QUARTERLY REPORT

LICENSEE ATLANTIC CITY SHOWBOAT, INC
ADDRESS P.O. BOX 840
ATLANTIC CITY, NEW JERSEY

FOR THE QUARTER ENDED JUNE 30, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT ... KATHLEEN M. CARACCIOLO
OFFICIAL TITLE ..... VICE PRESIDENT FINANCE
ADDRESS ..... P.O. BOX 840
ATLANTIC CITY, NEW JERSEY

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TRADING NAME OF LICENSEE: ATLANTIC CITY SHOWBOAT, INC.

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1994

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TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

BALANCE SHEET

JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		(c) 19 94	(d) 19 93
	ASSETS			
	Current Assets:			
1	Cash		19,081	59,358
2	Marketable securities		-	
3	Receivables and patrons' checks (net of allowances for doubtful accounts - 19_94_, $ 2,290 ; 19_93_ $ 2,686)	NOTE 3.	5,533	8,057
4	Inventories		1,753	1,526
5	Prepaid expenses and other current assets		6,439	7,059
6	Total current assets		32,806	76,000
7	Investments, Advances, And Receivables	NOTE 2 & 11.	8,190	12,063
8	Property And Equipment - Gross		402,878	325,835
9	(Accumulated Depreciation/Amortization)		(115,014)	(95,653)
10	Other Assets		9,661	7,226
11	Total Assets		$ 338,521	325,471
	LIABILITIES AND EQUITY			
	Current Liabilities:			
12	Accounts payable		10,294	10,586
13	Notes payable	NOTE 6	-	-
	Current portion of long-term debt:			
14	Due to affiliates		-	-
15	Other		206	2,849
16	Income taxes payable and accrued		1,563	0
17	Other accrued expenses	NOTE 4	12,768	13,715
18	Other current liabilities	NOTE 5	7,683	4,357
19	Total current liabilities		32,514	31,507
	Long-Term Debt:			
20	Due to affiliates	NOTE 7	215,000	215,000
21	Other		1,928	2,5[illegible]
22	Deferred Credits		15,554	10,83[illegible]
23	Other Liabilities		-	-
24	Commitments And Contingencies NOTE 11			
25	Total Liabilities		264,996	259,859
26	Stockholders', Partners', Or Proprietor's Equity		73,525	65,612
27	Total Liabilities And Equity		$ 338,521	325,471

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 SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 94	(d) 19 93
	Revenue:		
1	Casino	$ 136,788	$ 127,466
2	Rooms	6,155	5,817
3	Food and beverage	16,595	15,570
4	Other	2,838	2,6[illegible]
5	Total revenue	162,376	151,4[illegible]
6	Less: Promotional allowances	12,701	12,528
7	Net revenues	149,675	138,955
	Costs And Expenses:		
8	Costs of goods and services	88,876	83,147
9	Selling, general, and administrative	29,685	28,915
10	Provision for doubtful accounts	(49)	705
11	Total costs and expenses	118,512	112,767
12	Gross Operating Profit	31,163	26,188
13	Depreciation and amortization	11,004	8,466
	Charges from affiliates other than interest:		
14	Management fees	7,958	1,371
15	Other	-	-
16	Income (Loss) From Operations	12,201	16,351
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(9,944)	(10,261)
18	Interest (expense) - external	954	[illegible]
19	Investment alternative tax and related income (expense) - net	(566)	(524)
20	Nonoperating income (expense) - net	631	334
21	Total other income (expenses)	(8,925)	(10,442)
22	Income (Loss) Before Income Taxes And Extraordinary Items	3,276	5,909
23	Provision (credit) for income taxes NOTE 9	1,392	2,354
24	Income (Loss) Before Extraordinary Items	1,884	3,555
25	Extraordinary items (net of income taxes - 19 94, $____ ; 19 93, $ 4,488) NOTE 13	-	(6,123)
26	Net Income (Loss)	$ 1,884	$ (2,568)

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 JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 94	(d) 19 93
	Revenue:		
1	Casino	$ 75,233	$ 66,809
2	Rooms	3,446	3,373
3	Food and beverage	9,153	8,280
4	Other	1,535	1,370
5	Total revenue	89,367	79,832
6	Less: Promotional allowances	6,979	6,635
7	Net revenues	82,388	73,197
	Costs And Expenses:		
8	Costs of goods and services	47,283	43,058
9	Selling, general, and administrative	16,404	13,979
10	Provision for doubtful accounts	98	292
11	Total costs and expenses	63,785	57,329
12	Gross Operating Profit	18,603	15,868
13	Depreciation and amortization	5,720	4,466
	Charges from affiliates other than interest:		
14	Management fees	4,380	1,371
15	Other	0	0
16	Income (Loss) From Operations	8,503	10,031
	Other Income (Expenses):		
17	Interest (expense) - affiliates	(4,972)	(6,011)
18	Interest (expense) - external	711	120
19	Investment alternative tax and related income (expense) - net	(311)	(275)
20	Nonoperating income (expense) - net	247	513
21	Total other income (expenses)	(4,325)	(5,653)
22	Income (Loss) Before Income Taxes And Extraordinary Items	4,178	4,378
23	Provision (credit) for income taxes NOTE 9	1,743	1,735
24	Income (Loss) Before Extraordinary Items	2,435	2,643
25	Extraordinary items (net of income taxes - 19 94, $ _____ ; 19 93, $ 4,488) NOTE 13	0	(6,679)
26	Net Income (Loss)	$ 2,435	$ (4,036)

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 SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c) SHARES	1994 (d) DOLLARS	1993 (e) SHARES	1993 (f) DOLLARS
	Common Stock: 2500 SHARES AUTHORIZED				
1	Beginning balance (January 1)	1,500	$ 76,909	1,500	$ 76,909
2	Sale of stock				
3					
4	Ending balance	1,500	76,909	1,500	76,909
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending balance				
	Additional Paid-in Capital:				
9	Beginning balance (January 1)				
10	Intercompany transfer of stock		583		
11					
12	Ending balance		583		
	Treasury Stock:				
13	Beginning balance (January 1)		( )		( )
14	Purchase of additional stock		( )		( )
15	Sale or retirement of stock				
16	Ending balance		( )		( )
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		( )		( )
18					
19					
20	Ending balance		( )		( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		( )		( )
22					
23					
24	Ending balance		( )		( )
	Retained Earnings:				
25	Beginning balance (January 1)		(5,851)		(8,729)
26	Prior period adjustments				
27	Net income (loss)		1,884		(2,568)
28	Dividends				
29					
30					
31	Ending balance		(3,967)		(11,297)
32	Ending Stockholder's Equity		$ 73,525		$ 65,612

The accompanying notes are an integral 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 ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 94	(d) 19 93
1	Net Cash Provided(Used) By Operating Activities	$ 13,939	$ 5,854
	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	(45,581)	(29,123)
5	Proceeds from disposition of property and equipment	53	27
6	Purchase of casino reinvestment obligations	(1,558)	(1,461)
7	Purchase of other investments and loans/advances made	(1,050)	(10)
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	(48,136)	(30,567)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	-	2,029
14	Payments to settle short-term debt	-	(2,029)
15	Cash proceeds from issuance of long-term debt	-	215,000
16	Cost of issuing debt	-	(5,106)
17	Payments to settle long-term debt	(2,077)	(150,541)
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	-	(8,500)
22			
23	Net Cash Provided (Used) By Financing Activities	(2,077)	50,853
24	Net Increase (Decrease) In Cash And Cash Equivalents	(36,274)	26,140
25	Cash And Cash Equivalents At Beginning Of Years	55,352	33,218
26	Cash And Cash Equivalents At End Of Years	$ 19,078	$ 59,358

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 8,752	$ 12,378
28	Income taxes	$ 3,400	$ 2,800

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 SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 94	(d) 19 93
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ 1,884	$ (2,568)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	11,004	8,466
31	Amortization of other assets	170	
32	Amortization of debt discount or premium		
33	Deferred income taxes - current	229	(614)
34	Deferred income taxes - noncurrent	2,167	180
35	(Gain) loss on disposition of property and equipment	(7)	482
36	(Gain) loss on casino reinvestment obligations	565	523
37	(Gain) loss from other investment activities	930	32
38	Net (increase) decrease in receivables and patrons' checks	(379)	(3,356)
39	Net (increase) decrease in inventories	63	247
40	Net (increase) decrease in other current assets	(1,148)	(1,549)
41	Net (increase) decrease in other assets	(3,329)	3,728
42	Net increase (decrease) in accounts payables	1,165	748
43	Net increase (decrease) in other current liabilities excluding debt	1,031	(3,784)
44	Net increase (decrease) in other noncurrent liabilities excluding debt		
45	Decrease in accr Showboat, Inc management fees, net of tax	(406)	(8,108)
46	Extraordinary loss extinguishment of debt		11,166
47	Net Cash Provided (Used) By Operating Activities	$ 13,939	$ 5,854

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 45,581	$ 29,123
49	Less: Capital lease obligations incurred		
50	Cash Outflows For Property And Equipment	$ 45,581	$ 29,123
	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 Paid in Capital	$ 583	$ -
58	Less: Issuances to settle long-term debt		
59	Consideration in acquisition of business entities		
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$ 583	$ -

ATLANTIC CITY SHOWBOAT, INC.

Notes to Financial Statements

June 30, 1994 and 1993

(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 and Ocean Showboat Finance Corporation (OSFC). OSFC was organized in December 1986 in connection with the sale of $180,000,000 of 11 3/8% Mortgage-Backed Bonds Due 2002 (the Bonds) 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).

Disclosure

In accordance with the Quarterly Report Instructions, the Company has not submitted updated information for the summary of significant accounting policies, aggregate maturities of long term debt and future lease obligations. There has been no significant changes to the information submitted in our December 31, 1993 Annual Report.

Reclassifications

Certain prior period balances have been reclassified to conform to the current period's presentation.

(2) Related Party Transactions

In November 1985, the Company and SBO entered into a Parent Services Agreement whereby SBO agreed to provide 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 nonexclusive right to the use of each of SBO's trademarks, service marks, trade names, 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.

(Continued)

(2) **Related Party Transactions (continued)**

In December 1990, SBO and the Company agreed effective January 1, 1990 to cancel and terminate the Company's obligation to pay management fees to SBO during the period from January 1, 1990 until the fees accrued prior to January 1, 1990 (approximately $24,678,000 net of intercompany tax obligations) were paid in full to SBO and that upon payment in full the obligation to pay fees would recommence for periods beginning after payment of the accrued fees. During the quarter ended June 30, 1993 the Company paid the balance of accrued fees in full and recommenced accruing management fees.

During the six months ended June 30, 1994 and 1993, the Company paid to SBO management fees of $6,735,000 and $8,108,000, respectively. At June 30, 1994 and 1993 the Company owed $965,000 and $1,371,000, respectively, in accrued fees, to SBO for SBO's services rendered to the Company in accordance with the Parent Services Agreement.

(3) **Receivables and Patrons' Checks**

As of June 30, 1994 and 1993, receivables consisted of the following (dollars in thousands):

	1994	1993
Casino	$ 5,984	6,812
Hotel	760	729
Other	1,079	3,202
	7,823	10,743
Less allowance for doubtful accounts	2,290	2,686
Receivables, net	$ 5,533	8,057

(4) **Other Accrued Expenses**

As of June 30, 1994 and 1993, other accrued expenses consisted of the following (dollars in thousands):

	1994	1993
Salaries and wages	$ 5,464	4,600
Taxes, other than taxes on income	2,198	2,121
Medical and liability claims	857	1,484
Progressive slot liability	109	58
Accrued advertising and promotion	1,661	544
Enforcement/annual license	451	489
Settlement claims	898	965
Other	1,130	3,454
	$ 12,768	13,715

(5) Other Current Liabilities

As of June 30, 1994 and 1993, other current liabilities consisted of the following (dollars in thousands):

	1994	1993
Due to affiliates - interest	$ 3,315	2,375
Due to affiliates - mgmnt. fees	965	1,371
Due to affiliates - other	2,529	0
Outstanding chip liability	629	340
Other	245	271
	$ 7,683	4,357

(6) Note Payable

At June 30, 1994, the Company had available an unsecured line of credit for general working capital purposes totaling $15,000,000. Interest is payable monthly at the bank's prime rate plus .5%. The banks prime rate was 7.25% at June 30, 1994. The line of credit is guaranteed by OSI and expires in August 1994. Borrowings on this line of credit may not be used for the payment of management fees or to fund ventures in other jurisdictions. As of June 30, 1994, no funds have been drawn on this line of credit.

(7) Long Term Debt - Due to Affiliates

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. Approximately $162,289,000 of these proceeds were used to pay the long term OSFC payable, OSFC in turn redeemed all of the outstanding 11 3/8% Bonds at 105.7% of the principle amount plus accrued interest. The remaining proceeds will be used for the Company's operation and expansion of existing facilities.

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 commencing November 1, 1993. 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

(Continued)

(7) Long Term Debt - Due to Affiliates (continued)

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 not be secured by any Collateral and at least $100.0 million of the proceeds of which will be used to fund SBO's investment in Sydney Harbour Casino Pty Limited; (c) permit SBO to pay its regular quarterly dividend and make certain Restricted Payments permitted by Section 4.09(b), as amended, without meeting the debt incurrence requirement contained in the Indenture; (d) limit SBO from incurring no more than fifty percent (50%) of the cost of improvements to either the Company or Las Vegas Showboat with indebtedness which is pari passu to the 9 1/4% Bonds.

The Indenture, as amended, places significant restrictions on SBO and its subsidiaries, including restrictions on making loans and advances by SBO to subsidiaries which are Non-Recourse subsidiaries or subsidiaries in which SBO ow[illegible] less than 50% of the equity. All capitalized terms not otherwise defined in this paragraph have the meanings assigned to the Indenture. The Indenture also places significant restrictions on the incurrence of additional Indebtedness by SBO and its subsidiaries, the creation of additional Liens on the Collateral securing the 9 1/4% Bonds, transactions with Affiliates and the investment of SBO and its subsidiaries in certain Investments. In addition, the terms of the Indenture prohibit SBO and its subsidiaries from making a Restricted Payment unless, at the time of such Restricted Payment: (i) no Default or Event of Default has occurred or would occur as a consequence of such Restricted Payment; (ii) SBO, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, would have been permitted to incur at least $1.00 of additional Indebtedness; and, (iii) such Restricted Payment, together with the aggregate of all other Restricted Payments by SBO and its subsidiaries is less than the sum of (x) 50% of the Consolidated Net Income of SBO for the period (taken as one accounting period) from April 1, 1993 to the end of SBO's most recently ended fiscal quarter for which internal financial statements are available plus, (y) 100% of the aggregate net cash proceeds received by SBO from the issuance or sale of Equity Interests of SBO since the Issue Date, plus (z) Excess Non-Recourse Subsidy Cash Proceeds received after the Issue Date. The term Restricted Payment does not include, among other things, the payment of any dividend if, at the time of declaration of such dividend, the dividend would have compiled with the provisions of the Indenture; the redemption, repurchase, retirement, or other acquisition of any Equity Interest of SBO out of proceeds of the substantially concurrent sale of other Equity Interests of SBO; Investments by SBO in an amount not to exceed $75,000,000 in the aggregate in any Non-Recourse Subsidiary engaged in a Gaming Related Business; Investments by SBO in any Non-Recourse Subsidiary engaged in a

(Continued)

(7) Long Term Debt - Due to Affiliates (continued)

Gaming Related Business in an amount not to exceed in the aggregate 100% of all cash received by SBO from any Non-Recourse Subsidiary up to $75,000,000 in the aggregate and thereafter, 50% of all cash received by SBO from any Non-Recourse Subsidiary other than cash required to be repaid or returned to such Non-Recourse Subsidiary provided that the aggregate amount of the Investments pursuant thereto does not exceed $125,000,000 in the aggregate; and the purchase, redemption, defeasance, or retirement of the 9 1/4% Bonds (on a pro rate basis).

At June 30, 1994, the Company had available an unsecured line of credit with SBI totaling $15,000,000. Interest is payable monthly at money center banks average prime rate as published in the Wall Street Journal, plus 1%. The line of credit expires in March 1995. At June 30, 1994 no funds had been drawn on this line of credit.

(8) Leases

The Company leases certain furniture and equipment and a warehouse under long-term lease agreements. The leases covering furniture and equipment, which expire 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.

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 will be adjusted annually based upon increases or decreases in the Consumer Price Index, not to exceed 10% per year during the second through the sixth lease years. In April 1994, the annual rent increased $208,000 to $8,326,000. Under the lease, the Company is responsible for taxes, assessments, insurance and utilities.

Rent expense for all operating leases (except those with terms of a month or less that were not renewed) was $4,453,000 and $4,298,000 for the six months ended June 30, 1994 and 1993 respectively.

(9) Income Taxes

As discussed in Note 1, the Company adopted the provisions of FAS 109 as of January 1, 1993. The cumulative effect of this change in accounting for income taxes of $556,000 was determined as of January 1, 1993.

For the six months ended, June 30, 1994 and 1993 Income tax expense consisted of the following (dollars in thousands):

	Years ended 1994	1993
Federal:		
Current	$ (632)	1,100
Deferred	1,677	676
	1,045	1,776
State and local:		
Current	87	1,132
Deferred	260	(554)
	347	578
Total		
Current	(545)	2,232
Deferred	1,937	122
	$ 1,392	2,354

(10) Employee Benefit Plans

The Company maintains a retirement and savings plan for eligible employees 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 $669,000 and $626,000 to this plan for the six months ended June 30, 1994 and 1993, respectively.

The Company's union employees are covered by union-sponsored, collectively-bargained, multi-employer pension plans. Contributions are 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 $197,000 and $181,000 during the six months ended June 30, 1994 and 1993, respectively.

(Continued)

(10) Employee Benefit Plans (continued)

On May 17, 1990, the shareholders of SBO approved a long-term incentive plan in which officers and key employees of the Company participate. Up to 600,000 shares of SBO common stock may be awarded to plan participants as either restricted shares or stock options. Restricted shares and options vest over a five-year period. The options are exercisable, subject to vesting, over ten years at option prices determined by the Compensation Committee and subject to the approval of the Board of Directors provided that the option price is not less than 100% of the fair market value of SBO's common stock determined on the date of grant of the options.

In April 1992, the Board of Directors of the Company adopted the Showboat, Inc. 1992 Employee Stock Option Plan (Plan) for all full-time and part-time employees. SBO reserved an aggregate of 1,000,000 shares of Showboat, Inc. common stock for issuance under the Plan. The exercise price of an option awarded under the Plan cannot be less than the fair market value of SBO common stock on the date of grant. The number of options granted to an employee is based on the employee's years of service with the Company. Options, all of which expire ten years from the date of grant, are subject to vesting and continued affiliation with the Company.

On May 25, 1994, the Shareholders of SBO approved a long-term incentive plan in which officers and key employees of the Company participate. Up to 2,000,000 shares of SBO common stock may be awarded to plan participants as either restricted shares or stock options. As of June 30, 1994, 570,000 stock options have been granted and 209,500 restricted shares have been issued from treasury shares to officers and key employees. Plan participants are entitled to cash dividends and to vote their respective shares. Restrictions limit the sale or transfer of these shares during a five-year period. Unearned compensation equal to the market value of SBI's common stock was recorded at June 30, 1994 and is being amortized ratably from the date of grant over the restricted five-year period as it is earned.

Compensation expense of $169,000 was recognized during the six months ended June 30, 1994. Unearned compensation at June 30, 1994 is $3,332,000 and is shown in Other Assets in the accompanying balance sheet.

(11) 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 June 30, 1994 and 1993, Investments, Advances and Receivables include $5,809,000 and $10,479,000, respectively, representing the Company's deposits with the CRDA of $8,685,000 at June 30, 1994 and $15,692,000 at June 30, 1993 net of a valuation allowance of $2,876,000 and $5,213,000 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. The Company has requested and the CRDA has approved that $8,000,000 of the Company's deposits with the CRDA will be used for the expansion of a City street leading to the Atlantic City Showboat. In connection with its approval, the CRDA required the company to donate $2,000,000 of its deposits with the CRDA to certain public programs. In 1994 the Company donated an additional $500,000 to these public programs. Construction commenced in the fourth quarter of 1993 and was completed in the 2nd quarter of 1994. The Company has reclassified these CRDA deposits, net of the valuation allowance, totaling $7,000,000 to property & equipment and will be amortized over seven years.

The Company has applied for and received approval for funding credits from the CRDA in connection with the construction of the Company's additional hotel rooms. Pending the execution of a Credit Agreement with the CRDA, which states the terms and conditions by which the Company may receive funding credit, the Company may begin applying for and receiving funds from the CRDA as expenditures are made for the construction of the hotel rooms to the extent the Company has available funds on deposit with the CRDA.

(12) Commitments and Contingencies

The Company is involved in various claims and legal actions arising in the ordinary course of business. Additionally, the Company is presently undergoing an audit by the Internal Revenue Service for the tax years ending June 30, 1989 and 1990. The State of New Jersey is currently auditing the Company's state income tax returns for the tax years ended June 30, 1986 through 1992. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's financial position or results of operation.

New Jersey State Library

(13) Extraordinary Gain

On June 18, 1993, the Company repaid the 11 3/8% Note with OSFC in full at 105.7% of the principle amount plus accrued and unpaid interest up to and including the repayment date. The Company recognized an extraordinary loss before any income tax benefit of $11,166,000 as a result of the write-off of unamortized debt issuance costs of $2,666,000 and repayment of a 5.7% redemption premium of $8,500,000. The loss after tax was $6,679,000.

(14) Subsequent Event

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.

(15) Statement of Cash Flow Supplemental Information

1. Disposal of fixed assets:

Property Gross	(1,331)
Accumulated Depreciation	1,285
Proceeds	53
Loss on disposals	(7)

2. Decrease in fixed asset acquisition included in accounts payable 1,400

3. Increase in CRDA obligation included in accounts payable (140)

4. Management fees paid, included in Other Current Liabilities (406)

5. Increase in Current Deferred income taxes included in Other Current Assets 229

6. Adjust for reclass of CRDA Deposits for Delaware Avenue:

Property Gross	333
CRDA Deposits	(500
CRDA Deposits Valuation Allowance	167

7. Adjust for gain on SBI stock

Investment in SBI	(583)
Retained Earnings	583

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1994

(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	3,110		
2	Returned patrons' checks	2,874		
3	Total patrons' checks	5,984	$ 2,115	$ 3,869
4	Hotel Receivables	760	175	585
	Other Receivables:			
5	Receivables due from officers and employees	-		
6	Receivables due from affiliates	229		
7	Other accounts and notes receivables	850		
8	Total other receivables	1,079	-	1,079
9	Totals (Form 205)	$ 7,823	$ 2,290	$ 5,533

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 2,982
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	53,453
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)	(37,271)
13	Checks collected through deposits	(14,250)
14	Checks transferred to return checks	(1,804)
15	Other adjustments	-
16	Ending Balance	$ 3,110
17	"Hold" Checks Included in Balance On Line 16	$ -
18	Provision For Uncollectible Patrons' Checks	$ (109)
19	Provision As A Percent Of Counter Checks Issued	-0.2%

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT

PROMOTIONAL EXPENSES AND ALLOWANCES

For The Three Months Ended June 30, 1994
(in Thousands)

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	24	$ 1,969		$
Food	336	3,099		
Beverage	1,478	1,277		
Travel			4	760
Coin			501	7,182
Coupon				
Entertainment	41	615		
Retail & Gifts				
Other	1	19	N/A	446
Total	1,880	$ 6,979	505	$ 8,388

For The Six Months Ended June 30, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	44	$ 3,440		$
Food	620	5,720		
Beverage	2,803	2,410		
Travel			8	1,42-
Coin			913	13,389
Coupon				
Entertainment	73	1,089		
Retail & Gifts				
Other	4	42	N/A	729
Total	3,544	$ 12,701	921	$ 15,542

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 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.

