QUARTERLY REPORT

LICENSEE TRUMP'S CASTLE ASSOCIATES
ADDRESS One Castle Boulevard
Atlantic City, NJ 08401

FOR THE QUARTER ENDED DECEMBER 31, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONSENCE REGARDING
THIS QUARTERLY REPORT..... Stephen S. Oskiera

OFFICIAL TITLE..... Executive Director Financial Accounting

ADDRESS..... One Castle Boulevard
Atlantic City, NJ 08401

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

BALANCE SHEETS

DECEMBER 31, 1995 and 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents	$21,038	$19,122
2	Short–Term Investments		
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1995, $1,969; 1994, $3,704) (NOTE 3)	11,405	9,292
4	Inventories (NOTE 3)	1,567	1,790
5	Prepaid expenses and other current assets (NOTE 4)	4,961	2,880
6	Total current assets	38,971	33,084
7	Investments, Advances, And Receivables	2,989	1,502
8	Property And Equipment – Gross (NOTES 3, 4, 5,and 11)	509,882	501,697
9	(Accumulated Depreciation/Amortization)	(187,767)	(173,523)
10	Other Assets	6,506	6,037
11	Total Assets	$370,581	$368,797
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	$9,413	$6,191
13	Notes payable		
	Current portion of long–term debt:		
14	Due to affiliates		
15	Other (NOTE 5)	2,903	1,108
16	Income taxes payable and accrued		
17	Other accrued expenses (NOTE 12)	16,191	18,409
18	Other current liabilities (NOTE 13)	9,895	8,376
19	Total current liabilities	38,402	34,084
	Long–Term Debt:		
20	Due to affiliates (NOTE 4)	287,679	277,541
21	Other (NOTES 4, 5, and 10)	35,336	36,892
22	Deferred Credits		
23	Other Liabilities	3,351	3,315
24	Commitments And Contingencies (NOTE 7)		
25	Total Liabilities	364,768	351,832
26	Stockholders', Partners', Or Proprietor's Equity (NOTES 2 and 6)	5,813	16,965
27	Total Liabilities and Equity	$370,581	$368,797

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 TWELVE MONTHS ENDED DECEMBER 31, 1995 and 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino.....(NOTE 3).....	$280,124	$258,455
2	Rooms	20,052	19,514
3	Food and Beverage	30,804	31,732
4	Other	9,130	8,969
5	Total Revenue .....(NOTE 3).....	340,110	318,670
6	Less: Promotional Allowances	34,547	34,857
7	Net Revenue	305,563	283,813
	Costs and Expenses:		
8	Cost of Goods and Services	159,129	151,351
9	Selling, General, and Administrative	91,073	77,515
10	Provision for Doubtful Accounts	1,370	3,437
11	Total Costs and Expenses	251,572	232,303
12	Gross Operating Profit	53,991	51,510
13	Depreciation and Amortization	14,639	14,437
	Charges from Affiliates Other than Interest:		
14	Management Fees .....(NOTE 6).....	2,087	3,111
15	Other	1,248	1,188
16	Income (Loss) from Operations	36,017	32,774
	Other Income (Expenses):		
17	Interest (Expense) – Affiliates.....(NOTES 2 and 4).....	(41,768)	(40,641)
18	Interest (Expense) – External .....(NOTE 5).....	(4,249)	(3,532)
19	Investment Alternative Tax and Related Income (Expense) – Net...(NOTE 7).....	(1,656)	(3,950)
20	Nonoperating Income (Expense) – Net	504	636
21	Total Other Income (Expenses)	(47,169)	(47,487)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(11,152)	(14,713)
23	Provision (Credit) for Income Taxes		
24	Income (Loss) Before Extraordinary Items	(11,152)	(14,713)
25	Extraordinary Items (Net of Income Taxes – 1995, $ –; 1994, $ –).....		
26	Net Income (Loss)	($11,152)	($14,713)

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 DECEMBER 31, 1995 and 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino	$74,563	$58,211
2	Rooms	4,577	4,230
3	Food and beverage	8,393	6,797
4	Other	2,077	1,896
5	Total revenue	89,610	71,134
6	Less: Promotional allowances	9,361	6,994
7	Net revenue	80,249	64,140
	Costs And Expenses:		
8	Cost of goods and services	41,157	35,471
9	Selling, general, and administrative	27,763	18,224
10	Provision for doubtful accounts	394	(646)
11	Total costs and expenses	69,314	53,049
12	Gross Operating Profit	10,935	11,091
13	Depreciation and amortization	3,821	3,539
	Charges from affiliates other than interest:		
14	Management fees	119	1,463
15	Other	296	793
16	Income (Loss) From Operations	6,699	5,296
	Other Income (Expenses):		
17	Interest (expense) – affiliates	(10,614)	(10,233)
18	Interest (expense) – external	(1,174)	(895)
19	Investment alternative tax and related income (expense) – net	(416)	(364)
20	Nonoperating income (expense) – net	198	215
21	Total other income (expenses)	(12,006)	(11,277)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(5,307)	(5,981)
23	Provision (credit) for income taxes		
24	Income (Loss) Before Extraordinary Items	(5,307)	(5,981)
25	Extraordinary items (net of income taxes – 1995, $ –; 1994, $ –)		
26	Net Income (Loss)	($5,307)	($5,981)

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 CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 and 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 1993.....**	$73,395	($41,717)		$31,678
2	Net Income (Loss) – 1994.....		(14,713)		(14,713)
3	Capital Contributions.....				
4	Capital Withdrawals.....				
5	Partnership Distributions.....				
6	Prior Period Adjustments.....				
7	_____.....				
8	_____.....				
9	_____.....				
10	**Balance, December 31, 1994.....**	73,395	(56,430)		16,965
11	Net Income (Loss) – 1995.....		(11,152)		(11,152)
12	Capital Contributions.....				
13	Capital Withdrawals.....				
14	Prior Period Adjustments.....				
15	_____.....				
16	_____.....				
17	_____.....				
18					
19	**Balance, December 31, 1995.....**	$73,395	($67,582)		$5,813

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 TWELVE MONTHS ENDED DECEMBER 31, 1995 and 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$13,065	$9,290
	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	(6,874)	(8,257)
5	Proceeds from Disposition of Property and Equipment	--	--
6	Purchase of Casino Reinvestment Obligations	(2,805)	(2,350)
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	(9,679)	(10,607)
	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	(1,470)	--
18	Cash Proceeds from Issuing Stock or Capital Contributions	--	--
19	Purchases of Treasury Stock	--	--
20	Payments of Dividends or Capital Withdrawals	--	--
21	_____	--	--
22	_____	--	--
23	Net Cash Provided (Used) By Financing Activities	(1,470)	--
24	Net Increase (Decrease) in Cash and Cash Equivalents	1,916	(1,317)
25	Cash and Cash Equivalents at Beginning of Period	19,122	20,439
26	Cash and Cash Equivalents at End of Period	$21,038	$19,122

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized)	$35,338	$31,255
28	Income Taxes	--	--

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

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 and 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss)	($11,152)	($14,713)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	14,639	14,437
31	Amortization of Other Assets	720	955
32	Amortization of Debt Discount or Premium	2,372	2,148
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	936	735
37	(Gain) Loss from Other Investment Activities	--	--
38	Net (Increase) Decrease in Receivables and Patrons' Checks	(3,486)	(2,461)
39	Net (Increase) Decrease in Inventories	223	525
40	Net (Increase) Decrease in Other Current Assets	(2,800)	(320)
41	Net (Increase) Decrease in Other Assets	(86)	(881)
42	Net Increase (Decrease) in Accounts Payable	3,222	2,951
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	(695)	(839)
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	7,802	3,315
45	Provision for loan losses	1,370	3,438
46	_____	--	--
47	Net Cash Provided (Used) By Operating Activities	$13,065	$9,290

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment	$8,580	$8,257
49	Less: Capital Lease Obligations Incurred	(1,706)	--
50	Cash Outflows for Property and Equipment	$6,874	$8,257
	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 infomation contained in the notes.

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

(UNAUDITED)

($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE – NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks	$7,352		
2	Returned Patrons' Checks	2,542		
3	Total Patrons' Checks	9,894	$1,703	$8,191
4	Hotel Receivables	803	266	537
	Other Receivables:			
5	Receivables Due from Officers and Employees	16		
6	Receivables due from Affiliates	1,146		
7	Other Accounts and Notes Receivables	1,515		
8	Total Other Receivables	2,677	0	2,677
9	Totals (Form 205)	$13,374	$1,969	$11,405

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$4,494
11	Counter Checks Issued (Excluding Counter Checks Issued Through Transactions Relating to Consolidations, Partial Redemptions, Substitutions, and Patrons' Cash Deposits)	212,125
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)	(113,989)
13	Checks Collected Through Deposits	(91,068)
14	Checks Transferred to Returned Checks	(4,210)
15	Other Adjustments	0
16	Ending Balance	$7,352
17	"Hold" Checks Included In Balance On Line 16	$0
18	Provision For Uncollectible Patrons' Checks	1,290
19	Provision As A Percent Of Counter Checks Issued	0.6%

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

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

		PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	ROOMS	292,839	$14,276	--	--
2	FOOD	1,086,133	16,292	--	--
3	BEVERAGE	507,294	2,156	--	--
4	TRAVEL	--	--	48,886	$8,555
5	COIN	--	--	--	--
6	COUPON	--	--	1,309,034	32,035
7	ENTERTAINMENT	36,600	915	800	24
8	RETAIL & GIFTS	14,000	350	--	--
9	PARKING	--	--	--	--
10	OTHER	22,320	558	187,420	9,371
11	TOTAL	1,959,186	$34,547	1,546,140	$49,985

FOR THE THREE MONTHS ENDED DECEMBER 31, 1995

		PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	ROOMS	79,002	$3,395	--	--
2	FOOD	303,733	4,906	--	--
3	BEVERAGE	166,353	709	--	--
4	TRAVEL	--	--	13,972	$2,445
5	COIN	--	--	--	--
6	COUPON	--	--	236,503	10,649
7	ENTERTAINMENT	17,260	136	167	5
8	RETAIL & GIFTS	8,490	109	--	--
9	PARKING	--	--	--	--
10	OTHER	8,490	106	57,260	2,863
11	TOTAL	583,328	$9,361	307,902	$15,962

TRUMP'S CASTLE ASSOCIATES AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Organization and Operations:

The accompanying consolidated financial statements include those of Trump's Castle Associates, a New Jersey general partnership (the "Partnership") and its wholly-owned subsidiary, Trump's Castle Funding, Inc., a New Jersey corporation ("Funding"). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

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. Trump's Castle is a luxury casino hotel located in the Marina District of Atlantic City, New Jersey. A substantial portion of Trump's Castle's revenues are derived from its gaming operations. Competition in the Atlantic City gaming market is intense and the Partnership believes that the competition will continue as new entrants to the gaming industry become operational.

The partners in the Partnership are TC/GP, Inc. ("TC/GP"), which has a 37.5% interest in the Partnership, Donald J. Trump ("Trump"), who has a 61.5% interest in the Partnership, and Trump's Castle Hotel & Casino, Inc. ("TCHI"), which has a 1% interest in the Partnership. Trump, by virtue of his ownership of TC/GP and TCHI, is the beneficial owner of 100% of the common equity interest in the Partnership, subject to the right of holders of warrants for 50% of the common stock of TCHI (the "TCHI Warrants") to acquire an indirect beneficial interest in 0.5% of the common equity interest in the Partnership. Trump has pledged his direct and indirect ownership interest in the Partnership as collateral under various personal debt agreements.

Funding was incorporated on May 28, 1985 solely to serve as a financing company to raise funds through the issuance of bonds to the public (Note 4). Since Funding has no business operations, its ability to repay the principal and interest on the 11-1/2% Senior Secured Notes due 2000 (the "Senior Notes"), the 11-3/4% Mortgage Notes due 2003 (the "Mortgage Notes"), and its Increasing Rate Subordinated Pay-in-Kind Notes due 2005 (the "PIK Notes") is completely dependent upon the operations of the Partnership.

The debt associated with the Senior Notes, the Mortgage Notes and the PIK Notes have been classified as due to affiliates in the accompanying consolidated balance sheets.

(2) Plan of Recapitalization:

On December 28, 1993, the Partnership, Funding, and TC/GP consummated a recapitalization plan (the "Recapitalization Plan") whereby each $1,000 of principal of the 9.5% Mortgage Bonds issued as part of an earlier plan of reorganization was exchanged for $750 principal amount of Funding's Mortgage Notes, $120 principal amount of Funding's PIK Notes, and a cash payment of $6.19 plus all accrued and unpaid interest. Those bondholders who did not elect to exchange their Mortgage Bonds received a cash payment in redemption of their Mortgage Bonds 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 Mortgage Bonds were exchanged for Mortgage Notes 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 Notes and PIK Notes in proportion to the principal amount of Mortgage Notes and PIK Notes issued. The difference between the principal amount and net book value of these Mortgage Notes and PIK Notes is being accreted as a charge to interest expense over the life of the Mortgage Notes and PIK Notes using the effective interest method.

In addition to the Mortgage Notes and PIK Notes, Funding issued $27,000,000 of the Senior Notes. A portion of the proceeds from the Senior Notes were used to repay $7,000,000 of outstanding indebtedness.

(3) Accounting Policies:

Pervasiveness of Estimates

The preparation of these financial statements in conformity with generally accepted accounting principals requires the Partnership to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Revenue Recognition

Casino revenues consist of the net win from gaming activities, which is the difference between gaming wins and losses. Revenues from hotel and other services are recognized at the time the related services are performed.

The Partnership provides an allowance for doubtful accounts arising from casino, hotel, and other services, which is based upon a specific review of certain outstanding receivables and historical collection performance. In determining the amount of the allowance, the Partnership is required to make certain estimates and assumptions and actual results may differ from these estimates and assumptions.

Promotional Allowances

Gross revenues include the retail value of the complimentary food, beverage, and hotel services provided to patrons. The retail value of these promotional allowances is deducted from gross revenues to arrive at net revenues. The cost of such complimentaries have been included in gaming costs and expenses in the accompanying consolidated statements of operations. The estimated departmental costs of providing such promotional allowances are included in gaming costs and expenses and are as follows:

	1995	1994
Rooms	$ 6,261,000	$ 6,554,000
Food and Beverage	18,240,000	17,342,000
Other	2,483,000	2,693,000
	$26,984,000	$26,589,000

Income Taxes

The accompanying consolidated 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 Casino Control Act (the "Act") and the regulations promulgated thereunder, the Partnership and Funding are required to file a consolidated New Jersey corporation business tax return.

As of December 31, 1995, the Partnership had New Jersey State net operating losses of approximately $162,000,000, which are available to offset taxable income through the year 2002. The net operating loss carryforwards result in a deferred tax asset of $15,200,000, which has been offset by a valuation allowance of $15,200,000, as utilization of such carryforwards is not considered to be more likely than not.

Inventories

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

Property and Equipment

Property and equipment is recorded at cost and is depreciated

on the straight-line method over the estimated useful lives of the assets. Estimated useful lives for furniture, fixtures, and equipment and buildings are from three to eight years and forty years, respectively.

Long Lived Assets

During 1995, the Partnership adopted the provisions of Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long Lived Assets" ("SFAS 121"). SFAS 121 requires, among other things, that an entity review its long lived assets and certain related intangibles for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. As a result of its review, the Partnership does not believe that any impairment exists in the recoverability of its long lived assets.

Statements of Cash Flows

For purposes of the statements of cash flows, Funding and the Partnership consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The following supplemental disclosures are made to the statements of cash flows:

	1995	1994
Cash paid during the year for interest (net of amounts capitalized)	$35,338,000	$31,255,000
Issuance of debt in exchange for accrued interest	$ 7,766,000	$ 3,559,000

Reclassification

Certain reclassifications have been made to the 1994 financial statements in order to conform to the classifications used in 1995.

(4) Mortgage Notes and PIK Notes:

As discussed in Note 2, On December 28, 1993 all of the outstanding Mortgage Bonds and TC/GP common stock were either redeemed or exchanged for Mortgage Notes and PIK Notes by Funding. The Mortgage Notes bear interest, payable in cash, semi-annually, at 11-3/4% and mature on November 15, 2003. As discussed in Note 2, the net book value of the exchanged bonds has been carried forward and allocated to the Mortgage Notes and PIK Notes in proportion to the principal amount of Mortgage Notes and PIK Notes

issued. In the event the PIK Notes are redeemed prior to November 15, 1998, the interest rate on the Mortgage Notes will be reduced to 11-1/2%. The Mortgage Notes may be redeemed at Funding's option at a specified percentage of the principal amount commencing in 1998.

The PIK Notes bear interest payable, at Funding's option in whole or in part in cash and through the issuance of additional PIK Notes, semi-annually at the rate of 7% through September 30, 1994 and 13-7/8% through November 15, 2003. After November 15, 2003, interest on the Notes is payable in cash at the rate of 13-7/8%. The PIK Notes mature on November 15, 2005. The PIK Notes may be redeemed at Funding'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 has been accrued using the effective interest method. On May 15, 1995 and November 15, 1995, the semi-annual interest payments of $3,753,000 and $4,013,000, respectively, were paid by the issuance of additional PIK Notes.

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 $1,100,000 payment to Hamilton, which is included in prepaid expenses and other current assets.

The Option is exercisable at a price equal to 60% of the aggregate principal amount and accrued interest of the PIK Notes delivered by Hamilton. 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 is required to make an additional payment to Hamilton of up to 40% of the principal amount of the PIK Notes. The option expires on March 19, 1996 and may be extended to June 21, 1996.

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 Funding (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 Funding 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 Funding (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.

The ability of Funding and the Partnership to pay their indebtedness when due, will depend on their ability to either generate cash from operations sufficient for such purposes or to refinance such indebtedness on or before the date on which it becomes due. The Partnership does not currently anticipate being able to generate sufficient cash flow from operations to repay a substantial portion of the principal amounts of the Mortgage Notes and the PIK Notes when due. Thus, the repayment of the principal amount of this indebtedness will likely depend primarily upon the ability of Funding and the Partnership to refinance this debt when due. The future operating performance of the Partnership and the ability to refinance this debt will be subject to the then prevailing economic conditions, industry conditions, and numerous other financial, business, and other factors, many of which are beyond the control of Funding or the Partnership. There can be no assurance that the future operating performance of the Partnership will be sufficient to meet these repayment obligations or that the general state of the economy, the status of the capital markets generally, or the receptiveness of the capital markets to the gaming industry will be conducive to refinancing this debt or other attempts to raise capital.

(5) Other Borrowings:

Bank Borrowings

The Partnership has a term loan with Midlantic National Bank (the "Term Loan") in the amount of $38,000,000. The Term Loan had an initial maturity date of May 29, 1995 and under its terms, the Partnership had the option, subject to certain conditions, to extend the Term Loan an additional five years. The Partnership exercised its option to extend the Term Loan on May 28, 1995. The interest rate was revised to be a fluctuating rate of 3% above the bank's prime rate, which was 8.5% at December 31, 1995, but in no event less than 9% per annum. In addition, the outstanding principal amount of the Term Loan will be amortized over the five-year extension period on a twenty year amortization schedule requiring principal payments of approximately $158,000 per month over the period. At December 31, 1995, $36,892,000 was outstanding on this Term Loan.

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

the Senior Notes described below.

Senior Notes

On December 28, 1993, Funding issued the Senior Notes. 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 Senior Guaranty is secured by a mortgage on Trump's Castle. The Senior Partnership Note and the Senior Guaranty are subordinated to the Term Loan described above.

Interest on the Senior Notes is payable semiannually 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, as defined, commencing on June 1, 1998 at 100% of the principal amount of the amount redeemed.

(6) Related Party Transactions:

Trump Management Fee

The Partnership had a management agreement (the "Management Agreement") with Trump's Castle Management Corp. ("TCMC"), a corporation wholly-owned by Trump. 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.

As a result of the Recapitalization Plan described in Note 2, on December 28, 1993, the Partnership terminated the Management Agreement with TCMC and entered into a services agreement (the "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 on a non-exclusive basis, relating to marketing, advertising, promotional, and other similar and related 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. During the

years ended December 31, 1995 and 1994, the Partnership incurred fees and expenses of $2,087,000 and $2,111,000, respectively, under the Services Agreement. The Services Agreement expires on December 31, 2005.

Other Payments to Trump

During 1994, the Board of Partner Representatives approved a $1,000,000 bonus to be paid to Trump, based upon 1994 operating results. The amount was paid in two equal installments in June and August 1995. No such bonus was approved for 1995.

Due from Affiliates

Amounts due from affiliates were $1,146,000 and $434,000 as of December 31, 1995 and 1994, respectively. The Partnership has engaged in limited intercompany transactions with Trump Plaza Associates, Trump Taj Mahal Associates, and the Trump Organization, which are affiliates of Trump. These transactions include certain shared payroll costs as well as complimentary services offered to customers, for which the Partnership makes initial payments and is then reimbursed by the affiliates.

During 1995 and 1994, the Partnership incurred expenses of approximately $1,673,000 and $1,631,000, respectively, in corporate salaries and $1,109,000 and $1,047,000, respectively, of other transactions on behalf of these related entities. In addition, the Partnership received payments totaling $1,401,000 and $2,438,000, respectively, for services rendered and had $580,000 and $441,000, respectively, of charges for similar costs incurred by these related entities on behalf of the Partnership.

Partnership Agreement

Under the terms of the Partnership Agreement, the Partnership was required to pay all costs incurred by TC/GP. For the years ended December 31, 1995 and 1994, the Partnership paid $1,248,000 and $1,188,000 respectively, of expenses on behalf of TC/GP. For the years ended December 31, 1995 and 1994 these costs were charged to selling, general and administrative expense in the accompanying consolidated financial statements.

(7) Commitments and Contingencies:

Casino License Renewal

The Partnership is subject to regulation and licensing by 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 Partnership'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 CCC renewed the casino license of the Partnership through 1999 subject to certain continuing reporting and compliance conditions.

Self Insurance Reserves

Self insurance reserves represent the estimated amounts of uninsured claims settlements related to employee health medical costs, workers compensation, and other legal proceedings in the normal course of business. These reserves are established by the Partnership based upon a specific review of open claims as of the balance sheet date as well as historical claims settlement experience. Actual results may differ from these reserve amounts.

Employment Agreements

The Partnership has entered into employment agreements with certain key employees which expire at various dates through July 30, 1998. Total minimum commitments on these agreements at December 31, 1995 were approximately $4,061,000.

Legal Proceedings

The Partnership is involved in legal proceedings incurred in the normal course of business. In the opinion of management and its counsel, if adversely decided, none of these proceedings would have a material effect on the consolidated financial position of the Partnership.

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 depositing funds which may be converted to bonds by the Casino Reinvestment Development Authority (the "CRDA"), both of which bear interest at below market interest rates. 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. Donations in the amount of $375,000 and $6,440,000 were made in 1995 and 1994, respectively. These donations, net of the tax credits received, were charged against operations in the year in which they were made and resulted in CRDA tax credits of $191,000 and $1,474,000 to be applied to the years ending December 31, 1995 and 1994,

respectively. For the years ended December 31, 1995 and 1994 the Partnership charged to operations $720,000 and $955,000, respectively, which represents amortization of a portion of the tax credits discussed above.

In addition, for the years ended December 31, 1995 and 1994, the Partnership charged to operations $936,000 and $735,000, respectively, to give effect to the below market interest rates associated with purchased CRDA bonds.

(8) 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 $1,013,000 and $899,000 for matching contributions for the years ended December 31, 1995 and 1994, respectively.

The Partnership makes payments to various trusteed 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. Pension expense for the years ended December 31, 1995 and 1994 were $497,000 and $455,000, respectively.

The Partnership provides no other material post employment benefits.

(9) Financial Information of Funding:

Financial information relating to Funding as of and for the years ended December 31, 1995 and 1994 is as follows:

	1995	1994
Total Assets (including Mortgage Notes Receivable of $242,141,000, net of unamortized discount of $35,572,000 and $37,729,000 at December 31, 1995 and 1994; PIK Notes Receivable of $61,860,000, net of unamortized discount of $7,750,000 at December 31, 1995 and $54,094,000, net of unamortized discount of $7,965,000 at December 31, 1994, and Senior Notes Receivable of $27,000,000 at December 31, 1995 and 1994.)	$287,679,000	$277,541,000
Total Liabilities and Capital (including Mortgage Notes Payable of $242,141,000, net of unamortized discount of $35,572,000 and $37,729,000 at December 31, 1995 and 1994, PIK Notes Payable of $61,860,000, net of unamortized discount of $7,750,000 at December 31, 1995 and $54,094,000, net of unamortized discount of $7,965,000, at December 31, 1994 and Senior Notes Payable of $27,000,000 at December 31, 1995 and 1994.)	$287,679,000	$277,541,000
Interest Income	$ 41,768,000	$ 40,600,000
Interest Expense	$ 41,768,000	$ 40,600,000
NET INCOME	$ -	$ -

(10) Fair Value of Financial Instruments:

The carrying amount of the following financial instruments of the Partnership and Funding approximate fair value, as follows: (a) cash and cash equivalents and accrued interest receivables and payables based on the short-term nature of the financial instruments, (b) CRDA bonds and deposits based on the allowances to give effect to the below market interest rates.

The fair values of the Mortgage Notes and PIK Notes are based on quoted market prices. The fair value of the Mortgage Bonds was based on quoted market prices obtained by the Partnership from its investment advisor as follows:

	December 31, 1995	
	Carrying Amount	Fair Value
11-3/4% Mortgage Notes.....	$ 206,569,000	$ 212,479,000
PIK Notes.....	$ 54,110,000	$ 48,096,000

	December 31, 1994	
	Carrying Amount	Fair Value
11-3/4% Mortgage Notes.....	$ 204,412,000	$ 131,967,000
PIK Notes.....	$ 46,129,000	$ 43,546,000

There are no quoted market prices for the Partnership Term Loan and Senior Notes. A reasonable estimate of their value could not be made without incurring excessive costs.

(11) Property and Equipment:

	1995	1994
Land and land improvements	$ 62,706,000	$ 62,706,000
Buildings and building improvements	327,487,000	327,487,000
Furniture, fixtures and equipment	114,253,000	108,308,000
Construction in progress	5,436,000	3,196,000
	509,882,000	501,697,000
Less - Accumulated depreciation	187,767,000	173,523,000
	$322,115,000	$328,174,000

(12) Other Accrued Expenses:

	1995	1994
Accrued payroll and related taxes	$ 4,934,000	$ 5,638,000
Other	11,164,000	12,520,000
	$ 16,098,000	$ 18,158,000

(13) Other Current Liabilities:

	1995	1994
Interest payable - affiliates	$ 3,632,000	$ 3,607,000
Other	6,281,000	4,709,000
	$ 9,913,000	$ 8,316,000

STATEMENT OF CONFORMITY AND ACCURACY

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

Stephen S. Oskiera, being duly sworn according to law upon my oath deposes and says:
(Name)

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this Report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to
before me this 27th day
of March, 1996

Norma J. Hines
Signature

NORMA J. HINES
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 12, 1998

Basis of Authority
to Take Oaths

Stephen Oskiera
Signature

Executive Director Financial Accounting
Title

004074-11
License Number

On behalf Of:

Trump's Castle Associates

Casino Licensee

TRADING NAME OF LICENSEE TRUMP'S CASTLE CASINO RESORT

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1995
($ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO				
1	Administration	16			
2	Gaming	700			
3	Slots	469			
4	Casino Accounting	18			
5	Simulcasting	14			
6	Other	149			
7	Total – Casino	1,366	$32,344		$32,344
8	ROOMS	233	3,519		3,519
9	FOOD AND BEVERAGE	829	16,067		16,067
	OTHER OPERATED DEPARTMENTS				
10	Communications/PBX	17	290		290
11	Retail	27	351		351
12	Valet	54	712		712
13	Wardrobe	23	430		430
14	Health Club	0	49		49
15	Marina Ops	5	132		132
16	Environmental	160	3,676		3,676
17	Laundry	26	430		430
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	11	1,712	$2,050	3,762
21	Accounting and auditing	229	2,662		2,662
22	Security	217	5,008		5,008
23	Other administrative and general department	128	18,283		18,283
24	MARKETING	61	1,421		1,421
25	GUEST ENTERTAINMENT	37	1,034		1,034
26	PROPERTY OPERATION AND MAINTENANCE	117	4,470		4,470
27	TOTALS – ALL DEPARTMENTS	3,540	$92,590	$2,050	$94,640

New Jersey State Library

TRADING NAME OF LICENSEE TRUMP'S CASTLE CASINO RESORT

ANNUAL EMPLOYMENT AND PAYROLL REPORT SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1995

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, no material discrepancies were noted for the period covered by this report, or if material discrepancies were noted, a detailed explanation is included on the attached page.

Signature

March 29, 1996
Date

Executive Director Financial Accounting
Title

TRADING NAME OF LICENSEE: TRUMP'S CASTLE

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1995

Amended 2-21-96

(UNAUDITED)

($ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	$81,575	
2	Coin-operated devices revenue	197,209	
3	Total Revenues		$278,784
	Less – adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	$3,191	
5	Maximum adjustment (4% of line 3)	$11,151	
6	Adjustment (the lesser of line 4 or line 5)		3,191
7	Gross revenues (line 3 less line 6)		$275,593
8	Tax on gross revenues – current year (8% of line 7)		$22,047
9	Audit or other adjustments to tax on gross revenues in prior years		0
10	Total tax on gross revenues (line 8 plus or minus line 9)		22,047
	Deposits made for tax on current year's gross revenues:		
11	January	$1,350	
12	February	1,494	
13	March	1,524	
14	April	1,431	
15	May	1,922	
16	June	1,673	
17	July	2,157	
18	August	1,868	
19	September	2,193	
20	October	2,332	
21	November	1,889	
22	December	1,585	
23	January	781	
24	February	(152)	
25	Total deposits made for tax on current year's gross revenues		(22,047)
26	Settlement of prior years' tax on gross revenues resulting from audit or other adjumstment – (deposits) credits		0
27	Gross revenues tax payable (line 10 less line 25 plus or minus line 26)		$0

STATEMENT OF CONFORMITY AND ACCURACY

Amended
2-21-96

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

JIM MCCARTHY, being duly sworn according
Name

to law upon my oath deposes and says:

1. I have examined this Gross Revenue Annual Tax Return.

2. All the information contained in this Return has been prepared in conformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.

3. The information contained in this Return is accurate to the best of my knowledge and belief.

James L. McCarthy
Signature

Executive Director of Finance
Title

01996-11
License Number

On Behalf Of:

Trump's Castle
Casino Licensee

Subscribed and sworn to
before me this 16th day
of February, 1996.

Sharon E. Varallo
Signature

SHARON E. VARALLO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 21, 1997

Basis of Authority
to Take Oaths

QUARTERLY REPORT

TRADING NAME OF LICENSEE: GNOC, CORP. (The Grand)

For The Quarter Ended December 31, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

TRADING NAME OF LICENSEE: GNOC, CORP. (The Grand)

LIST OF FORMS - QUARTERLY REPORTS

For The Year Ended December 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 Cash Flows	CCC-235
Schedule of Promotional Expenses and Allowances	CCC-245
Notes to Financial Statements	-
Statement of Conformity, Accuracy, and Compliance	CCC-249

TRADING NAME OF LICENSEE: GNOC, CORP. (The Grand)

BALANCE SHEETS

DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		1995 (c)	1994 (d)
	ASSETS			
	Current Assets:			
1	Cash and cash equivalents		$ 23,903	$ 14,177 *
2	Short-term investments		-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, $ 5,573 ; 1994, $ 6,840)		6,040	5,381
4	Inventories		2,398	2,559
5	Prepaid expenses and other current assets	NOTE 2	8,716	9,730 *
6	Total current assets		41,057	31,847
7	Investments, Advances, and Receivables	NOTE 3	3,692	3,675 *
8	Property And Equipment - Gross	NOTE 4	401,610	384,805 *
9	Less: Accumulated Depreciation/Amortization	NOTE 4	(119,874)	(105,800)*
10	Other Assets	NOTE 5	104,625	109,135 *
11	Total Assets		$ 431,110	$ 423,662
	LIABILITIES AND EQUITY			
	Current Liabilities:			
12	Accounts payable		$ 3,399	$ 3,838
13	Notes payable		-	-
	Current portion of long-term debt			
14	Due to affiliates		-	-
15	Other		-	-
16	Income taxes payable and accrued		-	217
17	Other accrued expenses	NOTE 6	21,769	22,137 *
18	Other current liabilities	NOTE 7	1,928	2,748
19	Total current liabilities		27,096	28,940
	Long-Term Debt:			
20	Due to affiliates	NOTE 8	273,322	273,176
21	Other		-	-
22	Deferred Credits	NOTE 9	57,258	52,906
23	Other Liabilities		-	- *
24	Commitments And Contingencies		-	-
25	Total Liabilities		357,676	355,022
26	Stockholders', Partners', Or Proprietor's Equity	NOTE 10	73,434	68,640 *
27	Total Liabilities And Equity		$ 431,110	$ 423,662

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

* Restated to conform to 1995 presentation.

TRADING NAME OF LICENSEE: GNOC, CORP. (The Grand)

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 1995 and 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenues:		
1	Casino	$ 256,790	$ 228,376
2	Rooms	16,596	14,718
3	Food and beverage	35,865	32,383
4	Other	8,435	9,276
5	Total Revenues	317,686	284,753
6	Less: Promotional allowances	41,415	35,809
7	Net Revenues	276,271	248,944
	Costs And Expenses:		
8	Cost of goods and services	117,131	113,693
9	Selling, general, and administrative	95,627	86,152 *
10	Provision for doubtful accounts	1,174	3,444
11	Total Costs and Expenses	213,932	203,289
12	Gross Operating Profit	62,339	45,655
13	Depreciation and Amortization	17,972	19,291 *
	Charges from affiliates other than interest:		
14	Management fees	-	-
15	Other NOTE 11	2,152	2,183 *
16	Income (Loss) From Operations	42,215	24,181
	Other Income (Expenses):		
17	Interest (expense)-affiliates	(30,644)	(30,438)
18	Interest (expense)-external	(126)	(509)
19	Investment alternative tax and related income (expense) - net	(1,463)	(1,031)
20	Nonoperating income (expense) - net NOTE 12	1,298	577
21	Total Other Income (Expenses)	(30,935)	(31,401)
22	Income (Loss) Before Income Taxes And Extraordinary Items	11,280	(7,220)
23	Provision (credit) for income taxes NOTE 13	6,486	(407)
24	Income (Loss) Before Extraordinary Items	4,794	(6,813) *
25	Extraordinary items (net of income taxes - 1995, $ - ; 1994, $ -)	-	-
26	Net Income (Loss)	$ 4,794	$ (6,813) *

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

* Restated to conform to 1995 presentation.

TRADING NAME OF LICENSEE: GNOC, CORP. (The Grand)

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1995 and 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenues:		
1	Casino	$ 60,302	$ 57,927
2	Rooms	3,883	3,615
3	Food and beverage	8,747	7,700
4	Other	2,242	1,764
5	Total Revenues	75,174	71,006
6	Less: Promotional allowances	10,171	8,418
7	Net Revenues	65,003	62,588
	Costs And Expenses:		
8	Cost of goods and services	29,695	28,145
9	Selling, general, and administrative	23,760	19,445 *
10	Provision for doubtful accounts	245	1,350
11	Total Costs and Expenses	53,700	48,940
12	Gross Operating Profit	11,303	13,648
13	Depreciation and Amortization	4,498	4,828 *
	Charges from affiliates other than interest:		
14	Management fees	-	-
15	Other NOTE 11	562	579 *
16	Income (Loss) From Operations	6,243	8,241
	Other Income (Expenses):		
17	Interest (expense)-affiliates	(7,662)	(7,658)
18	Interest (expense)-external	88	(81)
19	Investment alternative tax and related income (expense) - net	(345)	(345)
20	Nonoperating income (expense) - net NOTE 12	370	160
21	Total Other Income (Expenses)	(7,549)	(7,924)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(1,306)	317
23	Provision (credit) for income taxes NOTE 13	(352)	1,041
24	Income (Loss) Before Extraordinary Items	(954)	(724) *
25	Extraordinary items (net of income taxes - 1995, $ - ; 1994, $ -)	-	-
26	Net Income (Loss)	$ (954)	$ (724) *

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

* Restated to conform to 1995 presentation.

TRADING NAME OF LICENSEE: GNOC, CORP. (The Grand)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Shareholders' Equity (Deficit) (j)
1	**Balance, December 31, 1993**	3,002,500	$ 30		$	$ 58,212	$	$ (46,599)	$ 11,643
2	Net Income (Loss) - 1994							(6,813) *	(6,813) *
3	Contribution to Paid-in Capital								
4	Dividends								
5	Prior Period Adjustments								
6	Adjusted for reorganization (Merger of GNAC, Corp. into GNOC, Corp.)	10				65,209		(8,212)	56,997
7									
8									
9									
10	**Balance, December 31, 1994**	3,002,510 *	$ 30		$	$ 123,421 *	$	$ (54,811) *	$ 68,640 *
11	Net Income (Loss) - 1995							4,794 *	4,794 *
12	Contribution to Paid-in Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	**Balance, December 31, 1995**	3,002,510 *	$ 30		$	$ 123,421 *	$	$ (50,017)	$ 73,434

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

* Restated to conform to 1995 presentation.

TRADING NAME OF LICENSEE: GNOC, CORP. (The Grand)

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 and 1994

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	Net Cash Provided (Used) By Operating Activities	$ 28,856	$ 21,677
	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	(16,898)	(14,087)
5	Proceeds from disposition of property and equipment	70	660
6	Purchase of casino reinvestment obligations	(2,369)	(2,067)
7	Purchase of other investments and loans/advances made	-	-
8	Proceeds from disposal of investment and collection of advances and long-term receivables	67	-
9	Cash outflows to acquire business entities	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) By Investing Activities	(19,130)	(15,494)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	-	12,000
14	Payments to settle short-term debt	-	(12,000)
15	Cash proceeds from issuance of long-term debt	-	-
16	Costs of issuing debt	-	(233)
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	-	(233)
24	Net Increase (Decrease) In Cash And Cash Equivalents	9,726	5,950 *
25	Cash And Cash Equivalents At Beginning Of Year	14,177	8,227 *
26	Cash And Cash Equivalents At End Of Year	$ 23,903	$ 14,177 *

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	$ 29,185	$ 29,470
28	Income taxes paid (refunded) - net	$ 3,148	$ (3,831)

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

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

* Restated to conform to 1995 presentation.

