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QUARTERLY REPORT

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LICENSEE Bally's Park Place, Inc., New Jersey
ADDRESS Park Place and the Boardwalk
Atlantic City, NJ 08401

FOR THE QUARTER ENDED JUNE 30, 1995

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT

Vicki Lynn Guveiyian

OFFICIAL TITLE

Assistant Vice President/Controller

ADDRESS

Park Place and the Boardwalk

Atlantic City, NJ 08401

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1995

(\$ IN THOUSANDS)

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

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

BALANCE SHEETS

JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE NO.	DESCRIPTION (b)	1995 (c)	1994 (d)
	ASSETS		
	Current Assets:		
1	Cash	\$ 33,733	\$ 23,493
2	Marketable securities	—	—
3	Receivables and patrons' checks (net of allowances for doubtful accounts - 1995 \$1,500; 1994 \$1,092)	5,653	4,957
4	Inventories	2,390	2,280
5	Prepaid expenses and other current assets NOTE 1 & 2	14,092	14,960
6	Total current assets	55,868	45,690
7	Investments, Advances, and Receivables NOTE 9 ...	37,031	35,422
8	Property and Equipment - Gross NOTE 3 ...	776,597	758,951
9	(Accumulated Depreciation/Amortization) NOTE 3 ...	(322,487)	(297,396)
10	Other Assets	14,834	15,756
11	Total Assets	\$ 561,843	\$ 558,423
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	\$ 7,782	\$ 7,378
13	Notes payable	—	—
	Current portion of long-term debt:		
14	Due to affiliates	—	—
15	Other	48	44
16	Income taxes payable and accrued	2,717	51
17	Other accrued expenses NOTE 10 ..	35,594	34,583
18	Other current liabilities	2,866	2,429
19	Total current liabilities	49,007	44,485
	Long Term Debt:		
20	Due to affiliates NOTE 4 ...	425,000	425,000
21	Other NOTE 4 ...	2,614	2,703
22	Deferred Credits NOTE 5 ...	38,781	32,364
23	Other Liabilities NOTE 6 ...	8,909	10,143
24	Commitments And Contingencies		
25	Total Liabilities	524,311	514,695
26	Stockholders', Partners', or Proprietors' Equity	37,532	43,728
27	Total Liabilities and Equity	\$ 561,843	\$ 558,423

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

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE NO.	DESCRIPTION (b)	1995 (c)	1994 (d)
	REVENUE:		
1	Casino	\$ 170,708	\$ 146,616
2	Rooms	17,717	17,184
3	Food and Beverage	21,400	19,838
4	Other	4,506	4,267
5	Total Revenue	214,331	187,905
6	Less: Promotional allowances	(19,504)	(16,365)
7	Net Revenue	194,827	171,540
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	98,908	93,228
9	Selling, General, and Administrative	26,807	25,346
10	Provision for Doubtful Accounts	503	(73)
11	Total cost and expenses	126,218	118,501
12	Gross Operating Profit	68,609	53,039
13	Depreciation and amortization	14,698	16,185
	Charges from affiliates other than interest:		
14	Management fees	—	—
15	Other	2,442	1,567
	NOTE 1...		
16	Income (Loss) from Operations	51,469	35,287
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(19,638)	(20,022)
	NOTE 7...		
18	Interest (expense) - external	(353)	(476)
	NOTE 7...		
19	Investment alternative tax and related income (expense) - net ...	(1,127)	(537)
	NOTE 11..		
20	Non-operating income (expense) - net	1,390	807
	NOTE 12..		
21	Total other income (expenses)	(19,728)	(20,228)
22	Income (Loss) Before Income Taxes and Extraordinary Items	31,741	15,059
23	Provision (credit) for income taxes	13,620	6,119
	NOTE 8...		
24	Income (Loss) Before Extraordinary Items	18,121	8,940
25	Extraordinary items (net of income taxes - 1994, \$14,137)	0	(20,735)
	Cumulative effect on prior years of change in accounting for income taxes	—	—
26	Net Income (Loss)	\$ 18,121	\$ (11,795)

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

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED) REVISED 08 / 17 / 95
(\$ IN THOUSANDS)AMENDED
8/17/95

REVENUE:			
Casino		\$ 90,068	\$ 80,902
Rooms		9,818	9,887
Food and Beverage		11,346	10,816
Other		2,298	2,577
Total Revenue		113,530	104,182
Less: Promotional allowances		(10,271)	(8,575)
Net Revenue		103,259	95,607
COSTS AND EXPENSES:			
Costs of Goods and Services		50,057	48,433
Selling, General, and Administrative		14,832	11,809
Provision for Doubtful Accounts		289	(30)
Total cost and expenses		65,178	60,212
Gross Operating Profit		38,081	35,395
Depreciation and amortization		7,363	8,517
Charges from affiliates other than interest:			
Management fees		—	—
Other	NOTE 1..	957	466
Income (Loss) from Operations		29,761	26,412
Other Income (Expenses):			
Interest (expense) - affiliates	NOTE 7..	(9,820)	(9,721)
Interest (expense) - external	NOTE 7..	(175)	(194)
Investment alternative tax and related income (expense) - net ...	NOTE 11..	(631)	(117)
Non-operating income (expense) - net	NOTE 12..	702	415
Total other income (expenses)		(9,924)	(9,617)
Income (Loss) Before Income Taxes and Extraordinary Items		19,837	16,795
Provision (credit) for income taxes	NOTE 8..	8,619	6,823
Income (Loss) Before Extraordinary Items		11,218	9,972
Extraordinary items (net of income taxes - 1994, \$14,137)		0	—
Cumulative effect on prior years of change in accounting for income taxes		—	—
Net Income (Loss)		\$ 11,218	\$ 9,972

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

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
 FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (b)	1995		1994	
		SHARES (c)	DOLLARS (d)	SHARES (e)	DOLLARS (f)
	<i>Common Stock:</i>				
1	Beginning balance (January 1)	100	\$ 1	100	\$ 1
2	Sale of stock				
3					
4	Ending balance	100	1	100	1
	<i>Preferred Stock:</i>				
5	Beginning balance (January 1)	—	—	—	—
6	Sale of stock				
7					
8	Ending balance	—	—	—	—
	<i>Additional Paid-In Capital:</i>				
9	Beginning balance (January 1)		24,910		86,117
10	Dividend				(30,595)
11					
12	Ending balance		24,910		55,522
	<i>Treasury Stock:</i>				
13	Beginning balance (January 1)	—	—	—	—
14	Purchase of additional stock				
15	Sale or retirement of stock				
16	Ending balance	—	—	—	—
	<i>Other:</i>				
17	Beginning balance (January 1)	—	—	—	—
18		—	—	—	—
19		—	—	—	—
20	Ending balance	—	—	—	—
	<i>Net Unrealized Loss On Noncurrent Marketable Equity Securities:</i>				
21	Beginning balance (January 1)		—		—
22					
23					
24	Ending balance		—		—
	<i>Retained Earnings:</i>				
25	Beginning balance (January 1)		—		—
26	Prior period adjustments				
27	Net income (loss)		18,121		(11,795)
28	Dividends		(5,500)		
29					
30					
31	Ending balance		12,621		(11,795)
32	Ending Stockholders' Equity		\$ 37,532		\$ 43,728

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

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENT OF CHANGES IN PARTNERS' PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	Invested Capital:		
1	Beginning Balance (January 1)	\$	\$
2	Additional capital invested		
3	.....	
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning Balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	.....	
9	Ending balance		
	Capital Withdrawals:		
10	Beginning Balance (January 1)	()	()
11	Additional capital withdrawals	()	()
12	.....	
13	Ending balance	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance (January 1)	()	()
15	.....	
16	.....	
17	Ending balance	()	()
18	Ending Partners' Or Proprietor's Equity	\$	\$

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

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period For:	1994	1993
Interest (net of amount capitalized)	\$ 38,239	\$ 3,760
Income taxes	\$ 14,189	\$ 2,553

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

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	Description (b)	1995 (c)	1994 (d)
1	Net Cash Provided (Used) By Operating Activities	\$ 31,803	\$ 21,619
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	---	---
3	Proceeds from the sale of short-term investment securities	---	---
4	Purchase outflows for property and equipment	(4,377)	(9,636)
5	Proceeds from disposition of property and equipment	---	---
6	Purchase of casino reinvestment obligations	(2,140)	(1,055)
7	Purchase of other investments and loans/advances made	---	---
8	Proceeds from disposal of investments and collection of advances and long-term receivables	26	22
9	Cash outflows to acquire business entities	---	---
10	Payment to affiliate for CRDA credits	---	---
11	Net book value of disposals	8	196
12	Net Cash Provided (Used) By Investing Activities	(6,483)	(10,473)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	---	---
14	Payments to settle short-term debt	---	---
15	Cash proceeds from issuance of long-term debt	2,000	455,000
16	Costs of issuing debt	---	(14,631)
17	Payments to settle long-term debt	(2,027)	(409,716)
18	Cash proceeds from issuing stock or capital contributions	---	---
19	Purchases of treasury stock	---	---
20	Payments of dividends or capital withdrawals	(5,500)	(30,595)
21	Advance (to) from Bally and affiliates	---	---
22	.....	---	---
23	Net Cash Provided (Used) By Financing Activities	(5,527)	58
24	Net Increase (Decrease) In Cash And Cash Equivalents	19,793	11,204
25	Cash And Cash Equivalents At Beginning Of Period	13,940	12,289
26	Cash And Cash Equivalents At End Of Period	\$ 33,733	\$ 23,493

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period For:			
27	Interest (net of amount capitalized)	\$ 20,239	\$ 23,700
28	Income taxes	\$ 14,189	\$ 2,553

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 STATEMENTS OF CASH FLOWS
 FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	Description (b)	1995 (c)	1994 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 18,121	\$ (11,795)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	13,868	14,588
31	Amortization of other assets	800	780
32	(Gain)/Loss from financing activities	---	34,872
33	Deferred Income taxes - current	(1,044)	(5,428)
34	Deferred income taxes - noncurrent	(2,524)	604
35	(Gain) loss on disposition of property and equipment	---	---
36	(Gain) loss on casino reinvestment obligations	1,127	537
37	(Gain) loss from other investment activities	2	5
38	Net (increase) decrease in receivables and patrons' checks	186	1,031
39	Net (increase) decrease in inventories	(162)	(446)
40	Net (increase) decrease in other current assets	816	(2,389)
41	Net (increase) decrease in other assets	(174)	(115)
42	Net increase (decrease) in accounts payables	561	(1,698)
43	Net increase (decrease) in other current liabilities excluding debt	2,012	(9,727)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(1,816)	(17)
45	Cumulative effect of change in accounting for income taxes	---	---
46	Amortization of CRDA credits	30	817
47	Net Cash Provided (Used) By Operating Activities	\$ 31,803	\$ 21,619

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	\$ (4,377)	\$ (9,636)
49	Less: Capital lease obligations incurred	---	---
50	Cash Outflows For Property And Equipment	\$ (4,377)	\$ (9,636)
	Acquisition Of Business Entities:		
51	Property and equipment acquired	\$ ---	\$ ---
52	Goodwill acquired	---	---
53	Net assets acquired other than cash, goodwill, and property and equipment	---	---
54	Long-term debt assumed	---	---
55	Issuance of stock or capital invested	---	---
56	Cash Outflows To Acquire Business Entities	\$ ---	\$ ---
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	\$ ---	\$ ---
58	Less: Issuances to settle long-term debt	---	---
59	Consideration in acquisition of business entities	---	---
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$ ---	\$ ---

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	\$ 2,559		
2	Returned patrons' checks	1,403		
3	Total patrons' checks	3,962	\$ (1,350)	\$ 2,612
4	Hotel Receivables	1,060	(150)	910
	Other Receivables:			
5	Receivables due from officers and employees	7		
6	Receivables due to affiliates	583		
7	Other accounts and notes receivables	1,541		
8	Total other receivables	2,131	---	2,131
9	Totals (Form 205)	\$ 7,153	\$ (1,500)	\$ 5,653

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 2,145
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	44,424
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(34,640)
13	Checks collected through deposits	(7,619)
14	Checks transferred to returned checks	(1,751)
15	Other adjustments	---
16	Ending Balance	\$ 2,559
17	"Hold" Checks Included In Balance On Line 16	\$ 0
18	Provision For Uncollectible Patrons' Checks	\$ 503
19	Provision As A Percent Of Counter Checks Issued	1.13%

STATEMENT OF CONFORMITY AND ACCURACY
 TRADING NAME OF LICENSEE: BALLY'S PARK PLACE CASINO HOTEL AND TOWER

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ in Thousands)

For the three months ended June 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	42,228	3,990		
Food	368,911	4,164		
Beverage	977,436	1,955		
Travel			16,580	332
Coin				
Coupon			405,820	4,880
Entertainment	6,726	114		
Retail & Gifts				
Other	1,613	48	10,580	529
Total	1,396,914	\$ 10,271	432,980	\$ 5,741

For the six months ended June 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	84,596	7,338		
Food	775,208	8,124		
Beverage	1,873,512	3,747		
Travel			32,048	641
Coin				
Coupon			733,653	9,118
Entertainment	12,195	207		
Retail & Gifts				
Other	2,949	88	17,755	888
Total	2,748,460	\$ 19,504	783,456	\$ 10,647

Cheryl Ann Angoler
 Signature

BALLY'S PARK PLACE, INC. NJ
 Casino Licensee

CHERYL ANN ANGOLER
 Notary Public of New Jersey
 My Commission Expires Feb. 15, 1997

State of New Jersey
 To take Oath

CCC-250

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey
COUNTY OF Atlantic

Vicki Lynn Guveiyian, being duly sworn according to law upon my oath
Name

deposes and says:

- 1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

[Handwritten Signature]
Signature

Assistant Vice President / Controller
Title

#000558-11
License Number

Subscribed and sworn to before me this 14th day of August, 1995

On Behalf Of:

[Handwritten Signature of Cheryl Ann Ruggles]
Signature

Bally's Park Place, Inc. NJ
Casino Licensee

CHERYL ANN RUGGLES
Notary Public of New Jersey
My Commission Expires Feb. 16, 1999

Basis of Authority to Take Oaths

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 1 - Notes to Financial Statements
For the Six Months Ended June 30, 1995 and 1994
(Unaudited)
(In thousands)

Basis of presentation

The accompanying financial statements include the accounts of Bally's Park Place, a New Jersey corporation, (the "Company"). The Company is a wholly owned subsidiary of Bally's Park Place, Inc., a Delaware corporation which is an indirect wholly owned subsidiary of Bally Entertainment Corporation ("BEC"). The accompanying financial statements should be read in conjunction with the consolidated financial statements included in the Company's Annual Report to the Casino Control Commission (the "CCC") for the year ended December 31, 1994.

Please refer to the Annual Report for the following:

1. Summary of Significant Accounting Policies
2. Leases (except rent expense for the periods)
3. Provision for Income Taxes, Reconciliation to Statutory Rate
4. Pension Plans
5. Reinvestment Obligation
6. Capital Stock-Description of Features
7. Contingent Liabilities
8. Guarantee

All adjustments have been recorded which are, in the opinion of management, necessary for a fair presentation of the balance sheet of the Company at June 30, 1995 and 1994, its statements of income for the three and six months ended June 30, 1995 and 1994, its statement of stockholder's equity for the six months ended June 30, 1995 and 1994, and its statements of cash flows for the six months ended June 30, 1995 and 1994. All such adjustments were of a normal recurring nature, except for those adjustments in March 1994 to reflect the refinancing of indebtedness (see "Note 4 - Long-Term Debt, Affiliates and Other").

The Company operates in one industry segment. All significant revenues arise from its casino and supporting hotel operations.

Certain reclassifications have been made to prior period financial statements to conform with the 1995 presentation.

Investments in subsidiaries

The Company has three wholly owned subsidiaries, B.W. Realty, Inc. and Bally's Park Place Realty Company (which both own land in Atlantic City) and Bally Warwick, Inc. (which owns several condominiums in a building in Atlantic City for sale and lease). The investments in these subsidiaries are reflected in the accompanying financial statements using the equity method.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 1 - Notes to Financial Statements
For the Six Months Ended June 30, 1995 and 1994
(Unaudited)
(In thousands)

Allocations from BEC and transactions with related parties

During the three and six months ended June 30, 1995 and 1994, BEC allocated costs to the Company consisting of the Company's allocable share of BEC's corporate overhead including executive salaries and benefits, public company reporting costs and other corporate headquarters' costs. While the Company does not obtain a measurable direct benefit from these allocated costs, management believes that the Company receives an indirect benefit from BEC's oversight. BEC's method for allocating costs is designed to apportion the majority of its operating costs to its subsidiaries and is generally based upon many subjective factors including various measures of operational size and extent of BEC's oversight requirements. Management of BEC believes that the methods used to allocate these costs are reasonable and expects similar allocations in future years. Because of BEC's controlling relationship with the Company and the allocation of certain BEC costs, the operating results of the Company could be significantly different if the Company operated autonomously. In addition, certain of the Company's insurance coverage is negotiated by BEC pursuant to corporate-wide programs. In these circumstances, BEC charges the Company its proportionate share of the respective insurance premiums. The accompanying financial statements reflect an allocation of costs and expenses incurred by BEC of \$957 and \$466 for the three months ended June 30, 1995 and 1994, respectively, and \$2,442 and \$1,567 for the six months ended June 30, 1995 and 1994, respectively.

Certain executive officers of the Company function in a similar capacity for GNAC, CORP. (a wholly owned subsidiary of BEC which owns and operates the casino hotel resort in Atlantic City known as "The Grand"), and exercise decision making and operational authority over both entities. No allocation of cost is made from the Company to The Grand for these executive officers as management deems the direct allocable cost to be immaterial. In addition, certain administrative and support operations of the Company and The Grand are consolidated, including legal services, limousine services and purchasing. Costs of these operations are allocated to or from the Company either directly or using various formulas based on estimates of utilization of such services. On a net basis, allocations from the Company were \$76 and \$37 for the three months ended June 30, 1995 and 1994, respectively, and \$137 and \$93 for the six months ended June 30, 1995 and 1994, respectively, which management believes are reasonable. The Company also leases surface area parking lots to The Grand, and rental income for each of the three and six month periods ended June 30, 1995 and 1994 was \$174 and \$348, respectively.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 1 - Notes to Financial Statements
For the Six Months Ended June 30, 1995 and 1994
(Unaudited)
(In thousands)

Income taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of BEC. Under agreements between the Company, BEC and Bally's Casino Holdings ("Casino Holdings"), income taxes are allocated to the Company based on amounts the Company would pay or receive if it filed a separate consolidated federal income tax return, except that the Company receives credit from BEC for the tax benefit of the Company's net operating losses and tax credits, if any, that can be utilized in BEC's consolidated federal income tax return, regardless of whether these losses or credits could be utilized by the Company on a separate consolidated federal income tax return basis. Payments to BEC are due at such time and in such amounts as payments are required to be made for income tax purposes. Payments by BEC for such tax benefits are due at the time BEC files the applicable consolidated federal income tax return. Under the tax sharing agreement, the Company had federal income taxes receivable from BEC of \$3,936 and \$5,383 at June 30, 1995 and 1994, respectively. The federal income taxes receivable is classified as Prepaid Expenses on the accompanying balance sheet.

For the three and six months ended June 30, 1995 and 1994, the effective income tax rate of the provision for income taxes differed from the federal statutory rate of 35% (44.1% and 40.6% for the three months ended June 30, 1995 and 1994, respectively and 42.9% and 40.6% for the six months ended June 30, 1995 and 1994, respectively) due principally to state income taxes.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 2 - Prepaid Expenses and
 Other Current Assets
 June 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>	
Federal Income Tax Receivable	\$ 3,936	\$ 5,383	
Deferred Income Tax	8,016	6,206	
Prepaid License	1,118	1,069	
Other*	<u>1,022</u>	<u>2,302</u>	
	<u>\$14,092</u>	<u>\$14,960</u>	

* No item in this category exceeds 5% of total current assets.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 3 - Property, Plant and Equipment
 June 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
Land	\$ 71,089	\$ 63,163
Buildings, Leasehold Improvements	550,406	542,246
Furniture, Fixtures and Equipment	154,269	145,554
Construction in Progress	<u>833</u>	<u>7,988</u>
	776,597	758,951
Less Accumulated Depreciation and Amortization	<u>(322,487)</u>	<u>(297,396)</u>
Property and Equipment, Net	<u>\$454,110</u>	<u>\$461,555</u>

The indenture for the 9 1/4% Notes and the \$50,000 revolving credit facility (the entire amount was available at June 30, 1995) impose restrictions on the Company's ability to incur debt and issue preferred stock, make acquisitions, and certain restricted payments, create liens, sell assets or enter into transactions with affiliates. The indenture for the 9 1/4% Notes and the \$50,000 revolving credit facility also limit dividends paid by the Company which are not paid pursuant to a net income test (generally limited to 50% of aggregate net income, as defined, earned since April 1, 1994) to \$50,000 in aggregate, of which \$25,000 was paid in August 1994 and \$15,000 was paid in July 1995. Pursuant to the net income test, \$5,619 was available at June 30, 1995 to be paid as dividends.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 4 - Long-Term Debt, Affiliates and Other
 June 30,
 (Unaudited)
 (In thousands)

<u>Long-Term Debt</u>	<u>1995</u>	<u>1994</u>
Due to affiliates:		
9 1/4% First Mortgage Notes due 2004	\$425,000	\$425,000
	<u>\$425,000</u>	<u>\$425,000</u>
Other:		
Revolving credit agreement	\$ ---	\$ ---
Other secured and unsecured debt	<u>2,614</u>	<u>2,703</u>
	<u>\$ 2,614</u>	<u>\$ 2,703</u>

In March 1994, the Company issued \$425,000 principal amount of 9 1/4% First Mortgage Notes due 2004 (the "9 1/4% Notes"). The Company used the net proceeds from the sale of the 9 1/4% Notes to retire and defease its 11 7/8% First Mortgage Notes due 1999 (the "11 7/8% Notes") and pay dividends of \$30,214. The retirement and defeasance of the 11 7/8% Notes resulted in an extraordinary loss of \$20,735, net of an income tax benefit of \$14,137.

The indenture for the 9 1/4% Notes and the \$50,000 revolving credit facility (the entire amount was available at June 30, 1995) impose restrictions on the Company's ability to incur debt and issue preferred stock, make acquisitions and certain restricted payments, create liens, sell assets or enter into transactions with affiliates. The indenture for the 9 1/4% Notes and the \$50,000 revolving credit facility also limit dividends paid by the Company which are not paid pursuant to a net income test (generally limited to 50% of aggregate net income, as defined, earned since April 1, 1994) to \$50,000 in aggregate, of which \$25,000 was paid in August 1994 and \$15,000 was paid in July 1995. Pursuant to the net income test, \$5,619 was available at June 30, 1995 to be paid as dividends.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 5 - Deferred Credits
 June 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
Deferred Federal Income Taxes	<u>\$38,781</u>	<u>\$32,364</u>

Investment Obligation
 (net of amortized discount of \$71
 in 1995 and \$160 in 1994)

	<u>304</u>	<u>1,315</u>
	<u>\$38,801</u>	<u>\$32,143</u>

The Company has a noncontributory supplemental executive retirement plan (the "SERP") for certain key executives. Normal retirement under the SERP is age 60 and participants receive benefits based on years of service and compensation. Pension costs for the SERP are unfunded.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 6 - Other Liabilities

For the Three Months Ended June 30,

(Unaudited)

(In thousands)

	<u>1995</u>	<u>1994</u>
Accrued SERP	\$ 8,005	\$ 9,028
Reinvestment Obligation (Net of unamortized discount of \$71 in 1995 and \$160 in 1994)	904	1,115
	<u>\$ 8,909</u>	<u>\$10,143</u>

The Company has a noncontributory supplemental executive retirement plan (the "SERP") for certain key executives. Normal retirement under the SERP is age 60 and participants receive benefits based on years of service and compensation. Pension costs of the SERP are unfunded.

For the Six Months Ended June 30,

(Unaudited)

(In thousands)

	<u>1995</u>	<u>1994</u>
Liabilities from Affiliates		
Bally's Park Place Funding, Inc.	\$19,656	\$20,161
Capitalized interest	(19)	(139)
	<u>\$19,637</u>	<u>\$19,922</u>
External Sources		
Interest on various loans	\$ 355	\$ 452
Capitalized interest	(2)	(16)
	<u>\$ 353</u>	<u>\$ 436</u>

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 7 - Interest Expense

For the Three Months Ended June 30,

(Unaudited)

(In thousands)

<u>Charges From Affiliates</u>	<u>1995</u>	<u>1994</u>
Bally's Park Place Funding, Inc.	\$ 9,828	\$ 9,829
Capitalized interest	<u>(8)</u>	<u>(108)</u>
	<u>\$ 9,820</u>	<u>\$ 9,721</u>
 <u>External Sources</u>		
Interest on various loans	\$ 176	\$ 202
Capitalized interest	<u>(1)</u>	<u>(8)</u>
	<u>\$ 175</u>	<u>\$ 194</u>

For the Six Months Ended June 30,

(Unaudited)

For the Six Months Ended June 30,

(Unaudited)

(In thousands)

<u>Charges From Affiliates</u>	<u>1995</u>	<u>1994</u>
Bally's Park Place Funding, Inc.	\$19,656	\$20,161
Capitalized interest	<u>(18)</u>	<u>(139)</u>
	<u>\$19,638</u>	<u>\$20,022</u>
 <u>External Sources</u>		
Interest on various loans	\$ 355	\$ 492
Capitalized interest	<u>(2)</u>	<u>(16)</u>
	<u>\$ 353</u>	<u>\$ 476</u>

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 8 - Provision (Credit) for Income Taxes
 For the Three Months Ended June 30,
 (Unaudited)
 (In thousands)

	1995	1994
Current:		
Federal	\$ 9,486	\$ (4,777)
State	3,652	(446)
	13,138	(5,223)
Deferred:		
Federal	(2,765)	10,142
State	(1,754)	1,904
	(4,519)	12,046
Provision for Income Taxes	\$ 8,619	\$ 6,823

For the Six Months Ended June 30,
 (Unaudited)
 (In thousands)

	1995	1994
Current:		
Federal	\$13,493	\$ (8,878)
State	3,695	301
	17,188	(8,577)
Deferred:		
Federal	(2,873)	13,675
State	(695)	1,021
	(3,568)	14,696
Provision for Income Taxes	\$13,620	\$ 6,119

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 9 - Investments, Advances and Receivables
 June 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
<u>Other long-term investments and receivables:</u>		
Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	\$ 4,245	\$4,265
B.W. Realty, Inc. - 100% owned	4,833	4,765
Bally's Park Place Realty Company - 100% owned	<u>15,630</u>	<u>15,630</u>
Total investments in subsidiaries - equity	24,708	24,660
Casino Reinvestment Development Authority Investment Obligations (less discount of \$10,028 in 1995 and \$8,409 in 1994)	9,953	8,305
Jacobs Family Terrace Mortgage Receivable (less reserve of \$250 in 1995 and in 1994)	2,418	2,505
Less current portion	<u>(48)</u>	<u>(48)</u>
Total Jacobs Family Terrace Receivable	<u>2,370</u>	<u>2,457</u>
Total Investments, Advances and Receivables	<u>\$37,031</u>	<u>\$35,422</u>

* Restated to conform to 1995 presentation.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 10 - Other Accrued Expenses
 June 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994**</u>
Payroll	\$ 6,707	\$ 8,046
Progressive Jackpots	1,896	1,675
Interest	11,684	12,453
Group Insurance	3,050	1,950
Guest Claims	3,188	2,987
Miscellaneous*	<u>9,069</u>	<u>7,472</u>
 Total	 <u>\$35,594</u>	 <u>\$34,583</u>

* No item in this category exceeds 5% of total current liabilities.

** Restated to conform to 1995 presentation.

BALLY'S PARK PLACE CASINO HOTEL & TOWER

Note 11 - Investment Obligations

June 30, 1995

(Unaudited)

(In thousands)

The New Jersey Casino Control Act (the "Act") provides, among other things, for an assessment of licensees equal to 1 1/4% of their casino revenues as defined. This assessment may be satisfied by the Company investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the New Jersey Casino Reinvestment Development Authority ("CRDA"). These funds may be used to purchase bonds designated by the CRDA or, under certain circumstances, they may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA designated bonds have terms up to fifty years and bear interest at below market rates. The Company records a charge to operations when it deposits funds with the CRDA to reflect the estimated realizable value of its CRDA investments. If the investment obligation is not satisfied, then the licensee is subject to an investment alternative tax of 2 1/2% of gross casino revenues. The Company's investment obligation at June 30, 1995 was satisfied.

At June 30, 1995 and 1994, the Company had \$18,619 and \$15,575 respectively, in remaining bond purchase commitments on deposit with the CRDA. The Company has purchased \$1,361 and \$1,139 in bonds from the CRDA as of June 30, 1995 and 1994, respectively.

The Company charged to operations \$631 and \$117 for the three months ended June 30, 1995 and 1994 respectively, and \$1,127 and \$537 for the six months ending June 30, 1995, respectively, to reflect the estimated realizable value of its CRDA investment obligations.

During the three months and six months ended June 30, 1995 and 1994, the Company utilized \$30 and \$817, respectively, in CRDA credits to offset its assessment on gross revenues by the CRDA. These credits are charged to depreciation and amortization as they are used.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
 Note 12 - Non-Operating Income
 For the Three Months Ended June 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
Interest Income	\$ 499	\$ 301
Equity in income (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	13	11
Bally Warwick, Inc.	(13)	(3)
Other	<u>203</u>	<u>106</u>
Total Non-operating Income	<u>\$ 702</u>	<u>\$ 415</u>

For the Six Months Ended June 30,
 (Unaudited)
 (In thousands)

	<u>1995</u>	<u>1994</u>
Interest Income	\$1,015	\$ 533
Equity in income (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	25	23
Bally Warwick, Inc.	(27)	(29)
Other	<u>377</u>	<u>280</u>
Total Non-operating Income	<u>\$1,390</u>	<u>\$ 807</u>

NAME OF OFFICER IN CHARGE
 IF CORRESPONDENCE REGARDING
 THIS ANNUAL REPORT
 OFFICIAL TITLE

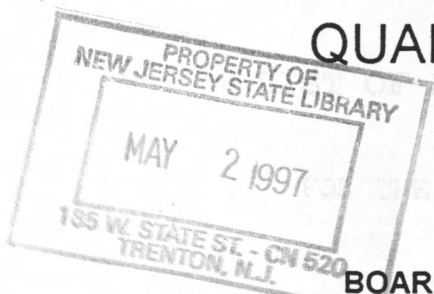
MICHAEL J. WALSH
 VICE PRESIDENT OF FINANCE

ADDRESS

2100 PACIFIC AVENUE
 ATLANTIC CITY, NEW JERSEY 08401

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QUARTERLY REPORT



BOARDWALK REGENCY CORPORATION
LICENSEE d/b/a CAESARS ATLANTIC CITY
ADDRESS 2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT
OFFICIAL TITLE**

MICHAEL J. WALSH
VICE PRESIDENT OF FINANCE

ADDRESS

2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

Statement of Income (Three Months) CCC-215
Statement of Changes in Stockholders' Equity CCC-220
Statement of Changes in Partners' and Director's Equity CCC-225
Statement of Cash Flows CCC-235
Statement of Financial Position CCC-240
Schedule of Receivables and Patrons' Checks CCC-245
Promotional Expenses and Allowances CCC-250
Statement of Conformity and Accuracy CCC-255

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

JUNE 30, 1993 AND 1994

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1995

ASSETS

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-205
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250
Delinquent Checks	
Other Liabilities	
Contingent Liabilities And Contingencies	
Other Liabilities	
Stockholders', Partners', Or Proprietor's Equity	
Total Liabilities And Equity	

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

BALANCE SHEETS

JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	ASSETS		
	Current Assets:		
1	Cash	\$ 15,353	\$ 10,881
2	Marketable securities	-	-
3	Receivables and patrons' checks(net of allowance for doubtful accounts - 1995, \$8,475; 1994, \$7,278)	18,527	12,873
4	Inventories NOTE 1	3,366	3,177
5	Prepaid expenses and other current assets NOTES 2 & 6	15,663	14,351
6	Total current assets	52,909	41,282
7	Investments, Advances, and Receivables NOTES 3 & 14	9,339	7,271
8	Property And Equipment - Gross NOTES 1, 4 & 10	421,930	399,859
9	(Accumulated Depreciation/Amortization)	(138,869)	(121,154)
10	Other Assets NOTES 1 & 12	5,240	13,358
11	Total Assets	\$ 350,549	\$ 340,616
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	\$ 12,069	\$ 7,691
13	Notes payable NOTE 5	6,375	11,804
	Current portion of long-term debt :		
14	Due to affiliates	-	-
15	Other NOTE 10	-	-
16	Income taxes payable and accrued NOTES 1 & 6	2,997	1,828
17	Other accrued expenses NOTE 7	17,360	14,021
18	Other current liabilities NOTE 8	4,342	1,851
19	Total current liabilities	43,143	37,195
	Long-Term Debt:		
20	Due to affiliates NOTE 9	50,950	58,600
21	Other NOTE 10	9,385	9,330
22	Deferred Credits NOTE 6	6,378	6,782
23	Other Liabilities NOTE 11	8,800	9,072
24	Commitments And Contingencies NOTE 14	-	-
25	Total Liabilities	118,656	120,979
26	Stockholders', Partners', Or Proprietor's Equity	231,893	219,637
27	Total Liabilities And Equity	\$ 350,549	\$ 340,616

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Revenue:		
1	Casino NOTE 1	\$ 178,600	\$ 155,988
2	Rooms	8,759	8,437
3	Food and beverage	20,345	17,438
4	Other	6,037	6,857
5	Total revenue	213,741	188,720
6	Less: Promotional allowances NOTE 1	25,345	21,312
7	Net revenue	188,396	167,408
	Costs And Expenses :		
8	Cost of goods and services	94,250	91,923
9	Selling, general and administrative	44,817	33,220
10	Provision for doubtful accounts	1,989	1,973
11	Total costs and expenses	141,056	127,116
12	Gross Operating Profit	47,340	40,292
13	Depreciation and amortization NOTE 1	9,554	9,543
	Charges from affiliates other than interest:		
14	Management fees NOTE 13	5,664	5,032
15	Other NOTE 13	6,215	6,945
16	Income (Loss) From Operations	25,907	18,772
	Other Income (Expenses) :		
17	Interest (expense) - affiliates NOTES 5 & 9	(3,617)	(3,835)
18	Interest (expense) - external NOTE 10	(490)	(496)
19	Investment alternative tax and related income (expense) - net NOTE 14	(711)	(536)
20	Nonoperating income (expense) - net NOTE 15	(9,228)	193
21	Total other income (expenses)	(14,046)	(4,674)
22	Income (Loss) Before Income Taxes And Extraordinary Items	11,861	14,098
23	Provision (credit) for income taxes NOTE 6	5,019	5,777
24	Income (Loss) Before Extraordinary Items	6,842	8,321
25	Extraordinary Items (net of income taxes - 1995, \$; 1994, \$)	-	-
26	Net Income (Loss)	\$ 6,842	\$ 8,321

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Revenue:		
1	Casino NOTE 1	\$ 94,261	85,332
2	Rooms	4,507	4,526
3	Food and beverage	10,446	9,581
4	Other	3,214	3,806
5	Total revenue	112,428	103,245
6	Less: Promotional allowances NOTE 1	13,101	11,781
7	Net revenue	99,327	91,464
	Costs And Expenses :		
8	Cost of goods and services	44,043	46,889
9	Selling, general and administrative	27,020	17,103
10	Provision for doubtful accounts	391	1,912
11	Total costs and expenses	71,454	65,904
12	Gross Operating Profit	27,873	25,560
13	Depreciation and amortization NOTE 1	4,653	4,714
	Charges from affiliates other than interest:		
14	Management fees NOTE 13	2,975	2,745
15	Other NOTE 13	2,942	3,509
16	Income (Loss) From Operations	17,303	14,592
	Other Income (Expenses) :		
17	Interest (expense) - affiliates NOTES 5 & 9	(1,800)	(1,934)
18	Interest (expense) - external NOTE 10	(245)	(245)
19	Investment alternative tax and related income (expense) - net NOTE 14	(505)	(603)
20	Nonoperating income (expense) - net	179	117
21	Total other income (expenses)	(2,371)	(2,665)
22	Income (Loss) Before Income Taxes And Extraordinary Items	14,932	11,927
23	Provision (credit) for income taxes NOTE 6	6,122	4,800
24	Income (Loss) Before Extraordinary Items	8,810	7,127
25	Extraordinary Items (net of income taxes - 1995, \$; 1994, \$)	-	-
26	Net Income (Loss)	\$ 8,810	\$ 7,127

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995		1994	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock: No Par Value, 1,000 Shares Authorized				
1	Beginning balance (January 1)	100	\$ 1,370	100	\$ 1,370
2	Sale of stock	-	-	-	-
3	_____	-	-	-	-
4	Ending balance	100	1,370	100	1,370
	Preferred Stock:				
5	Beginning balance (January 1)	-	-	-	-
6	Sale of stock	-	-	-	-
7	_____	-	-	-	-
8	Ending balance	-	-	-	-
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		46,065		46,065
10	_____		-		-
11	_____		-		-
12	Ending balance		46,065		46,065
	Treasury Stock:				
13	Beginning balance (January 1)	-	(-)	-	-
14	Purchase of additional stock	-	(-)	-	-
15	Sale or retirement of stock	-	-	-	-
16	Ending balance	-	(-)	-	-
	Subscriptions Receivable For				
	Capital Stock:				
17	Beginning balance (January 1)	-	(-)	-	-
18	_____	-	-	-	-
19	_____	-	-	-	-
20	Ending balance	-	(-)	-	-
	Net Unrealized Loss On Noncurrent				
	Marketable Equity Securities:				
21	Beginning balance (January 1)		(-)		(-)
22	_____		-		-
23	_____		-		-
24	Ending balance		(-)		(-)
	Retained Earnings:				
25	Beginning balance (January 1)		183,616		169,881
26	Prior period adjustments		-		-
27	Net Income (loss)		6,842		8,321
28	Dividends (Note 8)		(6,000)		(6,000)
29	_____		-		-
30	_____		-		-
31	Ending balance		184,458		172,202
32	Ending Stockholders' Equity		\$ 231,893		\$ 219,637

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Invested Capital:		
1	Beginning balance (January 1)	\$	\$
2	Additional capital invested		
3			
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8			
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	()	()
11	Additional capital withdrawals	()	()
12			
13	Ending balance	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	()	()
15			
16			
17	Ending balance	()	()
18	Ending Partners' Or Proprietor's Equity		

This Statement Is Not Applicable

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
1	Net Cash Provided (Used) By Operating Activities	\$ 20,407	\$ 14,936
	Cash Flows From Investing Activities :		
2	Purchase of short-term investment securities	-	-
3	Proceeds from the sale of short-term investment securities	-	-
4	Cash outflows for property and equipment	(14,237)	(9,433)
5	Proceeds from disposition of property and equipment	-	-
6	Purchase of casino reinvestment obligations	(2,082)	(909)
7	Purchase of other investments and loans/advances made	-	(724)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	-	-
9	Cash outflows to acquire business entities	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) By Investing Activities	(16,319)	(11,066)
	Cash Flows From Financing Activities :		
13	Cash proceeds from issuance of short-term debt	68,009	38,948
14	Payments to settle short-term debt	(65,064)	(38,200)
15	Cash proceeds from issuance of long-term debt	-	-
16	Costs of issuing debt	-	-
17	Payments to settle long-term debt	28	28
18	Cash proceeds from issuing stock or capital contributions	-	-
19	Purchases of treasury stock	-	-
20	Payments of dividends or capital withdrawals	(6,000)	(6,000)
21		-	-
22		-	-
23	Net Cash Provided (Used) by Financing Activities	(3,027)	(5,224)
24	Net Increase (Decrease) In Cash And Cash Equivalents	1,061	(1,354)
25	Cash And Cash Equivalents At Beginning Of Period	14,292	12,235
26	Cash And Cash Equivalents At End Of Period	\$ 15,353	\$ 10,881
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	\$ 4,124	\$ 4,350
28	Income taxes	\$ 9,809	\$ 8,486

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 6,842	\$ 8,321
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	9,182	8,951
31	Amortization of other assets	372	592
32	Amortization of debt discount or premium	-	-
33	Deferred income taxes - current	(3,054)	(111)
34	Deferred income taxes - noncurrent	(532)	(166)
35	(Gain) loss on disposition of property and equipment	869	-
36	(Gain) loss on casino reinvestment obligations	711	536
37	(Gain) loss from other investment activities	-	-
38	Net (increase) decrease in receivables and patrons' checks	(7,633)	(1,619)
39	Net (increase) decrease in inventories	70	(149)
40	Net (increase) decrease in other current assets	(976)	(233)
41	Net (increase) decrease in other assets	7,742	(41)
42	Net increase (decrease) in accounts payable	5,151	2,267
43	Net increase (decrease) in other current liabilities excluding debt	1,652	(3,415)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	11	3
45		-	-
46		-	-
47	Net Cash Provided (Used) By Operating Activities	\$ 20,407	\$ 14,936

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
	Additions to property and equipment	\$ 14,237	\$ 9,433
49	Less: Capital lease obligations incurred	-	-
50	Cash Outflows For Property And Equipment	\$ 14,237	\$ 9,433
	Acquisition Of Business Entities:		
51	Property and equipment acquired	\$ -	\$ -
52	Goodwill acquired	-	-
53	Net assets acquired other than cash, goodwill, and property and equipment	-	-
54	Long-term debt assumed	-	-
55	Issuance of stock or capital invested	-	-
56	Cash Outflows To Acquire Business Entities	\$ -	\$ -
	Stock Issued Or Capital Contributions :		
57	Total issuances of stock or capital contributions	\$ -	\$ -
58	Less: Issuances to settle long-term debt	-	-
59	Consideration in acquisition of business entities	-	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$ -	\$ -

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF BUSINESS

Boardwalk Regency Corporation (BRC), a New Jersey corporation, is a wholly-owned subsidiary of Caesars New Jersey, Inc. (CNJ), a New Jersey corporation. BRC owns and operates Caesars Atlantic City Hotel/Casino (CAC) in Atlantic City, New Jersey. CNJ is a wholly-owned subsidiary of Caesars World, Inc., (CWI), a Florida corporation. In January, 1995, ITT Corporation purchased the outstanding shares of Caesars World, Inc. Effective February 1, 1995 Caesars World, Inc. and subsidiaries, including CNJ and BRC, became wholly-owned subsidiaries of ITT Corporation.