K M Caracciolo
Signature

Vice President of Finance
Title

3472-11
License Number

Subscribed and sworn to
before me this 15 day
of August , 1994

Signature
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 21 1998

Basis of Authority
to Take Oaths

Atlantic City Showboat, Inc.
Casino Licensee

QUARTERLY REPORT

LICENSEE **Bally's Park Place, Inc., New Jersey**

ADDRESS **Park Place and the Boardwalk**
Atlantic City, NJ 08401

FOR THE QUARTER ENDED JUNE 30, 1994

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT .... Vicki Lynn Guveiyian

OFFICIAL TITLE ..... Assistant Vice President / Controller

ADDRESS ..... Park Place and the Boardwalk
Atlantic City, NJ 08401

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

BALANCE SHEETS

JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

DESCRIPTION (b)		1994 (c)	1993 (d)
ASSETS			
Current Assets:			
Cash		$ 23,493	$ 11,243
Marketable securities		---	---
Receivables and patrons' checks (net of allowance for doubtful accounts – 1994 $1,092; 1993 $1,650)		4,957	4,272
Inventories		2,280	1,705
Prepaid expenses and other current assets	NOTE 2.	14,960	9,560
Total current assets		45,690	26,780
Investments, Advances, and Receivables	NOTE 9	35,422	35,287
Property and Equipment – Gross	NOTE 3.	758,951	743,631
(Accumulated Depreciation/Amortization)	NOTE 3.	(297,396)	(273,929)
Other Assets		15,756	10,058
Total Assets		$ 558,423	$ 541,827
LIABILITIES AND EQUITY			
Current Liabilities:			
Accounts payable		$ 7,378	$ 4,802
Notes payable		---	---
Current portion of long–term debt:			
Due to affiliates	NOTE 1.	---	10,000
Other		44	43
Income taxes payable and accrued	NOTE 1.	51	7,465
Other accrued expenses	NOTE 10	34,583	35,975
Other current liabilities		2,429	2,567
Total current liabilities		44,485	60,852
Long Term Debt:			
Due to affiliates	NOTE 4.	425,000	350,000
Other	NOTE 4.	2,703	2,751
Deferred Credits	NOTE 5.	32,364	29,284
Other Liabilities	NOTE 6.	10,143	8,566
Commitments And Contingencies			
Total Liabilities		514,695	451,453
Stockholders', Partners', or Proprietors' Equity		43,728	90,374
Total Liabilities and Equity		$ 558,423	$ 541,827

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

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

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

DESCRIPTION (b)		1994 (c)	1993 (d)
REVENUE:			
Casino		$ 146,616	$ 141,218
Rooms		17,184	16,454
Food and Beverage		19,838	18,981
Other		4,267	3,407
Total Revenue		187,905	180,060
Less: Promotional allowances		(16,365)	(15,223)
Net Revenue		171,540	164,837
COSTS AND EXPENSES:			
Costs of Goods and Services		93,228	86,338
Selling, General, and Administrative		25,346	23,756
Provision for Doubtful Accounts		(73)	58
Total cost and expenses		118,501	110,152
Gross Operating Profit		53,039	54,685
Depreciation and amortization		16,185	14,061
Charges from affiliates other than interest:			
Management fees	NOTE 1.	---	---
Other		1,567	1,869
Income (Loss) from Operations		35,287	38,755
Other Income (Expenses):			
Interest (expense) – affiliates	NOTE 7.	(20,022)	(20,762)
Interest (expense) – external	NOTE 7.	(476)	(1,160)
Investment alternative tax and related income (expense) – net	NOTE 11.	(537)	(900)
Nonoperating income (expense) – net	NOTE 12	807	642
Total other income (expenses)		(20,228)	(22,180)
Income (Loss) Before Income Taxes and Extraordinary Items		15,059	16,575
Provision (credit) for income taxes	NOTE 8.	6,119	6,592
Income (Loss) Before Extraordinary Items		8,940	9,983
Extraordinary items (net of income taxes – 1994, $14,137)		(20,735)	---
Cumulative effect on prior years of change in accounting for income taxes	NOTE 1	---	(11,377)
Net Income (Loss)		$ (11,795)	$ (1,394)

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

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

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

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

	DESCRIPTION (b)		1994 (c)	1993 (d)
	REVENUE:			
	Casino		$ 80,902	$ 75,839
	Rooms		9,887	9,174
	Food and Beverage		10,816	10,063
	Other		2,577	1,559
	Total Revenue		104,182	96,635
	Less: Promotional allowances		(8,575)	(7,568)
	Net Revenue		95,607	89,067
	COSTS AND EXPENSES:			
	Costs of Goods and Services		48,433	44,387
	Selling, General, and Administrative		11,809	13,014
	Provision for Doubtful Accounts		(30)	(4)
	Total cost and expenses		60,212	57,397
	Gross Operating Profit		35,395	31,670
	Depreciation and amortization		8,517	7,031
	Charges from affiliates other than interest:			
	Management fees	NOTE 1.	---	---
	Other		466	714
	Income (Loss) from Operations		26,412	23,925
	Other Income (Expenses):			
	Interest (expense) – affiliates	NOTE 7.	(9,721)	(10,378)
	Interest (expense) – external	NOTE 7.	(194)	(464)
	Investment alternative tax and related income (expense) – net	NOTE 11	(117)	(486)
	Nonoperating income (expense) – net	NOTE 12	415	355
	Total other income (expenses)		(9,617)	(10,973)
	Income (Loss) Before Income Taxes and Extraordinary Items		16,795	12,952
	Provision (credit) for income taxes	NOTE 8.	6,823	5,154
	Income (Loss) Before Extraordinary Items		9,972	7,798
	Extraordinary items (net of income taxes – 1994, $14,137)	NOTE 1.	---	---
	Cumulative effect on prior years of change in accounting for income taxes		---	---
	Net Income (Loss)		$ 9,972	$ 7,798

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

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

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 SHARES (c)	1994 DOLLARS (d)	1993 SHARES (e)	1993 DOLLARS (f)
	Common Stock:				
1	Beginning balance (January 1)	100	$ 1	100	$ 1
2	Sale of stock				
3					
4	Ending balance	100	1	100	1
	Preferred Stock:				
5	Beginning balance (January 1)	---	---	---	---
6	Sale of stock				
7	_____				
8	Ending balance	---	---	---	---
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		86,117		91,767
10	Dividend		(30,595)		
11					
12	Ending balance		55,522		91,767
	Treasury Stock:				
13	Beginning balance (January 1)	---	---	---	---
14	Purchase of additional stock				
15	Sale or retirement of stock				
16	Ending balance	---	---	---	---
	Other:				
17	Beginning balance (January 1)	---	---	---	---
18	_____	---	---	---	---
19	_____	---	---	---	---
20	Ending balance	---	---	---	---
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		---		---
22	_____				
23	_____				
24	Ending balance		---		---
	Retained Earnings:				
25	Beginning balance (January 1)		---		---
26	Prior period adjustments				
27	Net income (loss)		(11,795)		(1,394)
28	Dividends				
29					
30					
31	Ending balance		(11,795)		(1,394)
32	*Ending Stockholders' Equity*		$ 43,728		$ 90,374

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

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

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

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	Invested Capital:		
	Beginning Balance (January 1)	$	$
	Additional capital invested		
	_____		
	Ending balance		
	Accumulated Income (Loss):		
	Beginning Balance (January 1)		
	Prior period adjustments		
	Net income (loss)		
	_____		
	Ending balance		
	Capital Withdrawals:		
	Beginning Balance (January 1)	( )	( )
	Additional capital withdrawals	( )	( )
	_____		
	Ending balance	( )	( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
	Beginning Balance (January 1)	( )	( )
	_____		
	_____		
	Ending balance	( )	( )
	Ending Partners' Or Proprietor's Equity	$	$

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

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

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	Description (b)	1994 (c)	1993 (d)
1	Net Cash Provided (Used) By Operating Activities	$ 21,619	$ 14,151
	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	(9,636)	(3,741)
5	Proceeds from disposition of property and equipment	---	---
6	Purchase of casino reinvestment obligations	(1,055)	(1,756)
7	Purchase of other investments and loans/advances made	---	---
8	Proceeds from disposal of investments and collection of advances and long-term receivables	22	24
9	Cash outflows to acquire business entities	---	---
10	Payment to affiliate for CRDA credits	---	---
11	Net book value of disposals	196	325
12	Net Cash Provided (Used) By Investing Activities	(10,473)	(5,148)
	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	455,000	66,000
16	Costs of issuing debt	(14,631)	---
17	Payments to settle long-term debt	(409,716)	(70,023)
18	Cash proceeds from issuing stock or capital contributions	---	---
19	Purchases of treasury stock	---	---
20	Payments of dividends or capital withdrawals	(30,595)	---
21	Advance (to) from Bally and affiliates	---	(6,000)
22	_____	---	---
23	Net Cash Provided (Used) By Financing Activities	58	(10,023)
24	Net Increase (Decrease) In Cash And Cash Equivalents	11,204	(1,020)
25	Cash And Cash Equivalents At Beginning Of Period	12,289	12,263
26	Cash And Cash Equivalents At End Of Period	$ 23,493	$ 11,243

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 23,700	21,902
28	Income taxes	$ 2,553	465

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

Valid comparisons cannot be made without using information contained in the notes. CCC-235

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

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	Description (b)	1994 (c)	1993 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ (11,795)	(1,394)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	14,588	13,205
31	Amortization of other assets	780	856
32	(Gain)/Loss from financing activities	34,872	---
33	Deferred income taxes – current	(5,428)	(1,727)
34	Deferred income taxes – noncurrent	604	3,539
35	(Gain) loss on disposition of property and equipment	---	---
36	(Gain) loss on casino reinvestment obligations	537	900
37	(Gain) loss from other investment activities	5	(11)
38	Net (increase) decrease in receivables and patrons' checks	1,031	(370)
39	Net (increase) decrease in inventories	(446)	267
40	Net (increase) decrease in other current assets	(2,389)	(1,067)
41	Net (increase) decrease in other assets	(115)	3,663
42	Net increase (decrease) in accounts payables	(1,698)	(2,581)
43	Net increase (decrease) in other current liabilities excluding debt	(9,727)	2,428
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(17)	(14,934)
45	Cumulative effect of change in accounting for income taxes	---	11,377
46	Amortization of CRDA credits	817	---
47	Net Cash Provided (Used) By Operating Activities	$ 21,619	$ 14,151

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ (9,636)	3,741
49	Less: Capital lease obligations incurred	---	---
50	Cash Outflows For Property And Equipment	$ (9,636)	$ 3,741
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$ ---	$ ---
52	Goodwill acquired	---	---
53	Net assets acquired other than cash, goodwill, and property and equipment	---	---
54	Long–term debt assumed	---	---
55	Issuance of stock or capital invested	---	---
56	Cash Outflows To Acquire Business Entities	$ ---	$ ---
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$ ---	$ ---
58	Less: Issuances to settle long–term debt	---	---
59	Consideration in acquisition of business entities	---	---
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$ ---	$ ---

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1994

(UNAUDITED)

($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE – (e) NET OF ALLOWANCE
Patrons' Checks:			
Undeposited patrons' checks	$ 1,243		
Returned patrons' checks	964		
Total patrons' checks	2,207	$ (892)	1,315
Hotel Receivables	1,531	(200)	1,331
Other Receivables:			
Receivables due from officers and employees	7		
Receivables due to affiliates	579		
Other accounts and notes receivables	1,725		
Total other receivables	2,311	---	2,311
Totals (Form 205)	$ 6,049	$ (1,092)	$ 4,957

UNDEPOSITED PATRONS' CHECKS ACTIVITY

DESCRIPTION (g)	AMOUNT (h)
Beginning Balance (January 1)	$ 2,716
Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	35,152
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)	(28,893)
Checks collected through deposits	(6,499)
Checks transferred to returned checks	(1,233)
Other adjustments	---
Ending Balance	$ 1,243
"Hold" Checks Included In Balance On Line 16	$ 0
Provision For Uncollectible Patrons' Checks	$ 66
Provision As A Percent Of Counter Checks Issued	0.19%

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

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For the three months ended June 30, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	33,013	$ 3,145		$
Food	324,204	3,700		
Beverage	805,824	1,612		
Travel			18,317	367
Coin				
Coupon			380,872	4,629
Entertainment	4,676	80		
Retail & Gifts				
Other	1,274	38	5,312	266
Total	1,168,991	$ 8,575	404,501	$ 5,262

****

For the six months ended June 30, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	67,588	5,929		
Food	664,254	7,081		
Beverage	1,570,337	3,141		
Travel			37,532	751
Coin				
Coupon			652,756	8,003
Entertainment	8,293	141		
Retail & Gifts				
Other	2,440	73	12,391	620
Total	2,312,912	16,365	702,679	9,374

STATEMENT OF CONFORMITY AND ACCURACY

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

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

deposes and says:

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

Signature

Assistant Vice President / Controller
Title

#000558-11
License Number

Subscribed and sworn to
before me this 15th day
of August, 1994

On Behalf Of:

Signature

Bally's Park Place, Inc. NJ
Casino Licensee

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

Basis of Authority
to Take Oaths

4/86

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 1 - Notes to Financial Statements
For the Six Months Ended June 30, 1994 and 1993
(Unaudited)
(In thousands)

The accompanying financial statements include the accounts of Bally's Park Place, a New Jersey corporation, (the "Company"). The Company was a direct wholly owned subsidiary of Bally Entertainment Corporation ("BEC") until June 16, 1993, when BEC contributed all of the capital stock of the Company to Bally Casino Holdings, Inc. ("Casino Holdings"). Casino Holdings was formed as a subsidiary of BEC in April 1993 to serve as a holding company for the Company and for acquiring and developing gaming operations, including those in newly emerging gaming jurisdictions. The accompanying financial statements should be read in conjunction with the consolidated financial statements included in the Company's Annual Report to the Casino Control Commission for the year ended December 31, 1993.

Please refer to the Annual Report for the following:

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

All adjustments have been recorded which are, in the opinion of management, necessary for a fair presentation of the balance sheet of the Company at June 30, 1994 and 1993, its statement of operations for the three and six months ended June 30, 1994 and 1993, its statement of stockholder's equity for the six months ended June 30, 1994 and 1993, and its statement of cash flows for the six months ended June 30, 1994 and 1993. All such adjustments were of a normal recurring nature, except for those adjustments in 1994 to reflect the refinancing of indebtedness (see "Note 4 - Long-Term Debt, Affiliates and Other") and in 1993 to apply the provisions of Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes" (see "Income Taxes").

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

Certain reclassifications have been made to prior period financial statements to conform with the 1994 presentation.

Investments in Subsidiaries

The Company has three wholly owned subsidiaries, B.W. Realty, Inc. (which operated a motel in Atlantic City until January 1992), Bally Warwick, Inc. (which owns several condominiums in a building in Atlantic City for sale and lease) and Bally's Park Place Realty Company (which owns land in Atlantic City). The investments in these subsidiaries are reflected in the accompanying financial statements using the equity method.

Allocations from BEC and transactions with related parties

During the three and six months ended June 30, 1994 and 1993, respectively, BEC allocated costs to the Company consisting of the Company's allocable share of BEC's corporate overhead including executive salaries and benefits, public company reporting costs and other corporate headquarters' costs. While the Company does not obtain a measurable direct benefit from these allocated costs, management believes that the Company receives an indirect benefit from BEC's oversight. BEC's method for allocating costs to its subsidiaries is designed to apportion its costs to its subsidiaries and is generally based upon many subjective factors including size of operations 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. The accompanying financial statements reflect an allocation of costs and expenses incurred by BEC of $466 and $714 for the three months ended

June 30, 1994 and 1993, respectively, and $1,567 and $1,869 for the six months ended June 30, 1994 and 1993, respectively.

Certain executive officers of the Company function in a similar capacity for GNAC, CORP. (a wholly owned subsidiary of BEC which owns and operates the casino resort in Atlantic City known as the "The Grand"), and exercise decision making and operational authority over both entities. No allocation of cost is made from the Company to The Grand for these executive officers as management deems the direct allocable cost to be immaterial. In addition, certain administrative and support operations of the Company and The Grand are consolidated, including legal services, purchasing, limousine services, and certain aspects of human resources. Costs of these operations are allocated to or from the Company either directly or using various formulas based on utilization estimates of such services. On a net basis, allocations from the Company were $37 and $192 for the three months ended June 30, 1994 and 1993, respectively, and $93 and $888 for the six months ended June 30, 1994 and 1993, respectively. The Company leases surface area parking lots to The Grand, and rental income was $174 and $348 for each of the three and six months ended June 30, 1994 and 1993, respectively.

The Company and The Grand have a cash management arrangement whereby The Grand advances excess funds to the Company which the Company uses to reduce the outstanding balance under its revolving credit agreement. As of June 30, 1993, the Company had $10,000 owed to The Grand. These advances are payable on demand. The Company pays interest monthly on these advances (at the prime rate of its agent bank) which totalled $157 and $356 for the three and six months ended June 30, 1993, respectively. No amounts were advanced during the six months ended June 30, 1994.

Income Taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of BEC. Under an agreement between the Company, BEC and Casino Holdings, income taxes are allocated to the Company based on amounts the Company would pay or receive if it filed a separate 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, whether or not such losses or credits could be utilized by the Company on a separate return basis. Payments to BEC are due at such time and in such amounts as payments are required to be made for income tax purposes. Payments by BEC for such tax benefits are due at the time BEC files the applicable consolidated federal income tax return. Under the tax sharing agreement, the Company had federal income taxes receivable from BEC of $5,383 and state income taxes payable of $51 at June 30, 1994 and had federal income taxes payable of $7,223 and state income taxes payable of $242 at June 30, 1993 which are classified as Prepaid Expenses and Income Taxes Payable, respectively, on the accompanying balance sheet.

Effective January 1, 1993, the Company changed its method of accounting for income taxes as required by SFAS No. 109. The cumulative effect on prior years of this change in accounting for income taxes was a charge of $11,377.

For the three and six months ended June 30 1994 and 1993, the effective income tax rate of the income tax provision differed from the federal statutory rate of 35% and 34% respectively (40.6% and 39.8%, respectively) due principally to state income taxes.

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

	1994	1993
Federal Income Tax Receivable	$ 5,383	$ ---
Deferred Income Tax	6,206	7,350
Prepaid License	1,069	515
Other*	2,302	1,695
	$14,960	$9,560

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

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

	1994	1993*
Land	$ 63,163	$ 63,168
Buildings, Leasehold Improvements	542,247	540,039
Furniture, Fixtures and Equipment	145,554	139,260
Construction in Progress	7,987	1,164
	758,951	743,631
Less Accumulated Depreciation and Amortization	(297,396)	(273,929)
Property and Equipment, Net	$461,555	$469,702

*Restated to conform to 1994 Presentation.

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

Long-Term Debt	1994	1993
Due to affiliates:		
9 1/4% First Mortgage Notes due 2004	$ 425,000	$ ---
11 7/8 First Mortgage Notes due 1999	---	350,000
	$ 425,000	$350,000
Other:		
Revolving credit agreement	$ ---	$ ---
Other secured and unsecured debt	2,703	2,751
	$ 2,703	$ 2,751

On March 8, 1994, the Company issued $425,000 principal amount of 9 1/4% First Mortgage Notes due 2004 (the "9 1/4% Notes"). The Company used the net proceeds from the sale of the 9 1/4% Notes to purchase and retire certain of its 11 7/8% First Mortgage Notes due 1999 (the "11 7/8% Notes"), defease the remaining 11 7/8% Notes at a price of 104.45% of their principal amount plus accrued interest through the redemption date, thereby satisfying all obligations thereunder, and pay a $30,000 dividend to Casino Holdings. The retirement and defeasance of the 11 7/8% Notes resulted in an extraordinary loss of $20,735 net of an income tax benefit of $14,137. In connection with the sale of the 9 1/4% Notes, the Company terminated its former credit facility and entered into an agreement for a new $50,000 revolving credit facility which expires on December 31, 1996, at which time all amounts outstanding become due. The new credit facility provides for interest on borrowings payable, at the Company's option, at the agent bank's prime rate (7.25% at June 30, 1994) or the LIBOR rate plus 2%, each of which increases as the balance outstanding increases. The Company pays a fee of 1/2% on the unused commitment. The entire credit line was available at June 30, 1994.

The indenture for the 9 1/4% Notes and the new credit facility imposes restrictions on the Company's ability to incur debt and issue preferred stock, make acquisitions and certain restricted payments, create liens, sell assets or enter into transactions with affiliates. The new credit facility is, in certain circumstances, more restrictive than the indenture for the 9 1/4% Notes. In connection with the sale of the 9 1/4% Notes, the Casino Control Commission (the "CCC") requires, among other things, that dividends paid by the Company to Casino Holdings which are not paid pursuant to a net income test (generally limited to 50% of aggregate consolidated net income, as defined, earned since April 1, 1994) receive prior approval from the CCC. The indenture for the 9 1/4% Notes limits these dividends to $50,000 in aggregate.

In February 1994, a $595 dividend was paid, which was the amount available at December 31, 1993 under the indenture for the 11 7/8% Notes. At June 30, 1994, $4,986 were available under the net income test of the indenture for the 9 1/4% Notes and the credit line to pay dividends.

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

	1994	1993
Deferred Federal Income Taxes	$ 32,364	$ 29,284

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 6 - Other Liabilities
June 30,
(Unaudited)
(In thousands)

	1994	1993
Accrued S.E.R.P.	$ 9,028	$7,250
1983 Reinvestment Obligation (net of unamortized discount of $160 in 1994 amd $259 in 1993)	1,115	1,316
	$10,143	$8,566

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

On January 8, 1993, the Company and BEC entered into a Retirement and Separation Agreement with a former executive of the Company and BEC. The Company paid this executive $14,500 on such date in full settlement of the remaining amounts due under his employment contract and for the liability under a previous settlement of his supplemental executive retirement plan, which resulted in a gain of approximately $1,500 for the six months ended June 30, 1993.

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 7 - Interest Expense
For the Three Months Ended June 30,
(Unaudited)
(In thousands)

Charges From Affiliates	1994	1993
Bally's Park Place Funding, Inc.	$ 9,829	$ 10,390
Capitalized interest	(108)	(12)
	$ 9,721	$ 10,378
External Sources		
Interest on various loans	$ 202	$ 467
Capitalized interest	(8)	(3)
	$ 194	$ 464

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

Charges From Affiliates	1994	1993
Bally's Park Place Funding, Inc.	$ 20,161	$ 20,781
Capitalized interest	(139)	(19)
	$ 20,022	$ 20,762
External Sources		
Interest on various loans	$ 492	$ 1,165
Capitalized interest	(16)	(5)
	$ 476	$ 1,160

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

	1994	1993
Current:		
Federal	$ (4,777)	$ 2,739
State	(446)	750
	(5,223)	3,489
Deferred:		
Federal	10,142	1,277
State	1,904	388
	12,046	1,665
Total Income Taxes	$ 6,823	$ 5,154

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

	1994	1993
Current:		
Federal	$ (8,878)	$ 2,818
State	301	687
	(8,577)	3,505
Deferred:		
Federal	13,675	2,367
State	1,021	720
	14,696	3,087
Total Income Taxes	$ 6,119	$ 6,592

Reconciliation of Deferred Income Taxes
for the Six Months Ended June 30,
(Unaudited)
(In thousands)

	1994	1993
Short-term	$ (45)	$ (253)
Long-term	14,741	3,340
	$ 14,696	$ 3,087

New Jersey State Library

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

	1994	1993
Other long-term investments and receivables:		
Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	$ 4,265	$ 4,292
B.W. Realty, Inc. - 100% owned	4,765	4,756
Bally' Park Place Realty Company - 100% owned	15,630	15,630
Total investments in subsidiaries - equity	24,660	24,678
Casino Reinvestment Development Authority funds (less discount of $8,409 in 1994 and $8,176 in 1993)	8,305	8,081
Jacobs Family Terrace Mortgage Receivable (less reserve of $250 in 1994 and $225 in 1993)	2,505	2,575
Less current portion	(48)	(47)
Total Investments, Advances and Receivables	$35,422	$35,287

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

	1994	1993
Payroll	$ 8,046	$ 7,423
Progressive Jackpots	1,675	2,128
Interest	12,453	15,693
*Miscellaneous	12,409	10,731
Total	$34,583	$35,975

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

BALLY'S PARK PLACE CASINO HOTEL & TOWER
Note 11 - Reinvestment Obligation
June 30, 1994
(Unaudited)
(In thousands)

The New Jersey Casino Control Act (the"Act") provides, among other things, for an assessment of licensees equal to 1 1/4% of their gross casino revenues. This assessment may be satisfied by the Company investing in qualified eligible direct investments, by depositing funds with the Casino Reinvestment Development Authority (the "CRDA") (which will be used to purchase bonds issued by the CRDA), by making qualified contributions or, under certain circumstances, donating funds on deposit with the CRDA in exchange for credits against future CRDA obligations. The Company's investment obligation for the six months ended June 30, 1994 and 1993 was met by purchasing CRDA bonds, donating funds on deposit with the CRDA, utilizing CRDA credits and depositing funds with the CRDA. CRDA bonds have terms up to fifty years and bear interest at below market rates. The Company records a charge to operations when it deposits funds with the CRDA to reflect the estimated realizable value of its CRDA investments. No gain or loss is recorded relating to the donation of the CRDA obligations as the book value of the Company's investment in CRDA obligations approximates the credits received.

At June 30, 1994 and 1993, the Company had $15,575 and $15,117 respectively, in remaining bond purchase commitments on deposit with the CRDA. The Company has purchased $1,139 in bonds from the CRDA as of June 30, 1994 and 1993, respectively.

The Company charged to operations $117 and $486 for the three months ended June 30, 1994 and 1993 respectively, and $537 and $900 for the six months ending June 30, 1994 and 1993, respectively, to reflect the estimated realizable value of its CRDA investments.

During the three and six months ended June 30, 1994, the Company utilized $817 in CRDA credits to offset its assessment on gross revenues by the CRDA. No credits were available for use during the three and six months ended June 30, 1993. These credits are charged to depreciation and amortization as they are used.