TRADING NAME OF LICENSEE: GNOC, CORP. (The Grand)

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 and 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ 4,794	$ (6,813) *
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	14,097	15,399 *
31	Amortization of other assets	3,875	3,892
32	Amortization of debt discount or premium	1,603	1,483
33	Deferred income taxes - current	89	759
34	Deferred income taxes - noncurrent	4,352	(1,398)
35	(Gain) loss on disposition of property and equipment	-	-
36	(Gain) loss on casino reinvestment obligations	1,463	1,031
37	(Gain) loss from other investment activities	-	-
38	Net (increase) decrease in receivables and patrons' checks	(659)	2,306
39	Net (increase) decrease in inventories	161	16
40	Net (increase) decrease in other current assets	925	1,529 *
41	Net (increase) decrease in other assets	-	-
42	Net increase (decrease) in accounts payables	(439)	377
43	Net increase (decrease) in other current liabilities excluding debt	(1,405)	3,096 *
44	Net increase (decrease) in other noncurrent liabilities excluding debt	-	-
45	_____		
46	_____	-	-
47	Net Cash Provided (Used) By Operating Activities	$ 28,856	$ 21,677

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 16,898	$ 14,087
49	Less: Capital lease obligations incurred	-	-
50	Cash Outflows For Property And Equipment	$ 16,898	$ 14,087
	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.

* Restated to conform to 1995 presentation.

TRADING NAME OF LICENSEE: GNOC, CORP. (The Grand)

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE 12 MONTHS ENDED DECEMBER 31, 1995

(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited patrons' checks	$ 4,468		
2	Returned patrons' checks	6,095		
3	Total patrons' checks	10,563	$ 5,498	$ 5,065
4	Hotel Receivables	369	75	294
	Other Receivables:			
5	Receivables due from officers and employees	1		
6	Receivables due from affiliates	174		
7	Other accounts and notes receivables	506		
8	Total other receivables	681	-	681
9	Totals (Form CCC-205)	$ 11,613	$ 5,573	$ 6,040

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)	137,092
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)	(98,125)
13	Checks collected through deposits	(34,297)
14	Checks transferred to returned checks	(5,030)
15	Other adjustments	-
16	Ending Balance	$ 4,467
17	"Hold" Checks Included In Balance On Line 16	$ -
18	Provision For Uncollectible Patrons' Checks	$ 1,108
19	Provision As A Percent Of Counter Checks Issued	0.81%

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: GNOC, CORP. (The Grand)

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

		Promotional Allowances		Promotional Expenses	
LINE (a)	(b)	Number of Recitpients (c)	Dollar Amount (d)	Number of Recitpients (e)	Dollar Amount (f)
1	Rooms	207,951	11,606	-	-
2	Food	1,116,190	19,951	-	-
3	Beverage	2,927,619	6,587	-	-
4	Travel	-	-	70,681	4,392
5	Coin	-	-	1,601,645	25,107
6	Coupon	-	-	115,212	1,223
7	Entertainment	17,311	689	5,214	638
8	Retail & Gifts	48,211	2,411	286,694	4,229
9	Parking	-	-	-	-
10	Other	13,633	171	160,986	1,824
11	Total	4,330,915	41,415	2,240,432	37,413

FOR THE THREE MONTHS ENDED DECEMBER 31, 1995

		Promotional Allowances		Promotional Expenses	
LINE (a)	(b)	Number of Recitpients (c)	Dollar Amount (d)	Number of Recitpients (e)	Dollar Amount (f)
1	Rooms	46,431	2,739	-	-
2	Food	252,531	4,772	-	-
3	Beverage	779,351	1,753	-	-
4	Travel	-	-	15,335	1,234
5	Coin	-	-	365,051	6,196
6	Coupon	-	-	33,778	498
7	Entertainment	5,873	236	1,651	202
8	Retail & Gifts	12,669	634	61,689	1,068
9	Parking	-	-	-	-
10	Other	2,419	37	39,837	362
11	Total	1,099,274	10,171	517,341	9,560

GNOC, CORP. (The Grand)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

GNOC, CORP. (the "Company") is a New Jersey corporation and a wholly owned subsidiary of Bally Entertainment Corporation ("BEC"). On December 19, 1995, GNAC, CORP. (formerly the wholly owned subsidiary of BEC which owned the Company's outstanding shares of common stock) merged with and into the Company. The Company accounted for the merger in a manner similar to a pooling of interests and, accordingly, the merger had no effect on prior years' financial statements other than a reclass within stockholder's equity. The accompanying consolidated financial statements include the accounts of the Company and GNF, CORP. ("GNF"), a wholly owned subsidiary of the Company, which serves solely as a financing subsidiary. The Company owns and operates the casino hotel resort in Atlantic City, New Jersey known as " The Grand." The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations. Unless otherwise specified in the text, references to the Company include the Company and its subsidiary.

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles which require the Company's management to make estimates and assumptions that affect the amounts reported therein. Actual results could vary from such estimates. In addition, certain reclassifications have been made to prior years' financial statements to conform with the 1995 presentation.

Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Inventories

Inventories of provisions and supplies are stated at the lower of cost (first-in, first-out basis) or market, which approximates replacement cost.

Property and Equipment

Depreciation of property and equipment is provided principally on the straight-line method over the estimated economic lives of the related assets. Depreciation expense was $14,097 and $15,399 for 1995 and 1994, respectively.

GNOC, CORP. (The Grand)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cost in Excess of Acquired Assets

BEC acquired the Company, other related properties and real estate leases in 1987 in a transaction which was accounted for as a purchase. The excess of the total acquisition cost and debt assumed over the fair value of net assets acquired (goodwill) is being amortized on the straight-line method over forty years.

The Company evaluates annually whether the remaining estimated useful life of goodwill may warrant revision or the remaining balance of goodwill may not be recoverable, generally considering expectations of future profitability and cash flows (undiscounted and without interest charges). If the sum of the Company's expected future cash flows was less than the carrying value of the Company's long-lived assets and identifiable intangibles, an impairment loss would be recognized equal to the amount by which the carrying value of the Company's long-lived assets and identifiable intangibles exceeded their fair value. The Company believes that no impairment of goodwill exists at December 31, 1995.

Deferred Finance Costs

Deferred finance costs are amortized over the terms of the related debt using the bonds outstanding method.

Fair Value of Financial Instruments

The fair value of the Company's financial instruments approximates their recorded book values at December 31, 1995 and 1994, excluding the 10-5/8% First Mortgage Notes due 2003 (the "10-5/8% Notes") the fair market value of which based on quoted market prices was $258,500 and $181,500 at December 31, 1995 and 1994, respectively. The fair values are not necessarily indicative of the amounts the Company could realize in a current market exchange.

Revenue Recognition

Casino revenues consist of the net win from gaming activities, which is the difference between gaming wins and losses. Revenues exclude the retail value of complimentary food, beverages and hotel services furnished to customers, which were $41,415 and $35,809 for 1995 and 1994, respectively.

GNOC, CORP. (The Grand)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are 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 receivable from BEC of $2,145 at December 31, 1995 and income taxes payable to BEC of $217 at December 31, 1994.

Casino Licensing

In June 1994, the New Jersey Casino Control Commission renewed the Company's casino license to operate The Grand through July 1996. A New Jersey casino license is not transferable and must be renewed by filing an application.

NOTE 2 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets as of December 31 consisted of the following:

	1995	1994
Deferred federal and state income taxes	$5,658	$5,747
Prepaid real estate taxes	-	2,121
Other	3,058	1,862
	$8,716	$9,730

NOTE 3 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of December 31, 1995 and 1994 consist of funds invested with the New Jersey Casino Reinvestment Development Authority (the "CRDA"). The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the CRDA. Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to fifty years and bear interest at below market rates. The Company records a charge to operations to reflect the estimated realizable value of its CRDA investment obligations and these charges totalled $1,463 and $1,031 in 1995 and 1994, respectively.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consisted of the following:

	1995	1994
Land	$ 66,195	$ 66,195
Buildings and improvements	232,105	228,767
Furniture, fixtures and equipment	102,128	86,768
Construction in progress	1,182	3,075
	401,610	384,805
Accumulated depreciation	(119,874)	(105,800)
	$ 281,736	$ 279,005

GNOC, CORP. (The Grand)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 5 - OTHER ASSETS

Other assets as of December 31 consisted of the following:

	1995	1994
Cost in excess of acquired assets, less accumulated amortization of $26,318 and $23,265	$ 95,158	$ 98,211
Deferred finance costs, less accumulated amortization of $4,179 and $2,722	9,467	10,924
	$104,625	$109,135

Cost in excess of acquired assets at December 31, 1994 includes a reduction of $3,998 resulting from the settlement of a pre-acquisition contingency.

NOTE 6 - OTHER ACCRUED EXPENSES

Other accrued expenses as of December 31 consisted of the following:

	1995	1994
Accrued payroll and benefit-related	$ 8,114	$ 8,361
Accrued interest	7,305	7,305
Other	6,350	6,471
	$21,769	$22,137

NOTE 7 - OTHER CURRENT LIABILITIES

Other current liabilities as of December 31 consisted of the following:

	1995	1994
Due to Bally's Park Place, Inc.	$ 321	$ 577
Due to BEC	-	911
Due to Bally's Las Vegas, Inc.	2	8
Other	1,605	1,252
	$ 1,928	$ 2,748

GNOC, CORP. (The Grand)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands except share data)

NOTE 8 - LONG-TERM DEBT AND REVOLVING CREDIT AGREEMENT

In March 1993, the Company issued $275,000 principal amount of the 10-5/8% Notes at a discount to yield an interest rate of 10-3/4%. The 10-5/8% Notes are not subject to any sinking fund requirement, but may be redeemed beginning April 1998, in whole or in part, with premiums ranging from 5.25% in 1998 to zero in 2001 and thereafter. The 10-5/8% Notes are secured by a first mortgage on and security interest in all property and equipment of the Company.

The Company has a $20,000 revolving credit agreement (the "Credit Agreement") expiring on December 31, 1996 which provides for interest on borrowings at the rate of 1% above the agent bank's prime rate. The Credit Agreement is secured by a pari passu lien on the collateral securing the 10-5/8% Notes. The Company pays a fee of up to 1/2% on the unused commitment and the entire credit line was unused at December 31, 1995. The weighted average interest rate on short-term borrowings was 7.9% in 1994 and there were no short-term borrowings in 1995. The Company is presently negotiating to extend the expiration date of the Credit Agreement to June 30, 1998.

The indenture for the 10-5/8% Notes and the Credit Agreement contain covenants including, but not limited to, the following: (i) limitation on indebtedness; (ii) limitation on restricted payments; (iii) limitation on transactions with affiliates; (iv) limitation on capital expenditures; (v) limitation on encumbrances and li.ens; (vi) limitation on dividends and other payment restrictions affecting subsidiaries; (vii) limitation on issuance of guaranties by subsidiaries; and (viii) restrictions on merger and sales of assets. 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 December 31, 1995, no amount was available for payment of dividends.

NOTE 9 - DEFERRED CREDITS

Deferred credits as of December 31, 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.

Deferred credits at December 31, 1994 include a reduction of $3,998 resulting from the settlement of a pre-acquisition contingency.

NOTE 10 - STOCKHOLDER'S EQUITY

At December 31, 1995 and 1994, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,510 were issued and outstanding.

GNOC, CORP. (The Grand)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 11 - CHARGES FROM AFFILIATES - OTHER

BEC allocates 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 obtained by BEC pursuant to corporate-wide programs. In these circumstances, BEC charges the Company its proportionate share of the respective insurance premiums. BEC allocated overhead totalling $275 and $432 for the three months ended December 31, 1995 and 1994, respectively, and $1,099 and $1,388 for the years ended December 31, 1995 and 1994, respectively.

Certain executive officers of Bally's Park Place, Inc. ("Bally's Park Place"), an indirect wholly owned subsidiary of BEC which owns and operates the casino hotel resort in Atlantic City known as "Bally's Park Place Casino Hotel and Tower," function in a similar capacity for the Company and exercise decision-making and operational authority over both entities. No allocation of cost is made from Bally's Park Place to the Company 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 Bally's Park Place are consolidated, including limousine services, legal 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 Bally's Park Place were $113 and $(27) for the three months ended December 31, 1995 and 1994, respectively and $357 and $99 for the years ended December 31, 1995 and 1994, respectively, which management believes were reasonable. The Company also leases surface area parking lots from Bally's Park Place, and rental expense was $174 for each of the three months ended December 31, 1995 and 1994 and $696 for each of the years ended December 31, 1995 and 1994.

The Company and Bally's Park Place have a cash management arrangement whereby the Company has advanced excess funds to Bally's Park Place which Bally's Park Place used to reduce the outstanding balance under its revolving credit agreement. No amounts were advanced during 1995 or 1994.

GNOC, CORP. (The Grand)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 12 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income, consisting of interest and dividend income, was $370 and $160 for the three months ended December 31, 1995 and 1994, respectively, and $1,298 and $577 for the years ended December 31, 1995 and 1994, respectively.

NOTE 13 - INCOME TAXES

The income tax provision (benefit) applicable to income (loss) before income taxes consists of the following:

	1995	1994
Current:		
Federal	$2,045	$ 232
State	-	-
	2,045	232
Deferred:		
Federal	1,910	(479)
State	2,531	(160)
	4,441	(639)
	$6,486	$(407)

NOTE 13 - INCOME TAXES (Continued)

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of December 31, 1995 and 1994, along with their classification, are as follows:

	1995		1994	
	Assets	Liabilities	Assets	Liabilities
Expenses which are not currently deductible for tax purposes:				
Bad debts	$ 2,281	$ -	$ 2,799	$ -
CRDA investment obligation	1,118	-	1,273	-
Other	4,593	-	5,040	-
Depreciation and capitalized costs	-	53,693	-	53,794
State tax loss carryforwards	246	-	5,406	-
Other, net	-	6,145	-	7,883
	$ 8,238	$ 59,838	$ 14,518	$ 61,677
Current	$ 5,658	$ -	$ 6,333	$ 586
Long-term	2,580	59,838	8,185	61,091
	$ 8,238	$ 59,838	$ 14,518	$ 61,677

At December 31, 1995, the Company had loss carryforwards for state income tax purposes of $4,216, which begin to expire in 1997 and fully expire in 2000.

NOTE 13 - INCOME TAXES (Continued)

A reconciliation of the income tax provision (benefit) with amounts determined by applying the U.S. statutory tax rate to income (loss) before income taxes is as follows:

	1995	1994
Provision (benefit) at U.S. statutory tax rate (35%)	$3,948	$(2,527)
Add (deduct):		
State income taxes, net of related federal income tax effect	1,645	177
Amortization of cost in excess of acquired assets	1,069	1,097
Effect of change in state statutory tax rate on deferred tax balances	-	(281)
Prior years' taxes	(356)	920
Other, net	180	207
Income tax provision (benefit)	$6,486	$ (407)

NOTE 14 - RETIREMENT AND STOCK PLANS

Certain employees of the Company are covered by union-sponsored, collectively bargained, multiemployer defined benefit pension plans. The contributions and charges to expense for these plans were $443 and $465 in 1995 and 1994, respectively.

The Company has defined contribution plans that provide retirement benefits for eligible non-union employees. Eligible employees may elect to participate by contributing a percentage of their pre-tax earnings to the plans. Employee contributions to the plans, up to certain limits, are matched in various percentages by the Company. The expense for such plans was $1,081 and $934 in 1995 and 1994, respectively.

Eligible employees of the Company may also participate in BEC's Employee Stock Purchase Plan, which provides participating employees the opportunity to purchase (through payroll deductions) shares of BEC common stock at a price equal to 85% of the fair market value of the stock at specified dates. In addition, certain officers and key employees of the Company participate in the 1989 Incentive Plan of BEC, pursuant to which BEC has granted these individuals options (generally becoming exercisable in three equal annual installments commencing one year after the date of grant) to purchase BEC common stock at a price equal to the fair market value of the stock at the date of grant. No expense has been recorded by the Company in connection with these plans because they are noncompensatory.

GNOC, CORP. (The Grand)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 15 - LEASE COMMITMENTS

The Company leases real estate under noncancellable operating lease agreements. Minimum future lease obligations for these leases with initial terms in excess of one year at December 31, 1995 are not significant. Aggregate rent expense was $1,454 and $1,177 in 1995 and 1994, respectively.

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

STATE OF New Jersey :
:ss.
COUNTY OF Atlantic :

Donna M. Graham, being duly sworn according
Name

to law upon my oath deposes and says:

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to
before me this 29th day
of March, 1996

Signature

MARY K. CHAMBERLIN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 31, 1997

Basis of Authority
to Take Oaths

Signature

Vice President of Finance/Treasurer
Title

03723-11
License Number

On Behalf Of:

GNOC, CORP. (The Grand)
Casino Licensee

TRADING NAME OF LICENSEE: GNOC, CORP. (The Grand)

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1995

($ IN THOUSANDS)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO				
1	Administration	17			
2	Gaming	877			
3	Slots	136			
4	Casino Accounting	315			
5	Simulcasting	12			
6	Other	35			
7	Total - Casino	1,392	$ 27,507	$ 150	$ 27,657
8	ROOMS	202	3,783		3,783
9	FOOD AND BEVERAGE	854	13,369		13,369
	OTHER OPERATING DEPARTMENTS				
10	Telephone	16	277		277
11	Retail	32	531		531
12	Health Club / Pool Services	8	169		169
13	Gas Station	4	47		47
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	12	247	940	1,187
21	Accounting and auditing	70	1,653		1,653
22	Security and surveillance	202	4,458		4,458
23	Other administrative and general departments	85	1,999		1,999
24	MARKETING	176	4,389	670	5,059
25	GUEST ENTERTAINMENT	19	1,000		1,000
26	PROPERTY OPERATION AND MAINTENANCE	261	6,483		6,483
27	TOTAL - ALL DEPARTMENTS	3,333	$ 65,912	$ 1,760	$ 67,672

8/95

NOTE: Number of employees as reported to the CCC includes approximately 100 employees on leaves of absence.

CCC-376

TRADING NAME OF LICENSEE GNOC, CORP. (The Grand)

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1995

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, no material discrepancies were noted for the period covered by this report, or if material discrepancies were noted, a detailed explanation is included on the attached page.

Signature

3/29/96
Date

Vice President of Finance/Treasurer
Title

TRADING NAME OF LICENSEE GNOC Corp.

GROSS ANNUAL REVENUE TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1995

Amended 3-27-96

($ IN THOUSANDS)

Line			
	CASINO WIN or (LOSS):		
1	Table and Other Games Win		$97,086
2	Slot Machine Win		$159,262
3	Total Win.		$256,348
	Less – Adjustment for Uncollectible Patrons' Checks:		
4	Provision for uncollectible Patrns' Checks	$1,108	
5	Maximum Adjustment (4% of Line 3)	$10,254	
6	Adjustment (The lesser of Line 4 or 5)		$1,108
7	Gross Revenue Line 3 less Line 6)		$255,240
8	Tax on Gross Revenue – Reporting Year (8% of Line 7)		$20,419
9	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years		$0
10	Total Taxes on Gross Revenues (The sum of Lines 8 and 9)		$20,419
	DEPOSITS MADE FOR TAX ON REPORTING YEAR'S GROSS REVENUES:		
11	January	($1,397)	
12	February	($1,353)	
13	March	($1,444)	
14	April	($1,531)	
15	May	($1,990)	
16	June	($1,671)	
17	July	($2,357)	
18	August	($1,784)	
19	September	($1,700)	
20	October	($1,909)	
21	November	($1,485)	
22	December	($1,235)	
23	January	($563)	
24	Total deposits made for Tax Reporting Year's Gross Revenue		($20,419)
	Settlement of Prior Years' Tax on Gross Revenue		
25	Resulting from Audit or Other Adjustments – (Deposits) Credits		$0
26	Gross Revenue Taxes Payable (The net of Lines 10, 24 and 25)		$0

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey :
:ss.
COUNTY OF Atlantic :

Donna Graham, being duly sworn according
Name

to law upon my oath deposes and says:

1. I have examined this Gross Revenue Annual Tax Return.

2. To the best of my knowledge, all the information contained in this Return has been prepared in conformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this Return is accurate.

D R Graham
Signature

Vice-President of Finance and Treasurer
Title

#3723-11
License Number

On Behalf Of:
GNOC Corp.
Casino Licensee

Subscribed and sworn to
before me this 14th day
of March, 1996

Mary K Chamberlin
Signature
MARY K. CHAMBERLIN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Aug. 31, 1997

Basis of Authority
to Take Oaths

QUARTERLY REPORT

LICENSEE GREATE BAY HOTEL AND CASINO, INC.

FOR THE QUARTER ENDED DECEMBER 31, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

TRADING NAME OF LICENSEE SANDS HOTEL & CASINO

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 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
Schedule of Promotional Expenses and Allowances	CCC-245
Notes to Financial Statements	-
Statement of Conformity, Accuracy, and Compliance	CCC-249

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

BALANCE SHEETS

AS OF DECEMBER 31, 1995 AND 1994

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	ASSETS		
	Current Assets:	$	$
1	Cash and Cash Equivalents Note 2	21,768	23,137
2	Short-Term Investments		
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 1995, $16,494; 1994, $15,288)	11,623	13,868
4	Inventories Note 2	4,268	4,186
5	Prepaid Expenses and Other Current Assets Note 5, 13	10,595	9,486
6	Total Current Assets	48,254	50,677
7	Investments, Advances, and Receivables Note 6, 7, 14	13,299	10,869
8	Property and Equipment - Gross Note 2, 12	312,683	298,849
9	Less: Accumulated Depreciation and Amortization Note 12	(145,243)	(132,922)
10	Other Assets Note 5, 7, 15	14,778	13,786
11	Total Assets	$ 243,771	$ 241,259
	LIABILITIES AND EQUITY		
	Current Liabilities:	$	$
12	Accounts Payable	8,409	7,299
13	Notes Payable		
	Current Portion of Long-Term Debt:		
14	Due to Affiliates		
15	Other Note 4	11	10
16	Income Taxes Payable and Accrued Note 5, 9	(1,384)	(4,063)
17	Other Accrued Expenses Note 2, 16	25,047	23,585
18	Other Current Liabilities Note 6, 17	3,711	4,001
19	Total Current Liabilities	35,794	30,832
	Long-Term Debt:		
20	Due to Affiliates Note 4	195,000	195,000
21	Other Note 4	442	453
22	Deferred Credits		
23	Other Liabilities Note 5	2,110	1,908
24	Commitments and Contingencies		
25	Total Liabilities	233,346	228,193
26	Stockholders', Partners', Or Proprietor's Equity	10,425	13,066
27	Total Liabilities and Equity	$ 243,771	$ 241,259

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 TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:	$	$
1	Casino ..... Note 2	264,048	256,207
2	Rooms	9,602	9,611
3	Food and Beverage	33,029	29,762
4	Other	3,810	3,975
5	Total Revenue	310,489	299,555
6	Less: Promotional Allowances ..... Note 2	27,083	24,943
7	Net Revenue	283,406	274,612
	Costs And Expenses:		
8	Cost of Goods and Services ..... Note 2	132,848	129,832
9	Selling, General, and Administrative ..... Note 6	104,005	98,912
10	Provision for Doubtful Accounts ..... Note 2	2,988	3,283
11	Total Costs and Expenses	239,841	232,027
12	Gross Operating Profit	43,565	42,585
13	Depreciation and Amortization ..... Note 2	18,398	16,483
	Charges from Affiliates Other than Interest:		
14	Management Fees ..... Note 6	6,811	6,493
15	Other		
16	Income (Loss) From Operations	18,356	19,609
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates ..... Note 2, 6	(21,581)	(20,979)
18	Interest (Expense) - External	501	526
19	Investment AlternativeTax and Related Income (Expense) - Net .... Note 7	(1,539)	(2,389)
20	Nonoperating Income (Expense) - Net ..... Note 11	1,808	2,186
21	Total Other Income (Expenses)	(20,811)	(20,656)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(2,455)	(1,047)
23	Provision (Credit) for Income Taxes ..... Note 2, 5	186	920
24	Income (Loss) Before Extraordinary Items	(2,641)	(1,967)
25	Extraordinary Items (Net of Income Taxes - 1995, $_____; 1994, $_____)		
26	Net Income (Loss)	($2,641)	($1,967)

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 DECEMBER 31, 1995 AND 1994

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:	$	$
1	Casino	61,477	61,607
2	Rooms	2,260	2,450
3	Food and Beverage	8,530	7,711
4	Other	1,277	1,030
5	Total Revenue	73,544	72,798
6	Less: Promotional Allowances	6,816	6,132
7	Net Revenue	66,728	66,666
	Costs And Expenses:		
8	Cost of Goods and Services	32,827	32,699
9	Selling, General, and Administrative	26,391	24,824
10	Provision for Doubtful Accounts	726	1,078
11	Total Costs and Expenses	59,944	58,601
12	Gross Operating Profit	6,784	8,065
13	Depreciation and Amortization	4,689	4,645
	Charges from Affiliates Other than Interest:		
14	Management Fees	1,536	1,606
15	Other		
16	Income (Loss) From Operations	559	1,814
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates	(5,395)	(5,395)
18	Interest (Expense) - External	137	140
19	Investment Alternative Tax and Related Income (Expense) - Net	(301)	(432)
20	Nonoperating Income (Expense) - Net	461	449
21	Total Other Income (Expenses)	(5,098)	(5,238)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(4,539)	(3,424)
23	Provision (Credit) for Income Taxes	(1,656)	(993)
24	Income (Loss) Before Extraordinary Items	(2,883)	(2,431)
25	Extraordinary Items (Net of Income Taxes - 1995, $_____; 1994, $_____)		
26	Net Income (Loss)	($2,883)	($2,431)

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 TWELVE MONTHS ENDED DECEMBER 31, 1994 AND 1995

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	**Balance, December 31, 1993**	100	$ 3,500		$	$	$	$ (3,467)	$ 33
2	Net Income (Loss) - 1994							(1,967)	(1,967)
3	Contribution to Paid-in-Capital					15,000			15,000
4	Dividends								
5	Prior Period Adjustments								
6	_____								
7	_____								
8	_____								
9	_____								
10	**Balance, December 31, 1994**	100	3,500			15,000		(5,434)	13,066
11	Net Income (Loss) - 1995							(2,641)	(2,641)
12	Contribution to Paid-in - Captial								
13	Dividends								
14	Prior Period Adjustments								
15	_____								
16	_____								
17	_____								
18	_____								
19	**Balance, December 31, 1995**	100	$ 3,500		$	$ 15,000	$	$ (8,075)	$ 10,425

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 TWELVE MONTHS ENDED DECEMBER 31, 19___
AND THE _____MONTHS ENDED _____, 19__
(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	Contrib Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 19_____**	$	$	$	$
2	Net Income (Loss) - 19_____				
3	Capital Contributions				
4	Capital Withdrawals				
5	Partnership Distributions				
6	Prior Period Adjustments				
7	_____				
8	_____				
9	_____				
10	**Balance, December 31, 19_____**				
11	Net Income (Loss) - 19_____				
12	Capital Contributions				
13	Capital Withdrawals				
14	Partnership Distributions				
15	Prior Period Adjustments				
16	_____				
17	_____				
18	_____				
19	**Balance, _____, 19_____**	$	$	$	$

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 TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

Line (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$20,796	$17,729
	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	(19,156)	(20,133)
5	Proceeds from Disposition of Property and Equipment		
6	Purchase of Casino Reinvestment Obligations	(2,967)	(826)
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	(22,123)	(20,959)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt	2,000	1,500
14	Payments to Settle Short-Term Debt	(2,000)	(1,500)
15	Cash Proceeds from Issuance of Long-Term Debt		195,000
16	Costs of Issuing Debt	(32)	(6,827)
17	Payments to Settle Long-Term Debt	(10)	(161,676)
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	(42)	13,414
24	Net Increase (Decrease) In Cash And Cash Equivalents	(1,369)	10,184
25	Cash And Cash Equivalents At Beginning Of Period	23,137	12,953
26	Cash And Cash Equivalents At End Of Period	$21,768	$23,137

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized)	$22,411	$12,992
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.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:	$	$
29	Net Income (Loss)	(2,641)	(1,967)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	17,643	15,826
31	Amortization of Other Assets	755	657
32	Amortization of Debt Discount or Premium		45
33	Deferred Income Taxes - Current		
34	Deferred Income Taxes - Noncurrent	(2,458)	3,711
35	(Gain) Loss on Disposition of Property and Equipment		
36	(Gain) Loss on Casino Reinvestment Obligations	1,539	2,389
37	(Gain) Loss from Other Investment Activities		
38	Net (Increase) Decrease in Receivables and Patrons' Checks	2,023	185
39	Net (Increase) Decrease in Inventories	(82)	(390)
40	Net (Increase) Decrease in Other Current Assets	3,474	(1,792)
41	Net (Increase) Decrease in Other Assets	(1,922)	(2,030)
42	Net Increase (Decrease) in Accounts Payable	1,110	992
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	1,355	103
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt		
45			
46			
47	Net Cash Provided (Used) By Operating Activities	$20,796	$17,729

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:	$	$
48	Additions to Property and Equipment	19,156	20,133
49	Less: Capital Lease Obligations Incurred		
50	Cash Outflows For Property And Equipment	$19,156	$20,133
	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

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE 12 MONTHS ENDED DECEMBER 31, 1995

(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks	$ 4,786		
2	Returned Patrons' Checks	21,281		
3	Total Patrons' Checks	26,067	$ (16,444)	$ 9,623
4	Hotel Receivables	616	(50)	566
	Other Receivables:			
5	Receivables Due from Officers and Employees	12		
6	Receivables Due from Affiliates	273		
7	Other Accounts and Notes Receivables	1,149		
8	Total Other Receivables	1,434		1,434
9	Totals (Form CCC-205)	$ 28,117	$ (16,494)	$ 11,623

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)	155,550
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)	(125,607)
13	Checks Collected Through Deposits	(21,185)
14	Checks Transferred to Returned Checks	(8,931)
15	Other Adjustments	
16	Ending Balance	$4,786
17	"Hold" Checks Included in Undeposited Balance on Line 16	$
18	Provision for Uncollectible Patrons' Checks	$2,909
19	Provision as a Percent of Counter Checks Issued	1.9%

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

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE 12 MONTHS ENDED DECEMBER 31, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	257,754	$6,892		$
2	Food	862,647	12,284		
3	Beverage	1,341,975	6,682		
4	Travel			15,651	4,061
5	Coin			1,176,584	28,643
6	Coupon			41,860	293
7	Entertainment	57,190	1,061		
8	Retail & Gifts			57,793	5,779
9	Parking			806,684	1,210
10	Other	20,555	164	625	3,931
11	Total	2,540,121	$27,083	2,099,197	$43,917

FOR THE THREE MONTHS ENDED DECEMBER 31, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	62,713	$1,687		$
2	Food	210,986	2,985		
3	Beverage	355,580	1,703		
4	Travel			3,851	999
5	Coin			285,360	6,903
6	Coupon			11,369	80
7	Entertainment	20,086	387		
8	Retail & Gifts			17,006	1,701
9	Parking			179,824	270
10	Other	6,698	54	178	934
11	Total	656,063	$6,816	497,588	$10,887

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 acquired GBHC through a contribution of capital by its parent. GBHC's principal business activity is 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.

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 4).

GBHC estimates that a significant amount of the Sands' revenues are derived from patrons living in southeastern Pennsylvania, northern New Jersey and metropolitan New York City. Competition in the Atlantic City gaming market is intense and management believes that this competition will continue in the future.

(2) Summary of significant accounting policies

The significant accounting policies followed in the preparation of the accompanying financial statements are discussed below. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Casino revenues, promotional allowances and departmental expenses -

The Sands recognizes the net win from gaming activities (the difference between gaming wins and losses) as casino revenues. Casino revenues are net of accruals for anticipated payouts of progressive and certain other slot machine jackpots and certain

progressive table game payouts. Such anticipated jackpots and payouts are reflected as other accrued expenses in the accompanying balance sheets. During the year ended December 31, 1994, the Sands removed certain progressive jackpots from the gaming floor in accordance with regulations of the New Jersey Casino Control Commission (the "Casino Commission"), resulting in the reduction of $1,035,000 of progressive jackpot liabilities, and the corresponding recognition of an equal amount of slot machine revenues.

The estimated value of rooms, food and beverage and other items which were provided to customers without charge has been included in revenues and a corresponding amount has been deducted as promotional allowances. The cost of such complimentaries have been included as cost of goods and services in the accompanying statement of income.

Cash and cash equivalents -

Cash and cash equivalents are generally comprised of cash and investments with original maturities of three months or less, such as commercial paper, certificates of deposit and fixed repurchase agreements.

Allowance for doubtful accounts -

The allowance for doubtful accounts is maintained at a level considered adequate to provide for possible future losses. Provisions for doubtful accounts amounting to $2,988,000 and $3,283,000 were made during the years ended December 31, 1995 and 1994, respectively.

Inventories -

Inventories are stated at the lower of cost (on a first-in, first-out basis) or market.

Property and equipment -

Property and equipment have been recorded at cost and are being depreciated utilizing the straight-line method over their estimated useful lives as follows:

Building and improvements	25 years
Operating equipment	3-7 years

Interest costs related to property and equipment acquisitions were capitalized during the acquisition period and are being amortized over the useful lives of the related asset.

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

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

Deferred financing costs -

The costs of issuing long-term debt, including all underwriting, legal and accounting fees, have been capitalized and are being amortized over the term of the related debt issue. The unamortized balance of deferred financing costs amounted to $5,764,000 and $6,487,000 at December 31, 1995 and 1994, respectively. Amortization of such costs was $755,000 and $657,000 for the years ended December 31, 1995 and 1994, respectively.

Long-lived assets -

During 1995, GBHC adopted the provisions of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets" ("SFAS 121"). SFAS 121 requires, among other things, that an entity review its long-lived assets and certain related intangibles for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. As a result of its review, GBHC does not believe that any material impairment currently exists related to its long-lived assets.

Accrued insurance -

GBHC is self insured for a portion of its general liability, certain health care and other liability exposures. Accrued insurance includes estimates of such accrued liabilities based on an evaluation of the merits of individual claims and historical claims experience; accordingly, GBHC's ultimate liability may differ from the amounts accrued.

Income taxes -

GBHC is included in the consolidated federal income tax return of Hollywood Casino Corporation ("HCC"), PHC's parent. Pursuant to agreements between GBHC, PCC, 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.

In the first quarter of 1993, GBHC adopted the provisions of Statements of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"), which utilizes the liability method and results in the determination of deferred taxes based on the estimated future tax effects of differences between the financial statement and tax bases of assets and liabilities.

Interest expense -

Interest expense includes the accretion of debt discount amounting to $45,000 for the year ended December 31, 1994.

Reclassifications -

Certain reclassifications have been made to prior years' financial statements to conform to the 1995 financial statement presentation.

(3) Short-term credit facilities and borrowing from affiliates

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 4. 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. There were no borrowings outstanding under the line of credit at either December 31, 1995 or 1994; however, $3,000,000 was borrowed during the first quarter of 1996.

During 1993, a subsidiary of PHC issued $21,000,000 of Series A and Series B 13 1/2% Guaranteed First Mortgage Notes due in 1994 (the "Series Notes") the proceeds of which were loaned to GBHC. The Series Notes were not registered under the Securities Act and since no such registration became effective prior to August 18, 1993, the interest rate increased to 14% per annum effective at that date with additional increases of 1/4% after each succeeding 90-day period. Refinancing of the Series Notes was completed in February 1994 when GB Property Funding issued $185,000,000 of 10 7/8% First Mortgage Notes due in 2004 (see Note 4).

HCC agreed to loan up to $8,000,000 to a subsidiary of PHC, the proceeds of which were loaned to and used by the Sands in connection with an expansion of its gaming space. During 1993, the subsidiary loaned $7,083,000 to GBHC for such purposes. Such loans accrued interest at the rate of 13 1/2% per annum payable semiannually, and the outstanding balance of $8,000,000 was repaid during February 1994 in connection with the refinancing of virtually all of GBHC's outstanding debt.

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

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(4) Long-term debt and pledge of assets

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

	December 31, 1995	December 31, 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	453,000	463,000
Total indebtedness	195,453,000	195,463,000
Less - current maturities	(11,000)	(10,000)
Total long term debt	$195,442,000	$195,453,000

(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.

(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 balance 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 December 31, 1995 are set forth below:

1996	11,000
1997	2,512,000
1998	5,013,000
1999	5,014,000
2000	5,015,000
Thereafter	177,888,000
Total	$ 195,453,000

(5) Income taxes

Components of the provision for income taxes consisted of the following:

	Year Ended December 31, 1995	1994
Provision for(benefit in lieu of) federal income taxes:		
Current	$ 2,052,000	$(2,089,000)
Deferred	(1,953,000)	2,827,000
State income tax provision (benefit):		
Current	592,000	(702,000)
Deferred	(505,000)	884,000
	$ 186,000	$ 920,000

GBHC made no federal tax payments during the years ended December 31, 1995 and 1994. The payment of taxes in accordance with the tax allocation agreements is subject to the approval of the Casino Commission. GBHC also paid no state income taxes during the year ended December 31, 1995. During the year ended December 31, 1994, GBHC paid state income taxes of $1,000. Additionally, $278,000 of current federal taxes payable were offset against other intercompany obligations in 1995.(see Note 9)

GREATE BAY HOTEL AND CASINO, INC.
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NOTES TO FINANCIAL STATEMENTS
(Unaudited)

A reconciliation between the calculated tax provision based on the statutory rates in effect and the effective tax rates follows:

	Year Ended December 31, 1995	1994
Calculated income tax provision (benefit) at 34%	$ (835,000)	$ (356,000)
Amortization of excess purchase price	803,000	803,000
Disallowance of meals and entertainment	353,000	335,000
State income taxes	57,000	121,000
Utilization of tax credit	(98,000)	-
Adjustment to prior year taxes	(96,000)	-
Other	2,000	17,000
Tax provision as shown on statement of income	$ 186,000	$ 920,000

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 asset(liability)as of December 31, 1995 and 1994 were as follows:

	December 31, 1995	1994
Deferred tax assets:		
Allowance for doubtful accounts	$ 6,829,000	$ 6,327,000
Other liabilities and accruals	2,089,000	1,405,000
Other	1,377,000	982,000
Total deferred tax assets	10,295,000	8,714,000
Deferred tax liabilities:		
Depreciation and amortization	(8,679,000)	(8,921,000)
Other	(597,000)	(809,000)
Total deferred tax liabilities	(9,276,000)	(9,730,000)
Net deferred tax asset(liability)	$ 1,019,000	$(1,016,000)

New Jersey State Library

SFAS 109 requires that the tax benefit of deferred tax assets resulting from temporary differences be recorded as an asset and, to the extent that management cannot assess that the utilization of all or a portion of such deferred tax assets is more likely than not, a valuation allowance should be recorded. The net deferred tax asset has been reflected in the accompanying balance sheet at December 31, 1995 with no reduction for valuation allowances as management believes that it is more likely than not that future earnings will be sufficient to utilize such tax benefits.