Revenue and Promotional Allowances

Casino revenue represents the net win from gaming wins and losses. The retail value of accommodations and the food and beverage provided to customers without charge is included in gross revenue and deducted as promotional allowances.

Inventories

Inventories are stated at the lower of cost or market, cost being determined principally on the first-in, first-out basis.

Property and Equipment

Property and equipment is recorded at cost, including interest capitalized on funds borrowed to finance construction. For the six months ended June 30, 1995 no capitalized interest was recorded. Depreciation and amortization are provided for on the straight-line method over the following estimated useful lives:

Buildings and improvements including capital lease	10 to 40 years
Furniture, fixtures and equipment	3 to 8 years

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd):

Betterments, renewals and extraordinary repairs that extend the life of the asset are capitalized; other repairs and maintenance are expensed. The cost and accumulated depreciation applicable to assets retired are removed from the accounts and the resultant gain or loss on disposition is recognized.

Costs in Excess of Net Assets Acquired

The excess of the purchase price over the fair value of assets acquired, as a result of CWI's acquisition in December 1990 of the outstanding minority shares of CNJ, was approximately \$8,829,000, and was being amortized on a straight-line basis over 40 years. In connection with the purchase of CWI by ITT in January 1995, the cost in excess of net assets acquired, and its related accumulated amortization, was transferred to CNJ in June 1995 and the amortization for the five months then ended was also transferred to CNJ.

Income Taxes

BRC is included in CWI's consolidated Federal income tax return prior to February 1, 1995 and ITT Corporation's consolidated return thereafter. Pursuant to a parent services and expense reimbursement agreement, BRC records its income tax liability (and if applicable, benefit) based upon what the amount would have been had BRC filed a separate return. Deferred income taxes are provided for timing differences between book and tax recognition of revenues and expenses.

Disclosures

Certain disclosures have been omitted in conformance with the Casino Control Commission's quarterly instructions that usually are required for a fair presentation of the financial statements in accordance with general accepted accounting principles. The omitted disclosures pertain to the aggregate maturities of long term debt and future minimum lease payments for operating and capital leases and certain information as it relates to notes payable, capital leases and long-term debt. The disclosures were omitted because there was not a material

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd):

change in the information previously disclosed in the Company's annual financial statements for the year end December 31, 1994.

NOTE 2. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

	<u>1995</u>	<u>1994</u>
	(In Thousands)	
Deferred income taxes.(NOTE 6)..	\$12,734	\$11,977
Other.....	<u>2,929</u>	<u>2,374</u>
	<u>\$15,663</u>	<u>\$14,351</u>

NOTE 3. INVESTMENTS, ADVANCES AND RECEIVABLES:

	<u>1995</u>	<u>1994</u>
	(In Thousands)	
CRDA deposits.....	\$13,320	\$9,639
CRDA bonds receivable.....	780	532
Note receivable.....	<u>1,095</u>	<u>724</u>
	15,195	10,895
Less: valuation allowance on CRDA investments.....	<u>5,856</u>	<u>3,624</u>
	<u>\$9,339</u>	<u>\$7,271</u>

CRDA investments carry below market interest rates resulting in a valuation lower than cost. Accordingly, valuation allowances have been provided. The carrying value of the CRDA investment approximated its fair value.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

INCOME TAXES (cont'd):

NOTE 4. PROPERTY AND EQUIPMENT:

	<u>1995</u>	<u>1994</u>
	(In Thousands)	
Land.....	\$ 51,503	\$ 51,503
Buildings and improvements.....	275,161	268,351
Furniture, fixtures and equipment	69,770	61,532
Construction in progress.....	13,156	6,133
Properties under capital leases.	<u>12,340</u>	<u>12,340</u>
	421,930	399,859
Less: accumulated depreciation and amortization.....	<u>138,869</u>	<u>121,154</u>
	<u>\$283,061</u>	<u>\$278,705</u>

NOTE 5. NOTES PAYABLE:

In the first six months of 1995 and 1994, the maximum amount outstanding at any month-end was \$21,203,000 and \$22,082,000 respectively. The average of the month-end amounts outstanding was \$12,588,000 and \$16,153,000, respectively, and the weighted average interest rate were 8.9 percent and 6.5 percent, respectively.

At June 30, 1995 and 1994, the outstanding balance on the revolving line of credit was \$6,375,000 and \$11,804,000, respectively.

NOTE 6. INCOME TAXES:

The provision for income taxes for the six months ended June 30, 1995 and 1994 is comprised of the following:

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 6. INCOME TAXES (cont'd):

	<u>1995</u>	<u>1994</u>
	(In Thousands)	
Current:		
Federal.....	\$ 6,513	\$ 4,655
State.....	2,092	1,399
Deferred:		
Federal.....	(2,828)	(263)
State.....	(758)	(14)
	<u>\$ 5,019</u>	<u>\$ 5,777</u>

Noncurrent deferred credits of \$6,378,000 and \$6,782,000 at June 30, 1995 and 1994, respectively, represent noncurrent deferred income taxes which result from timing differences between income for financial reporting purposes and income for tax purposes. The most significant timing differences, included in deferred credits and prepaid expenses (NOTE 2), relate to the allowance for doubtful accounts, depreciation, Casino Reinvestment Development Authority (CRDA) investments, and certain accrued liabilities.

The provision for income taxes for the six months ended June 30, 1995 and 1994 differs from the amount computed at the statutory rate as follows:

	<u>1995</u>	<u>1994</u>
	(In Thousands)	
Federal income tax at statutory rate.	\$ 4,151	\$ 4,934
State income taxes, net of federal benefit.....	706	839
Other, net.....	162	4
	<u>\$ 5,019</u>	<u>\$ 5,777</u>

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 6. INCOME TAXES (cont'd):

The Internal Revenue Service has examined CWI's consolidated federal income tax returns through fiscal 1990, although fiscal 1989 & 1990 have not yet been settled. The IRS is currently examining the returns for fiscal 1991 & 1992.

NOTE 7. OTHER ACCRUED EXPENSES:

	<u>1995</u>	<u>1994</u>
	(In Thousands)	
Salaries, wages and vacation pay....	\$ 4,182	\$ 3,968
Insurance claims liability.....	918	2,002
Taxes, other than income taxes.....	2,997	1,898
Management incentive.....	2,581	1,531
Other.....	<u>6,682</u>	<u>4,622</u>
	<u>\$17,360</u>	<u>\$14,021</u>

NOTE 8. OTHER CURRENT LIABILITIES:

	<u>1995</u>	<u>1994</u>
	(In Thousands)	
Due to CWI.....	\$1,928	\$ -
Due to DPI.....	479	551
Other.....	<u>1,935</u>	<u>1,300</u>
	<u>\$4,342</u>	<u>\$1,851</u>

On January 18, 1995, BRC declared a \$6,000,000 dividend to CNJ. As of March 31, 1995, this dividend had been paid in full. On July 31, 1995, BRC declared an \$8,000,000 dividend to CNJ.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 9. LONG-TERM NOTE, DUE TO AFFILIATES:

	<u>1995</u>	<u>1994</u>
	(In Thousands)	
DPI term note due June 1, 1996, interest at 11.45%.....	<u>\$50,950</u>	<u>\$58,600</u>

NOTE 10. LONG-TERM DEBT, OTHER:

	<u>1995</u>	<u>1994</u>
	(In Thousands)	
Capitalized lease obligation, net of amounts representing interest....	\$9,385	\$9,330
Less current maturities.....	<u>-</u>	<u>-</u>
	<u>\$9,385</u>	<u>\$9,330</u>

Rent expense for the six months ended June 30, 1995 and 1994 was \$1,011,000 and \$1,232,000, respectively.

NOTE 11. OTHER LIABILITIES:

	<u>1995</u>	<u>1994</u>
	(In Thousands)	
Insurance claims liability.....	\$5,481	\$6,227
Other.....	<u>3,319</u>	<u>2,845</u>
	<u>\$8,800</u>	<u>\$9,072</u>

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 12. PENSION PLANS:

BRC participates in CWI's nonqualified defined benefit pension plans (the Plans) covering officers or other employees designated as key executives of CWI or its subsidiaries. BRC has funded the vested benefits and at June 30, 1995 the amount in this revocable trust was \$2,199,000 and was recorded in Other Assets. This trust shall become irrevocable in the event of a change of control of CWI (as defined). Pension expense was \$280,000 and \$276,000 for the six months ended June 30, 1995 and 1994, respectively. The actuarially computed present value of the accumulated benefit obligation relating to participants employed by BRC was \$2,157,000 at July 31, 1994, which was the last time it was calculated. The liability accrued with respect to the Plan at July 31, 1994 was \$3,219,000.

BRC also has a 401 (k) plan which is available to all full-time, non-union employees who have at least one year of service (as defined in the Plan). The expense for the six months ended June 30, 1995 and 1994 was \$941,000 and \$968,000, respectively.

In addition to the BRC plans described above, union employees are covered by various multi-employer pension plans. BRC's unfunded portion to Hotel Employees and Restaurant Employees International's plan as of January 31, 1995 was \$1,600,000.

NOTE 13. RELATED TRANSACTIONS:

BRC has recorded expenses for the six months ended June 30, 1995 and 1994 from CWI and affiliates as follows:

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 13. RELATED TRANSACTIONS (cont'd):

<u>Affiliate</u>	<u>Transaction</u>	<u>1995</u>	<u>1994</u>
		(In Thousands)	
Caesars World, Inc.	Management fee	<u>\$ 5,664</u>	<u>\$ 5,032</u>
Caesars World Marketing Corp.	Reservation offices	\$ 3,102	\$3,081
Caesars Palace Corp.	Tradename fee	2,637	2,570
Caesars World, Inc.	Allocated expenses	<u>476</u>	<u>1,294</u>
		<u>\$ 6,215</u>	<u>\$ 6,945</u>

NOTE 14. COMMITMENTS AND CONTINGENCIES:

New Jersey Investment Obligation

The New Jersey Casino Control Act provides, among other things, for an investment obligation on licensees based upon their gross casino revenues. This obligation may be satisfied by investing in qualified eligible direct investments, by purchasing bonds issued by the Casino Reinvestment Development Authority (CRDA), and/or by making qualified contributions.

As of June 30, 1995, all BRC investment obligations had been satisfied.

Litigation

BRC is party to legal proceedings arising in the normal conduct of business. BRC believes that the final outcome of these matters will not have a material adverse effect upon BRC's financial position.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 15. NONOPERATING INCOME (EXPENSE) - NET

As a result of the ITT purchase of CWI in January 1995, BRC recorded an unusual non-operating charge of \$8,692,000 related primarily to the acceleration of the unamortized balance of deferred compensation and the payment of stock options.

NOTE 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by BRC in estimating its fair value disclosures for financial instruments.

Cash

Carrying amounts for cash approximate market value.

Due to Affiliates, Current

Carrying amounts from due to affiliates, current, approximate market value.

Long-term Debt Due to Affiliates

The fair values of debt are estimated by discounting future cash flows, using estimates from interest rates being offered to comparable properties on similar arrangements.

CRDA Investments

The fair value for CRDA investments are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable investments.

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

BOARDWALK REGENCY CORPORATION
 (d/b/a CAESARS ATLANTIC CITY)
 (unaudited)

JUNE 30, 1995

(UNAUDITED)

(\$ IN THOUSANDS)

NOTE 16. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd):

The carrying values and estimated fair values of BRC's financial instruments are as follows at June 30:

	1995		1994	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial Assets				
Cash	\$15,353	\$15,353	\$10,881	\$10,881
CRDA Investments, net	9,339	9,339	7,271	7,271
Financial Liabilities				
Due to Affiliates, net	2,407	2,407	551	551
Long-term debt, due to affiliates	50,950	50,990	58,600	59,908

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1995
(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patron Checks :			
1	Undeposited patrons' checks	\$ 7,047	-	
2	Returned patrons' checks	10,534	-	
3	Total patrons' checks	17,581	\$ 8,368	\$ 9,213
4	Hotel Receivables	679	107	572
	Other Receivables:			
5	Receivables due from officers and employees	8	-	
6	Receivables due from affiliates	7,999	-	
7	Other accounts and notes receivables	735	-	
8	Total other receivables	8,742	-	8,742
9	Totals (Form 205)	\$ 27,002	\$ 8,475	\$ 18,527

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 6,157
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).	121,994
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidation, substitutions, and patrons' cash deposits)	(88,986)
13	Checks collected through deposits	(31,514)
14	Checks transferred to returned checks	(604)
15	Other adjustments	
16	Ending Balance	\$ 7,047
17	"Hold" Checks Included Balance on Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 2,019
19	Provision As A Percent Of Counter Checks Issued	1.7%

STATEMENT OF CONFORMITY AND ACCURACY
TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

(UNAUDITED)

FOR THE THREE MONTHS ENDED JUNE 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	65,316	\$ 3,855	-	-
Food	220,933	5,675	-	-
Beverage	500,800	2,656	-	-
Travel	-	-	9,202	\$ 2,901
Coin	-	-	337,625	3,663
Coupon	-	-	100,083	2,717
Cash Rebates	-	-	189	1,054
Entertainment	24,486	721	6,186	1,877
Retail & Gifts	-	-	906	147
Other	2,744	194	48,735	681
Total	814,279	\$ 13,101	502,926	\$ 13,040

FOR THE SIX MONTHS ENDING JUNE 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	133,424	\$ 7,528	-	-
Food	488,278	11,116	-	-
Beverage	984,626	5,155	-	-
Travel	-	-	17,384	\$ 5,593
Coin	-	-	624,171	6,611
Coupon	-	-	191,367	5,129
Cash Rebates	-	-	329	1,512
Entertainment	43,451	1,190	11,496	3,397
Retail & Gifts	-	-	2,425	336
Other	5,490	355	90,334	1,294
Total	1,655,269	\$ 25,344	937,506	\$ 23,872

CCC-245

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY
COUNTY OF ATLANTIC

:
: ss.
:

MICHAEL J. WALSH, being duly sworn according to law

upon my oath deposes and says:

- 1. I have examined this Quarterly Report.
- 2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report instructions and Uniform Chart of Accounts.
- 3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

M Walsh
Signature

VICE PRESIDENT, FINANCE
Title

1482-11
License Number

Subscribed and sworn to
before me this 15th day
of August 1995
Mary Nocella
Signature **MARY NOCELLA**
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 30, 1997

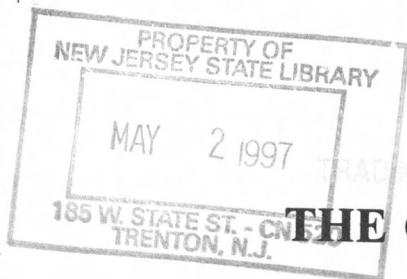
On Behalf Of:

BOARDWALK REGENCY CORPORATION
Casino License

Basis of Authority
to Take Oaths

974-901

C193



QUARTERLY REPORT

THE CLARIDGE AT PARK PLACE, INC.

INDIANA AVENUE AT THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT:**

LAURA L. PALAZZO

OFFICIAL TITLE:

VICE PRESIDENT CONTROLLER

ADDRESS:

**INDIANA AVENUE AT THE BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401**

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

BALANCE SHEETS

JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

DESCRIPTION		1995	1994
TRADING NAME OF LICENSEE: <u>THE CLARIDGE CASINO HOTEL</u>			
LIST OF FORMS - QUARTERLY REPORT			
FOR THE SIX MONTHS ENDED JUNE 30, 1995			
<u>TITLE</u>			<u>FORM #</u>
BALANCE SHEETS			CCC - 205
STATEMENTS OF INCOME (SIX MONTHS)			CCC - 210
STATEMENTS OF INCOME (THREE MONTHS)			CCC - 215
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY			CCC - 220
STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETORS' EQUITY			CCC - 225
STATEMENTS OF CASH FLOWS			CCC - 235
NOTES TO FINANCIAL STATEMENTS			
SCHEDULE OF RECEIVABLES & PATRONS' CHECKS			CCC - 240
PROMOTIONAL EXPENSES & ALLOWANCES			CCC - 245
STATEMENT OF CONFORMITY & ACCURACY			CCC - 250

THE FINANCIAL STATEMENTS AND NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS. VALUED COMPARISONS CANNOT BE MADE WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

BALANCE SHEETS

JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1995	(D) 1994
	ASSETS		
	CURRENT ASSETS:		
1	CASH.....	\$ 11,258	\$ 16,004
2	MARKETABLE SECURITIES (at cost which approx. market)...	25,819	25,822
3	RECEIVABLES & PATRONS CHECKS (NET OF ALLOW. FOR DOUBTFUL ACCOUNTS - 1995, \$1,353; 1994, \$1,402).....	20,040	20,561
4	INVENTORIES.....	2,344	2,744
5	PREPAID EXPENSES & OTHER CURRENT ASSETS.....	2,017	1,552
6	TOTAL CURRENT ASSETS.....	61,478	66,683
7	INVESTMENTS, ADVANCES & RECEIVABLES... (NOTE 3).....	110,300	121,122
8	PROPERTY & EQUIPMENT - GROSS..... (NOTE 4).....	31,193	19,205
9	(ACCUMULATED DEPRECIATION/AMORTIZATION).....	(12,292)	(10,455)
10	OTHER ASSETS..... (NOTE 5).....	612	1,126
11	TOTAL ASSETS.....	\$191,291	\$197,681
	LIABILITIES & EQUITY		
	CURRENT LIABILITIES:		
12	ACCOUNTS PAYABLE.....	\$ 3,540	\$ 6,254
13	NOTES PAYABLE.....	-0-	-0-
	CURRENT PORTION OF LONG-TERM DEBT:		
14	DUE TO AFFILIATES.....	-0-	-0-
15	OTHER.....	-0-	-0-
16	INCOME TAXES PAYABLE & ACCRUED.....	1,393	(878)
17	OTHER ACCRUED EXPENSES..... (NOTE 6).....	10,864	9,185
18	OTHER CURRENT LIABILITIES..... (NOTE 7).....	20,792	21,823
19	TOTAL CURRENT LIABILITIES.....	36,589	36,384
	LONG TERM DEBT:		
20	DUE TO AFFILIATES.....	-0-	-0-
21	OTHER.....	-0-	-0-
22	DEFERRED CREDITS..... (NOTE 12).....	8,252	6,764
23	OTHER LIABILITIES..... (NOTE 9).....	52,148	54,721
24	COMMITMENTS & CONTINGENCIES (NOTE 1)		
25	TOTAL LIABILITIES.....	96,989	97,869
26	STOCKHOLDERS', PARTNERS, OR PROPRIETOR'S EQUITY.....	94,302	99,812
27	TOTAL LIABILITIES & EQUITY.....	\$191,291	\$197,681

THE ACCOMPANYING NOTES ARE IN INTEGRAL PART OF THE FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1995	(D) 1994
	REVENUE:		
1	CASINO.....	\$ 81,287	\$ 69,450
2	ROOMS.....	4,268	4,834
3	FOOD & BEVERAGE.....	9,523	8,191
4	OTHER.....	698	1,024
5	TOTAL REVENUE.....	95,776	83,499
6	LESS: PROMOTIONAL ALLOWANCES.....	7,591	7,466
7	NET REVENUE.....	88,185	76,033
	COSTS & EXPENSES:		
8	COST OF GOODS & SERVICES.....	46,341	44,197
9	SELLING, GENERAL & ADMINISTRATIVE.....	27,168	25,820
10	PROVISION FOR DOUBTFUL ACCOUNTS.....	115	228
11	TOTAL COSTS & EXPENSES.....	73,624	70,245
12	GROSS OPERATING PROFIT.....	14,561	5,788
13	DEPRECIATION & AMORTIZATION.....	1,176	778
14	CHARGES FROM AFFILIATES OTHER THAN INTEREST:		
15	MANAGEMENT FEES.....	-0-	-0-
16	OTHER..... (NOTE 13b)	61	56
	INCOME (LOSS) FROM OPERATIONS.....	13,324	4,954
	OTHER INCOME (EXPENSES):		
17	INTEREST (EXPENSES) - AFFILIATES..... (NOTE 13a)	(216)	(216)
18	INTEREST (EXPENSES) - EXTERNAL.....	-0-	(334)
19	INVESTMENT ALT. TAX & RELATED INCOME (EXPENSE) - NET...	(1,001)	(295)
20	NONOPERATING INCOME (EXPENSE) - NET.... (NOTE 10)	(9,002)	(7,994)
21	TOTAL OTHER INCOME (EXPENSE).....	(10,219)	(8,839)
22	INCOME (LOSS) BEFORE INCOME TAXES & EXTRAORDINARY ITEMS	3,105	(3,885)
23	PROVISION (CREDIT) FOR INCOME TAXES.. (NOTE 12)	1,548	(1,554)
24	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS.....	1,557	(2,331)
25	EXTRAORDINARY ITEMS (NET OF INCOME TAXES - 1994, \$ -0-; 1993, \$ -0-)	-0-	-0-
26	NET INCOME (LOSS).....	\$ 1,557	\$ (2,331)

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TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME
 FOR THE THREE MONTHS ENDED JUNE 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1995	(D) 1994
	REVENUE:		
1	CASINO.....	\$ 42,679	\$ 39,378
2	ROOMS.....	2,294	2,675
3	FOOD & BEVERAGE.....	5,093	4,432
4	OTHER.....	342	540
5	TOTAL REVENUE.....	50,408	47,025
6	LESS: PROMOTIONAL ALLOWANCES.....	4,067	3,956
7	NET REVENUE.....	46,341	43,069
	COSTS & EXPENSES:		
8	COST OF GOODS & SERVICES.....	23,606	23,019
9	SELLING, GENERAL & ADMINISTRATIVE.....	14,291	15,580
10	PROVISION FOR DOUBTFUL ACCOUNTS.....	58	128
11	TOTAL COSTS & EXPENSES.....	37,955	38,727
12	GROSS OPERATING PROFIT.....	8,386	4,342
13	DEPRECIATION & AMORTIZATION.....	610	419
	CHARGES FROM AFFILIATES OTHER THAN INTEREST:		
14	MANAGEMENT FEES.....	-0-	-0-
15	OTHER.....	28	29
16	INCOME (LOSS) FROM OPERATIONS.....	7,748	3,894
	OTHER INCOME (EXPENSES):		
17	INTEREST (EXPENSES) - AFFILIATES..... (NOTE 13a).....	(108)	(108)
18	INTEREST (EXPENSES) - EXTERNAL.....	-0-	52
19	INVESTMENT ALT. TAX & RELATED INCOME (EXPENSE) - NET...	(479)	(165)
20	NONOPERATING INCOME (EXPENSE) - NET.... (NOTE 10).....	(4,437)	(4,042)
21	TOTAL OTHER INCOME (EXPENSE).....	(5,024)	(4,263)
22	INCOME (LOSS) BEFORE INCOME TAXES & EXTRAORDINARY ITEMS	2,724	(369)
23	PROVISION (CREDIT) FOR INCOME TAXES.. (NOTE 12).....	1,220	(148)
24	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS.....	1,504	(221)
25	EXTRAORDINARY ITEMS (NET OF INCOME TAXES - 1994, \$ -0-; 1993, \$-0-)	-0-	-0-
26	NET INCOME (LOSS).....	\$ 1,504	\$ (221)

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FINANCIAL STATEMENTS - VALID COMPARISONS CANNOT BE MADE
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TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY
 FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE1 (A)	DESCRIPTION (B)	1995		1994	
		(C) SHARES	(D) DOLLARS	(E) SHARES	(F) DOLLARS
	COMMON STOCK: (PAR VALUE \$0.10, AUTHORIZED & OUTSTANDING 1,000 SHARES)				
1	BEGINNING BALANCE (JANUARY 1).....	1,000	\$ 1	1,000	\$ 1
2	SALE OF STOCK.....				
3					
4	ENDING BALANCE.....	1,000	\$ 1	1,000	\$ 1
	REFERRED STOCK:				
5	BEGINNING BALANCE (JANUARY 1).....				
6	SALE OF STOCK.....				
7					
8	ENDING BALANCE.....				
	ADDITIONAL PAID-IN CAPITAL:				
9	BEGINNING BALANCE (JANUARY 1).....		\$ 4,999		\$ 4,999
10	EQUITY CONTRIBUTION FROM THE CORPORATION...		82,206		82,206
11					
12	ENDING BALANCE.....		\$ 87,205		\$ 87,205
	TREASURY STOCK:				
13	BEGINNING BALANCE (JANUARY 1).....				
14	PURCHASE OF ADDITIONAL STOCK.....				
15	SALE OR RETIREMENT OF STOCK.....				
16	ENDING BALANCE.....				
	SUBSCRIPTIONS RECEIVABLE FOR CAPITAL STOCK:				
17	BEGINNING BALANCE (JANUARY 1).....				
18					
19					
20	ENDING BALANCE.....				
	NET UNREALIZED LOSS ON NONCURRENT MARKETABLE EQUITY SECURITIES:				
21	BEGINNING BALANCE (JANUARY 1).....				
22					
23					
24	ENDING BALANCE.....				
	RETAINED EARNINGS:				
25	BEGINNING BALANCE (JANUARY 1).....		\$ 15,554		\$ 14,937
26	PRIOR PERIOD ADJUSTMENTS.....				
27	NET INCOME (LOSS).....		1,557		(2,331)
28	DIVIDENDS.....		(10,015)		
29					
30					
31	ENDING BALANCE.....		7,096		12,606
32	ENDING STOCKHOLDERS' EQUITY.....		\$ 94,302		\$ 99,812

THE ACCOMPANYING NOTES ARE IN INTEGRAL PART OF THE
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TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETORS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1995	(D) 1994
	INVESTED CAPITAL:		
1	BEGINNING BALANCE (JANUARY 1).....		
2	ADDITIONAL CAPITAL INVESTED.....		
3	.....	
4	ENDING BALANCE.....		
	ACCUMULATED INCOME (LOSS):		
5	BEGINNING BALANCE.....		
6	PRIOR PERIOD ADJUSTMENTS.....		
7	NET INCOME (LOSS).....		
8	.....	
9	ENDING BALANCE.....		
	CAPITAL WITHDRAWALS:		
10	BEGINNING BALANCE.....		
11	ADDITIONAL CAPITAL WITHDRAWALS.....		
12	.....	
13	ENDING BALANCE.....		
	NET UNREALIZED LOSS ON NONCURRENT MARKETABLE EQUITY SECURITIES:		
14	BEGINNING BALANCE.....		
15	.....	
16	.....	
17	ENDING BALANCE.....		
18	ENDING PARTNERS' OR PROPRIETOR'S EQUITY.....		

NOT APPLICABLE

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TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS
 FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1995	(D) 1994
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 16,813	\$ (1,906)
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	PURCHASE OF SHORT-TERM INVESTMENT SECURITIES.....	-0-	(25,822)
3	PROCEEDS FROM THE SALE OF SHORT-TERM INV. SECURITIES.....	(3,377)	
4	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT.....	(11,341)	(5,304)
5	PROCEEDS FROM DISPOSITION OF PROPERTY & EQUIPMENT.....	-0-	29
6	PURCHASE OF CASINO REINVESTMENT OBLIGATION.....	(94)	(847)
7	PURCHASE OF OTHER INVESTMENTS & LOANS/ADVANCES MADE.....	(1,566)	(7,559)
8	PROCEEDS FROM DISPOSAL OF INVESTMENTS & COLLECTION OF ADVANCES & LONG TERM RECEIVABLES.....	6,037	5,273
9	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES.....		
10	.....	
11	.....	
12	NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES.....	(10,341)	(34,230)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	CASH PROCEEDS FROM ISSUANCE OF SHORT-TERM DEBT.....	-0-	-0-
14	PAYMENTS TO SETTLE SHORT-TERM DEBT.....	-0-	(1,700)
15	CASH PROCEEDS FROM ISSUANCE OF LONG-TERM DEBT.....		
16	COSTS OF ISSUING DEBT.....		
17	PAYMENTS TO SETTLE LONG-TERM DEBT.....	-0-	(33,559)
18	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB.....	-0-	82,206
19	PURCHASES OF TREASURY STOCK.....		
20	PAYMENTS OF DIVIDENDS OR CAPITAL WITHDRAWALS.....	(10,015)	
21	.....	
22	.....	
23	NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES.....	(10,015)	46,947
24	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS.....	(3,543)	10,811
25	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	14,801	5,193
26	CASH & CASH EQUIVALENTS AT END OF PERIOD.....	\$ 11,258	\$ 16,004

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	CASH PAID DURING YEAR FOR:		
28	INTEREST (NET OF AMOUNT CAPITALIZED).....	\$ -0-	\$ 334
	INCOME TAXES.....	\$ 677	\$ -0-

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TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1995	(D) 1994
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
29	NET INCOME (LOSS).....	\$ 1,557	\$ (2,331)
	NON-CASH ITEMS INCLUDED INCOME & CASH ITEMS EXCLUDED FROM INCOME:		
30	DEPRECIATION & AMORTIZATION OF PROPERTY & EQUIPMENT...	1,103	696
31	AMORTIZATION OF OTHER ASSETS.....	73	82
32	AMORTIZATION OF DEBT DISCOUNT OR PREMIUM.....		
33	DEFERRED INCOME TAXES - CURRENT.....		
34	DEFERRED INCOME TAXES - NONCURRENT.....	53	661
35	(GAIN) LOSS ON DISPOSITION OF PROPERTY & EQUIPMENT.....	-0-	53
36	(GAIN) LOSS ON CASINO REINVESTMENT OBLIGATIONS.....	1,001	295
37	(GAIN) LOSS FROM OTHER INVESTMENT ACTIVITIES.....		
38	NET (INCREASE) DECREASE IN RECEIVABLES AND PATRONS' CHECKS EXCLUDING RECLASS FROM LONG TERM OF \$969 and \$765.....	11,099	(543)
39	NET (INCREASE) DECREASE IN INVENTORIES.....	285	(97)
40	NET (INCREASE) DECREASE IN OTHER CURRENT ASSETS*.....	(595)	5
41	NET (INCREASE) DECREASE IN OTHER ASSETS.....	618	(779)
42	NET INCREASE (DECREASE) IN ACCOUNTS PAYABLE.....	720	3,716
43	NET INCREASE (DECREASE) IN OTHER CURRENT LIABILITIES EXCLUDING DEBT.....	2,524	(1,486)
44	NET INCREASE (DECREASE) IN OTHER NONCURRENT LIABILITIES EXCLUDING DEBT.....	(985)	(1,621)
45	DISCOUNT ON WRAPAROUND MORTGAGE RECEIVABLE.....	(640)	(557)
46			
47	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 16,813	\$ (1,906)

*Excluding decrease in current portion of CRDA credit of \$768 and \$0.

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	ACQUISITION OF PROPERTY & EQUIPMENT:		
49	ADDITIONS TO PROPERTY & EQUIPMENT.....	\$ 11,341	\$ 5,304
50	LESS: CAPITAL LEASE OBLIGATIONS ACQUIRED.....		
	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT.....	\$ 11,341	\$ 5,304
51	ACQUISITION OF BUSINESS ENTITIES:		
52	PROPERTY & EQUIPMENT ACQUIRED.....	\$ -0-	\$ -0-
53	GOODWILL ACQUIRED.....		
	NET ASSETS ACQUIRED OTHER THAN CASH, GOODWILL & PROPERTY & EQUIPMENT.....		
54	LONG TERM DEBT ASSUMED.....		
55	ISSUANCE OF STOCK OR CAPITAL INVESTED.....		
56	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES.....	\$ -0-	\$ -0-
57	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
58	TOTAL ISSUANCES OF STOCK OR CAPITAL CONTRIBUTIONS.....	\$ -0-	\$ 82,206
59	LESS: ISSUANCES TO SETTLE LONG TERM DEBT.....		
60	CONSIDERATION IN ACQUISITION OF BUSINESS ENTITIES		
	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB.....	\$ -0-	\$ 82,206

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THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1995 AND 1994

(1) Business

(a) Organization

The Claridge at Park Place, Incorporated ("New Claridge") formed on August 29, 1983, is a wholly-owned subsidiary of The Claridge Hotel and Casino Corporation (the "Corporation"). On October 31, 1983, New Claridge acquired certain assets of Del Webb's Claridge Casino - Hotel (the "Claridge"), including gaming equipment (the "Casino Assets"), from Del E. Webb New Jersey, Inc. ("DEWNJ"), a wholly-owned subsidiary of Del Webb Corporation ("Webb"), leased certain other of the Claridge's assets, including the buildings, parking facility and nongaming, depreciable, tangible property of the Claridge (the "Hotel Assets"), from Atlantic City Boardwalk Associates, L.P., (the "Partnership"), subleased the land on which the Claridge is located from the Partnership, assumed certain liabilities related to the acquired assets and undertook to carry on the business of the Claridge.

On October 27, 1988, the parties with an economic interest in the Corporation and New Claridge including the banks holding the First Mortgage (the "First Mortgage Lenders"), entered into an agreement to restructure the financial obligations of the Corporation and New Claridge (the "Restructuring Agreement"). The restructuring, which was consummated in June 1989, resulted in (i) a reorganization of the ownership interest in the Corporation; (ii) modifications of the rights and obligations of certain lenders; (iii) satisfaction and termination of the obligations and commitments of Webb and DEWNJ under the original structure; (iv) modifications of the lease agreements between New Claridge and the Partnership, and forgiveness by Webb of substantial indebtedness.

(b) Recent Business Developments

On January 31, 1994, the Corporation completed an offering of \$85 million of First Mortgage Notes (the "Notes"), due 2002, bearing interest at 11 3/4%. The Notes are secured by (i) a non-recourse mortgage granted by the Partnership representing a first lien on the Hotel Assets, (ii) and by a pledge granted by the Corporation of all outstanding shares of capital stock of New Claridge, and (iii) a guarantee by New Claridge. New Claridge's guarantee of the Notes is secured by a collateral assignment of the second lien Expandable Wraparound Mortgage, and by a lien on the Claridge's gaming and other assets, which lien will be subordinated to liens that may be placed on those gaming and other assets to secure any future revolving credit line arrangement. Interest on the Notes is payable semiannually on February 1 and August 1 of each year, commencing August 1, 1994.

A portion of the net proceeds of \$82.2 million, after deducting fees and expenses, was used as follows:

- (i) to repay in full the Corporation's outstanding debt under the Revolving Credit and Term Loan Agreement (the "Loan Agreement"), including the outstanding balance of the Corporation's revolving credit line, which was secured by the First Mortgage. In conjunction with the full satisfaction of the Loan Agreement, the Corporation's \$7.5 million revolving credit line arrangement was terminated. The Corporation is currently seeking to obtain a new line of credit arrangement;

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

- (ii) to fund the cost of a 12,000 square foot expansion of New Claridge's casino capacity, the addition of approximately 500 slot machines, and the relocation of two restaurants and their related kitchen areas. The total cost of this expansion, which became fully operational on June 30, 1994, was approximately \$12.7 million; and
- (iii) the acquisition of land, at a cost of \$7.5 million, adjacent to New Claridge's existing valet-parking facility, which is being used for the construction of a self-parking facility.

The balance of the net proceeds from the offering of the Notes is expected to be used as follows:

- (i) the construction of the self-parking facility, which commenced in the second quarter of 1995. The total cost of the self-parking facility including architectural, engineering, and legal fees, is estimated to be in excess of \$18 million, in addition to the cost of the land;
- (ii) the possible purchase of the Contingent Payment (see Note 9, Other Liabilities) granted in 1989 and now held in a trust for the benefit of the United Way of Arizona. The Corporation is currently negotiating to purchase the Contingent Payment, for substantially less than face value, from the trustee for the United Way of Arizona; and
- (iii) the potential expansion of the Corporation's activities into emerging gaming markets. On March 16, 1994, Claridge Gaming Incorporated was formed as a wholly-owned subsidiary of the Corporation for the purpose of developing gaming opportunities in other jurisdictions.