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

	1994	1993
Interest Income	$ 301	$ 242
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	11	19
Bally Warwick, Inc.	(3)	31
Other	106	63
Total	$ 415	$ 355

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

	1994	1993
Interest Income	$ 533	$ 494
Equity in income or (loss) of unconsolidated subsidiaries:		
B. W. Realty, Inc.	23	(1)
Bally Warwick, Inc.	(29)	12
Other	280	137
Total	$ 807	$ 642

QUARTERLY REPORT

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

FOR THE QUARTER ENDED JUNE 30, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . . . MICHAEL J. WALSH
OFFICIAL TITLE . . . . . VICE PRESIDENT OF FINANCE

ADDRESS . . . . . 2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1994

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

BALANCE SHEETS

JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		(c) 1994	(d) 1993
	ASSETS			
	Current Assets:			
1	Cash		$ 10,881	$ 10,017
2	Marketable securities			–
3	Receivables and patrons' checks(net of allowance for doubtful accounts – 1994, $7,278; 1993, $9,686)		12,873	9,783
4	Inventories	NOTE 1	3,177	3,162
5	Prepaid expenses and other current assets	NOTES 2 & 6	14,351	16,741
6	Total current assets		41,282	39,703
7	Investments, Advances, and Receivables	NOTES 3 & 14	7,271	4,790
8	Property And Equipment – Gross	NOTES 1, 4 & 10	399,859	418,162
9	(Accumulated Depreciation/Amortization)		(121,154)	(143,617)
10	Other Assets	NOTES 1 & 12	13,358	14,358
11	**Total Assets**		$ 340,616	$ 333,396
	LIABILITIES AND EQUITY			
	Current Liabilities:			
12	Accounts payable		$ 7,691	$ 7,012
13	Notes payable	NOTE 5	11,804	722
14	Current portion of long–term debt :			
15	Due to affiliates		–	–
16	Other	NOTE 10	–	299
17	Income taxes payable and accrued	NOTES 1 & 6	1,828	688
18	Other accrued expenses	NOTE 7	14,021	16,536
19	Other current liabilities	NOTE 8	1,851	2,622
20	Total current liabilities		37,195	27,879
	Long–Term Debt:			
21	Due to affiliates	NOTE 9	58,600	68,300
22	Other	NOTE 10	9,330	10,930
23	Deferred Credits	NOTE 6	6,782	7,317
24	Other Liabilities	NOTE 11	9,072	6,872
25	Commitments And Contingencies	NOTE 14	–	–
26	**Total Liabilities**		120,979	121,298
27	**Stockholders', Partners', Or Proprietor's Equity**		219,637	212,098
28	**Total Liabilities And Equity**		$ 340,616	$ 333,396

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: CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Revenue:		
1	Casino . . . . . NOTE 1 . . .	$ 155,988	$ 151,453
2	Rooms	8,437	8,267
3	Food and beverage	17,438	15,492
4	Other	6,857	5,102
5	Total revenue	188,720	180,314
6	Less: Promotional allowances . . . . . NOTE 1 . . .	21,312	17,714
7	Net revenue	167,408	162,600
	Costs And Expenses :		
8	Cost of goods and services	91,922	87,682
9	Selling, general and administrative	33,220	32,782
10	Provision for doubtful accounts	1,973	801
11	Total costs and expenses	127,115	121,265
12	Gross Operating Profit	40,293	41,335
13	Depreciation and amortization . . . . . NOTE 1 . . .	9,543	9,192
	Charges from affiliates other than interest:		
14	Management fees . . . . . NOTE 13 . .	5,032	4,852
15	Other . . . . . NOTE 13 . .	6,945	7,268
16	Income (Loss) From Operations	18,773	20,023
	Other Income (Expenses) :		
17	Interest (expense) – affiliates . . . . . NOTES 5 & 9. . .	(3,835)	(4,154)
18	Interest (expense) – external . . . . . NOTE 10 . . .	(496)	(582)
19	Investment alternative tax and related income (expense) – net . . . NOTE 14 . . .	(536)	(355)
20	Nonoperating income (expense) – net	192	130
21	Total other income (expenses)	(4,675)	(4,961)
22	Income (Loss) Before Income Taxes And Extraordinary Items	14,098	15,062
23	Provision (credit) for income taxes . . . . . NOTE 6 . . .	5,777	6,025
24	Income (Loss) Before Extraordinary Items	8,321	9,037
25	Extraordinary Items (net of income taxes –		
	1993, $; 1992 , $)	–	–
26	**Net Income (Loss)**	$ 8,321	$ 9,037

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: CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Revenue:		
1	Casino . . . NOTE 1 . . .	$ 85,332	$ 80,186
2	Rooms	4,525	4,584
3	Food and beverage	9,581	8,311
4	Other	3,806	2,805
5	Total revenue	103,244	95,886
6	Less: Promotional allowances . . . NOTE 1 . . .	11,781	9,484
7	Net revenue	91,463	86,402
	Costs And Expenses:		
8	Cost of goods and services	46,889	44,699
9	Selling, general and administrative	17,103	16,556
10	Provision for doubtful accounts	1,912	382
11	Total costs and expenses	65,904	61,637
12	Gross Operating Profit	25,559	24,765
13	Depreciation and amortization . . . NOTE 1 . . .	4,713	4,601
	Charges from affiliates other than interest:		
14	Management fees . . . NOTE 13 . . .	2,745	2,568
15	Other . . . NOTE 13 . . .	3,509	3,621
16	Income (Loss) From Operations	14,592	13,975
	Other Income (Expenses):		
17	Interest (expense) – affiliates . . . NOTES 5 & 9. . . .	(1,934)	(2,067)
18	Interest (expense) – external . . . NOTE 10. . . .	(245)	(291)
19	Investment alternative tax and related income (expense) – net . . . NOTE 14 . . .	(602)	(241)
20	Nonoperating income (expense) – net	116	60
21	Total other income (expenses)	(2,665)	(2,539)
22	Income (Loss) Before Income Taxes And Extraordinary Items	11,927	11,436
23	Provision (credit) for income taxes . . . NOTE 6 . . .	4,800	4,576
24	Income (Loss) Before Extraordinary Items	7,127	6,860
25	Extraordinary Items (net of income taxes – 1993, $; 1992, $)	–	–
26	**Net Income (Loss)**	$ 7,127	$ 6,860

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: CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c) SHARES	1994 (d) DOLLARS	1993 (e) SHARES	1993 (f) DOLLARS
	Common Stock: No Par Value, 1,000 Shares Authorized				
1	Beginning balance (January 1)	100	$ 1,370	100	$ 1,370
2	Sale of stock	–	–	–	–
3	_____	–	–	–	–
4	Ending balance	100	1,370	100	1,370
	Preferred Stock:				
5	Beginning balance (January 1)	–	–	–	–
6	Sale of stock	–	–	–	–
7	_____	–	–	–	–
8	Ending balance	–	–	–	–
	Additional Paid–in Capital:				
9	Beginning balance (January 1)		46,065		46,065
10	_____		–		–
11	_____		–		–
12	Ending balance		46,065		46,065
	Treasury Stock:				
13	Beginning balance (January 1)	–	(–)	–	(–)
14	Purchase of additional stock	–	(–)	–	(–)
15	Sale or retirement of stock	–	–	–	–
16	Ending balance	–	(–)	–	(–)
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)	–	(–)	–	(–)
18	_____	–	–	–	–
19	_____	–	–	–	–
20	Ending balance	–	(–)	–	(–)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		(–)		(–)
22	_____		–		–
23	_____		–		–
24	Ending balance		(–)		(–)
	Retained Earnings:				
25	Beginning balance (January 1)		169,881		161,626
26	Prior period adjustments		–		–
27	Net Income (loss)		8,321		9,037
28	Dividends (Note 8)		(6,000)		(6,000)
29	_____		–		–
30	_____		–		–
31	Ending balance		172,202		164,663
32	Ending Stockholders' Equity		$ 219,637		$ 212,098

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

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

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

This Statement Is Not Applicable

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash Provided (Used) By Operating Activities	$ 14,936	$ 20,497
	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	(9,433)	(6,841)
5	Proceeds from disposition of property and equipment	–	–
6	Purchase of casino reinvestment obligations	(909)	(1,627)
7	Purchase of other investments and loans/advances made	(724)	–
8	Proceeds from disposal of investments and collection of advances and long–term receivables	–	–
9	Cash outflows to acquire business entities	–	–
10	_____	–	–
11	_____	–	–
12	Net Cash Provided (Used) By Investing Activities	(11,066)	(8,468)
	Cash Flows From Financing Activities :		
13	Cash proceeds from issuance of short–term debt	38,948	31,481
14	Payments to settle short–term debt	(38,200)	(36,900)
15	Cash proceeds from issuance of long–term debt	–	–
16	Costs of issuing debt	–	–
17	Payments to settle long–term debt	28	(116)
18	Cash proceeds from issuing stock or capital contributions	–	–
19	Purchases of treasury stock	–	–
20	Payments of dividends or capital withdrawals	(6,000)	(6,000)
21	_____	–	–
22	_____	–	–
23	Net Cash Provided (Used) by Financing Activities	(5,224)	(11,535)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(1,354)	494
25	Cash And Cash Equivalents At Beginning Of Period	12,235	9,523
26	Cash And Cash Equivalents At End Of Period	$ 10,881	$ 10,017
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 4,350	$ 4,757
28	Income taxes	$ 8,486	$ 7,716

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ 8,321	$ 9,037
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	8,951	8,629
31	Amortization of other assets	592	563
32	Amortization of debt discount or premium	–	–
33	Deferred income taxes – current	(111)	(156)
34	Deferred income taxes – noncurrent	(166)	671
35	(Gain) loss on disposition of property and equipment	0	(16)
36	(Gain) loss on casino reinvestment obligations	536	355
37	(Gain) loss from other investment activities	–	–
38	Net (increase) decrease in receivables and patrons' checks	(1,619)	1,279
39	Net (increase) decrease in inventories	(149)	546
40	Net (increase) decrease in other current assets	(233)	(2,476)
41	Net (increase) decrease in other assets	(41)	(165)
42	Net increase (decrease) in accounts payable	2,267	1,068
43	Net increase (decrease) in other current liabilities excluding debt	(3,415)	1,172
44	Net increase (decrease) in other noncurrent liabilities excluding debt	3	(10)
45	_____	–	–
46	_____	–	–
47	Net Cash Provided (Used) By Operating Activities	$ 14,936	$ 20,497
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 9,433	$ 6,841
49	Less: Capital lease obligations incurred	–	–
50	Cash Outflows For Property And Equipment	$ 9,433	$ 6,841
	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 acquisiton of business entities	–	–
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$ –	$ –

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF BUSINESS

Boardwalk Regency Corporation (BRC), a New Jersey corporation, is a wholly-owned subsidiary of Caesars New Jersey, Inc. (CNJ), a New Jersey corporation. CNJ is a wholly-owned subsidiary of Caesars World, Inc., (CWI), a Florida corporation. BRC owns and operates Caesars Atlantic City Hotel/Casino (CAC) in Atlantic City, New Jersey.

Revenue and Promotional Allowances

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

Inventories

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

Property and Equipment

Property and equipment is recorded at cost, including interest capitalized on funds borrowed to finance construction. For the six months ended June 30, 1994 no capitalized interest was recorded. Depreciation and amortization are provided for on the straight-line method over the following estimated useful lives:

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

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

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

Costs in Excess of Net Assets Acquired

The excess of the purchase price over the fair value of assets acquired, as a result of CWI's acquisition in December 1990 of the outstanding minority shares of CNJ, was approximately $8,829,000, is included in Other Assets and is being amortized on a straight-line basis over 40 years.

Income Taxes

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

Disclosures

Certain disclosures have been omitted in conformance with the Casino Control Commission's quarterly instructions that usually are required for a fair presentation of the financial statements in accordance with generally accepted accounting principles. The omitted disclosures pertain to the aggregate maturities of long term debt and future minimum lease payments for operating and capital leases and certain information as it relates to notes payable, capital leases and long-term debt. The disclosures were omitted because there was not a material change in the information previously disclosed in the Company's annual financial statements for the year ended December 31, 1993.

NOTE 2. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

	1994	1993
	(In Thousands)	
Deferred income taxes.(NOTE 6)..	$11,977	$12,360
Prepaid Income Taxes - current	-	2,025
Other.....	2,374	2,356
	$14,351	$16,741

NOTE 3. INVESTMENTS, ADVANCES AND RECEIVABLES:

	1994	1993
	(In Thousands)	
CRDA deposits	$9,639	$6,815
CRDA bonds receivable	532	521
Note Rec - Headquarters Hotel	724	-
	10,895	7,336
Less: valuation allowance on CRDA investments	3,624	2,546
	$7,271	$4,790

The carrying value of the CRDA investment approximated its fair value.

NOTE 4. PROPERTY AND EQUIPMENT:

	1994	1993
	(In Thousands)	
Land	$ 51,503	$ 51,503
Buildings and improvements	268,351	258,696
Furniture, fixtures and equipment	61,532	92,973
Construction in progress	6,133	2,650
Properties under capital leases.	12,340	12,340
	399,859	418,162
Less: accumulated depreciation and amortization	121,154	143,617
	$278,705	$274,545

NOTE 5. NOTES PAYABLE:

In the first six months of 1994 and 1993, the maximum amount outstanding at any month-end was $22,082,000 and $12,944,000, respectively, the average of the month-end amounts outstanding was $16,153,000 and $8,126,000, respectively, and the weighted average interest rates were 6.5 percent and 6.0 percent, respectively.

At June 30, 1994 and 1993, the outstanding balance on the revolving line of credit was $11,804,000 and $722,000, respectively.

NOTE 6. INCOME TAXES:

In August 1993, the Omnibus Budget Reconciliation Act of 1993 was enacted which increased the corporate tax rate from 34 to 35 percent retroactive to January 1, 1993. In accordance with generally accepted accounting principles, the retroactive effect of this change was recognized in the quarter ended September 30, 1993 and was approximately $225,000.

The provision for income taxes for the six months ended June 30, 1994 and 1993 is comprised of the following:

	1994	1993
	(In Thousands)	
Current:		
Federal	$ 4,655	$ 4,066
State	1,399	1,444
Deferred:		
Federal	(263)	453
State	(14)	62
	$ 5,777	$ 6,025

Noncurrent deferred credits of $6,782,000 and $7,317,000 at June 30, 1994 and 1993, respectively, represent noncurrent deferred income taxes which result from timing differences between income for financial reporting purposes and income for tax purposes. The most significant timing differences, included in deferred credits and prepaid expenses (**NOTE 2**), relate to the allowance for doubtful accounts, depreciation, and certain accrued liabilities.

The provision for income taxes for the six months ended June 30, 1994 and 1993 differs from the amount computed at the statutory rate as follows:

	(In Thousands)	
	1994	1993
Federal income tax at statutory rate.	$ 4,934	$ 5,121
State income taxes, net of federal benefit	839	895
Other, net	4	9
	$ 5,777	$ 6,025

Note 6. INCOME TAXES (cont'd):

The Internal Revenue Service has examined CWI's consolidated federal income tax returns through fiscal 1988 and is currently examining the returns for Fiscal 1989 and 1990.

NOTE 7. OTHER ACCRUED EXPENSES:

	1994	1993
	(In Thousands)	
Salaries, wages and vacation pay....	$ 3,968	$ 3,351
General liability, etc.....	2,002	5,270
Taxes, other than income taxes.....	1,898	2,215
Other.....	6,153	5,700
	$14,021	$16,536

NOTE 8. OTHER CURRENT LIABILITIES:

	1994	1993
	(In Thousands)	
Due to CWI.....	$ -	$ 650
Due to DPI.....	$ 551	643
Other.....	1,300	1,329
	$1,851	$2,622

On January 24, 1994, BRC declared a $6,000,000 dividend to CNJ. As of March 31, 1994, this dividend has been paid in full. On July 15, 1994, BRC declared a $6,000,000 dividend to CNJ.

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

	1994	1993
	(In Thousands)	
DPI term note due June 1, 1996, interest at 11.45%.....	$58,600	$68,300

At June 30, 1994, management estimates that the carrying value of this note approximated its fair value.

NOTE 10. LONG-TERM DEBT, OTHER:

	1994	1993
	(In Thousands)	
Mortgage payable, bearing interest at 8.0%, paid in full November 30, 1993	$ -	$ 1,954
Capitalized lease obligation, net of amounts representing interest....	9,330	9,275
	9,330	11,229
Less current maturities.....	-	299
	$9,330	$10,930

Rent expense for the six months ended June 30, 1994 and 1993 was $1,232,000 and $1,172,000, respectively.

NOTE 11. OTHER LIABILITIES:

	1994	1993
	(In Thousands)	
General liability, etc.....	$6,227	$4,481
Other.....	2,845	2,391
	$9,072	$6,872

NOTE 12. PENSION PLANS:

BRC participates in CWI's nonqualified defined benefit pension plans (the Plans) covering officers or other employees designated as key executives of CWI or its subsidiaries. BRC has funded the vested benefits and at June 30, 1994 the amount in this revocable trust was $1,820,000 and was recorded in Other Assets. This trust shall become irrevocable in the event of a change of control of CWI (as defined). Pension expense was $276,000 and $222,000 for the six months ended June 30, 1994 and 1993, respectively. The actuarially computed present value of the accumulated benefit obligation relating to participants employed by BRC was $2,007,000 at July 31, 1993. The liability accrued with respect to the Plan at July 31, 1993 was $2,725,000.

The Individual Retirement Account Plan was terminated on December 31, 1993 and replaced by a new 401(k) Plan effective January 1, 1994. This new plan is available to all full-time, non-union employees who have at least one year of service (as defined in the Plan). The expense of these plans for the six months ended June 30, 1994 and 1993 was $968,000 and $383,000, respectively.

In addition to the BRC plans described above, union employees are covered by various multi-employer pension plans. For the union sponsored plans, information is not available from the plans' sponsors to permit BRC to determine its share of unfunded vested benefits, if any.

NOTE 13. RELATED TRANSACTIONS:

BRC has recorded expenses for the six months ended June 30, 1994 and 1993 from CWI and affiliates as follows:

Affiliate	Transaction	1994	1993
		(In Thousands)	
Caesars World, Inc.	Management Fee	$ 5,032	$ 4,852
Caesars World Marketing Corp.	Reservation Offices	$ 3,081	$ 3,273
Caesars Palace Corp	Tradename Fee	2,570	2,449
Caesars World, Inc.	Allocated Expenses	1,294	1,546
		$ 6,945	$ 7,268

NOTE 14. COMMITMENTS AND CONTINGENCIES:

New Jersey Investment Obligation

The New Jersey Casino Control Act provides, among other things, for an investment obligation on licensees based upon their gross casino revenues. This obligation may be satisfied by investing in qualified eligible direct investments, by purchasing bonds issued by the Casino Reinvestment Development Authority (CRDA), and/or by making qualified contributions. As of June 30, 1994, all BRC investment obligations had been satisfied or prepaid.

Litigation

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

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1994
(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE – (e) NET OF ALLOWANCE
	Patron Checks :			
1	Undeposited patrons' checks	$ 6,487	–	
2	Returned patrons' checks	10,557	–	
3	Total patrons' checks	17,044	$ 7,145	$ 9,899
4	Hotel Receivables	815	133	682
	Other Receivables:			
5	Receivables due from officers and employees	8	–	
6	Receivables due from affiliates	1,076	–	
7	Other accounts and notes receivables	1,208	–	
8	Total other receivables	2,292	–	2,292
9	Totals (Form 205)	$ 20,151	$ 7,278	$ 12,873

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 4,855
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).	110,711
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidation, substitutions, and patrons' cash deposits)	(83,951)
13	Checks collected through deposits	(25,095)
14	Checks transferred to returned checks	(33)
15	Other adjustments	–
16	Ending Balance	$ 6,487
17	"Hold" Checks Included Balance on Line 16	$ –
18	Provision For Uncollectible Patrons' Checks	$ 1,960
19	Provision As A Percent Of Counter Checks Issued	1.8%

TRADING NAME OF LICENSEE: CAESARS ATLANTIC CITY

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

(UNAUDITED)

FOR THE THREE MONTHS ENDED JUNE 30, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	57,863	$ 3,556		$
Food	245,574	4,705		
Beverage	471,199	2,412		
Travel			8,225	3,140
Coin			326,962	3,479
Coupon			81,661	2,054
Cash Rebates			82	263
Entertainment	37,251	862	5,498	1,360
Retail & gifts			742	318
Other	4,256	246	45,153	1,310
Total	816,143	$ 11,781	468,323	$ 11,924

FOR THE SIX MONTHS ENDING JUNE 30, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	108,008	$ 6,485		$
Food	450,231	8,434		
Beverage	888,234	4,507		
Travel			14,862	5,705
Coin			558,623	5,883
Coupon			148,105	3,841
Cash Rebates			398	1,013
Entertainment	71,684	1,520	9,201	2,113
Retail & gifts			1,384	512
Other	7,436	366	81,461	2,112
Total	1,525,593	$ 21,312	814,034	$ 21,179

New Jersey State Library

STATEMENT OF CONFORMITY AND ACCURACY

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

MICHAEL J. WALSH, being duly sworn according to law upon my oath deposes and says:

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

M J Walsh
Signature

VICE PRESIDENT FINANCE
Title

1482-11
License Number

Subscribed and sworn to
before me this th day
of August 1994

Mary Nocella
Signature

MARY NOCELLA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 30, 1997

On Behalf Of:

BOARDWALK REGENCY CORPORATION
Casino License

Basis of Authority
to Take Oaths

QUARTERLY REPORT

THE CLARIDGE AT PARK PLACE, INC.