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

	December 31,	
	1995	1994
Prepaid expenses and other current assets	$ 6,026,000	$ 5,049,000
Other Assets	5,903,000	4,928,000
Federal income taxes receivable	1,210,000	2,983,000

(6) 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 $6,811,000 and $6,493,000, during the years ended December 31, 1995 and 1994, respectively, and are included in management fees charged from affiliates in the accompanying financial statements. Management fees of $28,000 and $703,000 were due to NJMI at December 31, 1995 and 1994, respectively, and are 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 $288,000 for each of the years ended December 31, 1995 and 1994, respectively, and are included in selling, general and administrative expenses in the accompanying financial statements.

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

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

GBHC has, from time to time, advanced monies to PCC or certain of its subsidiaries and PHC or certain of its subsidiaries have advanced monies to GBHC primarily for working capital purposes. GBHC has also periodically entered into short-term borrowing arrangements with affiliated companies in connection with various construction projects. An advance to a PHC subsidiary in the amount of $5,672,000 was outstanding as of December 31, 1995 and 1994 and accrues interest at the rate of 16.5% per annum. Interest expense incurred with respect to affiliate borrowings is as follows:

	1995	1994
Series Notes (Note 3)	$ -	$ 391,000
Short-term affiliate borrowings (Note 3)	-	134,000
11 3/4% First Mortgage Notes	-	2,375,000
10 7/8% First Mortgage Notes	20,118,000	17,565,000
14 5/8% Promissory Note	1,463,000	1,276,000
Capitalized interest	-	(762,000)
	$ 21,581,000	$20,979,000

Interest income earned on affiliate advances amounted to $936,000 for the years ended December 31, 1995 and 1994, and is included in nonoperating income in the accompanying statements of income. Interest receivable on affiliate advances, included in investments, advances, and receivables in the accompanying balance sheets at December 31, 1995 and 1994 was $2,106,000 and $1,170,000, respectively. No interest was payable on affiliate advances and short-term borrowings from affiliates at December 31, 1995 and 1994. Interest accrued on the affiliate loan of $544,000 and $1,276,000 is included in other accrued expenses on the accompanying balance sheet at December 31, 1995 and 1994.

From time to time, GBHC performs certain services for HCC and its subsidiaries and invoices those companies for the Sands' cost of providing those services. Similarly, GBHC is charged for certain legal, accounting and other expenses incurred by HCC and its subsidiaries that relate to the Sands' business. Such affiliate transactions are summarized below:

	Year Ended December 31,	
	1995	1994
Billings to affiliates	$ 1,023,000	$ 998,000
Charges from affiliates	659,000	1,817,000

(7) New Jersey regulations and obligatory investments

The Sands conducts gaming operations in Atlantic City, New Jersey and operates a hotel and several restaurants, as well as related support facilities. The operation of an Atlantic City casino/hotel is subject to significant regulatory control. Under the New Jersey Casino Control Act (the "Casino Act"), GBHC was required to obtain and is required to periodically renew its operating license. A casino license is not transferable and, after the initial licensing and two one-year renewal periods, is issued for a term of up to four years. However, the Casino Commission still has the authority to reopen license hearings at any time. During September 1994, the Casino Commission renewed GBHC's license to operate the Sands through September 30, 1996. Management will file for renewal of GBHC's casino license to operate the Sands prior to July 1, 1996. Terms of the current license require the Sands to comply with periodic financial reporting requirements as well as obtain prior Casino Commission approval of certain cash transfers and borrowings to and from affiliates. If it were determined that gaming laws were violated by a licensee, the gaming license could be conditioned, suspended or revoked. In addition, the licensee and other persons involved could be subject to substantial fines.

The Casino Act requires casino licensees to make certain approved investments in New Jersey or to pay an investment alternative tax. Casino licensees may obtain investment credits, which amount to 1.25% of casino revenues, by purchasing bonds at below-market interest rates from the Casino Reinvestment Development Authority (the "CRDA") or by making qualified investments approved by the CRDA. This governmental agency administers the statutorily mandated investments made by casino licensees and is required to expend the monies received by it for eligible projects defined in the statute. The investment alternative tax amounts to 2.5% of casino revenues. Payments of the investment obligations must be made quarterly. The Sands has elected to comply with the requirements by obtaining investment credits or by making qualified investments.

As of December 31, 1995 and 1994, the Sands had purchased bonds totaling $4,631,000 and $4,368,000, respectively. In addition, the Sands had remaining funds on deposit and held in escrow by the CRDA at December 31, 1995 and 1994 of $4,683,000 and $2,117,000, respectively. The bonds purchased and the amounts on deposit and held in escrow are collectively referred to as "obligatory investments" in the accompanying notes to the financial statements.

Obligatory investments at December 31, 1995 and 1994 are net of accumulated valuation allowances of $3,792,000 and $2,458,000, respectively, based upon the estimated realizable values of the investments. Provisions for valuation allowances during the years ended December 31, 1995 and 1994 amount to $1,457,000 and $617,000, respectively.

The Sands has, from time to time, contributed certain amounts held in escrow to the CRDA. In consideration thereof, the CRDA granted the Sands waivers of certain of its investment obligations in future periods. GBHC made such contributions of obligatory investments during the years ended December 31, 1995 and 1994 totaling $250,000 and $2,500,000, respectively, resulting in waivers granted by the CRDA during 1995 totaling $128,000. No such waivers were granted during 1994; however, the contribution has been designated for a project expected to benefit the community and the Sands facility. Accordingly, intangible assets of $1,275,000 have been included in other assets on the accompanying balance sheet at both December 31, 1995 and 1994 and will be amortized over a period of ten years effective with the completion of the project. Amortization of waivers granted totaled $128,000 and $1,727,000, respectively, during the years ended December 31, 1995 and 1994. At December 31, 1995, all waivers were fully amortized.

(8) 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 GBHC.

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

(9) Supplemental cash flow information

During 1995, GBHC and a subsidiary of PHC settled certain intercompany obligations on a noncash basis. An intercompany receivable totaling $278,000 in 1995 was eliminated against a portion of GBHC's current federal tax obligation under the tax allocation agreement (see Note 5). The effects of this elimination have been excluded from the accompanying statement of cash flows as a noncash transaction.

(10) Disclosures about fair value of financial instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents

The carrying amounts approximate fair value because of the short maturity of these instruments.

Obligatory investments

The carrying amount of obligatory investments approximates fair value as a result of an allowance reflecting the below market interest rate associated with such investments.

Interest payable

The carrying amount of interest payable approximates fair value because of the short maturity of the obligation.

Long-term debt

The fair value of GBHC's long-term debt is estimated by management based on either the quoted market prices of the issue or on the discounted cash flow of future payments utilizing current rates available to GHBC for debt of similar remaining maturities. Debt obligations with a short remaining maturity and obligations to affiliates are valued at the carrying amount.

The estimated carrying amounts and fair values of GBHC's financial instruments are as follows:

	December 31, 1995		December 31, 1994	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	$ 21,769,000	$21,769,000	$23,137,000	$23,137,000
Obligatory investments	5,521,000	5,521,000	4,027,000	4,027,000
Financial Liabilities				
Interest payable	9,828,000	9,828,000	10,563,000	10,563,000
10 7/8% First Mortgage Notes	185,000,000	160,950,000	185,000,000	150,775,000
14 5/8% affiliate loan	10,000,000	10,000,000	10,000,000	10,000,000
Other	453,000	453,000	463,000	463,000

(11) Non-operating income

For the year ended December 31, 1995 and 1994, interest income of $1,808,000 and $2,186,000 was earned on temporary investments, on deposits made with the Casino Reinvestment Development Authority, and other sources.

(12) Property and equipment

	1995	1994
Land	$ 37,807,000	$ 37,807,000
Building and improvements	185,077,000	181,849,000
Operating equipment	87,489,000	78,867,000
Construction in progress	2,310,000	326,000
	$312,683,000	$298,849,000
Less: Accumulated depreciation and amortization	(145,243,000)	(132,922,000)
Net property and equipment	$167,440,000	$165,927,000

(13) Prepaid expenses and other current assets

As of December 31, 1995 and 1994 prepaid expenses and other current assets consisted of the following:

	1995	1994
Deferred taxes - current	$ 8,129,000	$ 6,867,000
Prepaid expenses	2,195,000	2,337,000
Deposits	271,000	282,000
	$10,595,000	$ 9,486,000

(14) Investments, advances and receivables

As of December 31, 1995 and 1994, investments, advances and receivables consisted of the following:

	1995	1994
Investment in CRDA	$ 5,521,000	$ 4,027,000
Advances to affiliates	7,778,000	6,842,000
	$13,299,000	$10,869,000

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

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(15) Other assets

As of December 31, 1995 and 1994 other assets consisted of the following:

	1995	1994
Deferred taxes - non-current	$ 5,903,000	$ 4,928,000
Deferred financing costs	5,764,000	6,487,000
Intangible assets	1,275,000	1,275,000
Other	1,836,000	1,096,000
	$ 14,778,000	$ 13,786,000

(16) Other accrued expenses

As of December 31, 1995 and 1994, other accrued expenses consists of the following:

	1995	1994
Accrued salaries & wages	$ 4,003,000	$ 3,472,000
Accrued interest	9,828,000	10,563,000
Accrued insurance	2,330,000	1,853,000
Other accrued expenses	8,886,000	7,697,000
	$ 25,047,000	$ 23,585,000

(17) Other current liabilities

As of December 31, 1995 and 1994 other current liabilities consisted of the following:

	1995	1994
Unredeemed chip/token liability	$ 2,284,000	$1,989,000
Due to affiliates	209,000	899,000
CRDA payable	762,000	652,000
Other	554,000	461,000
	$ 3,809,000	$4,001,000

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

STATE OF NEW JERSEY :
:ss.
COUNTY OF :

Timothy A. Ebling, being duly sworn according
NAME
to law upon my oath deposes and says:

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the 'Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Timothy A. Ebling
Signature

Timothy A. Ebling
Vice President Finance
Title

Subscribed and sworn to
before me this 29th day
of Mar. 1996

Janice M Clarke
Signature

JANICE M. CLARKE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 7, 1998
Basis of Authority
to Take Oaths

003052-11
License Number

On Behalf Of:

Greate Bay Hotel And Casino, In
Casino Licensee

TRADING NAME OF LICENSEE SANDS HOTEL & CASINO

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1995
($ IN THOUSANDS)

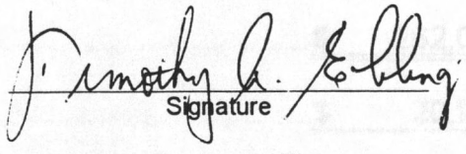
LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO				$
1	Administration	17			1,077
2	Gaming	789			15,906
3	Slots	147			3,986
4	Casino Accounting	52			1,227
5	Simulcasting	15			396
6	Other	301			6,455
7	Total - Casino	1,321	$	$	$29,047
8	ROOMS	329			7,394
9	FOOD AND BEVERAGE	912			15,176
	OTHER OPERATED DEPARTMENTS				
10	Print Shop	15			458
11	Valet/Health Club	115			1,639
12					
13					
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	11			1,375
21	Accounting and auditing	69			2,124
22	Security	150			3,295
23	Other administrative and general department	111			3,285
24	MARKETING	168			7,054
25	GUEST ENTERTAINMENT	123			1,055
26	PROPERTY OPERATION AND MAINTENANCE	62			2,077
27	TOTALS - ALL DEPARTMENTS	3,386	$70,469	$3,510	$73,979

TRADING NAME OF LICENSEE SANDS HOTEL & CASINO

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1995

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, no material discrepancies were noted for the period covered by this report, or if material discrepancies were noted, a detailed explanation is included on the attached page.



Signature

March 28, 1996
Date

Timothy A. Ebling
Vice President Finance
Title

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1995
($ IN THOUSANDS)

LINE			
	CASINO WIN or (LOSS)		
1	Table and Other Games Win		$ 99,001
2	Slot Machines Win		165,976
3	Total Win		264,977
	Less - Adjustment for Uncollectible Patrons' Checks:		
4	Provision for Uncollectible Patrons' Checks	$ 2,909	
5	Maximum Adjustment (4% of line 3)	$ 10,599	
6	Adjustment (the lesser of line 4 or line 5)		2,909
7	Gross Revenue (line 3 less line 6)		$ 262,068
8	Tax on Gross Revenue - Reporting Year (8% of Line 7)		$ 20,965
9	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years		-
10	Total Taxes on Gross Revenue (the sum of lines 8 and 9)		20,965
	DEPOSITS MADE FOR TAX ON REPORTING YEAR'S GROSS REVENUES:		
11	January	$ 1,334	
12	February	1,638	
13	March	1,630	
14	April	1,674	
15	May	1,890	
16	June	1,676	
17	July	2,237	
18	August	1,781	
19	September	1,620	
20	October	2,076	
21	November	1,597	
22	December	1,209	
23	January	603	
24	Total Deposits Made for Tax on Reporting Year's Gross Revenue		(20,965)
	Settlement of Prior Years' Tax on Gross Revenue		
25	Resulting from Audit or Other Adjustments - (Deposits) Credits		
26	Gross Revenue Taxes payable (the net of lines 10, 24 and 25)		$ -

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
: **SS.**
COUNTY OF ATLANTIC :

Timothy A. Ebling, being duly sworn according
NAME

to law upon my oath deposes and says:

1. I have examined this Gross Revenue Annual Tax Return.

2. To the best of my knowledge, all the information contained in this Return has been prepared in conformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this Return is accurate.

Timothy A. Ebling
Signature

Timothy A. Ebling
Vice President Finance
Title

003052-11
License Number

On Behalf Of:
Greate Bay Hotel And Casino, Inc.
Casino Licensee

Subscribed and sworn to
before me this 15th day
of March, 1996

Janice M. Clarke
Signature

JANICE M. CLARKE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 7, 1998

Basis of Authority
to Take Oaths

QUARTERLY REPORT

Admar of New Jersey, Inc.
LICENSEE dba TropWorld Casino & Entertainment Resort

FOR THE QUARTER ENDED December 31, 19 95

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

TRADING NAME OF LICENSEE: TROPWORLD CASINO & ENTERTAINMENT RESORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 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 Stockholder's Equity	CCC-220
Statements of Cash Flows	CCC-235
Schedule of Promotional Expenses and Allowances	CCC-245
Notes to Financial Statements	-
Statement of Conformity, Accuracy, and Compliance	CCC-249

TRADING NAME OF LICENSEE **TROPWORLD CASINO AND ENTERTAINMENT RESORT**

BALANCE SHEETS

AS OF DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents	$8,369	$12,363
2	Short-Term Investments	0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 1995, $3,807; 1994, $4,789) (Note 7,15)	27,485	8,692
4	Inventories	2,613	2,551
5	Prepaid Expenses and Other Current Assets (Note 5,8,10)	10,503	10,620
6	Total Current Assets	48,970	34,226
7	Investments, Advances, and Receivables (Note 6,7,11,15)	87,801	97,718
8	Property and Equipment - Gross (Note 2)	636,761	600,086
9	Less: Accumulated Depreciation and Amortization (Note 2)	(108,465)	(95,404)
10	Other Assets (Note 5,8)	35,873	38,074
11	Total Assets	$700,940	$674,700
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts Payable	$5,069	$3,069
13	Notes Payable	0	0
	Current Portion of Long-Term Debt:		
14	Due to Affiliates	0	0
15	Other (Note 3,15)	12	16
16	Income Taxes Payable and Accrued	0	0
17	Other Accrued Expenses (Note 12)	17,788	14,066
18	Other Current Liabilities (Note 6)	2,269	2,352
19	Total Current Liabilities	25,138	19,503
	Long-Term Debt:		
20	Due to Affiliates (Note 3,7,14)	166,441	233,041
21	Other (Note 3,15)	116,614	50,050
22	Deferred Credits	0	0
23	Other Liabilities (Note 7,13)	22,936	20,313
24	Commitments and Contingencies	0	0
25	Total Liabilities	331,129	322,907
26	Stockholder's, Partners', Or Proprietor's Equity (Note 14)	369,811	351,793
27	Total Liabilities and Equity	$700,940	$674,700

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 **TROPWORLD CASINO AND ENTERTAINMENT RESORT**

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1995 (c)	Restated 2/13/96 1994 (d)
	Revenue:		
1	Casino	$307,734	$296,223
2	Rooms	23,050	22,324
3	Food and Beverage	36,331	34,596
4	Other	11,680	12,905
5	Total Revenue	378,795	366,048
6	Less: Promotional Allowances	44,210	44,004
7	Net Revenue	334,585	322,044
	Costs and Expenses:		
8	Cost of Goods and Services (Note 4,7)	175,223	164,411
9	Selling, General, and Administrative (Note 7)	84,892	78,562
10	Provision for Doubtful Accounts	507	572
11	Total Costs and Expenses	260,622	243,545
12	Gross Operating Profit	73,963	78,499
13	Depreciation and Amortization	20,286	21,102
	Charges from Affiliates Other than Interest:		
14	Management Fees	0	0
15	Other	0	0
16	Income (Loss) from Operations	53,677	57,397
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates (Note 3)	(25,567)	(52,507)
18	Interest (Expense) - External (Note 3)	(6,854)	(1,152)
19	Investment Alternative Tax and Related Income (Expense)-Net (Note 6)	2,941	(955)
20	Nonoperating Income (Expense) - Net (Note 4,16)	(3,108)	(3,363)
21	Total Other Income (Expenses)	(32,588)	(57,977)
22	Income(Loss) Before Income Taxes and Extraordinary Items	21,089	(580)
23	Provision (Credit) for Income Taxes (Note 8)	3,071	(998)
24	Income (Loss) Before Extraordinary Items	18,018	418
25	Extraordinary Items (Net of Income Taxes)	0	0
26	Net Income (Loss)	$18,018	$418

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 **TROPWORLD CASINO AND ENTERTAINMENT RESORT**

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1995 (c)	Restated 2/13/96 1994 (d)
	Revenue:		
1	Casino	$70,828	$72,763
2	Rooms	5,498	5,705
3	Food and Beverage	8,144	8,969
4	Other	2,399	3,237
5	Total Revenue	86,869	90,674
6	Less: Promotional Allowances	9,546	11,702
7	Net Revenue	77,323	78,972
	Costs and Expenses:		
8	Cost of Goods and Services (Note 4,7)	44,481	40,699
9	Selling, General, and Administrative (Note 7)	22,467	20,044
10	Provision for Doubtful Accounts	317	251
11	Total Costs and Expenses	67,265	60,994
12	Gross Operating Profit	10,058	17,978
13	Depreciation and Amortization	4,795	5,164
	Charges from Affiliates Other than Interest:		
14	Management Fees	0	0
15	Other	0	0
16	Income (Loss) from Operations	5,263	12,814
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates (Note 3)	(5,348)	(12,356)
18	Interest (Expense) - External (Note 3)	(2,197)	(1,149)
19	Investment Alternative Tax and Related Income (Expense)-Net (Note 6)	488	(129)
20	Nonoperating Income (Expense) - Net (Note 4,16)	(795)	(791)
21	Total Other Income (Expenses)	(7,852)	(14,425)
22	Income(Loss) Before Income Taxes and Extraordinary Items	(2,589)	(1,611)
23	Provision (Credit) for Income Taxes (Note 8)	(1,209)	(1,508)
24	Income (Loss) Before Extraordinary Items	(1,380)	(103)
25	Extraordinary Items (Net of Income Taxes)	0	0
26	Net Income (Loss)	($1,380)	($103)

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 TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND THE TWELVE MONTHS ENDED DECEMBER 31, 1995

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid - In Capital (g)	(h)	Retained Earnings (Accumulated) Earnings (i)	Total Stockholder's Equity (Deficit) (j)
1	**Balance, December 31, 1993**	100	$1	0	$0	$132,785		$25,984	$158,770
2	Net Income (Loss) - 1994							418	418
3	Contributions to Paid-In-Capital					192,605			192,605
4	Dividends								
5	Prior Period Adjustments								
6									
7									
8									
9									
10	**Balance, December 31, 1994**	100	$1	0	$0	$325,390		$26,402	$351,793
11	Net Income (Loss) - 1995							18,018	18,018
12	Contributions to Paid-In-Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	**Balance, December 31, 1995**	100	$1	0	$0	$325,390	0	$44,420	$369,811

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 TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$44,262	($5,958)
	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	(44,187)	(7,129)
5	Proceeds from Disposition of Property and Equipment	146	483
6	Purchase of Casino Reinvestment Obligations	(3,795)	(3,752)
7	Purchase of Other Investments and Loans/Advances made		
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables	(399)	21,310
9	Cash Outflows to Acquire Business Entities		
10	_____		
11	_____		
12	Net Cash Provided (Used) By Investing Activities	(48,235)	10,912
	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	66,600	50,000
16	Costs of Issuing Debt	0	(5,639)
17	Payments to Settle Long-Term Debt	(66,622)	(50,016)
18	Cash Proceeds from Issuing Stock or Capital Contributions		
19	Purchases of Treasury Stock		
20	Payments of Dividends or Capital Withdrawals		
21	_____		
22	_____		
23	Net Cash Provided (Used) By Financing Activities	(22)	(5,655)
24	Net Increase (Decrease) in Cash And Cash Equivalents	(3,995)	(701)
25	Cash And Cash Equivalents at Beginning of Period	12,363	13,064
26	Cash And Cash Equivalents at End of Period	$8,368	$12,363

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized)	$6,281	$21,372
28	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 TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss)	$18,018	$418
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	20,278	21,094
31	Amortization of Other Assets	8	8
32	Amortization of Debt Discount or Premium		
33	Deferred Income Taxes - Current	24	615
34	Deferred Income Taxes - Noncurrent	3,047	(1,613)
35	(Gain) Loss on Disposition of Property and Equipment	131	81
36	(Gain) Loss on Casino Reinvestment Obligations	(2,941)	955
37	(Gain) Loss from Other Investment Activities		
38	Net (Increase) Decrease in Receivables and Patrons' Checks	(1,742)	484
39	(Increase) in Inventories	(62)	(40)
40	Net (Increase) Decrease in Other Current Assets	93	(1,306)
41	Net (Increase) Decrease in Other Assets	(854)	511
42	Net Increase (Decrease) in Accounts Payable	2,000	(838)
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	3,639	638
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	2,623	(26,965)
45	_____		
46	_____		
47	Net Cash Provided (Used) By Operating Activities	$44,262	($5,958)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	ACQUISTION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment	($44,228)	($7,204)
49	Less: Capital Lease Obligations Incurred	($41)	($75)
50	Cash Outflows For Property and Equipment	($44,187)	($7,129)
	ACQUISTION 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 Issuance of Stock or Capital Contributions	$0	$192,605
58	Less: Issuances to Settle Long-Term Debt (Note 14)	0	(192,605)
59	Consideration in Acquisition of Business Entities		
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$0	$0

Capital lease obligations of $41 and $75 were incurred for 1995 and 1994, respectively, when Adamar entered into new property and equipment leases. Capital lease obligation retirements of $59 and $0 were incurred for 1995 and 1994, respectively. In 1992, a note receivable in the amount of $225 was issued for the sale of fixed assets of which $0 and $80 was received in 1995 and 1994, respectively.

TRADING NAME OF LICENSEE **TROPWORLD CASINO AND ENTERTAINMENT RESORT**

SCHEDULE OF RECEIVABLES
PATRONS' CHECKS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

(UNAUDITED)
($ in Thousands)

ACCOUNT RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks	$3,523		
2	Returned Patrons' Checks	8,144		
3	Total Patrons' Checks	11,667	($3,723)	$7,944
4	Hotel Receivables	1,112	(84)	1,028
	Other Receivables:			
5	Receivables Due from Officers and Employees	24		
6	Receivables Due from Affiliates	17,052		
7	Other Accounts and Notes Receivables	1,437		
8	Total Other Recievables	18,513		18,513
9	Totals (Form CCC - 205)	$31,292	($3,807)	$27,485

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$2,779
11	Counter Checks Issued (Excluding Counter Checks Issued Through Transactions Relating to Consolidations, Partial Redemptions, Substitutions, and Patrons' Cash Deposits)	102,774
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)	(68,050)
13	Checks Collected Through Deposits	(31,019)
14	Checks Transferred to Returned Checks	(2,961)
15	Other Adjustments	0
16	Ending Balance	$3,523
17	"Hold" Checks Included in Undeposited Balance on Line 16	$0
18	Provision for Uncollectable Patrons' Checks	$502
19	Provision as a Percent of Counter Checks Issued	0.5%

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 TROPWORLD CASINO AND ENTERTAINMENT RESORT

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 19 95

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number Recipients (e)	Dollar Amount f)
1	Rooms	259,145	$ 16,929	8	$ 1
2	Food	1,585,855	15,541	118,863	1,165
3	Beverage	5,210,141	6,313	-0-	-0-
4	Travel	-0-	-0-	3,372	1,180
5	Coin	-0-	-0-	2,513,345	30,128
6	Coupon	-0-	-0-	-0-	-0-
7	Entertainment	73,161	1,430	42,339	847
8	Retail & Gifts	227,227	2,272	-0-	-0-
9	Parking	-0-	-0-	-0-	-0-
10	Other	172,476	1,725	131,459	1,315
11	Total	7,528,005	$ 44,210	2,809,386	$ 34,636

FOR THE THREE MONTHS ENDED DECEMBER 31, 19 95

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number Recipients (e)	Dollar Amount (f)
1	Rooms	62,643	$ 4,062	-0-	$ -0-
2	Food	292,724	2,869	31,667	310
3	Beverage	1,292,630	1,662	-0-	-0-
4	Travel	-0-	-0-	1,142	400
5	Coin	-0-	-0-	545,029	7,342
6	Coupon	-0-	-0-	-0-	-0-
7	Entertainment	33,966	100	13,031	261
8	Retail & Gifts	38,956	389	-0-	-0-
9	Parking	-0-	-0-	-0-	-0-
10	Other	46,407	464	36,571	366
11	Total	1,767,326	$ 9,546	627,440	$ 8,679

ADAMAR OF NEW JERSEY, INC.
DBA TROPWORLD CASINO AND ENTERTAINMENT RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements include the accounts of Adamar of New Jersey, Inc. (the "Company") and its wholly-owned subsidiary, Manchester Mall, Inc., ("Manchester"), after elimination of all significant intercompany accounts and transactions.

The Company operates a casino hotel in Atlantic City, New Jersey and is a subsidiary of Ramada New Jersey Holdings Corporation ("RNJHC") which is, in turn, a wholly-owned subsidiary of Aztar Corporation ("Aztar"). The financial statements reflect the intercompany transactions and accounts with RNJHC, Aztar and affiliates.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Highly liquid debt instruments purchased with a maturity of three months or less that are not being held pending reinvestment in capital projects are classified as cash and cash equivalents. These instruments are stated at cost, which approximates fair value because of their short maturity.

Inventories

Inventories, which consist primarily of food, beverage and operating supplies are stated at the lower of cost or market. Cost has been determined using the first-in, first-out method.

Advertising Costs

Costs for advertising are expensed as incurred, except costs for direct-response advertising, which are capitalized and amortized over the period of the related program. Direct-response advertising costs consist primarily of mailing costs associated with direct-mail programs. Capitalized advertising costs, included in prepaid expenses, were immaterial at December 28, 1995 and December 29, 1994. Advertising costs that were expensed during the year were $6,444,000 in 1995, and $5,087,000 in 1994.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentration of credit risk consist principally of temporary cash investments in excess of $100,000 which are all invested in the same financial institution.

Property and equipment

Property and equipment are stated at historical cost. Maintenance and repairs are charged to operations when incurred. Renewals and betterments which significantly extend the useful lives of existing property and equipment are capitalized. During construction the Company capitalizes interest and other direct and indirect development costs. Gains or losses on dispositions of property and equipment are reflected in earnings as realized.

Depreciation is computed on the straight-line basis over the estimated useful lives (building and improvements - 3 to 40 years; equipment, furniture and fixtures - 3 to 15 years).

Leasehold improvements are amortized over the shorter of the estimated useful life of the improvement or the term of the related lease.

CRDA Investment

The Company is required to invest one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bonds issuance. The CRDA bonds are classified as held-to maturity securities and are carried at amortized cost. The average interest rate on the CRDA investment was 3.7% and 2.6% for 1995 and 1994, respectively.

Deferred charges

Debt issuance costs are amortized using the interest method.

New Jersey Gaming License Costs

Gaming license costs are capitalized and amortized over the renewal period.

Casino Revenue

Casino revenue consists of the net win from gaming activities, which is the difference between gaming wins and losses. At December 31, 1995, the total casino revenue was $307,734,000 which is comprised of $74,487,000 for table games revenue and $233,247,000 for slot revenue. At December 31, 1994, the total casino revenue was $296,223,000 which is comprised of $71,560,000 for table games revenue and $224,663,000 for slot revenue. Estimated payouts for progressive slot machine balances are recorded as liabilities in the accompanying financial statements.

Complimentaries

The retail value of complimentary food, beverage, and hotel services furnished to customers is included in gross revenues and then deducted as promotional allowances in arriving at net revenue.

Income taxes

Deferred tax assets and liabilities are recognized for the expected

future tax consequences of events that have been included in the financial statements or income tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted rates expected to apply to taxable income in the years in which those differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

NOTE 2. PROPERTY AND EQUIPMENT

At December 31, 1995 and 1994, the components of property and equipment consisted of:

	1995	1994
Land	$ 39,218,000	$ 39,218,000
Building and improvements	474,573,000	473,343,000
Furniture, fixtures and equipment	87,624,000	84,550,000
Construction in progress	35,346,000	2,975,000
Total property and equipment-gross	636,761,000	600,086,000
Less accumulated depreciation and amortization	(108,465,000)	(95,404,000)
Total property and equipment	$528,296,000	$504,682,000

NOTE 3. LONG-TERM DEBT

At December 31, 1995 and 1994, Long-Term Debt consisted of:

	1995	1994
Note Payable - Aztar Corporation; 12.0% due 2004	$166,441,000	$233,041,000
Long-term debt due to affiliates	166,441,000	233,041,000
Reducing Revolving Credit Facility; Floating Rate, 8.39% at December 31, 1995, Matures December 31, 1999	116,600,000	50,000,000
Obligations under capital leases	26,000	66,000
Total Affiliates and Other	283,067,000	283,107,000
Less: current portion	(12,000)	(16,000)
Total long term debt	$283,055,000	$283,091,000

On October 5, 1994, Aztar and its subsidiaries, Adamar of New Jersey, Inc., and Ramada Express, Inc., (the "Borrowers") entered into a reducing revolving credit facility maturing on December 31, 1999 (the "Bank Credit Facility") with a group of banks. The beginning maximum amount of the Bank Credit Facility was $207,000,000. The maximum amount of the Bank Credit Facility will reduce quarterly beginning on March 31, 1996 in the annual amounts of $25,000,000 in 1996 and $35,000,000 in each year thereafter until maturity. The Bank Credit Facility is collaterized by all the property of the Company and Ramada Express, Inc. and, with

certain exceptions, the stock of Aztar's subsidiaries. Interest is computed on the outstanding principal balance based upon, at the Borrowers' option, a one, two, three or six month Eurodollar rate plus a margin ranging from 1.25% to 2.75%, or the prime rate plus a margin ranging from zero to 1.50%. The applicable margin is dependent upon Aztar's outstanding indebtedness as defined in the loan agreement and operating cash flow. Effective February 16, 1996 the margin was at the highest level. Interest computed based upon the Eurodollar rate is payable quarterly or on the last day of the applicable Eurodollar interest period, if earlier. Interest computed based upon the prime rate is payable quarterly. The Borrowers incur a commitment fee ranging from 0.375% to 0.5% per annum on the unused portion of the Bank Credit Facility.

The reducing revolving loan agreement governing the Bank Credit Facility (the "Loan Agreement") imposes various restrictions on the Borrowers, including limitations on its ability to incur additional debt, commit funds to maintenance capital expenditures as defined in the loan agreement, and merge or sell assets.

The Loan Agreement prohibits dividends on Aztar's common stock, other than those payable in common stock, and repurchases of common stock with certain limited exceptions. In addition, the Loan Agreement contains certain quarterly financial tests, including a minimum net worth, a minimum debt service coverage ratio and a maximum debt to operating cash flow ratio. The maximum debt to operating cash flow financial test was waived at December 31, 1995.

The aggregate fixed maturities for all long-term debt are:

1996	$ 12,000
1997	14,000
1998	-0-
1999	-0-
2000	116,600,000
Thereafter	166,441,000
Total	$ 283,067,000

NOTE 4. LEASE OBLIGATIONS

The Company entered into an agreement with Adamar Garage Corporation ("AGC"), an affiliate of the Company, for the lease of the Transportation Center (a 1,100-space self-park garage and a 9-bay bus terminal) and a 1,100-space parking garage along with the land, all improvements and air rights. The rental amount is $6,200,000 per year and will expire on February 4, 2078.

Minimum future lease obligations on noncancelable leases at December 31, 1995 are as follows (in thousands):

YEAR	OPERATING
1996	$ 6,934,000
1997	6,713,000
1998	6,698,000
1999	6,644,000
2000	6,590,000
Thereafter	484,585,000
Total	$ 518,164,000

Rental expenses under operating leases for 1995 and 1994 amounted to $8,033,000 and $7,942,000, respectively.

NOTE 5. DEFERRED CREDITS

Deferred credits consist of income taxes due to timing differences between financial and taxable income.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission. The license is renewable every four years. The license renewal period is effective through November 30, 1999. Management has received no indication that future renewals will not be granted.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the CRDA or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The CRDA bonds have various contractual maturities that range from 29 to 50 years. Actual maturitues may differ from contractual maturities because of prepayment rights. The Company's reinvestment obligation for 1995 and 1994, respectively, was $3,795,000 and $3,752,000 for the purchase of CRDA bonds. The Company recorded for 1995 and 1994 a (gain)/loss provision of ($2,941,000) and $955,000 respectively. The loss provision is to recognize the effect of the below market interest rate the bonds would have bourne had they been issued on December 31, 1994, and the gain reflects the reversal of prior loss provisions based on receipts of funds from the CRDA under the credit agreement which is being used to partially fund an expansion project.

In February 1995, the Company commenced construction on an expansion project. The expansion will consist primarily of a new 604-room hotel tower, with additional restaurant and support facilities in the existing operation. The Company has executed a credit agreement with the CRDA for approximately $25,000,000 in funding for this project. The Company receives funds from the CRDA based on expenditures made for the project to the extent the Company has available funds on deposit with the CRDA that qualify

for this funding. During 1995, the company received approximately $11,900,000 in funding from the CRDA under this agreement. At December 31, 1995, the Company had approximately $900,000 in available deposits with the CRDA that qualify. The balance of funding will result from portions of future CRDA deposits.

At December 31, 1995, the Company had commitments of approximately $25,000,000 for the purchase of property and equipment.

NOTE 7. RELATED PARTIES

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balances at December 31, 1995 and 1994 are:

	1995	1994
Due to Ramada New Jersey, Inc.	$ 3,450,000	$ 3,243,000
Due to Adamar Garage Corporation	18,384,000	16,208,000
Due to Atlantic Deauville, Inc.	1,102,000	862,000
	$ 22,936,000	$ 20,313,000

Advances from affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliate and corresponding balances at December 31, 1995 and 1994 are:

	1995	1994
Due from Aztar Corporation	$ 37,178,000	$ 26,951,000
Advances to Tropicana West	30,906,000	28,784,000
Advances to Laughlin	3,000	3,000
Note Receivable-Adamar Garage Corporation	-	17,052,000
	$ 68,087,000	$ 72,790,000

Current receivables due from affiliates are reflected in Receivables and Patrons' Checks. The identity of the affiliate and corresponding balances at December 31, 1995 and 1994 are:

	1995	1994
Note Receivable-Adamar Garage Corporation (due September 1996)	$ 17,052,000	$ -

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at December 31, 1995 and 1994 are:

PAYEE	1995	1994
Aztar Corporation	$166,441,000	$233,041,000

For the twelve months ended December 31, 1995 and 1994 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of goods and services and Selling, general, and administrative. The nature of the charges and dollar amounts are as follows:

	1995	1994
COST OF GOODS AND SERVICES		
Executive Deferred compensation plan	$ 9,000	$ 9,000
Property Insurance	549,000	502,000
Workmen's Compensation	923,000	934,000
	$ 1,481,000	$ 1,445,000
SELLING, GENERAL AND ADMINISTRATIVE		
Insurance	$ 952,000	$ 1,021,000
Executive Deferred Compensation Plan	30,000	31,000
Workmen's Compensation	182,000	187,000
Long-term Incentive	644,000	701,000
Restricted Stock	33,000	-
Other	18,000	28,000
	1,859,000	1,968,000
Total	$ 3,340,000	$ 3,413,000

NOTE 8. INCOME TAXES/BENEFITS

The provision/(benefit) for income taxes is comprised of:

	1995	1994
Current:		
Federal	-	-
State	-	-
	-	-
Deferred:		
Federal	$ 7,120,000	$ (748,000)
State	(4,049,000)	(250,000)
	3,071,000	(998,000)
	$ 3,071,000	$ (998,000)

For income tax purposes, the Company is included in Aztar's consolidated corporate Federal income tax return. The Company uses a separate return method for purposes of allocating the consolidated tax provision. The Internal Revenue Service has completed its examination of the income tax returns for the years 1986 and 1987. A partial agreement for those two years has been signed and a petition has been filed with the U.S. Tax Court for two remaining issues. Management expects those two issues to be resolved on satisfactory terms prior to trial. The Internal Revenue Service is examining the income tax returns for the years 1988 through 1993. The New Jersey Division of Taxation is examining the income tax returns for the years 1986 through 1989. Management believes that adequate provision for income taxes and interest has been made in the financial statements.