(c) Claridge License Renewal

On September 22, 1993, New Claridge was issued a two-year casino license by the Casino Control Commission (the "Commission") for the period commencing September 30, 1993.

New Claridge has applied for the renewal of its casino license for a period of four years commencing September 30, 1995. Management of New Claridge is aware of no charges, objections, or other facts which would provide a basis for the Commission to deny renewal of its casino license.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements are prepared in accordance with generally accepted accounting principles.

(b) Cash

Cash includes investments in interest-bearing repurchase agreements in government securities, with maturities of three months or less when purchased. Interest income is recorded as earned.

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

(c) Casino Receivables and Revenues

Credit is issued to certain casino customers and New Claridge records all unpaid credit as casino receivables on the date the credit was granted. Allowances for estimated uncollectible casino receivables are provided to reduce these receivables to amounts anticipated to be collected. New Claridge recognizes as casino revenue, the net win (which is the difference between amounts wagered and amounts paid to winning patrons) from gaming activity.

(d) Promotional Allowances

Promotional allowances are presented at retail value. The cost of providing these complimentary items is included in the statement of earnings as operating costs.

(e) Inventories

Inventories are stated at a lower of cost or market, cost being determined principally on a first-in, first-out basis.

(f) Property and Equipment

Property and equipment is stated at cost. Depreciation for furniture and equipment is provided over the estimated useful lives (five years) of the respective assets using the straight-line method.

(g) Income Taxes

New Claridge is included in the consolidated income tax return of its parent, the Corporation. Deferred income taxes are provided for the temporary differences between financial statement reporting and income tax reporting for rent levelling provisions, asset basis differences, and various other expenses recorded for financial statement purposes.

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

(3) Investments, Advances, and Receivables

Investments, Advances, and Receivables at June 30, 1995 and 1994 are summarized as follows:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
\$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of \$10,501,000 discount and \$11,738,000 discount at June 30, 1995 and 1994, respectively)	\$ 76,999	84,262
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	17,994	15,505
FF&E promissory note - expansion, 14%	7,434	9,079
Reinvestment Obligations	<u>856</u>	<u>3,549</u>
	123,283	132,395
Less Current Installments	<u>12,983</u>	<u>11,273</u>
	<u>\$ 110,300</u>	<u>121,122</u>

The Expandable Wraparound Mortgage Loan Agreement ("Expandable Wraparound Mortgage") was executed and delivered by the Partnership to New Claridge and is secured by all property of the Partnership. As part of the agreement, New Claridge will service the First Mortgage and the Partnership's debt under the Purchase Money Second Mortgage indebtedness. \$20 million in interest was deferred between 1983 and 1988 and will be due upon maturity. Principal payments required under the Expandable Wraparound Mortgage commenced in 1988. During the six months ended June 30, 1995, \$4,500,000 in principal payments were made.

The Expandable Wraparound Mortgage also includes a provision whereby New Claridge will loan the Partnership up to \$25 million in the form of FF&E promissory notes, secured under the Expandable Wraparound Mortgage, for the purchase of property and equipment. One half of the principal is due in 48 months and the remaining balance is due 60 months from the date of the respective FF&E promissory note. During the six months ended June 30, 1995, \$686,000 in FF&E promissory note principal payments were made. In connection with the offering of \$85 million of Notes on January 31, 1994, the Corporation agreed to use not less than \$8 million from the net proceeds of the offering to finance internal improvements to the Claridge, which were funded through additional FF&E promissory notes. In connection therewith, the Expandable Wraparound Mortgage Loan agreement as well as the Operating Lease, and the Expansion Operating Lease were amended to provide that the principal on these additional FF&E promissory notes will be payable at final maturity of the Expandable Wraparound Mortgage.

In 1986, the Expandable Wraparound Mortgage was increased up to \$17 million to provide the Partnership with funding for the construction of an expansion. Effective on the date that the expansion opened to the public (August 28, 1986), the Partnership commenced making level monthly payments of principal and interest so as to repay on September 30, 1998, in full, the principal balance of this increase in the Expandable Wraparound Mortgage. The Expandable Wraparound Mortgage was amended to require, in addition to the

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

above, principal payments (in equal monthly installments) due during the years 1988 through 1998 in escalating amounts totalling \$80 million and on September 30, 2000 a balloon payment of \$67 million, which includes \$20 million of deferred interest.

The Casino Control Act (the "Act") provides for the imposition of an investment obligation, calculated as 1.25% of the total revenues from gaming operations less the provision for uncollectible accounts. If a casino licensee opts not to make an investment as required, it is assessed an alternative tax of 2.5% of total gaming revenues less the provision for uncollectible accounts. The licensee can satisfy its investment obligation by making a direct investment in a project approved by the Casino Reinvestment Development Authority ("CRDA"), the agency responsible for administering this portion of the Act, or it can buy bonds issued by the CRDA. These bonds bear interest at two-thirds of market rates, as set forth in the Act.

New Claridge has opted to deposit its reinvestment obligation funds with the State Treasurer. Through June 30, 1995, New Claridge has deposited \$14,052,000, of which \$2,336,000 has been used to purchase bonds issued by the CRDA. Since interest on these bonds and funds deposited is paid at a discounted rate, New Claridge records a valuation allowance of approximately one-third of the reinvestment obligation. In addition, in January 1990, it was determined that certain bonds issued by the CRDA had become impaired, and that the payment of principal and interest on these bonds was uncertain. As a result, New Claridge has recorded a valuation allowance for the full amount of its investment in these bonds, totalling \$1,654,000.

In December 1989, and again in July 1990, New Claridge made donations to the CRDA of funds, totalling \$7,088,000, which had previously been deposited with the State Treasurer. During the third quarter of 1994 and first quarter of 1995, New Claridge made donations to the CRDA, totalling approximately \$4.1 million, representing amounts previously deposited with the CRDA. In exchange for the donations, New Claridge received credits equal to fifty-one percent of the donations, to be applied to satisfy portions of the reinvestment obligations commencing after the dates of the donations. At the time of the donations, New Claridge recorded expense to write-down the book value of the donations to the amount of the credits received. As of June 30, 1995, \$147,000 of these credits remained available, and are included in other current assets.

(4) Property and Equipment

Property and equipment at June 30, 1995 and 1994 consist of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Land and land improvements	\$ 8,100	-0-
Leasehold improvements	744	744
Furniture, fixtures, equipment	19,675	17,494
Construction in progress	1,707	-0-
Fixed assets under capital lease	<u>967</u>	<u>967</u>
Property and equipment, gross	31,193	19,205
Less accumulated depreciation	<u>12,292</u>	<u>10,455</u>
Property and equipment, net	<u>18,901</u>	<u>8,750</u>

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

- (5) Other Assets 1995 and 1994, Due to Affiliates includes \$3.8 million due to the Partnership. On June 16, 1995, pursuant to the terms of the Restructuring Agreement, the Partnership loaned to New Claridge \$3.6 million. Other assets at June 30, 1995 and 1994 consist of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Intangible assets (net of accumulated amortization of \$737 and \$595 at June 30, 1995 and 1994, respectively)	\$125	159
Refundable deposits, non-current	81	453
Other non-current assets	<u>406</u>	<u>514</u>
	<u>612</u>	<u>1,126</u>

- (6) Other Accrued Expenses

Other accrued expenses at June 30, 1995 and 1994 consist of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Accrued payroll and related benefits	\$ 7,580	6,529
Accrued interest due to the Partnership	2,610	2,178
Other	<u>674</u>	<u>478</u>
	<u>\$10,864</u>	<u>9,185</u>

- (7) Other Current Liabilities

Other current liabilities at June 30, 1995 and 1994 consist of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Due to affiliates	\$ 3,600	3,600
Deferred rent due to Partnership	15,078	15,078
Auto/general claims liability	1,135	1,249
Other	<u>979</u>	<u>1,896</u>
	<u>\$20,792</u>	<u>21,823</u>

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of June 30, 1995 and 1994, Due to Affiliates includes \$3.6 million due to the Partnership. On June 16, 1989 pursuant to the terms of the Restructuring Agreement, the Partnership loaned to New Claridge \$3.6 million which represented substantially all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through the closing of the restructuring. This loan is evidenced by an unsecured promissory note and is not due and payable until such time as the full or partial satisfaction of the Wraparound Mortgage and the first mortgage has been made in connection with a refinancing or sale of all or a partial interest in New Claridge. Interest, which accrues at 12% per annum, is payable in full upon maturity. As of June 30, 1995, such interest, which is included in Accrued Expenses, amounted to \$2,610,000.

As of June 30, 1995, the amount of deferred rent of \$15,078,000 represents the maximum deferral allowed in accordance with the terms of the Operating Lease Agreement and Expansion Operating Lease Agreement, as amended (see Note 11, "Operating Lease"). The deferred rent liability will become payable (i) upon a sale or refinancing of the Claridge; (ii) upon full or partial satisfaction of the Wraparound Mortgage; and (iii) upon full satisfaction of any first mortgage then in place.

(8) Long-Term Debt

On January 31, 1994, the Corporation completed an offering of \$85 million of Notes due 2002, bearing interest at 11 3/4%. The Notes are secured by (i) a non-recourse mortgage granted by the Partnership representing a first lien on the Hotel Assets, (ii) a pledge granted by the Corporation of all outstanding shares of capital stock of New Claridge, and (iii) a guarantee by New Claridge. New Claridge's guarantee of the Notes is secured by a collateral assignment of the second lien Expandable Wraparound Mortgage, and by a lien on the Claridge's gaming and other assets, which lien will be subordinated to liens that may be placed on those gaming and other assets to secure any future revolving credit line arrangement. Interest on the Notes is payable semiannually on February 1 and August 1 of each year, commencing August 1, 1994. The Corporation applied the net proceeds from the sale of the Notes of \$82.2 million as a contribution to the equity capital of New Claridge. A portion of the net proceeds was used to repay in full New Claridge's outstanding debt under the Loan Agreement, including the outstanding balance of New Claridge's revolving credit line. In conjunction with the full satisfaction of the Loan Agreement, New Claridge's \$7.5 million revolving credit line arrangement was terminated.

(9) Other Liabilities

Other liabilities at June 30, 1995 and 1994 consist of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Deferred rent	\$32,034	34,721
Other non-current liabilities	<u>20,114</u>	<u>20,000</u>
Total	<u>\$52,148</u>	<u>54,721</u>

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Pursuant to the Restructuring Agreement which was concluded on June 16, 1989, Webb retained an interest, which was assigned to a trustee for the benefit of the United Way of Arizona on April 2, 1990, equal to \$20 million plus interest at a rate of 15% per annum, compounded quarterly, commencing December 1, 1988, in any proceeds ultimately recovered from operations and/or the sale or refinancing of the Claridge facility in excess of the first mortgage loan ("Contingent Payment"), which amount is payable under certain circumstances. Consequently, New Claridge has deferred the recognition of \$20 million of forgiveness income with respect to the Contingent Payment obligation. Interest on the Contingent Payment has not been recorded in the accompanying financial statements since the likelihood of paying such amount is not considered probable at this time. As of June 30, 1995, accrued interest would have amounted to approximately \$32.7 million. The Corporation is currently negotiating to purchase the Contingent Payment, for less than face value, from the trustee for the United Way of Arizona.

(10) Other Nonoperating Income (Expense) - Net

Other nonoperating income (expense) - net for the six months ended June 30, 1995 and 1994 consists of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Interest income - Wraparound Mortgage	\$ 8,729	8,895
Interest income - other	854	684
Other nonoperating income/(expense)	29	5
Facilities/maintenance fee	265	265
Gain/(Loss) on disposal of assets	-0-	(53)
Partnership rent expense	<u>(18,879)</u>	<u>(17,790)</u>
 Total	 <u>\$ (9,002)</u>	 <u>(7,994)</u>

(11) Operating Lease

New Claridge leases the Hotel Assets and the land on which the Claridge is located from the Partnership under an Operating Lease, for an initial lease term of 15 years with three ten-year renewal options. If New Claridge exercises its option to extend the term of the Operating Lease, basic rent during the renewal term will be calculated pursuant to a formula, with such rent not to be more than \$29,500,000 nor less than \$24,000,000 for the lease year commencing October 1, 1998 through September 30, 1999 and, subsequently, not to be greater than 10% more than the basic rent for the immediately preceding lease year in each lease year thereafter. New Claridge is also required to pay as additional rent amounts including certain taxes, insurance and other charges relating to the occupancy of the land and Hotel Assets, certain expenses and debt service relating to furniture, fixture and equipment replacements and building improvements and the general and administrative costs of the Partnership. Under the terms of the Operating Lease, New Claridge has an option to purchase, on September 30, 1998 and, if it renews the Operating Lease, on September 30, 2003, the Hotel Assets and the underlying land for their fair market value at the time the option is exercised.

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

Minimum future basic lease payments under the initial term of the Operating Lease as amended, as of June 30, 1995 (net of expected abatements, as discussed below) are as follows (in thousands):

07/01/95 - 06/31/96	\$ 31,556
07/01/96 - 06/31/97	35,748
07/01/97 - 06/31/98	41,728
07/01/98 - 09/30/98	<u>10,844</u>
 Total Minimum	 <u>\$ 119,876</u>

Also, additional rent payments are required based upon fixed assets purchased by the Partnership (the FF&E Replacements, note 3) and then leased to New Claridge. For the six months ended June 30, 1995 and 1994 expense for the Operating Lease amounted to \$18,879,000 and \$17,790,000 respectively, of which \$(1,099,000) and \$(1,621,000) of rental expense is attributable to the requirement under Statement of Financial Accounting Statements #13 to provide a level rent expense for those leases with escalating payments. Under the terms of the Operating Lease, the Partnership is responsible for taxes, assessments, insurance, maintenance and repairs and other costs related to use and occupancy of the Hotel Assets.

New Claridge entered into an Expansion Operating Lease Agreement with the Partnership whereby New Claridge leased the 1986 expansion facility for an initial term beginning March 17, 1986 and ending on September 30, 1998 with three 10-year renewal options. Basic annual rent payable during the initial term of the Expansion Operating Lease is \$3,870,000 in 1986 (prorated based on the day that the 1986 expansion improvements opened to the public), and determined based on the cost of the construction of the expansion improvements. Annually thereafter the rental amount is adjusted based on the Consumer Price Index but any increase may not exceed two percent per annum. The total Expansion Operating Lease paid for the six months ended June 30, 1995 was \$2,312,000. If the term of the Expansion Operating Lease is extended, basic annual rent will be calculated pursuant to a formula, with such rent not to be more than \$3,000,000 nor less than \$2,500,000 for the lease year commencing October 1, 1998 through September 30, 1999 and not to be greater than 10% more than the basic annual rent for the immediately preceding lease year in each lease year thereafter.

New Claridge is also required to pay as additional rent certain expenses and the debt service relating to Furniture, Fixture and Equipment Replacements and building improvements (collectively "Expansion FF&E Replacements") for the expanded facility. The Partnership will be required during the entire term of the Expansion Operating Lease to provide New Claridge with Expansion FF&E Replacements and until September 30, 1998, will be required to provide facility maintenance and engineering services to New Claridge. New Claridge will be obligated to lend the Partnership any amounts necessary to fund the cost of Expansion FF&E Replacements. Any advances by New Claridge for the foregoing will be secured under the Expandable Wraparound Mortgage. New Claridge will have the option to purchase, on September 30, 1998 and, if it renews the Expansion Operating Lease, on September 30, 2003, the expansion facility (including air rights) for their fair market value at the time the option is exercised.

Effective with the consummation of the restructuring in June 1989, the Operating Lease Agreement and the Expansion Operating Lease Agreement were amended to provide for the deferral of \$15,078,000 of rental payments during the period July 1, 1988 through the beginning of 1992, and to provide for the abatement of \$38.8 million of basic rent payable through 1998, thereby reducing the Partnership's cash flow to an amount

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

estimated to be necessary to meet the Partnership's cash requirements. During the third quarter of 1991, the maximum deferral of basic rent allowable under the Operating Lease of \$15,078,000 was reached. On August 1, 1991, the Operating Lease Agreement and Expansion Operating Lease Agreement were further amended to revise the abatement provisions so that, commencing January 1, 1991, for each calendar year through 1998, the lease abatements may not exceed \$10 million in any one calendar year, and \$38,820,000 in the aggregate. As of June 30, 1995, \$25.0 million of basic rent had been abated.

Effective with the closing of the restructuring on June 16, 1989, lease expense recognized on a level basis is reduced prospectively, based on a revised schedule of rent levelling relative to the abatement of certain rents beginning in 1992.

If the Partnership should fail to make any payment due under the Expandable Wraparound Mortgage, New Claridge may exercise a right of offset against rent or other payments due under the Operating Lease and Expansion Operating Lease to the extent of any such deficiency.

(12) Income Taxes

The provision for income taxes is comprised of the following:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Current:		
Federal	\$ 695	(1,883)
State	123	(332)
Deferred	<u>730</u>	<u>661</u>
	<u>\$1,548</u>	<u>(1,554)</u>

The provision for income tax differs from the amount computed at the statutory rate as follows:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Computed "expected" tax expense	\$1,056	(1,321)
Increase (reduction) in income taxes resulting from:		
State income tax, net of federal income tax benefit	186	(233)
Meals and entertainment	259	-0-
Other permanent differences	<u>47</u>	<u>-0-</u>
	<u>\$1,548</u>	<u>(1,554)</u>

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS - CONTINUED

New Claridge is included in the consolidated income tax return of its parent, the Corporation. During 1995 the Corporation received notice from the Internal Revenue Service ("IRS") asserting deficiencies in Federal corporate income taxes for the Corporation's 1990 and 1991 taxable years. Many of the proposed adjustments to the Corporation's tax returns have been settled with no adverse impact to the Corporation's consolidated financial statements. There is a remaining IRS asserted deficiency for the 1990 and 1991 taxable years. The Corporation has filed a petition to appeal the entire amount of this asserted deficiency. The Corporation believes the ultimate resolution of the case will result in no material impact on the Corporation's consolidated financial statements.

(13) Related Party Transactions

- (a) At the closing of the restructuring on June 16, 1989, the Partnership loaned to New Claridge all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through or at the closing of the restructuring. Interest on this loan accrues at 12% per year. For the six months ended June 30, 1995 and 1994 interest expense due to affiliates was \$216,000 and \$216,000 respectively.
- (b) In conjunction with the restructuring, the Maintenance Services Contract was assigned by DEWNJ to New Claridge; consequently, certain charges are paid directly to the Partnership. The costs of these services for the six months ended June 30, 1995 and 1994 amounted to \$61,000 and \$56,000 respectively.
- (c) The Partnership has a direct material interest in the Expandable Wraparound Mortgage Loan Agreement and the Operating Lease as described in the preceding notes. Under the terms of the above agreements, for the six months ended June 30, 1995 and 1994 New Claridge has earned interest income of \$8,729,000 and \$8,895,000 respectively, and incurred lease expense of \$18,879,000 and \$17,790,000, respectively.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS. THESE COMPANIES SHOULD BE READ WITHOUT USING INFORMATION CONTAINED IN THIS REPORT.

SCHEDULE OF RECEIVABLES & PATRONS' CHECKS

JUNE 30, 1995

(UNAUDITED)

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (A)	DESCRIPTION (B)	ACCT. BAL. (C)	ALLOWANCE (D)	A/R NET OF ALLOW. (E)
1	PATRONS' CHECKS: UNDEPOSITED PATRONS' CHECKS.....	\$ 854		
2	RETURNED PATRONS' CHECKS.....	788		
3	TOTAL PATRONS' CHECKS.....	1,642	\$ 1,307	\$ 335
4	HOTEL RECEIVABLES.....	91	32	59
5	OTHER RECEIVABLES: RECEIVABLES DUE FROM OFFICERS & EMPLOYEES....	38		
6	RECEIVABLES DUE FROM AFFILIATES.....	19,349		
7	OTHER ACCOUNTS & NOTES RECEIVABLES.....	273		
8	TOTAL OTHER RECEIVABLES.....	19,660	14	19,646
9	TOTALS (FORM 205).....	\$ 21,393	\$ 1,353	\$ 20,040

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (F)	DESCRIPTION (G)	(H) AMOUNT
10	BEGINNING BALANCE (JANUARY 1).....	\$ 861
11	COUNTER CHECKS ISSUED (EXCLUDING COUNTER CHECKS ISSUED THROUGH TRANSACTIONS RELATING TO CONSOLIDATION, PARTIAL REDEMPTIONS, SUBSTITUTIONS, & PATRONS CASH DEPOSITS).....	18,695
12	CHECKS REDEEMED PRIOR TO DEPOSIT (EXCLUDING THE UNREDEEMED PORTION OF COUNTER CHECKS REDEEMED THROUGH PARTIAL REDEMPTIONS, & EXCLUDING CHECKS REDEEMED THROUGH TRANSACTIONS RELATING TO CONSOLIDATION, SUBSTITUTIONS, & PATRONS CASH DEPOSITS).....	(4,147)
13	CHECKS COLLECTED THROUGH DEPOSITS.....	(14,131)
14	CHECKS TRANSFERRED TO RETURNED CHECKS.....	(424)
15	OTHER ADJUSTMENTS.....	
16	ENDING BALANCE.....	\$ 854
17	"HOLD" CHECKS INCLUDED IN BALANCE ON LINE 16.....	
18	PROVISION FOR UNCOLLECTIBLE PATRONS' CHECKS.....	\$ 93
19	PROVISION AS A PERCENT OF COUNTER CHECKS ISSUED.....	.5%

THE ACCOMPANYING NOTES ARE IN INTEGRAL PART OF THE
FINANCIAL STATEMENTS. VALID COMPARISONS CANNOT BE MADE
WITHOUT USING INFORMATION CONTAINED IN THE NOTES.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

PROMOTIONAL EXPENSES & ALLOWANCES
(\$ IN THOUSANDS)

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

FOR THE THREE MONTHS ENDED JUNE 30, 1995

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>
ROOMS	33,283	\$ 1,112	-0-	\$ -0-
FOOD	160,761	1,354	-0-	-0-
BEVERAGE	306,839	1,528	-0-	-0-
TRAVEL	-0-	-0-	612	66
COIN	-0-	-0-	482,268	6,031
COUPON	-0-	-0-	23,761	203
ENTERTAINMENT	4,081	73	-0-	-0-
RETAIL & GIFTS	-0-	-0-	51,886	226
PARKING	-0-	-0-	16,364	131
OTHER	-0-	-0-	2,240	60
TOTAL	504,964	\$ 4,067	577,131	\$ 6,717

FOR THE SIX MONTHS ENDED JUNE 30, 1995

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSES</u>	
	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>	<u>NUMBER OF RECIPIENTS</u>	<u>DOLLAR AMOUNT</u>
ROOMS	56,450	\$ 1,923	-0-	\$ -0-
FOOD	302,679	2,552	-0-	-0-
BEVERAGE	592,285	2,938	-0-	-0-
TRAVEL	-0-	-0-	1,119	123
COIN	-0-	-0-	870,383	11,072
COUPON	-0-	-0-	52,048	447
ENTERTAINMENT	8,961	178	-0-	-0-
RETAIL & GIFTS	-0-	-0-	94,725	470
PARKING	-0-	-0-	32,934	255
OTHER	-0-	-0-	4,014	120
TOTAL	960,375	\$ 7,591	1,055,223	\$ 12,487

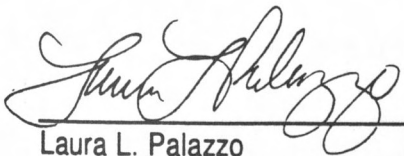
STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

COUNTY OF ATLANTIC

Laura L. Palazzo, being duly sworn according to law upon my oath deposes and says:

1. I have examined this quarterly report.
2. All the information contained in this report has been prepared in conformity with Casino Control Commission's quarterly report instructions and uniform chart of accounts.
3. The information contained in this quarterly report is accurate to the best of my knowledge and behalf.

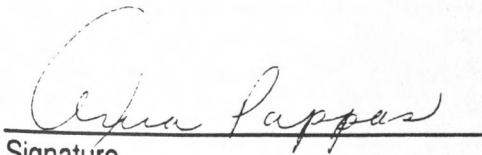


Laura L. Palazzo
Vice President Controller

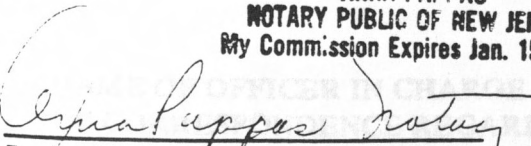
Lisc. # 02461-11

On Behalf of the Claridge Casino Hotel

Subscribed and sworn to before me on this 7th day of August, 1995.


Signature

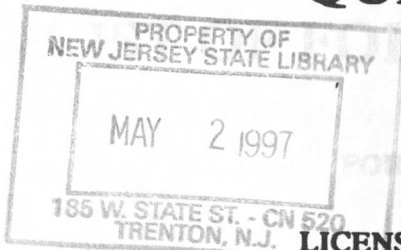
ANNA PAPPAS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 15, 1998


Basis of authority to take oaths

779-901
C193

TRADING NAME OF LICENSEE: GNOC CORP. (THE GRAND)

QUARTERLY REPORT



FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1995

LICENSEE GNOC, CORP. (THE GRAND)
ADDRESS Boston and Pacific Avenues
Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED JUNE 30, 1995

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**

**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT** Donna M. Graham
OFFICIAL TITLE Vice President of Finance/Treasurer
ADDRESS Boston and Pacific Avenues
Atlantic City, New Jersey 08401

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1995

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
Statements of Income (Quarter-to-Date)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Schedule of Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

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

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

BALANCE SHEETS

JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	ASSETS		
	Current Assets:	\$	\$
1	Cash.....	6,098	3,411
2	Marketable securities..... NOTE 2...	11,980	4,395
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, \$ 6,718 ; 1994, \$ 5,893).....	6,376	6,445
4	Inventories.....	2,436	2,631
5	Prepaid expenses and other current assets..... NOTE 3...	7,879	7,958
6	Total current assets.....	34,769	24,840
7	Investments, Advances, and Receivables..... NOTE 4...	2,884	2,842
8	Property And Equipment - Gross..... NOTE 5...	353,826	342,534
9	(Accumulated Depreciation/Amortization)..... NOTE 5...	(105,945)	(93,371)
10	Other Assets..... NOTE 6...	106,963	115,442
11	Total Assets.....	\$ 392,497	\$ 392,287
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable.....	\$ 2,045	\$ 4,918
13	Notes payable.....	-	4,000
	Current portion of long-term debt.....		
14	Due to affiliates.....	-	-
15	Other.....	-	-
16	Income taxes payable and accrued.....	1,418	214
17	Other accrued expenses..... NOTE 7...	21,714	18,998
18	Other current liabilities..... NOTE 8...	2,447	2,421
19	Total current liabilities.....	27,624	30,551
	Long-Term Debt:		
20	Due to affiliates..... NOTE 9...	273,247	273,109
21	Other.....	-	-
22	Deferred Credits..... NOTE 10..	53,752	55,471
23	Other Liabilities..... NOTE 11..	31,448	30,879
24	Commitments And Contingencies.....	-	-
25	Total Liabilities.....	386,071	390,010
26	Stockholders', Partners', Or Proprietor's Equity..... NOTE 12..	6,426	2,277
27	Total Liabilities And Equity.....	\$ 392,497	\$ 392,287

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1995 and 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Revenues:	\$	\$
1	Casino.....	123,840	104,603
2	Rooms.....	7,589	6,530
3	Food and beverage.....	16,813	15,560
4	Other.....	3,706	5,059
5	Total Revenues.....	151,948	131,752
6	Less: Promotional allowances.....	18,900	17,226
7	Net Revenues.....	133,048	114,526
	Costs And Expenses:		
8	Cost of goods and services.....	55,991	55,407
9	Selling, general, and administrative.....	46,800	41,777
10	Provision for doubtful accounts.....	593	1,260
11	Total Costs and Expenses.....	103,384	98,444
12	Gross Operating Profit.....	29,664	16,082
13	Depreciation and Amortization.....	8,828	10,004
	Charges from affiliates other than interest:		
14	Management fees.....	-	-
15	Other..... NOTE 13..	1,571	2,138
16	Income (Loss) From Operations.....	19,265	3,940
	Other Income (Expenses):		
17	Interest (expense) - affiliates.....	(15,320)	(15,122)
18	Interest (expense) - external.....	(141)	(316)
19	Investment alternative tax and related income (expense) - net.....	(696)	(321)
20	Nonoperating income (expense) - net..... NOTE 14..	534	226
21	Total Other Income (Expenses).....	(15,623)	(15,533)
22	Income (Loss) Before Income Taxes And Extraordinary Items....	3,642	(11,593)
23	Provision (credit) for income taxes..... NOTE 15..	2,041	(2,227)
24	Income (Loss) Before Extraordinary Items.....	1,601	(9,366)
25	Extraordinary items (net of income taxes - 1995, \$ - ; 1994, \$ -).....	-	-
26	Net Income (Loss).....	\$ 1,601	\$ (9,366)

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1995 and 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Revenues:		
1	Casino.....	\$ 66,475	\$ 58,959
2	Rooms.....	4,258	3,652
3	Food and beverage.....	9,113	8,206
4	Other.....	2,138	2,319
5	Total Revenues.....	81,984	73,136
6	Less: Promotional allowances.....	10,435	8,949
7	Net Revenues.....	71,549	64,187
	Costs And Expenses:		
8	Cost of goods and services.....	29,546	28,536
9	Selling, general, and administrative.....	25,258	21,739
10	Provision for doubtful accounts.....	16	920
11	Total Costs and Expenses.....	54,820	51,195
12	Gross Operating Profit.....	16,729	12,992
13	Depreciation and Amortization.....	4,612	5,347
	Charges from affiliates other than interest:		
14	Management fees.....	-	-
15	Other..... NOTE 13..	797	949
16	Income (Loss) From Operations.....	11,320	6,696
	Other Income (Expenses):		
17	Interest (expense) - affiliates.....	(7,660)	(7,657)
18	Interest (expense) - external.....	(69)	(213)
19	Investment alternative tax and related income (expense) - net.....	(208)	(183)
20	Nonoperating income (expense) - net..... NOTE 14..	213	105
21	Total Other Income (Expenses).....	(7,724)	(7,948)
22	Income (Loss) Before Income Taxes And Extraordinary Items....	3,596	(1,252)
23	Provision (credit) for income taxes..... NOTE 15..	2,012	(240)
24	Income (Loss) Before Extraordinary Items.....	1,584	(1,012)
25	Extraordinary items (net of income taxes - 1995, \$ - ; 1994, \$ -).....	-	-
26	Net Income (Loss).....	\$ 1,584	\$ (1,012)

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 31, 1995 and 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995		1994	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:		\$		\$
1	Beginning balance (January 1).....	3,002,500	30	3,002,500	30
2	Sale of stock.....				
3					
4	Ending balance.....	3,002,500	30	3,002,500	30
	Preferred Stock:				
5	Beginning balance (January 1).....				
6	Sale of stock.....				
7					
8	Ending balance.....				
	Additional Paid-In Capital:				
9	Beginning balance (January 1).....		58,212		58,212
10	Dividend paid.....				
11					
12	Ending balance.....		58,212		58,212
	Treasury Stock:				
13	Beginning balance (January 1).....		()		()
14	Purchase of additional stock.....		()		()
15	Sale or retirement of stock.....				
16	Ending balance.....		()		()
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1).....		()		()
18					
19					
20	Ending balance.....		()		()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1).....		()		()
22					
23					
24	Ending balance.....		()		()
	Retained Earnings:				
25	Beginning balance (January 1).....		(53,417)		(46,599)
26	Prior period adjustments.....				
27	Net income (loss).....		1,601		(9,366)
28	Dividends.....		()		()
29					
30					
31	Ending balance.....		(51,816)		(55,965)
32	Ending Stockholders' Equity.....		6,426		2,277

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)
- NOT APPLICABLE -

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Invested Capital:	\$	\$
1	Beginning balance (January 1).....		
2	Additional capital invested.....		
3	.....	
4	Ending balance.....		
	Accumulated Income (Loss):		
5	Beginning balance (January 1).....		
6	Prior period adjustments.....		
7	Net income (loss).....		
8	.....	
9	Ending balance.....		
	Capital Withdrawals:		
10	Beginning balance (January 1).....		
11	Additional capital withdrawals.....		
12	.....	
13	Ending balance.....		
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1).....		
15	.....	
16	.....	
17	Ending balance.....		
18	Ending Partners' Or Proprietor's Equity.....	\$	\$

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

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

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
1	Net Cash Provided (Used) By Operating Activities	\$ 12,718	\$ 3,670
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	(6,515)	(2,910)
3	Proceeds from the sale of short-term investment securities	-	-
4	Cash outflows for property and equipment	(8,108)	(8,035)
5	Proceeds from disposition of property and equipment	68	600
6	Purchase of casino reinvestment obligations	(767)	(646)
7	Purchase of other investments and loans/advances made	-	-
8	Proceeds from disposal of investment and collection of advances and long-term receivables	-	-
9	Cash outflows to acquire business entities	-	-
10	Increase in construction-related liabilities	-	-
11		-	-
12	Net Cash Provided (Used) By Investing Activities	(15,322)	(10,991)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	-	9,000
14	Payments to settle short-term debt	-	(5,000)
15	Cash proceeds from issuance of long-term debt	-	-
16	Costs of issuing debt	-	-
17	Payments to settle long-term debt	-	-
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock	-	-
20	Payments of dividends or capital withdrawals	-	-
21		-	-
22		-	-
23	Net Cash Provided (Used) By Financing Activities	-	4,000
24	Net Increase (Decrease) In Cash And Cash Equivalents	(2,604)	(3,321)
25	Cash And Cash Equivalents At Beginning Of Year	8,702	6,732
26	Cash And Cash Equivalents At End Of Year	\$ 6,098	\$ 3,411

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	\$ 14,680	\$ 14,671
28	Income taxes refunded (net of payments)	\$ -	\$ 3,757

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ 1,601	\$ (9,366)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	6,522	7,774
31	Amortization of other assets.....	2,306	2,230
32	Amortization of debt discount or premium.....	799	658
33	Deferred income taxes - current.....	(6)	301
34	Deferred income taxes - noncurrent.....	846	(2,831)
35	(Gain) loss on disposition of property and equipment.....	-	-
36	(Gain) loss on casino reinvestment obligations.....	696	321
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons' checks.....	(995)	1,242
39	Net (increase) decrease in inventories.....	123	(56)
40	Net (increase) decrease in other current assets.....	1,123	3,759
41	Net (increase) decrease in other assets.....	-	-
42	Net increase (decrease) in accounts payables.....	(1,793)	(274)
43	Net increase (decrease) in other current liabilities excluding debt.....	1,211	(373)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	285	285
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 12,718	\$ 3,670

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ 8,108	\$ 8,035
49	Less: Capital lease obligations incurred.....	-	-
50	Cash Outflows For Property And Equipment.....	\$ 8,108	\$ 8,035
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$ -	\$ -
52	Goodwill acquired.....	-	-
53	Net assets acquired other than cash, goodwill, and property and equipment.....	-	-
54	Long-term debt assumed.....	-	-
55	Issuance of stock or capital invested.....	-	-
56	Cash Outflows To Acquire Business Entities.....	\$ -	\$ -
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$ -	\$ -
58	Less: Issuances to settle long-term debt.....	-	-
59	Consideration in acquisition of business entities.....	-	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

GNOC, CORP. (THE GRAND)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

GNOC, CORP. (the "Company") is a wholly owned subsidiary of GNAC, CORP. ("GNAC"), which is a wholly owned subsidiary of Bally Entertainment Corporation ("BEC"). The financial statements include the transactions between the Company, GNAC and GNF, CORP. ("GNF"), another wholly owned subsidiary of GNAC which serves solely as a financing subsidiary. These financial statements should be read in conjunction with the Casino Control Commission Annual Report for the year ended December 31, 1994.

All adjustments have been recorded which are, in the opinion of management, necessary for a fair presentation of the balance sheets of the Company at June 30, 1995 and 1994, its statements of income for the three and six months ended June 30, 1995 and 1994 and the statement of cash flows for the six months ended June 30, 1995 and 1994. All such adjustments were of a normal recurring nature.

Seasonal Factors

The Company's operations are subject to seasonal factors and, therefore, the results of operations for the three and six months ended June 30, 1995 and 1994 are not necessarily indicative of the results of operations for the full year.

NOTE 2 - MARKETABLE SECURITIES

Marketable securities as of June 30, 1995 and 1994 consisted of repurchase agreements at cost, which approximates market.

NOTE 3 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets as of June 30 consisted of the following:

	1995	1994
Deferred federal and state income taxes	\$ 5,753	\$ 6,205
Other	2,126	1,753
	\$ 7,879	\$ 7,958

NOTE 4 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of June 30, 1995 and 1994 consisted of funds invested with the New Jersey Casino Reinvestment Development Authority (the "CRDA"), net of related valuation reserves.

GNOC, CORP. (THE GRAND)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment as of June 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
Land and improvements	\$ 52,009	\$ 52,009
Buildings and leasehold improvements	208,340	205,568
Furniture, fixtures and equipment	92,442	84,279
Construction in progress	<u>1,035</u>	<u>678</u>
	353,826	342,534
Accumulated depreciation	(105,945)	(93,371)
	<u>\$ 247,881</u>	<u>\$249,163</u>

NOTE 6 - OTHER ASSETS

Other assets as of June 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
Cost in excess of acquired assets, less accumulated amortization of \$24,792 and \$21,718	\$ 96,684	\$103,756
Deferred finance costs, less accumulated amortization of \$3,450 and \$1,964	10,196	11,449
CRDA credits receivable	<u>83</u>	<u>237</u>
	<u>\$106,963</u>	<u>\$115,442</u>

CRDA credit amortization expense was \$413 and \$348 for the three months ended June 30, 1995 and 1994, respectively, and \$779 and \$642 for the six months ended June 30, 1995 and 1994, respectively.

NOTE 7 - OTHER ACCRUED EXPENSES

Other accrued expenses as of June 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
Accrued interest	\$ 7,305	\$ 7,438
Accrued compensation and payroll taxes	6,829	6,576
Accrued guest insurance claims	1,340	1,067
Accrued progressive jackpots	784	271
Other	<u>5,456</u>	<u>3,646</u>
	<u>\$ 21,714</u>	<u>\$ 18,998</u>

GNOC, CORP. (THE GRAND)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 8 - OTHER CURRENT LIABILITIES

Other current liabilities as of June 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
Unredeemed gaming chips and tokens	\$ 805	\$ 448
Due to Bally's Park Place, Inc.	338	421
Due to BEC	383	970
Due to Bally's Las Vegas, Inc.	-	96
Due to Bally's Casino Holdings, Inc.	-	15
Other	<u>921</u>	<u>471</u>
	<u>\$ 2,447</u>	<u>\$ 2,421</u>

NOTE 9 - LONG-TERM DEBT - DUE TO AFFILIATES

Long-term debt - due to affiliates as of June 30 consisted of the following:

	<u>1995</u>	<u>1994</u>
10-5/8% First Mortgage Notes due 2003, less unamortized discount of \$1,753 and \$1,891	<u>\$ 273,247</u>	<u>\$273,109</u>

The indenture for the Company's public indebtedness and the \$20,000 revolving credit agreement (the entire amount was unused at June 30, 1995) contain certain covenants limiting indebtedness and other payments. Payments of dividends by the Company are limited to 50% of its aggregate consolidated net income (as defined) earned since June 1, 1993. As of June 30, 1995, no dividends were available for payment.