INDIANA AVENUE AT THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT: LAURA L. PALAZZO

OFFICIAL TITLE: VICE PRESIDENT CONTROLLER

ADDRESS: INDIANA AVENUE AT THE BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1994

TITLE	FORM #
BALANCE SHEETS	CCC - 205
STATEMENT OF INCOME (SIX MONTHS)	CCC - 210
STATEMENTS OF INCOME (THREE MONTHS)	CCC - 215
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY	CCC - 220
STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETORS' EQUITY	CCC - 225
STATEMENTS OF CASH FLOWS	CCC - 235
NOTES TO FINANCIAL STATEMENTS	
SCHEDULE OF RECEIVABLES & PATRONS' CHECKS	CCC - 240
PROMOTIONAL EXPENSES & ALLOWANCES	CCC - 245
STATEMENT OF CONFORMITY & ACCURACY	CCC - 250

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

BALANCE SHEETS
JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1994	(D) 1993
	ASSETS		
	CURRENT ASSETS:		
1	CASH	$ 16,004	$ 5,490
2	MARKETABLE SECURITIES (at cost which approx. market)	25,822	-0-
3	RECEIVABLES & PATRONS CHECKS (NET OF ALLOW. FOR DOUBTFUL ACCOUNTS - 1994, $1,402; 1993, $1,575)	20,561	18,077
4	INVENTORIES	2,744	2,377
5	PREPAID EXPENSES & OTHER CURRENT ASSETS	1,552	1,661
6	TOTAL CURRENT ASSETS	66,683	27,605
7	INVESTMENTS, ADVANCES & RECEIVABLES...(NOTE 3)	121,122	120,455
8	PROPERTY & EQUIPMENT - GROSS	19,205	14,076
9	(ACCUMULATED DEPRECIATION/AMORTIZATION)	(10,455)	(9,713)
10	OTHER ASSETS...(NOTE 4)	1,126	413
11	TOTAL ASSETS	$197,681	$152,836
	LIABILITIES & EQUITY		
	CURRENT LIABILITIES:		
12	ACCOUNTS PAYABLE	$ 6,254	$ 3,528
13	NOTES PAYABLE	-0-	-0-
	CURRENT PORTION OF LONG-TERM DEBT:		
14	DUE TO AFFILIATES	-0-	-0-
15	OTHER...(NOTE 7)	-0-	3,000
16	INCOME TAXES PAYABLE & ACCRUED	(878)	1,409
17	OTHER ACCRUED EXPENSES...(NOTE 5)	9,185	8,591
18	OTHER CURRENT LIABILITIES...(NOTE 6)	21,823	21,238
19	TOTAL CURRENT LIABILITIES	36,384	37,766
	LONG TERM DEBT:		
20	DUE TO AFFILIATES	-0-	-0-
21	OTHER...(NOTE 7)	-0-	35,096
22	DEFERRED CREDITS	6,764	5,285
23	OTHER LIABILITIES...(NOTE 8)	54,721	58,199
24	COMMITMENTS & CONTINGENCIES (NOTE 1)		
25	TOTAL LIABILITIES	97,869	136,346
26	STOCKHOLDERS', PARTNERS, OR PROPRIETOR'S EQUITY	99,812	16,490
27	TOTAL LIABILITIES & EQUITY	$197,681	$152,836

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1994	(D) 1993
	REVENUE:		
1	CASINO	$ 69,450	$ 77,579
2	ROOMS	4,834	5,120
3	FOOD & BEVERAGE	8,191	9,153
4	OTHER	1,024	1,066
5	TOTAL REVENUE	83,499	92,918
6	LESS: PROMOTIONAL ALLOWANCES	7,466	7,598
7	NET REVENUE	76,033	85,320
	COSTS & EXPENSES:		
8	COST OF GOODS & SERVICES	44,197	44,722
9	SELLING, GENERAL & ADMINISTRATIVE	25,820	25,587
10	PROVISION FOR DOUBTFUL ACCOUNTS	228	304
11	TOTAL COSTS & EXPENSES	70,245	70,613
12	GROSS OPERATING PROFIT	5,788	14,707
13	DEPRECIATION & AMORTIZATION	778	694
	CHARGES FROM AFFILIATES OTHER THAN INTEREST:		
14	MANAGEMENT FEES	-0-	-0-
15	OTHER	56	57
16	INCOME (LOSS) FROM OPERATIONS	4,954	13,956
	OTHER INCOME (EXPENSES):		
17	INTEREST (EXPENSES) - AFFILIATES.....(NOTE 13)	(216)	(216)
18	INTEREST (EXPENSES) - EXTERNAL	(334)	(1,869)
19	INVESTMENT ALT. TAX & RELATED INCOME (EXPENSE) - NET	(295)	(333)
20	NONOPERATING INCOME (EXPENSE) - NET....(NOTE 9)	(7,994)	(7,972)
21	TOTAL OTHER INCOME (EXPENSE)	(8,839)	(10,390)
22	INCOME (LOSS) BEFORE INCOME TAXES & EXTRAORDINARY ITEMS	(3,885)	3,566
23	PROVISION (CREDIT) FOR INCOME TAXES..(NOTE 11)	(1,554)	1,282
24	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS	(2,331)	2,284
25	EXTRAORDINARY ITEMS (NET OF INCOME TAXES - 1994, $ -0-; 1993, $-0-)	-0-	-0-
26	NET INCOME (LOSS)	$ (2,331)	$ 2,284

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1994	(D) 1993
	REVENUE:		
1	CASINO	$ 39,378	$ 42,726
2	ROOMS	2,675	2,818
3	FOOD & BEVERAGE	4,432	4,908
4	OTHER	540	577
5	TOTAL REVENUE	47,025	51,029
6	LESS: PROMOTIONAL ALLOWANCES	3,956	3,986
7	NET REVENUE	43,069	47,043
	COSTS & EXPENSES:		
8	COST OF GOODS & SERVICES	23,019	23,313
9	SELLING, GENERAL & ADMINISTRATIVE	15,580	14,446
10	PROVISION FOR DOUBTFUL ACCOUNTS	128	168
11	TOTAL COSTS & EXPENSES	38,727	37,927
12	GROSS OPERATING PROFIT	4,342	9,116
13	DEPRECIATION & AMORTIZATION	419	360
	CHARGES FROM AFFILIATES OTHER THAN INTEREST:		
14	MANAGEMENT FEES	-0-	-0-
15	OTHER	29	28
16	INCOME (LOSS) FROM OPERATIONS	3,894	8,728
	OTHER INCOME (EXPENSES):		
17	INTEREST (EXPENSES) - AFFILIATES.....(NOTE 13)	(108)	(108)
18	INTEREST (EXPENSES) - EXTERNAL	52	(1,053)
19	INVESTMENT ALT. TAX & RELATED INCOME (EXPENSE) - NET	(165)	(183)
20	NONOPERATING INCOME (EXPENSE) - NET....(NOTE 9)	(4,042)	(4,245)
21	TOTAL OTHER INCOME (EXPENSE)	(4,263)	(5,589)
22	INCOME (LOSS) BEFORE INCOME TAXES & EXTRAORDINARY ITEMS	(369)	3,139
23	PROVISION (CREDIT) FOR INCOME TAXES..(NOTE 11)	(148)	1,196
24	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS	(221)	1,943
25	EXTRAORDINARY ITEMS (NET OF INCOME TAXES - 1994, $ -0-; 1993, $-0-)	-0-	-0-
26	NET INCOME (LOSS)	$ (221)	$ 1,943

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	1994		1993	
		(C) SHARES	(D) DOLLARS	(E) SHARES	(F) DOLLA
	COMMON STOCK: (PAR VALUE $0.10, AUTHORIZED & OUTSTANDING 1,000 SHARES)				
1	BEGINNING BALANCE (JANUARY 1)	1,000	$ 1	1,000	$
2	SALE OF STOCK				
3					
4	ENDING BALANCE	1,000	$ 1	1,000	$
	PREFERRED STOCK:				
5	BEGINNING BALANCE (JANUARY 1)				
6	SALE OF STOCK				
7					
8	ENDING BALANCE				
	ADDITIONAL PAID-IN CAPITAL:				
9	BEGINNING BALANCE (JANUARY 1)		$ 4,999		$ 4,99
10	EQUITY CONTRIBUTION FROM THE CORPORATION		82,206		-(
11					
12	ENDING BALANCE		$87,205		$ 4,99
	TREASURY STOCK:				
13	BEGINNING BALANCE (JANUARY 1)				
14	PURCHASE OF ADDITIONAL STOCK				
15	SALE OR RETIREMENT OF STOCK				
16	ENDING BALANCE				
	SUBSCRIPTIONS RECEIVABLE FOR CAPITAL STOCK:				
17	BEGINNING BALANCE (JANUARY 1)				
18					
19					
20	ENDING BALANCE				
	NET UNREALIZED LOSS ON NONCURRENT MARKETABLE EQUITY SECURITIES:				
21	BEGINNING BALANCE (JANUARY 1)				
22					
23					
24	ENDING BALANCE				
	RETAINED EARNINGS:				
25	BEGINNING BALANCE (JANUARY 1)		$14,937		$ 9,2(
26	PRIOR PERIOD ADJUSTMENTS				
27	NET INCOME (LOSS)		(2,331)		2,2
28	DIVIDENDS				
29					
30					
31	ENDING BALANCE		12,606		11,4
32	ENDING STOCKHOLDERS' EQUITY		$ 99,812		$ 16,4

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETORS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1994	(D) 1993
	INVESTED CAPITAL:		
1	BEGINNING BALANCE (JANUARY 1)		
2	ADDITIONAL CAPITAL INVESTED		
3	_____		
4	ENDING BALANCE		
	ACCUMULATED INCOME (LOSS):		
5	BEGINNING BALANCE		
6	PRIOR PERIOD ADJUSTMENTS		
7	NET INCOME (LOSS)		
8	_____		
9	ENDING BALANCE		
	CAPITAL WITHDRAWALS:		
10	BEGINNING BALANCE		
11	ADDITIONAL CAPITAL WITHDRAWALS		
12	_____		
13	ENDING BALANCE		
	NET UNREALIZED LOSS ON NONCURRENT MARKETABLE EQUITY SECURITIES:		
14	BEGINNING BALANCE		
15	_____		
16	_____		
17	ENDING BALANCE		
18	ENDING PARTNERS' OR PROPRIETOR'S EQUITY		

NOT APPLICABLE

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1994	(D) 1993
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	$ (1,906)	$ 3,389
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	PURCHASE OF SHORT-TERM INVESTMENT SECURITIES.....	(25,822)	-0-
3	PROCEEDS FROM THE SALE OF SHORT-TERM INV. SECURITIES...		
4	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT.....	(5,304)	(1,005)
5	PROCEEDS FROM DISPOSITION OF PROPERTY & EQUIPMENT.....	29	42
6	PURCHASE OF CASINO REINVESTMENT OBLIGATION.....	(847)	(933)
7	PURCHASE OF OTHER INVESTMENTS & LOANS/ADVANCES MADE....	(7,559)	(1,144)
8	PROCEEDS FROM DISPOSAL OF INVESTMENTS & COLLECTION OF ADVANCES & LONG TERM RECEIVABLES.....	5,273	4,788
9	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES.....		
10	_____.....		
11	_____.....		
12	NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES.....	(34,230)	1,748
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	CASH PROCEEDS FROM ISSUANCE OF SHORT-TERM DEBT.....	-0-	-0-
14	PAYMENTS TO SETTLE SHORT-TERM DEBT.....	(1,700)	(1,000)
15	CASH PROCEEDS FROM ISSUANCE OF LONG-TERM DEBT.....		
16	COSTS OF ISSUING DEBT.....		
17	PAYMENTS TO SETTLE LONG-TERM DEBT.....	(33,559)	(3,405)
18	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB....	82,206	-0-
19	PURCHASES OF TREASURY STOCK.....		
20	PAYMENTS OF DIVIDENDS OR CAPITAL WITHDRAWALS.....		
21	_____.....		
22	_____.....		
23	NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES.....	46,947	(4,405)
24	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS.....	10,811	732
25	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	5,193	4,758
26	CASH & CASH EQUIVALENTS AT END OF PERIOD.....	$ 16,004	$ 5,490

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	CASH PAID DURING YEAR FOR:		
28	INTEREST (NET OF AMOUNT CAPITALIZED).....	$ 334	$ 1,869
	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.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (A)	DESCRIPTION (B)	(C) 1994	(D) 1993
	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
29	NET INCOME (LOSS)	$ (2,331)	$ 2,284
	NON-CASH ITEMS INCLUDED INCOME & CASH ITEMS EXCLUDED FROM INCOME:		
30	DEPRECIATION & AMORTIZATION OF PROPERTY & EQUIPMENT	696	602
31	AMORTIZATION OF OTHER ASSETS	82	92
32	AMORTIZATION OF DEBT DISCOUNT OR PREMIUM		
33	DEFERRED INCOME TAXES - CURRENT		
34	DEFERRED INCOME TAXES - NONCURRENT	661	336
35	(GAIN) LOSS ON DISPOSITION OF PROPERTY & EQUIPMENT	53	(41)
36	(GAIN) LOSS ON CASINO REINVESTMENT OBLIGATIONS	295	333
37	(GAIN) LOSS FROM OTHER INVESTMENT ACTIVITIES		
38	NET (INCREASE) DECREASE IN RECEIVABLES AND PATRONS' CHECKS EXCLUDING RECLASS FROM LONG TERM OF $765 and $489	(543)	(444)
39	NET (INCREASE) DECREASE IN INVENTORIES	(97)	(92)
40	NET (INCREASE) DECREASE IN OTHER CURRENT ASSETS	5	(595)
41	NET (INCREASE) DECREASE IN OTHER ASSETS	(779)	(44)
42	NET INCREASE (DECREASE) IN ACCOUNTS PAYABLE	3,716	1,659
43	NET INCREASE (DECREASE) IN OTHER CURRENT LIABILITIES EXCLUDING DEBT	(1,486)	1,109
44	NET INCREASE (DECREASE) IN OTHER NONCURRENT LIABILITIES EXCLUDING DEBT	(1,621)	(1,326)
45	DISCOUNT ON WRAPAROUND MORTGAGE RECEIVABLE	(557)	(484)
46			
47	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (1,906)	$ 3,389

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	ACQUISITION OF PROPERTY & EQUIPMENT:		
48	ADDITIONS TO PROPERTY & EQUIPMENT	$ 5,304	$ 1,005
49	LESS: CAPITAL LEASE OBLIGATIONS ACQUIRED		
50	CASH OUTFLOWS FOR PROPERTY & EQUIPMENT	$ 5,304	$ 1,005
	ACQUISITION OF BUSINESS ENTITIES:		
51	PROPERTY & EQUIPMENT ACQUIRED	$	$
52	GOODWILL ACQUIRED		
53	NET ASSETS ACQUIRED OTHER THAN CASH, GOODWILL & PROPERTY & EQUIPMENT		
54	LONG TERM DEBT ASSUMED		
55	ISSUANCE OF STOCK OR CAPITAL INVESTED		
56	CASH OUTFLOWS TO ACQUIRE BUSINESS ENTITIES	$ -0-	$ -0-
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	TOTAL ISSUANCES OF STOCK OR CAPITAL CONTRIBUTIONS	$ 82,206	$ -0-
58	LESS: ISSUANCES TO SETTLE LONG TERM DEBT		
59	CONSIDERATION IN ACQUISITION OF BUSINESS ENTITIES		
60	CASH PROCEEDS FROM ISSUING STOCK OR CAPITAL CONTRIB	$ 82,206	$ -0-

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

THE CLARIDGE CASINO HOTEL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1994 AND 1993

(1) Business

(a) Organization

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

(b) Recent Business Developments

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

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

(i) to repay in full the Corporation's outstanding debt under the Revolving Credit and Term Loan Agreement (the "Loan Agreement"), including the outstanding balance of the Corporation's revolving credit line, which was secured by the First Mortgage. In conjunction with the full satisfaction of the Loan Agreement, the Corporation's revolving credit line arrangement was terminated. The Corporation is currently seeking to obtain a new line of credit arrangement; however, the Corporation believes that its current resources are adequate to fund future obligations as they become due; and

(ii) to fund internal improvements which expanded New Claridge's casino capacity and resulted in the addition of approximately 500 slot machines, as well as a poker, simulcast and keno area. Through June 30, 1994, approximately $8.9 million has been used to fund the costs of this internal expansion, which became fully operational on June 30, 1994.

The balance of the net proceeds from the offering of the Notes will be used as follows:

(i) the possible acquisition of an adjacent parcel of land and construction on that land of a self-parking facility. In March 1994, New Claridge acquired options to purchase two parcels of property adjacent to its existing valet-parking facility. On June 6, 1994, New Claridge exercised these options, and deposited $400,000 with the Title Company of New Jersey, to be held in escrow until settlement, which is anticipated to be held in October 1994;

(ii) the possible purchase of the Contingent Payment (see Note 8, Other Liabilities) granted in 1989 and now held in a trust for the benefit of the United Way of Arizona. The Corporation is currently negotiating to purchase the Contingent Payment, for less than face value, from the trustee for the United Way of Arizona. The Corporation previously offered to purchase the Contingent Payment for $10 million, but that offer was not accepted. Negotiations between the trustee for the United Way of Arizona and the Corporation are continuing; and

(iii) the potential expansion of the Corporation's activities into emerging gaming markets. On March 16, 1994, Claridge Gaming Incorporated was formed as a wholly-owned subsidiary of the Corporation for the purpose of exploring and developing gaming opportunities in other jurisdictions.

(c) Claridge License Renewal

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

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

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

(b) Cash

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

(c) Casino Receivables and Revenues

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

(d) Promotional Allowances

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

(e) Inventories

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

(f) Furniture and Equipment

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

(g) Income Taxes

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

(3) Investments, Advances, and Receivables

Investments, Advances, and Receivables at June 30, 1994 and 1993 are summarized as follows:

	1994	1993
	(in thousands)	
$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of $11,738,000 discount and $12,814,000 discount at June 30, 1994 and 1993, respectively)	$ 84,262	90,686
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	15,505	6,837
FF&E promissory note - expansion, 14%	9,079	10,510
Reinvestment Obligations	3,549	2,341
Reinvestment Obligation Credit	-0-	47
	132,395	130,421
Less Current Installments	11,273	9,966
	$ 121,122	120,455

The Expandable Wraparound Mortgage Loan Agreement ("Expandable Wraparound Mortgage") was executed and delivered by the Partnership to New Claridge and is secured by all property of the Partnership. As part of the agreement, New Claridge will service the first mortgage and the Partnership's debt under the Purchase Money Second Mortgage indebtedness. The discounted portion of the Expandable Wraparound Mortgage is due to the deferral of $20 million in interest between 1983 and 1988 until maturity. Principal payments required under the Expandable Wraparound Mortgage commenced in 1988. During the six months ended June 30, 1994, $4 million in principal payments were made.

The Expandable Wraparound Mortgage also includes a provision whereby New Claridge will loan the Partnership up to $25 million in the form of FF & E promissory notes, secured under the Expandable Wraparound Mortgage, for the purchase of property and equipment. One half of the principal is due in 48 months and the remaining balance is due 60 months from the date of the respective FF&E promissory note. During the six months ended June 30, 1994, $533,000 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 will be funded through additional FF&E Loans. In connection therewith, the Wraparound Mortgage Agreement as well as the Operating Lease and Expansion Operating Lease were amended to provide that the principal on these additional FF&E Loans will be payable at final maturity of the Wraparound Mortgage.

The Expandable Wraparound Mortgage was increased up to $17 million to provide the Partnership with funding for the construction of an expansion improvement in 1986. 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 $17 million 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 bad debt. 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 bad debt. 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 administrating 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 funds with the State Treasurer. Through June 30, 1994, New Claridge has deposited $13,514,000, of which $2,178,000 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 to the CRDA donations of funds, totalling $7,088,000, which had previously been deposited with the State Treasurer. In exchange for these donations, New Claridge received credits from the CRDA equal to 51% of the donations, to be applied to satisfy portions of the reinvestment obligations commencing after the date of the donations. As of June 30, 1994, none of these credits remained available.

(4) Other Assets

Other assets at June 30, 1994 and 1993 consist of the following:

	1994	1993
	(in thousands)	
Intangible assets (net of accumulated amortization of $595 and $477 at June 30, 1994 and 1993, respectively)	$159	250
Refundable deposits, non-current	453	118
Other non-current assets	514	45
	$1,126	413

(5) Other Accrued Expenses

Other accrued expenses at June 30, 1994 and 1993 consist of the following:

	1994	1993
	(in thousands)	
Accrued payroll and related benefits	$6,529	6,410
Accrued interest due to the Partnership	2,178	1,746
Other	478	435
	$9,185	8,591

(6) Other Current Liabilities

Other current liabilities at June 30, 1994 and 1993 consist of the following:

	1994	1993
	(in thousands)	
Due to affiliates	$ 3,600	3,600
Deferred rent, current	15,078	15,078
Auto/general claims liability	1,249	1,245
Other	1,896	1,315
	$21,823	21,238

As of June 30, 1994 and 1993, Due to Affiliates includes $3.6 million due to the Partnership. On June 16, 1989 pursuant to the terms of the Restructuring Agreement, the Partnership loaned to New Claridge $3.6 million which represented substantially all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through the closing of the restructuring. This loan is evidenced by an unsecured promissory note and is not due and payable until such time as the full or partial satisfaction of the Wraparound Mortgage and the first mortgage has been made in connection with a refinancing or sale of all or a partial interest in New Claridge. Interest, which accrues at 12% per annum, is payable in full upon maturity. As of June 30, 1994, such interest, which is included in Accrued Expenses, amounted to $2,178,000.

As of June 30, 1994, 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. 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.

(7) Long-term Debt

Long-term debt at June 30, 1994 and 1993 consists of the following:

	1994	1993
	(in thousands)	
First Mortgage Note (a)	$ - 0 -	38,096
Revolving line of credit (b)	- 0 -	-0-
	$ - 0 -	38,096
Less current installments	- 0 -	3,000
	$ - 0 -	35,096

On January 31, 1994, the Corporation completed an offering of $85 million of Notes due 2002, bearing interest at 11 3/4%. The Corporation applied the net proceeds from the sale of the Notes of $82.2 million, after deducting fees and expenses 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 revolving credit line arrangement was terminated.

(a) On October 7, 1991, New Claridge was issued a two year license by the Commission for the period commencing October 31, 1991. In conjunction with the relicensing, New Claridge was required to submit to the Commission by April 30, 1993 a plan to satisfy the balloon payment due on the term loan on January 1, 1994, pursuant to the terms of the Loan Agreement, with implementation of the plan by June 30, 1993. The third amendment to the Loan Agreement was executed, effective April 1, 1993. The modifications resulting from this amendment included (i) the extension of the maturity date of the first mortgage loan from January 1, 1994 to December 31, 1996; (ii) an increase in the interest rate to the "prime rate" of Marine Midland Bank, N.A. plus four percent (from the previous prime rate plus one and one-half percent); (iii) an increase in the mandatory principal payments from $1.2 million to $3 million annually, payable in equal monthly installments; (iv) an increase in the maximum annual capital expenditure limitation from $3.5 million per year to $5 million per year; and (v) an increase in the co-agent's fee to $70,000 per year. Prior to this amendment, New Claridge was required to pay a co-agent's fee equal to one-fortieth of one percent of the average daily outstanding balance of the first mortgage loan. In addition, New Claridge paid an extension fee of $200,000 upon the execution of this amendment to the Loan Agreement.

In addition to the mandatory principal payments, New Claridge was also required to pay quarterly, to First Fidelity Bank, N.A., New Jersey (the "Bank"), for permanent application to the outstanding principal balance of the first mortgage loan, any excess cash flow as defined in the Loan Agreement.

b) Pursuant to the terms of the Loan Agreement, the Bank established a revolving working capital facility, which, prior to the full satisfaction of the Loan Agreement on January 31, 1994, was in the amount of $7.5 million. Interest on the working capital facility borrowings, which was payable monthly in arrears, accrued at a rate equal to the prime rate plus four percent, as amended effective April 1, 1993. New Claridge was also required to pay quarterly a commitment fee equal to .5% per annum of the unused portion of the revolving working capital facility.

(8) Other Liabilities

Other liabilities at June 30, 1994 and 1993 consist of the following:

	1994	1993
	(in thousands)	
Deferred rent	$34,721	38,199
Other non-current liabilities	20,000	20,000
Total	$54,721	58,199

Pursuant to the Restructuring Agreement which was concluded on June 16, 1989, Webb retained an interest, which was assigned to a trustee for the benefit of the United Way of Arizona on April 2, 1990, equal to $20 million plus interest at a rate of 15% per annum, compounded quarterly, commencing December 1, 1988, in any proceeds ultimately recovered from operations and/or the sale or refinancing of the Claridge facility in excess of the first mortgage loan ("Contingent Payment"), which amount is payable under certain circumstances. Consequently, New Claridge has deferred the recognition of $20 million of forgiveness income with respect to the Contingent Payment obligation. Interest on the Contingent Payment has not been recorded in the accompanying financial statements since the likelihood of paying such amount is not considered probable at this time. As of June 30, 1994, accrued interest would have amounted to approximately $25.5 million.

(9) Other Nonoperating Income (Expense) - Net

Other nonoperating income (expense) - net for the six months June 30, 1994 and 1993 consists of the following:

	1994	1993
	(in thousands)	
Interest income - Wraparound Mortgage	$8,895	9,088
Interest income - other	684	78
Other nonoperating income/(expense)	5	(69)
Facilities/maintenance fee	265	265
Loss on disposal of assets	(53)	41
Partnership rent expense	(17,790)	(17,375)
Total	$(7,994)	(7,972)

(10) 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 June 30, 1994 (net of expected abatements, as discussed below) are as follows (in thousands):

07/01/94 - 06/30/95	$ 30,792
07/01/95 - 06/30/96	30,982
07/01/96 - 06/30/97	36,488
07/01/97 - 06/30/98	37,154
07/01/98 - 09/30/98	8,133
Total Minimum	$ 143,549

Also, additional rent payments are required based upon fixed assets purchased by the Partnership (the FF&E Replacements, note 3) and then leased to New Claridge. For the six months ended June 30, 1994 and 1993 rental expense for all operating leases amounted to $18,801,000 and $20,008,000 respectively, of which $(1,621,000) and $(1,326,000) 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 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 Expansion Improvements opened to the public), and determined based on the cost of the construction of the Expansion Improvements. Annually thereafter the rental amount is adjusted based on the Consumer Price Index but any increase may not exceed two percent per annum. The total Expansion Operating Lease paid for the six months ended June 30, 1994 was $2,267,000. 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.

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 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.

(11) Income Taxes

New Claridge is included in the consolidated income tax return of its parent, the Corporation. 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 six month period ended June 30, 1993 as a result of the adoption of Statement No. 109.

Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis.

The provision (credit) for income taxes is comprised of the following (in thousands):

	1994	1993
Current:		
Federal	$(1,883)	804
State	(332)	142
Deferred	661	336
	$(1,554)	1,282

The provision (credit) for income tax differs from the amount computed at the statutory rate as follows (in thousands):

	1994	1993
Federal income tax at statutory rates	$(1,321)	1,090
State income tax less Federal benefit	(233)	192
	$(1,554)	1,282

New Claridge recorded an income tax credit of $1,554,000 for the six months ended June 30, 1994 which represents the tax benefit of losses which New Claridge believes will more likely than not be recognized.

(12) 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 years. For the six months ended June 30, 1994 and 1993 interest expense due to affiliates was $216,000 and $216,000 respectively.

(b) In conjunction with the restructuring, the Maintenance Services Contract was assigned by DEWNJ to New Claridge; consequently, certain charges are paid directly to the Partnership. The costs of these services for the six months ended June 30, 1994 and 1993 amounted to $56,000 and $57,000 respectively.

(c) The Partnership has a direct material interest in the Expandable Wraparound Mortgage Loan Agreement and the Operating Lease as described in the preceding notes. Under the terms of the above agreements, for the six months ended June 30, 1994 and 1993 New Claridge has earned interest income of $8,895,000 and $9,088,000 respectively, and incurred lease expense of $17,790,000 and $17,375,000, respectively.