General business credits are taken as a reduction of the provision for federal income taxes during the year such credits become available. The following table provides a reconciliation between amounts determined by applying the statutory federal income tax rate to pretax income/(loss) and the provision/(benefit) for income taxes:

	1995	1994
Provision/(benefit at statutory rate:	$ 7,381,000	$ (203,000)
(Increase)/decrease in tax resulting from:		
Disallowance of business meals	459,000	457,000
IRS examination	-	650,000
General business credits	(271,000)	(178,000)
State income tax, net	999,000	(162,000)
Change in valuation allowance	(3,631,000)	-
Corporate overhead allocation	(1,816,000)	(1,687,000)
Other	(50,000)	125,000
	$ 3,071,000	$ (998,000)

The income tax effects of loss carryforwards, tax credit carryforwards and temporary differences between financial and income tax reporting that give rise to the deferred income tax assets and liabilities at December 31, 1995 and 1994, are as follows:

	1995	1994
Net operating loss carryforward	$ 35,125,000	$ 42,171,000
Accrued liabilities	3,549,000	2,655,000
General business credits	2,588,000	2,172,000
Accrued bad debt expense	1,556,000	1,957,000
Accrued compensation	1,274,000	1,195,000
Other	-	157,000
Gross deferred tax asset	44,092,000	49,307,000
Deferred tax asset valuation allowance	(33,000)	(3,708,000)
Depreciation and amortization	(10,427,000)	(9,316,000)
Other	(419,000)	-
Gross deferred tax liabilities	(10,846,000)	(9,316,000)
Net deferred tax assets	$ 33,213,000	$ 36,283,000

Gross deferred tax assets are reduced by a valuation allowance. The December 31, 1994 valuation allowance was reduced during 1995 which caused a decrease in income tax expense of $3,631,000. Realization of the remaining net deferred tax asset at December 31, 1995 is dependent on generating sufficient taxable income prior to expiration of the net operating loss carryforward. Although

realization is not assured, management believes it is more likely than not that all of the net deferred tax asset will be realized. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

At December 31, 1995, tax benefits are available for federal income tax purposes as follows:

Net operating losses	$ 88,864,000
General business credits	2,588,000

These tax benefits will expire in the years 2003 through 2010 if not used. The Company also has net operating loss carryforwards for state income tax purposes that will expire in the following years if not used:

1996	$ 21,833,000
1997	12,900,000
1998	16,077,000
1999	10,802,000
2000	4,258,000
2001	2,878,000
2002	6,000

NOTE 9. PENSION PLAN

The Company's defined contribution savings plan is included under Aztar's employee profit sharing and savings plan and covers substantially all employees located in the United States who are not covered by a collective bargaining unit. The savings account feature of the plan allows employees to defer taxes on their before-tax earnings up to an annual maximum amount of $9,240 for 1995. Contributions to savings plan are discretionary. There were no Company contributions in 1995 or 1994. On December 19, 1989, Aztar established the Employee Stock Ownership Plan ("ESOP"). Allocations made by Aztar are in the form of Aztar Series B ESOP Convertible Preferred Stock. The Company's allocated ESOP expense for 1995 and 1994 was $644,000 and $701,000, respectively.

The Company makes contributions based on hours worked, as specified in five union agreements, to union administered, multiemployer, defined contribution pension plans. Contributions for these plans during 1995 and 1994 amounted to $555,000 and $516,000, respectively.

NOTE 10. PREPAID EXPENSES AND OTHER CURRENT ASSETS

At December 31, 1995 and 1994, Prepaid expenses and Other current assets consisted of the following:

	1995	1994
Current deferred taxes	$ 4,033,000	$ 4,057,000
Other	6,470,000	6,563,000
Total	$ 10,503,000	$ 10,620,000

NOTE 11. INVESTMENTS, ADVANCES, AND RECEIVABLES

At December 31, 1995 and 1994, Investments, Advances, and Receivables consisted of the following:

	1995	1994
Due from affiliates	$ 68,087,000	$ 55,738,000
CRDA investments	19,714,000	24,928,000
Note receivable-Adamar Garage Corporation	-	17,052,000
Total	$ 87,801,000	$ 97,718,000

NOTE 12. OTHER ACCRUED EXPENSES

At December 31, 1995 and 1994, Other Accrued Expenses consisted of the following:

	1995	1994
Accrued payroll taxes and benefits	$ 6,693,000	$ 6,432,000
Accrued progressive slot win	1,597,000	995,000
Accrued claims reserve	1,795,000	1,791,000
Accrued interest payable	1,819,000	888,000
Other	5,884,000	3,960,000
Total	$ 17,788,000	$ 14,066,000

NOTE 13. OTHER LIABILITIES

At December 31, 1995 and 1994, Other Liabilities consisted of Due to affiliates identified in Note 7.

NOTE 14: CONTRIBUTIONS TO PAID-IN CAPITAL

On October 21, 1994, Aztar Corporation contributed $52,605,000 to the capital of the Company by a reduction in advances from affiliates.

On December 29, 1994, Aztar Corporation contributed $140,000,000 to the capital of the Company by a reduction in intercompany debt.

NOTE 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents (in thousands) the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 1995 and 1994, respectively. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

	1995		1994	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets				
Notes receivable - affiliate	$ 17,052	$ 17,052	$ 17,052	$ 17,052
Investments	19,714	19,714	24,928	24,928
Liabilities				
Current portion of long-term debt	12	12	16	16
Long-term debt	116,614	116,614	50,000	50,000
Advances from affiliates, net	166,441	166,441	233,041	233,041

The carrying amounts shown in the table are included in the Consolidated Balance Sheets under the indicated captions. All the Company's financial instruments are held or issued for purposes other than trading.

The following notes summarize the major methods and assumptions used in estimating the fair values of financial instruments.

The notes receivable - affiliate are valued at their carrying amounts included in the balance sheets, which are reasonable estimates of fair value due to the relatively short period to maturity.

Investments consisted of deposits with the CRDA and CRDA bonds that bear interest at two-thirds of market rates resulting in a fair value lower than cost. The carrying amounts of these deposits and bonds are presented net of a valuation allowance and an unamortized discount that results in approximation of fair values.

The carrying amounts of the Bank Credit Facility are reasonable estimates of fair value because it is carried with a floating interest rate.

The amounts reported for advances from affiliates relate to the Company's note payable to Aztar. The fair value was estimated based on the quoted market price for a similar issue.

NOTE 16. NON-OPERATING INCOME/(EXPENSE)

For the period ending December 31, 1995 and 1994, Non-operating income/(expense) consisted of the following:

	1995	1994
Interest income	$ 3,613,000	$ 3,308,000
Loss on dispositions	(131,000)	(81,000)
Rent expense	(6,590,000)	(6,590,000)
Total	$(3,108,000)	$ (3,363,000)

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

STATE OF :
:ss.
COUNTY OF :

Deborah Marchese, being duly sworn according
Name

to law upon my oath deposes and says:

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to
before me this 26th day
of March 26 1996

Joann Martilini
Signature

JOANN MARTILINI
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 18, 1999

Basis of Authority
to Take Oaths

Deborah Marchese
Signature

Controller
Title

367611
License Number

On Behalf Of:

TropWorld Casino & Entertainment Resort
Casino Licensee

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1995
($ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO				
1	Administration	16			
2	Gaming	811			
3	Slots	216			
4	Casino Accounting	464			
5	Simulcasting				
6	Other	69			
7	Total – Casino	1,576	$ 31,294.4	$	$ 31,294.4
8	ROOMS	488	8,753.4		8,753.4
9	FOOD AND BEVERAGE	989	14,512.0		14,512.0
	OTHER OPERATED DEPARTMENTS				
10	COMMUNICATIONS	16	306.9		306.9
11	RETAIL SHOPS	18	279.4		279.4
12	TRANSPORTATION	172	2,212.3		2,212.3
13	HOTEL SALES	6	225.5		225.5
14	TIVOLI PIER	37	867.0		867.0
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	16	922.8		922.8
21	Accounting and auditing	187	3,832.8		3,832.8
22	Security	213	4,410.1		4,410.1
23	Other administrative and general department	80	1,919.8		1,919.8
24	MARKETING	174	4,090.2		4,090.2
25	GUEST ENTERTAINMENT	126	1,110.8		1,110.8
26	PROPERTY OPERATION AND MAINTENANCE	121	4,046.5		4,046.5
27	TOTALS – ALL DEPARTMENTS	4,219	$ 78,783.9	$	$ 78,783.9

CCC-376

TRADING NAME OF LICENSEE TROPWORLD CASINO & ENTERTAINMENT RESORT

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1995

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, no material discrepancies were noted for the period covered by this report, or if material discrepancies were noted, a detailed explanation is included on the attached page.

Signature

MARCH 29, 1996
Date

CONTROLLER
Title

TRADING NAME OF LICENSEE **TROPWORLD CASINO AND ENTERTAINMENT**

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1995

($ in Thousands)

Line			
	CASINO WIN or (LOSS):		
1	Table and Other Games Win		$ 74,670
2	Slot Machines Win		239,072
3	Total Win		313,742
	Less – Adjustment for Uncollectible Patrons' Checks:		
4	Provision for Uncollectible Patrons' Checks	$ 502	
5	Maximum Adjustment (4% of line 3)	$ 12,550	
6	Adjustment (the lesser of line 4 or line 5)		502
7	Gross Revenue (line 3 less line 6)		$ 313,240
8	Tax on Gross Revenue – Reporting Year (8% of line 7)		$ 25,059
9	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years		0
10	Total Taxes on Gross Revenue (the sum of lines 8 and 9)		25,059
	DEPOSITS MADE FOR TAX ON REPORTING YEAR'S GROSS REVENUES:		
11	January	$ 1,712	
12	February	1,690	
13	March	1,827	
14	April	1,925	
15	May	2,431	
16	June	2,035	
17	July	2,820	
18	August	2,147	
19	September	2,026	
20	October	2,283	
21	November	1,676	
22	December	1,599	
23	January	888	
24	Total Deposits Made for Tax on Reporting Year's Gross Revenue		(25,059)
25	Settlement of Prior Years' Tax on Gross Revenue Resulting from Audit or Other Adjustments – (Deposits) Credits		0
26	Gross Revenue Taxes Payable (the net of lines 10, 24 and 25)		$ 0

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF **New Jersey** :
:ss.
COUNTY OF **Atlantic** :

Cheryl Green, being duly sworn according
Name

to law upon my oath deposes and says:

1. I have examined this Gross Revenue Annual Tax Return.

2. To the best of my knowledge, all the information contained in this Return has been prepared in conformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this Return is accurate.

Cheryl Green
Signature

Casino Controller
Title

6048-11
License Number

On Behalf Of:

TropWorld Casino and Entertainmet Re
Casino Licensee

Subscribed and sworn to before me this 22nd day of February, 1996

Tracey A. Harris
Signature

TRACEY A. HARRIS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 11, 1999

Basis of Authority
to Take Oaths

ANNUAL REPORT

LICENSEE Harrah's Casino Hotel, Atlantic City

ADDRESS 777 Harrah's Boulevard
Atlantic City, NJ 08401

FOR THE YEAR ENDED DECEMBER 31, 19 95

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS ANNUAL REPORT . . . . . David M. Wolf

OFFICIAL TITLE . . . . . Director of Finance

ADDRESS. . . . . 777 Harrah's Boulevard
Atlantic City, NJ 08401

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

LIST OF FORMS - ANNUAL REPORT

For the Year Ended: December 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	
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

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

BALANCE SHEETS

DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents (Note 1)	$ 18,227	$ 18,219
2	Short-Term Investments	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995 $ 3,697....;1994 $ 3,141.....	6,952	7,287
4	Inventories	1,158	1,358
5	Prepaid expenses and other current assets (Note 4)	2,456	2,691
6	**Total Current Assets**	28,793	29,555
7	Investments, Advances and Receivables (Note 5)	27,357	27,062
8	Property and Equipment - Gross (Notes 1 and 2)	394,197	364,509
9	(Accumulated Depreciation/Amortization)	(140,135)	(126,873)
10	Other Assets	24,207	27,572
11	**Total Assets**	334,419	321,825
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts Payable	$ 2,009	$ 3,205
13	Notes Payable	0	0
	Current portion of long-term debt:		
14	Due to affiliates	30,000	0
15	Other	0	0
16	Income taxes payable and accrued	625	278
17	Other accrued expenses (Note 8)	20,562	18,265
18	Other current liabilities	929	1,142
19	**Total current liabilities**	54,125	22,890
	Long-Term Debt:		
20	Due to affiliates	16,851	0
21	Other (Notes 3)	335,000	395,326
22	Deferred Credits (Note 1)	1,550	2,887
23	Other Liabilities (Note 9)	42,428	49,646
24	Commitments and Contingencies (Note 6)	0	0
25	**Total Liabilities**	449,954	470,749
26	**Stockholders', Partners', or Proprietor's Equity**	(115,535)	(148,924)
27	**Total Liabilities and Equity**	$ 334,419	$ 321,825

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 The Year Ended December 31, 1995 and 1994

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
	Revenue:		
1	Casino	$ 319,279	$ 291,483
2	Rooms	20,560	20,676
3	Food and Beverage	36,767	34,558
4	Other	9,005	9,422
5	Total revenue	385,611	356,139
6	Less: Promotional Allowance	40,279	36,569
7	Net revenue	345,332	319,570
	Costs and Expenses:		
8	Cost of goods and services	176,111	168,830
9	Selling, general, and administrative	64,308	58,071
10	Provision for doubtful accounts	1,270	1,005
11	Total costs and expenses	241,689	227,906
12	Gross Operating Profit	103,643	91,664
13	Depreciation and amortization	16,059	15,618
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	8,590	1,634
16	Income (Loss) from Operations	78,994	74,412
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Royalty Fee	0	0
18	Interest (expense) - external (Note 3)	(31,127)	(38,757)
19	Investment alternative tax and related income (expense) - net	(22)	(245)
20	Nonoperating Income (expense) - net	(111)	366
21	Total other income (expenses)	(31,260)	(38,636)
22	Income (Loss) Before Income Taxes and Extraord. Items	47,734	35,776
23	Provision (credit) for income taxes	4,165	3,507
24	Income (Loss) Before Extraordinary Items	43,569	32,269
25	Extraordinary items (net of income taxes - 1995, $0; 1994, $0)	0	0
26	**Net Income (Loss)**	$ 43,569	$ 32,269

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 Three Months Ended December 31, 1995 and 1994

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
	Revenue:		
1	Casino	$ 76,118	$ 74,397
2	Rooms	4,811	4,960
3	Food and Beverage	8,882	8,429
4	Other	2,151	1,977
5	Total revenue	91,962	89,763
6	Less: Promotional Allowance	9,736	9,056
7	Net revenue	82,226	80,707
	Costs and Expenses:		
8	Cost of goods and services	43,406	41,885
9	Selling, general, and administrative	17,675	15,273
10	Provision for doubtful accounts	333	(137)
11	Total costs and expenses	61,414	57,021
12	Gross Operating Profit	20,812	23,686
13	Depreciation and amortization	2,287	4,250
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	429	414
16	Income (Loss) from Operations	18,096	19,022
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Royalty Fee	(6,787)	0
18	Interest (expense) - external (Note 3)	(8,965)	(9,746)
19	Investment alternative tax and related income (expense) - net	13	(29)
20	Nonoperating Income (expense) - net	(567)	34
21	Total other income (expenses)	(16,306)	(9,741)
22	Income (Loss) Before Income Taxes and Extraord. Items	1,790	9,281
23	Provision (credit) for income taxes	(226)	862
24	Income (Loss) Before Extraordinary Items	2,016	8,419
25	Extraordinary items (net of income taxes - 1995, $0; 1994, $0)	0	0
26	**Net Income (Loss)**	$ 2,016	$ 8,419

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 CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND THE TWELVE MONTHS ENDED DECEMBER , 1995

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (c)	Preferred Stock Amount (d)	Additional Paid-In Capital (g)	_____ (h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	**Balance, December 31, 19__.....**		$		$	$	$	$	$
2	Net Income (Loss) - 19__.....								
3	Contribution to Paid - in - Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6	_____.....								
7	_____.....								
8	_____.....								
9	_____.....								
10	**Balance, December 31, 19__.....**								
11	Net Income (Loss) - 19__.....								
12	Contribution to Paid - in - Capital.....								
13	Dividends.....								
14	Prior Period Adjustments.....								
15	_____.....								
16	_____.....								
17	_____.....								
18	_____.....								
19	**Balance, December 31, 19__.....**		$		$	$	$	$	$

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 CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

For the Twelve Months Ended December 31, 1994
And The Twelve Months Ended December 31, 1995
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	_____ _____ _____ (e)	Total Equity (Deficit) (f)
1	Balance , December 31, 1993	$141,594	($194,580)	$0	($52,986)
2	Net Income (Loss) - 1994		32,269		$32,269
3	Capital Contributions.....				
4	Capital Withdrawls.....				
5	Partnership Distributions.....		(128,207)		($128,207)
6	Prior Period Adjustments.....				
7	_____.....				
8	_____.....				
9	_____.....				
10	Balance, December 31,1994	141,594	(290,518)	0	(148,924)
11	Net Income 1995		43,569		$43,569
12	Capital Contributions.....	24,360			$24,360
13	Capital Withdrawls.....		(34,540)		($34,540)
14	Partnership Distributions.....				
15	Prior Period Adjustments.....				
16	_____.....				
17	_____.....				
18	_____.....				
19	Balance, December 31,1995	$165,954	($281,489)	$0	($115,535)

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

For the Year Ended December 31, 1995 and 1994

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
1	**Net Cash Provided (Used) by Operating Activities**	$ 59,403	$ 55,269
	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	(16,708)	(12,294)
5	Proceeds from disposition of property and equipment	336	90
6	Purchase of casino reinvestment obligations	(3,775)	(3,423)
7	Purchase of other investments and loan advances made	206	60,211
8	Proceeds from disposal of investments and collection of advances and long-term receivables	2,729	2,467
9	Cash outflows to acquire business entities	0	0
10		0	0
11	Transfer Cash from sale of Land from Embassy	5,856	0
12	**Net Cash Provided (Used) by Investing Activities**	(11,356)	47,051
	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	665,650	95,350
16	Costs of issuing debt		
17	Payments to settle long-term debt	(679,149)	(63,056)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals	(34,540)	(128,207)
21			
22			
23	**Net Cash Provided (Used) by Financing Activities**	(48,039)	(95,913)
24	**Net Increase (Decrease) in Cash and Cash Equivalents**	8	6,407
25	**Cash and Cash Equivalents at Beginning of Period**	18,219	11,812
26	**Cash and Cash Equivalents at End of Period**	$ 18,227	$ 18,219
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Cash Paid During Period for:		
27	Interest (net of amount capitalized)	$ 27,335	$ 31,629
28	Income Taxes	$ 5,047	$ 3,567

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

For the Year Ended December 31, 1995 and 1994

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1995	(d) 1994
	Net Cash Flows From Operating Activities:		
29	Net Income (loss)	$ 43,569	$ 32,269
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment	16,059	14,852
31	Amortization of other assets	1,620	2,038
32	Amortization of debt discount or premium	24	186
33	Deferred income taxes - current	0	0
34	Deferred income taxes - noncurrent	(1,337)	(1,097)
35	Loss (Gain) in dispostion of property & equipment	2,360	(32)
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	305	887
39	Net decrease in inventories	200	892
40	Net decrease in other current assets	2,275	930
41	Net decrease in other assets	162	1,641
42	Net (decrease) in accounts payables	(1,196)	(1,427)
43	Net increase in other current liabilities excluding debt . . .	2,431	1,504
44	Net (decrease) increase in other noncurrent liabilities excluding debt . . .	(7,280)	2,483
45	Net increase in other receivables or advances	211	143
46			
47	**Net Cash Provided (Used) by Operating Activities . . . .**	$ 59,403	$ 55,269
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCIAL ACTIVITES		
	Aquisition of Property and Equipment:		
48	Additions to property and equipment	$ 16,708	$ 12,294
49	Less: capital lease obligations incurred	0	0
50	**Cash Outflows for Property and Equipment . . . . . .**	$ 16,708	$ 12,294
	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 acquistion 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.

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
December 31, 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	$ 3,301		
2	Returned patroness's checks	5,130		
3	Total patrons' checks	8,431	$ 3,603	$ 4,828
4	Hotel Receivables	897	94	803
	Other Receivables:			
5	Receivables due from officers and employees	46		
6	Receivables due from affiliates	0		
7	Other accounts and notes receivable	1,275		
8	Total other receivables	1,321	0	1,321
9	**Totals (Form 205) .....**	$ 10,649	$ 3,697	$ 6,952

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 redemption's, substitutions, and patrons' cash deposits)	113,626
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)	(69,173)
13	Checks collected through deposits	(43,578)
14	Checks transferred to returned checks	$ (752)
15	Other adjustments	$ 5
16	Ending Balance ... Foreign credit	$ 3,300
17		
18	"Hold" Checks Included in Balance on Line 16	$ 0
19	Provision for Uncollectible Patrons' Checks	$ 1,270
	Provision as a Percent of Counter Checks Issued	1.1%

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

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For the Twelve Months Ended December 31,1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	132,445	$ 11,536	-	$ -
Food	1,982,400	$ 19,824	-	$ -
Beverage	2,489,200	$ 6,223	-	$ -
Travel	-	$ -	73,788	$ 7,305
Coin	-	$ -	1,817,200	$ 22,715
Coupon	-	$ -	-	$ -
Entertainment	134,800	$ 2,696	-	$ -
Retail & Gifts	-	$ -	297,000	$ 1,485
Other	-	$ -	4,000	$ 68
Total	4,738,845	$ 40,279	2,191,988	$ 31,573

For the Three Months Ended December 31,1995

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	31,446	$ 2,739	-	$ -
Food	492,600	$ 4,926	-	$ -
Beverage	590,000	$ 1,475	-	$ -
Travel	-	$ -	17,859	$ 1,768
Coin	-	$ -	480,000	$ 6,000
Coupon	-	$ -	-	$ -
Entertainment	29,800	$ 596	-	$ -
Retail & Gifts	-	$ -	85,400	$ 427
Other	-	$ -	0	$ 0
Total	1,143,846	$ 9,736	583,259	$ 8,195

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

Note 1: Summary of Significant Accounting Policies

Organization - On June 30, 1995, the Company, formally known as The Promus Companies Incorporated (Promus), completed a spin-off ("Spin-off") that split Promus into two independent public corporations, one for conducting its casino entertainment business and one for conducting its hotel business. Promus was renamed Harrah's Entertainment, Inc. and retained ownership of the casino entertainment business. Promus' hotel operations were transferred to a new entity, Promus Hotel Corporation (PHC).

Marina Associates (the Partnership) operates as a general partnership, owns a casino hotel located in the Marina District of Atlantic City, New Jersey. Harrah's Operating Company (HOC), a wholly owned subsidiary of Harrah's through its subsidiaries, is the sole owner of the Partnership. A substantial portion of the Partnership's revenues are derived from gaming operations. Competition in the Atlantic City gaming market is intense and the Partnership believes that the competition will continue as new entrants to the gaming industry are contemplated and become operational.

Pervasiveness of Estimates - The preparation of these financial statements in conformity with generally accepted accounting principals requires the Partnership to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Revenue Recognition - Casino revenues consist of the net win from gaming activities, which is the difference between gaming wins and losses. Revenues from hotel and other services are recognized at the time the related services are performed.

The Partnership provides an allowance for doubtful accounts arising from casino, hotel, and other services, which is based upon a specific review of certain outstanding receivables and historical collection performance. In determining the amount of the allowance, the Partnership is required to make certain estimates and assumptions and actual results may differ from these estimates and assumptions.

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.

New Jersey State Library

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.

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:

	DECEMBER 31	
	1995	1994
Land and Land Improvements	$ 51,339	$ 32,048
Buildings, Leaseholds and Improvements	248,058	246,625
Furniture, Fixtures and Equipment	84,892	78,655
Construction in Progress	3,866	2,783
C-I-P Casino/Hotel Expansion	4,808	--
Equipment held under Capital Leases	345	345
C-I-P NE Inlet Redevelopment Project	889	4,053
	394,197	364,509
Less Accumulated Depreciation	(140,135)	(126,873)
Property and Equipment, Net	$ 254,062	$ 237,636

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-eight 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.

NOTE 3: Long-term debt:

Long-term debt consisted of the following;

	DECEMBER 31	
	1995	1994
(a) Revolving Credit and Letter of Credit Facility, 6.062% - 8.5% at December 31, 1995, maturing in 2000, with interest payable monthly.	$335,000	$195,350
(b) 9% Notes due February 15, 1995, backed by Letter of Credit maturing in 1998, with interest payable monthly.	--	200,000
(c) Note Payable with parent, 11% at December 31, 1995, with interest payable annually.	46,851	--
Discount on 9% Notes	--	(24)
	$381,851	$395,326
Less Current Portion	(30,000)	--
	$351,851	$395,326

(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).

Harrah's negotiated changes to its 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 December 31, 1995 the Partnership is the primary obligor on $335 million of the New Facility. All the assets of the Partnership are pledged as collateral to secure certain debt incurred by HOC.

The Revolver provides for borrowing at either the Eurodollar plus 1 1/2% or the prime rate.

(b) 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 paid interest monthly with the principal retired on February 15, 1995. Associated with the 9% Notes was a $282,000 discount that was recorded and was being amortized using the effective interest method over the life of the notes. In February 1995, the Partnership retired the 9% Notes.

(c) In connection with the PHC spin-off, Embassy loaned the Partnership $95 million to fund a pay down of the (Facility) referenced above. The loan is evidenced by an 11% Note, which obligates the Partnership to make principal and interest payments as funds are generated by operations in excess of the Partnership cash flow needs. Payments of principal and are expressly conditioned upon the Partnership's compliance with the financial stability tests set forth in N.J.A.C. 19:43-4.1 et seq. and other requirements of the Casino Control Act, N.J.S.A. 5:12-1 et seq. As of December 31, 1995, the partnership made interest payments totaling $3,791 and principal payments totaling $48,149.

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

NOTE 4: Prepaid Expenses and Other Current Assets

	DECEMBER 31	
	1995	1994
Prepaid Slot Tax	$ 511	$ 476
Prepaid Insurance	123	114
Prepaid Air Charters	594	510
Prepaid Marketing	202	210
Prepaid Other	1,026	1,353
Future Credit against CRDA Obligations	--	28
	$2,456	$2,691

NOTE 5: Investments, Advances and Receivables

	DECEMBER 31	
	1995	1994
Notes Receivable	$ 2,242	$ 2,280
Investment in CRDA Bonds - Net of Valuation Adjustment	2,696	2,606
Reinvestment Obligation Deposits - Net of Valuation Adjustment	573	125
Due from Affiliates	21,846	22,051
	$27,357	$27,062

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at December 31, 1995 and 1994.

	DECEMBER 31	
	1995	1994
Harrah's New Jersey, Inc.	$18,962	$18,962
Harrah's Lake Tahoe	166	123
Embassy Suites, Inc.	1,939	2,071
Harrah's Del Rio	149	149
Harrah's Reno	345	395
Bill's Casino	111	111
Harrah's Vicksburg	23	22
Harrah's Joliet	93	81
Harrah's New Orleans	--	79
Harrah's Tunica	10	10
Harrah's Shreveport	19	19
Harrah's St.Louis	2	2
Harrah's North Kansas City	27	27
Total Due from Affiliates	$21,846	$22,051

Royalty Fee - The Partnership entered into a license agreement effective as of August 25, 1995 with Harrah's Las Vegas, Inc., for the use of certain licensed trademarks. Under the agreement, the Partnership is required to pay a license fee of $19,355 per year through 2000. The license agreement may be renewed for additional five-year periods thereafter. The Partnership's prorated license fee for the year ended December 31, 1995 totaled $6,787.

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 1998. Rental expenses for the year ended December 31, 1995 and 1994, were approximately $3,135 and $3,456, respectively.

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

Year	Amount
1996	$2,142
1997	1,108
1998	123
1999	59
2000	--
Thereafter	--
	$3,432

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

Year	Amount
1996	2,704
1997	2,042
1998	2,042
1999	2,042
2000	--
Thereafter	--
	$8,830

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 $49,396 towards its obligations through that date, of which $48,447 was deposited. The Partnership's obligation for the fourth quarter of 1995 of approximately $949 was deposited in January, 1996. 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.

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 December 31, 1995, approximately $54,410 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. Also, the CRDA partially redeemed North Jersey Bonds-NEDC Riverfront Corporation Project, Series A, totaling $50. The CRDA investment bonds are included in investments and totaled $3,913 and $3,348 at December 31, 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 the first quarter of 1996. The donation is included in deferred charges and other assets and upon completion will be capitalized as land improvements.

As of December 31, 1995, approximately $685 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:

	DECEMBER 31	
	1995	1994
Accrued Salaries, Wages and Benefits	$10,937	$ 9,983
Taxes Payable	894	934
Other Accrued Expenses	6,301	3,823
Accrued Progressive Slot Liability	498	448
Accrued CCC/DGE/Casino License Fees	628	480
Accrued Megabucks Handle Fees	135	83
Accrued Interest L-T-D	1,169	2,514
	$20,562	$18,265

NOTE 9: Other Liabilities

Other Liabilities consists of the following:

	DECEMBER 31	
	1995	1994
Long Term Due to Affiliates	$38,739	$45,935
Other Liabilities -		
Insurance Loss Reserves	1,814	1,613
Deferred Income - ACIA Grant	594	664
Deferred Income - CRDA Grant	107	119
Deferred Income - NJHMFA Grant	387	433
Deferred Income - DCA Grant	787	882
	$42,428	$49,646

For the years ended December 1995 and 1994, the Partnership had an allowance for incurred but not yet recorded claims (IBNR). The IBNR consists of a reserve for possible insurance claims that have been incurred but not yet reported totaling $1,150 and $700, respectively. The IBNR also includes $100 for estimated legal expenses for both years. The IBNR 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. The accompanying balance sheet includes insurance allowances of $3,376 and $3,731 for 1995 and 1994, respectively. Actual results may differ from these reserve amounts.

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

	DECEMBER 31	
	1995	1994
Harrah's Holdings, Inc,	$ 603	$ 603
Promus	--	7,164
Harrah's Atlantic City, Inc.	37,727	37,722
Harrah's Holiday Inns of N.J., Inc.	293	293
Harrah's Las Vegas	116	153
	$38,739	$45,935

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 twelve months ended December 31, 1995 and 1994, was $2,905 and $2,850, respectively.

STATEMENTS OF CONFORMITY AND ACCURACY

State of NEW JERSEY :
: ss
County of ATLANTIC :

David M. Wolf, being duly sworn according to law upon my oath disposes and says:

1. I have examined this Annual Report.

2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.

3. The information contained in this Annual Report is accurate to the best of my knowledge and belief.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Annual Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during this year.

David Wolf
Signature

Director of Finance
Title

004700-11
License Number

Subscribed and sworn to
before me this 29th
day of March 1996.

On Behalf of:

Patricia Shaffor
Signature PATRICIA SHAFFOR
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES NOV. 22, 1998

Marina Associates
Casino Licensee

Basis of Authority
to Take Oaths

CCC-250

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

ANNUAL EMPLOYMENT AND PAYROLL REPORT

For the year ended December 31, 1995

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	NUMBER OF (c) EMPLOYEES	OTHER (d) EMPLOYEES	SALARIES AND WAGES (e) OFFICERS & OWNERS	TOTALS
	CASINO				
1	Administration	0			
2	Gaming	724			
3	Slots	435			
4	Casino Accounting	51			
5	Other	249			
6	Total - casino	1,459	35,944	0	35,944
7	**ROOMS**	255	4,767	0	4,767
8	**FOOD AND BEVERAGE**	869	13,645	0	13,645
	OTHER OPERATED DEPARTMENTS				
9	Marina	2	62	0	62
10	Cafeteria	12	1,013	0	1,013
11	Communications	19	333	0	333
12	Gift Shop	37	497	0	497
13	Jewelry Store	5	31	0	31
14					0
15					0
16					0
..19					0
	ADMINISTRATIVE AND GENERAL				
20	Executive office	13	699	0	699
21	Accounting and auditing	46	1,610	0	1,610
22	Security	205	4,351	0	4,351
23	Other administrative and general department	156	5,082	0	5,082
24	**MARKETING**	13	487	0	487
25	**GUEST ENTERTAINMENT**	76	2,044	0	2,044
26	**PROPERTY OPERATION AND MAINTENANCE**	408	7,935	0	7,935
27	**TOTALS - ALL DEPARTMENTS**	3,575	78,500	0	78,500

ORIG

Trading Name of Licensee Harrah's Casino Hotel, Atlantic City

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

For the Year Ended December 31, 1995

3-29-96
Date

David Wolf
Signature

Director of Finance
Title

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

GROSS REVENUE ANNUAL TAX RETURN
(AMENDED)
For the Year Ended December 31, 1995
(UNAUDITED)
($ in thousands)

LINE			
	Casino win or (loss)		
1	Table games revenue	$ 65,227	
2	Coin-operated devices revenue	254,218	
3	Total Revenues		$ 319,445
	Less - adjustment for uncollectable patron's checks :		
4	Provision for uncollectible patron's checks	$ 1,231	
5	Maximum adjustment (4% of line 3)	$ 12,778	
6	Adjustment (the lesser of line 4 or line 5)		$ 1,231
7	Gross revenues (line 3 less line 6)		$ 318,214
8	Tax on gross revenues - current year (8% of line 7)		$ 25,457
9	Audit or other adjustments to tax on gross revenues in prior years		$
10	Total tax on gross revenues (line 8 plus or minus line 9)		$ 25,457
	Deposits made for tax on current year's gross revenues :		
11	January	1,615	
12	February	1,773	
13	March	1,878	
14	April	1,862	
15	May	2,422	
16	June	1,900	
17	July	2,871	
18	August	2,229	
19	September	2,147	
20	October	2,541	
21	November	1,944	
22	December	1,913	
23	January	355	
24	Total deposits made for tax on current year's gross revenues		$ (25,450)
25	Settlement of prior year's tax on gross revenues resulting from audit or other adjustments - (deposits) credits		(7)
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		$ 0

STATEMENT OF CONFORMITY AND ACCURACY

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

David Wolf, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Gross Revenue Annual Tax Return.

2. All the information contained in this Return has been prepared in conformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.

3. The information contained in this Return is accurate to the best of my knowledge and belief.

David Wolf
Signature

Director of Finance
Title

004700-11
License Number

Harrah's Casino

Subscribed to and sworn
before me this 15th day
of March, 1996.

Patricia Shaffor
Signature

PATRICIA SHAFFOR
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES NOV. 22, 1998

Basis of Authority
to Take Oaths

ANNUAL REPORT

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

FOR THE YEAR ENDED DECEMBER 31, 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 - ANNUAL REPORT

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

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TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
BALANCE SHEETS
DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	ASSETS		
	Current Assets:		
1	Cash	$ 15,693	$ 14,181
2	Marketable securities (Short Tm. money market at cost) NOTE 3	23,084	12,695
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, $3,570; 1994, $3,901) NOTE 4.	6,933	6,232
4	Inventories	2,447	1,793
5	Prepaid expenses and other current assets NOTE 5	6,078	8,566
6	Total current assets	54,235	43,467
7	Investments, advances, and receivables NOTE 6	12,088	10,632
8	Property and equipment - gross NOTE 7	219,414	206,407
9	(Accumulated depreciation/amortization)	(62,074)	(48,906)
10	Other assets	734	1,134
11	**Total Assets**	$ 224,397	$ 212,734
	LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)		
	Current Liabilities:		
12	Accounts payable	$ 1,580	$ 1,036
13	Notes payable		
	Current portion of long-term debt:		
14	Notes Payable to affiliate		
15	Other	589	5
16	Income taxes payable		
17	Other accrued liabilities NOTE 8.	21,261	20,080 *
18	Other current liabilities NOTE 9.	8,471	11,497 *
19	Total current liabilities	31,901	32,618
	Long-Term Debt:		
20	Notes Payable to affiliate NOTE 10.	126,761	125,309
21	Other NOTE 11.	919	8
22	Deferred credits NOTE 16.	19,140	19,663
23	Other liabilities		
24	Commitments and contingencies NOTE 17.		
25	**Total Liabilities**	178,721	177,598
26	**Stockholder's Equity**	45,676	35,136
27	**Total Liabilities and Stockholder's Equity**	$ 224,397	$ 212,734

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

* 1994 Restated to include CRDA Provision on line 17 from line 18.