NOTE 10 - DEFERRED CREDITS

Deferred credits as of June 30, 1995 and 1994 consisted of deferred federal and state income taxes, which reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes.

NOTE 11 - OTHER LIABILITIES

Other liabilities consisted of \$31,448 and \$30,879 due to GNAC as of June 30, 1995 and 1994, respectively.

GNOC, CORP. (THE GRAND)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 12 - STOCKHOLDER'S EQUITY

At June 30, 1995 and 1994, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,500 were issued and outstanding.

NOTE 13 - CHARGES FROM AFFILIATES - OTHER

The charges from affiliates - other for the three months ended June 30 consisted of the following:

<u>Affiliate</u>	<u>Nature of Charge</u>	<u>1995</u>	<u>1994</u>
GNAC	Rent	\$ 255	\$ 255
BEC	Allocated costs and expenses (a)	292	483
Bally's Park Place, Inc.	Rent (surface area parking lots)	174	174
Bally's Park Place, Inc.	Allocated costs and expenses (b)	<u>76</u>	<u>37</u>
		<u>\$ 797</u>	<u>\$ 949</u>

The charges from affiliates - other for the six months ended June 30 consisted of the following:

<u>Affiliate</u>	<u>Nature of Charge</u>	<u>1995</u>	<u>1994</u>
GNAC	Rent	\$ 510	\$ 510
BEC	Allocated costs and expenses (a)	576	1,187
Bally's Park Place, Inc.	Rent (surface area parking lots)	348	348
Bally's Park Place, Inc.	Allocated costs and expenses (b)	<u>137</u>	<u>93</u>
		<u>\$ 1,571</u>	<u>\$ 2,138</u>

- (a) Costs and expenses allocated from BEC include the Company's allocable share of BEC's corporate overhead including executive salaries and benefits, public company reporting costs and other corporate headquarters' costs. During the third quarter of 1994, BEC refined its allocation estimates retroactive to January 1, 1994 which resulted in a reduction of the amount initially allocated by BEC during the first half of 1994.
- (b) Costs and expenses allocated from Bally's Park Place, Inc. (Bally's Park Place) relate to certain administrative and support operations of the Company and Bally's Park Place which are consolidated.

GNOC, CORP. (THE GRAND)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 14 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income, consisting of interest and dividend income, was \$213 and \$105 for the three months ended June 30, 1995 and 1994 respectively, and \$534 and \$226 for the six months ended June 30, 1995 and 1994, respectively.

NOTE 15 - INCOME TAXES

Taxable income or loss of the Company is included in the consolidated federal income tax return of BEC. Under a tax sharing agreement between BEC and the Company, income taxes are allocated to the Company based on amounts the Company would pay or receive if it filed a separate consolidated federal income tax return, except that the Company receives credit from BEC for the tax benefit of the Company's net operating losses and tax credits, if any, that can be utilized in BEC's consolidated federal income tax return, regardless of whether these losses or credits could be utilized by the Company on a separate consolidated federal income tax return basis. Payments to BEC for tax liabilities are due at such time and in such amounts as payments would be required to be made to the Internal Revenue Service. Payments from BEC for tax benefits are due at the time BEC files the applicable consolidated federal income tax return. Under the tax sharing agreement, the Company had income taxes payable to BEC of \$1,418 and \$214 at June 30, 1995 and 1994, respectively.

For the six months ended June 30, 1995 and 1994, the effective rates of the income tax provision (benefit) varied from the U.S. statutory tax rate (35%) due principally to nondeductible amortization of cost in excess of acquired assets and state income taxes.

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1995

(UNAUDITED)

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks.....	\$ 5,421		
2	Returned patrons' checks.....	6,627		
3	Total patrons' checks.....	12,048	\$ 6,625	5,423
4	Hotel Receivables.....	444	93	351
	Other Receivables:			
5	Receivables due from officers and employees.....	545		
6	Receivables due from affiliates.....	57		
7	Other accounts and notes receivables.....	0		
8	Total other receivables.....	602	-	602
9	Totals (Form 205).....	\$ 13,094	\$ 6,718	6,376

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 4,827
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	62,015
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(43,470)
13	Checks collected through deposits.....	(15,384)
14	Checks transferred to returned checks.....	(2,567)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 5,421
17	"Hold" Checks Included In Balance On Line 16.....	\$ -
18	Provision For Uncollectible Patrons' Checks.....	\$ 560
19	Provision As A Percent Of Counter Checks Issued.....	0.90%

TRADING NAME OF LICENSEE: GNOC, CORP. (THE GRAND)

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ in Thousands)

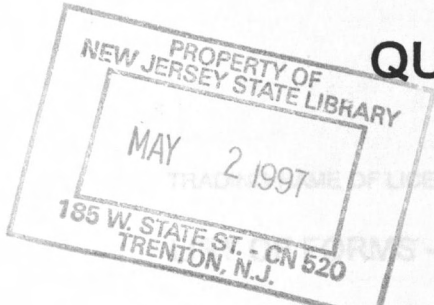
For The Six Months Ended June 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	94,111	\$ 5,153	-	\$ -
Food	545,003	9,355	-	-
Beverage	1,320,457	2,971	-	-
Travel	-	-	27,034	2,013
Coin	-	-	768,737	11,886
Coupon	-	-	-	-
Entertainment	6,257	247	1,990	244
Retail & Gifts	21,987	1,099	134,381	2,021
Other	5,861	75	112,536	1,415
Total	1,993,676	\$ 18,900	1,044,678	\$ 17,579

For The Three Months Ended June 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	51,517	\$ 2,928	-	\$ -
Food	272,666	5,002	-	-
Beverage	738,371	1,661	-	-
Travel	-	-	14,047	1,076
Coin	-	-	433,146	6,631
Coupon	-	-	-	-
Entertainment	3,905	170	1,225	150
Retail & Gifts	12,692	634	85,896	1,158
Other	3,140	40	71,602	815
Total	1,082,291	\$ 10,435	605,916	\$ 9,830

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QUARTERLY REPORT

LICENSEE GREATE BAY HOTEL AND CASINO, INC.
ADDRESS INDIANA AVENUE AND BRIGHTON PARK
ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1995

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT
OFFICIAL TITLE
ADDRESS

Timothy A. Ebling
Vice President Finance
Indiana Avenue & Brighton Park
Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

BALANCE SHEETS

JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

DESCRIPTION	1995	1994
ASSETS		
TRADING NAME OF LICENSEE SANDS HOTEL & CASINO		
Accounts receivable	21,962	18,457
Prepaid expenses and other current assets	13,764	14,785
Investments and other current assets	4,028	4,028
Notes 4, 10	10,605	10,069
PROPERTY, PLANT AND EQUIPMENT		
Land	50,407	47,340
Buildings and improvements	11,970	11,071
Equipment	308,938	294,223
Accumulated depreciation/amortization	(141,807)	(129,911)
Notes 5	14,029	12,871
Notes 4, 11	243,867	235,654
LIABILITIES AND EQUITY		
Accounts payable		
Notes 6, 7	5,350	3,208
Notes 2	2,000	-
Notes 8, 9	-	-
Notes 12	10	9
Notes 3	(1,870)	(1,900)
Notes 12	23,823	23,387
Notes 8, 13	3,200	2,004
Notes 14	33,810	33,213
Notes 1	195,000	187,000
Notes 3	450	450
Notes 15	2,179	-
Notes 16	231,437	224,571
Notes 17	12,230	10,783
Notes 18	243,867	235,654
Notes 19		
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Notes 99		
Notes 100		

LIST OF FORMS - QUARTERLY REPORT
FOR THE QUARTER ENDED MARCH 31, 1995

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

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CCC-201

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

BALANCE SHEETS

JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	ASSETS		
	Current Assets:	\$	\$
1	Cash.....	21,962	18,457
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, \$16,075; 1994, \$14,679).....	13,784	14,785
4	Inventories.....	4,056	4,029
5	Prepaid expenses and other current assets..... Note 4, 10...	10,605	10,069
6	Total current assets	50,407	47,340
7	Investments, Advances, and Receivables..... Note 5.....	11,970	11,071
8	Property and Equipment - Gross..... Note 9.....	308,958	294,223
9	(Accumulated Depreciation/Amortization)..... Note 9.....	(141,697)	(129,011)
10	Other Assets..... Note 4, 11...	14,029	12,031
11	Total Assets	\$ 243,667	\$ 235,654
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
12	Accounts payable.....	6,550	9,908
13	Notes payable..... Note 2.....	2,000	-
	Current portion of Long-term debt:		
14	Due to affiliates.....	-	-
15	Other..... Note 3.....	10	9
16	Income taxes payable and accrued..... Note 4.....	(1,876)	(4,995)
17	Other accrued expenses..... Note 12.....	23,923	22,287
18	Other current liabilities..... Note 5, 13...	3,203	2,004
19	Total current liabilities	33,810	29,213
	Long-Term Debt:		
20	Due to affiliates..... Note 3.....	195,000	195,000
21	Other..... Note 3.....	448	458
22	Deferred Credits.....	-	-
23	Other Liabilities.....	2,179	-
24	Commitments and Contingencies		
25	Total Liabilities	231,437	224,671
26	Stockholders', Partners', Or Proprietor's Equity.....	12,230	10,983
27	Total Liabilities and Equity	\$ 243,667	\$ 235,654

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Revenue:	\$	\$
1	Casino.....	130,336	115,577
2	Rooms.....	4,670	4,422
3	Food and beverage.....	14,594	13,340
4	Other.....	1,354	1,243
5	Total revenue.....	150,954	134,582
6	Less: Promotional allowances.....	12,354	11,622
7	Net revenue.....	138,600	122,960
	Costs And Expenses:		
8	Cost of goods and services.....	63,810	60,139
9	Selling, general, and administrative..... Note 5.....	50,914	46,916
10	Provision for doubtful accounts.....	1,537	1,400
11	Total costs and expenses.....	116,261	108,455
12	Gross Operating Profit.....	22,339	14,505
13	Depreciation and amortization.....	9,160	7,418
	Charges from affiliates other than interest:		
14	Management fees..... Note 5.....	3,030	2,335
15	Other.....	-	-
16	Income (Loss) From Operations.....	10,149	4,752
	Other Income (Expenses):		
17	Interest (expense) - affiliates..... Note 5.....	(10,791)	(10,189)
18	Interest (expense) - external.....	264	277
19	Investment alternative tax and related income (expense) - net.....	(812)	(1,222)
20	Nonoperating income (expense) - net..... Note 8.....	873	737
21	Total other income (expenses).....	(10,466)	(10,397)
22	Income (Loss) Before Income Taxes And Extraordinary Items.....	(317)	(5,645)
23	Provision (credit) for income taxes..... Note 4.....	519	(1,595)
24	Income (Loss) Before Extraordinary Items.....	(836)	(4,050)
25	Extraordinary items (net of income taxes - 1995, \$ ___-0-___; 1994, \$ ___-0-___).....	-	-
26	Net Income (Loss).....	(\$836)	(\$4,050)

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Revenue:	\$	\$
1	Casino.....	66,460	61,441
2	Rooms.....	2,451	2,405
3	Food and beverage.....	7,347	7,268
4	Other.....	730	753
5	Total revenue.....	76,988	71,867
6	Less: Promotional allowances.....	6,224	6,175
7	Net revenue.....	70,764	65,692
	Costs And Expenses:		
8	Cost of goods and services.....	32,183	31,550
9	Selling, general, and administrative.....	24,261	25,272
10	Provision for doubtful accounts.....	732	756
11	Total costs and expenses.....	57,176	57,578
12	Gross Operating Profit.....	13,588	8,114
13	Depreciation and amortization.....	4,606	3,773
	Charges from affiliates other than interest		
14	Management fees.....	1,744	1,311
15	Other.....	-	-
16	Income (Loss) From Operations.....	7,238	3,030
	Other Income (Expenses):		
17	Interest (expense) - affiliates.....	(5,395)	(4,637)
18	Interest (expense) - external.....	131	139
19	Investment alternative tax and related income (expense) - net.....	(405)	(626)
20	Nonoperating income (expense) - net.....	474	432
21	Total other income (expenses).....	(5,195)	(4,692)
22	Income (Loss) Before Income Taxes And Extraordinary Items.....	2,043	(1,662)
23	Provision (credit) for income taxes.....	1,116	(326)
24	Income (Loss) Before Extraordinary Items.....	927	(1,336)
25	Extraordinary items (net of income taxes -... 1995, \$ ___-0-___; 1994, \$ ___-0-___).....		
26	Net Income (Loss).....	\$927	(\$1,336)

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

for the six months ended June 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995		(d) 1994	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:		\$		\$
1	Beginning balance (January 1).....	100	3,500	100	3,500
2	Sale of stock.....				
3	_____				
4	Ending balance.....	100	3,500	100	3,500
	Preferred Stock:				
5	Beginning balance (January 1).....				
6	Sale of stock.....				
7	_____				
8	Ending Balance.....				
	Additional Paid-in Capital:				
9	Beginning balance (January 1).....		15,000		-
10	Capital Contribution		-		15,000
11	_____				
12	Ending balance.....		15,000		15,000
	Treasury Stock:				
13	Beginning balance (January 1).....		()		()
14	Purchase of additional stock.....		()		()
15	Sale or retirement of stock.....				
16	Ending balance.....		()		()
	Subscriptions Receivable For				
	Capital Stock:				
17	Beginning balance (January 1).....		()		()
18	_____				
19	_____				
20	Ending balance.....		()		()
	Net Unrealized Loss On Noncurrent				
	Marketable Equity Securities:				
21	Beginning balance (January 1).....		()		()
22	_____				
23	_____				
24	Ending balance.....				
	Retained Earnings:				
25	Beginning balance (January 1).....		(5,434)		(3,467)
26	Prior period adjustments.....				
27	Net income (loss).....		(836)		(4,050)
28	Dividends.....				
29	_____				
30	_____				
31	Ending balance.....		(6,270)		(7,517)
32	Ending Stockholders' Equity.....		\$12,230		\$10,983

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1995

(UNAUDITED)

(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Invested Capital:	\$	\$
1	Beginning balance (January 1).....		
2	Additional capital invested.....		
3	_____		
4	Ending balance.....		
	Accumulated Income (Loss):		
5	Beginning balance (January 1).....		
6	Prior period adjustments.....		
7	Net income (loss).....		
8	_____		
9	Ending balance.....		
	Capital Withdrawals:		
10	Beginning balance (January 1).....	()	()
11	Additional capital withdrawals.....	()	()
12	_____		
13	Ending balance.....	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1).....	()	()
15	_____		
16	_____		
17	Ending balance.....	()	()
18	Ending Partners' Or Proprietor's Equity.....	\$	\$

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
1	Net Cash Provided (Used) By Operating Activities.....	\$8,286	\$3,046
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investment securities.....		
4	Purchase outflows for property and equipment.....	(10,109)	(10,744)
5	Proceeds from disposition of property and equipment.....		
6	Purchase of casino reinvestment obligations.....	(1,315)	(219)
7	Purchase of other investments and loans/advances made.....		
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....		
9	Cash outflows to acquire business entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(11,424)	(10,963)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	2,000	
14	Payments to settle short-term debt.....		
15	Cash proceeds from issuance of long-term debt.....		195,000
16	Costs of issuing debt.....	(32)	(6,822)
17	Payments to settle long-term debt.....	(5)	(161,674)
18	Cash proceeds from issuing stock or capital contributions.....		15,000
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21	Net repayments to Affiliates.....		(28,083)
22			
23	Net Cash Provided (Used) By Financing Activities.....	1,963	13,421
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(1,175)	5,504
25	Cash And Cash Equivalents At Beginning Of Period.....	23,137	12,953
26	Cash And Cash Equivalents At End Of Period.....	\$21,962	\$18,457

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For: Interest (net of amount capitalized).....	\$11,561	\$4,680
28	Income taxes.....	\$ -	\$ 1

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO
STATEMENTS OF CASH FLOWS
 FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d)1994
	Net Cash Flows From Operating Activities:	\$	\$
29	Net income (loss).....	(836)	(4,050)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	8,775	7,152
31	Amortization of other assets.....	385	266
32	Amortization of debt discount or premium.....	-	46
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	(1,384)	2,128
35	(Gain) Loss on disposition of property and equipment.....		
36	(Gain) Loss on casino reinvestment obligations.....	812	1,222
37	(Gain) Loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	107	(482)
39	Net (increase) decrease in inventories.....	130	(233)
40	Net (increase) decrease in other current assets.....	2,064	(3,942)
41	Net (increase) decrease in other assets.....	(469)	(470)
42	Net increase (decrease) in accounts payables.....	(749)	3,601
43	Net increase (decrease) in other current liabilities excluding debt.....	(549)	(1,205)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	-	-
45	Net increase (decrease) in jackpot accrual	-	(987)
46			
47	Net Cash Provided (Used) By Operating Activities.....	8,286	3,046

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property and Equipment	\$	\$
	Additions to property and equipment.....	10,109	10,744
49	Less: Capital lease obligations incurred.....		
50	Cash Outflows For Property And Equipment.....	\$ 10,109	\$ 10,744
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$	\$
52	Goodwill acquired.....		
53	Net assets acquired other than cash, goodwill, and property and equipment.....		
54	Long-term debt assumed.....		
55	Issuance of stock or capital invested.....		
56	Cash Outflows To Acquire Business Entities.....	\$	\$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	-	\$ 15,000
58	Less: Issuances to settle long-term debt.....		
59	Consideration in acquisition of business entities.....		
60	Cash proceeds From Issuing Stock Or Capital Contributions.....	\$ -	\$ 15,000

GREATE BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(1) Organization, business and basis of presentation

Greate Bay Hotel and Casino, Inc. ("GBHC") is a New Jersey corporation and a wholly owned subsidiary of GB Holdings, Inc. ("Holdings"), a Delaware corporation. Holdings is a wholly owned subsidiary of Pratt Casino Corporation ("PCC"), also a Delaware corporation. PCC is wholly owned by PPI Corporation, a New Jersey corporation and a wholly owned subsidiary of Pratt Hotel Corporation ("PHC"). On February 17, 1994, Holdings obtained ownership of GBHC through a contribution of capital by its parent. GBHC's principal business activity includes its ownership of the Sands Hotel and Casino in Atlantic City, New Jersey (the "Sands"). The Sands is managed by New Jersey Management, Inc. ("NJMI"), also a wholly owned subsidiary of PCC. All of GBHC's revenues and net income are attributable to the operations of the Sands.

GB Property Funding Corp. ("GB Property Funding"), a Delaware corporation and a wholly owned subsidiary of PCC, was incorporated in September 1993 for the purpose of borrowing funds through the issuance of \$185,000,000 of ten-year, nonrecourse first mortgage notes for the benefit of GBHC; such debt was issued in February 1994 at the rate of 10 7/8% per annum and the proceeds were loaned to GBHC (see Note 3).

The financial statements as of June 30, 1995 and for the three and six month periods ended June 30, 1995 and 1994 have been prepared by GBHC without audit. In the opinion of management, these financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position of GBHC as of June 30, 1995, and the results of its operation for the three and six month periods ended June 30, 1995 and 1994 and its cash flows for the six month periods ended June 30, 1995 and 1994.

(2) Short-term credit facilities

During June 1994, GBHC entered into an agreement for a bank line of credit in the amount of \$5,000,000. The agreement, which was renewed in April 1995, provides for interest on borrowings at the bank's prime lending rate plus 3/4% per annum. In addition to the maintenance of certain financial ratios, the line of credit agreement contains numerous restrictive covenants, all of which are also covenants under other debt as described in Note 3. The bank line of credit agreement also contains certain cross-default provisions with other outstanding debt of GBHC and its affiliates. Borrowings under the line of credit are guaranteed to the extent of \$2,000,000 by PCC. As of June 30, 1995, the outstanding balance under the line of credit totaled \$2,000,000. There were no borrowings outstanding under the line of credit at June 1994.

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(3) Long-term debt and pledge of assets

Substantially all of GBHC's assets are pledged in connection with its long-term indebtedness.

	June 30,	
	1995	1994
10 7/8% first mortgage notes, due 2004 (a)	\$185,000,000	\$185,000,000
14 5/8% affiliate loan, due 2005 (b)	10,000,000	10,000,000
Other	458,000	467,000
Total indebtedness	195,458,000	195,467,000
Less - current maturities	(10,000)	(9,000)
 Total long term debt	 \$195,448,000	 \$195,458,000

(a) On February 17, 1994, the Sands obtained \$185,000,000, from GB Property Funding, which issued \$185,000,000 of non-recourse first mortgage notes due January 15, 2004 (the "10 7/8% First Mortgage Notes"). Interest on the notes accrues at the rate of 10 7/8% per annum, payable semiannually commencing July 15, 1994. Interest only is payable during the first three years. Commencing on July 15, 1997, semiannual principal payments of \$2,500,000 will become due on each interest payment date. The 10 7/8% First Mortgage Notes are redeemable at the option of the issuer, in whole or in part, on or after January 15, 1999 at stated redemption prices ranging up to 104.08% of par plus accrued interest.

The indenture for the 10 7/8% First Mortgage Notes contains various provisions which, among other things, restrict the ability of certain subsidiaries of PHC to pay dividends to PHC, to merge, consolidate or sell substantially all of their assets or to incur additional indebtedness beyond certain limitations. In addition, the indenture requires the maintenance of certain cash balances and, commencing in 1994, requires that a minimum of \$7,000,000 be expended for property and fixture renewals, replacements and betterments at the Sands, subject to increases of five percent per annum thereafter. The indenture also contains certain cross-default provisions with other outstanding debt of affiliates.

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

- (b) On February 17, 1994, GBHC issued a \$10,000,000 subordinated promissory note to an affiliate. The note bears interest at the rate of 14 5/8% per annum, payable semiannually commencing August 17, 1994, subject to maintaining average daily cash balances required by the indenture for the 10 7/8% First Mortgage Notes, with the principal due in February 2005.

Scheduled payments of long-term debt as of June 30, 1995 are set forth below:

1995 (6 months)	\$ 5,000
1996	10,000
1997	2,512,000
1998	5,013,000
1999	5,014,000
Thereafter	<u>182,904,000</u>
Total	<u>\$ 195,458,000</u>

(4) **Income taxes**

Components of the income tax provision (benefit) consisted of the following:

	<u>Six Months Ended June 30,</u>	
	<u>1995</u>	<u>1994</u>
Provision (benefit) in lieu of federal income taxes:		
Current	\$ 1,507,000	\$(2,884,000)
Deferred	(1,097,000)	1,648,000
State income taxes provision (benefit):		
Current	396,000	(839,000)
Deferred	(287,000)	480,000
	<u>\$ 519,000</u>	<u>\$ (1,595,000)</u>

GBHC is included in the consolidated federal income tax return of Hollywood Casino Corporation ("HCC"), PHC's parent. Pursuant to agreements between GBHC, PHC and HCC, GBHC's provision for federal income taxes is based on the amount of tax which would be provided if a separate federal income tax return were filed. No federal tax payments were made during the six month periods ended June 30, 1995 and 1994. The payment of taxes in accordance with the tax allocation agreements is subject to the approval of the New Jersey Casino

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

Control Commission. GBHC paid no state income taxes for the six month period ended June 1995. During the six month period ended June 30, 1994 GBHC paid state income taxes totaling \$1,000.

Both federal and state income tax provisions or benefits are based upon estimates of the results of operations for the current period and reflect the nondeductibility for income tax purposes of certain items, including certain amortization, meals and entertainment and other expenses.

Deferred income taxes result primarily from the use of the allowance method rather than the direct write-off method for doubtful accounts, the use of accelerated methods of depreciation for federal and state income tax purposes and differences in the timing of deductions taken between tax and financial reporting purposes for contributions of and adjustments to the carrying value of certain investment obligations and for vacation and other accruals.

The components of the deferred tax liability as of June 30, 1995 and 1994 were as follows:

	June 30,	
	1995	1994
Deferred tax assets:		
Allowance for doubtful accounts	\$ 6,673,000	\$ 4,508,000
Early extinguishment of debt	-	1,392,000
Other liabilities and accruals	1,650,000	896,000
Other	<u>1,269,000</u>	<u>244,000</u>
Total deferred tax assets	<u>\$ 9,592,000</u>	<u>\$ 7,040,000</u>
Deferred tax liabilities:		
Depreciation and amortization	(8,874,000)	(6,857,000)
Other	<u>(773,000)</u>	<u>(621,000)</u>
Total deferred tax liabilities	<u>(9,647,000)</u>	<u>(7,478,000)</u>
Net deferred tax liability	<u>\$ (55,000)</u>	<u>\$ (438,000)</u>

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

Receivables from and payables to affiliates in connection with the aforementioned tax allocation agreements were as follows:

	June 30,	
	1995	1994
Prepaid expenses and other current assets	\$ 5,511,000	\$ 6,112,000
Other assets	5,563,000	4,352,000
Income taxes payable and accrued	(1,476,000)	(3,778,000)

(5) Transactions with related parties

NJMI, under a management agreement with the Sands, is responsible for the supervision, direction and control of the day-to-day operations of the Sands. NJMI is entitled to receive annually (i) a basic consulting fee of 1.5% of "adjusted gross revenues" as defined, and (ii) incentive compensation of between 5% and 7.5% of gross operating profits in excess of certain stated amounts should annual "gross operating profits," as defined, exceed \$5,000,000. Such fees amounted to \$3,030,000 and \$2,335,000, during the six month periods ended June 30, 1995 and 1994, respectively, and are included in management fees charged from affiliates in the accompanying financial statements. Management fees payable to NJMI at June 30, 1995 amounted to \$353,000 and management fees of \$53,000 were prepaid at June 30, 1994. These amounts were included in other current liabilities in the accompanying financial statements.

GBHC licenses the trade name "Sands" from a subsidiary of PHC, which licenses the name from an unaffiliated third party. Amounts payable by the Sands under this agreement are equal to the amounts paid to the unaffiliated third party. Such charges amounted to \$140,000 and \$132,000 for the six month periods ended June 30, 1995 and 1994, respectively, and are included in selling, general, and administrative expenses in the accompanying financial statements.

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

For the six months ended June 30, 1995 and 1994 GBHC recognized the following amounts in interest charges to affiliates net of capitalized interest:

	1995	1994
11 3/4% First Mortgage Notes	\$ -	\$ 2,375,000
10 7/8% First Mortgage Notes	10,059,000	7,507,000
14 5/8% Promissory Note	732,000	307,000
	\$ 10,791,000	\$ 10,189,000

GBHC had cash advances receivable from affiliates including interest of \$7,310,000 and \$6,374,000 as of June 30, 1995 and 1994, respectively, and are included in investments, advances, and receivables in the accompanying financial statements. Advances to affiliates bear interest at the rate of 16.5% per annum. There were no cash advances payable to affiliates as of June 30, 1995 and 1994, respectively.

(6) Progressive Jackpot

Regulation approved by the New Jersey Casino Control Commission allow casino licensees to establish time limits for offering progressive slot machine jackpots to customers. Upon the expiration of the stated time limits, and upon providing proper notice to the casino customers, casino licensees are afforded certain relief including the reduction or removal of the progressive jackpot from the gaming floor. Accordingly, during the quarter ended June 30, 1994, GBHC removed certain progressive jackpots from the gaming floor, resulting in the reversal of \$1,035,000 of progressive jackpot liabilities and the corresponding recognition of an equal amount of slot machine revenues.

(7) Litigation

GBHC is a party in various legal proceedings with respect to the conduct of casino and hotel operations. Although a possible range of loss can not be estimated, in the opinion of management, based upon the advice of counsel, settlement or resolution of these proceedings should not have a material adverse impact upon the financial position or results of operations of Holdings and GBHC.

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

The accompanying financial statements do not include any adjustments that might result from the outcome of the uncertainties described above.

(8) Reclassifications

Certain reclassifications have been made to the 1994 financial statements to conform to the 1995 financial statement presentation.

(9) Non-Operating Income

For the six months ended June 30, 1995 and 1994, interest income of \$873,000 and \$737,000 was earned on temporary investments, on deposits made with the Casino Reinvestment Development Authority, and other sources.

(10) Property and Equipment

Property and Equipment as of June 30, 1995 and 1994 consisted of the following:

	1995	1994
Land	\$ 37,807,000	\$ 37,807,000
Buildings and improvements	181,849,000	169,340,000
Operating equipment	81,175,000	71,236,000
Construction in progress	<u>8,127,000</u>	<u>15,840,000</u>
	308,958,000	294,223,000
Less: accumulated depreciation and amortization	<u>(141,697,000)</u>	<u>(129,011,000)</u>
Net property and equipment	<u>\$ 167,261,000</u>	<u>\$ 165,212,000</u>

	1995	1994
Accrued salaries and wages	\$ 3,193,000	\$ 4,254,000
Accrued interest	9,829,000	8,933,000
Accrued insurance	2,070,000	1,341,000
Other accrued expenses	<u>8,831,000</u>	<u>8,159,000</u>
	<u>\$23,923,000</u>	<u>\$22,687,000</u>

GREATER BAY HOTEL AND CASINO, INC.
(a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(11) Prepaid Expenses and Other Current Assets

As of June 30, 1995 and 1994, Prepaid Expenses and Other Current Assets consisted of the following:

	<u>1995</u>	<u>1994</u>
Deferred taxes - current	\$ 7,463,000	\$ 6,111,000
Prepaid expenses	2,627,000	2,027,000
Deposits	515,000	1,274,000
Current portion of deferred credits on deposit with the Casino Reinvestment Development Authority	<u> -</u>	<u> 657,000</u>
	<u>\$10,605,000</u>	<u>\$10,069,000</u>

(12) Other Assets

As of June 30, 1995 and 1994, Other Assets consisted of the following:

	<u>1995</u>	<u>1994</u>
Deferred taxes - non-current	\$ 5,563,000	\$ 5,634,000
Deferred financing costs	6,134,000	6,874,000
Other	<u>2,332,000</u>	<u>(477,000)</u>
	<u>\$14,029,000</u>	<u>\$12,031,000</u>

(13) Other Accrued Expenses

As of June 30, 1995 and 1994, Other Accrued Expenses consisted of the following:

	<u>1995</u>	<u>1994</u>
Accrued salaries and wages	\$ 3,193,000	\$ 4,254,000
Accrued interest	9,829,000	8,033,000
Accrued insurance	2,070,000	1,841,000
Other accrued expenses	<u>8,831,000</u>	<u>8,159,000</u>
	<u>\$23,923,000</u>	<u>\$22,287,000</u>

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO
 SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1995

GREATE BAY HOTEL AND CASINO, INC.
 (a wholly owned subsidiary of GB HOLDINGS, INC.)

NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

(14) Other Current Liabilities

As of June 30, 1995 and 1994, Other Current Liabilities consisted of the following:

	1995	1994
Due to affiliates	\$ 528,000	\$ 522,000
Other	2,675,000	1,482,000
	<u>\$ 3,203,000</u>	<u>\$ 2,004,000</u>

UNAUDITED PATRONS' CHECKS ACTIVITY

DESCRIPTION	
Patrons' checks (January 1)	4,958
Patrons' checks issued (excluding counter checks issued through transactions related to consolidations, partial redemptions, substitutions, and patrons' deposits)	62,404
Patrons' checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' deposits)	(61,231)
Patrons' checks reflected through deposits	(15,123)
Patrons' checks transferred to returned checks	(4,316)
Patrons' checks	65,893
Patrons' checks included in Balance On Line 16	-
Patrons' checks and uncollectible Patrons' Checks	\$1,453
Patrons' checks as a Percent of Counter Checks Issued	1.8%

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO
 SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1995

(UNAUDITED)

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
1	Patrons' Checks:	\$		
	Undeposited patrons' checks.....	6,893		
2	Returned patrons' checks.....	21,035		
3	Total patrons' checks.....	27,928	\$ (16,014)	\$ 11,914
4	Hotel Receivables.....	388	(61)	327
5	Other Receivables:			
	Receivables due from officers and employees.....	4		
6	Receivables due from affiliates.....	240		
7	Other accounts and notes receivables.....	1,299		
8	Total other receivables.....	1,543	-	1,543
9	Totals (Form 205).....	\$ 29,859	\$ (16,075)	\$ 13,784

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 4,959
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	82,404
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(61,031)
13	Checks collected through deposits.....	(15,123)
14	Checks transferred to returned checks.....	(4,316)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 6,893
17	"Hold" Checks Included in Balance On Line 16.....	\$ -
18	Provision For Uncollectible Patrons' Checks.....	\$ 1,485
19	Provision As A Percent Of Counter Checks Issued.....	1.8%

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO
PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)
 FOR THE SIX MONTHS ENDED JUNE 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	123,640	\$3,274		\$
Food	405,233	5,737		
Beverage	580,167	2,996		
Travel			6,845	1,776
Coin			569,047	14,794
Coupon			20,712	145
Entertainment	17,528	283		
Retail & Gifts			23,383	2,338
Other	7,976	64	384,128	2,259
Total	1,134,544	\$12,354	1,004,115	\$21,312

FOR THE THREE MONTHS ENDED JUNE 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	61,528	\$1,635		\$
Food	198,123	2,875		
Beverage	293,560	1,506		
Travel			3,350	869
Coin			302,079	6,384
Coupon			10,840	76
Entertainment	10,673	180		
Retail & Gifts			12,752	1,275
Other	3,459	28	193,329	1,228
Total	567,343	\$6,224	522,350	\$9,832

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
:ss.
COUNTY OF ATLANTIC :

Timothy A. Ebling , being duly sworn according to law upon my oath
NAME

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with
Casino Control Commission's Quarterly Report Instructions and Uniform Chart of
Accounts
3. The information contained in this Quarterly Report is accurate to the best of my
knowledge and belief.

Timothy A. Ebling
Signature

Timothy A. Ebling
Vice President
Title

003052-11
License Number

On Behalf Of:

Subscribed and sworn to
before me this 15th day
of AUG., 19 98

Linda M. Hodges
Signature

Greate Bay Hotel And Casino, Inc.
Casino Licensee

CHARLES W. WARDEN
CLERK OF SUPERIOR COURT
BY COMMISSIONER EXPIRES MARCH 31, 2000

Basis of Authority
to Take Oaths
4/86

CCC-250

LICENSEE: HARRAH'S CASINO HOTEL ATLANTIC CITY

QUARTERLY REPORT

For the Quarter Ended: June 1995

LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

ADDRESS 1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED June, 1995

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . .

JOSEPH A. DOMENICO

OFFICIAL TITLE

VICE PRESIDENT OF FINANCE

ADDRESS

1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NJ 08401

NAME OF LICENSEE

HARRAH'S CASINO HOTEL, ATLANTIC CITY

Trading Name of Licensee: HARRAH'S CASINO HOTEL, ATLANTIC CITY

JUNE 30, 1995 AND 1994

(UNAUDITED)

LIST OF FORMS - QUARTERLY REPORT

BY DESCRIPTION

(Q) 1995

(Q) 1994

For the Quarter Ended: June 1995

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

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

TRADING NAME OF LICENSEE

HARRAH'S CASINO HOTEL, ATLANTIC CITY

BALANCE SHEETS

JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
ASSETS			
Current Assets:			
1	Cash (Note 1)	\$ 16,670	\$ 10,986
2	Marketable Securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995 \$ 3,647....;1994 \$ 3,281....	6,417	6,259
4	Inventories	1,050	1,763
5	Prepaid expenses and other current assets (Note 4)	4,184	5,184
6	Total Current Assets	28,321	24,192
7	Investments, Advances and Receivables (Note 5) . . .	26,854	112,638
8	Property and Equipment - Gross (Notes 1 and 2)	385,684	378,810
9	(Accumulated Depreciation/Amortization)	(133,211)	(119,712)
10	Other Assets	25,552	10,925
11	Total Assets	333,200	406,853
LIABILITIES AND EQUITY			
Current Liabilities:			
12	Accounts Payable	\$ 2,056	\$ 1,962
13	Notes Payable	0	0
Current portion of long-term debt:			
14	Due to affiliates	0	0
15	Other	0	22
16	Income taxes payable and accrued	894	999
17	Other accrued expenses . . .(Note 8)	15,991	15,756
18	Other current liabilities	1,370	989
19	Total current liabilities	20,311	19,728
Long-Term Debt:			
20	Due to affiliates	0	0
21	Other(Notes 3)	305,000	395,231
22	Deferred Credits (Note 1)	2,887	4,474
23	Other Liabilities(Note 9)	42,305	41,660
24	Commitments and Contingencies . . .(Note 6)	0	0
25	Total Liabilities	370,503	461,093
26	Stockholders', Partners', or Proprietor's Equity . . .	(37,303)	(54,240)
27	Total Liabilities and Equity	\$ 333,200	\$ 406,853

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

TRADING NAME OF LICENSEE

HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF INCOME

For Six Months Ended June 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
	Revenue:		
1	Casino	\$ 152,036	\$ 132,795
2	Rooms	9,175	9,174
3	Food and Beverage	17,070	15,859
4	Other	4,000	4,266
5	Total revenue	182,281	162,094
6	Less: Promotional Allowance	18,426	16,814
7	Net revenue	163,855	145,280
	Costs and Expenses:		
8	Cost of goods and services	85,979	80,890
9	Selling, general, and administrative	29,565	27,249
10	Provision for doubtful accounts	866	564
11	Total costs and expenses	116,410	108,703
12	Gross Operating Profit	47,445	36,577
13	Depreciation and amortization	9,081	7,294
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	858	746
16	Income (Loss) from Operations	37,506	28,537
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Embassy Note	0	0
18	Interest (expense) - external (Note 3)	(16,566)	(19,571)
19	Investment alternative tax and related income (expense) - net	(10)	(158)
20	Nonoperating Income (expense) - net	366	214
21	Total other income (expenses)	(16,210)	(19,515)
22	Income (Loss) Before Income Taxes and Extraord. Items	21,296	9,022
23	Provision (credit) for income taxes	2,131	1,007
24	Income (Loss) Before Extraordinary Items	19,165	8,015
25	Extraordinary items (net of income taxes - 1995, \$0; 1994, \$0)	0	0
26	Net Income (Loss)	\$ 19,165	\$ 8,015

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

STATEMENTS OF INCOME

For Three Months Ended June 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
	Revenue:		
1	Casino	\$ 79,243	\$ 71,939
2	Rooms	4,898	5,033
3	Food and Beverage	8,905	8,461
4	Other	2,250	2,289
5	Total revenue	95,296	87,722
6	Less: Promotional Allowance	9,595	8,893
7	Net revenue	85,701	78,829
	Costs and Expenses:		
8	Cost of goods and services	43,873	41,816
9	Selling, general, and administrative	14,716	14,484
10	Provision for doubtful accounts	410	215
11	Total costs and expenses	58,999	56,515
12	Gross Operating Profit	26,702	22,314
13	Depreciation and amortization	4,577	3,751
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	448	408
16	Income (Loss) from Operations	21,677	18,155
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Embassy Note	0	0
18	Interest (expense) - external (Note 3)	(8,071)	(10,052)
19	Investment alternative tax and related income (expense) - net	10	(66)
20	Nonoperating Income (expense) - net	346	144
21	Total other income (expenses)	(7,715)	(9,974)
22	Income (Loss) Before Income Taxes and Extraord. Items	13,962	8,181
23	Provision (credit) for income taxes	1,309	767
24	Income (Loss) Before Extraordinary Items	12,653	7,414
25	Extraordinary items (net of income taxes - 1995, \$0; 1994, \$0)	0	0
26	Net Income (Loss)	\$ 12,653	\$ 7,414

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

STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

For the Three Months Ended : Junw 30, 1995 and 1994
(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
	Invested Capital:		
1	Beginning balance (January 1)	\$ 141,594	\$ 141,594
2	Additional capital invested	0	0
3	.....	0	0
4	Ending balance	141,594	141,594
	Additional Income (Loss):		
5	Beginning balance (January 1)	707,590	675,321
6	Prior period adjustments	0	0
7	Net income (loss)	19,165	8,015
8	.....	0	302
9	Ending balance	726,755	683,638
	Capital Withdrawals:		
10	Beginning balance (January 1)	(998,108)	(869,901)
11	Additional capital withdrawals	68,096	(9,571)
12	Additional capital contribution	24,360	0
13	Ending balance	(905,652)	(879,472)
	Net Unrealized Loss on Noncurrent Marketable equity securities:		
14	Beginning balance (January 1)	0	0
15	.....	0	0
16	.....	0	0
17	Ending balance	0	0
18	Ending Partner's or Proprietor's Equity	(37,303)	(54,240)

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

STATEMENTS OF CASH FLOWS

June 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
1	Net Cash Provided (Used) by Operating Activities	\$ 19,330	\$ 26,005
	Cash Flows from Investing Activities:		
2	Purchase of short-term investment securities	0	0
3	Proceeds from the sale of short-term investment securities	0	0
4	Purchase outflows for property and equipment	(5,746)	(7,358)
5	Proceeds from disposition of property and equipment	81	86
6	Purchase of casino reinvestment obligations	(1,657)	(1,530)
7	Purchase of other investments and loan advances made	163	(42,003)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	1,238	1,229
9	Cash outflows to acquire business entities	0	0
10	W/O of Prior Year Construction Project	1,440	0
11	Transfer Cash from sale of Land from Embassy	5,856	0
12	Net Cash Provided (Used) by Investing Activities	1,375	(49,576)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt		
15	Cash proceeds from issuance of long-term debt	384,300	95,350
16	Costs of issuing debt		
17	Payments to settle long-term debt	(474,650)	(63,034)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals	68,096	(9,571)
21			
22			
23	Net Cash Provided (Used) by Financing Activities	(22,254)	22,745
24	Net Increase (Decrease) in Cash and Cash Equivalents	(1,549)	(826)
25	Cash and Cash Equivalents at Beginning of Period	18,219	11,812
26	Cash and Cash Equivalents at End of Period	\$ 16,670	\$ 10,986
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
27	Cash Paid During Period for:		
28	Interest (net of amount capitalized)	\$ 16,566	\$ 19,571
	Income Taxes	\$ 2,615	\$ 1,550

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

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

STATEMENTS OF CASH FLOWS

June 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
	Net Cash Flows From Operating Activities:		
29	Net Income (loss)	\$ 19,165	\$ 8,015
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment	7,873	7,232
31	Amortization of other assets	954	904
32	Amortization of debt discount or premium	24	91
33	Deferred income taxes - current	0	0
34	Deferred income taxes - noncurrent	0	792
35	Loss (Gain) in disposition of property & equipment	9	(64)
36	(Gain) loss on casino reinvestment obligation	0	0
37	Loss from other investment activities	0	0
38	Net decrease in receivables and patrons checks	840	2,011
39	Net decrease in inventories	308	525
40	Net (increase) in other current assets	(773)	(2,407)
41	Net decrease (increase) in other assets	720	(4,890)
42	Net (decrease) increase in accounts payables	(1,149)	261
43	Net (decrease) in other current liabilities excluding debt	(1,430)	542
44	Net (decrease) in other noncurrent liabilities excluding debt	(7,341)	(76)
45	Net increase in other receivables or advances	130	13,069
46			
47	Net Cash Provided (Used) by Operating Activities	\$ 19,330	\$ 26,005

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCIAL ACTIVITIES

48	Acquisition of Property and Equipment:		
	Additions to property and equipment	\$ 5,746	\$ 7,358
49	Less: capital lease obligations incurred	0	0
50	Cash Outflows for Property and Equipment	\$ 5,746	\$ 7,358
	Acquisition of Business Entities:		
51	Property and equipment acquired	\$	\$
52	Goodwill Acquired		
53	Net assets acquired other than cash, goodwill, and property and equipment		
54	Long-term debt assumed		
55	Issuance of stock or capital invested		
56	Cash Outflows To Acquire Business Entities	\$	\$
	Stock Issued or Capital Contributions:		
57	Total issuance of stock or capital contributions	\$	\$
58	Less: issuances to settle long-term debt, and		
59	Consideration in acquisition of business entities		
60	Cash Proceeds from Issuing Stock or Capital Contributions	\$	\$

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

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS)

Note 1: Summary of Significant Accounting Policies

Organization - Marina Associates (the Company), doing business as Harrah's Casino Hotel, Atlantic City, operates as a general partnership. The Promus Companies, Inc., through its subsidiaries, is the sole owner of the Company.

Gaming Revenues - Gaming revenues are the net win from gaming activities and represent the difference between amounts wagered and amounts won by patrons.

Promotional Allowances - Gross revenues include the retail value of complimentary food, beverage, theater and hotel services furnished to patrons. The retail value of these promotional allowances is deducted to arrive at net revenues. The cost of promotional allowances is charged to operations.

Inventories - Inventories of provisions and supplies are valued at the lower of cost, weighted average, or market.

Property and Equipment - Property and Equipment is carried at cost and is depreciated on the straight-line method using rates based on the following estimated useful lives:

Buildings, leaseholds and improvements	40 years
Furniture, fixtures and equipment	3-10 years

The interest associated with borrowings used to finance the construction and expansion of the hotel/casino during the construction period has been capitalized and is being amortized over the estimated useful life of the complex.

When management determines that some element of property and equipment is to be disposed of, its net realizable value is estimated and a write-down is recorded if the estimated net realizable value is less than the net book value.

A valuation allowance is included as a component of accumulated depreciation.

Pre-Opening Expenses - Costs incurred prior to opening and expansion were deferred and charged to operations over a three year period using the straight-line method.

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

Income Taxes - The accompanying financial statements do not include a provision for Federal Income Tax purposes by the individual partners.

In accordance with regulations prescribed by the New Jersey Casino Control Act, the Company files a State Income Tax return on behalf of the partners.

Deferred tax assets and liabilities represent for 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 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.

NOTE 2: Property and Equipment

Property and Equipment consists of the following:

	<u>1995</u>	<u>1994</u>
Land and Land Improvements	\$ 50,626	\$ 31,849
Buildings, Leaseholds and Improvements	246,921	264,996
Furniture, Fixtures and Equipment	82,639	74,582
Construction in Progress	1,096	3,228
Equipment held under Capital Leases	345	345
C-I-P NE Inlet Redevelopment Project	<u>4,057</u>	<u>3,810</u>
	385,684	378,810
Less Accumulated Depreciation	<u>(133,211)</u>	<u>(119,712)</u>
Property and Equipment, Net	<u>\$ 252,473</u>	<u>\$259,098</u>

The Northeast Inlet Redevelopment Project is an approved CRDA project sponsored by Harrah's. The project includes 130 townhomes, a retail strip center and a mid-rise apartment building. Eighty-five of the townhomes are sold and the balance are rented. Rental operations began in February 1992 for the townhomes and August of 1992 for the mid-rise building. Currently contained in the C-I-P account is the retail strip center.

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

NOTE 3: Long-term debt:

Long-term debt consisted of the following;

	<u>JUNE 30</u>	
	<u>1995</u>	<u>1994</u>
(A) Revolving Credit and Letter of Credit Facility, 6.675%-8.75% at June 30, 1995, maturing in 1998, with interest payable monthly.	\$305,000	195,350
(b) 9% Notes due February 15, 1995, backed by letter of credit maturing in 1998, with interest payable monthly.	-	200,000
Long Term Debt- Capital Leases	-	22
Discount on 9% Notes	-	(119)
	<u>\$305,000</u>	<u>\$395,231</u>

- (a) In July 1993, Promus and certain of its subsidiaries entered into a new secured bank facility which is a \$650 million reducing revolving letter of credit facility (the Facility). In connection with PHC Spin-off, Harrah's Entertainment Inc. negotiated changes to it reducing revolving and letter of credit facility (the New Facility) which became effective June 30, 1995. Among the modifications was an increase in total capacity from \$650 million to \$750 million, extension of the maturity, and reduced borrowing costs. As of June 30, 1995 the Partnership is the primary obligor on \$305 million (Revolver) of the New Facility.
- (b) The Revolver provides for borrowing at either the Eurodollar plus 1 1/2% or the prime rate. In connection with the 9% Notes, annual fees on the Letter of Credit and commitment fees on the unutilized portion under the Revolver were 1 1/4% and 1/4%, respectively.

In 1993, the 9% Notes, were transferred to the Partnership, through a series of intercompany transactions, in exchange for the Promissory Note from Embassy. In connection with this transaction related unamortized deferred financing charges of \$2,882 were transferred to Embassy. These transfers were accounted for as capital distributions and have been applied against Partners' (deficit). The 9% Notes principal amount is \$200,000 and pays interest monthly with the principal payment due on February 15, 1995. Associated with the 9% Notes is a \$282,000 discount that was recorded and was being amortized using the effective interest method over the life of the notes. The accompanying financial statements reflect interest expense at the effective interest rate of 9.0984% for 1994. In February 1995, the Partnership utilized the Letter of Credit Facility to refinance the 9% Notes.

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT)
(DOLLARS IN THOUSANDS)

NOTE 3: Long - term debt (cont.)

Interest Rate Agreements:

The Partnership, through Promus entered into a interest protect agreemnt in the form of a rate collar transaction in June 1990 on \$140 million of the variable bank debt. The interest rate protection agreement expired as of June 30,1995. The agreement held the interest rate between 7.81% and 11%.

These non-cash transactions have been excluded from the Statement of Cash Flows.

NOTE 4: Prepaid Expenses and Other Current Assets

	<u>JUNE 30</u>	
	<u>1995</u>	<u>1994</u>
Prepaid Slot Tax	\$ 1,013	\$ 929
Prepaid Insurance	194	216
Prepaid Air Charters	702	701
Prepaid Marketing	244	279
Prepaid Other	1,903	2,978
Future Credit against CRDA Obligations	<u>128</u>	<u>81</u>
	<u>\$ 4,184</u>	<u>\$ 5,184</u>

NOTE 5: Investments, Advances and Receivables

	<u>JUNE 30</u>	
	<u>1995</u>	<u>1994</u>
Notes Receivable	\$ 2,262	\$ 2,297
Investment in CRDA Bonds - Net of Valuation Adj.	2,724	2,477
Reinvestment Obligation Deposits - Net of Val. Adj.	(20)	(20)
Due from Affiliates	21,888	106,927
Funds Advanced to Northeast Inlet Redevelopment Project to be Reimbursed by a UDAG Grant	-	743
Interest Receivable	<u>-</u>	<u>214</u>
	<u>\$26,854</u>	<u>\$ 112,638</u>

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at June 30, 1995 and 1994.

	<u>JUNE 30</u>	
	<u>1995</u>	<u>1994</u>
Harrah's Holdings, Inc.	\$ -	\$ 84,747
Harrah's New Jersey, Inc.	18,962	18,962
Harrah's Lake Tahoe	170	126
Embassy Suites, Inc.	1,902	2,221
Harrah's Del Rio	149	148
Harrah's Reno	345	395
Bill's Casino	111	111
Harrah's Vicksburg	22	20
Harrah's Joliet	80	75
Harrah's New Orleans	89	73
Harrah's Tunica	10	9
Harrah's Shreveport	19	15
Harrah's St. Louis	2	--
Harrah's North Kansas City	27	25
Total Due from Affiliates	<u>\$ 21,888</u>	<u>\$ 106,927</u>

NOTE 6: Commitments and Contingencies

Leases - The Company has several operating leases relating to a storage warehouse, parking areas, computer and communication equipment, transportation equipment and shoreline land. These leases have various expiration dates through 1999. Rental expenses for the year ended June 30, 1995 and 1994, were approximately \$1,528 and \$1,637, respectively.

Future minimum lease payments due under these leases are as follows:

<u>Year</u>	<u>Amount</u>
1996	\$ 1,121
1997	503
1998	112
1999	58
2000	-
Thereafter	-
	<u>\$1,794</u>

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

The Company has entered into several long-term contracts for entertainment, marketing and laundry. The future commitments follow:

1996	2,048
1997	2,042
1998	2,042
1999	2,042
2000	-
Thereafter	-
	<u>\$ 8,174</u>

NOTE 7: Investment Obligations

Section 144 of the New Jersey Casino Control Act as amended in 1984 requires a casino licensee to make investments in New Jersey or pay an investment alternative tax if it fails to do so. For each of the calendar years 1979 to 1983, a casino licensee whose gross casino revenues exceed its cumulative investment (the "cumulative investment"), must either make investments in an amount equal to 2% of its gross casino revenues or pay an investment alternative tax in the same amount within five years of the applicable calendar year. The cumulative investment of a casino licensee includes the real property and improvement costs associated with its hotel/casino complex.

For the 25 years after 1984, the Partnership must either obtain investment tax credits, as defined, in an amount equivalent to 1.25% of its gross casino revenues or pay an alternative tax on 2.5% of its gross casino revenues. Investment tax credits may be obtained by making qualified direct investments or by the purchase of bonds from the CRDA which pay interest at below market rates. In addition, deposits to the CRDA for the Partnership's obligation must be made quarterly.

Through 1995, the Partnership was required to make deposits with the CRDA of approximately \$49,122 towards its obligations through that date, of which \$48,140 was deposited. The Partnership's obligation for the second quarter of 1995 of approximately \$982 was deposited in July, 1995. The funds on deposit with the CRDA are to be used for subsequent purchases of bonds from the CRDA or for reimbursement of qualified direct investment expenditures as discussed below.

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

To satisfy current Atlantic City obligations as well as those projected beyond the year 2000, the Partnership received approval from the CRDA for a qualified direct investment project to construct various townhomes, an apartment building and a retail store outlet in the northeast section of Atlantic City at an estimated cost to the Partnership of approximately \$54,500. As of June 30, 1995, approximately \$54,398 has been expended by the Partnership of which approximately \$4,123 was reimbursed to the Partnership from certain government grants and \$ 18,742 represents a prepayment position of the Partnership's future obligations. The prepaid asset is being amortized over thirteen years.

In addition to the direct investment discussed above the CRDA issued bonds to satisfy 1995 other non-Atlantic City obligations totaling \$115. The CRDA investment bonds are included in investments and totaled \$3,963 and \$3,752 at June 30, 1995 and 1994, respectively.

The CRDA withdrew from funds on deposit totaling \$2,550 to satisfy the Partnership's donation for the Marina District Beautification Project. The project is estimated to be completed by December 31, 1995. The donation is included in deferred charges and other assets and upon completion will be capitalized as land improvements.

As of March 31, 1995, approximately \$58 remains on deposit with the CRDA which is included in deferred charges and other noncurrent assets. The Partnership anticipates that it will utilize these funds to fulfill its non-Atlantic City obligations.

NOTE 8: Other Accrued Expenses

Other Accrued Expenses consists of the following:

	<u>JUNE 30</u>	
	<u>1995</u>	<u>1994</u>
Accrued Salaries, Wages and Benefits	\$ 10,249	\$ 7,199
Taxes Payable	935	753
Other Accrued Expenses	4,174	4,826
Accrued Progressive Slot Liability	343	284
Accrued CCC/DGE/Casino License Fees	162	461
Accrued Megabucks Handle Fees	71	37
Accrued Interest L-T-D	57	2,196
	<u>\$ 15,991</u>	<u>\$15,756</u>

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

NOTE 9: Other Liabilities

Other Liabilities consists of the following:

	<u>JUNE 30</u>	
	<u>1995</u>	<u>1994</u>
Long Term Due to Affiliates	\$ 38,764	\$ 38,170
Other Liabilities - Insurance Loss Reserves	1,533	1,349
Deferred Income - ACIA Grant	636	678
Deferred Income - CRDA Grant	114	122
Deferred Income - NJHMFA Grant	415	442
Deferred Income - DCA Grant	843	899
	<u>\$ 42,305</u>	<u>\$ 41,660</u>

NOTE 9: Other Liabilities (CONT.)

December 1993, the Partnership had an \$800 allowance for incurred but not yet recorded claims (IBNR). The IBNR consists of \$700 for possible insurance claims that have been incurred but not yet reported and \$100 for estimated legal expenses. IBNR also covers any increase that may occur in the amount of the claim over the possible years of litigation. The Partnership is self-insured for various level of general liability and employee medical coverage. Insurance claims and reserves includes the accrual of estimated settlements for known and reported claims.

Due to Affiliates consists of the following unsecured, non-interest bearing inter-company accounts:

	<u>JUNE 30</u>	
	<u>1995</u>	<u>1994</u>
Harrah's Holdings, Inc,	\$ 603	\$ --
Harrah's Atlantic City, Inc.	37,713	37,726
Harrah's Holiday Inns of N.J., Inc.	293	293
Harrah's Las Vegas	155	151
	<u>\$ 38,764</u>	<u>\$ 38,170</u>

HARRAH'S CASINO HOTEL, ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS (CONT.)
(DOLLARS IN THOUSANDS)

NOTE 10: Savings and Retirements Plan

An employee Savings and Retirement Plan was established on October 1, 1985. This plan covers all non-union employees who have been employed at least one year with a minimum of one thousand hours worked. The Company will match employee contributions up to 6% of gross pay. A participating employee is vested in Company contributions according to their years of service. The Company's contribution through the three months ended June 30, 1995 and 1994, was \$1,435 and \$1,380, respectively.

	1995	1994	1993
Patrons' checks	\$ 2,779		
Unredeemed checks	4,836		
Unredeemed checks	7,615	3,645	4,070
Accounts receivable	857	112	855
Accounts due from employees	19		
Accounts due from other companies	0		
Accounts and notes receivable	1,473		
Accounts receivable	1,482	0	1,492
Total	\$ 19,094	\$ 3,647	\$ 6,417

UNDEPOSITED PATRONS' CHECKS ACTIVITY

DESCRIPTION	AMOUNT
(a)	(b)
Balance forward (January 1)	\$ 3,172
Counter checks issued (excluding counter checks issued without transactions relating to consolidations, partial consolidations, substitutions, and patrons' cash deposits)	52,836
Checks returned prior to deposit (excluding the unredeemed portion of counter checks redeposited through partial consolidations, and excluding checks returned through consolidations relating to consolidations, substitutions, and patrons' cash deposits)	(32,934)
Checks collected through deposits	(18,250)
Checks transferred to returned checks	(27)
Checks returned	(27)
Ending Balance - Foreign checks	\$ 3,713
Checks included in Balance on line 16	\$ 350
Provision for Uncollectible Patrons' Checks	\$ 350
Provision as a Percent of Counter Checks Issued	\$ 350

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

June 30, 1995

(UNAUDITED)

(\$ IN THOUSANDS)

Accounts Receivable Balances

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
1	Patrons' Checks			
	Undeposited patrons' checks	\$ 2,779		
2	Returned patrons's checks	4,836		
3	Total patrons' checks	7,615	\$ 3,545	\$ 4,070
4	Hotel Receivables	957	102	855
5	Other Receivables:			
	Receivables due from officers and employees	19		
6	Receivables due from affiliates	0		
7	Other accounts and notes receivable	1,473		
8	Total other receivables	1,492	0	1,492
9	Totals (Form 205)	\$ 10,064	\$ 3,647	\$ 6,417

UNDEPOSITED PATRON'S CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 3,172
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	52,836
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(32,534)
13	Checks collected through deposits	(20,280)
14	Checks transferred to returned checks	\$ (420)
15	Other adjustments	\$ 5
16	Ending Balance . . . Foreign credit	\$ 2,779
17	"Hold" Checks Included in Balance on Line 16	\$ 0
18	Provision for Uncollectible Patrons' Checks	\$ 866
19	Provision as a Percent of Counter Checks Issued	1.6%

TRADING NAME OF LICENSEE

HARRAH'S CASINO HOTEL, ATLANTIC CITY

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ in Thousands)

For the Six Months Ended June 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	59	\$ 5,164		\$
Food	909	\$ 9,089		\$
Beverage	1,184	\$ 2,961		\$
Travel		\$ 0	35	\$ 3,486
Coin		\$ 0	814	\$ 10,172
Coupon		\$ 0		\$
Entertainment	61	\$ 1,212		\$
Retail & Gifts	0	\$ 0	122	\$ 611
Other	N/A	\$ 0	N/A	\$ 0
Total	2,212	\$ 18,426	971	\$ 14,269

For the Three Months Ended June 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	30	\$ 2,632		\$
Food	474	\$ 4,738		\$
Beverage	587	\$ 1,468		\$
Travel		\$ 0	18	\$ 1,815
Coin		\$ 0	413	\$ 5,155
Coupon		\$ 0		\$
Entertainment	38	\$ 757		\$
Retail & Gifts	0	\$ 0	60	\$ 301
Other	N/A	\$ 0	N/A	\$ 0
Total	1,128	\$ 9,595	491	\$ 7,271

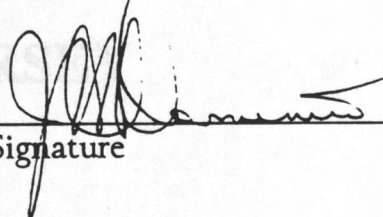
STATEMENTS OF CONFORMITY AND ACCURACY

State of NEW JERSEY :
County of ATLANTIC : ss

Joseph A. Domenico, being duly sworn according to law upon my oath

disposes and says:

1. I have examined this Quarterly Report
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.


Signature

V.P. of Finance
Title

01833-11
License Number

Subscribed and sworn to
before me this 15th day
of ~~June~~^{August} 1995

Mary J. L. Pierce
Signature
MARY J. L. PIERCE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 28, 1998

On Behalf of:

Marina Associates
Casino Licensee

Basis of Authority
to Take Oaths

CCC-250

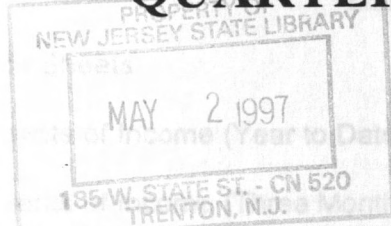
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NAME OF LICENSEE: MERVY GRIFFIN'S RESORTS CASINO HOTEL,
wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

LIST OF FORMS - QUARTERLY REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 1995

QUARTERLY REPORT



LICENSEE RESORTS INTERNATIONAL HOTEL, INC.
ADDRESS 1133 BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1995
TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING

THIS ANNUAL REPORT..... ANTHONY RODIO
OFFICIAL TITLE..... VICE PRESIDENT FINANCE
ADDRESS..... 1133 BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

LIST OF FORMS - QUARTERLY REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 1995

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year to Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholder's Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

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

CCC-201

CCC-205

OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
 (a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

BALANCE SHEETS
JUNE 30, 1995 AND 1994

(UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	ASSETS		
	Current Assets:		
1	Cash.....	\$ 14,779	\$ 11,291
2	Marketable securities (Short-term money market at cost).....	17,769	14,395
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, \$4,010; 1994, \$4,194)....NOTE 3.....	7,343	4,934
4	Inventories.....	2,463	1,444
5	Prepaid expenses and other current assets.....	8,388	7,382
6	Total current assets.....	50,742	39,446
7	Investments, advances, and receivables.....	11,349	9,752
8	Property and equipment - gross.....NOTE 4.....	214,963	201,977
9	(Accumulated depreciation/amortization).....	(55,836)	(42,559)
10	Other assets.....	797	2,224
11	Total Assets	\$ 222,015	\$ 210,840
	LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)		
	Current Liabilities:		
12	Accounts payable.....	\$ 6,831	\$ 3,139
13	Notes payable.....		
	Current portion of long-term debt:		
14	Notes Payable to affiliate.....		
15	Other.....	560	58
16	Income taxes payable.....		
17	Other accrued liabilities.....NOTE 5.....	19,832	21,748
18	Other current liabilities.....NOTE 6.....	10,400	7,372
19	Total current liabilities.....	37,623	32,317
	Long-Term Debt:		
20	Notes Payable to affiliate.....NOTE 2.....	126,074	135,507
21	Other.....	1,221	10
22	Deferred credits.....NOTE 7,11.....	19,627	19,700
23	Other liabilities.....		
24	Commitments and contingencies.....NOTE 12.....		
25	Total Liabilities	184,545	187,534
26	Stockholder's Equity	37,470	23,306
27	Total Liabilities and Stockholder's Equity	\$ 222,015	\$ 210,840

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
REVENUE:			
1	Casino.....	\$ 130,700	\$ 118,689
2	Rooms.....	6,814	6,950
3	Food and beverage.....	13,217	13,275
4	Other.....	5,857	5,504
5	Total revenue.....	156,588	144,418
6	Less: promotional allowances.....	12,638	11,850
7	Net revenue.....	143,950	132,568
COSTS AND EXPENSES:			
8	Cost of goods and services.....	90,364	84,524
9	Selling, general, and administrative.....	30,380	30,676
10	Provision for doubtful accounts.....	500	181
11	Total costs and expenses.....	121,244	115,381
12	Gross Operating Profit.....	22,706	17,187
13	Depreciation and amortization.....	6,944	6,742
14	Charges from affiliates other than interest.....		NOTE 9
15	Management fees.....	4,646	4,288
16	Other.....	188	162
16	Income From Operations.....	10,928	5,995
Other Income (Expenses):			
17	Interest (expense) - affiliates.....	(9,071)	(3,064)
18	Interest (expense) - external.....	(30)	(7)
19	Investment alternative tax and related expense, net of amortization.....	(654)	(694)
20	Nonoperating income - net.....	1,161	1,772
21	Total other income.....	(8,594)	(1,993)
22	Income Before Income Taxes And Extraordinary Items.....	2,334	4,002
23	Provision for income taxes.....		NOTE 1
24	Income Before Extraordinary Items.....	2,334	4,002
25	Extraordinary items (net of income taxes - 1995, \$0 ; 1994, \$0).....		
26	Net Income.....	\$ 2,334	\$ 4,002

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED JUNE 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
REVENUE:			
1	Casino.....	\$ 68,582	\$ 65,132
2	Rooms.....	4,018	4,158
3	Food and beverage.....	6,654	7,040
4	Other.....	3,206	2,954
5	Total revenue.....	82,460	79,284
6	Less: promotional allowances.....	6,968	6,272
7	Net revenue.....	75,492	73,012
COSTS AND EXPENSES:			
8	Cost of goods and services.....	45,720	43,068
9	Selling, general, and administrative.....	15,447	16,711
10	Provision for doubtful accounts.....	282	13
11	Total costs and expenses.....	61,449	59,792
12	Gross Operating Profit.....	14,043	13,220
13	Depreciation and amortization.....	3,765	3,470
14	Charges from affiliates other than interest Management fees.....	2,446	2,355
15	Other.....	94	81
16	Income From Operations.....	7,738	7,314
Other Income (Expenses):			
17	Interest (expense) - affiliates.....	(4,408)	(3,064)
18	Interest (expense) - external.....	(29)	(3)
19	Investment alternative tax and related expense, net of amortization..... NOTE 12....	(286)	(383)
20	Nonoperating income - net..... NOTE 10....	498	513
21	Total other income.....	(4,225)	(2,937)
22	Income Before Income Taxes And Extraordinary Items.....	3,513	4,377
23	Provision for income taxes..... NOTE 1....		
24	Income Before Extraordinary Items.....	3,513	4,377
25	Extraordinary items (net of income taxes - 1995, \$0 ; 1994, \$0).....		
26	Net Income.....	\$ 3,513	\$ 4,377

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

CCC-215

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

CCC-215

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995		1994	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock: (\$1 par value, 2,500 shares authorized)				
1	Beginning balance (January 1).....	1,000,000	\$ 1,000	100	\$ 1000
2	Sale of Stock.....				
3	Exchange of interco debt for stock.....			999,900	
4	Ending balance.....	1,000,000	1,000	1,000,000	1,000
	Preferred Stock:				
5	Beginning balance (January 1).....				
6	Sale of Stock.....				
7	.....			
8	Ending balance.....				
	Capital in Excess of Par (Excess of liabilities over assets at August 31, 1990 Reorganization)				
9	Beginning balance (January 1).....		21,366		(198,829)
	Excess of Liabilities over Assets at Effects of May 1994 reorganization.....				
10	Issuance of promissory notes.....				(38,168)
	Exchange of notes payable for common stock.....				324,000
	Distribution to GGRI of note receivable.....				(53,375)
	Distribution of cash to GGRI.....				(12,262)
11	.....			
12	Ending balance.....		21,366		21,366
	Treasury Stock:				
13	Beginning balance (January 1).....				
14	Purchase of additional stock.....				
15	Sale or retirement of stock.....				
16	Ending balance.....				
	Subscription Receivable for Capital Stock:				
17	Beginning balance (January 1).....				
18	.....			
19	.....			
20	Ending balance.....				
	Net unrealized Loss on Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1).....				
22	.....			
23	.....			
24	Ending balance.....				
	Retained Earnings:				
25	Beginning balance (January 1).....		12,770		50,834
26	Prior period adjustments.....				
27	Net income.....		2,334		4,002
28	Distribution to RII.....				(53,896)
29	.....			
30	.....			
31	Ending balance.....		15,104		940
32	Ending Stockholder's Equity.....		\$ 37,470		\$ 23,306

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
 (UNAUDITED)
 (\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Invested Capital:		
1	Beginning Balance (January 1).....	\$	\$
2	Additional capital invested.....		
3	_____		
4	Ending Balance.....		
	Accumulated Income (Loss):		
5	Beginning Balance (January 1).....		
6	Prior period adjustments.....		
7	Net income (loss).....		
8	_____		
9	Ending Balance.....		
	Capital Withdrawals:		
10	Beginning Balance (January 1).....	()	()
11	Additional capital invested.....	()	()
12	_____		
13	Ending Balance.....	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance (January 1).....		
15	_____		
16	_____		
17	Ending Balance.....		
18	Ending Partners' Or Proprietor's Equity.....	\$	\$

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	Net Cash Provided by Operating Activities.....	\$ 15,832	\$ 14,838
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investments securities.....		
4	Cash outflows for property and equipment.....	(8,582)	(2,840)
5	Proceeds from disposition of property and equipment.....		
6	Purchase of casino reinvestment obligations.....	(1,420)	(1,360)
7	Purchase of other investments and loans/advances made.....		
8	Proceeds from disposal of investments and collections..... of advances and long-term receivables.....		
9	Cash outflows to acquire business entities.....		
10	Investment in Subsidiary		
11			
12	Net Cash Used By Investing Activities.....	(10,002)	(4,200)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		
14	Payments to settle short-term debt.....	(47)	(19)
15	Cash proceeds from issuance of long-term debt.....	1,815	
16	Costs of issuing debt.....		
17	Payments to settle long-term debt purchase of units.....		
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		(12,262)
21	Payments for recapitalization cost.....		(975)
22	Advances from (repayment to) parent company and affiliates	(1,926)	2,357
23	Net Cash Used By Financing Activities.....	(158)	(10,899)
24	Net Decrease in Cash And Cash Equivalents.....	5,672	(261)
25	Cash And Cash Equivalents At Beginning Of Period.....	26,876	25,947
26	Cash And Cash Equivalents At End Of Period.....	\$ 32,548	\$ 25,686

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Year For:		
28	Interest (net of amount capitalized).....	\$ 8,212	\$ 7
	Income taxes.....	\$	\$

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Net Cash Provided by Operating Activities		
29	Net income.....	\$ 2,334	\$ 4,002
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization for property and equipment.....	6,944	6,742
31	Amortization of other assets.....		
32	Amortization of debt discount or premium.....	765	207
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....		
35	Loss on disposition of property and equipment.....	12	
36	Loss on casino reinvestment obligations, net of amortization...	654	694
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	(1,111)	(2,070)
39	Net (increase) decrease in inventories.....	(670)	310
40	Net decrease in other current assets.....	178	(1,740)
41	Net (increase) decrease in other assets.....	467	74
42	Net increase (decrease) in accounts payable.....	5,795	1,312
43	Net increase (decrease) in other current liabilities excluding debt.....	500	4,369
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(36)	(37)
45	Recapitalization costs.....		975
46	Write-off of Goodwill.....		
47	Net Cash Provided By Operating Activities.....	\$ 15,832	\$ 14,838

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ (8,582)	\$ (2,840)
50	Less: Capital lease obligations incurred.....		
	Cash Outflow For Property And Equipment.....	\$ (8,582)	\$ (2,840)
51	Acquisition Of Business Entities:		
52	Property and equipment acquired.....	\$	\$
53	Goodwill acquired.....		
54	Net assets acquired other than cash, goodwill, and property and equipment.....		
55	Long-term debt assumed.....		
56	Issuance of stock or capital invested.....		
	Cash Outflow To Acquire Business Entities.....	\$	\$
57	Stock Issued Or Capital Contributions:		
58	Total issuances of stock or capital contributions.....	\$	\$ 325,000
59	Less: Issuance to settle long-term debt.....		(325,000)
60	Consideration in acquisition of business entities.....		
	Cash Proceeds From Issuing Stock Or Capital Contributions	\$	\$ 0

MERV GRIFFIN'S RESORTS CASINO HOTEL

(an indirect wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS **FOR THE SIX MONTHS ENDED JUNE 30, 1995 and 1994.**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Resorts International Hotel, Inc. ("RIH") owns and operates Merv Griffin's Resorts Casino Hotel ("Resorts Casino Hotel"), a casino/hotel complex located in Atlantic City, New Jersey. Prior to May 3, 1994, RIH was a direct, wholly owned subsidiary of Griffin Gaming & Entertainment, Inc. ("GGE"). GGE was known as Resorts International, Inc. until its name change, which was effective June 30, 1995. "GGE" is used herein to refer to RIH's ultimate parent corporation both before and after its name change. As part of a restructuring (the "Restructuring") of certain publicly held debt securities of GGE (the "Series Notes") which was effective on May 3, 1994 (the "Effective Date"), RIH became a wholly owned subsidiary of GGRI, Inc. ("GGRI"), which is a wholly owned subsidiary of GGE.

Principles of Consolidation

The consolidated financial statements include the accounts of RIH and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

RIH records as revenue the win from gaming activities which represents the difference between amounts wagered and amounts won by patrons. Revenues from hotel and related services and from theater ticket sales are recognized at the time the related service is performed.

Promotional Allowances

Gross revenues include the retail value of complimentary rooms, food, beverage and other hotel services furnished to casino patrons. The retail value of these complimentary services is deducted as a promotional allowance to arrive at net revenues. The cost of complimentary services is charged to cost of goods and services and selling, general and administrative.

Cash Equivalents

RIH considers all of its short-term money market securities purchased with maturities of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value due to the short maturity of these instruments.

Inventories

Inventories of provisions, supplies and spare parts are carried at the lower of cost (first-in, first-out) or market.

Property and Equipment

Property and equipment are depreciated over their estimated useful lives using the straight-line method for financial reporting purposes.

Casino Reinvestment Development Authority ("CRDA") Obligations

Under the New Jersey Casino Control Act ("Casino Control Act"), RIH is obligated to purchase CRDA bonds, which will bear a below market interest rate, or make an alternative qualifying investment. RIH charges to expense an estimated discount related to CRDA investment obligations as of the date the obligation arises based on fair market interest rates of similar quality bonds in existence as of that date. On the date RIH actually purchases the CRDA bond, the estimated discount previously recorded is adjusted to reflect the actual terms of the bonds issued and the then existing fair market interest rate for similar quality bonds. The discount on CRDA bonds purchased is amortized to interest income over the life of the bonds using the effective interest rate method.

Income Taxes

RIH and GGE's other domestic subsidiaries file consolidated federal income tax returns with GGE.

RIH accounts for income taxes under the liability method of accounting prescribed by Statement of Financial Accounting Standards No. 109 ("SFAS 109"), "Accounting for Income Taxes". Although RIH is a member of a consolidated group for federal income tax purposes, RIH applies SFAS 109 on a separate return basis for financial reporting purposes.

NOTE 2 - RESTRUCTURING OF GGE's SERIES NOTES

GGE and GGRI, GGE's subsidiary which guaranteed the Series Notes, proposed the Restructuring of the Series Notes which was accomplished through a prepackaged bankruptcy plan of reorganization (the "Plan"). On March 21, 1994, after receiving the requisite acceptances for confirmation of the Plan from holders of the Series Notes and equity interests in GGE, GGE and GGRI filed their prepackaged bankruptcy cases with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Plan was confirmed by the Bankruptcy Court on April 22, 1994 and on the Effective Date all conditions to the effectiveness of the Plan were either met or waived and the Plan became effective.

Pursuant to the Plan, the Series Notes were exchanged for, among other things, \$125,000,000 principal amount of 11% Mortgage Notes (the "Mortgage Notes") due September 15, 2003 and \$35,000,000 principal amount of 11.375% Junior Mortgage Notes (the "Junior Mortgage Notes") due December 15, 2004. Hereinafter the

Mortgage Notes and the Junior Mortgage Notes, collectively, are referred to as the "New Debt Securities." The New Debt Securities were issued by Resorts International Hotel Financing, Inc. ("RIHF"), a subsidiary of GGE, and are guaranteed by RIH. The accrual of interest and amortization of discounts on the New Debt Securities commenced on May 3, 1994. Also pursuant to the Plan, RIHF, RIH and GGE entered into the senior note purchase agreement (the "Senior Facility") described below.

The Mortgage Notes are secured by a \$125,000,000 promissory note made by RIH (the "RIH Promissory Note"), the terms of which mirror the terms of the Mortgage Notes. The RIH Promissory Note and RIH's guaranty of the Mortgage Notes are secured by liens on the Resorts Casino Hotel, consisting of RIH's fee and leasehold interests in the Resorts Casino Hotel, the contiguous parking garage and property, all additions and improvements thereto, and related personal property. The liens securing the Mortgage Notes will be subordinated to the lien securing the Senior Facility Notes (described below), if the Senior Facility Notes are issued.