(d) In February 1992, the Corporation's Board of Directors adopted a Long-Term Incentive Plan (the "Plan") in which certain key employees of the Corporation and/or New Claridge participate. The Plan provides for the grant of the 273,938 shares of the Corporation's Class A stock, which were held as treasury shares of the Corporation, and for the issuance of 100 Equity Units. The aggregate value of the 100 Equity Units is equal to 5.41 percent of certain amounts as further defined in the Plan. Specified portions of the awarded treasury shares and Equity Units held by participants shall vest upon the attainment of specific goals as described in the Plan. The treasury shares and Equity Units fully vest upon a further restructuring or a change in control as defined. Payment with respect to the Equity Units will only be made (a) upon the occurrence of a transaction in which substantially all of the assets and business operations of the Claridge entities are transferred to one or more entities in a merger, sale of assets or other acquisition-type transaction, (b) upon termination of employment of any participant in the Plan within one year after any change in control of the Corporation occurs, as defined in the Plan, or (c) if the Corporation pays dividends to its stockholders, if the partnership makes distributions to its partners, or if the Corporation or the Partnership makes certain distributions under the Restructuring Agreement. On April 15, 1992, the Commission approved the plan and the treasury shares were delivered to the participants. Upon the issuance of the Notes and the repayment in full of the Corporation's outstanding debt under the Loan Agreement, 25% of the share and Equity Units awarded under the Plan vested. A participant is entitled to vote all awarded shares whether or not vested in such shares.

On July 25, 1993, Shannon Bybee resigned his position as Chairman and Chief Executive Officer of the Corporation, resulting in the return to the Corporation of 73,963 shares of the Corporation's Class A stock, which had previously been awarded under the Plan. In addition, the Equity Units held by Mr. Bybee were returned to the Corporation upon his resignation. Mr. Bybee continues to serve as a member of the Board of Directors of the Corporation. In April 1994, the shares of Class A Stock and Equity Units which had been returned by Mr. Bybee were awarded to certain officers of the Corporation and/or New Claridge.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

SCHEDULE OF RECEIVABLES & PATRONS' CHECKS
JUNE 30, 1994
(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (A)	DESCRIPTION (B)	ACCT. BAL. (C)	ALLOWANCE (D)	A/R NET OF ALLOW. (E)
	PATRONS' CHECKS:			
1	UNDEPOSITED PATRONS' CHECKS	$ 773		
2	RETURNED PATRONS' CHECKS	1,008		
3	TOTAL PATRONS' CHECKS	1,781	$ 1,365	$ 416
4	HOTEL RECEIVABLES	186	24	162
	OTHER RECEIVABLES:			
5	RECEIVABLES DUE FROM OFFICERS & EMPLOYEES	1		
6	RECEIVABLES DUE FROM AFFILIATES	19,661		
7	OTHER ACCOUNTS & NOTES RECEIVABLES	334		
8	TOTAL OTHER RECEIVABLES	19,996	13	19,983
9	TOTALS (FORM 205)	$ 21,963	$ 1,402	$ 20,561

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (F)	DESCRIPTION (G)	(H) AMOUNT
10	BEGINNING BALANCE (JANUARY 1)	$ 864
11	COUNTER CHECKS ISSUED (EXCLUDING COUNTER CHECKS ISSUED THROUGH TRANSACTIONS RELATING TO CONSOLIDATION, PARTIAL REDEMPTIONS, SUBSTITUTIONS, & PATRONS CASH DEPOSITS)	20,450
12	CHECKS REDEEMED PRIOR TO DEPOSIT (EXCLUDING THE UNREDEEMED PORTION OF COUNTER CHECKS REDEEMED THROUGH PARTIAL REDEMPTIONS, & EXCLUDING CHECKS REDEEMED THROUGH TRANSACTIONS RELATING TO CONSOLIDATION, SUBSTITUTIONS, & PATRONS CASH DEPOSITS)	(4,409)
13	CHECKS COLLECTED THROUGH DEPOSITS	(15,697)
14	CHECKS TRANSFERRED TO RETURNED CHECKS	(435)
15	OTHER ADJUSTMENTS	
16	ENDING BALANCE	$ 773
17		
18	"HOLD" CHECKS INCLUDED IN BALANCE ON LINE 16	
19	PROVISION FOR UNCOLLECTIBLE PATRONS' CHECKS	$ 204
	PROVISION AS A PERCENT OF COUNTER CHECKS ISSUED	1.0%

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

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

PROMOTIONAL EXPENSES & ALLOWANCES
($ IN THOUSANDS)

FOR THE THREE MONTHS ENDED JUNE 30, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	$ 22,893	$ 1,150	$ -0-	$ -0-
FOOD	162,759	1,427	-0-	-0-
BEVERAGE	240,930	1,289	-0-	-0-
TRAVEL	-0-	-0-	858	86
COIN	-0-	-0-	471,170	5,876
COUPON	-0-	-0-	-0-	-0-
ENTERTAINMENT	4,050	90	-0-	-0-
RETAIL & GIFTS	-0-	-0-	75,722	302
PARKING	-0-	-0-	25,231	174
OTHER	-0-	-0-	1,933	47
TOTAL	$ 430,632	$ 3,956	$ 574,914	$ 6,485

FOR THE SIX MONTHS ENDED JUNE 30, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	$ 42,491	$ 2,171	$ -0-	$ -0-
FOOD	301,897	2,697	-0-	-0-
BEVERAGE	463,878	2,431	-0-	-0-
TRAVEL	-0-	-0-	1,664	171
COIN	-0-	-0-	755,006	9,051
COUPON	-0-	-0-	-0-	-0-
ENTERTAINMENT	7,481	167	-0-	-0-
RETAIL & GIFTS	-0-	-0-	133,000	546
PARKING	-0-	-0-	44,718	319
OTHER	-0-	-0-	3,823	100
TOTAL	$ 815,747	$ 7,466	$ 938,211	$ 10,187

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

COUNTY OF ATLANTIC

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

1. I have examined this quarterly report.

2. All the information contained in this report has been prepared in conformity with Casino Control Commission's quarterly report instructions and uniform chart of accounts.

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

Laura L. Palazzo
Vice President Controller

Lisc. # 02461-11

On Behalf of the Claridge at Park Place, Inc.

Subscribed and sworn to before me on this 12th day of August, 1994.

Signature

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

Basis of authority to take oaths

QUARTERLY REPORT

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

FOR THE QUARTER ENDED JUNE 30, 1994

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

RECEIVED
FEU
AUG 15 1994
CASINO CONTROL
COMMISSION

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

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

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1994

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

New Jersey State Library

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

BALANCE SHEETS

JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	ASSETS		
	Current Assets:		
1	Cash	$ 3,411	$ 3,393
2	Marketable securities. . . NOTE 2. . .	4,395	4,065
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994, $ 5,893 ; 1993, $ 7,526)	6,445	5,405
4	Inventories	2,631	1,830
5	Prepaid expenses and other current assets. . . .NOTES 3 & 18. .	7,958	26,211
6	Total current assets	24,840	40,904
7	Investments, Advances, and Receivables. . . . . .NOTE 4. . .	2,842	2,737
8	Property And Equipment – Gross. . . . . NOTE 5. . .	342,534	332,939
9	(Accumulated Depreciation/Amortization). . . . . NOTE 5. . .	(93,371)	(83,512)
10	Other Assets. . . . . NOTE 6. . .	115,442	119,902
11	Total Assets	$ 392,287	$ 412,970
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	$ 4,918	$ 1,254
13	Notes payable. . . . . NOTE 9. . .	4,000	–
	Current portion of long–term debt		
14	Due to affiliates	–	–
15	Other	–	–
16	Income taxes payable and accrued	214	–
17	Other accrued expenses. . . . . .NOTE 7. . .	18,998	21,502
18	Other current liabilities. . . . . .NOTE 8. . .	2,421	1,937
19	Total current liabilities	30,551	24,693
	Long–Term Debt:		
20	Due to affiliates. . . . . .NOTE 10. .	273,109	273,025
21	Other	–	–
22	Deferred Credits. . . . . NOTE 11. .	55,471	56,747
23	Other Liabilities. . . . . .NOTE 12. .	30,879	30,309
24	Commitments And Contingencies	–	–
25	Total Liabilities	390,010	384,774
26	Stockholders', Partners', Or Proprietor's Equity. . . . . .NOTE 13. .	2,277	28,196
27	Total Liabilities And Equity	$ 392,287	$ 412,970

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

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

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

STATEMENTS OF INCOME

FOR THE SIX ENDED JUNE 30, 1994 and 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993	
	Revenues:	$	$	
1	Casino	104,603	102,160	
2	Rooms	6,530	6,719	
3	Food and beverage	15,560	15,337	
4	Other	5,059	4,900	
5	Total Revenues	131,752	129,116	
6	Less: Promotional allowances	17,226	15,447	
7	Net Revenues	114,526	113,669	
	Costs And Expenses:			
8	Cost of goods and services	55,407	51,599	*
9	Selling, general, and administrative	41,777	38,409	*
10	Provision for doubtful accounts	1,260	297	
11	Total Costs and Expenses	98,444	90,305	
12	Gross Operating Profit	16,082	23,364	
13	Depreciation and Amortization	10,004	8,910	
	Charges from affiliates other than interest:			
14	Management fees	–	–	
15	Other NOTE 15.	2,138	3,186	*
16	Income (Loss) From Operations	3,940	11,268	
	Other Income (Expenses):			
17	Interest (expense)–affiliates	(15,122)	(15,493)	*
18	Interest (expense)–external NOTE 16.	(316)	1,910	*
19	Investment alternative tax and related income (expense) – net.	(321)	(618)	
20	Nonoperating income (expense) – net NOTE 17.	226	593	
21	Total Other Income (Expenses)	(15,533)	(13,608)	
22	Income (Loss) Before Income Taxes And Extraordinary Items	(11,593)	(2,340)	
23	Provision (credit) for income taxes NOTE 18.	(2,227)	(671)	
24	Income (Loss) Before Extraordinary Items	(9,366)	(1,669)	
25	Extraordinary items (net of income taxes – 1994, $ – ; 1993, $ (1,405) NOTES 1 and 10	–	(31,961)	
26	Net Income (Loss)	$ (9,366)	$ (33,630)	

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

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

1/89

* Restated to conform to 1994 presentation.

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

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1994 and 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993	
	Revenues:	$	$	
1	Casino	58,959	52,023	
2	Rooms	3,652	3,747	
3	Food and beverage	8,206	8,111	
4	Other	2,319	2,120	
5	Total Revenues	73,136	66,001	
6	Less: Promotional allowances	8,949	8,052	
7	Net Revenues	64,187	57,949	
	Costs And Expenses:			
8	Cost of goods and services	28,536	26,605	*
9	Selling, general, and administrative	21,739	19,681	*
10	Provision for doubtful accounts	920	161	
11	Total Costs and Expenses	51,195	46,447	
12	Gross Operating Profit	12,992	11,502	
13	Depreciation and Amortization	5,347	4,490	
	Charges from affiliates other than interest:			
14	Management fees	–	–	
15	Other NOTE 15.	949	1,340	*
16	Income (Loss) From Operations	6,696	5,672	
	Other Income (Expenses):			
17	Interest (expense)–affiliates	(7,657)	(7,673)	*
18	Interest (expense)–external NOTE 16.	(213)	1,910	*
19	Investment alternative tax and related income (expense) – net.	(183)	(319)	
20	Nonoperating income (expense) – net. NOTE 17.	105	248	
21	Total Other Income (Expenses)	(7,948)	(5,834)	
22	Income (Loss) Before Income Taxes And Extraordinary Items	(1,252)	(162)	
23	Provision (credit) for income taxes. NOTE 18.	(240)	(35)	
24	Income (Loss) Before Extraordinary Items	(1,012)	(127)	
25	Extraordinary items (net of income taxes – 1994, $ – ; 1993, $ – NOTES 1 and 10	–	–	
26	Net Income (Loss)	$ (1,012)	$ (127)	

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

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

1/89

* Restated to conform to 1994 presentation.

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

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 and 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c) SHARES	1994 (d) DOLLARS	1993 (e) SHARES	1993 (f) DOLLARS
	Common Stock:		$		$
1	Beginning balance (January 1)	3,002,500	30	3,002,500	30
2	Sale of stock				
3					
4	Ending balance	3,002,500	30	3,002,500	30
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending balance				
	Additional Paid–In Capital:				
9	Beginning balance (January 1)		58,212		65,712
10					
11					
12	Ending balance		58,212		65,712
	Treasury Stock:				
13	Beginning balance (January 1)		( )		( )
14	Purchase of additional stock		( )		( )
15	Sale or retirement of stock				
16	Ending balance		( )		( )
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		( )		( )
18					
19					
20	Ending balance		( )		( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		( )		( )
22					
23					
24	Ending balance		( )		( )
	Retained Earnings:				
25	Beginning balance (January 1)		(46,599)		(3,916)
26	Prior period adjustments				
27	Net income (loss)		(9,366)		(33,630)
28	Dividends		( )		( )
29					
30					
31	Ending balance		(55,965)		(37,546)
32	Ending Stockholders' Equity		2,277		28,196

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

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

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)
– NOT APPLICABLE –

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

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

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

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash Provided (Used) By Operating Activities	$ 3,670	$ 2,937
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	(2,910)	(1,065)
3	Proceeds from the sale of short-term investment securities	–	–
4	Cash outflows for property and equipment	(8,035)	(5,115)
5	Proceeds from disposition of property and equipment	600	–
6	Purchase of casino reinvestment obligations	(646)	(1,236)
7	Purchase of other investments and loans/advances made	–	–
8	Proceeds from disposal of investment and collection of advances and long-term receivables	–	–
9	Cash outflows to acquire business entities	–	–
10	Short-term advance Bally's Park Place, Inc.(net)	–	6,000
11		–	–
12	Net Cash Provided (Used) By Investing Activities	(10,991)	(1,416)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	4,000	–
14	Payments to settle short-term debt	–	–
15	Cash proceeds from issuance of long-term debt	–	272,957
16	Costs of issuing debt	–	(13,218)
17	Payments to settle long-term debt	–	(268,840)
18	Cash proceeds from issuing stock or capital contribution	–	–
19	Purchases of treasury stock	–	–
20	Payments of dividends or capital withdrawals	–	–
21	Extraordinary loss on extinguishment of debt, net of tax	–	2,091
22		–	–
23	Net Cash Provided (Used) By Financing Activities	4,000	(7,010)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(3,321)	(5,489)
25	Cash And Cash Equivalents At Beginning Of Year	6,732	8,882
26	Cash And Cash Equivalents At End Of Year	$ 3,411	$ 3,393

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	$ 14,671	$ 11,046
28	Income taxes refunded (net of payments)	$ 3,757	$ 4

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

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

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ (9,366)	$ (33,630)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	7,774	7,284
31	Amortization of other assets	2,230	1,626
32	Amortization of debt discount or premium	658	70
33	Deferred income taxes – current	301	218
34	Deferred income taxes – noncurrent	(2,831)	(2,966)
35	(Gain) loss on disposition of property and equipment	–	–
36	(Gain) loss on casino reinvestment obligations	321	618
37	(Gain) loss from other investment activities	–	–
38	Net (increase) decrease in receivables and patrons' checks	1,242	(975)
39	Net (increase) decrease in inventories	(56)	(123)
40	Net (increase) decrease in other current assets	3,759	(1,830)
41	Net (increase) decrease in other assets	–	–
42	Net increase (decrease) in accounts payables	(274)	(2,905)
43	Net increase (decrease) in other current liabilities excluding debt	(373)	6,241
44	Net increase (decrease) in other noncurrent liabilities excluding debt	285	(561)
45	Cumulative effect on prior years of change		
46	in accounting for income taxes	–	29,870
47	Net Cash Provided (Used) By Operating Activities	$ 3,670	$ 2,937
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 8,035	$ 5,115
49	Less: Capital lease obligations incurred	–	–
50	Cash Outflows For Property And Equipment	$ 8,035	$ 5,115
	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.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

GNOC, CORP. (the "Company") is a wholly owned subsidiary of GNAC, CORP. ("GNAC"), which is a wholly owned subsidiary of Bally Entertainment Corporation ("BEC"). The financial statements include the transactions between the Company, GNAC and GNF, CORP. ("GNF"), another wholly owned subsidiary of GNAC, which serves solely as a financing subsidiary. These financial statements should be read in conjunction with the Casino Control Commission Annual Report for the year ended December 31, 1993.

All adjustments have been recorded which are, in the opinion of management, necessary for a fair presentation of the balance sheets of the Company at June 30, 1994 and 1993, its statements of income for the three and six months ended June 30, 1994 and 1993 and the statement of cash flows for the six months ended June 30, 1994 and 1993. All such adjustments were of a normal, recurring nature, except for those adjustments required to reflect the refinancing of indebtedness (see "Note 10 - Long-term debt - due to affiliates") and to apply the provisions of Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes" (see "Note 18 - Income taxes").

Certain reclassifications have been made to the prior period financial statements to conform with the 1994 presentation.

Seasonal factors

The Company's operations are subject to seasonal factors and, therefore, the results of operations for the three and six months ended June 30, 1994 and 1993 are not necessarily indicative of the results of operations for the full year.

NOTE 2 - MARKETABLE SECURITIES

Marketable securities as of June 30, 1994 and 1993 consisted of repurchase agreements and certificates of deposit, at cost, which approximates market.

NOTE 3 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	1994	1993
Advances to Bally's Park Place, Inc.	$ -	$ 10,000
Income taxes receivable	-	6,944
Deferred federal and state income taxes	6,205	5,900
Other	1,753	3,367
	$ 7,958	$ 26,211

The Company and Bally's Park Place, Inc. ("Bally's Park Place") have a cash management arrangement whereby the Company advances excess funds to Bally's Park Place which Bally's Park Place uses to reduce the outstanding balance under its revolving credit agreement. The Company received interest monthly on these advances (at the prime rate of Bally's Park Place's agent bank) which totalled $157 and $356 for the three and six months ended June 30, 1993, respectively. No amounts were advanced during the six months ended June 30, 1994.

NOTE 4 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of June 30, 1994 and 1993 consisted of funds invested with the New Jersey Casino Reinvestment Development Authority (the "CRDA"), net of related valuation reserves.

NOTE 5 - PROPERTY AND EQUIPMENT

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

	1994	1993
Land and improvements	$ 52,009	$ 51,875
Buildings and leasehold improvements	205,568	204,784
Furniture, fixtures and equipment	84,279	74,478
Construction in progress	678	1,802
	342,534	332,939
Less accumulated depreciation and amortization	(93,371)	(83,512)
	$249,163	$249,427

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

NOTE 6 - OTHER ASSETS

Other assets as of June 30 consisted of the following:

	1994	1993
Cost in excess of acquired assets, less accumulated amortization of $21,718 and $18,541	$103,756	$106,932
Deferred finance costs, less accumulated amortization of $1,964 and $491	11,449	12,727
CRDA credits receivable	237	243
	$115,442	$119,902

For the three months ended June 30, 1994 and 1993, the Company expensed $348 and $18 respectively, and for the six months ended June 30, 1994 and 1993, the Company expensed $642 and $38 respectively, representing amortization of CRDA credits.

NOTE 7 - OTHER ACCRUED EXPENSES

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

	1994	1993
Accrued interest	$ 7,438	$ 7,326
Accrued payroll	6,576	7,097
Accrued progressive jackpot liability	271	1,453
Accrued self insurance claims	1,067	1,242
Other	3,646	4,384
	$ 18,998	$ 21,502

NOTE 8 - OTHER CURRENT LIABILITIES

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

	1994	1993
Unredeemed gaming chips and tokens	$ 448	$ 934
Due to Bally's Park Place	421	520
Due to BEC	970	-
Due to Bally's Las Vegas, Inc.	96	-
Due to Bally's Casino Holdings, Inc.	15	-
Other	471	483
	$ 2,421	$ 1,937

NOTE 9 - NOTES PAYABLE

The Company has a $20,000 revolving credit agreement (the "Credit Agreement"), which provides for interest on borrowings at the rate of 1% above the banks' stated prime rates (7.25% as of June 30, 1994) and expires on March 31, 1995. The Company pays a fee of 1/2% on the unused commitment. As of June 30, 1994, $16,000 was available under the Credit Agreement.

NOTE 10 - LONG-TERM DEBT - DUE TO AFFILIATES

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

	1994	1993
10-5/8% First Mortgage Notes due 2003, less unamortized discount of $1,891 and $1,975	$273,109	$273,025

In March 1993, GNF issued $275,000 principal amount of 10-5/8% First Mortgage Notes due 2003 (the "10-5/8 Notes") at a discount to yield an interest rate of 10-3/4%. The 10-5/8% Notes are unconditionally guaranteed by GNAC and are secured by a first mortgage on and security interest in substantially all property and equipment of the Company. GNF used the net proceeds from the sale of the 10-5/8% Notes, together with the collection of certain funds on deposit with Bally's Park Place, to redeem its 13-1/4% Mortgage-Backed Notes due 1995 at a price of 102.94% of their principal amount plus accrued interest, thereby satisfying all obligations thereunder. The redemption of the 13-1/4% Mortgage-Backed Notes due 1995 resulted in an extraordinary loss of $2,091, net of an income tax benefit of $1,405.

NOTE 10 - LONG-TERM DEBT - DUE TO AFFILIATES (Cont.)

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) limitations on encumbrances and liens; (vi) limitation on dividends and other payment restrictions affecting subsidiaries; (vii) limitation on issuance of guaranties by subsidiaries; and (viii) restrictions on merger and sale 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 June 30, 1994, no dividends were available for payment.

NOTE 11 - DEFERRED CREDITS

Deferred credits as of June 30, 1994 and 1993 consisted of deferred federal and state income taxes, which reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes.

NOTE 12 - OTHER LIABILITIES

Other liabilities consisted of $30,879 and $30,309 due to GNAC as of June 30, 1994 and 1993, respectively.

NOTE 13 - STOCKHOLDER'S EQUITY

At June 30, 1994 and 1993, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,500 were issued and outstanding.

NOTE 14 - JACKPOT PAYOUTS IN MERCHANDISE

There were no jackpot payouts in merchandise for the three and six months ended June 30, 1994 and 1993.

New Jersey State Library

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

NOTE 15 - CHARGES FROM AFFILIATES - OTHER

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

Affiliate	Nature of Charge	1994	1993
GNAC	Rent	$ 255	$ 256
BEC	Allocated costs and expenses (a)	483	718
Bally's Park Place	Rent (surface area parking lots)	174	174
Bally's Park Place	Allocated costs and expenses (b)	37	192
		$ 949	$1,340

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

Affiliate	Nature of Charge	1994	1993
GNAC	Rent	$ 510	$ 511
BEC	Allocated costs and expenses (a)	1,187	1,439
Bally's Park Place	Rent (surface area parking lots)	348	348
Bally's Park Place	Allocated costs and expenses (b)	93	888
		$2,138	$3,186

(a) Costs and expenses allocated from BEC include the Company's allocable share of BEC's corporate overhead including executive salaries and benefits, public company reporting costs and other corporate headquarters' costs.

(b) Costs and expenses allocated from Bally's Park Place relate to certain administrative and support operations of the Company and Bally's Park Place which are consolidated.

NOTE 16 - INTEREST EXPENSE - EXTERNAL

Interest expense - external for the three and six months ended June 30, 1993 includes the reversal of a $2,000 interest reserve which was no longer necessary.

NOTE 17 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income, consisting of interest and dividend income, was $105 and $248 for the three months ended June 30, 1994 and 1993, respectively, and $226 and $593 for the six months ended June 30, 1994 and 1993, respectively.

NOTE 18 - 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 are due at such time and in such amounts as payments are required to be made for income tax purposes. Payments by BEC for such tax benefits are due at the time BEC files the applicable consolidated federal tax return.

Effective January 1, 1993, the Company changed its method of accounting for income taxes as required by SFAS No. 109. The cumulative effect on prior years of this change in accounting for income taxes was a charge of $29,870.

For the three and six months ended June 30, 1994 and 1993, the effective rates of the income tax benefits varied from the U.S. statutory tax rates (35% and 34%, respectively) due principally to nondeductible amortization of cost in excess of acquired assets.