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	REVENUE:		
1	Casino	$ 268,224	$ 250,175
2	Rooms	16,065	15,970
3	Food and beverage	27,768	28,021
4	Other	9,663	11,645
5	Total revenue	321,720	305,811
6	Less: promotional allowances	28,494	26,074
7	Net revenue	293,226	279,737
	COSTS AND EXPENSES:		
8	Cost of goods and services	175,267	174,524
9	Selling, general, and administrative	65,177	60,070
10	Provision for doubtful accounts	925	297
11	Total costs and expenses	241,369	234,891
12	**Gross Operating Profit**	51,857	44,846
13	Depreciation and amortization	13,415	13,186
	Charges from affiliates other than interest NOTE 13		
14	Management fees	9,651	9,082
15	Other	860	325
16	**Income From Operations**	27,931	22,253
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(18,071)	(11,604)
18	Interest (expense) - external	(121)	(11)
	Investment alternative tax and related expense,		
19	net of amortization NOTE 6	(1,561)	(1,456)
20	Nonoperating income - net NOTE 17	2,362	2,642
21	Total other income	(17,391)	(10,429)
22	**Income Before Income Taxes And Extraordinary Items**	10,540	11,824
23	Provision for income taxes NOTE 16		
24	**Income Before Extraordinary Items**	10,540	11,824
25	Extraordinary items (net of income taxes - 1995, $0 ; 1994, $0) NOTE 10		4,008
26	**Net Income**	$ 10,540	$ 15,832

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 DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	REVENUE:		
1	Casino	$ 61,248	$ 61,919
2	Rooms	3,713	3,611
3	Food and beverage	6,431	6,896
4	Other	2,439	2,899
5	Total revenue	73,831	75,325
6	Less: promotional allowances	6,301	6,641
7	Net revenue	67,530	68,684
	COSTS AND EXPENSES:		
8	Cost of goods and services	42,645	44,465
9	Selling, general, and administrative	15,626	14,229
10	Provision for doubtful accounts	38	116
11	Total costs and expenses	58,309	58,810
12	**Gross Operating Profit**	9,221	9,874
13	Depreciation and amortization	3,131	3,149
	Charges from affiliates other than interest NOTE 13		
14	Management fees	2,215	2,236
15	Other	347	81
16	**Income From Operations**	3,528	4,408
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(4,526)	(3,778)
18	Interest (expense) - external	(43)	(4)
	Investment alternative tax and related expense,		
19	net of amortization NOTE 6	(386)	(358)
20	Nonoperating income - net NOTE 17	633	428
21	Total other income	(4,322)	(3,712)
22	**Income Before Income Taxes And Extraordinary Items**	(794)	696
23	Provision for income taxes NOTE 16		
24	**Income Before Extraordinary Items**	(794)	696
25	Extraordinary items (net of income taxes - 1995, $0 ; 1994, $0) NOTE 10		4,008
26	**Net Income**	$ (794)	$ 4,704

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 subsidary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND 1995

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-in Capital (Excess liabilities over assets at Aug 1990 Reorg.) (g)	(h)	Retained Earnings (Accumulated) Deficit (i)	Total Stockholders' Equity (j)
1	**Balance, December 31, 1993**	100	$		$	$ (198,829)	$	$ 50,834	$ (147,995)
2	Net Income (Loss)-1994							15,832	15,832
3	Contribution to Paid-in-Capital								
4	Dividends								
5	Prior Period Adjustments								
6	Distribution of promissory notes to GGE					(38,168)		(53,896)	(92,064)
7	Exchange of interco notes for common stock	999,900	1,000			324,000			325,000
8	Distribution to GGRI of note receivable					(53,375)			(53,375)
9	Distribution of cash to GGRI					(12,262)			(12,262)
10	**Balance, December 31, 1994**	1,000,000	1,000			21,366		12,770	35,136
11	Net Income (Loss)-1995							10,540	10,540
12	Contribution to Paid-in-Capital								
13	Dividends								
14	Prior Period Adjustments								
15	_____								
16	_____								
17	_____								
18	_____								
19	**Balance, December 31, 1995**	1,000,000	$ 1,000		$	$ 21,366	$ 0	$ 23,310	$ 45,676

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 subsidary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994
AND THE TWELVE MONTHS ENDED DECEMBER 31, 1995

(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	_____ _____ _____ (e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 1993.....**	$	$	$	$
2	Net Income (Loss)-1994.....				
3	Capital Contribution.....				
4	Capital Withdrawals.....				
5	Prior Period Adjustments.....				
6	_____.....				
7	_____.....				
8	_____.....				
9	_____.....				
10	**Balance, December 31, 1994.....**				
11	Net Income (Loss)-1995.....				
12	Capital Contribution.....				
13	Capital Withdrawals.....				
14	Prior Period Adjustments.....				
15	_____.....				
16	_____.....				
17	_____.....				
18	_____.....				
19	**Balance, December, 31, 1995.....**	$	$	$	$

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 TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	**Net Cash Provided by Operating Activities**	$ 29,774	$ 26,864
	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	(13,019)	(7,744)
5	Proceeds from disposition of property and equipment		116
6	Purchase of casino reinvestment obligations	(3,152)	(3,044)
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**	(16,171)	(10,672)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt	(320)	(74)
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		(6,740)
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	(3,197)	4,788
23	**Net Cash Used By Financing Activities**	(1,702)	(15,263)
24	**Net Decrease in Cash And Cash Equivalents**	11,901	929
25	**Cash And Cash Equivalents At Beginning Of Period**	26,876	25,947
26	**Cash And Cash Equivalents At End Of Period**	$ 38,777	$ 26,876

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	$ 16,609	$ 6,745
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: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)
STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Net Cash Provided by Operating Activities		
29	Net income	$ 10,540	$ 15,832
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization for property and equipment	13,415	13,186
31	Amortization of other assets		
32	Amortization of debt discount or premium	1,452	757
33	Deferred income taxes - current		
34	Deferred income taxes - noncurrent	(450)	
35	Loss on disposition of property and equipment	18	8
36	Loss on casino reinvestment obligations, net of amortization	1,561	1,456
37	(Gain) loss from other investment activities		(4,008)
38	Net (increase) decrease in receivables and patrons' checks	(954)	(3,368)
39	Net (increase) decrease in inventories	(654)	(39)
40	Net decrease in other current assets	2,488	(2,924)
41	Net (increase) decrease in other assets	530	1,164
42	Net increase (decrease) in accounts payable	544	(791)
43	Net increase (decrease) in other current liabilities excluding debt	1,357	4,690
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(73)	(74)
45	Recapitalization costs		975
46	Write-off of Goodwill		
47	**Net Cash Provided By Operating Activities**	$ 29,774	$ 26,864
	SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ (13,019)	$ (7,744)
49	Less: Capital lease obligations incurred		
50	**Cash Outflow For Property And Equipment**	$ (13,019)	$ (7,744)
	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 Outflow To Acquire Business Entities**	$	$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$	$ 325,000
58	Less: Issuance to settle long-term debt		(325,000)
59	Consideration in acquisition of business entities		
60	**Cash Proceeds From Issuing Stock Or Capital Contributions**	$	$ 0

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
DECEMBER 31, 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	$ 2,859		
2	Returned patrons' checks	4,473		
3	Total Patrons' Checks	7,332	$ 3,519	$ 3,813
4	**Hotel Receivables**	1,163	51	1,112
	Other Receivables:			
5	Receivables due from officers and employees			
6	Receivables due from affiliates			
7	Other accounts and notes receivables	2,008		
8	Total Other Receivables	2,008		2,008
9	**Total (Form 205)**	$ 10,503	$ 3,570	$ 6,933

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)	104,666
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)	(84,653)
13	Checks collected through deposits	(16,136)
14	Checks transferred to returned checks	(4,203)
15	Other adjustments	
16	**Ending Balance**	$ 2,859
17	"Hold" Checks Included In Balance On Line 16	$
18	Provision For Uncollectible Patrons' Checks	$ 902
19	Provision As A Percent Of Counter Checks Issued	0.9%

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

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	129,808	$ 9,087		$
2	Food	1,082,444	11,820		
3	Beverage	747,627	3,199		
4	Travel			42,015	5,932
5	Coin			1,676,275	31,280
6	Coupon				
7	Entertainment	332,375	3,656		
8	Retail & Gifts	2,366	118		
9	Parking				
10	Other	146,107	614	79,562	1,989
11					
12	Total	2,440,727	$ 28,494	1,797,852	$ 39,201

FOR THE THREE MONTHS ENDED DECEMBER 31, 1995

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	27,342	$ 1,914		$
2	Food	169,092	2,686		
3	Beverage	133,853	744		
4	Travel			9,880	1,730
5	Coin			359,674	7,536
6	Coupon				
7	Entertainment	88,020	724		
8	Retail & Gifts	512	25		
9	Parking				
10	Other	64,733	208	19,363	485
11					
12	Total	483,552	$ 6,301	388,917	$ 9,751

MERV GRIFFIN'S RESORTS CASINO HOTEL
(an indirect wholly owned subsidiary of GRIFFIN GAMING & ENTERTAINMENT, INC.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1995 AND 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Resorts International Hotel, Inc. ("RIH") owns and operates Merv Griffin's Resorts Casino Hotel (the "Resorts Casino Hotel"), a casino/hotel complex located in Atlantic City, New Jersey. RIH is a wholly owned subsidiary of GGRI, Inc. ("GGRI"), which is a 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.

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.

Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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.

Marketable Securities

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 reported below using the straight-line method for financial reporting purposes.

Land improvements	10 - 25 years
Hotels and other buildings	22 - 28 years
Furniture, machinery and equipment	4 - 5 years

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 prescribed by Statement of Financial Accounting Standards No. 109 ("SFAS 109"), "Accounting for Income Taxes." Under this method, the deferred tax liability is determined based on the difference between the financial reporting and tax bases of assets and liabilities and enacted tax rates which will be in effect for the years in which the differences are expected to reverse. Deferred tax liabilities are recognized for differences that will result in taxable amounts in future years. Deferred tax assets are recognized for differences that will result in deductible amounts in future years and for carryforwards. A valuation allowance is recognized based on estimates of the likelihood that some portion or all of the deferred tax asset will not be realized. 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.

Certain indentures described in Note 10 provide for a tax sharing agreement between RIH and 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.

Impact of Newly Issued Accounting Standards

In March 1995, the Financial Accounting Standards Board issued Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" ("SFAS 121"), which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. SFAS 121 also addresses the accounting for long-lived assets that are expected to be disposed of. RIH will adopt SFAS 121 in 1996 and, based on current circumstances, believes the effect, if any, of adoption will be insignificant.

NOTE 2 - 1994 RESTRUCTURING

In April 1994 the joint plan of reorganization (the "Plan") proposed by GGE, GGRI, RIH and certain other of GGE's subsidiaries was confirmed by the Bankruptcy Court for the District of Delaware and on May 3, 1994 (the "Effective Date") the Plan became effective.

Pursuant to the Plan, certain of GGE's previously outstanding public debt was 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. The Mortgage Notes and the Junior Mortgage Notes were issued by Resorts International Hotel Financing, Inc. ("RIHF"), a subsidiary of GGE, and are guaranteed by RIH. 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 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. The RIH Promissory Note, the RIH Junior Promissory Note, RIH's guarantees of the Mortgage Notes and the Junior Mortgage Notes and related collateral are described further in Note 10.

Also pursuant to the Plan, RIHF, RIH and GGE entered into the senior note purchase agreement (the "Senior Facility") described in Note 12.

The Plan 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.

- RIH exchanged a $325,000,000 non-interest bearing note payable to GGRI (the "RIH-GGRI Note") 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 $50,000,000 note receivable from a former Bahamian affiliate (the "RIB Note") and accrued interest thereon. The RIB Note bore interest at 13 1/2% per annum, with interest payments due each May 1 and November 1.

- RIH distributed all of its cash and cash 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 cash to holders of its previously outstanding debt.

NOTE 3 - MARKETABLE SECURITIES

RIH's marketable securities at December 31, 1995 included U.S. Treasury Bills and reverse repurchase agreements (federal government securities purchased under agreements to resell those securities) under which RIH had not taken delivery of the underlying securities.

RIH's marketable securities at December 31, 1995 also included a $750,000 certificate of deposit which is pledged as collateral for a letter of credit.

NOTE 4 - RECEIVABLES AND PATRONS' CHECKS

Components of receivables and patrons' checks at December 31 were as follows:

(In Thousands of Dollars)	1995	1994
Gaming	$ 7,332	$ 8,035
Less allowance for doubtful accounts	(3,519)	(3,819)
	3,813	4,216
Non-gaming:		
Hotel and related	1,163	799
Other	2,008	1,299
	3,171	2,098
Less allowance for doubtful accounts	(51)	(82)
	3,120	2,016
	$ 6,933	$ 6,232

NOTE 5 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Components of prepaid expenses and other current assets at December 31 were as follows:

(In Thousands of Dollars)	1995	1994
Griffin license and services fees (see Note 13)	$3,698	$5,933
Insurance	860	1,409
Slot license fees	583	489
Other	937	735
	$6,078	$8,566

NOTE 6 - INVESTMENTS, ADVANCES AND RECEIVABLES

Components of investments, advances and receivables at December 31 were as follows:

(In Thousands of Dollars)	1995	1994
CRDA bonds	$ 5,567	$ 5,286
CRDA deposits	18,965	16,349
Estimated discount on CRDA bonds and deposits	(12,444)	(11,003)
	$ 12,088	$ 10,632

The Casino Control Act, as originally adopted, required a licensee to make investments equal to 2% of the licensee's gross revenue (as defined in 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 gross revenue. Since 1985, a licensee has been required to make quarterly deposits with the CRDA against its current year investment obligation.

From time to time RIH has donated certain funds it has had on deposit with the CRDA in return for either relief from its obligation to purchase CRDA bonds or credits against future CRDA deposits.

The CRDA bonds have interest rates ranging from 3.9% to 7% and have repayment terms of between 20 and 50 years. 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 in 1995 and 1994 for discounts on obligations arising in those years were $1,567,000 and $1,461,000, respectively.

NOTE 7 - PROPERTY AND EQUIPMENT

Components of property and equipment at December 31 were as follows:

(In Thousands of Dollars)	1995	1994
Land and land rights	$ 53,060	$ 53,060
Land improvements	158	158
Hotels and other buildings	115,960	108,051
Furniture, machinery and equipment	50,036	45,097
Construction in progress	200	41
	$219,414	$206,407

NOTE 8 - OTHER ACCRUED LIABILITIES

Components of other accrued liabilities at December 31 were as follows:

(In Thousands of Dollars)	1995	1994
Accrued payroll and related taxes and benefits	$ 9,763	$ 9,417
Accrued gaming taxes, fees and related assessments	6,307	6,078
Other	5,191	4,585
	$21,261	$20,080

NOTE 9 - OTHER CURRENT LIABILITIES

Components of other current liabilities at December 31 were as follows:

(In Thousands of Dollars)	1995	1994
Interest payable to affiliate	$4,244	$ 4,113
Due to GGE	1,214	4,411
CRDA bond obligation	768	773
Other	2,245	2,200
	$8,471	$11,497

NOTE 10 - NOTES PAYABLE TO AFFILIATE

As described in Note 2, RIHF issued the Mortgage Notes and the Junior Mortgage Notes and RIH issued the RIH Promissory Note and the RIH Junior Promissory Note (the "RIH Notes") in connection with the Plan. RIH issued the RIH Notes to GGE. GGE then transferred the RIH Notes to RIHF in exchange for the Mortgage Notes and the Junior Mortgage Notes, which were distributed pursuant to the Plan, and RIH amended and restated the RIH Notes making them payable to RIHF.

The Mortgage Notes are secured by the $125,000,000 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, and related personal property. The liens securing the Mortgage Notes will be subordinated to the lien securing the Senior Facility Notes (described in Note 12) or notes issued under a similar working capital facility, if such notes are issued.

The Junior Mortgage Notes are secured by the $35,000,000 RIH Junior Promissory Note, the terms of which mirror the terms of the Junior Mortgage Notes. 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 or notes issued under a similar working capital facility, if such 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. As of December 31, 1995 dividends of approximately $10,000,000 were permitted under these Indentures.

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 a 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 13, the parent services agreement with GGE which provides for the payment of the three percent services fee described in Note 13, 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.

In November 1994 RIH purchased $12,899,000 principal amount of Junior Mortgage Notes through the purchase of 12,899 Units (each $1,000 principal amount of Junior Mortgage Notes is traded as a "Unit" along with one share of GGE's Class B redeemable common stock) at a price of $6,740,000. The resulting gain of $4,008,000 was reported as an extraordinary item.

The carrying value and fair value by component of notes payable to affiliate at December 31 were as follows:

	1995		1994	
(In Thousands of Dollars)	Carrying Value	Fair Value	Carrying Value	Fair Value
RIH Promissory Note	$125,000	$115,313	$125,000	$83,750
Less unamortized discount	(16,872)		(18,123)	
	108,128		106,877	
RIH Junior Promissory Note	35,000		35,000	
Less principal amount of Junior Mortgage Notes held by RIH	(12,899)		(12,899)	
	22,101	20,333	22,101	13,040
Less unamortized discount	(3,468)		(3,669)	
	18,633		18,432	
	$126,761	$135,646	$125,309	$96,790

The fair values presented above are based on December 31 closing market prices for RIHF's publicly traded debt because RIHF's debt is (i) dependent on the RIH Notes for debt service and (ii) collateralized and guaranteed by RIH.

No principal payments are due on the RIH Notes during the next five years.

The accrual of interest and amortization of discounts on the RIH Notes commenced on May 3, 1994. Interest on the RIH Promissory Note is payable semi-annually on March 15 and September 15 in each year. Interest on the RIH Junior Promissory Note is payable semi-annually on June 15 and December 15 in each year. 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 effective interest rates on the RIH Promissory Note and the RIH Junior Promissory Note are 14.1% and 14.8%, respectively.

NOTE 11 - OTHER LONG-TERM DEBT

In May 1995, RIH obtained a bank loan in the amount of $1,815,000 in order to finance the purchase of new slot machines and related equipment. The loan bears interest at 9.2% per year. Principal payments on the loan are due as follows: 1996 - $589,000, 1997 - $636,000 and 1998 - $283,000.

NOTE 12 - SENIOR FACILITY

Pursuant to the Plan, RIHF, GGE and RIH entered into the Senior Facility with certain funds and accounts advised or managed by Fidelity Management & Research Company. The Senior Facility, as amended, 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 in Note 10. Market interest rates and other economic conditions, among other factors, will determine if it is appropriate to draw on the Senior Facility.

NOTE 13 - RELATED PARTY TRANSACTIONS

RIH recorded the following income and expenses from GGE and its other subsidiaries:

(In Thousands of Dollars)	1995	1994
Interest income from a former Bahamian affiliate		$ 2,250
Expenses:		
Interest and amortization of discounts on notes payable to RIHF	$18,071	$11,604
Parent services fee to GGE	9,651	9,082
Property rentals to GGE	810	325
Billboard rental to New Pier Operating Company, Inc.	50	
	$28,582	$21,011

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 included in nonoperating income, net (see Note 15) represent RIH's allocated portion of GGE's consolidated recapitalization costs. See also Note 16 for a discussion of alternative minimum taxes allocated to RIH by GGE.

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. 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 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 called 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 1994 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 388,000 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 $5.3125 per share. (The number of shares and closing price stated herein were adjusted to reflect a one-for-five reverse stock split of GGE's common stock which occurred on June 30, 1995.) The shares are not registered under the Securities Act of 1933 and are restricted securities.

Other

RIH reimbursed Griffin Group $183,000 and $207,000 for charter air services related to RIH business rendered in 1995 and 1994, respectively.

In 1995 and 1994 RIH incurred charges from unaffiliated parties of $450,000 and $394,000, respectively, in producing the nationwide television broadcast of "Merv Griffin's New Year's Eve Special" from Resorts Casino Hotel.

Also from time to time RIH has reimbursed Griffin Group, at cost, for certain costs incurred by Griffin Group on behalf of RIH. RIH has also paid standard room rates for hotel rooms occupied by RIH personnel or patrons of RIH at certain hotels owned or controlled by Griffin Group.

NOTE 14 - RETIREMENT 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 $641,000 and $637,000 for the years 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 $881,000 and $842,000 for the years 1995 and 1994, respectively.

NOTE 15 - NONOPERATING INCOME, NET

Components of nonoperating income, net for the years presented were as follows:

(In Thousands of Dollars)	1995	1994
Interest income from affiliates		$2,250
Interest income	$2,380	1,359
Recapitalization costs		(975)
Loss on disposition of property and equipment	(18)	(8)
	$2,362	$2,642

NOTE 16 - INCOME TAXES

In 1995 RIH was allocated $450,000 of GGE's consolidated federal alternative minimum tax ("AMT") in accordance with the tax sharing agreement provided for in the Indentures. These charges reduced RIH's deferred tax liability as the resulting AMT credits carry forward indefinitely.

RIH had current federal provisions of $1,100,000 in each of 1995 and 1994. These were offset by deferred federal tax benefits of the same amount resulting from the recognition of the carryback of future deductible amounts.

No state tax provision was recorded in 1995 or 1994 due to the utilization of state net operating loss ("NOL") carryforwards.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of RIH's deferred tax liabilities and assets as of December 31 were as follows:

(In Thousands of Dollars)	1995	1994
Deferred tax liabilities - basis differences on property and equipment	$(21,400)	$(21,000)
Deferred tax assets:		
NOL carryforwards	65,400	65,800
Book reserves not yet deductible for tax	11,100	10,000
Tax credit carryforwards	800	2,100
Other	2,100	2,400
Total deferred tax assets	79,400	80,300
Valuation allowance for deferred tax assets	(76,950)	(78,700)
Deferred tax assets, net of valuation allowance	2,450	1,600
Net deferred tax liabilities	$(18,950)	$(19,400)

The effective income tax rate on earnings before income taxes and extraordinary items varies from the statutory federal income tax rate as a result of the following factors:

	1995	1994
Statutory federal income tax rate	35.0%	35.0%
Deferred income tax benefit of temporary differences	(10.4%)	(15.0%)
NOL carryforwards utilized	(28.5%)	(23.1%)
Other	3.9%	3.1%
Effective tax rate	0.0%	0.0%

For federal tax purposes RIH had NOL carryforwards of approximately $187,000,000 at December 31, 1995 which expire as follows: $40,000,000 in 2003, $50,000,000 in 2004, $96,000,000 in 2005 and $1,000,000 in 2009. The NOL carryforward expiring in 2009 represents charitable contributions in excess of amounts currently deductible, which GGE elected to convert to NOLs. The NOL carryforwards scheduled to expire in 2003 through 2005 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. For federal tax purposes, this limitation is considered to be owned by a common parent and would not be available to RIH unless the parent made an affirmative election to allocate some of the limitation to RIH. Such election would not be made until such time as RIH ceases to be a member of the group.

For financial reporting purposes, the tax provision has been computed as if RIH were entitled to a full allocation of the group's limitation. This has the effect of reducing RIH's current tax provision; any remaining current tax provision of RIH is fully offset by a deferred tax benefit based on the reversal of temporary differences.

For tax purposes, because RIH files a consolidated tax return with GGE and GGE's other subsidiaries, it is able to utilize the current period losses and NOL carryforwards of the entire group; thus, its usage of its own NOLs is substantially less than the taxable income it generates.

At December 31, 1995, RIH had approximately $125,000,000 of NOL carryforwards in New Jersey which expire as follows: $13,000,000 in 1996, $111,000,000 in 1997 and $1,000,000 in 2001.

Also at December 31, 1995, RIH had federal income tax credit carryforwards of approximately $400,000, which expire $100,000 per year between 2006 and 2009, and federal AMT tax credits of approximately $400,000 which carry forward indefinitely.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

CRDA

Certain issues have been raised by the CRDA and the State of New Jersey Department of the Treasury (the "Treasury") concerning the satisfaction of RIH's investment obligations for the years 1979 through 1983 (see Note 6). These matters were dormant for some time until late 1995, when RIH was contacted by the CRDA. In a recent meeting with CRDA representatives RIH was informed that it would be hearing from the Treasury in the near future regarding a resolution of these matters. If these issues are determined adversely, RIH could be required to pay the relevant amount in cash to the CRDA. However, management believes a negotiated settlement with an insignificant monetary cost to RIH is probable.

Litigation

RIH is a defendant in certain litigation. In the opinion of management, based upon 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.

STATEMENT OF CONFORMITY AND ACCURACY

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

On Behalf Of:

MERV GRIFFIN'S RESORTS CASINO HOTEL

Subscribed and sworn to
before me this 27th day
of March, 1996.

Signature

COLLEEN GOLDBERG
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 13, 1997

Basis of Authority to Take Oaths

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1995
($ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, 1995 (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO				
1	Administration	3			
2	Gaming	1,031			
3	Slots	381			
4	Casino Accounting	43			
5	Simulcasting	4			
6	Other	18			
7	Total – Casino	1,480	$ 29,888	$ 352	$ 30,240
8	ROOMS	276	4,405	161	4,566
9	FOOD AND BEVERAGE	978	13,668	175	13,843
	OTHER OPERATED DEPARTMENTS				
10	Public Areas	159	3,636		3,636
11	Employee Cafeterias	47	1,055		1,055
12	Transportation	59	979		979
13	Uniform Room	12	264		264
14	Telephone	16	343		343
15	Health Club	21	396		396
16	Other	15	238		238
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	6	209	647	856
21	Accounting and auditing	89	2,150	165	2,315
22	Security	218	5,344		5,344
23	Other administrative and general department	129	4,699	194	4,893
24	MARKETING	161	5,105	644	5,749
25	GUEST ENTERTAINMENT	112	2,314		2,314
26	PROPERTY OPERATION AND MAINTENANCE	133	5,169		5,169
27	TOTALS – ALL DEPARTMENTS	3,911	$ 79,862	$ 2,338	$ 82,200

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

ANNUAL EMPLOYMENT AND PAYROLL REPORT SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1995

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, no material discrepancies were noted for the period covered by this report, or if material discrepancies were noted, a detailed explanation is included on the attached page.

Signature

3/7/96
Date

VICE PRESIDENT FINANCE
Title

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

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1995

Amended 3-27-96

($ in Thousands)

LINE			
	CASINO WIN or (LOSS):		
1	Table and Other Games Win		$ 77,754
2	Slot Machines Win		190,826
3	Total Win		268,580
	Less – Adjustment for Uncollectible Patons' Checks:		
4	Provision for Uncollectible Patrons' Checks	$ 902	
5	Maximum Adjustment (4% of line 3)	$ 10,743	
6	Adjustment (the lesser of line 4 or line 5)		902
7	Gross Revenue (line 3 less line 6)		$ 267,678
8	Tax on Gross Revenue – Reporting Year (8% of line 7)		$ 21,414
9	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years		0
10	Total Taxes on Gross Revenue (the sum of lines 8 and 9)		21,414
	DEPOSITS MADE FOR TAX ON REPORTING YEAR'S GROSS REVENUES:		
11	January	$ 1,435	
12	February	1,410	
13	March	1,644	
14	April	1,545	
15	May	2,093	
16	June	1,753	
17	July	2,381	
18	August	1,916	
19	September	1,740	
20	October	2,048	
21	November	1,650	
22	December	1,216	
23	January	583	
24	Total Deposits Made for Tax on Reporting Year's Gross Revenue		(21,414)
	Settlement of Priors Years' Tax on Gross Revenue		
25	Resulting from Audit or Other Adjustments – (Deposits) Credits		0
26	Gross Revenue Taxes Payable (the net of lines 10, 24 and 25)		$ 0

STATEMENT OF CONFORMITY AND ACCURACY

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

Amended
3-27-96

Anthony Rodio, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Gross Revenue Annual Tax Return.
2. To the best of my knowledge, all the information contained in this Return has been prepared in comformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this Return is accurate.

Signature

VICE PRESIDENT FINANCE
Title

02507-11
License Number

On Behalf Of:

MERV GRIFFIN'S RESORTS CASINO HOTEL
Casino Licensee

Subscribed and sworn to before me this 27th day of March, 1996

Signature

MARGARET M. KANEFSKY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March 29, 2000

Basis of Authority to Take Oaths

ANNUAL REPORT

LICENSEE ATLANTIC CITY SHOWBOAT, INC

FOR THE YEAR ENDED DECEMBER 31, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

TRADING NAME OF LICENSEE: ATLANTIC CITY SHOWBOAT, INC.

LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 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	N/A
Statement of Conformity,Accuracy and Compliance	CCC-249
Schedule of Promotional Expenses and Allowances	CCC-245
Notes to Financial Statements	-
Statements of Cash Flows	CCC-235
Annual Employment and Payroll Report	CCC-376

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

BALANCE SHEET

DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		(c) 19 95	(d) 19 94
	ASSETS			
	Current Assets:		$	$
1	Cash & Cash Equivalents		41,836	26,251
2	Short-Term Investments		-	-
3	Receivables and patrons' checks (net of allowances for doubtful accounts - 19_95_, $ 2,619 ; 19_94_ $ 2,335).	NOTE 5	5,894	6,055
4	Inventories		2,267	2,007
5	Prepaid expenses and other current assets		8,967	7,216
6	Total current assets		58,964	41,529
7	Investments, Advances, And Receivables	NOTE 13	6,335	8,308
8	Property And Equipment - Gross		433,334	419,142
9	(Accumulated Depreciation/Amortization)		(145,928)	(125,877)
10	Other Assets		6,785	8,798
11	Total Assets		$ 359,490	351,900
	LIABILITIES AND EQUITY			
	Current Liabilities:			
12	Accounts payable		8,962	7,037
13	Notes payable		-	-
	Current portion of long-term debt:			
14	Due to affiliates		-	-
15	Other		-	-
16	Income taxes payable and accrued		4,973	11,045
17	Other accrued expenses	NOTE 4	18,271	15,628
18	Other current liabilities	NOTE 5	5,098	5,093
19	Total current liabilities		37,304	38,803
	Long-Term Debt:			
20	Due to affiliates	NOTE 6	215,000	215,000
21	Other		1,928	1,928
22	Deferred Credits		15,697	15,257
23	Other Liabilities		-	-
24	Commitments And Contingencies	NOTE 14		
25	Total Liabilities		269,929	270,988
26	Stockholders', Partners', Or Proprietor's Equity		89,561	80,912
27	Total Liabilities And Equity		$ 359,490	351,900

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 ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 95	(d) 19 94
	Revenue:		
1	Casino	$ 343,067	$ 296,907
2	Rooms	20,547	14,374
3	Food and beverage	42,129	36,184
4	Other	4,774	5,429
5	Total revenue	410,517	352,894
6	Less: Promotional allowances	35,731	28,157
7	Net revenues	374,786	324,737
	Costs And Expenses:		
8	Costs of goods and services	204,250	187,168
9	Selling, general, and administrative	68,298	61,581
10	Provision for doubtful accounts	1,294	566
11	Total costs and expenses	273,842	249,315
12	Gross Operating Profit	100,944	75,422
13	Depreciation and amortization	27,297	23,930
	Charges from affiliates other than interest:		
14	Management fees	20,124	17,317
15	Other	-	-
16	Income (Loss) From Operations	53,523	34,175
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(19,887)	(19,887)
18	Interest (expense) - external	(593)	2,064
19	Investment alternative tax and related income (expense) - net	(1,262)	(1,025)
20	Nonoperating income (expense) - net	1,860	1,325
21	Total other income (expenses)	(19,882)	(17,523)
22	Income (Loss) Before Income Taxes And Extraordinary Items	33,641	16,652
23	Provision (credit) for income taxes NOTE 9	14,092	7,152
24	Income (Loss) Before Extraordinary Items	19,549	9,500
25	Extraordinary items (net of income taxes - 19 95, $____ ; 19 94, $ ____)	-	-
26	Net Income (Loss)	$ 19,549	$ 9,500

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 ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 95	(d) 19 94
	Revenue:		
1	Casino	$ 79,204	$ 73,904
2	Rooms	5,087	3,869
3	Food and beverage	9,748	9,008
4	Other	1,117	1,095
5	Total revenue	95,156	87,876
6	Less: Promotional allowances	8,479	7,248
7	Net revenues	86,677	80,628
	Costs And Expenses:		
8	Costs of goods and services	49,224	46,780
9	Selling, general, and administrative	16,138	15,172
10	Provision for doubtful accounts	309	261
11	Total costs and expenses	65,671	62,213
12	Gross Operating Profit	21,006	18,415
13	Depreciation and amortization	6,600	6,572
	Charges from affiliates other than interest:		
14	Management fees	4,666	4,315
15	Other	-	-
16	Income (Loss) From Operations	9,740	7,528
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(4,971)	(4,971)
18	Interest (expense) - external	(148)	415
19	Investment alternative tax and related income (expense) - net	(327)	(104)
20	Nonoperating income (expense) - net	612	343
21	Total other income (expenses)	(4,834)	(4,317)
22	Income (Loss) Before Income Taxes And Extraordinary Items	4,906	3,211
23	Provision (credit) for income taxes	2,200	1,608
24	Income (Loss) Before Extraordinary Items	2,706	1,603
25	Extraordinary items (net of income taxes - 19 95, $ _____ ; 19 94, $ _____)	-	-
26	Net Income (Loss)	$ 2,706	$ 1,603

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 ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994 AND THE TWELVE MONTHS ENDED DECEMBER 31, 1995
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)	_____ (h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	Balance, December 31, 1993	1,500	$ 76,909	0	$ 0	$ 0	$	$ (5,851)	$ 71,058
2	Net Income(Loss) - 1994							9,500	9,500
3	Contribution to Paid-In-Capital					583			583
4	Dividends							(229)	(229)
5	Prior Period Adjustments								
6	_____								
7	_____								
8	_____								
9	_____								
10	Balance, December 31, 1994	1,500	76,909	0	0	583	0	3,420	80,912
11	Net Income(Loss) - 1995							19,549	19,549
12	Contribution to Paid-In-Capital								
13	Dividends NOTE 15							(10,900)	(10,900)
14	Prior Period Adjustments								
15	_____								
16	_____								
17	_____								
18	_____								
19	Balance, December 31, 1995	1,500	$ 76,909	0	$ 0	$ 583	$ 0	$ 12,069	$ 89,561

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 ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 95	(d) 19 94
1	Net Cash Provided(Used) By Operating Activities	$ 46,030	$ 45,272
	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	(19,968)	(67,063)
5	Proceeds from disposition of property and equipment	578	314
6	Purchase of casino reinvestment obligations	(4,051)	(3,554)
7	Purchase of other investments and loans/advances made	(7,004)	(5,091)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	-	347
9	Cash outflows to acquire business entities		
10	Proceeds from CRDA funding credit	-	2,955
11			
12	Net Cash Provided (Used) By Investing Activities	(30,445)	(72,092)
	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	Cost of issuing debt		
17	Payments to settle long-term debt	-	(2,283)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals		
21	Premium on early retirement of debt		
22			
23	Net Cash Provided (Used) By Financing Activities	-	(2,283)
24	Net Increase (Decrease) In Cash And Cash Equivalents	15,585	(29,103)
25	Cash And Cash Equivalents At Beginning Of Years	26,251	55,354
26	Cash And Cash Equivalents At End Of Years	$ 41,836	$ 26,251

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 20,140	$ 7,464
28	Income taxes	$ 28,505	$ 4,426

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 ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 95	(d) 19 94
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ 19,549	$ 9,500
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	27,297	23,930
31	Amortization of other assets	341	340
32	Amortization of debt discount or premium		
33	Deferred income taxes - current	(1,832)	2,959
34	Deferred income taxes - noncurrent	440	(2,663)
35	(Gain) loss on disposition of property and equipment	(65)	(241)
36	(Gain) loss on casino reinvestment obligations	1,250	1,025
37	(Gain) loss from other investment activities	-	-
38	Net (increase) decrease in receivables and patrons' checks	161	(902)
39	Net (increase) decrease in inventories	(260)	(191)
40	Net (increase) decrease in other current assets	81	(122)
41	Net (increase) decrease in other assets	1,672	476
42	Net increase (decrease) in accounts payables	656	158
43	Net increase (decrease) in other current liabilities excluding debt	(3,424)	11,232
44	Net increase (decrease) in other noncurrent liabilities excluding debt		
45	Donation of CRDA deposits	164	-
46	Non-Cash Dividend OSI	-	(229)
47	Net Cash Provided (Used) By Operating Activities	46,030	45,272
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 19,968	$ 67,063
49	Less: Capital lease obligations incurred		
50	Cash Outflows For Property And Equipment	$ 19,968	$ 67,063
	Acquisition Of Business Entries:		
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 Entries	$	$
	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	$	$

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TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1995
($ IN THOUSANDS)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, (c)	SALARIES AND WAGES		
			OTHER EMPLOYEES (d)	OFFICERS & OWNERS (e)	TOTALS (f)
	CASINO				
1	Administration	34			
2	Gaming	803			
3	Slots	189			
4	Casino accounting	379			
5	Simulcasting	10			
6	Other	172			
7	Total-casino	1,587	$ 34,238	$ 919	$ 35,157
8	ROOMS	318	5,502	278	5,780
9	FOOD AND BEVERAGE	1,030	18,148		18,148
	OTHER OPERATED DEPARTMENTS				
10	BOWLING	16	282		282
11	PBX	25	473		473
12					
13					
14					
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	8	6,757	702	7,459
21	Accounting and auditing	148	3,460	285	3,745
22	Security	241	6,092		6,092
23	Other administrative and general department	87	2,953	555	3,508
24	MARKETING	21	491	271	762
25	GUEST ENTERTAINMENT	95	1,016		1,016
26	PROPERTY OPERATION AND MAINTENANCE	304	8,824		8,824
27	TOTALS - ALL DEPARTMENTS	3,880	$ 88,236	$ 3,010	$ 91,246

TRADING NAME OF LICENSEE: ATLANTIC CITY SHOWBOAT, INC.

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1995

Under Penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, no material discrepancies were noted for the period covered by this report, or if material discrepancies were noted, a detailed explanation is included on the attached page.

Robert A. Malone
Signature

4/1/96
Date

Financial Controller
Title

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For The Twelve Months Ended December 31, 1995

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	148,496	$ 12,361		$
2	Food	1,767,354	16,295		
3	Beverage	6,381,154	5,618		
4	Travel			19,657	3,440
5	Coin			1,939,297	30,185
6	Coupon				
7	Entertainment	89,734	1,346		
8	Retail & Gifts				
9	Parking				
10	Other	12,572	111	82,103	1,629
11	Total	8,399,310	$ 35,731	2,041,057	$ 35,254

****

For The Three Months Ended December 31, 1995

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	34,148	$ 3,238		$
2	Food	387,744	3,575		
3	Beverage	1,565,292	1,388		
4	Travel			4,206	736
5	Coin			432,724	7,354
6	Coupon				
7	Entertainment	17,000	255		
8	Retail & Gifts				
9	Parking				
10	Other	2,629	23	23,600	472
11	Total	2,006,813	$ 8,479	460,530	$ 8,562

ATLANTIC CITY SHOWBOAT, INC.
Notes to Financial Statements
December 31, 1995 and 1994

(1) **Summary of Significant Accounting Policies**

Nature of Operations

Atlantic City Showboat, Inc. (the Company), is a wholly-owned subsidiary of Ocean Showboat, Inc. (OSI), which is a wholly-owned subsidiary of Showboat, Inc. (SBO). OSI was incorporated in 1983 and is a holding company with its principal assets being investments in the Company. The Company conducts casino gaming operations and operates full supportive services of hotel, restaurant, bar, bowling, and convention facilities at the Showboat Hotel and Casino in Atlantic City, New Jersey (Atlantic City Showboat).

Casino Revenue and Complimentaries

In accordance with common industry practice, casino revenues are the net of gaming wins less losses. Promotional Allowances (Complimentaries) primarily consist of rooms, food, and beverage furnished gratuitously to customers. The retail value of such services are included in their respective revenue classification and are then deducted as complimentaries. Complimentary rates are periodically reviewed and adjusted by management.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

Fair Value of Certain Financial Instruments

The carrying amount of cash and cash investments, accounts receivable and all current liabilities approximates fair value because of the short maturity of these instruments.

Property and Equipment

Property and equipment are carried at cost. Depreciation including amortization of capitalized leases, is computed using the straight-line method. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Estimated useful lives for property and equipment are 5 to 15 years for land improvements, 10 to 40 years for buildings and 2 to 10 years for furniture and equipment.

Summary of Significant Accounting Policies (continued)

Interest Costs

Interest is capitalized in connection with the construction of major facilities. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's useful life. For the year ended December 31, 1994 capitalized interest was $2,765,000.

Post employment and Postretirement Benefits

The Company does not currently provide any postemployment or postretirement benefits.

Income Taxes

In February 1992, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (FAS 109). Under the asset liability method of FAS 109, deferred tax assets and liabilities are recognized 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 tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FAS 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. SBO and its subsidiaries file a consolidated federal income tax return. For tax reporting purposes, SBO has elected to continue its fiscal year ending June 30.

Amortization of Debt Issuance Costs

Costs associated with the issuance of debt have been deferred and are being amortized over the life of the related indebtedness using a weighted average method based on retirement schedules specified in the debt indentures.

