Club) remained steady or showed improvement compared to the previous twelve month period, as shown in the following chart.



	Total Gaming Taxes	Hotel Room Fee	Parking Fee	Luxury Tax	Sales Tax	Tourism Promo Fee
TTM March 2014	\$ 205,640,332	\$ 15,476,925	\$ 27,472,662	\$ 35,866,219	\$ 62,403,592	\$ 10,726,147
TTM March 2013	\$ 206,187,564	\$ 15,460,908	\$ 28,287,177	\$ 35,639,085	\$ 61,966,642	\$ 10,668,423

*Additional Information:*

Quarterly Reports (DGE website):

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

Tourism Data (ACCVA web site):

<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, nightclub, 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 MARCH 31, 2014 AND 2013  
(\$ in Thousands)**

	Total Revenue			Net Revenue			Gross Operating Profit		
	2014	2013	Variance	2014	2013	Variance	2014	2013	Variance
<b><u>Casinos with Internet Gaming (a)</u></b>									
Borgata	218,880	215,480	1.6%	167,264	165,644	1.0%	21,041	29,325	-28.2%
Golden Nugget	49,436	39,960	23.7%	35,290	29,326	20.3%	(1,798)	(2,163)	16.9%
Tropicana	82,005	74,277	10.4%	63,019	56,171	12.2%	32,093	1,978	N/A
Trump Plaza	17,422	22,825	-23.7%	12,676	16,785	-24.5%	(4,133)	(1,422)	N/A
Trump Taj Mahal	68,406	84,170	-18.7%	49,675	61,991	-19.9%	(3,193)	6,850	N/A
<b><u>Casinos without Internet Gaming</u></b>									
Atlantic Club (d)	5,016	38,600	-87.0%	3,924	25,649	-84.7%	(1,837)	(3,299)	44.3%
Bally's AC (b)	68,355	79,925	-14.5%	47,765	60,655	-21.3%	(1,561)	9,340	N/A
Caesars (b)	93,117	95,166	-2.2%	63,438	70,307	-9.8%	6,132	12,055	-49.1%
Harrah's	122,726	125,488	-2.2%	89,384	98,400	-9.2%	21,193	27,968	-24.2%
Resorts	38,024	34,601	9.9%	28,309	24,908	13.7%	(2,368)	(6,067)	61.0%
Revel	56,371	45,506	23.9%	45,015	37,309	20.7%	(21,750)	(40,779)	46.7%
Showboat	53,433	63,582	-16.0%	36,144	46,664	-22.5%	1,996	8,478	-76.5%
<b><u>Internet Gaming Only</u></b>									
CIENJ (b)	5,929	-	N/A	5,907	-	N/A	(7,113)	-	N/A
Industry Total	<u>\$ 879,120</u>	<u>\$ 919,580</u>	-4.4%	<u>\$ 647,810</u>	<u>\$ 693,809</u>	-6.6%	<u>\$ 38,702</u>	<u>\$ 42,264</u>	-8.4%
Industry w/o CIENJ and Atlantic Club (c)(d)	<u>\$ 868,175</u>	<u>\$ 880,980</u>	-1.5%	<u>\$ 637,979</u>	<u>\$ 668,160</u>	-4.5%	<u>\$ 47,652</u>	<u>\$ 45,563</u>	4.6%

(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 Atlantic Club from the statistics.

(d) Atlantic Club closed on January 12, 2014.

**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 MARCH 31, 2014**

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 (a)	809	9,120	5,053	55.4%	\$ 59.93
Bally's AC	1,256	139,169	96,833	69.6%	86.07
Borgata	2,767	249,030	196,564	78.9%	127.42
Caesars	1,141	102,690	83,253	81.1%	93.56
Golden Nugget	727	65,430	47,209	72.2%	79.61
Harrah's	2,590	233,100	167,936	72.0%	96.82
Resorts	942	84,780	56,615	66.8%	73.49
Revel	1,399	125,910	97,365	77.3%	102.42
Showboat	1,329	119,610	78,785	65.9%	84.97
Tropicana	2,079	187,110	120,844	64.6%	84.56
Trump Plaza	906	81,540	37,619	46.1%	92.75
Trump Taj Mahal	2,010	180,900	115,037	63.6%	88.24
<b>INDUSTRY TOTAL</b>	<b>17,955</b>	<b>1,578,389</b>	<b>1,103,113</b>		
<b>INDUSTRY AVERAGE</b>				<b>69.9%</b>	<b>\$96.25</b>
<b>INDUSTRY W/O Atlantic Club</b>	<b>17,146</b>	<b>1,569,269</b>	<b>1,098,060</b>		
<b>INDUSTRY W/O Atlantic Club</b>				<b>70.0%</b>	<b>\$90.60</b>

\* Number of guest rooms at end of quarter  
(a) Atlantic Club closed on January 12, 2014.