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1994
(UNAUDITED)
($ IN THOUSANDS)

	ACCOUNTS RECEIVABLE BALANCES			
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE– (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	$ 4,171		
2	Returned patrons' checks	7,332		
3	Total patrons' checks	11,503	$ 5,827	$ 5,676
4	Hotel Receivables	400	66	334
	Other Receivables:			
5	Receivables due from officers and employees	2		
6	Receivables due from affiliates	8		
7	Other accounts and notes receivables	425		
8	Total other receivables	435	–	435
9	Totals (Form 205)	$ 12,338	$ 5,893	$ 6,445

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 4,694
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	67,535
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)	(48,153)
13	Checks collected through deposits	(16,345)
14	Checks transferred to returned checks	(3,560)
15	Other adjustments	–
16	Ending Balance	$ 4,171
17	"Hold" Checks Included In Balance On Line 16	$ –
18	Provision For Uncollectible Patrons' Checks	$ 1,227
19	Provision As A Percent Of Counter Checks Issued	1.82%

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

PROMOTIONAL EXPENSES AND ALLOWANCES

($ in Thousands)

For The Six Months Ended June 30, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	87,022	$ 4,291	–	$ –
Food	569,870	8,271	–	–
Beverage	1,436,684	2,802	–	–
Travel	–	–	27,918	2,485
Coin	–	–	696,994	8,618
Coupon	–	–	–	–
Entertainment	31,117	735	2,892	354
Retail & Gifts	20,284	1,014	87,162	1,583
Other	5,758	113	85,644	761
Total	2,150,735	$ 17,226	900,610	$ 13,801

For The Three Months Ended June 30, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	45,720	$ 2,340	–	$ –
Food	286,912	4,312	–	–
Beverage	706,592	1,378	–	–
Travel	–	–	13,465	1,144
Coin	–	–	403,410	5,185
Coupon	–	–	–	–
Entertainment	16,135	335	1,342	164
Retail & Gifts	10,704	535	49,188	791
Other	2,892	49	38,185	399
Total	1,068,955	$ 8,949	505,590	$ 7,683

STATEMENT OF CONFORMITY AND ACCURACY

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

Donna M. Graham, being duly sworn according to law upon my oath
Name

deposes and says:

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

Signature

Vice President of Finance/Treasurer
Title

03723-11
License Number

Subscribed and sworn to
before me this 12th day
of August, 1994

Mary K Chamberlin
Signature

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

Basis of Authority
to Take Oaths

On Behalf Of:

GNOC, CORP. (THE GRAND)
Casino Licensee

QUARTERLY REPORT

LICENSEE GREATE BAY HOTEL AND CASINO, INC.

ADDRESS INDIANA AVENUE AND BRIGHTON PARK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT: Timothy A. Ebling

OFFICIAL TITLE: Vice President Finance

ADDRESS: Indiana Avenue & Brighton Park

Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE SANDS HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1994

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
State[illegible]ers' or [illegible]	CCC–225
Statements of Cash Flows	CCC–235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC–240
Promotional Expenses and Allowances	CCC–245
Statement of Conformity and Accuracy	CCC–250

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

BALANCE SHEETS

JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	ASSETS		
	Current Assets:	$	$
1	Cash	18,457	13,605
2	Marketable securities	–	–
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994, $14,679; 1993, $15,297)	14,785	15,366
4	Inventories	4,029	3,700
5	Prepaid expenses and other current assets Note 4, 9	10,069	8,312
6	Total current assets	47,340	40,983
7	Investments, Advances, and Receivables Note 5	11,071	19,530
8	Property and Equipment – Gross Note 8	294,223	305,324
9	(Accumulated Depreciation/Amortization) Note 8	(129,011)	(145,791)
10	Other Assets Note 4, 10	12,031	8,786
11	Total Assets	$ 235,654	$ 228,832
	LIABILITIES AND EQUITY		
	Current Liabilities:	$	$
	Accounts payable	[illegible]	6,994
	Notes payable	[illegible]	[illegible]000
	Current portion of Long–term debt:		
14	Due to affiliates Note 3	–	5,567
15	Other Note 3	9	8
16	Income taxes payable and accrued Note 4	(4,995)	6,513
17	Other accrued expenses Note 11	22,287	17,650
18	Other current liabilities Note 5, 12	2,004	4,246
19	Total current liabilities	29,213	62,978
	Long–Term Debt:		
20	Due to affiliates Note 2, 3	195,000	158,413
21	Other Note 3	458	467
22	Deferred Credits	–	–
23	Other Liabilities	–	–
24	Commitments and Contingencies		
25	Total Liabilities	224,671	221,858
26	Stockholders', Partners', Or Proprietor's Equity	10,983	6,974
27	Total Liabilities and Equity	$ 235,654	$ 228,832

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: SANDS HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d)1993
	Revenue:	$	$
1	Casino	115,577	116,584
2	Rooms	4,422	4,815
3	Food and beverage	15,398	14,996
4	Other	1,243	1,882
5	Total revenue	136,640	138,277
6	Less: Promotional allowances	13,680	13,634
7	Net revenue	122,960	124,643
	Costs And Expenses:		
8	Cost of goods and services	60,148	57,713
9	Selling, general, and administrative Note 5	46,916	45,283
10	Provision for doubtful accounts	1,391	1,614
11	Total costs and expenses	108,455	104,610
12	Gross Operating Profit	14,505	20,033
13	Depreciation and amortization	7,418	8,730
	Charges from affiliates other than interest:		
14	Management fees Note 5	2,335	2,803
15	[illegible]	[illegible]	[illegible]
16	Income (Loss) From Operations	4,752	[illegible]
	Other Income (Expenses):		
17	Interest (expense) – affiliates Note 5	(10,189)	(11,330)
18	Interest (expense) – external	277	179
19	Investment alternative tax and related income (expense) – net	(1,222)	(702)
20	Nonoperating income (expense) – net Note 7	737	1,008
21	Total other income (expenses)	(10,397)	(10,845)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(5,645)	(2,345)
23	Provision (credit) for income taxes Note 4	(1,595)	(364)
24	Income (Loss) Before Extraordinary Items	(4,050)	(1,981)
25	Extraordinary items (net of income taxes – 1994, $_____; 1993, $_____) Note 4		2,000
26	Net Income (Loss)	($4,050)	$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: SANDS HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Revenue:	$	$
1	Casino	61,441	63,416
2	Rooms	2,405	2,525
3	Food and beverage	8,341	8,054
4	Other	753	888
5	Total revenue	72,940	74,883
6	Less: Promotional allowances	7,248	7,401
7	Net revenue	65,692	67,482
	Costs And Expenses:		
8	Cost of goods and services	31,557	29,851
9	Selling, general, and administrative	25,272	25,263
10	Provision for doubtful accounts	749	959
11	Total costs and expenses	57,578	56,073
12	Gross Operating Profit	8,114	11,409
13	Depreciation and amortization	3,773	4,393
	Charges from affiliates other than interest:		
14	Management fees	1,311	930
15	Other	--	--
16	Income (Loss) From Operations	3,030	5,466
	Other Income (Expenses):		
17	Interest (expense) – affiliates	(4,637)	(5,782)
18	Interest (expense) – external	139	138
19	Investment alternative tax and related income (expense) – net	(626)	(373)
20	Nonoperating income (expense) – net	432	488
21	Total other income (expenses)	(4,692)	(5,529)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(1,662)	(63)
23	Provision (credit) for income taxes	(326)	248
24	Income (Loss) Before Extraordinary Items	(1,336)	(311)
25	Extraordinary items (net of income taxes – 1994, $_____; 1993, $_____)		
26	Net Income (Loss)	($1,336)	($311)

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

for the six months ended June 30, 1994 and 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994 (c) SHARES	(c) 1994 (d) DOLLARS	(d) 1993 (e) SHARES	(d) 1993 (f) DOLLARS
	Common Stock:		$		$
1	Beginning balance (January 1)	100	3,500	100	3,500
2	Sale of stock				
3					
4	Ending balance	100	3,500	100	3,500
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending Balance				
	Additional Paid–in Capital:				
9	Beginning balance (January 1)		–		
10	Capital Contribution		15,000		
11					
12	Ending balance		15,000		
	Treasury Stock:				
13	Beginning balance (January 1)		( )		( )
14	Purchase of additional stock		( )		( )
15	Sale or retirement of stock				
16	Ending balance		( )		( )
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		( )		( )
18					
19					
20	Ending balance		( )		( )
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		( )		( )
22					
23					
24	Ending balance				
	Retained Earnings:				
25	Beginning balance (January 1)		(3,467)		3,455
26	Prior period adjustments				
27	Net income (loss)		(4,050)		19
28	Dividends				
29					
30					
31	Ending balance		(7,517)		3,474
32	Ending Stockholders' Equity		$10,983		$6,974

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

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

NOT APPLICABLE

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

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash provided (Used) By Operating Activities	$3,046	$6,302
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities		
3	Proceeds from the sale of short-term investment securities		
4	Purchase outflows for property and equipment	(10,744)	(2,176)
5	Proceeds from disposition of property and equipment		
6	Purchase of casino reinvestment obligations	(219)	(1,304)
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	(10,963)	(3,480)
	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	195,000	
16	Costs of issuing debt	[illegible]	(1,629)
17	Payments to settle long-term debt	(161,674)	(14,202)
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) borrowings from Affiliates	(28,083)	15,174
22			
23	Net Cash Provided (Used) By Financing Activities	13,421	(657)
24	Net Increase (Decrease) In Cash And Cash Equivalents	5,504	2,165
25	Cash And Cash Equivalents At Beginning Of Period	12,953	11,440
26	Cash And Cash Equivalents At End Of Period	$18,457	$13,605
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$4,680	$10,414
28	Income taxes	$1	$1,122

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

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d)1993
	Net Cash Flows From Operating Activities:	$	$
29	Net income (loss)	(4,050)	19
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	7,152	7,395
31	Amortization of other assets	266	1,335
32	Amortization of debt discount or premium	46	180
33	Deferred income taxes – current		
34	Deferred income taxes – noncurrent	2,128	(1,055)
35	(Gain) Loss on disposition of property and equipment		
36	(Gain) Loss on casino reinvestment obligations	1,222	702
37	(Gain) Loss from other investment activities		
38	Net (increase) decrease in receivables and patrons' checks	(482)	(1,793)
39	Net (increase) decrease in inventories	(233)	10
40	Net (increase) decrease in other current assets	(3,942)	(753)
41	Net (increase) decrease in other assets	(470)	(538)
42	Net increase (decrease) in accounts payables	3,601	786
43	Net increase (decrease) in other current liabilities excluding debt	(1,205)	2,251
44	Net increase (decrease) in other noncurrent liabilities excluding debt		–
45	Net increase (decrease) in jackpot		
46	Cumulative effect of accounting change		
47	Net Cash Provided (Used) By Operating Activities	$3,046	$6,302
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
	Acquisition Of Property and Equipment:	$	$
48	Additions to property and equipment	10,744	2,176
49	Less: Capital lease obligations incurred		
50	Cash Outflows For Property And Equipment	10,744	2,176
	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	$

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1994

(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	$ 7,217		
2	Returned patrons' checks	20,710		
3	Total patrons' checks	27,927	$ (14,654)	$ 13,273
4	Hotel Receivables	374	(25)	349
	Other Receivables:			
5	Receivables due from officers and employees	–		
6	Receivables due from affiliates	259		
7	Other accounts and notes receivables	904		
8	Total other receivables	1,163		1,163
9	Totals (Form 205)	$ 29,464	$ (14,679)	$ 14,785

UNDEPOSITED PATRONS CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 5,630
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits	88,554
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)	(64,279
13	Checks collected through deposits	(16,847
14	Checks transferred to returned checks	(5,841
15	Other adjustments	
16	Ending Balance	$7,21[illegible]
17		
18	"Hold" Checks Included in Balance On Line 16	0
19	Provision For Uncollectible Patrons' Checks	$1,401
	Provision As A Percent Of Counter Checks Issued	1.6%

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE SIX MONTHS ENDED JUNE 30, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	120,850	$3,143	–	–
Food	397,057	5,314	–	–
Beverage	360,812	4,830	–	–
Travel	–	–	9,859	2,558
Coin	–	–	517,946	12,921
Coupon	–	–	14,193	99
Entertainment	2,053	148	–	–
Retail & Gifts	–	–	18,020	1,802
Other	30,550	245	–	–
Total	911,322	$13,680	560,018	$17,380

****

FOR THE THREE MONTHS ENDED JUNE 30, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	63,947	$1,630	–	$ –
Food	216,857	2,890	–	–
Beverage	187,974	2,505	–	–
Travel	–	–	5,220	1,354
Coin	–	–	290,220	6,829
Coupon	–	–	7,143	50
Entertainment	1,280	97	–	–
Retail & Gifts	–	–	11,340	1,134
Other	15,675	126	–	–
Total	485,733	$7,248	313,923	$9,367

STATEMENT OF CONFORMITY AND ACCURACY

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

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

1. I have examined this Quarterly Report.

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

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

Signature

Timothy A. Ebling
Vice President

003052-11
License Number

On Behalf Of:

Greate Bay Hotel And Casino, Inc.
Casino Licensee

Subscribed and sworn to
before me this 2nd day
of July, 19

Signature

JANICE M. CLARKE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 7, 1993

Basis of Authority
to Take Oaths
4/86

CCC-250

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 Pratt Casino Corporation ("PCC"), 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, PCC obtained ownership of GBHC through a contribution of capital by its parent. GBHC's principal business activity includes its ownership of the Sands Hotel and Casino in Atlantic City, New Jersey (the "Sands"). The Sands is managed by New Jersey Management, Inc. ("NJMI"), also a wholly owned subsidiary of PCC. Substantially all of GBHC's revenues and net income are attributable to the operations of the Sands.

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

The financial statements as of June 30, 1994 and for the three and six month periods ended June 30, 1994 and 1993 have been prepared by GBHC without audit. In the opinion of management, these financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position of GBHC as of June 30, 1994, and the results of its operations for the three and six month periods ended June 30, 1994 and 1993 and its cash flows for the six month periods ended June 30, 1994 and 1993.

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

During June of 1994, GBHC entered into an agreement for a bank line of credit in the amount of $5,000,000 of which no borrowings were outstanding as of June 30, 1994. During July of 1994, $1,500,000 was drawn on the line of credit. Interest on borrowings under the line of credit agreement is calculated at the banks prime lending rate plus three-quarters of one percent per annum. The line of credit agreement contains numerous restrictive covenants, all of which are included in other debt indentures as described in note 3, in addition to the maintenance of certain financial ratios. The agreement also contains certain cross-default provisions with other outstanding debt of GBHC and its affiliates, and is currently guaranteed to the extent of $2,000,000 by PCC.

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

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

During February and March 1993, a subsidiary of PHC issued $21,000,000 of Series A and Series B 13.5% 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. The indenture to the Series Notes also provided for additional increases of .25% to become effective 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 3).

Hollywood Casino Corporation ("HCC"), the parent of PHC, agreed to loan up to $8,000,000 to a subsidiary of PHC, the proceeds of which were 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 13.5% per annum payable semiannually, and the outstanding balance of $8,000,000 was repaid during February 1994 in connection with a refinancing of virtually all of GBHC's casino-related outstanding debt.

During 1992, GBHC borrowed $[illegible]00 from an affiliate. The borrowings were due on demand, [illegible] demand was made [illegible] 1998 and accrued interest at one percentage point above the bank prime interest rate. As of June 30, 1993, $1,000,000 was outstanding.

(3) Long-term debt and pledge of assets

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

	June 30,	
	1994	1993
10 7/8% first mortgage notes, due 2004 (a)	$185,000,000	$ -
11 3/4% first mortgage notes, refinanced in 1994, net of discount of $391,000 (b)	-	163,980,000
14 5/8% affiliate loan, due 2005 (c)	10,000,000	-
Other	467,000	475,000
Total indebtedness	195,467,000	164,455,000
Less - current maturities	(9,00[illegible])	(5,575,000)
Total long term debt	$195,458,000	$158,880,000

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

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(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, which commenced 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 indenture to 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, a minimum of $7,000,000 be expended for property and fixture renewals, replacements and betterments, 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 August 6, 1987, the Sands obtained $170,504,000 from a special purpose funding affiliate which issued $173,030,000 of seven-year, non-callable, nonrecourse first mortgage notes bearing interest at 11 3/4% per annum, payable semiannually (the "11 3/4% First Mortgage Notes"), net of a $2,526,000 discount. The 11 3/4% First Mortgage Notes were repaid in February 1994.

(c) 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, subject to certain restrictions, commencing August 17, 1994 with the principal due in February 2005.

Scheduled payments of long-term debt as of June 30, 1994 are:

1994 (6 months)	$ 5,000
1995	9,000
1996	10,000
1997	2,512,000
1998	5,013,000
Thereafter	187,918,000
Total	$ 195,467,000

(4) Income taxes

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

	Six Months Ended June 30, 1994	1993
Benefit (provision) in lieu of federal income taxes:		
Current	$ 2,884,000	$ (518,000)
Deferred	(1,648,000)	809,000
State income tax benefit (provision):		
Current	839,000	(179,000)
Deferred	(480,000)	246,000
	$ 1,595,000	$ 364,000

GBHC is included in HCC's consolidated federal income tax return. Pursuant to agreements between GBHC, PHC and HCC, GBHC's provision for federal income taxes is based on the amount of tax which would be provided if a separate federal income tax return were filed. The payment of taxes in accordance with the tax allocation agreements is subject to the approval of the New Jersey Casino Control Commission.

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

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

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

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 the write off of financing costs.

In the first quarter of 1993, GBHC adopted the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"). The cumulative effect of adopting SFAS 109 as of January 1, 1993 was to increase GBHC's net deferred tax assets and net income by approximately $2,000,000. This change results primarily from reductions in the enacted tax rates from those in effect when the differences between the financial statement and tax bases of assets and liabilities arose.

The components of the deferred tax liability as of June 30, 1994 and 1993 were as follows:

	June 30, 1994	June 30, 1993
Deferred tax assets:		
Allowance for doubtful accounts	$ 4,508,000	$ 4,879,000
Early extinguishment of debt	1,392,000	-
Other liabilities and accruals	896,000	1,339,000
Other	244,000	376,000
Total deferred tax assets	$ 7,040,000	6,594,000
Deferred tax liabilities:		
Depreciation and amortization	(6,857,000)	(7,186,000)
Other	(621,000)	(858,000)
Total deferred tax liabilities	(7,478,000)	(8,044,000)
Net deferred tax liability	$ (438,000)	$(1,450,000)

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

	June 30, 1994	June 30, 1993
Prepaid expenses and other current assets	$ 6,112,000	$ 5,245,000
Other assets	4,352,000	4,208,000
Federal income taxes receivable (payable)	3,778,000	(6,389,000)

The New Jersey Division of Taxation is currently examining the state income tax returns of the Sands for the years 1987 through 1991. Although a possible range of adjustment can not be estimated, in the opinion of management, the results of such examination will not have a material adverse effect on the financial position or results of operations of GBHC.

(5) Transactions with related parties

NJMI, under a management agreement with the Sands, is responsible for the supervision, direction and control of the day-to-day operations of the Sands. NJMI is entitled to receive annually (i) a basic consulting fee of 1% 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 $2,335,000 and $2,803,000, for the six month periods ended June 30, 1994 and 1993, respectively, and are included in management fees charged from affiliates in the accompanying financial statements. As of June 30, 1994 and 1993, management fees of $53,000 were prepaid and $1,000 were payable, 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 amount paid to the unaffiliated third party. Such charges amounted to $132,000 and $144,000 for the six month periods ended June 30, 1994 and 1993, respectively, and are included in selling, general, and administrative expenses in the accompanying financial statements.

For the six months ended June 30, 1994 and 1993 GBHC recognized the following amounts in interest charges to affiliates net of capitalized interest:

	1994	1993
11 3/4% First Mortgage Notes	$ 2,375,000	$ 9,921,000
10 7/8% First Mortgage Notes	7,507,000	-
16 1/2% Promissory Note	-	107,000
14 5/8% Promissory Note	307,000	-
Cash Advances from Affiliates	-	1,302,000
	$ 10,189,000	$ 11,330,000

GBHC had cash advances receivable from affiliates including interest of $6,374,000 and $12,248,000 as of June 30, 1994 and 1993, respectively, and are included in investments, advances, and receivables in the accompanying financial statements. In addition, GBHC had cash advances payable to affiliates including interest totaling $2,472,000 at June 30, 1993, which is included in other current liabilities in the accompanying financial statements. Affiliate advances bear interest at the rate of 16.5% per annum.

Additionally, at June 30, 1993 GBHC had notes of $1,000,000 outstanding to affiliates and short term borrowings outstanding to affiliates of $21,000,000 (see Note 2). These amounts are included in notes payable in the accompanying financial statements.

(6) Progressive Jackpot Liability

As of June 30, 1994 and 1993, the Sands removed certain progressive jackpots from the gaming floor in accordance with regulations approved by the New Jersey Casino Control Commission, which resulted in reductions of approximately $1,035,000 and $342,000, respectively, in progressive jackpot liabilities and a corresponding recognition of an equal amount of slot machine revenues.

(7) Non-Operating Income

For the six months ended June 30, 1994 and 1993, interest income of $737,000 and $1,008,000 was earned on temporary investments, on deposits made with the Casino Reinvestment Development Authority, and other sources.

(8) Property and Equipment

Property and Equipment as of June 30, 1994 and 1993 consisted of the following:

	1994	1993
Land	$ 37,807,000	$ 37,554,000
Buildings and improvements	169,340,000	169,340,000
Operating equipment	71,236,000	96,250,000
Construction in progress	15,840,000	2,180,000
	294,223,000	305,324,000
Less: accumulated depreciation and amortization	(129,011,000)	(145,791,000)
Net property and equipment	$ 165,212,000	$ 159,533,000

(9) Prepaid Expenses and Other Current Assets

As of June 30, 1994 and 1993, Prepaid Expenses and Other Current Assets consisted of the following:

	1994	1993
Deferred taxes - current	[illegible]	$ 5,245,000
Prepaid expenses	2,027,000	2,115,000
Deposits	1,273,000	908,000
Current portion of deferred credits on deposit with the Casino Reinvestment Development Authority	657,000	44,000
	$10,069,000	$ 8,312,000

(10) Other Assets

As of June 30, 1994 and 1993, the line item, Other Assets consisted of the following:

	1994	1993
Deferred taxes - non-current	$ 5,635,000	$ 5,338,000
Deferred financing costs	6,873,000	3,031,000
Other	(477,000)	(481,000)
Non-current portion of deferred credits on deposit with the Casino Reinvestment Development Authority	-	898,000
	$12,031,000	$ 8,786,000

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

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(11) Other Accrued Expenses

As of June 30, 1994 and 1993, Other Accrued Expenses consisted of the following:

	1994	1993
Accrued salaries and wages	$ 4,254,000	$ 4,000,000
Accrued jackpot liability	340,000	1,391,000
Accrued interest	8,033,000	2,296,000
Accrued insurance	1,945,000	2,687,000
Accrued refinancing costs	216,000	-
Other accrued expenses	7,499,000	7,276,000
	$22,287,000	$17,650,000

(12) Other Current Liabilities

As of June 30, 1994 and 1993, Other Current Liabilities consisted of the following:

	1994	1993
Due to affiliates	$ -	$ 2,473,000
Other	2,004,000	1,773,000
	$ 2,004,000	$ 4,246,000

QUARTERLY REPORT

LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

ADDRESS 1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED JUNE 30, 19 94

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT . . . JOSEPH A. DOMENICO

OFFICIAL TITLE. . . . . VICE PRESIDENT OF FINANCE

ADDRESS . . . . . 1725 BRIGANTINE BOULEVARD

ATLANTIC CITY, NJ 08401

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

LIST OF FORMS - QUARTERLY REPORT

For the Quarter Ended: June 30, 1994

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

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

BALANCE SHEETS

JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1994	(d) 1993
	ASSETS		
	Current Assets:		
1	Cash	$ 10,986	$ 9,164
2	Marketable Securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1994 $ 3,281; 1993 $ 3,654	6,259	7,720
4	Inventories	1,763	2,375
5	Prepaid expenses and other current assets (Note 5)	5,184	3,123
6	**Total Current Assets**	24,192	22,382
7	Investments, Advances and Receivables (Note 6)	112,638	30,071
8	Property and Equipment - Gross (Note 2)	378,810	368,543
9	(Accumulated Depreciation/Amortization)	(119,712)	(109,216)
10	Other Assets	10,925	8,207
11	**Total Assets**	406,853	319,987
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts Payable	$ 1,962	$ 1,540
13	Notes Payable	0	0
	Current portion of long-term debt:		
14	Due to affiliates	0	0
15	Other .....(Note 4)	22	85
16	Income taxes payable and accrued	999	532
17	Other accrued expenses ...(Note 9)	15,756	18,237
18	Other current liabilities	989	449
19	**Total current liabilities**	19,728	20,843
	Long-Term Debt:		
20	Due to affiliates ...(Note 3 & 4)	0	147,000
21	Other .....(Notes 3 & 4)	395,231	160,242
22	Deferred Credits	4,474	4,502
23	Other Liabilities .....(Note 10)	41,660	41,689
24	Commitments and Contingencies ...(Note 7)	0	0
25	**Total Liabilities**	461,093	374,276
26	**Stockholders', Partners', or Proprietor's Equity**	(54,240)	(54,289)
27	**Total Liabilities and Equity**	$ 406,853	$ 319,987