(2) **Related Party Transactions**

The Company and SBO are parties to a Parent Services Agreement whereby SBO provides the Company with executive, financial, data processing, legal, marketing, tax planning and compliance, and administrative services. SBO's services are intended to support and supplement the routine functions and responsibilities of the Company's staff and are not intended to substitute for the Company's performance or OSI's oversight responsibilities. In addition to the services outlined above, SBO has also granted the Company a non-exclusive right to the use of each of SBO's trademarks, service marks, tradenames, and logos in the operations of the Company's business, including the registered trademark "Showboat." In consideration for such services and license, the Company has agreed to pay SBO a fee equal to five percent of gross revenues.

During the year ended December 31, 1995 and 1994, the Company paid to SBO management fees of $20,081,000 and $16,257,000 respectively. At December 31, 1995 and 1994, the Company owed $1,363,000 and $859,000 respectively, in accrued fees, to SBO for services rendered to the Company in accordance with the Parent Services Agreement.

(3) Receivables and Patrons' Checks

As of December 31, 1995 and 1994, receivables consisted of the following (dollars in thousands):

		1995	1994
Casino	$	7,096	6,855
Hotel		995	790
Other		422	745
		8,513	8,390
Less allowance		2,619	2,335
	$	5,894	6,055

(4) Other Accrued Expenses

As of December 31, 1995 and 1994, other accrued expenses consisted of the following (dollars in thousands):

		1995	1994
Salaries and wages	$	9,797	8,330
Taxes, other then taxes on income		3,079	2,529
Medical and liability claims		1,416	1,043
Progressive slot liability		43	47
Accrued advertising and promotion		1,446	1,439
Enforcement / annual license		383	494
Settlement claims		1,074	1,059
Other		1,033	687
	$	18,271	15,628

(5) Other Current Liabilities

As of December 31, 1995 and 1994, other current liabilities consisted of the following (dollars in thousands):

		1995	1994
Due to affiliates - interest	$	3,315	3,315
Outstanding chip and token		1,089	1,295
Other		694	483
	$	5,098	5,093

(6) **Long Term Debt, Due to Affiliates**

As of December 31, 1995 and 1994 long-term debt, due to affiliates consisted of the following (dollars in thousands):

		1995	1994
9 1/4% Promissory Note - Due 2008	$	215,000	215,000

On May 18, 1993 SBO issued $275,000,000 of 9 1/4% First Mortgage Bonds due 2008 (9 1/4% Bonds). The proceeds from the sale of the 9 1/4% Bonds were $268,469,000 net of underwriting discounts and commissions. Approximately $215,000,000 of the proceeds of the offering were loaned by SBO to the Company which loan is evidenced by an intercompany note with terms and conditions consistent with those of the 9 1/4% Bonds.

The 9 1/4% Bonds are unconditionally guaranteed by OSI, Showboat Operating Company, a wholly owned subsidiary of SBO and the Company. Interest on the 9 1/4% Bonds will be payable semi-annually on May 1 and November 1 of each year. The 9 1/4% Bonds will not be redeemable prior to May 1, 2000. Thereafter, the 9 1/4% Bonds will be redeemable at any time at the option of SBO, in whole or in part, at redemption prices specified in the Indenture for the 9 1/4 % Bonds (Indenture). The 9 1/4% Bonds will be senior secured obligations of SBO and will rank senior in right of payment to all existing and future subordinated indebtedness of OSI and pari passu with OSI's senior indebtedness. The 9 1/4% Bonds will be secured by a deed of trust representing a first lien on the Las Vegas hotel casino (other than certain assets), by a pledge of all outstanding shares of capital stock of OSI and an intercompany note by the Company in favor of SBO and a pledge of certain intellectual property rights of SBO. OSI's obligation under its guaranty will be secured by a pledge of all outstanding shares of capital stock of the Company. The Company's obligations under its guaranty will be secured by a leasehold deed of trust representing a first lien on the Company's hotel casino (other than certain assets). Showboat Operating Company's guaranty will be secured by a pledge of certain of its assets related to a Las Vegas hotel casino.

On July 1, 1994 SBO obtained consents to amend its' Indenture governing its 9 1/4% Bonds. The permitted Amendments, as supplemented and modified, (a) permit SBO or its subsidiaries to invest in Controlled Entities (as defined in the Consent Solicitation Statement), the entity investment and management fees (subject to certain approvals) of which will be pledged as additional Collateral to secure the 9 1/4% Bonds; (b) permit SBO or its subsidiaries to raise up to $150.0 million in subordinated indebtedness, which will be used to fund SBO's investment in Sydney Harbour Casino Pty Limited; (c) permit SBO to pay its regular quarterly amended, without meeting the debt incurrence requirement contained in the cost of improvements to either the Company or Las Vegas Showboat with indebtedness which is pari passu to the 9 1/4% Bonds.

(Continued)

Long Term Debt, Due to Affiliates (continued)

Maturities of the Company's long-term debt, due to affiliates, are as follows (dollars in thousands) :

Year ended December 31:		
1996	$	-
1997		-
1998		-
1999		-
2000		-
Thereafter		215,000
	$	215,000

At December 31, 1995, the Company had available an unsecured line of credit with SBO totaling $15,000,000. Interest is payable monthly at money center banks average prime rate as published in the Wall Street Journal on the first day of each month, plus 1%. The line of credit expires in March 1996. At December 31, 1995 no funds had been drawn on this line of credit.

On August 10, 1994 SBO issued $120,000,000 Senior Subordinated Notes due 2009 (Notes) of which the Company is a guarantor of these Notes.

(8) **Leases**

The Company leases a warehouse under long-term lease agreements. The leases covering furniture and equipment, which expired in 1994, and a warehouse, which expires in 2001, are classified as capital leases. The Company has the option to purchase the warehouse from January 1, 1996 through March 31, 2001 at an option price of approximately $1,928,000.

Property and equipment included the following leased property under capital leases by major classes at December 31, 1995 and 1994 (dollars in thousands) :

		1995	1994
Building - warehouse	$	2,050	2,050
less accumulated amortization		1,310	1,150
	$	740	900

The Company is leasing 10 1/2 acres of Boardwalk property in Atlantic City, New Jersey for a term of 99 years commencing October 1983. Annual rent payments, which are payable monthly, commenced upon opening of the Atlantic City Showboat. The rent is adjusted annually based upon changes in the Consumer Price Index. In April 1995, the annual rent increased $234,000 to $8,560,000. Under the lease, the Company is responsible for taxes, assessments, insurance and utilities.

(Continued)

Leases (continued)

The following is a schedule of future minimum lease payments for capital leases and operating leases (with initial or remaining terms in excess of one year) as of December 31, 1995:

		Capital Lease		Operating Leases
Year ending December 31,				
1996	$	-		8,788
1997		-		9,031
1998		-		9,275
1999		-		9,519
2000		-		9,763
Thereafter		1,928		797,132
Total minimum lease payments		1,928	$	843,508
Less amount representing interest		-		
Present value of minimum lease payments	$	1,928		

Rent expense for all operating leases (except those with terms of a month or less that were not renewed) was $10,036,000 and $8,937,000 for the years ended December 31, 1995 and 1994 respectively.

(9) INCOME TAXES

For the years ended, December 31, 1995 and 1994 Income tax expense from continuing operations consisted of the following (dollars in thousands):

		1995	1994
Federal:			
Current	$	11,691	5,044
Deferred		(888)	555
		10,803	5,599
State :			
Current		3,805	1,606
Deferred		(516)	(53)
		3,289	1,553
Total			
Current		15,496	6,650
Deferred		(1,404)	502
	$	14,092	7,152

(Continued)

Income taxes (continued)

Total income tax expense differed from the amounts computed by applying the federal income tax rate of 35% for the years ended December 31, 1995 and 1994, respectively to pretax income from continuing operations as a result of the following (dollars in thousands):

		1995	1994
Computed "expected" tax expense	$	11,774	5,828
Increase (reduction) in income taxes resulting from:			
Change in the beginning of the year balance of the valuation allowance for deferred tax assets allocated to income tax expense.		308	(111)
State income taxes, net of federal tax benefit.		2,042	1,094
Impact of settlement Internal Revenue Service examination.			269
Other, net		32	72
Income tax expense	$	14,156	7,152

The significant components of deferred income tax expense attributable to income from continuing operations for the year ended December 31, 1995 and 1994 are as follows (dollars in thousands):

		1995	1994
Deferred tax expense (exclusive of other components listed below)	$	(1,712)	614
Change in beginning of the year balance of the valuation allowance for deferred tax assets		308	(112)
Income tax expense	$	(1,404)	502

Temporary differences between the financial statement carrying amounts and tax bases of assets and liabilities that give rise to significant portions of the net deferred tax liability relate to the following (dollars in thousands):

		1995	1994
Deferred tax assets:			
Casino Reinvestment Development Authority obligation	$	(1,332)	(1,002)
Accrued bonuses		(1,799)	(269)
Accrued vacations		(1,406)	(1,360)
Allowance doubtful accounts		(1,070)	(959)
Other		(3,063)	(2,770)
Total gross deferred tax assets		(8,670)	(6,360)
Valuation allowance		725	417
Net deferred tax assets		(7,945)	(5,943)
Deferred tax liabilities:			
Depreciation and amortization		17,276	16,666
Net deferred tax liability		9,331	10,723

(10) STOCK PLANS

The Company has various incentive plans under which restricted shares or stock options may be granted to key employees and all other full and part-time employees. A total of 3,600,000 shares of SBI stock has been reserved for issuance as restricted shares or stock options under these plans. Restricted shares and options granted to key employees vest over a five year period. All other options vest over a one year period. The options are exercisable, subject to vesting, over ten years at option prices not less than 100% of fair market value SBI's common stock determined on the date of grant of the options.

Unearned compensation in connection with restricted stock issued for services is recorded on the date of grant at the fair market value of SBI's common stock and is being amortized ratably from date of the grant over a five year vesting period as earned. Compensation expense of $1,047,000 and $972,000 was recognized for the years ended December 31, 1995 and 1994, respectively. Unearned compensation at December 31, 1995 and 1994 is $1,090,000 and $2,078,000, respectively, and is included on the balance sheets in Other Assets.

A summary of certain stock option information is as follows:

	1995	1994
Options outstanding at January 1,	659,860	216,110
Granted	48,000	474,000
Exercised	(83,900)	(500)
Lapsed	-	(5,075)
Forfeited	(14,800)	(24,675)
Transferred	(42,000)	-
Options outstanding at December 31,	567,160	659,860
Option price at December 31,	$7.625 to $20.250	$7.625 to $20.250

(11) NON-OPERATING INCOME (EXPENSE)

For the years ended December 31, 1995 and 1994, non-operating income (expense) consisted of the following (dollars in thousands):

	1995	1994
Interest income	$ 1,795	1,084
Loss on disposal of property and equipment	65	241
	$ 1,860	1,325

(12) EMPLOYEE BENEFIT PLANS

The Company maintains a retirement and savings plan for eligible employees who are not covered by a collective bargaining agreement. Under the terms of the plan, eligible employees may defer up to 3% of their compensation, as defined, of which 100% of the deferral is matched by the Company. Eligible employees may contribute an additional 12% of their compensation which will not be matched by the Company. Amounts contributed by the Company vest over a five-year period. The Company contributed $1,406,000 and $1,380,000 to this plan for the years ended December 31, 1995 and 1994, respectively.

The Company's union employees are covered by union-sponsored, collectively-bargained, multi-employer pension plans. Contributions are generally determined in accordance with the provisions of negotiated labor contracts and generally are based on the number of man-hours worked. Contributions to the plans were $518,000 and $423,000 during the years ended December 31, 1995 and 1994, respectively.

(13) NEW JERSEY INVESTMENT OBLIGATION

The New Jersey Casino Control Act (the Act) provides, among other things, for an assessment on a gaming license based upon its gross casino revenues after completion of its first full year of operation. This assessment may be satisfied by investing in qualified direct investments, purchasing bonds issued by the Casino Reinvestment Development Authority (CRDA), or paying an "alternative tax". In order for direct investments to be eligible, they must be approved by the CRDA.

Deposits with the CRDA bear interest at two-thirds of market rates resulting in a current value lower than cost. At December 31, 1995 and 1994, Investments, Advances and Receivables include $7,198,000 and $5,277,000, respectively, representing the Company's bond purchases and deposits with the CRDA of $10,458,000 at December 31, 1995 and $7,716,000 at December 31, 1994 net of a valuation allowance of $3,260,000 and $2,439,000, respectively. The carrying value of these deposits, net of the valuation allowance, approximates fair value.

The CRDA as an agency of the City of Atlantic City is responsible for the redevelopment of the area surrounding the Boardwalk. As of December 31, 1995, the CRDA has approved the use of $9,029,000 of the Company's deposits for use in connection with the expansion and improvement of a city street leading to the Atlantic City Showboat. In connection with its approval, the CRDA required the company to donate $2,500,000 of its deposits with the CRDA to certain public programs. Expansion of the city street was completed in 1994, with additional improvements being completed in 1995. The Company has reclassified these CRDA deposits, net of the valuation allowance, totaling $7,686,000 to property & equipment.

(Continued)

NEW JERSEY INVESTMENT OBLIGATION (continued)

The Company has applied for and received approval for approximately $8,800,000 in funding credits from the CRDA in connection with the construction of additional hotel rooms at the Atlantic City Showboat. In connection with the Company's Credit Agreement with the CRDA, which states the terms and conditions by which the Company may receive funding credit, the Company applied for and received funds from the CRDA of approximately $2,955,000 as a credit for expenditures made relating to the construction of the hotel rooms. The balance of the funding credits may be applied to portions of future CRDA deposits. In 1995, a court ruling, not involving the Company, disallowed the payment of CRDA disbursement of funding credit for an unrelated expansion project. As a result the CRDA has suspended disbursement of funding credits until such time the appeals court overturns the lower court's decision.

(14) COMMITMENTS AND CONTINGENCIES

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management these matters will not have a material adverse effect on the Company's financial position or results of operation

(15) DIVIDENDS

In May of 1995 the Company's Board of Directors approved the monthly payment of dividends to OSI. Dividends are calculated at 15% of earnings before interest, taxes, depreciation and management fees, rounded down to the next hundred thousand dollars. Dividends have been paid in the form of Company's noncash assets. At December 31, 1995, retained earnings and investments, advances and receiveables have been charged in the amount of $10,900,000 representing the value of dividends paid to OSI.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

STATE OF New Jersey :
: ss
COUNTY OF Atlantic :

Kathleen M. Caracciolo 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 Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

K M Caracciolo
Signature

Vice President of Finance
Title

3472-11
License Number

Subscribed and sworn to before me this 29 day of March, 1996

Denise L. Perrone
Signature

DENISE L. PERRONE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 19, 1999
Basis of Authority to Take Oaths

Atlantic City Showboat, Inc.
Casino Licensee

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1995

(UNAUDITED)

($ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table and Other Games Win		$ 85,819
2	Slot Machines Win		255,072
3	Total Win		340,891
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	$ 1,223	
5	Maximum adjustment (4% of line 3)	$ 13,636	
6	Adjustment (the lesser of line 4 or line 5)		1,223
7	Gross revenue (line 3 less line 6)		339,668
8	Tax on gross revenue - Reporting Year (8% of line 7)		27,173
9	Audit or other adjustments to tax on gross revenues in prior years		
10	Total taxes on gross revenue (the sum of lines 8 and 9)		27,173
	Deposits made for tax on reporting year's gross revenues:		
11	January	$ 1,700	
12	February	1,753	
13	March	1,848	
14	April	2,030	
15	May	2,576	
16	June	2,272	
17	July	2,941	
18	August	2,455	
19	September	2,379	
20	October	2,779	
21	November	2,015	
22	December	1,575	
23	January	850	
24	Total deposits made for tax on reporting year's gross revenues		(27,173)
25	Settlement of prior years' tax on gross revenue resulting from audit or other adjustments - (deposits) credits		0
26	Gross revenue tax payable (the net of lines 10, 24 and 25)		(0)

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey :
:ss
COUNTY OF Atlantic :

Kathleen M. Caracciolo being duly sworn according to law upon my oath deposes and says:

1. I have examined this Gross Revenue Annual Tax Return.
2. To the best of my knowledge, all the information contained in this Return has been prepared in conformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this Return is accurate.

K M Caracciolo
Signature

Vice President of Finance
Title

3472-11
License Number

Subscribed and sworn to before me this 15 day of March, 1996

Donna Heuman
Signature

DONNA HEUMAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 21 1999
Basis of Authority to Take Oaths

On Behalf Of:

Atlantic City Showboat, Inc.
Casino Licensee

ANNUAL REPORT

LICENSEE: THE CLARIDGE AT PARK PLACE, INC.

FOR THE YEAR ENDED DECEMBER 31, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1995

TITLE	FORM #
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 CASH FLOWS	CCC - 235
SCHEDULE OF PROMOTIONAL EXPENSES & ALLOWANCES	CCC-245
NOTES TO FINANCIAL STATEMENTS	
STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE	CCC - 249

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

BALANCE SHEETS

AS OF DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	Description (b)	1995 (c)	1994 (d)
	ASSETS		
	Current Assets:		
1	Cash and cash Equivalents	$7,729	$14,801
2	Short-Term Investments (at cost which approx. market)	28,018	22,442
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 1995, $987; 1994, $1,445)	22,264	27,629
4	Inventories	2,297	2,629
5	Prepaid Expenses and Other Current Assets	1,344	2,189
6	Total Current Assets	61,652	69,690
7	Investments, Advances, and Receivables (NOTE 3)	105,686	115,240
8	Property and Equipment - Gross (NOTE 4)	35,710	20,504
9	Less: Accumulated Depreciation and Amortization	(12,380)	(11,189)
10	Other Assets (NOTE 5)	535	3,192
11	Total Assets	$191,203	$197,437
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts Payable	$3,920	$2,820
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 and Accrued	3,737	577
17	Other Accrued Expenses (NOTE 6)	11,024	8,657
18	Other Current Liabilities (NOTE 7)	21,253	21,291
19	Total Current Liabilities	39,934	33,345
	Long-Term Debt:		
20	Due to Affiliates	0	0
21	Other	0	0
22	Deferred Credits (NOTE 12)	8,225	8,199
23	Other Liabilities (NOTE 9)	50,976	53,133
24	Commitments and Contingencies (NOTE 1)		
25	Total Liabilities	99,135	94,677
26	Stockholders', Partners', or Proprietor's Equity	92,068	102,760
27	Total Liabilities and Equity	$191,203	$197,437

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: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino	$169,474	$156,123
2	Rooms	9,195	10,962
3	Food and Beverage	19,769	18,346
4	Other	1,548	2,015
5	Total Revenue	199,986	187,446
6	Less: Promotional Allowances	(16,326)	(16,683)
7	Net Revenue	183,660	170,763
	Costs and Expenses:		
8	Cost of Goods and Services	95,449	93,173
9	Selling, General, and Administrative	57,478	53,743
10	Provision for Doubtful Accounts	(160)	491
11	Total Costs and Expenses	152,767	147,407
12	Gross Operating Profit	30,893	23,356
13	Depreciation and Amortization	2,448	2,016
	Charges from Affiliates Other than Interest:		
14	Management Fees	0	0
15	Other (NOTE 13b)	105	115
16	Income (Loss) from Operations	28,340	21,225
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates (NOTE 13a)	(432)	(432)
18	Interest (Expense) - External	(234)	(342)
19	Investment Alternative Tax and Related Income (Expense) - Net	(1,442)	(1,972)
20	Nonoperating Income (Expense) - Net (NOTE 10)	(18,050)	(16,347)
21	Total Other Income (Expenses)	(20,158)	(19,093)
22	Income (Loss) Before Income Taxes and Extraordinary Items	8,182	2,132
23	Provision (Credit) for Income Taxes (NOTE 12)	3,865	1,515
24	Income (Loss) Before Extraordinary Items	4,317	617
25	Extraordinary Items (Net of Income Taxes - 19__, $; 19__, $)	0	0
26	Net Income (Loss)	$4,317	$617

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: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino	$41,172	$38,907
2	Rooms	1,992	2,477
3	Food and Beverage	4,639	4,398
4	Other	418	352
5	Total Revenue	48,221	46,134
6	Less: Promotional Allowances	(3,964)	(3,729)
7	Net Revenue	44,257	42,405
	Costs and Expenses:		
8	Cost of Goods and Services	23,324	22,468
9	Selling, General, and Administrative	15,542	12,827
10	Provision for Doubtful Accounts	(142)	116
11	Total Costs and Expenses	38,724	35,411
12	Gross Operating Profit	5,533	6,994
13	Depreciation and Amortization	650	627
	Charges from Affiliates Other than Interest:		
14	Management Fees	0	0
15	Other	19	31
16	Income (Loss) from Operations	4,864	6,336
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates	(108)	(108)
18	Interest (Expense) - External	0	0
19	Investment Alternative Tax and Related Income (Expense) - Net	(150)	(404)
20	Nonoperating Income (Expense) - Net	(4,694)	(4,347)
21	Total Other Income (Expense)	(4,952)	(4,859)
22	Income (Loss) Before Income Taxes and Extraordinary Items	(88)	1,477
23	Provision (Credit) for Income Taxes	76	1,253
24	Income (Loss) Before Extraordinary Items	(164)	224
25	Extraordinary Items (Net of Income Taxes - 19__, $; 19__, $)	0	0
26	Net Income (Loss)	($164)	$224

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 YEARS ENDED DECEMBER 31, 1995 and 1994

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)		Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	Balance, December 31,1993.....	1,000	$ 1		$	$4,999	$	$14,937	$19,937
2	Net Income (Loss) - 1994.....								617
3	Contribution to Paid-in-Capital.....					82,206			82,206
4	Dividends.....								
5	Prior Period Adjustments.....								
6	_____.....								
7	_____.....								
8	_____.....								
9	_____.....								
10	Balance, December 31, 1994.....	1,000	1			87,205			102,760
11	Net Income (Loss) - 1995.....								4,317
12	Contribution to Paid-in-Capital.....								
13	Dividends.....								(15,009)
14	Prior Period Adjustments.....								
15	_____.....								
16	_____.....								
17	_____.....								
18	_____.....								
19	Balance,December 31,1995.....	1,000	$ 1		$	$87,205			$92,068

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: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$21,272	($7,869)
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities	(5,576)	(22,442)
3	Proceeds from the Sale of Short-Term Investment Securities		
4	Cash Outflows for Property and Equipment	(16,355)	(7,116)
5	Proceeds from Disposition of Property and Equipment	75	75
6	Purchase of Casino Reinvestment Obligations	(1,054)	(886)
7	Purchase of Other Investments and Loans/Advances made	(2,483)	(9,610)
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables	12,014	10,509
9	Cash Outflows to Acquire Business Entities		
10	Proceeds from Sale of Long Term Investment	44	
11	_____		
12	Net Cash Provided (Used) By Investing Activities	(13,335)	(29,470)
	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	Cost of Issuing Debt		
17	Payments to Settle Long-Term Debt	0	(33,559)
18	Cash Proceeds from Issuing Stock or Capital Contributions	0	82,206
19	Purchases of Treasury Stock		
20	Payments of Dividends or Capital Withdrawals	(15,009)	0
21	_____		
22	_____		
23	Net Cash Provided (Used) By Financing Activities	(15,009)	46,947
24	Net increase (Decrease) in Cash and Cash Equivalents	(7,072)	9,608
25	Cash and Cash Equivalents at Beginning of Period	14,801	5,193
26	Cash and Cash Equivalents at End of Period	$7,729	$14,801

	CASH PAID DURING YEAR FOR:		
27	Interest (Net of Amount Capitalized)	$234	$351
28	Income Taxes	$677	$181

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 YEARS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES		
29	Net Income (Loss)	$4,317	$617
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	2298	1865
31	Amortization of Other Assets	150	151
32	Amortization of Debt Discount or Premium		
33	Deferred Income Taxes - Current		
34	Deferred Income Taxes - Noncurrent	26	2,096
35	(Gain) Loss on Disposition of Property and Equipment	(33)	87
36	(Gain) Loss on Casino Reinvestment Obligations	1,442	1,972
37	(Gain) Loss from Other Investment Activities		
38	Net (Increase) Decrease in Receivables and Patrons' Checks Excluding Reclass From Long Term of $1,832 and $1,505	7,197	(6,871)
39	Net (Increase) Decrease in Inventories	332	18
40	Net (Increase) Decrease in Other Current Assets*	(70)	282
41	Net (Increase) Decrease in Other Assets	2,507	(2,914)
42	Net Increase (Decrease) in Accounts Payable	1,100	282
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	5,489	(1,091)
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	(2,157)	(3,209)
45	Discount on Wraparound Mortgage Receivable	(1,326)	(1,154)
46			
47	Net Cash Provided (Used) By Operating Activities	$21,272	($7,869)

* Excluding decrease in current portion of CRDA credit of $915 and $0.

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment	$16,355	$7,116
49	Less: Capital Lease Obligations Incurred		
50	Cash Outflows for Property and Equipment	$16,355	$7,116
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired	$0	$0
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	$0	$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions	$0	$82,206
58	Less: Issuances to Settle Long-Term Debt		
59	Consideration in Acquisition of Business Entities		
60	Cash Proceeds from Issuing Stock or Capital Contributions	$0	$82,206

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: THE CLARIDGE CASINO HOTEL

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 1995

(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks	$ 903		
2	Returned Patrons' Checks	851		
3	Total Patrons' Checks	1,754	$ 932	$ 822
4	Hotel Receivables	111	41	70
	Other Receivables:			
5	Receivables Due from Officers and Employees	1		
6	Receivables Due from Affiliates	20,898		
7	Other Accounts and Notes Receivables	487		
8	Total Other Receivables	21,386	14	21,372
9	Totals (Form CCC-205)	$ 23,251	$ 987	$ 22,264

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	BEGINNING BALANCE (JANUARY 1)	$ 861
11	Counter Checks Issued (Excluding Counter Checks Issued Through Transactions Relating to Consolidations, Partial Redemptions, Substitutions, and Patrons' Cash Deposits)	40,031
12	Checks redeemed Prior to Deposit (Excluding the Unredeemed Portion of Counter Chekcs Redeemed Through Partial Redemptions, and Excluding Chekcs Redeemed Through Transactions Relating to Consolidations, Subsitutions, and Patrons' Cash Deposits)	(8,798)
13	Checks Collected Through Deposits	(30,323)
14	Checks Transferred to Returned Checks	(868)
15	Other Adjustments	
16	Ending Balance	$ 903
17	Hold" Checks Included in Undeposited Balance on Line 16	
18	Provision for Uncollectible Patrons' Checks	(200)
19	Provision as a Percent of Counter Checks Issued	-0.50%

The accompanying notes are an intergral 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

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE YEAR ENDED DECEMBER 31, 1995

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	132,644	$ 4,601		$
2	Food	651,355	5,512		
3	Beverage	1,179,882	5,907		
4	Travel			2,709	$287
5	Coin			1,837,580	24,112
6	Coupon			136,286	1,490
7	Entertainment	15,130	306		
8	Retail & Gifts			203,469	1,006
9	Parking			63,502	541
10	Other			9,463	274
11	Total	1,979,011	$ 16,326	2,253,009	$ 27,710

FOR THE THREE MONTHS ENDED DECEMBER 31, 1995

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	35,711	$ 1,034		$
2	Food	159,287	1,424		
3	Beverage	280,414	1,418		
4	Travel			825	82
5	Coin			436,564	6,258
6	Coupon			53,216	694
7	Entertainment	4,352	88		
8	Retail & Gifts			59,810	316
9	Parking			12,757	112
10	Other			2,703	79
11	Total	479,764	$ 3,964	565,875	$ 7,541

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 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 The 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.

In October 1988, the Corporation and New Claridge 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 interests in the Claridge; (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 (v) the forgiveness by Webb of substantial indebtedness.

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) 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. (See Note 8, "Long-Term Debt".)

The net proceeds of the Notes, totaling $82.2 million net of fees and expenses, were used or will be used as follows: (i) to repay in full on January 31, 1994, 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; (ii) to expand New Claridge's casino capacity by 12,000 square feet in 1994, including the addition of approximately 500 slot machines and the relocation of two restaurants and their related kitchens; (iii) to purchase property in 1995 and construct on that property a self-parking garage, which is expected to open in mid-1996; (iv) the possible purchase of the Contingent Payment (see Note 9, "Other Liabilities") granted in 1989 and now held in a trust for the Valley of the Sun United Way; and (v) the potential expansion of the Corporation's activities into other gaming markets.

(b) Claridge License Renewal

On September 22, 1995, New Claridge was issued a four-year casino license by the Casino Control Commission (the "Commission") for the period commencing September 30, 1995.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

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

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

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) 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.

(d) 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.

(e) Promotional Allowances

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

(f) Inventories

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

(g) Property and Equipment

Property and equipment are recorded at cost, and are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	39 years
Gaming equipment	5 years

(h) 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 leveling provisions, asset basis differences, and various other expenses recorded for financial statement purposes.

(3) Investments, Advances, and Receivables

Investments, Advances, and Receivables at December 31, 1995 and 1994 are summarized as follows:

	1995	1994
	(in thousands)	
$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of $9,815,000 discount and $11,141,000 discount at December 31, 1995 and 1994, respectively)	$ 73,185	80,859
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	18,346	17,114
FF&E promissory note - expansion, 14%	6,522	8,285
Reinvestment Obligations	1,479	996
	119,532	127,254
Less Current Installments	13,846	12,014
	$ 105,686	115,240

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 is obligated to make payments required under any senior mortgage indebtedness, so long as the Partnership is not in default on its obligations under the Expandable Wraparound Mortgage. $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 year ended December 31, 1995, $9,000,000 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 year ended December 31, 1995, $1,251,000 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 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 December 31, 1995, New Claridge has deposited $14,575,000, of which $2,418,000 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 December 31, 1995, none of these credits remained available.

(4) Property and Equipment

Property and equipment at December 31, 1995 and 1994 consist of the following:

	1995	1994
	(in thousands)	
Gaming Equipment	$19,186	18,140
Land and land improvements	8,100	-0-
Construction in progress	7,066	652
Leasehold improvements	745	745
Capital lease asset	613	967
	35,710	20,504
Less accumulated depreciation	12,380	11,189
Net property and equipment	23,330	9,315

(5) Other Assets

Other assets at December 31, 1995 and 1994 consist of the following:

	1995	1994
	(in thousands)	
Intangible assets (net of accumulated amortization of $813 and $664 at December 31, 1995 and 1994, respectively)	$ 87	177
Refundable deposits, non-current	52	52
Other non-current assets	396	2,963
	535	3,192

At December 31, 1994, other assets also include approximately $2.5 million representing an escrow deposit and first mortgage interest in the parcel of land which is being used to construct New Claridge's self-parking facility. This mortgage interest was satisfied on January 5, 1995 when New Claridge purchased the parcel of land from the mortgagor.

(6) Other Accrued Expenses

Other accrued expenses at December 31, 1995 and 1994 consist of the following:

	1995	1994
	(in thousands)	
Accrued payroll and related benefits	$ 7,279	5,625
Accrued interest due to the Partnership	2,826	2,394
Other	919	638
	$11,024	8,657

(7) Other Current Liabilities

Other current liabilities at December 31, 1995 and 1994 consist of the following:

	1995	1994
	(in thousands)	
Due to affiliates	$ 3,600	3,600
Deferred rent due to Partnership	15,078	15,078
Auto/general claims liability	1,037	1,148
Other	1,538	1,465
	$21,253	21,291

As of December 31, 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 December 31, 1995, such interest, which is included in Accrued Expenses, amounted to $2,826,000.

As of December 31, 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.

Beginning in 1995, and annually thereafter, the Corporation is required to make an offer ("Excess Cash Offer"), to all holders of Notes, to purchase at 100% of par (plus accrued and unpaid interest, if any, to the purchase date), the maximum amount of Notes that may be purchased with 50% of the Corporation's "Excess Cash" (as defined in the indenture governing the Notes (the "Indenture")), from the preceding year. If less than $5 million is available to make such purchases (i.e., if Excess Cash is less than $10 million), no such offer needs to me made. The commencement date of any required Excess Cash Offer must be not later than 30 days after the publication of the Corporation's audited financial statements for the immediately preceding fiscal year. For the year ended December 31, 1995, the Corporation's Excess Cash was less than $10 million, and therefore the Corporation is not required to make an Excess Cash Offer in 1996.

(9) Other Liabilities

Other liabilities at December 31, 1995 and 1994 consist of the following:

	1995	1994
	(in thousands)	
Deferred rent	$30,747	33,133
Contingent Payment	20,000	20,000
Other noncurrent liabilities	229	-0-
Total	$50,976	53,133

Pursuant to the Restructuring Agreement, Webb retained an interest, which was assigned to the Valley of the Sun United Way 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 and other liabilities ("Contingent Payment"). 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 December 31, 1995, accrued interest would have amounted to approximately $36.8 million.

In connection with the restructuring, Webb agreed to grant those investors in the Corporation and the Partnership ("Releasing Investors"), from whom Webb had received written releases from all liabilities, rights ("Contingent Payment Rights") to receive certain amounts to the extent available for application to the Contingent Payment. Approximately 84% in interest of the investors provided releases and became Releasing Investors. Payments to Releasing Investors are to be made in accordance with a schedule of priorities, as defined in the Restructuring Agreement.

On February 23, 1996, the Corporation acquired an option to purchase, at a discount from the carrying value, the Contingent Payment (See Note 14, "Subsequent Events"). The purchase price of the option was $1 million, and the option may be exercised any time prior to December 31, 1997. Upon exercise of the option, the purchase price of the Contingent Payment would be $10 million, plus interest at 10% per annum for the period from January 1, 1997 to the date of payment of the purchase price if the purchase occurs after December 31, 1996. As a result, if the option is exercised, any obligation to pay the accrued interest, as discussed above, would be eliminated, except in respect of the obligation to the Releasing Investors.

(10) Other Nonoperating Income (Expense) - Net

Other nonoperating income (expense) - net for the year ended December 31, 1995 and 1994 consists of the following:

	1995	1994
	(in thousands)	
Interest income - Wraparound Mortgage	$17,195	17,906
Interest income - other	1,830	1,519
Other nonoperating income/(expense)	-0-	4
Facilities/maintenance fee	530	530
Gain/(loss) on disposal of assets	33	(87)
Partnership rent expense	(37,638)	(36,219)
Total	$(18,050)	(16,347)

(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.

Minimum future basic lease payments under the initial term of the Operating Lease as amended, as of December 31, 1995 (net of expected abatements, as discussed below) are as follows (in thousands):

1996	$ 31,682
1997	39,501
1998 (through September 30)	32,531
Total Minimum	$ 103,714

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 year ended December 31, 1995 and 1994 expense for the Operating Lease amounted to $37,638,000 and $36,219,000 respectively, of which ($2,386,000) and ($3,209,000) 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 year ended December 31, 1995 was $4,625,000. 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 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 December 31, 1995, $28.8 million of basic rent had been abated. Additional abatements of rent totaling $500,000 are available as a result of the acquisition of the option to purchase the Contingent Payment, and further abatements will become available upon exercising the Contingent Payment option (see Note 14, "Subsequent Events").

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

New Claridge is included in the consolidated income tax return of its parent, the Corporation. The Corporation accounts for income taxes in accordance with Statement of Financial Accounting Standard No. 109, "Accounting for Income Taxes". Under the asset and liability method of Statement No. 109, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Effective January 1, 1993, the Corporation adopted Statement No. 109 on a prospective basis. There was no effect on the Corporation's statement of operations for the year ended December 31, 1993 as a result of the adoption of Statement No. 109.

The provision for income taxes is comprised of the following:

	1995	1994
	(in thousands)	
Current:		
Federal	$ 2,696	(494)
State	476	(87)
Deferred	693	2,096
	$3,865	1,515

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

	1995	1994
	(in thousands)	
Computed "expected" tax expense	$2,782	725
Increase (reduction) in income taxes resulting from:		
State income tax, net of federal income tax benefit	491	128
Meals and entertainment	550	579
Other	42	83
	$3,865	1,515

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1995 and 1994 are presented below:

	1995	1994
	(in thousands)	
Deferred tax assets:		
Rent leveling	$13,074	$12,717
Accrued expenses	1,573	1,491
Other	1,377	233
Total gross deferred tax assets	16,024	14,441
Deferred tax liabilities:		
Gaming equipment, due to differences in depreciation	(1,175)	(907)
Difference between book and tax basis of Wraparound Mortgage receivable	(21,320)	(20,007)
Difference between book and tax basis of receivables	(1,740)	(1,705)
Other	(14)	(21)
Total gross deferred tax liabilities	(24,249)	(22,640)
Net deferred tax liability	$(8,225)	$(8,199)

No valuation allowance has been provided on deferred tax assets as of December 31, 1995 and 1994, since management believes that it is more likely than not that such assets will be realized through the reversal of existing deferred tax liabilities and future taxable income.

The principal items comprising the deferred tax provision in 1995 included rent leveling of ($350,000), Expandable Wraparound Mortgage discount expense of $1,300,000, depreciation expense of $270,000 and net operating loss carry forwards of ($1,600,000).

The principal items comprising the deferred tax provision in 1994 included rent leveling of $1,280,000, Expandable Wraparound Mortgage discount expense of $460,000, bad debt expense of ($80,000) and depreciation expense of $200,000.

As a result of the restructuring in 1989, the amount of debt forgiven resulted in the loss or reduction of various tax attributes including tax operating loss carry forwards of $30,400,000, unused tax credits of $1,041,000 and reduction in tax basis of assets by $89,178,000. As a result of the reduction in tax basis of assets, cash payments for income taxes will significantly exceed income tax expense for financial statement purposes in future years. The above amounts have been adjusted to reflect settlements of the Internal Revenue Service ("IRS") audits of the years 1983 through 1987. During 1995 the Corporation received notice from the 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 not result in a 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 year ended December 31, 1995 and 1994 interest expense due to affiliates was $432,000 and $432,000 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 year ended December 31, 1995 and 1994 amounted to $105,000 and $115,000 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 year ended December 31, 1995 and 1994 New Claridge has earned interest income of $17,195,000 and $17,906,000 respectively, and incurred lease expense of $37,638,000 and $36,219,000, respectively.

(14) Subsequent Events

On February 23, 1996, the Corporation acquired an option to purchase, at a discount from the carrying value, the Contingent Payment (see Note 9, "Other Liabilities"). The purchase price of the option was $1 million, and the option may be exercised any time prior to December 31, 1997. Upon exercise of the option, the

purchase price of the Contingent Payment would be $10 million, plus interest at 10% per annum for the period from January 1, 1997 to the date of payment of the purchase price if the purchase occurs after December 31, 1996. The purchase price may also increase in an amount not to exceed $10 million if future distributions to Releasing Investors exceed $20 million.