The Junior Mortgage Notes are secured by a \$35,000,000 promissory note made by RIH (the "RIH Junior Promissory Note"), the terms of which mirror the terms of the Junior Mortgage Notes. In certain circumstances, interest payable on the Junior Mortgage Notes may be satisfied by the issuance of additional Junior Mortgage Notes, in which case the balance of the RIH Junior Promissory Note would increase accordingly. The RIH Junior Promissory Note and RIH's guaranty of the Junior Mortgage Notes are also secured by liens on the Resorts Casino Hotel property as described above. The liens securing the Junior Mortgage Notes will be subordinated to the lien securing the Senior Facility Notes, if the Senior Facility Notes are issued, and are subordinated to the liens securing the Mortgage Notes.

The indentures pursuant to which the Mortgage Notes and the Junior Mortgage Notes were issued (collectively, the "Indentures") prohibit RIH and its subsidiaries from paying dividends, from making other distributions in respect of their capital stock, and from purchasing or redeeming their capital stock, with certain exceptions, unless certain interest coverage ratios are attained. The Indentures also contain certain other restrictive covenants on the part of RIH and its subsidiaries, including (i) limitations on incurring additional indebtedness, with certain exceptions; (ii) restrictions on making loans to an affiliate or other person other than (x) intercompany advances to GGE not in excess of \$1,000,000 in the aggregate at any time outstanding and (y) loans to GGE from the proceeds of the Senior Facility (or similar working capital facility), provided, however, that RIH can make certain loans or engage in certain credit transactions in the operation of Resorts Casino Hotel, if such loans or credit transactions are in the ordinary course of business of operating a casino/hotel; and (iii) restrictions from entering into certain transactions with affiliates on terms less favorable to RIH or its subsidiaries than an arm's length transaction. In this regard, the Indentures specifically permit affiliated transactions in connection with the Senior Facility, the Griffin Services Agreement described in Note 10, the parent services agreement with GGE which provides for payment of the three percent services fee described in Note 10, and a tax sharing agreement with GGE which limits RIH's tax

payments to GGE to reimbursements of cash payments made by GGE for income or alternative minimum taxes arising from the earnings or operations of RIH.

The Senior Facility among RIHF, GGE and RIH and certain funds and accounts advised or managed by Fidelity Management & Research Company ("Fidelity") is available for a single borrowing of up to \$19,738,000 during the period ending May 2, 1996, through the issuance of notes (the "Senior Facility Notes"). If issued, the Senior Facility Notes will bear interest at 11.75% and will be due in 2002. The Senior Facility Notes will be senior obligations of RIHF secured by a promissory note from RIH in an aggregate principal amount of up to \$19,738,000 payable in amounts and at times necessary to pay the principal of and interest on the Senior Facility Notes. The Senior Facility Notes will be guaranteed by RIH and secured by a lien on the Resorts Casino Hotel property as described above. The Senior Facility Notes will also be secured by a pledge by GGRI of all issued and outstanding shares of RIH common stock. In addition, the Senior Facility Notes will be guaranteed by GGE, which guaranty will be secured by a pledge of all the issued and outstanding stock of GGRI and RIHF. Market interest rates and other economic conditions, among other factors, will determine if it is appropriate for RIHF to draw on the Senior Facility.

The Restructuring also prescribed the following transactions between RIH and its affiliates:

- RIH issued the RIH Promissory Note and the RIH Junior Promissory Note in repayment of RIH's balance due to GGE on the Effective Date with the remainder a distribution to GGE. RIH's retained earnings of \$53,896,000 at April 30, 1994 was included in that distribution.
- GGRI exchanged \$325,000,000 principle amount of note receivable from RIH for 999,900 shares of common stock of RIH. In order to accomplish this, RIH authorized an additional 4,997,500 shares of its common stock.
- GGE contributed to GGRI the 100 shares of common stock of RIH which GGE owned. This resulted in RIH's becoming a wholly-owned subsidiary of GGRI and an indirect subsidiary of GGE. RIH now has a total of 5,000,000 shares of common stock authorized, of which 1,000,000 shares are issued and outstanding.
- RIH distributed to GGRI, as a return of surplus, a note receivable from a former Bahamian affiliate in the amount of \$50,000,000 plus accrued interest thereon.
- RIH distributed all of its cash and equivalents in excess of \$15,000,000 as of the Effective Date to GGRI. GGRI

distributed such cash to GGE so that GGE, in turn, could distribute Excess Cash (as defined in the Plan) to holders of Series Notes.

NOTE 3 - RECEIVABLES AND PATRONS' CHECKS

Components of receivables and patrons' checks at June 30 were as follows:

(In Thousands of Dollars)	1995	1994
Gaming	\$ 8,231	\$ 7,437
Less allowance for doubtful accounts	<u>(3,915)</u>	<u>(4,141)</u>
	<u>4,316</u>	<u>3,296</u>
Non-gaming:		
Hotel and related	981	701
Other	<u>2,141</u>	<u>990</u>
	3,122	1,691
Less allowance for doubtful accounts	<u>(95)</u>	<u>(53)</u>
	<u>3,027</u>	<u>1,638</u>
	<u>\$ 7,343</u>	<u>\$ 4,934</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Components of property and equipment at June 30 were as follows:

(In Thousands of Dollars)	1995	1994
Land and land rights	\$ 53,060	\$ 53,250
Land improvements	158	158
Hotel and other buildings	112,328	105,657
Furniture, machinery and equipment	49,417	42,509
Construction in progress	<u>214,963</u>	<u>403</u>
	214,963	201,977
Less accumulated depreciation	<u>(55,836)</u>	<u>(42,559)</u>
	<u>\$ 159,127</u>	<u>\$ 159,418</u>

Substantially all of RIH's property and equipment was pledged as collateral for the Series Notes through the Effective Date, and is now pledged as collateral for the New Debt Securities issued by RIHF. See Note 2.

NOTE 5 - OTHER ACCRUED LIABILITIES

Components of other accrued liabilities at June 30 were as follows:

(In Thousands of Dollars)	1995	1994
Accrued payroll and related taxes and benefits	\$ 8,953	\$ 11,729
Accrued gaming taxes, fees and related assessments	819	858
Utilities	619	605
Various taxes	589	489
Other Reserves	6,675	6,855
Other	<u>2,177</u>	<u>1,212</u>
	<u>\$19,832</u>	<u>\$21,748</u>

NOTE 6 - OTHER CURRENT LIABILITIES

Components of other current liabilities at June 30 were as follows:

(In Thousands of Dollars)	1995	1994
Intercompany Payable to GGE	\$ 2,485	\$ 1,980
Affiliate Interest Payable	4,237	2,857
CRDA Bond Obligation	854	815
Other	<u>2,824</u>	<u>1,720</u>
	<u>\$ 10,400</u>	<u>\$ 7,372</u>

NOTE 7 - DEFERRED REVENUE

\$227,000 and \$300,000 of deferred credits at June 30, 1995 and 1994, respectively, represent the unrecognized portion of a lump-sum payment made by a tenant in July 1983 at the inception of a fifteen year lease. This payment is being recognized and recorded in earnings in equal monthly installments over the original term of the lease.

NOTE 8 - SAVINGS AND PENSION PLANS

RIH has a defined contribution plan in which substantially all non-union employees are eligible to participate. Employees of certain other affiliated companies are also eligible to participate in this plan. RIH and other subsidiaries of GGE make contributions to the plan based on a percentage of eligible employee contributions. RIH's pension expense for this plan was \$327,000 and \$311,000 for the six months ended June 30, 1995 and 1994, respectively.

Union employees are covered by various multi-employer pension plans to which contributions are made by RIH and other unrelated employers. RIH's pension expense for these plans was \$442,000 and \$392,046 for the six months ended June 30, 1995 and 1994 respectively.

NOTE 9 - RELATED PARTY TRANSACTIONS

RIH recorded the following income and expenses for the six months ended June 30, from GGE and other affiliates:

(In Thousands of Dollars)		1995	1994
<u>AFFILIATED COMPANY</u>	<u>TRANSACTION</u>		
Income - Resorts International (Bahamas) 1984 Limited	Interest	<u>\$</u>	<u>\$ 2,250</u>
Expenses:			
Griffin Gaming & Entertainment, Inc.	Parent services	\$ 4,646	\$ 4,288
	Property rental	188	162
Resorts International Hotel Financing, Inc.	Interest and amortization of discounts on affiliated notes	<u>9,071</u>	<u>3,064</u>
		<u>\$ 13,905</u>	<u>\$ 7,514</u>

GGE charges RIH the parent services fee of three percent of gross revenues for administrative and other services.

In addition to the above, charges for insurance costs are allocated to RIH based on relative amounts of operating revenue, payroll, property value, or other appropriate measures. Also, recapitalization costs reflected in nonoperating income - net (see Note 10) represent RIH's allocated portion of GGE's consolidated recapitalization costs.

License and Services Agreement

In April 1993, GGE, RIH and The Griffin Group, Inc. (the "Griffin Group"), a corporation controlled by Merv Griffin, Chairman of the Board of GGE, entered into a license and services agreement (the "Griffin Services Agreement") effective as of September 17, 1992, upon the expiration of the previous license and services agreement. Pursuant to the Griffin Services Agreement, Griffin Group granted GGE and RIH a non-exclusive license to use the name and likeness of Merv Griffin to advertise and promote the facilities and operations of GGE and its subsidiaries. Also pursuant to the Griffin Services Agreement, Mr. Griffin is to provide certain services to GGE and RIH, including serving as Chairman of the Board of GGE and as a host, producer and featured performer in various shows to be presented in Resorts Casino Hotel, and furnishing marketing and consulting services.

The Griffin Services Agreement is to continue until September 17, 1997 and provides for earlier termination under certain circumstances including, among others, a change of control (as defined) of GGE and RIH and Mr. Griffin ceasing to serve as Chairman of the Board of GGE.

The Griffin Services Agreement provides for compensation to Griffin Group in the amount of \$2,000,000 for the year ended September 16, 1993, and in specified amounts for each of the following years, which increase at approximately 5% per year. In accordance with the Griffin Services Agreement, upon signing RIH paid Griffin Group \$4,100,000, representing compensation for the first two years. Thereafter, the Griffin Services Agreement calls for annual payments on September 17, each representing a prepayment for the year ending two years hence. In the event of an early termination of the Griffin Services Agreement, and depending on the circumstances of such early termination, all or a portion of the compensation paid to Griffin Group in respect of the period subsequent to the date of termination may be required to be repaid to GGE and RIH.

In the Griffin Services Agreement GGE and RIH agreed to indemnify, defend and hold harmless Griffin Group and Mr. Griffin against certain claims, losses and costs, and to maintain certain insurance coverage with Mr. Griffin and Griffin Group as named insureds.

As part of the Restructuring, the payment due Griffin Group on September 17, 1994 was settled by applying \$2,310,000 as a reduction of the balance of a note payable to GGE by Griffin Group. On August 1, 1994, following review and approval by the independent members of GGE's Board of Directors, GGE agreed to issue 1,940,000

shares of common stock of GGE to an affiliate of Griffin Group in satisfaction of the final payment obligation of RIH and GGE under the Griffin Services Agreement. This payment of \$2,425,000 would have been due on September 17, 1995. The closing price of GGE's common stock on the date of the agreement was \$1.0625 per share. The shares are not registered under the Securities Act of 1933 and are restricted securities.

NOTE 10 - NONOPERATING INCOME, NET

Components of nonoperating income, net for the six months ended June 30, were as follows:

(In Thousands of Dollars)	1995	1994
Interest income from affiliates	\$ 1,173	\$ 2,250
Interest income	1,173	500
Corporate office expense		
Recapitalization costs		(1,823)
Loss on disposition of property and equipment	(12)	
Other		845
	<u>\$ 1,161</u>	<u>\$ 1,772</u>

(In Thousands of Dollars)	1979-1993	1994-1995	TOTAL
---------------------------	-----------	-----------	-------

NOTE 11 - INCOME TAXES

For federal tax purposes RIH had net operating loss ("NOL") carryforwards of approximately \$188,000,000 at December 31, 1994, which expire from 2003 through 2005. These loss carryforwards were produced in periods prior to a change in ownership of the consolidated group of which RIH is a part; therefore, these loss carryforwards are limited in their availability to offset future taxable income.

At December 31, 1994 RIH NOL carryforwards in New Jersey of approximately \$136,000,000, which expire from 1995 through 1997.

Also, for federal tax purposes, RIH had tax credit carryforwards of \$2,100,000 at December 31, 1994 which expire from 1998 through 2009.

Previously approved	1,000	1,000	
Purchases	7,533	32,843	40,476
Obligation at June 30, 1995, which was deposited in July 1995	\$ 0	\$ (854)	\$ (854)

NOTE 12 - COMMITMENTS AND CONTINGENCIES

CRDA

The Casino Control Act, as originally adopted, required a licensee to make investments equal to 2% of the licensee's gross revenue (as defined under the Casino Control Act) (the "investment obligation") for each calendar year, commencing in 1979, in which such gross revenue exceeded its "cumulative investments" (as defined in the Casino Control Act). A licensee had five years from the end of each calendar year to satisfy this investment obligation or become liable for an "alternative tax" in the same amount. In 1984, the New Jersey legislature amended the Casino Control Act so that these provisions now apply only to investment obligations for the years 1979 through 1983.

Effective for 1984 and subsequent years, the amended Casino Control Act requires a licensee to satisfy its investment obligation by purchasing bonds to be issued by the CRDA, or by making other investments authorized by the CRDA, in an amount equal to 1.25% of a licensee's gross revenue. If the investment obligation is not satisfied, then the licensee will be subject to an investment alternative tax of 2.5% of net casino win. Since 1985, a licensee has been required to make quarterly deposits with the CRDA against its current year investment obligation.

An analysis of RIH's investment obligations under the Casino Control Act and RIH's means of settlement since 1979 follows:

<u>(In Thousands of Dollars)</u>	<u>1979-1983</u>	<u>1984-1995</u>	<u>TOTAL</u>
Investment obligations	\$ (21,637)	\$ (33,797)	\$ (55,434)
Means of settlement:			
Housing related investments under audit	13,104		13,104
Housing related investments previously approved	1,000		1,000
CRDA deposits/bond purchases	<u>7,533</u>	<u>32,943</u>	<u>40,476</u>
Remaining investment obligation at June 30, 1995, which was deposited in July 1995	<u>\$ 0</u>	<u>\$ (854)</u>	<u>\$ (854)</u>

With regard to the housing related investments under audit, in January 1988, the CRDA notified RIH of its interpretation as to the periods of time during which expenditures could be made to satisfy investment obligations. This interpretation differs from RIH's and if found to be correct would decrease the amount of RIH's qualifying expenditures by approximately \$5,000,000 to \$6,000,000. RIH believes that its interpretation is correct and intends to contest this issue.

RIH also received a letter dated November 9, 1989, from the State of New Jersey Department of the Treasury (the "Treasury") stating that the housing related investments made by RIH were not sufficient to meet its investment obligation for the years 1979 through 1983. The letter also stated that alternative tax in the amount of \$21,637,000 was due for those years, in addition to penalties and interest thereon which amounted to \$12,514,000 as of the date of the letter. As set forth in the table above, RIH believes that \$8,533,000 of such obligations have been settled; \$7,533,000 in cash and \$1,000,000 by previously approved housing related investments. Also, RIH has received audit reports issued by an agency acting on behalf of the Treasury identifying \$10,165,000 of project development costs available for investment credit towards the investment obligation. This leaves a total of \$2,939,000 of housing related investments under audit in question. RIH has notified the Treasury that it takes exception to the Treasury's computation of amounts due. Further, RIH believes that the \$2,939,000 of housing related investments in question will be found, under further audit, to have been satisfied.

These matters have been dormant for some time. RIH was verbally contacted by the Treasury in late 1993 regarding the Treasury's proposal for a resolution of these matters, but has had no communication since then. If the CRDA's interpretation as to the periods of time during which qualifying expenditures can be made is found to be correct, or if the Treasury's issue is determined adversely, RIH could be required to pay the relevant amount in cash to the CRDA. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, arising from these issues will not have a material adverse effect on the accompanying financial statements.

As reflected in the table above, through June 30, 1995, RIH had made CRDA deposits/bond purchases totaling \$40,476,000. However, in August 1989 RIH donated \$12,048,000 to the CRDA in exchange for which RIH was relieved of its obligation to purchase CRDA bonds of \$18,193,000. Because RIH already had the \$18,193,000 for bond purchases on deposit with the CRDA, the difference between this amount and the amount of the donation, or \$6,145,000, was refunded to RIH in August 1989. Also, in April 1995 RIH donated \$250,000 of its funds on deposit to the CRDA. In exchange for this, RIH was relieved of its obligation to purchase CRDA bonds with these funds and RIH also received a credit of \$127,000 towards its first quarter 1995 obligation. Thus, at June 30, 1995 RIH had a remaining balance of \$5,396,000 face value of bonds issued by the CRDA and had \$16,637,000 on

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
 (a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
 SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
 JUNE 30, 1995

deposit with the CRDA. These bonds and deposits, net of an estimated discount charged to expense to reflect the below-market interest rate payable on the bonds, are included in investments, advances, and receivables in RIH's Consolidated Balance Sheets.

RIH records charges to expense to reflect the below-market interest rate payable on the bonds it may have to purchase to fulfill its investment obligation at the date the obligation arises. The charges for six months ended June 30, 1995 and 1994 for discounts on obligations arising in those years were \$654,000 and \$694,000, respectively.

Litigation

RIH is a defendant in certain litigation. In the opinion of management, based upon the advice of counsel, the aggregate liability, if any, arising from such litigation will not have a material adverse effect on the accompanying consolidated financial statements.

Accounts receivable	4,251 \$	3,515 \$	4,214
Accounts due from officers and employees			
Accounts due from affiliates			
Accounts and notes receivables	2,141		
Other Receivables	2,141		2,141
Form 209	9	11,363 \$	4,010 \$

UNDEPOSITED PATRONS' CHECKS ACTIVITY

Beginning Balance (January 1)			1,100
Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial acquisitions, substitutions, and patrons' cash deposits)			81,247
Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)			81,523
Checks collected through deposits			81,523
Checks transferred to returned checks			2,141
Other adjustments			2,141
Ending Balance			1,100
Unpaid Checks included in Balance On Line 16			
Provision For Uncollectible Patrons' Checks			800
Provision As A Percent Of Counter Checks Issued			0.9%

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1995
(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE (e) NET OF ALLOWANCE
Patrons' Checks:				
1	Undeposited patrons' checks.....	\$ 3,241		
2	Returned patrons' checks.....	4,990		
3	Total Patrons' Checks.....	8,231	\$ 3,915	\$ 4,316
4	Hotel Receivables.....	981	95	886
Other Receivables:				
5	Receivables due from officers and employees.....			
6	Receivables due from affiliates.....			
7	Other accounts and notes receivables.....	2,141		
8	Total Other Receivables.....	2,141		2,141
9	Total (Form 205).....	\$ 11,353	\$ 4,010	\$ 7,343

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 3,185
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	51,647
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(41,821)
13	Checks collected through deposits.....	(7,557)
14	Checks transferred to returned checks.....	(2,213)
15	Other adjustments.....	
16	Ending Balance.....	\$ 3,241
17	"Hold" Checks Included In Balance On Line 16.....	\$
18	Provision For Uncollectible Patrons' Checks.....	\$ 480
19	Provision As A Percent Of Counter Checks Issued.....	0.9%

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
 PROMOTIONAL EXPENSES AND ALLOWANCES
 (IN THOUSANDS)

FOR THREE MONTHS ENDED JUNE 30, 1995

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	33	\$ 2,297		
FOOD	296	2,959		
BEVERAGE	197	788		
TRAVEL			15	\$ 1,371
COIN			415	4,142
COUPON				
CASH COMP			84	3,907
ENTERTAINMENT	69	827		
RETAIL & GIFTS	1	31		
OTHER	14	66	23	594
TOTAL	610	\$ 6,968	537	\$ 10,014

FOR SIX MONTHS ENDED JUNE 30, 1995

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	54	\$ 3,748		
FOOD	570	5,699		
BEVERAGE	391	1,565		
TRAVEL			27	\$ 2,652
COIN			814	8,138
COUPON				
CASH COMP			108	7,596
ENTERTAINMENT	121	1,454		
RETAIL & GIFTS	2	65		
OTHER	22	107	40	1,008
TOTAL	1,160	\$ 12,638	989	\$ 19,394

Subscribed and sworn to before me this 11th day of August, 1995.
 Notary Public for the State of New Jersey
 My Commission Expires June 12, 2000

MERV GRIFFIN'S RESORTS CASINO HOTEL

STATEMENT OF CONFORMITY AND ACCURACY

QUARTERLY REPORT

STATE OF NEW JERSEY

:
:SS.

COUNTY OF ATLANTIC

:

ANTHONY RODIO

, being duly sworn according to law

Name

upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.


Signature

VICE PRESIDENT FINANCE

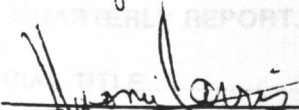
Title

002895-11

License Number

Subscribed and sworn to
before me this 11th day
of August, 1995.

On Behalf Of:


Signature

NAOMI HARRIS

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 12, 2000

MERV GRIFFIN'S RESORTS CASINO HOTEL

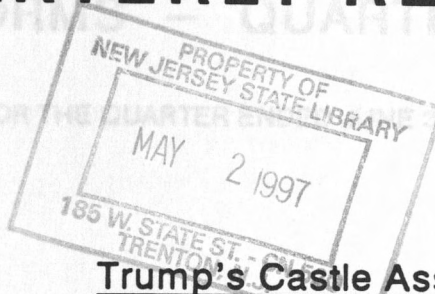
Basis of Authority to Take Oaths

974.9d
C193

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

QUARTERLY REPORT

LIST OF FORMS FOR QUARTERLY REPORT



**LICENSEE
ADDRESS**

Trump's Castle Associates
One Castle Boulevard
Atlantic City, N.J. 08401

TITLE	FORM NO.
Balance Sheets	CCC-205
FOR THE QUARTER ENDED	JUNE 30, 1995
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
CASINO CONTROL COMMISSION	OF THE
STATE OF NEW JERSEY	
Notes to Financial Statements	CCC-235
Schedule of Revenues	CCC-240
Promotions' Allowances and Expenses	CCC-245
Statement of Conformity and Accuracy	CCC-250

**NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT.....**

Nancy K. Wattson

OFFICIAL TITLE.....

Executive Director Financial Accounting

ADDRESS.....
One Castle Boulevard
Atlantic City, N.J. 08401

BALANCE SHEETS

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

JUNE 30, 1995 and 1994

LIST OF FORMS - QUARTERLY REPORT

(UNAUDITED)
(\$ IN THOUSANDS)

FOR THE QUARTER ENDED JUNE 30, 1995

		(c) 1995	(d) 1994
ASSETS			
Current Assets:			
1	Accounts receivable	\$15,524	\$10,957
2	Prepaid expenses	0	0
3	Advances and patrons' checks (net of allowance for doubtful debts - 1995, \$2,538; 1994, \$5,072)	7,808	11,701
4	Inventory	1,579	2,743
5	Fixed equipment and other current assets (NOTE 8)	3,722	6,097
6	Investment in other entities		10,931
7	Other current assets		3,742
8	Long-term investments		427,721
9	Other long-term assets		166,428
10	Other long-term assets		336
11	Other long-term assets		539,045
LIABILITIES AND EQUITY			
12	Accounts payable		\$2,368
13	Accounts payable (NOTE 7)	\$5,868	0
14	Accounts payable		0
15	Accounts payable		0
16	Accounts payable		0
17	Accounts payable		0
18	Accounts payable		0
19	Accounts payable		0
20	Accounts payable		0
21	Accounts payable		0
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189	Accounts payable		0
190	Accounts payable		0
191	Accounts payable		0
192	Accounts payable		0
193	Accounts payable		0
194	Accounts payable		0
195	Accounts payable		0
196	Accounts payable		0
197	Accounts payable		0
198	Accounts payable		0
199	Accounts payable		0
200	Accounts payable		0

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

BALANCE SHEETS

JUNE 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	ASSETS		
	Current Assets:		
1	Cash	\$15,624	\$10,857
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, \$2,838; 1994, \$5,072)	7,608	11,703
4	Inventories	1,579	2,135
5	Prepaid expenses and other current assets.....(NOTE 5).....	8,722	5,996
6	Total current assets	33,533	30,691
7	Investments, Advances, And Receivables	2,088	3,158
8	Property And Equipment - Gross	506,913	497,780
9	(Accumulated Depreciation/Amortization)	(180,637)	(166,420)
10	Other Assets	3,923	836
11	Total Assets	\$365,820	\$366,045
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	\$9,886	\$2,368
13	Notes payable	0	0
	Current portion of long-term debt:		
14	Due to affiliates	0	0
15	Other	2,313	0
16	Income taxes payable and accrued	0	0
17	Other accrued expenses	12,195	17,256
18	Other current liabilities	12,335	13,794
19	Total current liabilities.....	36,729	33,418
	Long-Term Debt:		
20	Due to affiliates	285,736	274,237
21	Other	36,214	38,000
22	Deferred Credits	0	0
23	Other Liabilities	11	5
24	Commitments And Contingencies		
25	Total Liabilities	358,690	345,660
26	Stockholders', Partners', Or Proprietor's Equity	7,130	20,385
27	Total Liabilities and Equity	\$365,820	\$366,045

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Revenue:		
1	Casino.....	\$124,511	\$127,650
2	Rooms	9,194	9,066
3	Food and beverage	14,481	15,612
4	Other	3,834	4,061
5	Total revenue	152,020	156,389
6	Less: Promotional allowances	15,864	17,315
7	Net revenue	136,156	139,074
	Costs And Expenses:		
8	Cost of goods and services	74,529	75,149
9	Selling, general, and administrative	38,366	39,146
10	Provision for doubtful accounts	524	3,723
11	Total costs and expenses	113,419	118,018
12	Gross Operating Profit	22,737	21,056
13	Depreciation and amortization	7,113	7,334
	Charges from affiliates other than interest:		
14	Management fees .....(NOTE 15).....	1,123	1,022
15	Other	780	0
16	Income (Loss) From Operations	13,721	12,700
	Other Income (Expenses):		
17	Interest (expense) – affiliates.....(NOTE 3).....	(20,691)	(20,208)
18	Interest (expense) – external .....(NOTE 4).....	(1,898)	(1,740)
19	Investment alternative tax and related income (expense) – net.....(NOTE 11).....	(768)	(2,340)
20	Nonoperating income (expense) – net .....(NOTE 10).....	(199)	295
21	Total other income (expenses)	(23,556)	(23,993)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(9,835)	(11,293)
23	Provision (credit) for income taxes .....(NOTE 1).....	0	0
24	Income (Loss) Before Extraordinary Items	(9,835)	(11,293)
25	Extraordinary items (net of income taxes – 1994, \$ 0; 1993, \$ 0).....(NOTE 14).....	0	0
26	Net Income (Loss)	(\$9,835)	(\$11,293)

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Revenue:		
1	Casino.....	\$64,291	\$65,868
2	Rooms	5,196	5,143
3	Food and beverage	7,652	8,550
4	Other	2,234	2,496
5	Total revenue	79,373	82,057
6	Less: Promotional allowances	8,658	9,312
7	Net revenue	70,715	72,745
	Costs And Expenses:		
8	Cost of goods and services	38,380	38,892
9	Selling, general, and administrative	19,333	20,975
10	Provision for doubtful accounts	278	1,335
11	Total costs and expenses	57,991	61,202
12	Gross Operating Profit	12,724	11,543
13	Depreciation and amortization	3,577	3,743
	Charges from affiliates other than interest:		
14	Management fees .....(NOTE 15).....	309	507
15	Other	332	0
16	Income (Loss) From Operations	8,506	7,293
	Other Income (Expenses):		
17	Interest (expense) – affiliates.....(NOTE 3).....	(10,399)	(10,125)
18	Interest (expense) – external .....(NOTE 4).....	(1,024)	(877)
19	Investment alternative tax and related income (expense) – net.....(NOTE 11).....	(418)	(248)
20	Nonoperating income (expense) – net .....(NOTE 10).....	(249)	148
21	Total other income (expenses)	(12,090)	(11,102)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(3,584)	(3,809)
23	Provision (credit) for income taxes .....(NOTE 1).....	0	0
24	Income (Loss) Before Extraordinary Items	(3,584)	(3,809)
25	Extraordinary items (net of income taxes – 1994, \$ 0; 1993, \$ 0) .....(NOTE 14).....	0	0
26	Net Income (Loss)	(\$3,584)	(\$3,809)

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1995 and 1994

NOT APPLICABLE

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995		1994	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:		\$		\$
1	Beginning balance (January 1)				
2	Sale of stock				
3	.....			
4	Ending balance				
	Preferred Stock				
5	Beginning balance (January 1)				
6	Sale of stock				
7	.....			
8	Ending balance				
	Additional Paid-in Capital:				
9	Beginning balance (January 1)				
10	.....			
11	.....			
12	Ending balance				
	Treasury Stock:				
13	Beginning balance (January 1)		()		()
14	Purchase of additional stock		()		()
15	Sale or retirement of stock				
16	Ending balance		()		()
	Subscriptions Receivable For				
	Capital Stock:				
17	Beginning balance (January 1)		()		()
18	.....			
19	.....			
20	Ending balance		()		()
	Net Unrealized Loss on Noncurrent				
	Marketable Equity Securities:				
21	Beginning balance (January 1)		()		()
22	.....			
23	.....			
24	Ending balance		()		()
	Retained Earnings:				
25	Beginning balance (January 1)				
26	Prior period adjustments				
27	Net income (loss)				
28	Dividends		()		()
29	.....			
30	.....			
31	Ending balance				
32	Ending Stockholders' Equity.....		\$ N/A		\$ N/A

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Invested Capital:		
1	Beginning balance (January 1)	\$103,314	\$71,196
2	Additional capital invested	0	32,118
3	.....	0	0
4	Ending balance	103,314	103,314
	Accumulated Income (Loss):		
5	Beginning balance (January 1)	(47,899)	(33,186)
6	Prior period adjustments	0	0
7	Net income (loss)	(9,835)	(11,293)
8	.....	0	0
9	Ending balance	(57,734)	(44,479)
	Capital Withdrawals:		
10	Beginning balance (January 1)	(38,450)	(38,450)
11	Additional capital withdrawals	0	0
12	.....	0	0
13	Ending balance	(38,450)	(38,450)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	0	0
15	.....	0	0
16	.....	0	0
17	Ending balance	0	0
18	Ending Partners' Or Proprietor's Equity	\$7,130	\$20,385

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO
STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
1	Net Cash Provided (Used) By Operating Activities	(\$1,382)	(\$5,282)
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....	0	0
3	Proceeds from the sale of short-term investment securities.....	0	0
4	Cash outflows for property and equipment.....	(4,341)	(4,337)
5	Proceeds from disposition of property and equipment.....	0	0
6	Purchase of casino reinvestment obligations.....	(1,179)	(1,424)
7	Purchase of other investments and loans/advances made.....	0	0
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	0	0
9	Cash outflows to acquire business entities.....	0	0
10	Redemption of A-1 Bonds.....	0	0
11	.....	0	0
12	Net Cash Provided (Used) By Investing Activities.....	(5,520)	(5,761)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	0	0
14	Payments to settle short-term debt.....	0	0
15	Cash proceeds from issuance of long-term debt.....	3,753	1,345
16	Costs of issuing debt.....	0	0
17	Payments to settle long-term debt.....	(349)	0
18	Cash proceeds from issuing stock or capital contributions.....	0	0
19	Purchases of treasury stock.....	0	0
20	Payments of dividends or capital withdrawals.....	0	0
21	.....	0	0
22	.....	0	0
23	Net Cash Provided (Used) By Financing Activities.....	3,404	1,345
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(3,498)	(9,698)
25	Cash And Cash Equivalents At Beginning Of Period.....	19,122	20,555
26	Cash And Cash Equivalents At End Of Period.....	\$15,624	\$10,857

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
28	Interest (net of amount capitalized).....	\$17,676	\$13,750
	Income taxes.....	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.

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 and 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	(\$9,835)	(\$11,293)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	7,114	7,334
31	Amortization of other assets.....	0	0
32	Amortization of debt discount or premium.....	1,151	1,097
33	Deferred income taxes - current.....	0	0
34	Deferred income taxes - noncurrent.....	0	0
35	(Gain) loss on disposition of property and equipment.....	0	(3)
36	(Gain) loss on casino reinvestment obligations.....	768	2,340
37	(Gain) loss from other investment activities.....	0	0
38	Net (increase) decrease in receivables and patrons' checks.....	1,684	(1,376)
39	Net (increase) decrease in inventories.....	211	180
40	Net (increase) decrease in other current assets.....	(3,892)	(2,539)
41	Net (increase) decrease in other assets.....	(11)	(12)
42	Net increase (decrease) in accounts payables.....	3,441	(937)
43	Net increase (decrease) in other current liabilities excluding debt.....	(2,014)	(71)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	1	(2)
45	.....	0	0
46	.....	0	0
47	Net Cash Provided (Used) By Operating Activities.....	(\$1,382)	(\$5,282)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$5,216	\$4,337
50	Less: Capital lease obligations incurred.....	875	0
	Cash Outflows For Property And Equipment.....	\$4,341	\$4,337
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$0	\$0
52	Goodwill acquired.....	0	0
53	Net assets acquired other than cash, goodwill, and property and equipment.....	0	0
54	Long-term debt assumed.....	0	0
55	Issuance of stock or capital invested.....	0	0
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

TRUMP'S CASTLE HOTEL & CASINO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Operation:

Trump's Castle Associates Limited Partnership (the "Partnership") was formed as a limited partnership in 1985 for the sole purpose of acquiring and operating Trump's Castle Casino Resort ("Trump's Castle"). The Partnership converted to a general partnership in February 1992. As a result of a recapitalization involving the Partnership, the Company and TC/GP, Inc. ("TC/GP") in December, 1993, the partnership is wholly owned by Donald J. Trump, and his wholly owned companies, TC/GP and Trump's Castle Hotel & Casino Inc. ("TCHC").

Revenue Recognition:

The Partnership records as revenue the win from gaming activities which represents the difference between amounts wagered and amounts won by patrons. Revenues from hotel and related services are recognized at the time the related service is performed.

Promotional Allowances:

Gross revenues include the retail value of complimentary food, beverage and hotel services furnished to patrons. The retail value of these promotional allowances is deducted from gross revenue to arrive at net revenues. The cost of promotional allowances is charged to operations.

Income Taxes/Deferred Credits:

The accompanying financial statements do not include a provision for Federal income taxes of the Partnership, since any income or losses allocated to the Partners are reportable for Federal income tax purposes by the Partners.

Under the New Jersey Casino Control Commission regulations, the Partnership is required to file a consolidated New Jersey corporation business tax return. However, no provision for state income taxes has been reflected in the accompanying financial statements, since the Partnership has experienced operating losses during the periods contained in this report. As of December 31, 1994, the Partnership had New Jersey State net operating losses of approximately \$158,000,000, which are available to offset taxable income through 2000.

Allowance for Doubtful Accounts:

The Partnership has provided \$2,838,000 through June 30, 1995 including a \$1.0 million provision with respect to \$1.4 million owed by a foreign gaming patron.

Inventories:

Food and beverage inventories are carried on a weighted average basis and all other inventories are carried at the lower of cost or market on a first in, first out basis.

Property and Equipment:

Property and equipment is recorded at cost and is depreciated on the straight-line method over the estimated useful lives of assets. Estimated useful lives for furniture, fixtures and equipment are from three to eight years and 40 years for buildings.

Original Issuance Discount:

Original issue discount is accreted over the life of the related indebtedness using the effective interest method.

NOTE 2 - PROPERTY AND EQUIPMENT:

Property and equipment as of June 30:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Land and Land Improvements	\$ 36,811	\$ 36,407
Buildings	235,170	235,170
Furniture, Fixtures and Equipment	112,757	105,587
Construction in Progress	3,821	5,094
Building/Leasehold Improvements	118,354	115,522
	<hr/>	<hr/>
TOTAL	\$506,913	\$497,780
Less Accumulated Depreciation	(180,637)	(116,420)
	<hr/>	<hr/>
Net Property and Equipment	<u>\$326,276</u>	<u>\$381,360</u>

NOTE 3 - LONG TERM DEBT:

Plan of Reorganization:

Trump's Castle Funding (the "Company") was incorporated on May 28, 1985 solely to serve as a financing company to raise funds through the issuance of its 13-3/4% First

Mortgage Bonds, Series A-1, due 1997 (the "Series A-1 Bonds") and 7% First Mortgage Bonds, Series A-2, due 1999 (the "Series A-2 Bonds," and together with the Series A-1 Bonds, the "Old Bonds"), the proceeds of which were loaned to the Partnership. In return for such proceeds, the Partnership issued a promissory note (the "Old Partnership Note") to the Company in a principal amount equal to the aggregate principal amount of the Old Bonds and with similar payment terms. In addition, the Partnership directly guaranteed the payment of the principal of, premium, if any, and interest on the Old Bonds (the "Old Guaranty"). On the Effective Date, the Old Partnership Note and Old Guaranty were discharged, the Partnership issued a new promissory note (the "Partnership Note") and a new guaranty (the "Guaranty") and the Old Bonds were exchanged for the Company's 9.50% Mortgage Bonds, due 1998 (the "New Bonds") and shares of common stock of TC/GP (the "Common Stock").

On March 9, 1992, the Company, the Partnership, and its general partners filed a voluntary petition for relief under Chapter 11 of title 11, United States Code (the "Bankruptcy Code") and filed a Plan of Reorganization (the "Plan"). The Plan was confirmed by the Bankruptcy Court on May 5, 1992 and the Plan was consummated on May 29, 1992 (the "Effective Date"). Pursuant to the terms of the Plan, the Company's the outstanding bonds (the "Old Bonds") were exchanged for new bonds and common stock of TC/GP (Note 3) and certain modifications were made to the terms of the bank borrowings (Note 4), and amounts owed to Donald J. Trump (Note 5). The issuance of the common stock of TC/GP resulted in approximately 50% of the beneficial ownership interest in the Partnership being transferred to the holders of the Old Bonds.

In accordance with AICPA Statement of Position 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," the Bonds issued at the time of the reorganization were stated at the present value of amounts to be paid, determined at current interest rates (effective rate of approximately 17.4%). The effective interest rate of these Bonds was determined based on the trading price of these Bonds for a specific period. Stating the debt at its approximate present value resulted in a reduction in the \$322,987,000 initial face amount of these Bonds of approximately \$96,896,000. This gain will be offset by increased interest costs over the period of the bonds to accrete such bonds to their face value at maturity.

On the Effective Date, TC/GP received a 49.995% Partnership interest in the Partnership and was admitted as a partner. TC/GP also received a 50% beneficial interest in TCHC, a partner in the Partnership, which held a .01% partnership interest, thereby giving TC/GP a 50% beneficial interest in the Partnership. On the Effective Date, the

partners executed the Amended and Restated Partnership Agreement (the "Partnership Agreement"), which provided for, among other things, a Board of Partners Representatives (the "Board") to oversee the business and operations of the Partnership. Pursuant to the terms of the Partnership Agreement, Donald J. Trump was appointed the Managing General Partner of the Partnership responsible for its day-to-day operations, and appointed four of the seven members of the Board. The remaining members of the Board are appointed by TC/GP through the holders of its Common Stock.