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

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

STATEMENTS OF INCOME

For Six Months Ended June 30, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1994	(d) 1993
	Revenue:		
1	Casino	$ 132,795	$ 139,695
2	Rooms	9,174	9,438
3	Food and Beverage	15,859	17,466
4	Other	4,266	4,122
5	Total revenue	162,094	170,721
6	Less: Promotional Allowance	16,814	18,257
7	Net revenue	145,280	152,464
	Costs and Expenses:		
8	Cost of goods and services	80,890	87,152
9	Selling, general, and administrative	27,249	28,241
10	Provision for doubtful accounts	564	1,059
11	Total costs and expenses	108,703	116,452
12	Gross Operating Profit	36,577	36,012
13	Depreciation and amortization	7,294	6,657
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	746	630
16	Income (Loss) from Operations	28,537	28,725
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Embassy Note	0	(3,528)
18	Interest (expense) - external .... (Note 4)	(19,571)	(10,775)
19	Investment alternative tax and related income (expense) - net	(158)	(80)
20	Nonoperating Income (expense) - net	214	143
21	Total other income (expenses)	(19,515)	(14,240)
22	Income (Loss) Before Income Taxes and Extraord. Items	9,022	14,485
23	Provision (credit) for income taxes	1,007	1,472
24	Income (Loss) Before Extraordinary Items	8,015	13,013
25	Extraordinary items (net of income taxes - 1994, $0; 1993, $157) ..(Note 3)	0	(1,517)
26	**Net Income (Loss)**	$ 8,015	$ 11,496

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 June 30, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1994	(d) 1993
	Revenue:		
1	Casino	$ 71,939	$ 73,738
2	Rooms	5,033	5,321
3	Food and Beverage	8,461	9,218
4	Other	2,289	2,387
5	Total revenue	87,722	90,664
6	Less: Promotional Allowance	8,893	9,463
7	Net revenue	78,829	81,201
	Costs and Expenses:		
8	Cost of goods and services	41,816	44,259
9	Selling, general, and administrative	14,484	14,421
10	Provision for doubtful accounts	215	450
11	Total costs and expenses	56,515	59,130
12	Gross Operating Profit	22,314	22,071
13	Depreciation and amortization	3,751	3,353
	Charges from affiliates other than interest:		
14	Management Fees	0	0
15	Other	408	342
16	Income (Loss) from Operations	18,155	18,376
	Other Income (Expenses):		
17	Interest (expense) - affiliates - Embassy Note	0	(3,206)
18	Interest (expense) - external .... (Note 4)	(10,052)	(4,293)
19	Investment alternative tax and related income (expense) - net	(66)	(25)
20	Nonoperating Income (expense) - net	144	80
21	Total other income (expenses)	(9,974)	(7,444)
22	Income (Loss) Before Income Taxes and Extraord. Items	8,181	10,932
23	Provision (credit) for income taxes	767	1,031
24	Income (Loss) Before Extraordinary Items	7,414	9,901
25	Extraordinary items (net of income taxes - 1994, $0; 1993, $0) . .(Note 3)	0	0
26	**Net Income (Loss)**	$ 7,414	$ 9,901

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 June 30, 1994 and 1993

(Unaudited)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	199 (c) Shares	199 (d) Dollars	199 (e) Shares	199 (f) Dollars
	Common Stock:				
1	Beginning balance (January 1)		$		$
2	Sale of stock				
3					
4	Ending balance				
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending balance				
	Additional Paid-in Capital:	++++++++++		++++++++++	
9	Beginning balance (January 1)	++++++++++		++++++++++	
10		++++++++++		++++++++++	
11		++++++++++		++++++++++	
12	Ending balance	++++++++++		++++++++++	
	Treasury Stock:				
13	Beginning balance (January 1)		( )		( )
14	Purchase of additional stock		( )		( )
15	Sale or retirement of stock				
16	Ending balance		( )		( )
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		( )		( )
18					
19					
20	Ending balance		( )		( )
	Net Unrealized Loss on Noncurrent Marketable equity securities:	++++++++++		++++++++++	
21	Beginning balance (January 1)	++++++++++	( )	++++++++++	( )
22		++++++++++		++++++++++	
23		++++++++++		++++++++++	
24	Ending balance	++++++++++	( )	++++++++++	( )
	Retained Earnings:	++++++++++		++++++++++	
25	Beginning balance	++++++++++		++++++++++	
26	Prior period adjustments	++++++++++		++++++++++	
27	Net income (loss)	++++++++++		++++++++++	
28	Dividends	++++++++++	( )	++++++++++	( )
29		++++++++++		++++++++++	
30		++++++++++		++++++++++	
31	Ending balance	++++++++++		++++++++++	
32	Ending Stockholders' Equity	++++++++++	$	++++++++++	$

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

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

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

For the Six Months Ended : June 30,1994 and 1993
(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1994	(d) 1993
	Invested Capital:		
1	Beginning balance (January 1)	$ 141,594	$ 141,594
2	Additional capital invested	0	0
3	_____	0	0
4	Ending balance	141,594	141,594
	Additional Income (Loss):		
5	Beginning balance (January 1)	675,321	647,084
6	Prior period adjustments . .(Note 11).	0	0
7	Net income (loss)	8,015	11,496
8	Deferred State Tax Adj.	302	0
9	Ending balance	683,638	658,580
	Capital Withdrawals:		
10	Beginning balance (January 1)	(869,901)	(827,557)
11	Additional capital withdrawals	(9,571)	(26,906)
12	_____	0	0
13	Ending balance	(879,472)	(854,463)
	Net Unrealized Loss on Noncurrent Marketable equity securities:		
14	Beginning balance (January 1)	0	0
15	_____	0	0
16	_____	0	0
17	Ending balance	0	0
18	**Ending Partner's or Proprietor's Equity**	(54,240)	(54,289)

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

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

STATEMENTS OF CASH FLOWS

June 30, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1994	(d) 1993
1	**Net Cash Provided (Used) by Operating Activities**	$ 26,005	$ 32,489
	Cash Flows from Investing Activities:		
2	Purchase of short-term investment securities	0	0
3	Proceeds from the sale of short-term investment securities	0	0
4	Purchase outflows for property and equipment	(7,358)	(5,853)
5	Proceeds from disposition of property and equipment	86	66
6	Purchase of casino reinvestment obligations	(1,530)	(1,592)
7	Purchase of other investments and loan advances made	(42,003)	0
8	Proceeds from disposal of investments and collection of advances and long-term receivables	1,229	1,395
9	Cash outflows to acquire business entities	0	0
10	_____	0	0
11	_____	0	0
12	**Net Cash Provided (Used) by Investing Activities** . .	(49,576)	(5,984)
	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	95,350	
16	Costs of issuing debt		
17	Payments to settle long-term debt	(63,034)	(62)
18	Cash proceeds from issuing stock or capital contributions		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals . . .	(9,571)	(29,841)
21			
22	_____		
23	**Net Cash Provided (Used) by Financing Activities** . .	22,745	(29,903)
24	**Net Increase (Decrease) in Cash and Cash Equivalents**	(826)	(3,398)
25	**Cash and Cash Equivalents at Beginning of Period** . .	11,812	12,562
26	**Cash and Cash Equivalents at End of Period**	$ 10,986	$ 9,164
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Cash Paid During Period for:		
27	Interest (net of amount capitalized)	$ 19,571	$ 14,303
28	Income Taxes	$ 1,550	$ 1,880

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

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

STATEMENTS OF CASH FLOWS

June 30, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

(a) LINE	(b) DESCRIPTION	(c) 1994	(d) 1993
	Net Cash Flows From Operating Activities:		
29	Net Income (loss)	$ 8,015	$ 11,496
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment	7,232	6,625
31	Amortization of other assets	904	827
32	Amortization of debt discount or premium	91	0
33	Deferred income taxes - current	0	0
34	Deferred income taxes - noncurrent	792	0
35	(Gain) loss in dispostion of property & equipment	(64)	5
36	(Gain) loss on casino reinvestment obligation	0	79
37	(Gain) loss from other investment activities	0	0
38	Net (increase) decrease in receivables and patrons checks	2,011	1,843
39	Net (increase) decrease in inventories	525	194
40	Net (increase) decrease in other current assets	(2,407)	(215)
41	Net (increase) decrease in other assets	(4,890)	2,036
42	Net increase (decrease) in accounts payables	261	(633)
43	Net increase (decrease) in other current liabilities excluding debt . . .	542	2,326
44	Net increase (decrease) in other noncurrent liabilities excluding debt . . .	(76)	7,819
45	Net increase (decrease) in other receivables or advances	13,069	87
46			
47	**Net Cash Provided (Used) by Operating Activities . . . .**	$ 26,005	$ 32,489
	SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCIAL ACTIVITES		
	Aquisition of Property and Equipment:		
48	Additions to property and equipment	$ 7,358	$ 5,853
49	Less: capital lease obligations incurred	0	0
50	**Cash Outflows for Property and Equipment . . . . . .**	$ 7,358	$ 5,853
	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 LICENSE HARRAH'S CASINO HOTEL, ATLANTIC CITY

SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY
FOR BALANCE SHEET LINE ITEM NOT RECORDED ON STATEMENT OF CASH FLOWS

For the Quarter Ended June 30,1994
(Unaudited)
($ in Thousands)

NON-CASH TRANSACTIONS:

3	Adjustment for deferred state income tax		(188)
	Total Line 3	$	(188)
7	Adjustment for CRDA Beautification		(1,685)
	Total Line 7	$	(1,685)
8	R/C Riparian grants from deferred		(27)
	CRDA Retainage		4
	Total Line 8	$	(23)
10	R/C Riparian grants to FF&E		27
	Adjustment for CRDA Beautification		1,685
		$	1,712
12	CRDA Retainage		(4)
	Total Line 12	$	(4)
22	Adjustment for deferred state income tax		(302)
	Adjustment for deferred state income tax		188
	Total Line 22	$	(114)
26	Adjustment for deferred state income tax		302
	Total Line 26	$	302
	TOTAL NON-CASH TRANSACTIONS	$	0

HARRAH'S CASINO HOTEL, ATLANTIC CITY

NOTES TO FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

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.

In February 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes.* Under the asset and liability method of accounting for income taxes prescribed by SFAS No. 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 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. The Partnership adopted SFAS NO. 109 in 1992 and applied the provisions of the statement retroactively.

NOTE 2: Property and Equipment

Property and Equipment consists of the following:

	JUNE 30 000's)	
	1994	1993
Land and Land Improvements	$ 31,849	$ 30,792
Buildings, Leaseholds and Improvements	264,996	254,315
Furniture, Fixtures and Equipment	74,582	69,562
Construction in Progress	3,228	10,370
Equipment held under Capital Leases	345	345
C-I-P NE Inlet Redevelopment Project	3,810	3,159
	378,810	368,543
Less Accumulated Depreciation	(119,712)	(109,216)
Property and Equipment, Net	$ 259,098	$259,327

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

NOTE 3: Supplemental Cash Flow Information

Supplemental disclosure of non-cash financing activities:

In March 1993, Embassy issued $200,000,000 of notes (the "8 3/4% Notes"). A portion of the proceeds of this note issuance was used to pay down certain debt owed by Embassy, and the remaining $147,000,000 was advanced to the Partnership in exchange for a promissory note (the "Promissory Note") executed by the Partnership under terms similar to the 8 3/4% Notes. This advance was accounted for as a capital distribution and was applied against Partners' (deficit) earnings.

The proceeds from the Promissory Note were used to retire a portion of the Loan Facility that the Partnership acquired in August 1992. In connection with these transactions, approximately $3,000,000 of deferred financing charges related to issuance costs incurred by Embassy were recorded by the Partnership and were being amortized over the life of the Promissory Note 3. Additionally, in conjunction with the reduction of the Loan Facility the Partnership wrote-off a proportionate share of the previously established deferred financing charges which resulted in a extraordinary loss of approximately $1,675,000.

In July 1993, Promus and certain of its subsidiaries entered into a new secured bank facility, which is a $650,000,000 reducing revolver and letter of credit facility together referred to as (the "New Facility"). The Partnership is the primary obligor of $400,000,000 of the New Facility, which consists of a $195,000,000 revolver (the "Revolver") and a $204,650,000 letter of credit (the "Letter of Credit"). Borrowings and repayments under the Revolver are accounted for as capital distributions and have been applied against Partners' (deficit) earnings. Promus has unconditionally guaranteed the Partnership's obligations under the New Facility. Initial borrowings of $160,000,000 under the Revolver were used to repay the Loan Facility, this repayment resulted in an extraordinary loss of approximately $3,330,000 related to the write-off of deferred financing charges associated with the Loan Facility. As of June 30, 1994 the Partnerships borrowings under the Revolver were $195,350,000.

The Revolver provides for borrowings at either the Eurodollar rate plus 1 1/2% or the prime rate plus 1/2%. The annual fees on the Letter of Credit and commitment fees on the unutilized portion under the Revolver are 1 3/4% and 1/2% , respectively. As required by the New Facility, interest rate protection has been maintained on $140,000,000 in principal to reduce the impact of changes in interest rates. The interest rate protection, in the form of a rate collar transaction expires in 1995 and currently holds the Partnership's interest rate in a range between 9.3% and 12.5%. As part of the New Facility transaction, deferred financing charges of approximately $8,438,000 were transferred to the Partnership and are being amortized over the life of the New Facility.

In July 1993, Embassy, through a series of intercompany transactions, transferred to the Partnership $200,000,000 Notes (the "9% Notes") in exchange for the Promissory Note. In connection with this transaction related unamortized deferred financing charges of $2,882,000 were transferred to Embassy. These transfers were accounted for as capital distributions and have been applied against Partners' (deficit) earnings. The 9% Notes principal amount is $200,000,000 and bear 9% payable monthly with the principal payment due on February 15, 1995. Associated with the 9% Notes is a $282,000 discount that was recorded and will be amortized over the life of the 9% Notes. The accompanying financial statements reflect interest expense at the effective interest rate of 9.0984%. The Letter of Credit discussed above, guarantees the liquidity to retire the 9% Notes when they mature on February 15, 1995.

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

NOTE 4: Long-Term Debt

The maturities of long term debt are:

Date	Amount Due
1993	--
1994	--
1995	200,000,000
1996	--
1997	--
1998	195,350,000
1999	--
2000	--
	$395,350,000

Total Long-Term Debt consists of:

	JUNE 30 (000'S)	
	1994	1993
Long-term debt - Term Loan	$ --	$ 160,220
Long-term debt - ESI Note	--	147,000
Long-term debt - Capital Leases	22	107
Capital Lease Obligation Due within 1 Year	--	(85)
Long-term debt - 9% Note	200,000	--
Discount on N/P	(119)	--
Long-term debt - Bank Revolver	195,350	--
Long-term Debt	$395,253	$307,242

Long-Term Debt - Capital Leases - Represents three thirty-six month capital leases for computer equipment.

Future minimum lease payments consist of:

Year	
1994	$ 24,140
Less amounts representing interest	(2,118)
Present value of net minimum lease payments	$ 22,022

NOTE 5: Prepaid Expenses and Other Current Assets

	JUNE 30 (000'S)	
	1994	1993
Prepaid Slot Tax	$ 929	$ 953
Prepaid Insurance	216	98
Prepaid Air Charters	701	669
Prepaid Marketing	279	230
Prepaid Other	2,978	1,065
Future Credit against CRDA Obligations	81	108
	$ 5,184	$ 3,123

NOTE 6: Investments, Advances and Receivables

	JUNE 30 (000'S)	
	1994	1993
Notes Receivable	$ 2,297	$ 2,327
Investment in CRDA Bonds - Net of Valuation Adj.	2,477	2,300
Reinvestment Obligation Deposits - Net of Val. Adj.	(20)	1,460
Due from Affiliates	106,927	21,941
Funds Advanced to Northeast Inlet Redevelopment Project to be Reimbursed by a UDAG Grant	743	743
Investment in Developer's Component of CRDA Project	--	1,083
Interest Receivable	214	217
	$112,638	$ 30,071

Due from Affiliates consists of the following unsecured, non-interest bearing inter-company amounts at June 30, 1994 and 1993.

	JUNE 30 (000's)	
	1994	1993
Harrah's New Jersey, Inc.	$ 18,962	$ 18,962
Harrah's Holdings, Inc.	84,747	--
Harrah's Lake Tahoe	126	116
Embassy Suites, Inc.	2,221	2,202
Harrah's Del Rio	148	147
Harrah's Reno	395	403
Bill's Casino	111	111
Harrah's Vicksburg	20	--
Harrah's Joliet	75	--
Harrah's New Orleans	73	--
Harrah's Tunica	9	--
Harrah's Shreveport	15	--
Harrah's North Kansas City	25	--
Total Due from Affiliates	$ 106,927	$ 21,941

NOTE 7: 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 2003. Rental expenses for the three months ended June 30, 1994 and 1993, were approximately $1,636,965 and $1,547,426, respectively.

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

Year	Amount
1994	$3,127,000
1995	1,981,000
1996	1,050,000
1997	518,000
1998	204,000
Thereafter	1,428,000
	$8,308,000

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

1994	$ 5,167,494
1995	1,770,044
1996	1,747,044
1997	1,747,044
1998	1,747,044
Thereafter	1,747,044
	$13,925,714

NOTE 8: 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.

Commencing with calendar year 1984, and continuing for twenty five years thereafter, a casino licensee must either obtain investment tax credits 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. Investment tax credits may be obtained by making approved direct investments, purchasing bonds which pay interest below market rates which are issued by the Casino Reinvestment Development Authority (CRDA), or by donating funds directly to the CRDA in return for credit against future obligations. In addition, commencing with obligations incurred after 1983, payments of a casino licensee's obligation must be made quarterly.

The Company has filed a petition with the CRDA and has received final approval for a direct investment project in Atlantic City. This project will be eligible for credit in satisfaction of the investment obligation, and the Company will not be required to continue purchasing bonds or pay the investment alternative tax. Accordingly, no liability has been recorded in the financial statements for the Atlantic City portion of the Company's obligation.

NOTE 8: Investment Obligations (Cont.)

The Company, in the absence of receiving approval for a direct investment project will have to purchase bonds in order to satisfy obligations outside of Atlantic City. At June 30, 1994, the Company has established a valuation allowance of $587,790 to provide for the charge against operations which would be incurred at the time that these bonds were issued. The charge against operations would reflect the below market rate interest paid by the bonds.

During 1990 and 1991, the Company donated obligations on deposit, allocable to South Jersey and the New Jersey Development Authority, totalling $2,000,367, directly to the CRDA, in lieu of purchasing bonds. The donation was made in consideration of 51% credit against future obligations.

NOTE 9: Other Accrued Expenses

Other Accrued Expenses consists of the following:

	JUNE 30 (000's)	
	1994	1993
Accrued Salaries, Wages and Benefits	$ 7,199	$ 7,821
Taxes Payable	753	667
Other Accrued Expenses	4,826	4,558
Accrued Progressive Slot Liability	284	458
Accrued CCC/DGE/Casino License Fees	461	484
Accrued Megabucks Handle Fees	37	(32)
Accrued Interest L-T-D	2,196	4,581
	$ 15,756	$ 18,237

NOTE 10: Other Liabilities

Other Liabilities consists of the following:

	JUNE 30 (000'S)	
	1994	1993
Long Term Due to Affiliates	$ 38,170	$ 38,798
Other Liabilities - Insurance Loss Reserves	1,349	662
Deferred Income - ACIA Grant	678	706
Deferred Income - CRDA Grant	122	127
Deferred Income - NJHMFA Grant	442	460
Deferred Income - DCA Grant	899	936
	$ 41,660	$ 41,689

NOTE 10: Other Liabilities (CONT.)

In December 1993, Marina Associates recorded an $800,000 reserve for incurred but not yet recorded claims (IBNR). The IBNR consists of $700,000 for possible insurance claims that have been incurred but not yet reported and $100,000 for estimated legal expenses. IBNR also covers any increase that may occur in the amount of the claim over the possible years of litigation. The IBNR reserve is based on an actuarial report. The Partnership is self-insured for various level of general liability and employee medical coverage. Insurance claims and reserves includes the accrual of estimated settlements for known and reported claims.

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

	JUNE 30 (000's)	
	1994	1993
Harrah's Holdings, Inc,	$ --	$ 603
Harrah's Atlantic City, Inc.	37,726	37,866
Harrah's Holiday Inns of N.J., Inc.	293	293
Holiday Casino, Inc.	--	--
Harrah's Las Vegas	151	36
	$ 38,170	$ 38,798

NOTE 12: 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 six months ended June 30, 1994 and 1993, was $1,379,843 and $1,422,572, respectively.

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

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
June 30, 1994
(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	$ 2,907		
2	Returned patrons's checks	4,721		
3	Total patrons' checks	7,628	$ 3,188	$ 4,440
4	Hotel Receivables	1,030	93	937
	Other Receivables:			
5	Receivables due from officers and employees	15		
6	Receivables due from affiliates	0		
7	Other accounts and notes receivable	867		
8	Total other receivables	882	0	882
9	**Totals (Form 205)**	$ 9,540	$ 3,281	$ 6,259

UNDEPOSITED PATRON'S CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 2,676
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	55,186
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)	(36,059)
13	Checks collected through deposits	(18,026)
14	Checks transferred to returned checks	$ (875)
15	Other adjustments . . . Foreign credit.	$ 5
16	Ending Balance	$ 2,907
17	"Hold" Checks Included in Balance on Line 16	$ 0
18	Provision for Uncollectible Patrons' Checks	$ 564
19	Provision as a Percent of Counter Checks Issued	1.0%

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

PROMOTIONAL EXPENSES AND ALLOWANCES

(in thousands)

For the Six Months Ended June 30,1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	58	$ 5,012		$
Food	762	$ 7,619		$
Beverage	1,174	$ 2,934		$
Travel		$ 0	37	$ 3,679
Coin		$ 0	599	$ 7,492
Coupon		$ 0		$
Entertainment	62	$ 1,246		$
Retail & Gifts	1	$ 3	131	$ 654
Other	N/A	$ 0	N/A	$ 4
Total	2,056	$ 16,814	767	$ 11,829

For the Three Months Ended June 30,1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	31	$ 2,677		$
Food	404	$ 4,036		$
Beverage	596	$ 1,490		$
Travel		$ 0	19	$ 1,898
Coin		$ 0	324	$ 4,034
Coupon		$ 0		$
Entertainment	34	$ 689		$
Retail & Gifts		$ 1	75	$ 375
Other	N/A	$ 0	N/A	$ 3
Total	1,064	$ 8,893	417	$ 6,310

New Jersey State Library

STATEMENTS OF CONFORMITY AND ACCURACY

State of NEW JERSEY :
: SS
County of ATLANTIC :

Joseph A. Domenico, being duly sworn according to law upon my oath disposes and says:

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

Signature

V.P. of Finance
Title

01833-11
License Number

Subscribed and sworn to
before me this 12th day
of August 1994

Signature

MARY JO L. PIERCE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Dec. 30, 1996

Basis of Authority
to Take Oaths

On Behalf of:

Marina Associates
Casino Licensee

CCC-250

974.901
C193

QUARTERLY REPORT

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

FOR THE QUARTER ENDED JUNE 30, 1994
TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

PROPERTY OF NEW JERSEY STATE LIBRARY
AUG 25 1994
185 W. STATE ST. TRENTON, N.J.

RECEIVED
FEU
AUG 15 1994
CASINO CONTROL COMMISSION

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 RESORTS INTERNATIONAL, INC.)