Upon exercise of the option, it is anticipated that the Contingent Payment will be canceled so that neither the Corporation nor the Partnership will have any obligation to make any payment in respect of the Contingent Payment before making a distribution to shareholders or limited partners. Upon the purchase and cancellation, however, the Corporation and the Partnership will remain obligated to make payments to the Releasing Investors, in respect of the Contingent Payment Rights, before any distribution may be made to shareholders or limited partners. These payments would be required to be in the same amounts as if the Contingent Payment had not been purchased and cancelled. As a result, it is not likely that shareholders or limited partners who are not Releasing Investors will receive any distribution from the Corporation or the Partnership. In the aggregate, Releasing Investors are entitled to receive an amount equal to approximately 72% of the Contingent Payment.

Under the terms of the option, upon purchase of the Contingent Payment, the Corporation and/or the Partnership are required to make distributions in excess of $7 million to the Releasing Investors. The Corporation and the Partnership have agreed to cooperate in the purchase of the option and the Contingent Payment, with each contributing one-half of the purchase price of the option and each anticipated to contribute one-half of the purchase price of the Contingent Payment. A portion of the Partnership's contribution will be contributed through additional abatements of basic rent payments due under the Operating Lease and Expansion Operating Lease.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

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

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

1. I have examined this Annual Report.

2. All the information contained in this report has been prepared in conformity with Casino Control Commission's annual report instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Annual Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to
before me this 1st day
of APRIL, 1996

Walter P. Simon
Signature

WALTER P. SIMON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Oct. 29, 1997

Basis of authority
to take oaths

Laura Palazzo
Signature

Vice President Controller
Title

02461-11
License Number

On Behalf Of:

The Claridge at Park Place, Inc.
Casino Licensee

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

ANNUAL EMPLOYMENT AND PAYROLL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1995
($ IN THOUSANDS)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, 1995 (c)	SALARIES AND WAGES		
			OTHER EMPLOYEES (d)	OFFICERS OWNERS (e)	TOTALS (f)
	CASINO				
1	ADMINISTRATION	3			
2	GAMING	543			
3	SLOTS	104			
4	CASINO ACCOUNTING	276			
5	SIMULCASTING	-0-			
6	OTHER	-0-			
7	TOTAL CASINO	926	$ 20,280	$ -0-	$ 20,280
				-0-	
8	ROOMS	185	3,345	-0-	3,345
9	FOOD AND BEVERAGE	550	10,299	-0-	10,299
10	OTHER OPERATED DEPARTMENTS				
11	TELEPHONE	11	227	-0-	227
12	TRANSPORTATION	3	568	-0-	568
13	HEALTH SPA	12	130	-0-	130
14	CASINO CREDIT	13	358	-0-	358
15	_____				
16	_____				
17	_____				
18	_____				
19	_____				
	ADMINISTRATIVE & GENERAL				
20	EXECUTIVE OFFICE	43	369	$ 2,120	2,489
21	ACCOUNTING & AUDITING	145	2,698	-0-	2,698
22	SECURITY	166	3,800	-0-	3,800
23	OTHER ADMIN. & GENERAL DEPT	75	3,058	-0-	3,058
24	MARKETING	136	3,079	-0-	3,079
25	GUEST ENTERTAINMENT	74	294	-0-	294
26	PROPERTY OPERATION & MAINTENANCE	189	5,546	-0-	5,546
27	TOTALS - ALL DEPARTMENTS	2,528	$ 54,051	$ 2,120	$ 56,171

TRADING NAME OF LICENSEE The Claridge Casino Hotel

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1995

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, no material discrepancies were noted for the period covered by this report, or if material discrepancies were noted, a detailed explanation is included on the attached page.

SIGNATURE

3/29/95 — DATE

Vice President Controller — TITLE

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

GROSS REVENUE ANNUAL TAX RETURN
FOR THE YEAR ENDED DECEMBER 31, 1995
(UNAUDITED)
($ IN THOUSANDS)

LINE			
	CASINO WIN OR (LOSS)		
1	TABLE AND OTHER GAMES WIN		$ 39,239
2	SLOT MACHINES WIN		130,167
3	TOTAL WIN		169,406
	LESS - ADJUSTMENT FOR UNCOLLECTIBLE PATRONS' CHECKS:		
4	PROVISION FOR UNCOLLECTIBLE PATRONS' CHECKS	$ (200)	
5	MAXIMUM ADJUSTMENT (4% OF LINE 3)	$ 6,776	
6	ADJUSTMENT (THE LESSER OF LINE 4 OR LINE 5)		(200)
7	GROSS REVENUE (LINE 3 LESS LINE 6)		$ 169,606
8	TAX ON GROSS REVENUE - CURRENT YEAR (8% OF LINE 7)		$ 13,568
9	AUDIT OR OTHER ADJUSTMENTS TO TAX ON GROSS REVENUES IN PRIOR YEARS		-0-
10	TOTAL TAX ON GROSS REVENUE (LINE 8 PLUS OR MINUS LINE 9)		13,568
	DEPOSITS MADE FOR TAX ON CURRENT YEAR'S GROSS REVENUES		
11	JANUARY	$ 824	
12	FEBRUARY	918	
13	MARCH	1,040	
14	APRIL	1,012	
15	MAY	1,350	
16	JUNE	1,049	
17	JULY	1,418	
18	AUGUST	1,169	
19	SEPTEMBER	1,132	
20	OCTOBER	1,405	
21	NOVEMBER	1,110	
22	DECEMBER	806	
23	JANUARY	335	
24	TOTAL DEPOSITS MADE FOR TAX ON CURRENT YEAR'S GROSS REVENUE		(13,568)
25	SETTLEMENT FOR PRIOR YEARS' TAX ON GROSS REVENUE RESULTING FROM AUDIT OR OTHER ADJUSTMENTS - (DEPOSITS) CREDITS		-0-
26	GROSS REVENUE TAX PAYABLE (THE NET OF LINES 10, 24 AND 25)		$ -0-

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

STATE OF New Jersey :
: ss.
COUNTY OF Atlantic :

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

1. I have examined this Gross Revenue Annual Tax Return.

2. To the best of my knowledge, all the information contained in this Return has been prepared in conformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this Return is accurate.

Subscribed and sworn to
before me this 14th day
of March, 1996

Walter P. Simon
Signature

WALTER P. SIMON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Oct. 29, 1997

Basis of authority
to take oaths

Laura Palazzo
Signature

Vice President Controller
Title

02461-11
License Number

On Behalf Of:

The Claridge at Park Place, Inc.
Casino Licensee

ANNUAL REPORT

LICENSEE: TRUMP PLAZA ASSOCIATES

FOR THE YEAR ENDED DECEMBER 31, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL AND CASINO

LIST OF FORMS - ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 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 Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Schedule of Promotional Expenses and Allowances	CCC-245
Notes to Financial Statements	-
Statement of Conformity and Accuracy	CCC-249

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

BALANCE SHEETS

AS OF DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)	
	ASSETS			
	Current Assets:			
1	Cash and Cash Equivalents	$ 15,935	$ 11,142	
2	Short-Term Investments	-	-	
3	Receivables and Patrons' checks (Net of Allowance for Doubtful Accounts - 1995, $8,077; 1994, $8,494)	14,058	6,797	
4	Inventories	2,609	2,477	*
5	Prepaid Expenses and Other Current Assets NOTE 2	5,045	4,280	
6	Total Current Assets	37,647	24,696	
7	Investments, Advances, and Receivables NOTE 3	4,671	9,592	
8	Property and Equipment - Gross NOTE 4	543,226	436,013	
9	Less: Accumulated Depreciation and Amortization NOTE 4	(147,284)	(137,659)	
10	Other Assets NOTE 5	43,027	44,238	*
11	Total Assets	$ 481,287	$ 376,880	
	LIABILITIES AND EQUITY			
	Current Liabilities:			
12	Accounts Payable	$ 5,763	$ 6,875	
13	Notes Payable	300	360	
	Current Portion of Long-Term Debt:			
14	Due to Affiliates	-	-	
15	Other NOTE 9	2,901	2,969	
16	Income Taxes Payable and Accrued	-	-	
17	Other Accrued Expenses NOTE 6	17,174	15,449	
18	Other Current Liabilities NOTE 7	7,437	6,441	
19	Total Current Liabilities	33,575	32,094	
	Long-Term Debt:			
20	Due to Affiliates NOTE 8	326,652	326,234	
21	Other NOTE 9	6,069	2,993	
22	Deferred Credits NOTE 10	359	1,765	
23	Other Liabilities NOTE 13	3,822	3,822	
24	Commitments and Contingencies	-	-	
25	Total Liabilities	370,477	366,908	
26	Stockholders', Partners', or Proprietor's Equity	110,810	9,972	
27	Total Liabilities and Equity	$ 481,287	$ 376,880	

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

8/95

* Prior year restated to conform to current year presentation.

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino	$ 300,828	$ 263,487
2	Rooms	19,986	18,312
3	Food and Beverage	44,602	40,149
4	Other	9,594	8,408
5	Total Revenue	375,010	330,356
6	Less: Promotional Allowances	45,249	36,421
7	Net Revenue	329,761	293,935
	Costs and Expenses:		
8	Costs of Goods and Services	173,609	156,060
9	Selling, General, and Administrative	76,453	73,758
10	Provision for Doubtful Accounts	1,057	396
11	Total Costs and Expenses	251,119	230,214
12	Gross Operating Profit	78,642	63,721
13	Depreciation and amortization	16,213	15,653
	Charges from Affiliates Other than Interest:		
14	Management Fees NOTE 14	1,341	1,288
15	Other NOTE 14	2,127	1,900
16	Income (Loss) from Operations	58,961	44,880
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates NOTE 11	(37,740)	(37,679)
18	Interest (Expense) - External	(1,466)	(1,199)
19	Investment Alternative Tax and Related Income (Expense) - Net	681	(1,456)
20	Nonoperating Income (Expense) - Net NOTE 12	(4,595)	(4,098)
21	Total Other Income (Expenses)	(43,120)	(44,432)
22	Income (Loss) Before Income Taxes and Extraordinary Items	15,841	448
23	Provision (Credit) for Income Taxes NOTE 15	-	92
24	Income (Loss) Before Extraordinary Items	15,841	356
25	Extraordinary Items (Net of Income Taxes - 1995, $ (2,292), 1994, $ -) NOTE 14	(2,292)	-
26	Net Income (Loss)	$ 13,549	$ 356

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 DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
	Revenue:		
1	Casino	$ 74,242	$ 64,890
2	Rooms	5,315	4,298
3	Food and Beverage	11,199	10,593
4	Other	2,408	1,850
5	Total Revenue	93,164	81,631
6	Less: Promotional Allowances	12,018	9,232
7	Net Revenue	81,146	72,399
	Costs and Expenses:		
8	Costs of Goods and Services	45,162	39,400
9	Selling, General, and Administrative	19,148	18,543
10	Provision for Doubtful Accounts	269	39
11	Total Costs and Expenses	64,579	57,982
12	Gross Operating Profit	16,567	14,417
13	Depreciation and amortization	4,421	3,919
	Charges from Affiliates Other than Interest:		
14	Management Fees	329	327
15	Other	576	475
16	Income (Loss) from Operations	11,241	9,696
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates NOTE 11	(9,442)	(9,419)
18	Interest (Expense) - External	(403)	(421)
19	Investment Alternative Tax and Related Income (Expense) - Net	336	(234)
20	Nonoperating Income (Expense) - Net NOTE 12	(1,588)	(882)
21	Total Other Income (Expenses)	(11,097)	(10,956)
22	Income (Loss) Before Income Taxes and Extraordinary Items	144	(1,260)
23	Provision (Credit) for Income Taxes NOTE 15	(1,447)	(93)
24	Income (Loss) Before Extraordinary Items	1,591	(1,167)
25	Extraordinary Items (Net of Income Taxes - 1995, $ - , 1994, $ -)	-	-
26	Net Income (Loss)	$ 1,591	$ (1,167)

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 TWELVE MONTHS ENDED DECEMBER 31, 1994 AND
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	Capital Withdrawls (e)	Total Equity (Deficit) (f)
1	Balance, December 31, 1993	$69,114	$28,391	($87,889)	$9,616
2	Net Income (Loss) - 1994	-	356	-	356
3	Capital Contributions	-	-	-	-
4	Capital Withdrawals	-	-	-	-
5	Partnership Distributions	-	-	-	-
6	Prior Period Adjustments	-	-	-	-
7	_____	-	-	-	-
8	_____	-	-	-	-
9	_____	-	-	-	-
10	Balance, December 31, 1994	69,114	28,747	(87,889)	9,972
11	Net Income (Loss) - 1995	-	13,549	-	13,549
12	Capital Contributions	86,650	-	-	86,650
13	Capital Withdrawals	-	-	-	-
14	Partnership Distributions	-	-	-	-
15	Prior Period Adjustments	-	-	-	-
16	Adjustments Trump Plaza Holding Associates....	-	639	-	639
17	_____	-	-	-	-
18	_____	-	-	-	-
19	Balance, December 31, 1995	155,764	42,935	(87,889)	110,810

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

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1995 (c)	1994 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 22,049	$ 19,845
	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	(110,163)	(20,505)
5	Proceeds from Disposition of Property and Equipment	377	8
6	Purchase of Casino Reinvestment Obligations	(3,177)	(2,525)
7	Purchase of Other Investments and Loans/Advances made	8,412	(1,813)
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	3,153
11	Adjustment Trump Plaza Holding Associates	639	-
12	Net Cash Provided (Used) by Investing Activities	(103,537)	(21,682)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt	-	1,676
14	Payments to Settle Short-Term Debt	(4,587)	(3,307)
15	Cash Proceeds from Issuance of Long-Term Debt	4,218	219
16	Costs of Issuing Debt	-	-
17	Payments to Settle Long-Term Debt	-	-
18	Cash Proceeds from Issuing Stock or Capital Contribution	86,650	-
19	Purchases of Treasury Stock	-	-
20	Payments of Dividends or Capital Withdrawals	-	-
21	Preferred Partnership Interest Distribution	-	-
22	_____	-	-
23	Net Cash Provided (Used) by Financing Activities	86,281	(1,412)
24	Net Increase (Decrease) in Cash and Cash Equivalents	4,793	(3,249)
25	Cash and Cash Equivalents at Beginning of Period	11,142	14,391
26	Cash and Cash Equivalents at End of Period	$ 15,935	$ 11,142

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized)	$ 36,936	$ 36,538
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.

8/95

* Prior year restated to conform to current year presentation.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994	
	NET CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)	$ 13,549	$ 356	
	Noncash Items Included in Income and Cash Items Excluded from Income:			
30	Depreciation and Amortization of Property and Equipment	15,157	15,276	
31	Amortization of Other Assets	1,056	377	
32	Amortization of Debt Discount or Premium	418	375	
33	Deferred Income Taxes - Current	-	-	
34	Deferred Income Taxes - Noncurrent	(1,406)	965	
35	(Gain) Loss on Disposition of Property and Equipment	(145)	9	
36	(Gain) Loss on Casino Reinvestment Obligation	(689)	1,456	
37	(Gain) Loss from Other Investment Activities	-	-	
38	Net (Increase) Decrease in Receivables and Patrons' Checks	(7,261)	160	
39	Net (Increase) Decrease in Inventories	371	1,089	*
40	Net (Increase) Decrease in Other Current Assets	(765)	(1,579)	
41	Net (Increase) Decrease in Other Assets	155	319	*
42	Net Increase (Decrease) in Accounts Payable	(1,112)	2,474	
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	2,721	(1,432)	
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	-	-	
45	_____	-	-	
46	_____	-	-	
47	Net Cash Provided (Used) by Operating Activities	$ 22,049	$ 19,845	

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment	$ (113,480)	$ (20,880)
49	Less: Capital Lease Obligations Incurred	3,317	375
50	Cash Outflows for Property and Equipment	$ (110,163)	$ (20,505)
	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	$ 86,650	$ -
58	Less: Issuances to Settle Long-Term Debt	-	-
59	Consideration in Acquisition of Business Entities	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions	$ 86,650	$ -

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

* Prior year restated to conform to current year presentation.

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 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	$ 3,550		
2	Returned patrons' checks	10,436		
3	Total patrons' checks	13,986	$ 7,906	$ 6,080
4	Hotel Receivables	1,585	94	1,491
5	Other Receivables: Receivables due from officers and employees	31		
6	Receivables due from affiliates	-		
7	Other accounts and notes receivables	6,533		
8	Total other receivables	6,564	77	6,487
9	Totals (Form 205)	$ 22,135	$ 8,077	$ 14,058

	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)	125,275
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks, redemmed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(89,761)
13	Checks collected through deposits	(29,059)
14	Checks transferred to returned checks	(5,756)
15	Other adjustments	-
16	Ending Balance	$ 3,550
17	"Hold Checks" included in Balance on Line 16	$ -
18	Provision for Uncollectible Patrons' Checks	$ 940
19	Provision as a percent of Counter Checks Issued	0.8%

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	121,079	$13,584	1,707	$128
2	Food	1,052,132	13,678	-	-
3	Beverage	2,998,147	8,994	-	-
4	Travel	-	-	12,190	1,829
5	Coin	-	-	3,642,488	32,865
6	Coupon	935,462	6,314	-	-
7	Entertainment	64,974	1,898	1,384	55
8	Retail & Gifts	-	-	1,282	160
9	Parking	-	-	-	-
10	Other	78,046	781	38,051	3,041
11	Total	5,249,840	$45,249	3,697,102	$38,078

FOR THE THREE MONTHS ENDED DECEMBER 31, 1995

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	35,686	$3,895	459	$35
2	Food	270,994	3,523	-	-
3	Beverage	756,123	2,268	-	-
4	Travel	-	-	2,847	428
5	Coin	-	-	925,918	9,268
6	Coupon	251,025	1,694	-	-
7	Entertainment	14,274	445	702	28
8	Retail & Gifts	-	-	417	52
9	Parking	-	-	-	-
10	Other	19,197	193	10,270	835
11	Total	1,347,299	$12,018	940,613	$10,646

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. Gaming Revenues

Gaming revenues represent the net win from gaming activities which is the difference between amounts wagered and amounts won by patrons. During 1994, certain Progressive Slot Jackpot Programs were discontinued which resulted in $585,000 of related accruals being taken into income.

C. Promotional Allowances

Total (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 revenues to arrive at net revenues. The cost of promotional allowances is charged to operations.

D. Inventories

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

E. 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:

Building and building improvements	40 years
Furniture, fixtures and equipment	3-10 years
Leasehold Improvements	10-40 years

Interest associated with borrowings used to finance construction projects has been capitalized and is being amortized over the estimated useful life of the assets.

F. Land Rights

Land rights represent the fair value of such rights, at the time of contribution, of certain land leases contributed to the Company by the Trump Plaza Corporation, an affiliate of the Company. These rights are being amortized over the period of the underlying operating leases which extend through 2078.

G. Long-Lived Assets

During 1995, the Company adopted the provisions of Statement of Financial Accounting Standard No. 121 "Accounting for the Impairment of Long-Lived Assets" ("SFAS No. 121"). SFAS 121 requires, among other things, that an entity review its long-lived assets and certain related intangibles for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. Impairment of long-lived assets exists if, at a minimum, the future expected cash flows (undiscounted and without interest charges) from an entity's operations are less than the carrying value of these assets. As a result of its review, the Company does not believe that any impairment exists in the recoverability of its long-lived assets.

H. Income Taxes

The Company adopted Statement of Financial Accounting Standards No. 109("SFAS No. 109"), Accounting for Income Taxes, effective January 1, 1993. Adoption of this new standard did not have a significant impact on the financial condition or results of operations. SFAS No. 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method deferred tax liabilities and assets are determined based on the difference between the financial statement and the tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

The accompanying financial statements do not include a provision for Federal income taxes, since any income or losses allocated to its partners are reportable for federal income tax purposes by such partners.

Under the New Jersey Casino Control Commission (the "CCC") regulations, the Company is required to file a consolidated New Jersey corporation business tax return. Accordingly, a provision (benefit) for state income taxes has been reflected in the accompanying financial statements.

Deferred State income taxes result primarily from differences in the timing of reporting of depreciation for tax and financial statement purposes.

I. Fair Value of Financial Instruments

The carrying amount of the following financial instruments of the Company approximates fair value, as follows: (a) cash and cash equivalents, accrued interest receivables and payables are based on the short term nature of these financial instruments; (b) CRDA bonds and deposits are based on the allowances to give effect to the below market interest rates.

The estimated fair values of other financial instruments are as follows:

	December 31, 1995	
	Carrying Amount	Fair Value
10 7/8% Mortgage Notes	$326,652,000	$341,550,000

The fair value of the Mortgage Note is based on quoted market prices obtained by the Company from its investment advisor.

There are no quoted market prices for other notes payable and a reasonable estimate could not be made without incurring excessive costs.

J. Statements of Cash Flows

For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

K. Reclassifications

Certain reclassifications were made to the 1994 financial statements to present them on a basis consistent with the 1995 classification.

NOTE 2: PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets as of December 31, consisted of the following:

	1995	1994
Prepaid taxes	$ 603,000	$ 551,000
Prepaid insurance	769,000	812,000
Prepaid rent	1,035,000	128,000
Prepaid advertising costs	255,000	189,000
Prepaid CRDA expense	-	195,000
Prepaid collateral	1,675,000	1,800,000
Other	708,000	605,000
	$5,045,000	$4,280,000

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of December 31, consisted of the following:

	1995	1994
Advances due from -		
Trump Seashore Associates	$ 756,000	$ 638,000
Trump Plaza Holding Associates	-	3,060,000
Donald J. Trump	-	1,550,000
Trump Organization	64,000	-
Trump Taj Mahal Associates	167,000	-
Trump Hotel & Casino Resorts, Inc.	1,576,000	-
Casino reinvestment bonds and escrow deposit, net of valuation adjustment (1995) $1,077,000 (1994) $2,174,000	2,108,000	4,344,000
	$4,671,000	$9,592,000

NOTE 4: PROPERTY AND EQUIPMENT - NET

Property and equipment as of December 31, consisted of the following:

	1995	1994
Land and land improvements	$ 48,308,000	$ 36,463,000
Buildings	350,366,000	297,573,000
Furniture, fixtures and equipment	90,965,000	84,709,000
Leasehold improvements	2,404,000	2,404,000
Construction in progress	51,183,000	14,864,000
	543,226,000	436,013,000
Less - Accumulated depreciation & amortization	(147,284,000)	(137,659,000)
Net property and equipment	$ 395,942,000	$ 298,354,000

NOTE 5: OTHER ASSETS

Other assets as of December 31, consisted of the following:

	1995	1994
Land rights, net	$ 29,320,000	$ 29,689,000
Deferred Loan Cost (net of affiliate)	9,866,000	11,665,000
Deposits	1,891,000	1,201,000
Deferred charges	425,000	501,000
Other	1,525,000	1,182,000
	$ 43,027,000	$ 44,238,000

NOTE 6: OTHER ACCRUED EXPENSES

Other accrued expenses as of December 31, consisted of the following:

	1995	1994
Accrued payroll	$ 7,851,000	$ 5,300,000
Accrued progressive jackpot liabilities	423,000	502,000
Accrued interest	1,497,000	1,497,000
Accrued gaming taxes payable	735,000	573,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	440,000	497,000
Accrued utilities	1,024,000	360,000
Accrued union benefits	236,000	220,000
Accrued health insurance benefits	1,151,000	1,305,000
Accrued parking, sales, use & luxury tax	565,000	256,000
Accrued professional costs	448,000	653,000
Accrued special event costs	1,259,000	1,709,000
Accrued repairs & maintenance costs	186,000	86,000
Other	1,359,000	2,491,000
	$17,174,000	$15,449,000

NOTE 7: OTHER CURRENT LIABILITIES

Other current liabilities as of December 31, consisted of the following:

	1995	1994
Unredeemed chip/token liability	$1,338,000	$1,492,000
Patron deposits	1,022,000	335,000
Casino reinvestment liability	926,000	742,000
Reserve for insurance claims	2,646,000	2,777,000
Advance room/theater deposits	96,000	118,000
Advances due to Trump's Castle Associates	694,000	140,000
Advances due to Seashore Four Associates	571,000	575,000
Advances due to Trump Taj Mahal Associates	-	131,000
Other	144,000	131,000
	$7,437,000	$6,441,000

NOTE 8: LONG-TERM DEBT - DUE TO AFFILIATES

Long-term debt - due to affiliates as of December 31, consisted of the following:

	1995	1994
10 7/8% Mortgage Note, net of unamortized discount of $3,348,000 and $3,766,000 respectively, interest payable semi-annually, maturing in 2001.	$326,652,000	$326,234,000

On June 25, 1993 Trump Plaza Funding, Inc., ("TPF") issued $330,000,000 principal amount of 10 7/8% Mortgage Notes, due 2001, 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 December 31, 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 1996 and 1998 and are secured by real property.	$2,953,000	$5,494,000
Other notes with interest rates ranging from 9.9% to 13.5%, principal and interest payable monthly, secured by equipment.	6,017,000	468,000
	8,970,000	5,962,000
Less current maturities	2,901,000	2,969,000
	$6,069,000	$2,993,000

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 9: LONG-TERM DEBT - OTHER

The aggregate maturities of long-term debt in each of the years subsequent to 1995 are:

1996	2,901,000
1997	4,503,000
1998	1,196,000
1999	274,000
2000	96,000
Thereafter	330,000,000 (1)
	$338,970,000

(1) includes accretion to maturity of $3,348,000

NOTE 10: DEFERRED CREDITS

Deferred credits as of December 31, 1995 and 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 twelve months ended December 31, 1995 and 1994.

NOTE 12: NON-OPERATING INCOME (EXPENSE) - NET

Non-operating income (expense) - net for the three and twelve months ended December 31, consisted of the following:

	Three Months Ended		Twelve Months Ended	
	1995	1994	1995	1994
Interest income	$ 314,000	$ 322,000	$ 1,003,000	$ 842,000
Gain (loss) on disposal of property and equipment	(7,000)	-	145,000	(9,000)
Non-operating lease and related costs	(1,895,000)	(1,204,000)	(5,743,000)	(4,931,000)
	$(1,588,000)	$ (882,000)	$(4,595,000)	$(4,098,000)

NOTE 13: OTHER LIABILITIES

Other liabilities as of December 31, consisted of the following:

	1995	1994
Deferred Income Taxes relating to Preferred Partnership Interest	$ 3,822,000	$ 3,822,000

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Leases

The Company leases property (primarily land), certain parking space, and various equipment under operating leases. Rent expense for the years ended December 31, 1995 and 1994 was $3,609,000 and $3,613,000 respectively, of which $2,127,000 and $1,900,000, respectively, relates to affiliates of the Company.

Future minimum lease payments under the noncancelable operating leases are as follows:

	Total	Amounts Relating to Affiliates
1996	6,770,000	2,450,000
1997	6,814,000	2,494,000
1998	5,254,000	2,494,000
1999	3,533,000	2,450,000
2000	3,525,000	2,525,000
Thereafter	483,925,000	404,925,000
	$509,821,000	$417,338,000

Certain of these leases contain options to purchase the leased properties at various prices throughout the leased terms.

In October, 1993 the Company assumed the Trump Plaza East Lease and related expenses which are included in the above lease commitment amounts. On June 25, 1993, the Company acquired a five-year option to purchase Trump Plaza East. See Note 14(E) Commitments and Contingencies Trump Plaza East.

B. Casino Reinvestment Development Authority Obligations

Pursuant to the provisions of the New Jersey Casino Control Commission Act ("the Act"), the Company, commencing twelve months after the date of the opening of Trump Plaza in May 1984, and continuing for a period of thirty years thereafter, must either obtain investment tax credits (as defined in the Act), in an amount equivalent to 1.25% of its gross casino revenues, or pay an alternative tax of 2.5% of its gross casino revenues, (as defined in the Act). Investment tax credits may be obtained by making qualified investments or by depositing funds which may be converted to bonds by the Casino Reinvestment Development Authority ("CRDA"), both of which bear interest at below market rates. The Company is required to make quarterly deposits with the CRDA. Investments, Advances and Receivables as of December 31, 1995 and 1994, respectively, include $2,151,000 and $2,119,000 of below market interest rate bonds issued by the CRDA plus $1,034,000 and $4,399,000 of deposits paid towards the purchase of below market interest rate bonds.

In connection with Trump Plaza East (see below), the CRDA has approved the use of up to $14,135,000 in deposits made by the Company for site improvements. At December 31, 1995, the Company had recorded a receivable from the CRDA of $6,022,000 which is included in Accounts Receivable. A lawsuit has been filed to prevent the CRDA from returning to the Company such deposits. Although the court has ruled that such deposits cannot be returned, the Company has appealed their decision. Management believes that their decision will be overturned. In the event that the decision is not overturned, a charge to operations of approximately $2,000,000 would be required to reestablish the valuation allowance.

C. 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 Act, the Company is required to maintain certain licenses.

In June 1995, the CCC renewed Plaza Associate'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 the casino license, the Act provides for the mandatory appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

D. Pay-In-Kind Notes

On June 25, 1993, Trump Atlantic City Associates ("Trump AC"), a newly formed 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 an 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 $2,292,000 relating to the write-off of unamortized deferred financing costs.

E. Trump Plaza East

In 1993, the Company received the approval of the CCC, subject to certain conditions, for the expansion of its hotel facilities at Trump Plaza East. On June 24, 1993, in connection with the 1993 refinancing of Trump Plaza, (i) Trump transferred title to Trump Plaza East to Missouri Boardwalk, Inc ("Boardwalk"), a wholly owned subsidiary of Midlantic National Bank ("Midlantic"), in exchange for a reduction in indebtedness to Midlantic in an amount equal to the sum of the fair market value of Trump Plaza East and all rent payments made to Boardwalk by Trump under the Trump Plaza East Lease, (ii) Boardwalk leased Trump Plaza East to Trump under the Trump Plaza East Lease for a term of five years, which expires on June 30, 1998, during which time Trump was obligated to pay Boardwalk $260,000 per month in lease payments, and (iii) the Company acquired a five-year option to purchase Trump Plaza East (the "Trump Plaza East Purchase Option"). In October 1993, the Company assumed the Trump Plaza East Lease and related expenses. In addition, the Company has a right of first refusal (the "Right of First Offer") upon any proposed sale of all or any portion of the fee interest in Trump Plaza East during the term of the Trump Plaza East Purchase Option. Acquisition of Trump Plaza East by the Company would under certain circumstances (provided there are no events of default under the Trump Plaza East Lease or the Trump Plaza East Purchase Option and provided that certain other events had not theretofore or do not thereafter occur) discharge Trump's obligation to Midlantic in full.

Until such time as the Trump Plaza East Purchase Option is exercised or expires, the Company will be obligated, from and after the date it entered into the Trump Plaza East Purchase Option, to pay the net expenses associated with Trump Plaza East. During 1995, the Company incurred approximately $2,340,000 of such expenses of which $2,045,000 are included in non-operating expenses in the accompanying consolidated financial statements. Under the Trump Plaza East Purchase Option, the Company has the right to acquire Trump Plaza East for a purchase price of $28,000,000 through 1996, increasing by $1,000,000 annually thereafter until expiration on June 30, 1998. The CCC has required that the Company exercise the Trump Plaza East Purchase Option or its right of first refusal no later than July 1, 1996.

E. Trump Plaza East Cont'd

If the Company defaults in making payments due under the Trump Plaza East 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 East Purchase Option during the terms thereof and (b) the cost of demolition of all improvements then located on Trump Plaza East.

The Company has commenced construction at Trump Plaza East pursuant to rights granted to the Company by its lessor. The Company has received approximately $1,519,000 in CRDA credit as of December 31, 1995. As of December 31, 1995, the Company had capitalized approximately $35,700,000 in construction costs related to Trump Plaza East including a $1,000,000 consulting fee paid to Trump (See below). The Company's ability to acquire Trump Plaza East pursuant to the Trump Plaza East Purchase Option is dependent upon its ability to obtain financing to acquire the property. The ability to incur such indebtedness is restricted by the Plaza Note Indenture. The Company's ability to purchase Trump Plaza East 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. (See Note 18 - Subsequent Events)

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

F. 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, approximately $1,341,000 and $1,288,000 was charged to expense for the years ended December 31, 1995 and 1994, respectively.

G. Trump World's Fair

Under an option agreement with Chemical Bank ("Chemical"), Trump had an option to purchase (i) the Trump World's Fair (including the land, improvements and personal property used in the operation of the hotel) and (ii) certain promissory notes made by Trump and/or certain of his affiliates and payable to Chemical (the "Chemical Notes") which are secured by certain real estate assets located in New York, unrelated to the Company.

On June 12, 1995, the option to purchase the Trump World's Fair was exercised. The option price of $60,000,000 was funded with $58,150,000 from the capital contributed by Holdings and $1,850,000 of previous deposits including the option payment made by the Company.

H. Other Payments to 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 East. This payment was approved prior to disbursement by the CCC and has been classified in construction in process in the accompanying consolidated balance sheet as of December 31, 1995 and 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 15: PROVISION (CREDIT) FOR INCOME TAXES

The provision (credit) for state income taxes for the three and twelve months ended December 31, consisted of the following:

	Three months ended		Twelve months ended	
	1995	1994	1995	1994
Current	$ -	$ -	$ -	$ -
Deferred	(1,447,000)	(93,000)	-	92,000
Total	$(1,447,000)	$ (93,000)	$ -	$ 92,000

Note 16: Employee Benefit Plans

The Company 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 and the Company will match 50% of an eligible employee's contributions up to a maximum of 4% of the employee's earnings. The Company recorded charges of $886,000 and $848,000 for matching contributions for the years ended December 31, 1995 and 1994, respectively.

NOTE 17: Public Offerings

On June 12, 1995, Trump Hotels & Casino Resorts, Inc., ("THCR") 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. ("THCR Holdings") through its subsidiary, Trump Hotels & Casino Resorts Funding, Inc. ("THCR 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 THCR Holdings.

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

Funds have been restricted at THCR Holdings for the renovation of the Trump Plaza East and Trump World's Fair. At December 31, 1995, $28,500,000 was contributed by THCR Holdings to the Company to fund construction costs at the Trump East. Also, $58,150,000 was contributed by THCR Holdings to the Company for the purchase of the Trump World's Fair. Future contributions will be made by THCR Holdings when required.

NOTE 18: SUBSEQUENT EVENTS

On January 8, 1996, THCR entered into the Agreement and Plan of Merger as amended by the Amendment to Agreement and Plan of Merger, dated as of January 31, 1996 (the "Merger Agreement"). As part of the Merger Agreement, if consummated, the Company will retire the outstanding Mortgage Notes and purchase the Trump Plaza East (See Note 14(E) Commitments and Contingencies).

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF :
: ss.
COUNTY OF :

Francis X. McCarthy, Jr., being duly sworn according to
Name

law upon my oath deposes and says:

1. I have examined this Annual Report.

2. All the information contained in this Annual Report has been prepared in conformity with the Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Annual Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b) 1-5 during the year.

Signature

Executive Vice President
Finance and Administration
Title

Subscribed and sworn to
before me this 29 day
of March , 1996

Signature

Sherry A. Field
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 26, 1999
Basis of Authority
to Take Oaths

001015-11
License Number

On Behalf Of:

Trump Plaza Associates
Casino Licensee

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1995
($ IN THOUSANDS)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO				
1	Administration	2			
2	Gaming	852			
3	Slots	183			
4	Casino accounting	399			
5	Simulcasting				
6	Other	7			
7	Total-Casino	1,443	$ 32,879	$	$ 32,879
8	ROOMS	184	3,693		3,693
9	FOOD AND BEVERAGE	896	14,583		14,583
	OTHER OPERATED DEPARTMENTS				
10	Other	206	3,698		3,698
11					0
12					0
13					0
14					0
15					0
16					0
17					
18					
19					
	ADMINISTRATION AND GENERAL				
20	Executive office	16	787	1,872	2,659
21	Accounting and auditing	123	2,388		2,388
22	Security	212	5,154		5,154
23	Other administrative and general department	140	3,589		3,589
24	MARKETING	206	3,043		3,043
25	GUEST ENTERTAINMENT	26	1,072		1,072
26	PROPERTY OPERATION AND MAINTENANCE	291	7,921		7,921
27	TOTALS - ALL DEPARTMENTS	3,743	$ 78,807	$ 1,872	$ 80,679

TRADING NAME OF LICENSEE Trump Plaza Hotel and Casino

ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1995

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, no material discrepancies were noted for the period covered by this report, or if material discrepancies were noted, a detailed explanation is included on the attached page.

Signature

Executive Vice President
Finance and Administration
Title

3/29/96
Date

TRADING NAME OF LICENSEE: TRUMP PLAZA ASSOCIATES

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1995

($ IN THOUSANDS)

Line			
	CASINO WIN or (LOSS):		
1	Table and Other Games Win		$ 96,518
2	Slot Machines Win		204,230
3	Total Win		300,748
	Less - Adjustment for Uncollectible Patons' Checks:		
4	Provision for Uncollectable Patrons' Checks	$ 940	
5	Maximum Adjustment (4% of line 3)	$ 12,030	
6	Adjustment (the lesser of line 4 or line 5)		940
7	Gross Revenue (line 3 less line 6)		$ 299,808
8	Tax on Gross Revenue - Reporting Year (8% of line 7)		$ 23,985
9	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years		0
10	Total Taxes on Gross Revenue (line 8 [plus or minus] line 9)		23,985
	DEPOSITS MADE FOR TAX ON REPORTING YEAR'S GROSS REVENUES:		
11	January	$ 1,406	
12	February	1,522	
13	March	1,829	
14	April	1,697	
15	May	2,199	
16	June	1,976	
17	July	2,655	
18	August	2,131	
19	September	2,024	
20	October	2,439	
21	November	1,905	
22	December	1,467	
23	January	735	
24	Total Deposits Made for Tax on Reporting Year's Gross Revenue		(23,985)
25	Settlement of Prior Years' Tax on Gross Revenue Resulting from Audit or Other Adjustments - (Deposits) Credits		0
26	Gross Revenue Taxes Payable (line 10 less line 24 [plus or minus] line 25)		$ 0

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF :
: ss.
COUNTY OF :

Francis X. McCarthy, Jr., being duly sworn according to
Name

law upon my oath deposes and says:

1. I have examined this Gross Revenue Annual Tax Return.

2. To the best of my knowledge, all the information contained in this Return as been prepared in conformity with the Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this Return is accurate.