The Plan resulted in an extraordinary gain totaling approximately \$128,187,000, including the \$96,896,000 discussed above, \$18,000,000 representing the forgiveness of bank debt (Note 3), and \$22,805,000 representing a discharge of accrued interest and accretion on indebtedness, less the write-off of unamortized loan issuance costs of \$9,514,000. On the Effective Date, 35,447 of additional units (Note 3) were issued in lieu of the Bond Carryforward Amount, as defined and the Effective Date Amount, as defined. Additionally, the Plan resulted in a discharge of related party indebtedness in the approximate amount of \$33,325,000 which has been accounted for as a contribution to capital (Note 5).

Upon consummation of the Plan on May 29, 1992, each \$1,000 principal amount of the Company's Series A-1 Bonds or \$1,000 accreted amount as of December 15, 1990 of Series A-2 Bonds was exchanged for a Unit consisting of \$1,000 in principal amount of the Company's Bonds, together with one share of the Common Stock of TC/GP and certain other payments. The Bonds and Common Stock trade together as a Unit and may not be transferred separately, except upon the occurrence of certain events. The Bonds bear interest at 9.50% per annum from the date of issuance, payable semi-annually on each February 15 and August 15, commencing August 15, 1992. The Company is required to pay interest in cash to holders of Bonds outstanding on the immediately preceding August 1 or February 1 at varying rates per annum (the "Mandatory Cash Amounts") as follows:

<u>INTEREST PAYMENT DATE</u>	<u>Mandatory Cash Rate (Per Annum)</u>
August 15, 1992	5.00%
February 15, 1993	6.00
August 15, 1993	7.00
February 15, 1994	8.00
August 15, 1994 and all subsequent dates	9.50

For interest payment dates on or before February 15, 1994, the difference between interest calculated at the rate

of 9.50% per annum and the Mandatory Cash Amount (the "Additional Amount") was payable to holders of Bonds in cash to the extent that Excess Available Cash, as defined, of the Partnership was available for such purpose and in additional Units to the extent that Excess Available Cash was less than the Additional Amount.

Recapitalization:

On December 28, 1993, the Partnership, the Company and TC/GP consummated a Recapitalization Plan whereby each \$1,000 of principal of the 9.5% Mortgage Bonds issued as part of the Plan was exchanged for \$750 principal amount of the Company's 11-3/4% Mortgage Notes due 2003 (the "Mortgage Notes"), \$120 principal amount of the Company's Increasing Rate Subordinated Pay-in-Kind Notes due 2005 (the "PIK Notes") and a cash payment of \$6.19 plus all accrued and unpaid interest. Those bondholders who did not elect to exchange their bonds received a cash payment of \$750 for each \$1,000 of principal amount of bonds plus accrued and unpaid interest. In addition, each share of TC/GP common stock was exchanged for \$35 principal amount of PIK Notes.

As a result of the Recapitalization Plan, approximately 96% of the principal amount of the previously issued bonds were exchanged for Mortgage and PIK Notes and the TC/GP common stock was redeemed. Those bonds that were redeemed for cash were purchased at an amount which approximated their net book value at the date of purchase. The net book value of the exchanged bonds has been carried forward and allocated to the Mortgage and PIK Notes in proportion to the principal amount of Notes issued. The difference between the principal amount and net book value of these notes will be accreted as a charge to interest expense over the life of the Notes using the effective interest method.

The PIK Notes bear interest, payable at the Company's option in whole or in part in cash and through the issuance of additional PIK Notes, semi-annually commencing May 15, 1994 at the rate of 7% through September 30, 1994 and 13-7/8% through November 15, 2003. Interest payments due of \$1,345,000 on May 15, 1994, \$2,250,000 on November 15, 1994 and \$3,753,000 on May 15, 1995 have been satisfied by the issuance of additional PIK Notes in lieu of a cash payment. It is the Partnership's intent to issue additional PIK Notes in lieu of a cash payment on November 15, 1995. The current interest accrual is presented as Long Term Debt: Due to Affiliates. After November 15, 2003, interest on the Notes is payable in cash, semiannually at the rate of 13-7/8%. The PIK Notes mature on November 15, 2005. The PIK Notes may be redeemed at the Company's option at 100% of the principal amount under certain conditions, as defined in the PIK Note Indenture, and are required to be redeemed from a specified

percentage of any equity offering which includes the Partnership. Interest is accrued under the effective interest method.

The terms of both the Mortgage Notes and PIK Notes include limitations on the amount of additional indebtedness the Partnership may incur, distributions of Partnership capital, investments and other business activities.

The Mortgage Notes are secured by a promissory note of the Partnership to the Company (the "Partnership Note") in an amount and with payment terms necessary to service the Mortgage Notes. The Partnership Note is secured by a mortgage on Trump's Castle and substantially all of the other assets of the partnership. The Partnership Note has been assigned by the Company to the Trustee to secure the repayment of the Mortgage Notes. In addition, the Partnership has guaranteed (the "Guaranty") the payment of the Mortgage Notes, which Guaranty is secured by a mortgage on Trump's Castle. The Partnership Note and the Guaranty are expressly subordinated to the indebtedness described in Note 5 (the "Senior Indebtedness") and the liens of the mortgages securing the Partnership Note and the Guaranty are subordinate to the liens securing the Senior Indebtedness.

The PIK Notes are secured by a subordinated promissory note of the Partnership to the Company (the "Subordinated Partnership Note"), which has been assigned to the Trustee for the PIK Notes, and the Partnership has issued a subordinated guaranty (the "subordinated Guaranty") of the PIK Notes. The Subordinated Partnership Note and the Subordinated Guaranty are expressly subordinated to the Senior Indebtedness, the Partnership Note and the Guaranty.

On June 23, 1995, the Partnership entered into an Option Agreement with Hamilton Partners, L.P. ("Hamilton") which grants the Partnership an option (the "Option") to acquire the PIK Notes owned by Hamilton. Hamilton has represented to the Partnership that it is the owner of at least 92% of the outstanding principal amount of the PIK Notes. The Option was granted to the Partnership in consideration of a one million dollar payment to Hamilton.

The Option which is initially scheduled to expire on December 12, 1995, may be extended until June 21, 1996, and is exercisable at a price equal to 60% of the aggregate principal amount and accrued interest of the PIK Notes delivered upon exercise of the Option, plus an additional 40% of the principal amount of PIK Notes issued after the date of the Option Agreement and delivered upon exercise of the Option. Pursuant to the terms of the Option Agreement, upon the occurrence of certain events within 18 months of the time the Option is exercised, the Partnership will make an additional payment to Hamilton of up to 40% of the principal amount of the PIK Notes.

On December 28, 1993, the Company issued 11-1/2% Senior Secured Notes, due 2000. Similar to the Mortgage Notes, the Senior Notes are secured by an assignment of a promissory note of the Partnership (the "Senior Partnership Note") which is in turn secured by a mortgage on Trump's Castle and substantially all of the other assets of the Partnership. In addition, the Partnership has guaranteed (the "Senior Guaranty") the payment of the Senior Notes, which Guaranty is secured by a mortgage on Trump's Castle. The Senior Partnership Note and the Senior Guaranty are subordinated to the Amended Term Loan described below.

Interest on the Senior Notes is payable semiannually commencing May 15, 1994 at the rate of 11-1/2%; however in the event that the PIK Notes are redeemed prior to November 15, 1998, the interest rate will be reduced to 11-1/4%. The Senior Notes are subject to a required partial redemption commencing on June 1, 1998 at 100% of the principal amount.

NOTE 4 - OTHER BORROWINGS:

In February 1988, the Company and the Partnership entered into a \$50,000,000 revolving credit facility with Midlantic National Bank ("Midlantic") which was later converted to a term loan in August 1990 ("Term Loan"). In addition, in June 1990, the Partnership borrowed \$13,000,000 from Midlantic under an unsecured line of credit pursuant to a grid note ("Grid Note"). Pursuant to the Plan, the terms of these loans were modified.

The amended Grid Note (the "Amended Grid Note") bore interest at 8.5% and the outstanding principal amount of \$13,000,000 was reduced to \$7,000,000 payable on demand as part of the Plan (Note 2). On December 28, 1993, the Amended Grid Note was paid in full.

The principal amount of the amended Term Loan (the "Amended Term Loan") was reduced to \$38,000,000. The Amended Term Loan had an initial maturity of three years from the Effective Date and with its terms, the Partnership had the option, subject to certain conditions, to extend the Amended Term Loan an additional five years. The Partnership exercised its option to extend the Amended Term Loan on May 28, 1995. The interest rate was revised to be a fluctuating rate of 3% above Midlantic National Bank's prime rate, but in no event less than 9% per annum. In addition, the outstanding principal amount of the Midlantic Loan will be amortized over the five-year extension period on a twenty year amortization schedule requiring principal prepayments of \$158,333 per month over the period.

The Amended Term Loan is secured by a mortgage lien on Trump's Castle that is prior to the lien securing the Mortgage Notes and the Senior Notes (Note 4).

NOTE 5 - PREPAID EXPENSES AND OTHER CURRENT ASSETS:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Prepaid Insurance	\$ 3,401	\$ 1,436
Prepaid Slot License Fees	1,110	977
PIK Redemption Option	1,000	0
Other	3,211	3,583
	<hr/>	<hr/>
TOTAL PREPAID EXPENSES AND OTHER CURRENT ASSETS	\$ 8,722	\$ 5,996
	<hr/> <hr/>	<hr/> <hr/>

NOTE 6 - OTHER ASSETS - (NET):

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Property Rights	\$ 3,137	\$ 1,000
Other	786	836
	<hr/>	<hr/>
TOTAL OTHER ASSETS	\$ 3,923	\$ 836
	<hr/> <hr/>	<hr/> <hr/>

Property Rights

In 1994, Trump's Castle Associates paid \$2,249,089 and assumed certain continuing obligations in order to acquire certain riverfront property in Philadelphia, Pennsylvania. Discussions in connection with the proposed acquisition have been terminated and Trump's Castle Associates expects to recover all amounts advanced, currently \$3,136,571, from the ultimate purchaser of the property.

NOTE 7 - ACCOUNTS PAYABLE:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Accounts Payable Trade	\$ 8,951	\$ 1,311
Patron Deposits	882	1,066
Other	53	51
	<hr/>	<hr/>
TOTAL ACCOUNTS PAYABLE	\$ 9,886	\$ 2,368
	<hr/> <hr/>	<hr/> <hr/>

NOTE 8 - OTHER ACCRUED EXPENSES:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Accrued Payroll & Taxes	\$ 3,021	\$ 4,730
Accrued Interest	5,076	5,990
Accrued Advertising/Promotions	509	347
Accrued Progressive Jackpots	167	342
Accrued Sick/Vacation	2,835	4,700
Other	587	1,147
TOTAL OTHER ACCRUED EXPENSES	\$12,195	\$17,256

NOTE 9 - OTHER CURRENT LIABILITIES:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
Outstanding Chip Liability	\$ 1,055	\$ 1,025
Outstanding Token Liability	341	520
Patron Deposits	91	101
Accrued Utilities	28	436
Accrued Group Health Insurance	2,471	2,480
Accrued Insurance	3,711	4,697
Accrued Legal	265	495
Accrued CCC/DGE	187	463
Accrued Inventories	299	318
Accrued CRDA	639	756
Accrued Trade Liabilities	1,732	1,534
Other	1,516	969
TOTAL OTHER CURRENT LIABILITIES	\$12,335	\$13,794

NOTE 10 - NON-OPERATING INCOME (EXPENSES) - NET:

Non-operating income (expense) for the period ended June 30:

	<u>Three Months</u>	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Interest Income	\$ 70	\$ 148
Non-Operating Expenses	(319)	0
TOTAL NON-OPERATING INCOME - NET	\$ (249)	\$ 148

	<u>Six Months</u>	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Interest Income	\$ 224	\$ 295
Non-Operating Expenses	(423)	0
TOTAL NON-OPERATING INCOME - NET	\$ (199)	\$ 295

NOTE 11 - COMMITMENTS AND CONTINGENCIES:

The Partnership is subject to regulation and licensing by the New Jersey Casino Control Commission (the "CCC"). The Partnership's casino license must be renewed periodically, is not transferable, is dependent upon the financial stability of the Partnership and can be revoked at any time. Due to the uncertainty of any license renewal application, there can be no assurance that the license will be renewed. Upon revocation, suspension for more than 120 days, or failure to renew the casino license due to the Partnerships's financial condition or for any other reason, the Casino Control Act ("the Act") provides that the CCC may appoint a conservator to take possession of and title to the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

On June 22, 1995, the Casino Control Commission renewed the casino license of the Partnership through 1999, subject to certain continuing reporting and compliance conditions.

In connection with Trump's Castle Associate's aborted attempt to acquire certain property in Philadelphia, Trump's Castle Associates paid certain indebtedness in the amount of \$2,249,000 and assumed an additional \$2.3 million of indebtedness. Trump's Castle Associates expects to recover the \$3,126,571 advanced as of June 30, 1995 from the ultimate purchaser of the property and has included said amount in other assets. Trump's Castle Associates also expects that the \$1.9 million of remaining debt will be assumed by the ultimate purchaser. Accordingly, Trump's Castle Associates has neither recorded the receivable nor the payable with respect to this aspect of the transaction. Trump's Castle Associates has confirmed the appropriateness of this accounting treatment with it's independent public accountants.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY OBLIGATIONS

Pursuant to the provisions of the Act, the Partnership, must either obtain investment tax credits (as defined in the Act), in an amount equivalent to 1.25% of its gross casino

revenues (as defined in the Act) or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by making qualified investments, as defined, or by the purchase of bonds at below market interest rates from the Casino Reinvestment Development Authority ("CRDA"). The Partnership is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

From time-to-time the Partnership has elected to donate funds that it has on deposit with the CRDA in return for tax credits to satisfy substantial portions of the Partnership's future investment alternative tax obligations. For the six months ended June 30, 1995 and 1994 the Partnership charged to operations \$319,000 and \$307,000 respectively which represents amortization of a portion of the tax credits discussed above.

In addition, for the six months ended June 30, 1995 and 1994, the Partnership charged to operations \$394,000 and \$304,000, respectively, to give effect to the below market interest rates associated with purchased CRDA bonds.

NOTE 12 - EMPLOYEE BENEFIT PLANS:

The Partnership has a retirement savings plan for its nonunion employees under Section 401(K) of the Internal Revenue Code. Employees are eligible to contribute up to 15% of their earnings to the plan up to the maximum amount permitted by law, and the Partnership will match 50% of an eligible employee's contributions up to a maximum of 5% of the employee's earnings.

The Partnership recorded charges of approximately \$494,000 for matching contributions for the six months ended June 30, 1995.

The Partnership makes payments to various trusted pension plans under industry-wide union agreements. The payments are based on the hours worked by or gross wages paid to covered employees. It is not practical to determine the amount of payments ultimately used to fund pension benefit plans or the current financial condition of the plans. Under the Employee Retirement Income Security Act, the Partnership may be liable for its share of the plans unfunded liabilities, if any, if the plans are terminated.

The Partnership provides no other material post employment benefits.

NOTE 13 - JACKPOT PAYOUTS:

The Partnership has not recorded any jackpot payouts in the form of merchandise for the six months ended June 30, 1995.

NOTE 14 - EXTRAORDINARY ITEM:

The Partnership has not recorded any extraordinary items for the six months ended June 30, 1995 and 1994.

NOTE 15 - RELATED PARTY TRANSACTIONS:

Other Payments to Donald J. Trump

During 1994, the Board of Partner Representative approved a \$1,000,000 bonus to be paid to Donald J. Trump in 1995 based on 1994 operating results. The amount is payable in two installments subject to certain Board imposed restrictions and was approved by the Casino Control Commission on June 22, 1995. The first installment of \$500,000 was paid on June 22, 1995.

In February 1994, Trump's Castle Associates paid a \$1,500,000 bonus to Donald J. Trump. Said bonus was approved by both the Casino Control Commission and Trump's Castle's Board of Partner Representatives.

Trump Management Fee

The Partnership had a management agreement with Trump's Castle Management Corp. ("TCMC"), a corporation wholly owned by Donald J. Trump (the "Management Agreement"). The Management Agreement provided that the day-to-day operation of Trump's Castle and all ancillary properties and businesses of the Partnership was to be under the exclusive management and supervision of TCMC.

Pursuant to the Management Agreement, the Partnership was required to pay an annual fee in the amount of \$1,500,000 to TCMC for each year in which Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), as defined, exceeds certain levels. In addition, TCMC, beginning with the fiscal year ended December 31, 1994, was to receive an incentive fee equal to 10% of the excess EBITDA over \$45,000,000 for such fiscal year. For the years 1995 and thereafter the incentive fee was to equal 10% of the excess EBITDA over \$50,000,000. During the years ended 1993 and 1992, the Partnership incurred fees and expenses of \$1,688,000 and \$1,241,000 respectively, under the Management Agreement.

As a result of the Recapitalization Plan described in Note 3, on December 28, 1993, the Partnership terminated the Management Agreement with TCMC and entered into a Services Agreement with TC/GP. Pursuant to the terms of the Services Agreement, TC/GP is obligated to provide the Partnership, from time to time, when reasonably requested, consulting services with respect to the business and operations of the Partnership, including such other services as the Managing

Partner may reasonably request.

In consideration for the services to be rendered, the Partnership will pay TC/GP an annual fee on the same basis as that of the previous Management Agreement, discussed above. The Services Agreement expires on December 31, 2005.

The Partnership has recorded expenses for the six months ended June 30, 1995 and 1994 of approximately \$823,000 and \$1,022,000 respectively.

Partnership Agreement

Under the terms of the Partnership Agreement, the Partnership was required to pay all costs incurred by TC/GP. For the period ended June 30, 1995 the Partnership paid \$779,530 of expenses on behalf of TC/GP. These costs were charged to other expense in the accompanying financial statements.

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UNDEPOSITED PATRONS' CHECKS ACTIVITY

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TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1995

(UNAUDITED)

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	\$4,356		
2	Returned patrons' checks	3,343		
3	Total patrons' checks	7,699	\$2,614	\$5,085
4	Hotel Receivables	755	224	531
	Other Receivables:			
5	Receivables due from officers and employees	15		
6	Receivables due from affiliates	587		
7	Other accounts and notes receivables	1,390		
8	Total other receivables	1,992	0	1,992
9	Totals (Form 305)	\$10,446	\$2,838	\$7,608

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$3,226
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	87,101
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(47,218)
13	Checks collected through deposits	(37,340)
14	Checks transferred to returned checks	(1,413)
15	Other adjustments	0
16	Ending Balance	\$4,356
17	"Hold" Checks Included In Balance On Line 16	\$0
18	Provision For Uncollectible Patrons' Checks	516
19	Provision As A Percent Of Counter Checks Issued	0.6%

AMENDED

AMENDED
8/17/95

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED JUNE 30, 1995

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
ROOMS	62,206	\$3,652		
FOOD	234,134	3,512		
BEVERAGE	284,471	1,209		
TRAVEL			9,851	1,724
COIN				
COUPON			380,819	6,252
ENTERTAINMENT	11,400	285	167	5
RETAIL & GIFTS				
OTHER			13,260	663
TOTAL	592,211	\$8,658	404,097	\$8,644

FOR THE SIX MONTHS ENDED JUNE 30, 1995

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
ROOMS	130,479	\$6,387		
FOOD	437,067	6,556		
BEVERAGE	568,000	2,414		
TRAVEL			20,417	3,573
COIN			830,108	12,226
COUPON				
ENTERTAINMENT	20,280	507	300	9
RETAIL & GIFTS				
OTHER			30,060	1,503
TOTAL	1,155,826	\$15,864	880,885	\$17,311

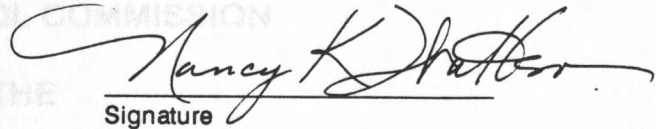
STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC :SS.

Nancy K. Wattson, being duly sworn according to law upon my oath

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

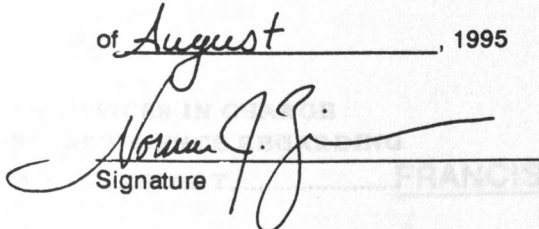

Signature

Executive Director Financial Accounting
Title

TL6319-11
License Number

Subscribed and sworn to
before me this 14TH day
of August, 1995

On behalf Of:

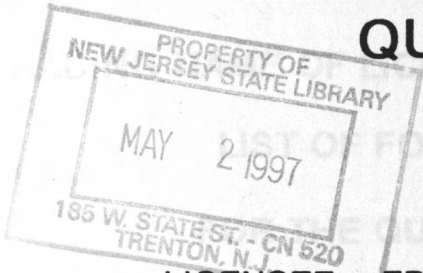

Signature

Trump's Castle Hotel & Casino
Casino Licensee

NORMA J. ZIMMERMAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 12, 1993

Basis of Authority
to Take Oaths

774.901
C193



QUARTERLY REPORT

LICENSEE: TRUMP PLAZA HOTEL & CASINO

ADDRESS: MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED JUNE 30, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
AUG 15 1995
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS ANNUAL REPORT.....

FRANCIS X MCCARTHY, JR.

OFFICIAL TITLE.....

EXECUTIVE VICE - PRESIDENT OF FINANCE AND
ADMINISTRATION

ADDRESS.....

MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1995

TITLE	DESCRIPTION	(c) 1995	(d) 1994	FORM NO.
ASSETS				
	Current Assets			
	Cash and cash equivalents	10,433	10,433	
	Marketable securities	-	-	
	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, \$0,554; 1994, \$0,429)	8,583	8,583	CCC-205
	Prepaid expenses	3,931	3,931	
	Current assets	5,901	5,901	CCC-210
	Current assets	28,183	28,183	CCC-215
	Property and Equipment - Gross	511,018	511,018	CCC-225
	Accumulated Depreciation	(144,158)	(144,158)	CCC-225
	Net Property and Equipment	42,379	42,379	CCC-235
	Other assets	442,905	442,905	
	Total Assets	442,905	442,905	
LIABILITIES AND EQUITY				
	Current Liabilities			
	Accounts Payable	5,478	5,478	CCC-240
	Promotional Expenses and Allowances	1,245	1,245	CCC-245
	Statement of Conformity and Accuracy	-	-	CCC-250
	Income taxes payable and accrued	2,912	2,912	
	Accrued expenses	17,984	18,144	
	Other current liabilities	6,240	7,220	
	Current liabilities	58,859	57,009	
	Long-Term Debt:			
	Due to affiliates	328,437	328,041	
	Other	4,051	5,218	
	Deferred Credits	959	1,180	
	Other liabilities	3,322	2,840	
	Contingencies	-	-	
	Long-Term Debt	336,769	337,279	
	Partners' Partners', or Proprietor's Equity	73,877	4,997	
	Total Liabilities and Equity	442,905	442,905	

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

BALANCE SHEETS

JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
ASSETS			
Current Assets:			
1	Cash.....	\$ 10,488	\$ 11,108
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, \$8,594; 1994, \$9,429).....	8,563	6,617
4	Inventories.....	3,531	3,475
5	Prepaid expenses and other current assets..... NOTE 2.....	5,601	4,259
6	Total current assets	28,183	25,459
7	Investments, Advances, and Receivables..... NOTE 3.....	5,508	9,985
8	Property and Equipment - Gross..... NOTE 4.....	511,018	426,684
9	(Accumulated Depreciation/Amortization)..... NOTE 4.....	(144,103)	(130,059)
10	Other Assets..... NOTE 5.....	42,379	43,612
11	Total Assets	\$ 442,985	\$ 375,681
LIABILITIES AND EQUITY			
Current Liabilities:			
12	Accounts Payable.....	\$ 5,476	\$ 7,706
13	Notes Payable.....	1,247	1,121
Current portion of long-term debt:			
14	Due to affiliates.....	-	-
15	Other..... NOTE 9.....	2,912	3,708
16	Income taxes payable and accrued.....	-	-
17	Other accrued expenses..... NOTE 6.....	17,984	18,144
18	Other current liabilities..... NOTE 7.....	6,240	7,229
19	Total current liabilities	33,859	37,908
Long-Term Debt:			
20	Due to affiliates..... NOTE 8.....	326,437	326,041
21	Other..... NOTE 9.....	4,631	3,298
22	Deferred Credits..... NOTE 10.....	359	1,150
23	Other Liabilities..... NOTE 13.....	3,822	2,949
24	Commitments and Contingencies..... NOTE 14.....	-	-
25	Total Liabilities	369,108	371,346
26	Stockholders', Partners', or Proprietor's Equity.....	73,877	4,335
27	Total Liabilities and Equity	\$ 442,985	\$ 375,681

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE	DESCRIPTION	(c) 1995	(d) 1994
(a)	(b)		
	Revenue:		
1	Casino.....	\$ 140,487	\$ 122,444
2	Rooms.....	8,806	8,462
3	Food and beverage.....	20,889	18,186
4	Other.....	3,765	3,844
5	Total revenue.....	173,947	152,936
6	Less: Promotional allowances.....	19,482	16,351
7	Net revenue.....	154,465	136,585
	Costs and Expenses:		
8	Costs of goods and services.....	80,953	74,160
9	Selling, general, and administrative.....	37,487	36,498
10	Provision for doubtful accounts.....	604	170
11	Total costs and expenses.....	119,044	110,828
12	Gross Operating Profit.....	35,421	25,757
13	Depreciation and amortization.....	7,836	7,841
	Charges from affiliates other than interest:		
14	Management fees.....	686	657
15	Other.....	959	950
16	Income (Loss) from Operations.....	25,940	16,309
	Other Income (Expenses):		
17	Interest (expense) - affiliates.....NOTE 11.....	(18,839)	(18,840)
18	Interest (expense) - external.....	(677)	(520)
19	Investment alternative tax and related income (expense) - net.....	(206)	(459)
20	Nonoperating income (expense) - net.....NOTE 12.....	(1,310)	(2,241)
21	Total other income (expense).....	(21,032)	(22,060)
22	Income (Loss) before Income Taxes and Extraordinary Items.....	4,908	(5,751)
23	Provision (credit) for income taxes.....NOTE 16.....	484	(523)
24	Income (Loss) before Extraordinary Items.....	4,424	(5,228)
25	Extraordinary items (net of income taxes - 1995, \$ (2,292), 1994, \$ -).....NOTE 14.....	(2,292)	-
26	Net Income (Loss).....	\$ 2,132	\$ (5,228)

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE	DESCRIPTION	(c) 1995	(d) 1994
(a)	(b)		
	Revenue:		
1	Casino.....	\$ 74,252	\$ 67,864
2	Rooms.....	4,908	4,831
3	Food and beverage.....	10,630	9,803
4	Other.....	1,984	2,024
5	Total revenue.....	91,774	84,522
6	Less: Promotional allowances.....	10,217	8,864
7	Net revenue.....	81,557	75,658
	Costs and Expenses:		
8	Costs of goods and services.....	41,788	38,673
9	Selling, general, and administrative.....	19,667	18,659
10	Provision for doubtful accounts.....	274	(76)
11	Total costs and expenses.....	61,729	57,256
12	Gross Operating Profit.....	19,828	18,402
13	Depreciation and amortization.....	3,744	3,919
	Charges from affiliates other than interest:		
14	Management fees.....	401	389
15	Other.....	480	475
16	Income (Loss) from Operations.....	15,203	13,619
	Other Income (Expenses):		
17	Interest (expense) – affiliates.....NOTE 11.....	(9,419)	(9,419)
18	Interest (expense) – external.....	(335)	(260)
19	Investment alternative tax and related income (expense) – net.....	17	(182)
20	Nonoperating income (expense) – net.....NOTE 12.....	(574)	(1,056)
21	Total other income (expense).....	(10,311)	(10,917)
22	Income (Loss) before Income Taxes and Extraordinary Items.....	4,892	2,702
23	Provision (credit) for income taxes.....NOTE 16.....	441	260
24	Income (Loss) before Extraordinary Items.....	4,451	2,442
25	Extraordinary items (net of income taxes – 1995, \$ (2,292), 1994, \$ –).....NOTE 14.....	(2,292)	–
26	Net Income (Loss).....	\$ 2,159	\$ 2,442

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CHANGE IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Invested Capital:		
1	Beginning balance (January 1).....	\$ 69,114	\$ 69,114
2	Conversion of Preferred into a General Partnership Interest.....	-	-
3	Capital Contribution..... NOTE 17.....	60,650	-
4	Ending balance.....	129,764	69,114
	Accumulated Income (Loss):		
5	Beginning balance (January 1).....	28,747	28,391
6	Prior period adjustments.....	-	-
7	Net income (loss).....	2,132	(5,228)
8	Adjustment Trump Plaza Holding Associates.....	1,123	-
9	Ending balance.....	32,002	23,163
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(87,889)	(87,889)
11	Additional capital withdrawals.....	-	-
12	Preferred Partnership Interest Distribution.....	-	(53)
13	Ending balance.....	(87,889)	(87,942)
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1).....	-	-
15	.....	-	-
16	.....	-	-
17	Ending balance.....	-	-
18	Ending Partners' or Proprietor's Equity.....	\$ 73,877	\$ 4,335

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
1	Net Cash Provided (Used) by Operating Activities.....	\$ 7,374	\$ 8,096
	Cash Flows from Investing Activities:		
2	Purchase of short-term investment securities.....	-	-
3	Proceeds from the sale of short-term invest. securities.....	-	-
4	Cash outflows for property and equipment.....	(74,193)	(10,879)
5	Proceeds from disposition of property and equipment.....	67	7
6	Purchase of casino reinvestment obligations.....	(1,501)	(1,375)
7	Purchase of other investments and loans/advances made.....	5,004	(1,357)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	-	-
9	Cash outflows to acquire business entities.....	-	-
10	Casino Reinvestment Obligation Donation.....	375	2,151
11	Adjustment Trump Plaza Holding Associates.....	1,123	-
12	Net Cash Provided (Used) by Investing Activities.....	(69,125)	(11,453)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	-	1,520
14	Payments to settle short-term debt.....	(1,483)	(1,393)
15	Cash proceeds from issuance of long-term debt.....	1,930	-
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	-	-
18	Cash proceeds from issuing stock or capital contribution.....	60,650	-
19	Purchases of treasury stock.....	-	-
20	Payments of dividends or capital withdrawals.....	-	-
21	Preferred Partnership interest distribution.....	-	(53)
22	.....	-	-
23	Net Cash Provided (Used) by Financing Activities.....	61,097	74
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(654)	(3,283)
25	Cash and Cash Equivalents at Beginning of Period.....	11,142	14,391
26	Cash and Cash Equivalents at End of Period.....	\$ 10,488	\$ 11,108

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period For:			
27	Interest (net of amount capitalized).....	\$ 18,208	\$ 18,283
28	Income taxes.....	\$ -	\$ -

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Net Cash Flows from Operating Activities:		
29	Net income (loss).....	\$ 4,424	\$ (5,228)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment.....	7,648	7,653
31	Amortization of other assets.....	188	188
32	Amortization of debt discount or premium.....	203	182
33	Deferred income taxes – current.....	–	–
34	Deferred income taxes – noncurrent.....	(1,406)	(523)
35	(Gain) loss on disposition of property and equipment.....	(62)	1
36	(Gain) loss on casino reinvestment obligation.....	206	459
37	(Gain) loss from other investment activities.....	–	–
38	Net (increase) decrease in receivables and patrons' checks.....	(1,766)	340
39	Net (increase) decrease in inventories.....	126	91
40	Net (increase) decrease in other current assets.....	(1,321)	(1,558)
41	Net (increase) decrease in other assets.....	491	1,134
42	Net increase (decrease) in accounts payable.....	(1,399)	3,305
43	Net increase (decrease) in other current liabilities excluding debt.....	2,334	2,052
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	–	–
45	Extraordinary (Loss).....	(2,292)	–
46	.....	–	–
47	Net Cash Provided (Used) by Operating Activities.....	\$ 7,374	\$ 8,096

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to property and equipment.....	\$ (76,214)	\$ (11,145)
49	Less: Capital lease obligations incurred.....	2,021	266
50	Cash Outflows for Property and Equipment.....	\$ (74,193)	\$ (10,879)
	Acquisition of Business Entities:		
51	Property and equipment acquired.....	\$ –	\$ –
52	Goodwill acquired.....	–	–
53	Net assets acquired other than cash, goodwill, and property and equipment.....	–	–
54	Long-term debt assumed.....	–	–
55	Issuance of stock or capital invested.....	–	–
56	Cash Outflows to Acquire Business Entities.....	\$ –	\$ –
	Stock Issued or Capital Contributions:		
57	Total issuances of stock or capital contribution.....	\$ 60,650	\$ –
58	Less: Issuances to settle long-term debt.....	–	–
59	Consideration in acquisition of business entities.....	–	–
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 60,650	\$ –

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Trump Plaza Associates, (the "Company"), doing business as Trump Plaza Hotel and Casino ("Trump Plaza") was organized in June 1982 as a general partnership under the laws of the State of New Jersey for the purpose of acquiring, completing the construction of and operating Trump Plaza.

B. Disclosures Not Presented

Certain footnotes have not been presented in these Notes to Financial Statements since they would duplicate the disclosures contained in the Casino Control Commission Annual Report for the year ended December 31, 1994. The footnotes excluded are Summary of Significant Accounting Policies (except for Organization), and Employee Benefit Plans.

NOTE 2: PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets as of June 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Prepaid taxes	\$ 1,167,000	\$ 1,098,000
Prepaid insurance	1,384,000	1,385,000
Prepaid rent	120,000	118,000
Prepaid advertising costs	355,000	371,000
Prepaid CRDA expense	182,000	331,000
Prepaid collateral	1,825,000	-
Other	<u>568,000</u>	<u>956,000</u>
	<u>\$ 5,601,000</u>	<u>\$ 4,259,000</u>

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of June 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Advances due from -		
Trump Seashore Associates	\$ 655,000	\$ 754,000
Trump Plaza Holding Associates	-	3,046,000
Donald J. Trump	-	1,250,000
Trump Organization	207,000	-
Trump Oceanview	13,000	-
Trump Hotel, and Casino Resorts, Inc.	345,000	-
Casino reinvestment bonds and escrow deposit, net of valuation adjustment (1995) \$2,146,000; (1994) \$2,470,000	4,288,000	4,935,000
	<u>\$ 5,508,000</u>	<u>\$ 9,985,000</u>

NOTE 4: PROPERTY AND EQUIPMENT - NET

Property and equipment as of June 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Land and land improvements	\$ 46,713,000	\$ 36,462,000
Buildings	349,636,000	297,221,000
Furniture, fixtures and equipment	88,879,000	82,403,000
Leasehold improvements	2,404,000	2,404,000
Construction in progress	<u>23,386,000</u>	<u>8,194,000</u>
	511,018,000	426,684,000
Less - Accumulated depreciation & amortization	<u>(144,103,000)</u>	<u>(130,059,000)</u>
Net property and equipment	<u>\$ 366,915,000</u>	<u>\$ 296,625,000</u>

NOTE 5: OTHER ASSETS

Other assets as of June 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Land rights, net	\$ 29,504,000	\$ 29,874,000
Deferred Loan Cost (net of affiliate)	10,850,000	12,550,000
Deposits	1,253,000	1,108,000
Deferred slot and table tax charges	17,000	80,000
Other	755,000	-
	<u>\$ 42,379,000</u>	<u>\$ 43,612,000</u>

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

NOTE 6: OTHER ACCRUED EXPENSES

Other accrued expenses as of June 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Accrued payroll	\$ 9,330,000	\$ 8,572,000
Accrued progressive jackpot liabilities	41,000	993,000
Accrued interest	1,497,000	1,497,000
Accrued gaming taxes payable	543,000	353,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	583,000	469,000
Accrued utilities	411,000	455,000
Accrued union benefits	241,000	247,000
Accrued health insurance benefits	1,284,000	1,610,000
Accrued parking, sales, use & luxury tax	340,000	320,000
Accrued professional costs	651,000	372,000
Accrued special event costs	955,000	572,000
Accrued repairs & maintenance costs	117,000	82,000
Accrued property taxes	-	124,000
Distribution payable on income taxes to Trump Plaza Funding, Inc.	-	974,000
Other	<u>1,991,000</u>	<u>1,504,000</u>
	<u>\$17,984,000</u>	<u>\$18,144,000</u>

NOTE 7: OTHER CURRENT LIABILITIES

Other current liabilities as of June 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Unredeemed chip/token liability	\$1,389,000	\$1,088,000
Patron deposits	320,000	407,000
Casino reinvestment liability	783,000	785,000
Reserve for insurance claims	2,651,000	3,108,000
Advance room/theater deposits	131,000	195,000
Advances due to Trump Castle Associates	288,000	507,000
Advances due to Seashore Four Associates	574,000	583,000
Advances due to Taj Mahal Associates	9,000	217,000
Other	<u>95,000</u>	<u>339,000</u>
	<u>\$6,240,000</u>	<u>\$7,229,000</u>

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

Long-term debt-due to affiliates as of June 30, consisted of the following:

	1995	1994
10 7/8% Partnership Note, net of unamortized discount of \$3,563,000 and \$3,959,000, respectively, interest payable semi-annually, maturing in 2001.	\$326,437,000 =====	\$326,041,000 =====

On June 25, 1993 Trump Plaza Funding, Inc., ("TPF") issued \$330,000,000 principal amount of 10 7/8% Mortgage Notes, due 2001 (the "Mortgage Notes"), net of discount of \$4,313,000. The Mortgage Notes mature on June 15, 2001 and are redeemable at any time on or after June 15, 1998, at the option of the Company or TPF, in whole or in part, at the principal amount plus a premium which declines ratably each year to zero in the year of maturity. The Mortgage Notes bear interest at the rate of 10 7/8% per annum from the date of issuance, payable semi-annually on each June 15 and December 15, commencing December 15, 1993 and are secured by substantially all of the Company's assets.

The Mortgage Note Indenture contains certain covenants limiting the ability of the Company to incur indebtedness, including indebtedness secured by liens on Trump Plaza.

NOTE 9: LONG-TERM DEBT - OTHER

Long-term debt - other as of June 30, consisted of the following:

	1995	1994
Mortgage notes payable in monthly installments, including interest, with interest rates ranging from 10.0% to 11.0%. The notes are due at various dates between 1995 and 1998 and are secured by certain real property.	\$ 4,058,000	\$ 6,189,000
Other notes with interest rates ranging from 10.0% to 15.0%, principal and interest payable monthly, secured by automobile, computer, and slot equipment	3,485,000 7,543,000 2,912,000	817,000 7,006,000 3,708,000
Less current maturities	\$ 4,631,000 =====	\$ 3,298,000 =====

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

NOTE 10: DEFERRED CREDITS

Deferred credits as of June 30, 1994 consisted of deferred state income taxes.