Signature

Subscribed and sworn to
before me this 13 day
of March , 1996

Executive Vice President
Finance and Administration
Title

Signature

Sherry A. Field
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 26, 1999

Basis of Authority
to Take Oaths

001015-11
License Number

On Behalf Of:

Trump Plaza Associates
Casino Licensee

ANNUAL REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1995

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT..... JAMES L. WRIGHT

OFFICIAL TITLE..... VICE PRESIDENT, FINANCE AND CONTROLLER

ADDRESS..... 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

LIST OF FORMS – ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1995.

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year)	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	
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-249

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

BALANCE SHEETS

DECEMBER 31, 1995 AND 1994

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	DECEMBER (c) 1995	DECEMBER (d) 1994
	ASSETS		
	Current Assets:		
1	Cash and cash investments	$ 88,921	$ 61,176
2	Marketable securities	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1995, $5,042; 1994, $4,059)	17,215	15,443
4	Inventories	7,161	6,431
5	Prepaid expenses and other current assets	3,864	7,806
6	Total current assets	117,161	90,856
7	Investment, Advances, and Receivables - CRDA	7,604	4,514
8	Property and Equipment - Gross NOTE 2	908,950	886,160
9	(Accumulated Depreciation/Amortization) NOTE 2	(217,963)	(179,375)
10	Other Assets	6,021	5,437
11	Total Assets	$ 821,773	$ 807,592
	LIABILITIES AND EQUITY		
	Current Liabilites:		
12	Accounts Payable	$ 8,335	$ 3,256
13	Notes Payable	-	-
	Current portion of long-term debt:		
14	Due to affiliates	-	-
15	Other NOTE 3	920	743
16	Income taxes payable and accrued	-	-
17	Other accrued expenses NOTE 4	34,558	34,315
18	Other current liabilities NOTE 5	10,780	11,873
19	Total current liabilities	54,593	50,187
	Long-Term Debt:		
20	Due to affiliates NOTE 3	649,139	611,533
21	Other NOTE 3	45,053	45,168
22	Deferred Credits	-	-
23	Other Liabilities NOTE 6	33,373	32,912
24	Commitments, Contingencies and Subsequent Events NOTE 9		
25	Total Liabilities	782,158	739,800
26	Stockholders', Partners', or Proprietor's Equity	39,615	67,792
27	Total Liabilities and Equity	$ 821,773	$ 807,592

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

TWELVE MONTHS ENDED DECEMBER 31, 1995 AND 1994

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	REVENUE:		
1	Casino	$ 501,378	$ 461,622
2	Rooms	43,309	41,815
3	Food and Beverage	57,195	58,029
4	Other	15,864	17,894
5	Total Revenue	617,746	579,360
6	Less: Promotional allowances	63,998	62,178
7	Net Revenue	553,748	517,182
	COSTS AND EXPENSES:		
8	Cost of Goods and Services	251,263	243,897
9	Selling, General and Administrative	156,060	141,514
10	Provision for Doubtful Accounts	4,508	2,974
11	Total Costs and Expenses	411,831	388,385
12	Gross Operating Profit	141,917	128,797
13	Depreciation and Amortization	43,387	39,750
	Charges from Affiliates other than Interest:	-	-
14	Management Fees	-	-
15	Other NOTE 7	5,455	5,161
16	Income (Loss) From Operations	93,075	83,886
	Other Income (Expenses):		
17	Interest (Expenses) - Affiliates NOTE 3	(112,785)	(107,188)
18	Interest (Expenses) - External NOTE 3	(7,650)	(8,123)
19	Investment Alternative Tax and Related Income(Expense) - Net	(3,185)	(3,552)
20	Nonoperating Income (Expense) - Net NOTE 8	3,922	(1,681)
21	Total Other Income (Expenses)	(119,698)	(120,544)
22	Income (Loss) Before Income Taxes and Extraordinary Items	(26,623)	(36,658)
23	Provision (Credit) for Income Taxes	-	-
24	Income (Loss) Before Extraordinary Items	(26,623)	(36,658)
25	Extraordinary Items	-	-
26	Net Income (Loss)	$ (26,623)	$ (36,658)

Shaded areas are modified to give effect to multi-link progressive reclassification.

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

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TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

THREE MONTHS ENDED DECEMBER 31, 1995 AND 1994

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	REVENUE:		
1	Casino	$ 124,010	$ 116,293
2	Rooms	10,274	9,656
3	Food and Beverage	14,262	13,919
4	Other	4,385	4,152
5	Total Revenue	152,931	144,020
6	Less: Promotional allowances	16,479	13,376
7	Net Revenue	136,452	130,644
	COSTS AND EXPENSES:		
8	Cost of Goods and Services	62,875	58,625
9	Selling, General and Administrative	42,317	34,705
10	Provision for Doubtful Accounts	683	1,165
11	Total Costs and Expenses	105,875	94,495
12	Gross Operating Profit	30,577	36,149
13	Depreciation and Amortization	10,980	10,806
	Charges from Affiliates other than Interest:		
14	Management Fees	-	-
15	Other NOTE 7	-	-
16	Income (Loss) From Operations	1,333	1,494
	Other Income (Expenses):	18,264	23,849
17	Interest (Expenses) - Affiliates NOTE 3	(28,773)	(27,275)
18	Interest (Expenses) - External NOTE 3	(2,798)	(1,181)
19	Investment Alternative Tax and Related Income(Expense) - Net	(778)	(1,404)
20	Nonoperating Income (Expense) - Net NOTE 8	1,170	675
21	Total Other Income (Expenses)	(31,179)	(29,185)
22	Income (Loss) Before Income Taxes and Extraordinary Items	(12,915)	(5,336)
23	Provision (Credit) for Income Taxes	-	-
24	Income (Loss) Before Extraordinary Items	(12,915)	(5,336)
25	Extraordinary Items	-	-
26	Net Income (Loss)	$ (12,915)	$ (5,336)

Shaded areas are modified to give effect to multi-link progressive reclassification.

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

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TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION	COMMON STOCK SHARES (c)	COMMON STOCK AMOUNT (d)	PREFERRED STOCK SHARES (e)	PREFERRED STOCK AMOUNT (f)	ADDITIONAL PAID-IN CAPITAL (g)	_____ (h)	RETAINED EARNINGS ACCUMULATED (DEFICIT) (i)	TOTAL STOCKHOLDERS' EQUITY (DEFICIT) (j)
1	Balance, December 31, 19__		$		$	$	$	$	$
2	Net Income (Loss) - 19__								
3	Contribution to Paid-in- Capital								
4	Dividends								
5	Prior Period Adjustments								
6	_____								
7	_____								
8	_____								
9	_____								
10	Balance, December 31, 19__								
11	Net Income (Loss) - 19__								
12	Contribution to Paid-in- Capital								
13	Dividends								
14	Prior Period Adjustments								
15	_____								
16	_____								
17	_____								
18	_____								
19	Balance, _____, 19__		$		$	$	$	$	$

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 PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION	CONTRIBUTED CAPITAL (c)	ACCUMULATED EARNINGS (DEFICIT) (d)	_____ _____ _____ (e)	TOTAL EQUITY (DEFICIT) (f)
1	Balance, December 31, 1993	$123,745	($17,124)	$	$106,621
2	Net Income (Loss) - 1994	-	(36,658)		(36,658)
3	Capital Contributions	-	-		-
4	Capital Withdrawls	-	-		-
5	Partnership Distributions	-	(2,171)		(2,171)
6	Prior Period Adjustments	-	-		-
7	_____				
8	_____				
9	_____				
10	Balance, December 31, 1994	123,745	(55,953)		67,792
11	Net Income (Loss) - 1995	-	(26,623)		(26,623)
12	Capital Contributions	-	-		-
13	Capital Withdrawls	-	-		-
14	Partnership Distributions..(NOTE 10)	-	(1,554)		(1,554)
15	Prior Period Adjustments	-	-		-
16	_____				
17	_____				
18	_____				
19	Balance, December 31, 1995	$123,745	($84,130)	$0	$39,615

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 YEARS ENDED DECEMBER 31, 1995 AND 1994

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
1	Net Cash Provided (Used) by Operating Activities	$ 47,787	$ 21,173
	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	(26,498)	(23,030)
5	Proceeds from Disposition of Property and Equipment	-	-
6	Purchase of Casino Reinvestment Obligations	(6,073)	(4,201)
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	(32,571)	(27,231)
	Cash Flows from Financing Activites:		
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	(1,029)	(868)
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	(1,554)	(2,171)
23	Net Cash Provided (Used) by Financing Activites	12,529	9,210
24	Net Increase (Decrease) in Cash and Cash Equivalents	27,745	3,152
25	Cash and Cash Equivalents at Beginning of Period	61,176	58,024
26	Cash and Cash Equivalents at End of Period	$ 88,921	$ 61,176

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period for:		
27	Interest (Net of Amount Capitalized)	$ 79,389	$ 79,121
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 YEARS ENDED DECEMBER 31, 1995 AND 1994

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1995	(d) 1994
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss)	$ (26,623)	$ (36,658)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	43,387	39,750
31	Amortization of Other Assets	-	-
32	Amortization of Debt Discount or Premium	22,494	18,820
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	2,983	3,569
37	(Gain Loss from Other Investment Activities	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks	(1,772)	(2,409)
39	Net (Increase) Decrease in Inventories	(730)	(1,746)
40	Net (Increase) Decrease in Other Current Assets	3,942	(3,820)
41	Net (Increase) Decrease in Other Assets	(584)	(394)
42	Net Increase (Decrease) in Accounts Payables	5,079	(678)
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	(850)	139
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	(1,914)	2,553
45	Net Increase in Notes Payable	-	-
46	Costs related to lease guarantee	2,375	2,047
47	Net Cash Provided (Used) by Operating Activites	$ 47,787	$ 21,173

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment	$ 27,589	$ 23,701
49	Less: Captial Lease Obligations Incurred	(1,091)	(671)
50	Cash Outflows for Property and Equipment	$ 26,498	$ 23,030
	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	$ -	$ -

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TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

AS OF AND FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks	$ 10,982		
2	Returned Patrons' Checks	9,036		
3	Total Patrons' Checks	20,018	$ (4,769)	$ 15,249
4	Hotel Receivables	1,558	(273)	1,285
	Other Receivables:			
5	Receivables Due From Officers and Employees	0		
6	Receivables Due From Affiliates	0		
7	Other Accounts and Notes Receivables	681		
8	Total Other Receivables	681	0	681
9	Totals (Form 205)	$ 22,257	$ (5,042)	$ 17,215

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)	174,123
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)	(131,187)
13	Checks Collected Through Deposits	(33,883)
14	Checks Transferred to Returned Checks	(9,998)
15	Other Adjustments	0
16	Ending Balance	$ 10,982
17	"Hold" Checks Included in Balance on Line 16	$ 0
18	Provision for Uncollectible Patrons' Checks	$ 4,324
19	Provision as a Percent of Counter Checks Issued	2.5%

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1995

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	# OF RECIPIENTS	DOLLAR AMOUNTS	# OF RECIPIENTS	DOLLAR AMOUNTS
Rooms	211,793	$27,822		$
Food	1,726,086	21,324		
Beverage	5,854,421	10,302		
Travel			85,545	12,172
Coin/Table Games			3,384,799	51,949
Coupon	164,810	981		
Entertainment	146,729	2,805	36,776	1,562
Retail & Gifts			6,907	651
Cash Complimentaries			575	9,309
Other	36,463	764	76,775	1,734
Total	8,140,302	$63,998	3,591,377	$77,377

FOR THE THREE MONTHS ENDED DECEMBER 31, 1995

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	# OF RECIPIENTS	DOLLAR AMOUNTS	# OF RECIPIENTS	DOLLAR AMOUNTS
Rooms	54,989	$ 6,761		$
Food	433,234	5,526		
Beverage	1,436,551	2,604		
Travel			22,225	3,428
Coin/Table Coupons			865,646	14,272
Coupon	47,096	296		
Entertainment	41,510	1,113	10,914	567
Retail & Gifts			1,747	211
Cash Complimentaries			175	3,239
Other	8,228	179	21,329	587
Total	2,021,608	$16,479	922,036	$22,304

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1995

NOTE 1 - ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation:

The accompanying consolidated financial statements include those of Trump Taj Mahal Associates ("Taj Associates"), and its wholly owned subsidiary, Trump Taj Mahal Funding, Inc. ("Taj Funding"). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Trump Taj Mahal Associates was formed on June 23, 1988, as a New Jersey limited partnership. Taj Associates 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 ("TM/GP"), the managing general partner, and a wholly owned subsidiary of Taj Mahal Holding Corp. ("Holding"), 49.995%.

Taj Associates was formed for the purpose of acquiring, constructing and operating the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City hotel, casino and convention center complex. On April 2, 1990, Taj Associates opened the Taj Mahal to the public. The industry in which the Taj Mahal operates is subject to intense competition and regulatory review (see Note 9).

Taj Funding was incorporated on June 3, 1988 for the purpose of raising funds through the issuance of its 14% First Mortgage Bonds, Series A, due 1998, the proceeds of which were loaned to Taj Associates for construction of the Taj Mahal. During 1991, as a result of a plan of reorganization (the "1991 Taj Restructuring"), these were subsequently exchanged for Taj Funding's 11.35% Mortgage Bonds, Series A, due 1999 (the "Bonds"). Since Taj Funding has no business operations, its ability to repay the principal and interest on the Bonds is completely dependent on the operations of Taj Associates.

Donald J. Trump beneficially owns 50% of Taj Associates and has pledged his total ownership interest as collateral under various debt agreements.

Summary of Significant Accounting Policies:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Casino revenues consist of the net win from gaming activities, which is the difference between gaming wins and losses. Revenues from hotel and other services are recognized at the time the related service is performed. Taj Associates provides an allowance for doubtful accounts arising from casino, hotel and other services. The allowance is based upon a specific review of outstanding receivables as well as historical collection information. In providing this allowance, management is required to make certain estimates and assumptions regarding the timing and amount of account collections. Actual results could differ from those estimates.

Promotional Allowances

Gross revenues include the retail value of complimentary rooms, food, beverages and other services furnished to patrons. The retail value of these promotional allowances is deducted from gross revenues to arrive at net revenues. The cost of promotional allowances is charged to operations. Promotional allowances consisted of the following:

	Year Ended December 31,	
	1995	1994
	(in thousands)	
Rooms	$ 27,822	$ 25,562
Food & Beverage	32,607	32,581
Other	3,569	4,035
	$63,998	$62,178

Income Taxes

The accompanying financial statements do not include a provision for Federal income taxes of Taj Associates, 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 (the "CCC") regulations, Taj Associates is required to file a New Jersey corporation business tax return. As of December 31, 1995, Taj Associates had a net operating loss carry forward of approximately $150,000,000 for New Jersey State Income Tax purposes. No tax benefit has been reflected in the accompanying financial statements for these losses until such time that they are actually utilized.

Inventories

Inventories are carried at cost on a weighted average 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 range from three to seven years for furniture, fixtures and equipment and 40 years for buildings and building improvements. Leasehold improvements are amortized over the term of the related lease commencing in the period these assets are placed in service.

The interest expense associated with borrowings used to fund the purchase and construction of the Taj Mahal has been capitalized and is being amortized over the estimated useful life of the facility.

Long-Lived Assets

During 1995, Taj Associates adopted the provisions of Statement of Financial Accounting Standard No. 121, "Accounting for the Impairment of Long-Lived Assets ("SFAS No. 121"). SFAS No. 121 requires, among other things, that an entity review its long-lived assets and certain related intangibles for impairment whenever changes in circumstance indicate that the carrying amount of an asset may not be fully recoverable. Impairment of long-lived assets exists, if, at a minimum, the future expected cash flows (undiscounted and without interest charges), from an entity's operations are less than the carrying value of these assets. As a result of its review, Taj Associates does not believe that any impairment exists in the recoverability of its long-lived assets as of December 31, 1995.

Cash and Cash Investments

Cash and cash investments include hotel and casino funds, funds on deposit with banks and temporary investments having a maturity of three months or less.

NOTE 2 - PROPERTY AND EQUIPMENT

	December 31,	
	1995	1994
	(in thousands)	
Land	$ 37,843	$ 37,843
Buildings	665,161	656,702
Furniture, fixtures and equipment	174,693	160,372
Leasehold improvements	31,253	31,243
Total	908,950	886,160
Less Accumulated Depreciation	(217,963)	(179,375)
Net Property and Equipment	$ 690,987	$706,785

NOTE 3 - LONG TERM DEBT

Long term debt consisted of the following at December 31:

	1995	1994
	(in thousands)	
Long-term Portion		
Due to affiliates:		
Trump Taj Mahal Funding, Inc. (A)	$780,242	$765,130
Unamortized discount	(131,103)	(153,597)
Net	$649,139	$611,533
Other:		
Bank term loan (B)	$ 44,744	$ 44,944
Other	309	224
Total other	$ 45,053	$ 45,168
Current Portion		
Other:		
Bank term loan (B)	$ 200	$ 194
Other	720	549
Total other	$ 920	$ 743

	Twelve months ended December 31,	
	1995	1994
	(in thousands)	
Interest Expense Affiliates		
Trump Taj Mahal Funding, Inc. (A)	$ 87,914	$ 86,321
Accretion - bond discount (A)	22,495	18,820
Accretion - lease guarantee (Note 5B)	2,376	2,047
Total	$112,785	$107,188
Interest Expense External		
Bank term loan (B)	$ 4,281	$ 4,299
Refinancing costs	2,973	2,788
Working Capital line of credit	315	415
Other	81	621
Total	$ 7,650	$ 8,123

NOTE 3 - LONG TERM DEBT (continued)

	Three months ended December 31, 1995	1994
	(in thousands)	
Interest Expense Affiliates		
Trump Taj Mahal Funding, Inc. (A)	$ 22,139	$ 21,709
Accretion - bond discount (A)	6,006	5,025
Accretion - lease guarantee (Note 5B)	628	541
Total	$ 28,773	$ 27,275
Interest (Income) Expense External		
Bank term loan (B)	$ 1,077	$ 1,082
Refinancing Costs	1,621	--
Working Capital line of credit	80	90
Other	20	9
Total	$ 2,798	$ 1,181

(A) Taj Funding's first Mortgage Bonds bear interest of 11.35% and are due November 15, 1999. Each Bond, 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 Taj Associates, as defined in the Indenture, for the immediately preceding calendar year, Taj Funding will pay the Additional Amount in cash up to 10.28% and the balance thereof may be paid at the option of Taj 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. For the period from the issuance of the Bonds, October 4, 1991, through December 31, 1992, there was no EACF. Accordingly, Taj Funding paid the Additional Amounts on May 15, 1993 and May 15, 1992 through the issuance of approximately $14,579,000 and $8,844,000, respectively, in additional Bonds. 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, Taj 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 December 31, 1995, the unaccreted balance of this discount approximated $131,103,000. The current interest rates of other borrowings approximated their stated interest rates as of the effective date. The accretion amounted to approximately $22,494,000 in 1995 and $18,820,000 in 1994, and is included in interest expense.

The Bonds are guaranteed as to payment of principle and interest by Taj Associates and are collateralized by substantially all Taj Associates property.

(B) On November 3, 1989, Taj Associates entered into 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 terms of the NatWest Loan were modified in 1991 as part of the 1991 Taj Restructuring. The restructured 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 (May 15, 1992 through May 15, 1999), to the extent 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, Taj Associates obtained a working capital line of credit in the amount of $25,000,000 with a maturity of five years. In September 1994, Taj Associates extended the maturity to November 1999, in consideration of 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.

Aggregate annual maturities of long term debt at accreted value are as follows:

1996	$ 920,000
1997	529,000
1998	268,000
1999	824,498,000
2000	0
Thereafter	0

The above maturity schedule does not reflect the proposed recapitalization in Note 12.

NOTE 4 - OTHER ACCRUED EXPENSES

	December 31,	
	1995	1994
	(in thousands)	
Accrued advertising/marketing	$ 1,621	$ 3,242
Accrued interest	9,154	8,977
Accrued payroll & related	15,149	14,806
Other	** 8,634	** 7,290
Total	$ 34,558	$ 34,315

** None of the individual components of Other exceed 5% of the total.

NOTE 5 - OTHER CURRENT LIABILITIES

Taj Associates has engaged in certain transactions with Donald J. Trump and entities that are wholly and partially owned by Donald J. Trump. Amounts owed to (from) these affiliates at December 31 are indicated below:

	1995	1994
	(in thousands)	
Affiliates:		
Donald J. Trump (A)	$ 643	$ 253
Trump Taj Mahal Realty ("Realty") (B)	-	-
Trump's Castle Associates (C)	164	30
Trump Plaza Associates (C)	167	(131)
	974	152
Advance deposits	1,236	3,022
Unredeemed chip liability	3,148	2,725
Insurance reserves	4,081	4,626
Other	1,341	1,348
	9,806	11,721
Total	$ 10,780	$ 11,873

(A) Taj Associates has entered into a Services Agreement (the "Services Agreement"), which provides that Donald J. Trump will render to Taj Associates marketing, advertising, promotional and related services with respect to the business operations of Taj Associates. In consideration for the services to be rendered, Taj Associates will pay an annual fee equal to 1.5% of Taj Associates earnings before interest, taxes and depreciation, as defined, less capital expenditures and partnership distributions for such year, with a minimum base fee of $500,000. The services fee is payable monthly through November 15, 1999, although the agreement provides for earlier termination under certain events. Portions of the fee have been assigned to First Fidelity Bank in connection with the Loan to Realty Corp. which has been guaranteed by Donald J. Trump. For the years ended December 31, 1995 and 1994, Taj Associates incurred $1,743,000 and $1,353,000, respectively, under the Services Agreement.

(B) The term of the lease between Taj Associates and Realty is through 2023 and provides for base rentals payable by Taj Associates, prior to the time that the NatWest Loan is paid in full, of $2,725,000 per year, plus 3 1/2% of the EACF in excess of the Additional Amount and, upon payment in full of the NatWest loan, increasing to include the payments to which NatWest is otherwise entitled under the amended NatWest Agreement (Note 3). The amended lease was assigned by Realty to First Fidelity Bank ("First Fidelity"). The first $3,300,000 received by First Fidelity each year will be applied to the interest due on the Realty loan (the "Loan"). Any additional sums paid will also reduce Taj Associates guarantee (see below) and the principal amount of the Loan. The Loan is secured by a first mortgage lien on the underlying parcels owned by Realty Corp.

Pursuant to a limited subordinated guarantee Taj Associates will, under certain circumstances, reimburse First Fidelity for any deficiency in the amount owed to First Fidelity upon maturity of the Loan, up to a maximum of $30,000,000, provided that First Fidelity first pursues its first mortgage lien on the parcels, and provided further that the Bonds have been paid in full. Inasmuch as Taj Associates' lease payments are Realty's sole source of funds to satisfy the Loan and the amount of the Loan exceeds the estimated fair market value of the land by more than $30,000,000, Taj Associates recorded the present value of the maximum guarantee amount as of October 4, 1991. Discounted at 15%, a reasonable incremental cost of capital, the obligation amounted to approximately $9,103,000. This obligation is being accreted as interest expense over the life of the Bonds and is included in Other Liabilities in the accompanying balance sheets. The accretion amounted to approximately $2,375,000 and $2,047,000 for the years ended December 31, 1995 and 1994, respectively.

(C) Taj Associates engages in various transactions with the two other Atlantic City hotel/casinos owned by Donald J. Trump. These transactions are charged at cost or normal selling price in the case of retail items and include the utilization of fleet maintenance and limousine services, certain shared professional fees and payroll costs

as well as complimentary services offered to customers. During 1995, Taj Associates incurred approximately $1,072,000 and $445,000 of costs for these services from Trump Castle and Trump Plaza, respectively. In addition, Taj Associates charged $113,000 and $188,000 to Trump Castle and Trump Plaza, respectively, for similar services. During 1994, Taj Associates incurred approximately $1,167,000 and $149,000 of costs for these services from Trump Castle and Trump Plaza, respectively. In addition, Taj Associates charged $235,000 and $361,000 to Trump Castle and Trump Plaza, respectively, for similar services.

NOTE 6 - OTHER LIABILITIES

Other liabilities at December 31, consisted of the following (in thousands):

	1995	1994
Deferred taxes	$ 4,458	$ 6,258
Insurance reserves	2,014	2,314
Accrued interest - long term	9,631	9,445
Lease guarantee (Note 5B)	17,153	14,778
Other	117	117
	$33,373	$32,912

NOTE 7 - CHARGES FROM AFFILIATES

	Twelve months ended December 31,	
	1995	1994
	(in thousands)	
Other:		
Rent	$ 2,725	$ 2,725
Allocated salaries	829	800
Trump Services Agreement	1,901	1,636
	$ 5,455	$ 5,161

	Three months ended December 31,	
	1995	1994
	(in thousands)	
Other:		
Rent	$ 681	$ 681
Allocated salaries	238	186
Trump Services Agreement	414	627
	$ 1,333	$ 1,494

NOTE 8 - NON-OPERATING INCOME (EXPENSE)

	Twelve months ended December 31,	
	1995	1994
	(in thousands)	
Interest income	$ 3,922	$ 2,019
Litigation costs	--	(3,700)
	$ 3,922	($ 1,681)

	Three months ended December 31,	
	1995	1994
	(in thousands)	
Interest income	$ 1,170	$ 675

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Leases and Employment Agreements

Taj Associates has entered into employment agreements with certain key employees and lease agreements for land, office and warehouse space under noncancellable operating leases expiring at various dates through 2023. At December 31, 1995, minimum commitments under these arrangements are as follows:

1996	$ 8,639,000
1997	$ 5,867,000
1998	$ 3,534,000
1999	$ 2,865,000
2000	$ 2,725,000
Thereafter	$62,675,000

Rent expense was approximately $4,546,000 and $5,027,000 for the years ended December 31, 1995 and 1994, respectively.

Taj Associates leases the pier extending from the Taj Mahal 1,000 feet into the Atlantic Ocean (the "Steel Pier") from Realty Corp. A condition imposed on Taj Associates' Coastal Area Facilities Review Act ("CAFRA") permit (which, in turn, is a condition of Taj Associates casino license) initially required that Taj Associates begin construction of certain improvements on the Steel Pier by October 1992, which improvements were to be completed within 18 months of commencement. Taj Associates initially proposed a concept to improve

the Steel Pier, the estimated cost of which was $30,000,000. Such concept was approved by the New Jersey Department of Environmental Protection, the agency which administers CAFRA. In March 1993, Taj Associates obtained a modification of its CAFRA permit providing for the extension of the required commencement and completion dates of the improvements to the Steel Pier for one year based upon an interim use of the Steel Pier for an amusement park. In March 1994 and 1995 and in February 1996, Taj Associates received an additional one-year extension (most recently through October 1996) of the required commencement and completion dates of the improvements of the Steel Pier based upon the same interim use of the pier as an amusement park.

Employee Benefit Plan

Effective January 1, 1989, Taj Associates established the Taj Mahal Retirement Savings Plan ("the Benefit Plan") for its employees over 21 years of age who are not covered by a collective bargaining agreement. The Benefit Plan is structured to qualify for favorable tax treatment under Section 401(k) of the Internal Revenue Code and allows eligible participants to contribute up to 15% of their salary (certain limits apply, as defined) to the Benefit Plan with a matching Taj Associates contribution of 50% of the first 4% of such employee salary contribution. The funds are invested by a Benefit Plan trustee. Taj Associates' contributions for the years ended December 31, 1995 and 1994 were $1,069,000 and $938,000, respectively.

Casino License Renewal

Taj Funding and Taj Associates are subject to regulation and licensing by the New Jersey Casino Control Commission (the "CCC"). Taj Associates' casino license must be renewed periodically, is not transferable, is dependent upon the financial stability of Taj Associates and can be revoked at anytime. Upon revocation, suspension for more than 120 days, or failure to renew the casino license due to Taj Associates' 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 CCC renewed Taj Associates' casino license for four years, through March 31, 1999.

Legal Proceedings

Taj Associates, its partners, certain of its employees and Taj Funding are involved in various legal proceedings incurred in the normal course of business. In the opinion of management of Taj Associates, the expected disposition of these proceedings would not have a material adverse effect on Taj Associates or Taj Funding's financial condition or results of operations.

Federal Income Tax Examination

Taj Associates is currently involved in an examination with the Internal Revenue Service concerning Taj Associates' federal partnership income tax returns for the tax years 1989 through 1991. While any adjustment which results from this examination could affect Taj Associates' state income tax return, Taj Associates does not believe the resolution of this matter will have a material adverse effect on its financial condition or results of operations.

Investment Obligation

The Act requires Taj Associates to make qualified investments, as defined, in New Jersey, or pay an investment alternative tax to the New Jersey Casino Reinvestment Development Authority ("CRDA"). Commencing in 1991, and for a period of thirty years thereafter, Taj Associates 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 of 2.5% of its gross casino revenues, as defined. Taj Associates is required to satisfy its obligations to the CRDA through deposits on a quarterly basis. Investment tax credits may be obtained by making qualified investments, by depositing funds which may be converted to bonds issued by the CRDA or by donating previously deposited funds in exchange for future credits against tax liability. Taj Associates intends to satisfy its investment obligation primarily by depositing funds and donations of funds deposited.

During 1994, Taj Associates contributed $9,500,000 of previous CRDA deposits, the carrying value of which was $4,750,000. Of the carrying value, $3,250,000 were allocated to leasehold improvements upon completion of the improvements during 1995, and $1,500,000 was a donation of previously deposited funds, which became a credit utilized in 1994 as a reduction of current year obligations. The deposits and bonds traditionally bear interest at below-market interest rates; accordingly, Taj Associates has reduced its carrying value of the deposits by 50% and charged operations approximately $3,090,000 and $2,134,000 in 1995 and 1994, respectively.

NOTE 10 - TAJ ASSOCIATES DISTRIBUTION

Taj Associates 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 years ended December 31, 1995 and 1994 approximated $1,554,000 and $2,171,000, respectively.

NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the following financial instruments of Taj Funding and Taj Associates approximates fair value, as follows: (a) cash and cash equivalents and accrued interest payable are based on the short term nature of the financial instruments; and, (b) CRDA

deposits are based on the valuation allowances to give effect to the below market interest rates (Note 9).

The estimated fair values of the other financial instruments are as follows (Note 3):

	December 31, (in thousands)	
11.35% Mortgage Bonds (a)	1995	1994
Carrying Amount	$649,139	$611,533
Fair Value	750,983	512,638

(a) The fair value of the Mortgage Bonds is based on quoted market prices as of December 31, 1995 and 1994.

There are no quoted market prices for Taj Associates' NatWest Loan and other debt and a reasonable estimate of their value could not be made without incurring excessive costs.

See Note 12 regarding the proposed redemption of these borrowings.

NOTE 12 - PROPOSED RECAPITALIZATION

Proposed Recapitalization

On January 8, 1996, Trump Hotels & Casino Resorts, Inc. ("THCR"), Taj Holding and THCR Merger Corp. ("Merger Sub") entered into the Agreement and Plan of Merger, as amended by Amendment to Agreement and Plan of Merger, dated as of January 31, 1996 (the "Merger Agreement"), pursuant to which Merger Sub will merge with and into Taj Holding (the "Merger"). The Merger Agreement provides that each outstanding share of Taj Holding Class A Common Stock will be converted into the right to receive, at each holder's election, either (a) $30.00 in cash or (b) that number of shares of Common Stock of THCR (the "THCR Common Stock") as shall have a market value equal to $30.00. No fractional shares of THCR Common Stock will be issued in the Merger. The Merger Agreement also contemplates the following transactions occurring in connection with the Merger:

(a) the consummation of the offering by THCR of up to 12,500,000 shares of THCR Common Stock (and an amount to be issued pursuant to the underwriters' over-allotment option) (the "THCR Stock Offering") and the consummation of the offering by Trump Plaza Holding Associates ("Trump Atlantic City") and its wholly owned finance subsidiary Trump Atlantic City Funding, Inc. of up to $1,200,000,000 aggregate principal amount of first mortgage notes, although it is currently contemplated to aggregate $1,100,000,000, the

aggregate proceeds of which will be used, together with available cash, to (i) pay cash to those holders of Taj Holding Class A Common Stock electing to receive cash in the Merger, (ii) redeem the Taj Bonds, (iii) redeem the outstanding shares of Taj Holding Class B Common Stock as required in connection with the redemption of the Taj Bonds, (iv) retire the outstanding 10⅞% Mortgage Notes due 2001 of Trump Plaza Funding, Inc., (v) satisfy the indebtedness of Taj Associates under its loan agreement with National Westminster Bank USA, (vi) purchase certain real property used in the operation of the Taj Mahal that is currently leased from a corporation wholly owned by Trump, (vii) purchase certain real property used in the operation of Trump Plaza Hotel and Casino ("Trump Plaza") that is currently leased from an unaffiliated third party, (viii) make a payment to Bankers Trust Company ("Bankers Trust") to obtain releases of liens and guarantees that Bankers Trust has in connection with certain outstanding indebtedness owed by Trump to Bankers Trust, and (ix) pay related fees and expenses and provide working capital;

(b) the contribution by Trump to Trump Atlantic City of all of his direct and indirect ownership interests in Taj Associates; and

(c) the contribution by THCR to Trump Atlantic City of all its indirect ownership interests in Taj Associates acquired in the Merger.

To the extent that holders of Taj Holding Class A Common Stock elect to receive shares of THCR Common Stock in the Merger, THCR may reduce the size of the THCR Stock Offering. In addition to the shares of THCR Common Stock that may be issued in the THCR Stock Offering, THCR may issue, as part of the THCR Stock Offering, up to an additional 20% of such number of shares, to fund working capital and other general corporate purposes.

The prospective transaction is subject to a number of conditions, including shareholder approval. In addition, there are a number of risks that should be considered, including, (i) the high leverage and fixed charges of THCR; (ii) the risk in refinancing and repayment of indebtedness and the need for additional financing; (iii) the restrictions imposed on certain activities by certain debt instruments; (iv) the recent results of Trump Plaza and the Taj Mahal; and (v) risks associated with the riverboat casino at Buffington Harbor, Indiana, to be operated by a subsidiary of THCR (the "Indiana Riverboat") and the expansions at Trump Plaza and the Taj Mahal. There can be no assurance that the expansions at Trump Plaza or the Taj Mahal will be completed or that the Indiana Riverboat or any other gaming venture will open or that any of THCR's or the Taj Mahal's operations will be successful.

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :

:SS.

COUNTY OF ATLANTIC :

JAMES L. WRIGHT
NAME
, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Annual 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 Annual Report is accurate to the best of my knowledge and belief.

James L. Wright
SIGNATURE

Vice President, Finance and Controller
TITLE

3507-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 28th day of March, 1996

Lois Decker
Signature

LOIS DECKER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 17, 1996

Basis of Authority
to Take Oaths

On Behalf Of:

Trump Taj Mahal Casino Resort
Casino Licensee

1/86

CCC-249

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1995

($ IN THOUSANDS)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES at December 31, (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
1	CASINO ADMINISTRATION	26	$848	$316	$1,164
2	GAMING	1,475	30,307	0	30,307
3	SLOTS	223	5,436	240	5,676
4	CASINO ACCOUNTING	554	12,601	137	12,738
5	SIMULCASTING	25	393	0	393
6	OTHER	24	732	0	732
7	TOTAL–CASINO	2,327	$50,317	$693	$51,010
8	ROOMS	370	7,823	334	8,157
9	FOOD AND BEVERAGE	1,823	26,030	236	26,266
10	OTHER OPERATED DEPARTMENTS				
11	Communications	33	554		554
12	Health Club	20	311		311
13	Retail Admin	7	202		202
14	Retail Operations	15	288		288
15					
16					
17					
18					
19					
20	ADMINISTRATIVE AND GENERAL EXECUTIVE OFFICE	6	25	2,005	2,030
21	ACCOUNTING AND AUDITING	215	4,643	658	5,301
22	SECURITY	364	8,457	145	8,602
23	OTHER ADMINISTRATIVE AND GENERAL DEPARTMENTS	319	8,182	509	8,691
24	MARKETING	291	7,744	2,524	10,268
25	GUEST ENTERTAINMENT	165	3,940	154	4,094
26	PROPERTY OPERATION AND MAINTENANCE	507	12,965	0	12,965
27	TOTALS–ALL DEPARTMENTS	6,462	$131,481	$7,258	$138,739

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL ASOCIATES

ANNUAL EMPLOYMENT AND PAYROLL REPORT SIGNATURE PAGE

FOR THE YEAR ENDED DECEMBER 31, 1995

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, no material discrepancies were noted for the period covered by this report, or if material discrepancies were noted, a detailed explanation is included on the attached page.

James L. Wright
Signature

3/11/96
Date

V.P. OF FINANCE
Title

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31,1995

($ IN THOUSANDS)

LINE			
	Casino win or (loss)		
1	Table games revenue	$ 220,795	
2	Coin-operated devices revenue	285,248	
3	Total revenues		$ 506,043
	Less - adjustment for uncollectible patrons' checks:		
4	Provision for uncollectible patrons' checks	4,324	
5	Maximum adjustment (4% of line 3)	20,242	
6	Adjustment (the lesser of line 4 or line 5)		4,324
7	Gross revenues (line 3 less line 6)		501,719
8	Tax on gross revenues - current year (8% of line 7)		40,137
9	Audit or other adjustments to tax on gross revenues in prior years		0
10	Total tax on gross revenues (line 8 plus or minus line 9)		40,137
	Deposits made for tax on current year's gross revenue:		
11	January	2,402	
12	February	2,613	
13	March	2,708	
14	April	3,015	
15	May	3,824	
16	June	3,124	
17	July	4,507	
18	August	3,491	
19	September	3,536	
20	October	3,915	
21	November	3,283	
22	December	2,343	
23	January/February	1,376	
24	Total deposits made for tax on current year's gross revenues		40,137
25	Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits		0
26	Gross revenues tax payable (line 10 less line 24 plus or minus line 25)		$ 0

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

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :

:SS.

COUNTY OF ATLANTIC :

RON ALCORN , being duly sworn according to law upon my oath deposes and says:
NAME

1. I have examined this Gross Revenue Annual Tax Return.

2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.

3. The information contained in this Return is accurate to the best of my knowledge and belief.

SIGNATURE RON ALCORN

Vice President - Casino Finance
TITLE

01623-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 15th day of March, 1996.

Signature

LINDA M. PETTI
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March 24, 1998

Basis of Authority
to Take Oaths

On Behalf Of:

Trump Taj Mahal Casino Resort
Casino Licensee

1/85

CCC-382