NOTE 11: INTEREST (EXPENSE) - AFFILIATES

Interest (Expense)- Affiliates consisted of the interest on the 10 7/8% Partnership Note for the three and six months ended June 30, 1995 and 1994.

NOTE 12: NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income (expense) - net for the three and six months ended June 30, consisted of the following:

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Interest income	\$ 297,000	\$ 214,000	\$ 470,000	\$ 316,000
(Gain) loss on disposal of property and equipment	62,000	2,000	62,000	(1,000)
Restructuring expense	-	-	-	(1,000)
Nonoperating lease and related costs	<u>(933,000)</u>	<u>(1,272,000)</u>	<u>(1,842,000)</u>	<u>(2,555,000)</u>
	<u>\$ (574,000)</u>	<u>\$ (1,056,000)</u>	<u>\$ (1,310,000)</u>	<u>\$ (2,241,000)</u>

NOTE 13: OTHER LIABILITIES

Other liabilities as of June 30, consisted of the following:

	<u>1995</u>	<u>1994</u>
Deferred Income Taxes relating to Preferred Partnership Interest	<u>\$ 3,822,000</u>	<u>\$ 2,949,000</u>

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Casino License Renewal

The operation of an Atlantic City hotel and casino is subject to significant regulatory controls which affect virtually all of its operations. Under the New Jersey Casino Control Act (the "Act"), the Company is required to maintain certain licenses.

In June 1995, the New Jersey Casino Control Commission ("CCC") renewed the Company's license to operate Trump Plaza. This license must be renewed in June, 1999, is not transferable and such renewal of the license will include a review of the financial stability of the Company. Upon revocation, suspension for more than 120 days, or if the CCC fails or refuses to renew such casino license, the Act allows for the appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

B. Pay-In-Kind Notes

On June 25, 1993, Holding, a Partnership beneficially owned 100% by Donald J. Trump ("Trump"), issued \$60,000,000 principal amount of 12 1/2% Pay-in-Kind Notes (the "PIK Notes"), due 2003, together with Warrants to acquire and additional \$12,000,000 of PIK Notes at no additional cost (the "Warrants").

The PIK Notes and Warrants were exercised and redeemed on June 12, 1995. Such redemption resulted in the recognition of an extraordinary loss of \$2,292 relating to the write-off of unamortized deferred financing costs.

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

c. Trump Plaza Oceanview

In 1993, the Company received the approval of the CCC, subject to certain conditions, for the expansion of its hotel facilities ("Trump Plaza Oceanview"). On June 24, 1993, Trump transferred title of Trump Plaza Oceanview to a lender in exchange for a reduction in indebtedness to such lender in an amount equal to the sum of fair market value of Trump Plaza Oceanview and all rent payments made to such lender by Trump under the Trump Plaza Oceanview Lease (defined below). At that time, the lender leased the Trump Plaza Oceanview to Trump (the "Trump Plaza Oceanview Lease") for a term of five years, which expires on June 30, 1998, during which time Trump is obligated to pay the lender \$260,000 per month in lease payments. In October 1993, the Company assumed the Trump Plaza Oceanview Lease and related expenses.

On June 24, 1993, the Company acquired a five-year option to purchase Trump Plaza Oceanview (the "Trump Plaza Oceanview Purchase Option"). In addition, the Company has a right of first refusal upon any proposed sale of all or any portion of Trump Plaza Oceanview during the term of Trump Plaza Oceanview Purchase Option. Until such time as Trump Plaza Oceanview Option is exercised or expires, the Company will be obligated, from and after the date it entered into Trump Plaza Oceanview Purchase Option, to pay the net expenses associated with Trump Plaza Oceanview. During the six months ended June 30, 1995, the Company incurred \$1.6 million of such expenses. The CCC has required that the Company exercise the Trump Plaza Oceanview Purchase Option or its right of first refusal no later than July 1, 1996. If the Company defaults in making payments due under Trump Plaza Oceanview Purchase Option, the Company would be liable to the lender for the sum of (a) the present value of all remaining payments to be made by the Company pursuant to the Trump Plaza Oceanview Purchase Option during the terms thereof and (b) the cost of demolition of all improvements then located on Trump Plaza Oceanview Site. In order for the Company to exercise the option, it would be required to pay \$28.0 million through June 30, 1996, increasing by \$1.0 million annually thereafter until expiration on June 30, 1998. If the Company is unable to exercise the option, it would be required to expense any capitalized costs associated with Trump Plaza Oceanview.

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

C. Trump Plaza Oceanview cont.

As of June 30, 1995 the Company had capitalized approximately \$18.6 million in construction costs related to Trump Plaza Oceanview including a \$1 million consulting fee paid to Trump. The Company's ability to acquire Trump Plaza Oceanview pursuant to Trump Plaza Oceanview Purchase Option is dependent upon its ability to obtain financing to acquire the property. The ability to incur such indebtedness is restricted by the Mortgage Note Indenture and requires the consent of certain of Trump's personal creditors. The Company's ability to develop Trump Plaza Oceanview is dependent upon its ability to use existing cash on hand and generate cash flow from operations sufficient to fund development costs. No assurance can be given that such cash on hand will be available to the Company for such purposes or that it will be able to generate sufficient cash flow from operations. In addition, exercise of Trump Plaza Oceanview Purchase Option or the right of first refusal requires the consent of certain of Trump's personal creditors, and there can be no assurance that such consent will be obtained at the time the Company desires to exercise Trump Plaza Oceanview Purchase Option or such right.

The accompanying financial statements do not include any adjustments that may be necessary should the Company be unable to exercise Trump Plaza Oceanview Purchase Option.

D. Services Agreement

Pursuant to the terms of a Services Agreement with Trump Plaza Management Corp. ("TPM"), a corporation beneficially owned by Trump, in consideration for services provided, the Company pays TPM each year an annual fee of \$1.0 million in equal monthly installments, and reimburses TPM on a monthly basis for all reasonable out-of-pocket expenses incurred by TPM in performing its obligations under the Services Agreement, up to certain amounts. Under this Agreement, \$686,000 and \$657,000 was charged to expense for the six months ended June 30, 1995 and 1994, respectively.

E. Trump Plaza West Option

On June 12, 1995, Trump exercised his option to purchase the Trump Regency ("Trump Plaza West"). The option price of \$60,000,000 was funded with \$58,150,000 from the Offerings and \$1,850,000 of previous deposits made by the Company. Plaza Associates received the property via directed deed.

**TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS**

Note 15: OTHER PAYMENTS TO DONALD J. TRUMP:

During 1994, the Company paid to Trump \$1,000,000 under a Construction Management Service Agreement. The payment was made for construction management services rendered by Trump with respect to Trump Plaza Oceanview. This payment was approved prior to disbursement by the CCC and has been classified in construction in process in the accompanying balance sheets as of June 30, 1995 and December 31, 1994.

During 1994, the Company also paid Trump a commission of approximately \$572,000 for securing a retail lease at Trump Plaza. The commission has been capitalized and is being amortized to expense over the 10-year term of the lease.

NOTE 16: PROVISION (CREDIT) FOR INCOME TAXES

The provision (credit) for state income taxes for the three and six months ended June 30, consisted of the following:

	<u>THREE MONTH ENDED</u>		<u>SIX MONTHS ENDED</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Current	\$ -	\$ -	\$ -	\$ -
Deferred	<u>441,000</u>	<u>260,000</u>	<u>484,000</u>	<u>(523,000)</u>
Total	<u>\$ 441,000</u>	<u>\$ 260,000</u>	<u>\$ 484,000</u>	<u>\$(523,000)</u>

NOTE 17: PUBLIC OFFERINGS

On June 12, 1995, Trump Hotels & Casino Resorts, Inc., ("Trump, Inc.") completed a public offering of 10,000,000 share of common stock at \$14.00 per share (the "Stock Offering") for gross proceeds of \$140,000,000. Concurrently with the Stock Offering, Trump Hotels & Casino Resorts Holdings, L.P. ("Trump Holdings") through its subsidiary, Trump Hotels & Casino Resorts Funding, Inc. ("Trump Funding") issued 15 1/2% Senior Secured Notes (the "Senior Secured Notes") for gross proceeds of \$155,000,000 (the "Note Offerings") collectively with the Stock Offerings referred to as the ("Offerings"). From the proceeds from the Stock Offering, the Company contributed approximately \$126,848,000 to Trump Holdings.

Prior to the Offerings, Donald J. Trump ("Trump") was the sole owner of Trump Holdings. Concurrent with the Offerings, Trump contributed all of his beneficial interest in the Company (consisting of all of the outstanding capital stock of TPF, a 99% equity interest in Trump Plaza Holding Associates ("TPH") and all of the outstanding capital stock of Trump Plaza Holding, Inc., which owns the remaining 1% equity interest in TPH.

TRUMP PLAZA ASSOCIATES & CASINO
NOTES TO FINANCIAL STATEMENTS

NOTE 17: PUBLIC OFFERINGS CONT'D

Funds have been restricted at Trump Holdings for the renovation of Trump Oceanview and Trump Regency ("Trump West"). At June 30, 1995 \$2,500,000 was contributed by Trump Holdings to the Company to fund construction costs at Trump Oceanview. Also, \$58,150,000 was contributed by Trump Holdings to the Company for the purchase of Trump West. Future contributions will be made by Trump Holdings when required.

	1995	1994	1993
Checks and patrons' checks	\$ 1,055		
Patrons' checks	12,000		
Patrons' checks	14,501	\$ 3,470	\$ 3,211
Patrons' checks	224	60	250
Patrons' checks	50		
Patrons' checks	1,485		
Patrons' checks	1,442	40	1,404
Total	\$ 17,157	\$ 3,570	\$ 3,211

UNDEPOSITED PATRONS' CHECKS ACTIVITY

DESCRIPTION	AMOUNT
Balance (January 1)	\$ 2,051
Checks issued (including counter checks issued through transactions relating to consolidations, partial redemptions, and patrons' cash deposits)	52,109
Checks returned prior to deposit (including the uncollected portion of counter checks redeemed through partial redemptions, including checks, redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(41,172)
Checks collected through deposits	(14,517)
Checks identified as returned checks	(2,428)
Adjustments	
Ending Balance	\$ 4,053
Checks included in Balance on Line 16	\$ 253
Amount for Uncollectible Patrons' Checks	\$ 253
Amount in a percent of Counter Checks Issued	\$ 253

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1995

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- NET OF ALLOWANCE (e)
1	Patrons' Checks: Undeposited patrons' checks.....	\$ 4,083		
2	Returned patrons' checks.....	10,608		
3	Total patrons' checks.....	14,691	\$ 8,480	\$ 6,211
4	Hotel Receivables.....	924	66	858
5	Other Receivables: Receivables due from officers and employees.....	59		
6	Receivables due from affiliates.....	-		
7	Other accounts and notes receivables.....	1,483		
8	Total other receivables.....	1,542	48	1,494
9	Totals (Form 205).....	\$ 17,157	\$ 8,594	\$ 8,563

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 2,851
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	59,157
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks, redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(41,179)
13	Checks collected through deposits.....	(14,317)
14	Checks transferred to returned checks.....	(2,429)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 4,083
17	"Hold Checks" included in Balance on Line 16.....	\$ -
18	Provision for Uncollectible Patrons' Checks.....	\$ 553
19	Provision as a percent of Counter Checks Issued.....	0.9%

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL AND CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

(UNAUDITED)
(\$ IN THOUSANDS)

AMENDED
8/17/95

For the Three Months Ended June 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	26,104	\$ 9,044	596	\$ 44
Food	249,411	3,244		
Beverage	715,723	2,148		
Travel			3,217	489
Coin			908,217	8,036
Coupon	186,471	1,257		
Entertainment	13,589	351	710	28
Retail & Gifts			229	29
Other	17,255	173	8,215	748
Total	1,208,563	\$ 10,217	921,184	\$ 9,368

For the Six Months Ended June 30, 1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	48,229	\$ 5,289	1,044	\$ 78
Food	468,533	6,092		
Beverage	1,887,284	4,168		
Travel			5,559	833
Coin			1,667,554	14,914
Coupon	439,293	2,966		
Entertainment	28,726	839	399	16
Retail & Gifts			545	68
Other	33,208	333	16,952	1,244
Total	2,405,273	\$ 19,482	1,692,047	\$ 17,159

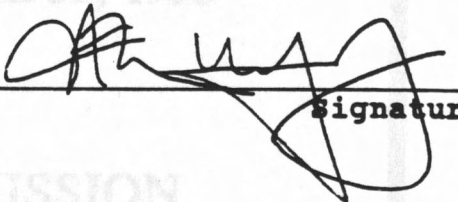
STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
:ss.
COUNTY OF ATLANTIC :

Francis X. McCarthy, Jr., being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.



Signature

Executive Vice President -
Finance and Administration
Title

001015-11
License Number

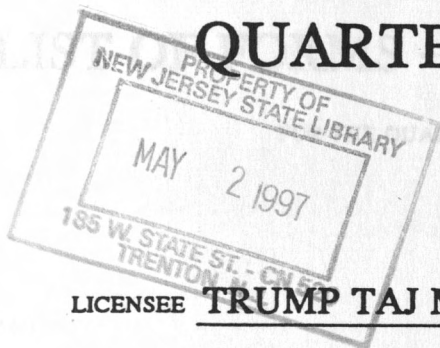
On Behalf Of:

Subscribed and sworn to
before me this 14 day
of August, 1995


Signature
Sherry A. Field
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 28, 1998

Basis of Authority
to Take Oaths

974.901
C193



QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING

THIS QUARTERLY REPORT..... R. BRUCE MCKEE

OFFICIAL TITLE..... SENIOR VICE PRESIDENT, FINANCE

ADDRESS..... 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1995.

<u>TITLE</u>	<u>FORM NO.</u>
Balance Sheets	CCC-205
Statements of Income (Year)	CCC-210
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

BALANCE SHEETS

JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	JUNE (c) 1995	JUNE (d) 1994
ASSETS			
Current Assets:			
1	Cash and cash investments.....	\$ 66,089	\$ 47,829
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, \$4,902; 1994, \$3,638).....	18,244	12,582
4	Inventories.....	7,059	6,284
5	Prepaid expenses and other current assets.....	5,359	6,141
6	Total current assets	96,751	72,836
7	Investment, Advances, and Receivables - CRDA.....	5,924	8,456
8	Property and Equipment - Gross..... NOTE 2.....	897,797	872,076
9	(Accumulated Depreciation/Amortization)..... NOTE 2.....	(198,677)	(159,335)
10	Other Assets.....	5,498	2,252
11	Total Assets	\$ 807,293	\$ 796,285
LIABILITIES AND EQUITY			
Current Liabilities:			
12	Accounts Payable.....	\$ 6,013	\$ 5,538
13	Notes Payable.....	-	-
Current portion of long-term debt:			
14	Due to affiliates.....	-	-
15	Other..... NOTES 1 & 3.....	652	644
16	Income taxes payable and accrued.....	-	-
17	Other accrued expenses..... NOTE 4.....	35,796	38,800
18	Other current liabilities..... NOTE 5.....	9,511	8,913
19	Total current liabilities	51,972	53,895
Long-Term Debt:			
20	Due to affiliates..... NOTES 1 & 3.....	637,391	601,703
21	Other..... NOTES 1 & 3.....	45,469	45,039
22	Deferred Credits.....	-	-
23	Other Liabilities..... NOTE 6.....	25,637	24,514
24	Commitments and Contingencies..... NOTE 9.....	-	-
25	Total Liabilities	760,469	725,151
26	Stockholders', Partners', or Proprietor's Equity.....	46,824	71,134
27	Total Liabilities and Equity	\$ 807,293	\$ 796,285

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	REVENUE:		
1	Casino.....	\$ 236,324	\$ 213,884
2	Rooms.....	20,337	19,610
3	Food and Beverage.....	27,652	28,013
4	Other.....	7,357	8,677
5	Total Revenue	291,670	270,184
6	Less: Promotional allowances.....	29,412	30,292
7	Net Revenue	262,258	239,892
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	121,921	118,664
9	Selling, General and Administrative.....	75,652	70,534
10	Provision for Doubtful Accounts.....	2,129	1,354
11	Total Costs and Expenses	199,702	190,552
12	Gross Operating Profit.....	62,556	49,340
13	Depreciation and Amortization.....	21,194	19,143
14	Charges from Affiliates other than Interest:	-	-
14	Management Fees.....	-	-
15	Other..... NOTE 7.....	2,579	2,291
16	Income (Loss) From Operations.....	38,783	27,906
	Other Income (Expenses):		
17	Interest (Expenses) - Affiliates..... NOTE 3.....	(55,525)	(52,876)
18	Interest (Expenses) - External..... NOTE 3.....	(3,639)	(5,475)
19	Investment Alternative Tax and Related Income(Expense) - Net.....	(1,499)	(1,324)
20	Nonoperating Income (Expense) - Net..... NOTE 8.....	1,727	(2,839)
21	Total Other Income (Expenses)	(58,936)	(62,514)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(20,153)	(34,608)
23	Provision (Credit) for Income Taxes.....	-	-
24	Income (Loss) Before Extraordinary Items.....	(20,153)	(34,608)
25	Extraordinary Items.....	-	-
26	Net Income (Loss).....	\$ (20,153)	\$ (34,608)

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

THREE MONTHS ENDED JUNE 30, 1995 AND 1994

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	REVENUE:		
1	Casino.....	\$ 129,765	\$ 113,601
2	Rooms.....	11,075	10,838
3	Food and Beverage.....	14,230	15,050
4	Other.....	4,051	4,825
5	Total Revenue	159,121	144,314
6	Less: Promotional allowances.....	15,711	16,408
7	Net Revenue	143,410	127,906
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	62,559	60,810
9	Selling, General and Administrative.....	39,527	36,372
10	Provision for Doubtful Accounts.....	1,415	492
11	Total Costs and Expenses	103,501	97,674
12	Gross Operating Profit.....	39,909	30,232
13	Depreciation and Amortization.....	10,719	9,638
14	Charges from Affiliates other than Interest:	-	-
14	Management Fees.....	-	-
15	Other..... NOTE 7.....	1,416	1,209
16	Income (Loss) From Operations.....	27,774	19,385
	Other Income (Expenses):		
17	Interest (Expenses) - Affiliates..... NOTE 3.....	(28,000)	(26,635)
18	Interest (Expenses) - External..... NOTE 3.....	(1,474)	(2,644)
19	Investment Alternative Tax and Related Income(Expense) - Net.....	(789)	(704)
20	Nonoperating Income (Expense) - Net..... NOTE 8.....	847	(3,249)
21	Total Other Income (Expenses)	(29,416)	(33,232)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(1,642)	(13,847)
23	Provision (Credit) for Income Taxes.....	-	-
24	Income (Loss) Before Extraordinary Items.....	(1,642)	(13,847)
25	Extraordinary Items.....	-	-
26	Net Income (Loss).....	\$ (1,642)	\$ (13,847)

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

NOT APPLICABLE

LINE	DESCRIPTION	1995		1994	
		(C) SHARES	(D) DOLLARS	(E) SHARES	(F) DOLLARS
	Common Stock:				
1	Beginning Balance (January 1).....		\$		\$
2	Sale of Stock.....				
3	.....			
4	Ending Balance.....				
	Preferred Stock:				
5	Beginning Balance (January 1).....				
6	Sale of Stock.....				
7	.....			
8	Ending Balance.....				
	Additional Paid-in Capital:				
9	Beginning Balance (January 1).....				
10	.....			
11	.....			
12	Ending Balance.....				
	Treasury Stock:				
13	Beginning Balance (January 1).....		()		()
14	Purchase of Additional Stock.....		()		()
15	Sale or Retirement of Stock.....				
16	Ending Balance.....		()		()
	Subscriptions Receivable for Capital Stock:				
17	Beginning Balance (January 1).....		()		()
18	.....			
19	.....			
20	Ending Balance.....		()		()
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:				
21	Beginning Balance (January 1).....		()		()
22	.....			
23	.....			
24	Ending Balance.....		()		()
	Retained Earnings:				
25	Beginning Balance (January 1).....				
26	Prior Period Adjustments.....				
27	Net Income (Loss).....				
28	Dividends.....		()		()
29	.....			
30	.....			
31	Ending Balance.....				
32	Ending Stockholders' Equity.....		\$		\$

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

CCC-220

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Invested Capital:		
1	Beginning Balance.....	\$ 123,745	\$ 123,745
2	Capital Contributions.....	0	0
3	.....	0	0
4	Ending Balance.....	123,745	123,745
	Accumulated Income (Loss):		
5	Beginning Balance.....	(50,224)	(13,566)
6	Prior Period Adjustments.....	0	0
7	Net Income (Loss).....	(20,153)	(34,608)
8	.....	0	0
9	Ending Balance.....	(70,377)	(48,174)
	Capital Withdrawals:		
10	Beginning Balance.....	(5,729)	(3,558)
11	Additional Capital Withdrawals.....	-	-
12	Partnership Distribution..... NOTE 9.....	(815)	(879)
13	Ending Balance.....	(6,544)	(4,437)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance.....	-	-
15	.....	-	-
16	.....	-	-
17	Ending Balance.....	0	0
18	Ending Partners' or Proprietor's Equity.....	\$ 46,824	\$ 71,134

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
1	Net Cash Provided (Used) by Operating Activities.....	\$ 6,593	\$ (9,499)
	Cash Flows from Investing Activities:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Purchase Outflows for Property and Equipment.....	(12,782)	(9,050)
5	Proceeds from Disposition of Property and Equipment.....	-	-
6	Purchase of Casino Reinvestment Obligations.....	(2,659)	(2,592)
7	Purchase of Other Investments and Loans/Advances Made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) by Investing Activities.....	(15,441)	(11,642)
	Cash Flows from Financing Activities:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	(536)	(424)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Reduction in Debt Due To Restructuring.....	-	-
20	Subcontractor's Note Settlement.....	-	-
21	Issuance of Additional Bonds.....	15,112	12,249
22	Partnership Distribution.....	(815)	(879)
23	Net Cash Provided (Used) by Financing Activities.....	13,761	10,946
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	4,913	(10,195)
25	Cash and Cash Equivalents at Beginning of Period.....	61,176	58,024
26	Cash and Cash Equivalents at End of Period.....	\$ 66,089	\$ 47,829

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period for:		
27	Interest (Net of Amount Capitalized).....	\$ 39,504	\$ 40,867
28	Income Taxes.....	\$ -	\$ -

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss).....	\$ (20,153)	\$ (34,608)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	21,194	19,143
31	Amortization of Other Assets.....	-	-
32	Amortization of Debt Discount or Premium.....	10,746	8,990
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	1,249	1,268
37	(Gain) Loss from Other Investment Activities.....	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	(2,801)	452
39	Net (Increase) Decrease in Inventories.....	(628)	(1,599)
40	Net (Increase) Decrease in Other Current Assets.....	2,447	(2,155)
41	Net (Increase) Decrease in Other Assets.....	(61)	(459)
42	Net Increase (Decrease) in Accounts Payables.....	2,757	1,604
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	(881)	1,663
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	(8,419)	(4,783)
45	Net Increase in Notes Payable.....	-	-
46	Costs related to lease guarantee.....	1,143	985
47	Net Cash Provided (Used) by Operating Activities.....	\$ 6,593	\$ (9,499)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment.....	\$ 13,529	\$ 9,050
49	Less: Capital Lease Obligations Incurred.....	747	-
50	Cash Outflows for Property and Equipment.....	\$ 12,782	\$ 9,050
	Acquisition of Business Entities:		
51	Property and Equipment Acquired.....	\$ N/A	\$ N/A
52	Goodwill Acquired.....	-	-
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	Stock Issued or Capital Contributions:		
57	Total Issuances of Stock or Capital Contributions.....	\$ N/A	\$ N/A
58	Less: Issuances to Settle Long-Term Debt.....	-	-
59	Consideration in Acquisition of Business Entities.....	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ -	\$ -

**TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS**

JUNE 30, 1995
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation:

Trump Taj Mahal Associates was formed on June 23, 1988, as a New Jersey limited partnership. The Partnership was converted to a general partnership in December, 1990. The current partners and their respective ownership interests are Trump Taj Mahal, Inc. ("TTMI"), 49.995%, the Trump Taj Mahal Corporation ("Trump Corp."), .01%, and TM/GP Corporation ("TMGP"), the managing general partner, a wholly owned subsidiary of Taj Mahal Holding Corp. ("Holding") 49.995%.

Trump Taj Mahal Funding, Inc., ("Funding") is a wholly owned subsidiary of the Partnership and was incorporated on June 3, 1988 for the purpose of raising funds through the issuance of Mortgage Bonds, the proceeds of which were loaned to the Partnership for construction of the Taj Mahal.

The accompanying financial statements have been prepared by the Partnership without audit. In the opinion of the Partnership, all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the financial position, results of operations and changes in cash flows for the periods presented, have been made. Accordingly, certain information and note disclosures normally included in financial statements prepared in conformity with generally accepted accounting principles have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Partnership's December 31, 1994 Annual Report.

The casino industry in Atlantic City is seasonal in nature, therefore, results of operations for the three and six months ended June 30, 1995 and 1994 are not necessarily indicative of the operating results for a full year.

NOTE 2 - PROPERTY AND EQUIPMENT

	<u>1995</u>	<u>June 30,</u> <u>1994</u>
	(in thousands)	
Land	\$ 37,843	\$ 37,843
Buildings	661,747	652,808
Furniture, fixtures and equipment	166,954	150,350
Leasehold improvements	<u>31,253</u>	<u>31,075</u>
Total	897,797	872,076
Less Accumulated Depreciation	<u>(198,677)</u>	<u>(159,335)</u>
Net Property and Equipment	<u>\$699,120</u>	<u>\$712,741</u>

NOTE 3 - LONG TERM DEBT

Long term debt consisted of the following at June 30:

	<u>1995</u>	<u>1994</u>
	(in thousands)	
<u>Long-term Portion</u>		
Due to affiliates:		
Trump Taj Mahal Funding, Inc.	\$780,242	\$765,130
Unamortized discount	(142,851)	(163,427)
Net	<u>\$637,391</u>	<u>\$601,703</u>
Other:		
Bank term loan	\$ 44,835	\$ 45,026
Other	634	13
Total other	<u>\$ 45,469</u>	<u>\$ 45,039</u>
<u>Current Portion</u>		
Other:		
Bank term loan	\$ 191	\$ 185
Other	461	459
Total other	<u>\$ 652</u>	<u>\$ 644</u>
Six months ended June 30,		
	<u>1995</u>	<u>1994</u>
	(in thousands)	
<u>Interest Expense - Affiliates</u>		
Trump Taj Mahal Funding, Inc.	\$ 43,635	\$ 42,901
Accretion - bond discount	10,746	8,990
Accretion - lease guarantee	1,144	985
Total	<u>\$ 55,525</u>	<u>\$ 52,876</u>
<u>Interest Expense - External</u>		
Bank term loan	\$ 2,125	\$ 2,134
Working Capital line of credit	157	219
Refinancing Costs	1,321	3,104
Other	36	18
Total	<u>\$ 3,639</u>	<u>\$ 5,475</u>

NOTE 3 - LONG TERM DEBT (continued)

	Three months ended June 30,	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
<u>Interest Expense-Affiliates</u>		
Trump Taj Mahal Funding, Inc.	\$ 21,924	\$ 21,538
Accretion - bond discount	5,493	4,595
Accretion - lease guarantee	<u>583</u>	<u>502</u>
Total	<u>\$ 28,000</u>	<u>\$ 26,635</u>
<u>Interest Expense-External</u>		
Bank term loan	\$ 1,068	\$ 1,072
Working Capital line of credit	79	110
Refinancing Costs	301	1,454
Other	<u>26</u>	<u>8</u>
Total	<u>\$ 1,474</u>	<u>\$ 2,644</u>

Borrowings:

Long term debt consists of bank debt and outstanding Mortgage Bonds. Funding's first Mortgage Bonds bear interest at the rate of 11.35% and are due November 15, 1999. Each \$1,000 principal amount of Bonds, together with one share of Holding's Class B redeemable common stock, trade together as a Unit, and may not be transferred separately. Interest on the Bonds is due semi-annually on each November 15 and May 15. Interest on the Bonds must be paid in cash on each interest payment date at the rate of 9.375% per annum (the "Mandatory Cash Interest Amount"). In addition to the Mandatory Cash Interest Amount, effective May 15, 1992 and annually thereafter, an additional amount of interest (the "Additional Amount") in cash or additional Bonds or a combination thereof, is payable equal to the difference between 11.35% of the outstanding principal amount of the Bonds and the Mandatory Cash Interest Amount previously paid. To the extent that there is excess available cash flow ("EACF") of the Partnership, as defined in the Indenture, for the immediately preceding calendar year, Funding will pay the Additional Amount in cash up to 10.28% and the balance thereof may be paid at the option of Funding in cash or additional Units, provided that an equivalent amount of cash is used to purchase or redeem Units. Additional Bonds issued on the October 4, 1991 amounted to approximately \$7,208,000. Of the \$14,870,000 Additional Amount due May 15, 1994, \$2,621,000 was paid in cash and the \$12,249,000 balance in Bonds. Of the \$15,112,000 Additional Amount due May 15, 1995, Funding satisfied the entire obligation through the issuance of Bonds.

In accordance with AICPA Statement of Position 90-7, "Financial Reporting By Entities in Reorganization Under the Bankruptcy Code", the Bonds when issued were

stated at the present value of amounts to be paid, determined at current interest rates (effective rate of approximately 18%). The effective interest rate of the Bonds was determined based on the trading price of the Bonds for a specific period. Stating the debt at its approximate present value resulted in a reduction of approximately \$204,276,000 in the carrying amount of the Bonds. This gain is being offset by increased interest costs over the period of the Bonds to accrete such Bonds to their face value at maturity. At June 30, 1995, the unaccreted balance of this discount was approximately \$142,851,000. The current interest rates of other borrowings approximated their stated interest rates as of the effective date.

The Partnership also has a loan agreement with National Westminster Bank, U.S.A. (the "NatWest Loan") which provided financing up to \$50,000,000 for certain items of furniture, fixtures and equipment installed in the Taj Mahal. The NatWest Loan bears interest at 9 3/8% per annum. Principal and interest is payable monthly in the fixed amount of \$373,000 to be applied first to accrued interest and the balance to the extent available, to principal, through maturity, November 15, 1999. Additionally, on May 15 of each year while principal is still outstanding, NatWest will receive 16.5% of the EACF of the preceding calendar year in excess of the Additional Amount, to be applied first to accrued but unpaid interest, and then to principal.

The NatWest Loan is secured by a first priority lien on the furniture, fixtures and equipment acquired with the proceeds of the NatWest Loan plus any after acquired furniture, fixtures and equipment that replaces such property, or of the same type, provided however, that the NatWest Loan may be subordinated to a lien to secure purchase money financing of such after acquired property up to 50% of the value of such after acquired property.

In November 1991, the Partnership obtained a working capital line of credit in the amount of \$25,000,000 with a maturity of five years. In September 1994, the Partnership extended the maturity to November 1999, in consideration for modifications of the terms of the facility. Interest on advances under the line are at prime plus 3% with a minimum of 7% per annum. The Agreement provides for a 3/4% annual fee and a 1/2% unused line fee and contains various covenants. During 1995 and 1994, no amounts were outstanding under the line.

Advance deposits	1,110	738
Unredeemed ship liability	2,479	2,710
Insurance reserves	4,563	5,077
Other	1,262	570
	<u>9,414</u>	<u>8,195</u>
Total	<u>\$ 9,511</u>	<u>\$ 8,913</u>

Note of the individual components of Other exceed 5% of the total

NOTE 4 - OTHER ACCRUED EXPENSES

	<u>June 30,</u>	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Accrued payroll & related	\$ 15,774	\$ 15,080
Accrued interest	9,154	8,982
Accrued advertising/marketing	2,531	2,933
Progressive jackpot	707	2,152
Accrued taxes	912	1,912
Accrued insurance	847	2,042
Other	** 5,871	** 5,699
Total	<u>\$ 35,796</u>	<u>\$ 38,800</u>

** None of the individual components of Other exceed 5% of the total.

NOTE 5 - OTHER CURRENT LIABILITIES

	<u>June 30,</u>	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Affiliates:		
Donald J. Trump	\$ 141	\$ 37
Trump's Castle Associates	6	94
Trump Plaza Associates	(7)	(225)
Helicopter Air Service	(43)	(43)
Trump Realty	<u>-</u>	<u>(45)</u>
	<u>97</u>	<u>(182)</u>
Advance deposits	1,110	738
Unredeemed chip liability	2,479	2,710
Insurance reserves	4,563	5,077
Other	** <u>1,262</u>	** <u>570</u>
	<u>9,414</u>	<u>9,095</u>
Total	<u>\$ 9,511</u>	<u>\$ 8,913</u>

** None of the individual components of Other exceed 5% of the total.

NOTE 6 - OTHER LIABILITIES

	<u>June 30,</u>	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Deferred taxes	\$ 5,358	\$ 7,155
Insurance reserves	2,314	1,637
Accrued interest - long term	1,926	1,889
Lease guarantee	15,921	13,716
Other	<u>118</u>	<u>117</u>
	<u>\$25,637</u>	<u>\$24,514</u>

NOTE 7 - CHARGES FROM AFFILIATES

	Six months ended June 30,	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Other:		
Rent	\$ 1,363	\$ 1,363
Allocated salaries	412	412
Trump Services Agreement	<u>804</u>	<u>516</u>
	<u>\$ 2,579</u>	<u>\$ 2,291</u>

	Three months ended June 30,	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Other:		
Rent	\$ 682	\$ 682
Allocated salaries	206	210
Trump Services Agreement	<u>528</u>	<u>317</u>
	<u>\$ 1,416</u>	<u>\$ 1,209</u>

NOTE 8 - NON-OPERATING INCOME (EXPENSE)

	Six months ended June 30,	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Interest income	\$ 1,727	\$ 861
Litigation costs	<u>-</u>	<u>(3,700)</u>
	<u>\$ 1,727</u>	<u>\$(2,839)</u>

NOTE 8 - NON-OPERATING INCOME (EXPENSE) (continued)

	Three months ended June 30,	
	<u>1995</u>	<u>1994</u>
	(in thousands)	
Interest income	\$ 847	\$ 451
Litigation costs	-	(3,700)
	<u>\$ 847</u>	<u>\$(3,249)</u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Casino License Renewal:

The Company and the Partnership are subject to regulation and licensing by the New Jersey Casino Control Commission (the "CCC"). The Partnership's casino license must be renewed periodically, is not transferable, is dependent upon the financial stability of the Partnership and can be revoked at anytime. Upon revocation, suspension for more than 120 days, or failure to renew the casino license due to the Partnership's financial condition or for any other reason, the Casino Control Act provides that the CCC may appoint a conservator to take possession of and title to the hotel and casino's business and property, subject to all valid liens, claims and encumbrances. On June 22, 1995, the CCC renewed the Partnership's Casino License for four years, through March 31, 1999.

Legal Proceedings:

The Partnership, its Partners, certain of its employees and the Company are involved in various legal proceedings incurred in the normal course of business. In the opinion of the Partnership the expected disposition of these proceedings would not have a material adverse effect on the Partnership's or the Company's financial condition or results of operations.

Partnership Distribution:

The Partnership is obligated to reimburse Holding for its operating expenses which consist of directors and officers liability insurance, board of director fees and expenses, and administrative expenses. Total expenses for the six months ended June 30, 1995 and 1994 approximated \$815,000 and \$879,000, respectively.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1995

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCE				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks.....	\$ 10,778		
2	Returned Patrons' Checks.....	9,928		
3	Total Patrons' Checks.....	20,706	\$ (4,611)	\$ 16,095
4	Hotel Receivables.....	1,870	(291)	1,579
	Other Receivables:			
5	Receivables Due From Officers and Employees.....	0		
6	Receivables Due From Affiliates.....	0		
7	Other Accounts and Notes Receivables.....	570		
*8	Total Other Receivables.....	570	0	570
9	Totals (Form 205).....	\$ 23,146	\$ (4,902)	\$ 18,244

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 11,927
11	Counter Checks Issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	134,575
12	Checks Redeemed Prior to Deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(102,837)
13	Checks Collected Through Deposits.....	(24,845)
14	Checks Transferred to Returned Checks.....	(8,042)
15	Other Adjustments.....	0
16	Ending Balance.....	\$ 10,778
17	"Hold" Checks Included in Balance on Line 16.....	\$ 0
18	Provision for Uncollectible Patrons' Checks.....	\$ 2,068
19	Provision as a Percent of Counter Checks Issued.....	1.5%

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE SIX MONTHS ENDED JUNE 30, 1995

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u># OF</u> <u>RECIPIENTS</u>	<u>DOLLAR</u> <u>AMOUNTS</u>	<u># OF</u> <u>RECIPIENTS</u>	<u>DOLLAR</u> <u>AMOUNTS</u>
Rooms	96,581	\$12,784		\$
Food	802,295	9,720		
Beverage	2,912,534	5,057		
Travel			13,123	2,974
Coin/Table Coupons			1,550	22,767
Coupon	70,273	406		
Entertainment	69,795	1,063		
Retail & Gifts			2,887	309
Other	<u>18,282</u>	<u>382</u>	<u>240,631</u>	<u>8,091</u>
Total	<u>3,969,760</u>	<u>\$29,412</u>	<u>258,191</u>	<u>\$34,141</u>

FOR THE THREE MONTHS ENDED JUNE 30, 1995

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u># OF</u> <u>RECIPIENTS</u>	<u>DOLLAR</u> <u>AMOUNTS</u>	<u># OF</u> <u>RECIPIENTS</u>	<u>DOLLAR</u> <u>AMOUNTS</u>
Rooms	51,551	\$ 7,004		\$
Food	402,573	5,051		
Beverage	1,467,704	2,538		
Travel			5,515	1,668
Coin/Table Coupons			829,574	11,394
Coupon	36,408	212		
Entertainment	45,379	696		
Retail & Gifts			1,339	144
Other	<u>9,936</u>	<u>210</u>	<u>145,179</u>	<u>5,257</u>
Total	<u>2,013,551</u>	<u>\$15,711</u>	<u>981,607</u>	<u>\$18,463</u>

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
:SS.
COUNTY OF ATLANTIC :

R. BRUCE MCKEE
NAME

, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

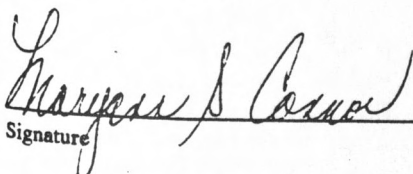

SIGNATURE

Senior Vice President, Finance
TITLE

0548-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 11th day of August, 1995

On Behalf Of:


Signature

Trump Taj Mahal Associates
Casino Licensee

MARYANN S. CONNOR
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 11, 1993

Basis of Authority
to Take Oaths