LIST OF FORMS – ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 1994

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 Deficit	CCC–220
Statements of Changes in Partners' or Proprietor's Equity	CCC–225
Statements of Cash Flows	CCC–235
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC–240
Promotional Expenses and Allowances	CCC–245
Statement of Conformity and Accuracy	CCC–250

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
BALANCE SHEETS
JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	ASSETS		
	Current Assets:		
1	Cash	$ 11,291	$ 11,080
2	Marketable securities (Short-term money market at cost)	14,395	2,228
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1994, $4,194; 1993, $4,511)....NOTE 3..	4,934	56,248
4	Inventories	1,444	1,642
5	Prepaid expenses and other current assets	7,382	6,797
6	Total current assets	39,446	77,995
7	Investments, advances, and receivables	9,752	8,174
8	Property and equipment - gross....NOTE 4..	201,977	198,620
9	(Accumulated depreciation/amortization)	(42,559)	(29,053)
10	Other assets	2,224	2,273
11	**Total Assets**	$ 210,840	$ 258,009
	LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)		
	Current Liabilities:		
12	Accounts payable	$ 3,139	$ 2,012
13	Notes payable		
	Current portion of long-term debt:		
14	Notes Payable to affiliate....NOTE 2..	135,507	
15	Other	58	32
16	Income taxes payable		
17	Other accrued liabilities....NOTE 5..	16,748	14,730
18	Other current liabilities....NOTE 6..	12,372	53,111
19	Total current liabilities	167,824	69,885
	Long-Term Debt:		
20	Notes Payable to affiliate....NOTE 7..		325,000
21	Other	10	53
22	Deferred credits....NOTE 8,12..	19,700	19,376
23	Other liabilities		
24	Commitments and contingencies....NOTE 13..		
25	**Total Liabilities**	187,534	414,314
26	**Stockholder's Equity (Deficit)**	23,306	(156,305)
27	**Total Liabilities and Stockholder's Equity (Deficit)**	$ 210,840	$ 258,009

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 RESORTS INTERNATIONAL, INC.)
STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	REVENUE:		
1	Casino	$ 118,689	$ 117,070
2	Rooms	6,950	6,535
3	Food and beverage	13,275	14,679
4	Other	5,504	3,344
5	Total revenue	144,418	141,628
6	Less: promotional allowances	11,850	11,933
7	Net revenue	132,568	129,695
	COSTS AND EXPENSES:		
8	Cost of goods and services	84,524	86,616
9	Selling, general, and administrative	30,676	25,321
10	Provision for doubtful accounts	181	463
11	Total costs and expenses	115,381	112,400
12	**Gross Operating Profit**	17,187	17,295
13	Depreciation and amortization	6,742	6,857
	Charges from affiliates other than interest NOTE 10		
14	Management fees	4,288	4,199
15	Other	162	162
16	**Income From Operations**	5,995	6,077
	Other Income (Expenses):		
17	Interest (expense) – affiliates	(3,064)	
18	Interest (expense) – external	(7)	(171)
19	Investment alternative tax and related expense NOTE 13	(694)	(731)
20	Nonoperating income – net NOTE 11	1,772	2,878
21	Total other income	(1,993)	1,976
22	**Income Before Income Taxes And Extraordinary Items**	4,002	8,053
23	Provision for income taxes NOTE 1,12		
24	**Income Before Extraordinary Items**	4,002	8,053
25	Extraordinary items (net of income taxes – 1994, $0 ; 1993, $0)		
26	**Net Income**	$ 4,002	$ 8,053

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

(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	REVENUE:		
1	Casino	$ 65,132	$ 61,434
2	Rooms	4,158	3,855
3	Food and beverage	7,040	7,776
4	Other	2,954	1,834
5	Total revenue	79,284	74,899
6	Less: promotional allowances	6,272	6,270
7	Net revenue	73,012	68,629
	COSTS AND EXPENSES:		
8	Cost of goods and services	43,068	44,585
9	Selling, general, and administrative	16,711	14,541
10	Provision for doubtful accounts	13	326
11	Total costs and expenses	59,792	59,452
12	**Gross Operating Profit**	13,220	9,177
13	Depreciation and amortization	3,470	3,808
	Charges from affiliates other than interest NOTE 10		
14	Management fees	2,355	2,219
15	Other	81	81
16	**Income (Loss) From Operations**	7,314	3,069
	Other Income (Expenses):		
17	Interest (expense) – affiliates	(3,064)	
18	Interest (expense) – external	(3)	(83)
19	Investment alternative tax and related expense NOTE 13	(383)	(377)
20	Nonoperating income – net NOTE 11	513	1,402
21	Total other income	(2,937)	942
22	**Income Before Income Taxes And Extraordinary Items**	4,377	4,011
23	Provision for income taxes NOTE 1,12		
24	**Income Before Extraordinary Items**	4,377	4,011
25	Extraordinary items (net of income taxes – 1994, $0 ; 1993, $0)		
26	**Net Income**	$ 4,377	$ 4,011

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 RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CHANGES IN STOCKHOLDER'S DEFICIT
FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c) SHARES	1994 (d) DOLLARS	1993 (e) SHARES	1993 (f) DOLLARS
	Common Stock: ($1 par value, 2,500 shares authorized)				
1	Beginning balance (January 1)	100	$	100	$
2	Sale of Stock				
3	Exhange of interco debt for stock	999,900	1,000		
4	Ending balance	1,000,000	1,000	100	
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of Stock				
7	_____				
8	Ending balance				
	Capital in Excess of Par (Excess of liabilities over assets at August 31, 1990 Reorganization)				
9	Beginning balance (January 1)		(198,829)		(198,829)
10	**Excess of Liabilities over Assets at Effects of May 1994 reorganization**				
	Issuance of promissory notes		(38,168)		
	Exchange of notes payable for common stock		324,000		
	Distribution to GGRI of note receivable		(53,375)		
	Distribution of cash to GGRI		(12,262)		
11	_____				
12	Ending balance		21,366		(198,829)
	Treasury Stock:				
13	Beginning balance (January 1)				
14	Purchase of additional stock				
15	Sale or retirement of stock				
16	Ending balance				
	Subscription Receivable for Capital Stock:				
17	Beginning balance (January 1)				
18	_____				
19	_____				
20	Ending balance				
	Net unrealized Loss on Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)				
22	_____				
23	_____				
24	Ending balance				
	Retained Earnings:				
25	Beginning balance (January 1)		50,834		34,471
26	Prior period adjustments				
27	Net income		4,002		8,053
28	Distribution to RII		(53,896)		
29	_____				
30	_____				
31	Ending balance		940		42,524
32	**Ending Stockholder's Deficit**		$ 23,306		$ (156,305)

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 RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

NOT APPLICABLE

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

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
1	**Net Cash Provided by Operating Activities**	$ 14,838	$ 26,581
	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	(2,840)	(20,431)
5	Proceeds from disposition of property and equipment		79
6	Purchase of casino reinvestment obligations	(1,360)	(1,357)
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**	(4,200)	(21,709)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt	(19)	(2,048)
15	Cash proceeds from issuance of long-term debt		
16	Costs of issuing debt		
17	Payments to settle long-term debt		
18	Cash proceeds from issuing stock or capital 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	2,357	(12,159)
23	**Net Cash Used By Financing Activities**	(10,899)	(14,207)
24	**Net Decrease in Cash And Cash Equivalents**	(261)	(9,335)
25	**Cash And Cash Equivalents At Beginning Of Period**	25,947	22,643
26	**Cash And Cash Equivalents At End Of Period**	$ 25,686	$ 13,308

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	**Cash Paid During Year For:** Interest (net of amount capitalized)	$ 7	$ 176
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 RESORTS INTERNATIONAL, INC.)

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	Net Cash Provided by Operating Activities		
29	Net income	$ 4,002	$ 8,053
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization for property and equipment	6,742	6,857
31	Amortization of other assets		
32	Amortization of debt discount or premium	207	
33	Deferred income taxes – current		
34	Deferred income taxes – noncurrent		
35	Loss on disposition of property and equipment		204
36	Loss on casino reinvestment obligations, net of amortization	694	731
37	(Gain) loss from other investment activities		
38	Net (increase) decrease in receivables and patrons' checks	(2,070)	(842)
39	Net (increase) decrease in inventories	310	(100)
40	Net increase in other current assets	(1,740)	(4,935)
41	Net (increase) decrease in other assets	74	(730)
42	Net increase in accounts payable	1,312	485
43	Net increase (decrease) in other current liabilities excluding debt	4,369	(2,103)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(37)	18,961
45	Recapitalization costs	975	
46	Write–off of Goodwill		
47	**Net Cash Provided By Operating Activities**	$ 14,838	$ 26,581

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ (2,840)	$ (21,018)
49	Less: Capital lease obligations incurred		587
50	**Cash Outflow For Property And Equipment**	$ (2,840)	$ (20,431)
	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	$ 0

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

FOR THREE MONTHS ENDED JUNE 30, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	32	$ 2,251		
FOOD	240	2,406		
BEVERAGE	170	675		
TRAVEL			11	$ 1,146
COIN			297	2,974
COUPON				
CASH COMP			98	4,119
ENTERTAINMENT	72	856		
RETAIL & GIFTS	1	31		
OTHER	11	53	16	385
TOTAL	526	$ 6,272	422	$ 8,624

FOR SIX MONTHS ENDED JUNE 30, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	NUMBER OF RECIPIENTS	DOLLAR AMOUNT	NUMBER OF RECIPIENTS	DOLLAR AMOUNT
ROOMS	55	$ 3,865		
FOOD	483	4,834		
BEVERAGE	339	1,355		
TRAVEL			22	$ 2,252
COIN			524	5,244
COUPON				
CASH COMP			185	7,984
ENTERTAINMENT	135	1,614		
RETAIL & GIFTS	2	73		
OTHER	22	109	30	742
TOTAL	1,036	$ 11,850	761	$ 16,222

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 1994 and 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Resorts International Hotel, Inc. ("RIH") owns and operates Merv Griffin's Resorts Casino Hotel ("Resorts Casino Hotel"), a casino/hotel complex located in Atlantic City, New Jersey. Prior to May 3, 1994, RIH was a wholly owned subsidiary of Resorts International, Inc. ("RII"). As part of a restructuring (the "Restructuring") of certain publicly held debt securities of RII (the "Series Notes") which was effective on May 3, 1994 (the "Effective Date"), RIH became a wholly owned subsidiary of GGRI, Inc. ("GGRI"), which is a wholly owned subsidiary of RII.

Principles of Consolidation

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

Revenue Recognition

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

Promotional Allowances

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

Cash Equivalents

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

Inventories

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

Property and Equipment

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

Casino Reinvestment Development Authority ("CRDA") Obligations

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

Income Taxes

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

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

NOTE 2 - RESTRUCTURING OF RII's SERIES NOTES

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

Pursuant to the Plan, the Series Notes were exchanged for, among other things, $125,000,000 principal amount of 11% Mortgage Notes (the "Mortgage Notes") due

September 15, 2003 and $35,000,000 principal amount of 11.375% Junior Mortgage Notes (the "Junior Mortgage Notes") due December 15, 2004. Hereinafter the Mortgage Notes and the Junior Mortgage Notes, collectively, are referred to as the "New Debt Securities." The New Debt Securities were issued by Resorts International Hotel Financing, Inc. ("RIHF"), a subsidiary of RII, and are guaranteed by RIH. Also pursuant to the Plan, RIHF, RIH and RII entered into the senior note purchase agreement (the "Senior Facility") described below.

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

The Junior Mortgage Notes are secured by a $35,000,000 promissory note made by RIH (the "RIH Junior Promissory Note"), the terms of which mirror the terms of the Junior Mortgage Notes. The RIH Junior Promissory Note and RIH's guaranty of the Junior Mortgage Notes are also secured by liens on the Resorts Casino Hotel property as described above. The liens securing the Junior Mortgage Notes will be subordinated to the lien securing the Senior Facility Notes, if the Senior Facility Notes are issued, and are subordinated to the liens securing the Mortgage Notes.

The indentures pursuant to which the Mortgage Notes and the Junior Mortgage Notes were issued (collectively, the "Indentures") prohibit RIH and its subsidiaries from paying dividends, from making other distributions in respect of their capital stock, and from purchasing or redeeming their capital stock, with certain exceptions, unless certain interest coverage ratios are attained.

The Indentures also contain certain other restrictive covenants on the part of RIH and its subsidiaries, including (i) limitations on incurring additional indebtedness, with certain exceptions; (ii) restrictions on making loans to an affiliate or other person other than (x) intercompany advances to RII not in excess of $1,000,000 in the aggregate at any time outstanding and (y) loans to RII from the proceeds of the Senior Facility (or similar working capital facility), provided, however, that RIH can make certain loans or engage in certain credit transactions in the operation of Resorts Casino Hotel, if such loans or credit transactions are in the ordinary course of business of operating a casino/hotel; and (iii) restrictions from entering into certain transactions with affiliates on terms less favorable to RIH or its subsidiaries than an arm's length transaction. In this regard, the Indentures specifically permit affiliated transactions in connection with the Senior Facility, the Griffin Services Agreement described in

Note 10, the parent services agreement with RII which provides for payment of the three percent services fee described in Note 10, and a tax sharing agreement with RII which limits RIH's tax payments to RII to reimbursements of cash payments made by RII for income or alternative minimum taxes arising from the earnings or operations of RIH.

The Senior Facility among RIHF, RII and RIH and certain funds and accounts advised or managed by Fidelity Management & Research Company ("Fidelity"), is available for a single borrowing of up to $20,000,000 during the one-year period ending May 2, 1995, through the issuance of notes (the "Senior Facility Notes"). If issued, the Senior Facility Notes will bear interest at 11% 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 $20,000,000 payable in amounts and at times necessary to pay the principal of and interest on the Senior Facility Notes. The Senior Facility Notes will be guaranteed by RIH and secured by a lien on the Resorts Casino Hotel property as described above. The Senior Facility Notes will also be secured by a pledge by GGRI of all issued and outstanding shares of RIH common stock. In addition, the Senior Facility Notes will be guaranteed by RII, which guaranty will be secured by a pledge of all the issued and outstanding stock of GGRI and RIHF.

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

- RIH issued the RIH Promissory Note and the RIH Junior Promissory Note in repayment of RIH's balance due to RII on the Effective Date with the remainder a distribution to RII. RIH's retained earnings of $53,896,000 at April 30, 1994 was included in that distribution.

- GGRI exchanged the $325,000,000 Second Amended RIH-GGRI Notes (see Note 7) 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.

- RII contributed to GGRI the 100 shares of common stock of RIH which RII owned. This resulted in RIH's becoming a wholly-owned subsidiary of GGRI and an indirect subsidiary of RII. 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, the $50,000,000 RIB Note (see Note 3).

- RIH distributed all of its cash and equivalents in excess of $15,000,000 as of the Effective Date to GGRI. GGRI distributed such cash to RII so that RII, in turn, could distribute Excess Cash (as defined in the Plan) to holders of Series Notes.

NOTE 3 - RECEIVABLES AND PATRONS' CHECKS

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

(In Thousands of Dollars)	1994	1993
Gaming	$ 7,437	$ 8,290
Less allowance for doubtful accounts	(4,141)	(4,467)
	3,296	3,823
Non-gaming:		
Hotel and related	701	783
Other	990	561
	1,691	1,344
Less allowance for doubtful accounts	(53)	(44)
	1,638	1,300
Interest receivable from affiliate		1,125
Note receivable from affiliate		50,000
	$ 4,934	$56,248

In 1988, RIH loaned $50,000,000 pursuant to a pre-arranged back-to-back loan to Resorts International (Bahamas) 1984 Limited ("RIB"), an indirect wholly owned subsidiary of RII which was disposed of as part of the Restructuring, in exchange for a promissory note (the "RIB Note"). Such note was payable on demand and bore interest at 13 1/2% per annum, with interest payments due each May 1 and November 1. The note was guaranteed by certain of RIB's subsidiaries. The guarantees were secured by mortgages on the Paradise Island Resort & Casino, the Ocean Club Golf & Tennis Resort, and the Paradise Paradise Beach Resort on Paradise Island in The Bahamas, and all furniture, machinery and equipment used in connection therewith. The RIB Note was cancelled pursuant to the Restructuring. See Note 2.

NOTE 4 - PROPERTY AND EQUIPMENT

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

(In Thousands of Dollars)	1994	1993
Land and land rights	$ 53,250	$ 53,250
Land improvements	158	145
Hotel and other buildings	105,657	99,464
Furniture, machinery and equipment	42,509	38,935
Construction in progress	403	6,826
	201,977	198,620
Less accumulated depreciation	(42,559)	(29,053)
	$159,418	$169,567

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

NOTE 5 - OTHER ACCRUED LIABILITIES

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

(In Thousands of Dollars)	1994	1993
Accrued payroll and related taxes and benefits	$11,729	$10,143
Accrued gaming taxes, fees and related assessments	858	812
Utilities	605	548
Various taxes	489	201
Progressive slot liability	146	352
Other	2,921	2,674
	$16,748	$14,730

NOTE 6 - OTHER CURRENT LIABILITIES

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

(In Thousands of Dollars)	1994	1993
Intercompany Payable to RII	$ 1,980	$ 45,715
Affiliate Interest Payable	2,857	0
CRDA Bond Obligation	815	764
Customer Deposit Liability	207	276
Other	6,513	6,356
	$ 12,372	$ 53,111

NOTE 7 - NOTES PAYABLE TO AFFILIATE

In 1988, GGRI issued $325,000,000 principal amount of publicly traded notes. GGRI loaned the proceeds of the notes to RIH in exchange for (i) two promissory notes payable to GGRI (the "RIH-GGRI Notes"); (ii) a first mortgage on the Resorts Casino Hotel and the other properties owned by RIH, and a first priority security interest in the personal property of RIH; and (iii) the assignment of the RIB Note and mortgages securing such note.

In 1990 the terms of the RIH-GGRI Notes were modified and such amended notes were pledged as collateral for the Series Notes issued by RII. In 1992 the notes were further amended (the "Second Amended RIH-GGRI Notes"). The sole purpose of the Second Amended RIH-GGRI Notes was to collateralize RII's Series Notes. The Second Amended RIH-GGRI Notes were payable on demand after April 15, 1994 and were non-interest bearing, but the principal due upon demand by GGRI accreted according to a schedule. The Second Amended RIH-GGRI Notes were cancelled pursuant to the Restructuring. See Note 2.

NOTE 8 - DEFERRED REVENUE

$300,000 and $376,000 of deferred credits at June 30, 1994 and 1993, respectively, represent the unrecognized portion of a lump-sum payment made by a tenant in July 1983 at the inception of a fifteen year lease. This payment is being recognized and recorded in earnings in equal monthly installments over the original term of the lease.

NOTE 9 - SAVINGS AND PENSION PLANS

RIH has a defined contribution plan (the "Savings Plan"), in which substantially all non-union employees are eligible to participate. Employees of certain other affiliated companies are also eligible to participate in the Savings Plan. Under the Savings Plan, eligible participating employees may contribute up to a total of 4% of their annual cash compensation as a basic contribution and may also elect to contribute up to an additional 10% as a voluntary contribution. RII, RIH and other subsidiaries of RII contribute an amount equal to 50% of their employees' basic contributions and, on a discretionary basis, may make additional contributions. RIH's contributions under the Savings Plan were $311,000 and $338,000 for the six months ended June 30, 1994 and 1993, respectively.

Union employees are covered by various multi-employer pension plans to which contributions are made by RIH and other unrelated employers. Contributions by RIH were $392,000 and $403,000 for the six months ended June 30, 1994 and 1993 respectively.

NOTE 10 - RELATED PARTY TRANSACTIONS

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

(In Thousands of Dollars)		1994	1993
AFFILIATED COMPANY	TRANSACTION		
Income - Resorts International (Bahamas) 1984 Limited	Interest	$ 2,250	$ 3,375
Expenses:			
Resorts International, Inc.	Parent services	$ 4,288	$ 4,199
	Property rental	162	162
Resorts International Hotel Financing, Inc.	Interest and amortization of discount on affiliated notes	3,063	
		$ 7,513	$ 4,361

RII charges RIH a fee of three percent of gross revenues for administrative and other services. Also, recapitalization costs reflected in nonoperating income - net (see Note 11) represent RIH's allocated portion of RII's consolidated recapitalization costs.

In addition to the above, charges for insurance cost are allocated to RIH based on relative operating revenue, payroll, property value, or other appropriate measures.

License and Services Agreement

In April 1993, RII, RIH and The Griffin Group, Inc. (the "Griffin Group"), a corporation controlled by Merv Griffin, Chairman of the Board of RII, entered into a license and services agreement (the "Griffin Services Agreement") effective as of September 17, 1992, upon the expiration of the previous license and services agreement.

Pursuant to the Griffin Services Agreement, Griffin Group granted RII and RIH a non-exclusive license to use the name and likeness of Merv Griffin to advertise and promote the facilities and operations of RII and its subsidiaries. Also pursuant to the Griffin Services Agreement, Mr. Griffin is to provide certain services to RII and RIH, including serving as Chairman of the Board of RII 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 will continue in force until September 17, 1997 unless earlier terminated under certain circumstances including, among others, a change of control (as defined) of the Company and Mr. Griffin ceasing to serve as Chairman of the Board of RII.

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

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

As part of the Restructuring, the payment due Griffin Group on September 17, 1994 was settled by applying $2,310,000 as a reduction of the balance of a note payable to RII by Griffin Group. On August 1, 1994 RII agreed to issue 1,940,000 shares of common stock of RII to an affiliate of Griffin Group in satisfaction of the final payment obligation of RIH and RII under the Griffin Services Agreement. This payment of $2,425,000 would have been due on September 17, 1995. The fair value of RII's common stock, based on the average of the high and low trading prices on the American Stock Exchange on August 1, 1994, was $1.03 per share. RII is to issue the shares as soon as is practicable; the shares will not be registered under the Securities Act of 1933 and will be restricted securities.

NOTE 11 - NONOPERATING INCOME, NET

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

(In Thousands of Dollars)	1994	1993
Interest income from affiliates	$ 2,250	$ 3,375
Interest income	500	362
Corporate office expense		(140)
Recapitalization costs	(1,823)	(515)
Loss on disposition of property and equipment		(204)
Other	845	
	$ 1,772	$ 2,878

NOTE 12 - INCOME TAXES

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 June 30, 1994 were as follows:

(In Thousands of Dollars)	
Deferred tax liabilities:	
Basis differences on land	$ (19,300)
Other	(1,000)
Total deferred tax liabilities	(20,300)
Deferred tax assets:	
Net operating loss carryforwards	65,800
Book reserves not yet deductible for tax	10,700
Tax credit carryforwards	2,000
Basis differences on affiliated notes	1,900
Basis differences on property and equipment, excluding land	1,900
Other	3,000
Total deferred tax assets	85,300
Valuation allowance for deferred tax assets	(84,400)
Deferred tax assets, net of valuation allowance	900
Net deferred tax liabilities	$ (19,400)

For federal tax purposes RIH had net operating loss carryforwards of approximately $188,000,000 at June 30, 1994, which expire from 2003 through 2005. These loss carryforwards were produced in periods prior to a change in ownership of the consolidated group of which RIH is a part; therefore, these loss carryforwards are limited in their availability to offset future taxable income.

At June 30, 1994 RIH net operating loss carryforwards in New Jersey of approximately $156,000,000, which expire from 1994 through 1997.

Also, for federal tax purposes, RIH had tax credit carryforwards of $2,000,000 at June 30, 1994 which expire from 1998 through 2008.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

CRDA

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

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

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

(In Thousands of Dollars)	1979-1983	1984-1994	TOTAL
Investment obligations	$ (21,637)	$ (30,654)	$ (52,291)
Means of settlement:			
Housing related investments under audit	13,104		13,104
Housing related investments previously approved	1,000		1,000
CRDA deposits/bond purchases	7,533	29,839	37,372
Remaining investment obligation at June 30, 1994, which was deposited in July 1994	$ 0	$ (815)	$ (815)

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

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

Although these matters have been dormant for some time, RIH was verbally contacted by the Treasury in late 1993 and expects further communication regarding the Treasury's proposal for a resolution of these matters. If the CRDA's interpretation as to the periods of time during which qualifying expenditures can be made is found to be correct, or if the Treasury's issue is determined adversely, RIH could be required to pay the relevant amount in cash to the CRDA. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, arising from these issues will not have a material adverse effect on the accompanying financial statements.

As reflected in the table above, through June 30, 1994, RIH had made CRDA deposits/bond purchases totaling $37,372,000. However, in August 1989 RIH donated $12,048,000 to the CRDA in exchange for which RIH was relieved of its obligation to purchase CRDA bonds of $18,193,000. Because RIH already had the $18,193,000 for bond purchases on deposit with the CRDA, the difference between this amount and the amount of the donation, or $6,146,000, was refunded to RIH in August 1989. Thus, at June 30, 1994, RIH had a remaining balance of $4,873,000 face value of bonds issued by the CRDA and had $14,306,000 on deposit with the CRDA. These bonds and deposits, net of an estimated discount charged to expense to reflect the below-market interest rate payable on the bonds, are included in investments, advances, and receivables in RIH's Consolidated Balance Sheets.

RIH records charges to expense to reflect the below-market interest rate payable on the bonds it may have to purchase to fulfill its investment obligation at the date the obligation arises. The charges for six months ended June 30, 1994 and 1993 for discounts on obligations arising in those years were $696,000 and $732,000, respectively.

Litigation

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

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 12th day
of August 1994.

Signature

NAOMI HARRIS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 12, 1995

Basis of Authority to Take Oaths

CCC-250

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
JUNE 30, 1994
(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	$ 2,497		
2	Returned patrons' checks	4,940		
3	Total Patrons' Checks	7,437	$ 4,141	$ 3,296
4	**Hotel Receivables**	701	53	648
	Other Receivables:			
5	Receivables due from officers and employees			
6	Receivables due from affiliates			
7	Other accounts and notes receivables	990		
8	Total Other Receivables	990		990
9	**Total (Form 205)**	$ 9,128	$ 4,194	$ 4,934

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	**Beginning Balance (January 1)**	$ 3,028
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	53,000
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)	(44,245)
13	Checks collected through deposits	(7,238)
14	Checks transferred to returned checks	(2,048)
15	Other adjustments	
16	**Ending Balance**	$ 2,497
17	"Hold" Checks Included In Balance On Line 16	$
18	Provision For Uncollectible Patrons' Checks	$ 155
19	Provision As A Percent Of Counter Checks Issued	0.3%

QUARTERLY REPORT

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

ADDRESS Brighton & Boardwalk
Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED June 30, **19**94

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
5 1994
CONTROL
SSION

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

OFFICIAL TITLE. . . . . Controller

ADDRESS . . . . . Brighton Ave. & Boardwalk
Atlantic City, New Jersey 08401

TRADING NAME OF LICENSEE: TROPWORLD CASINO & ENTERTAINMENT RESORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1994

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

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

BALANCE SHEETS

JUNE 30, 1994 and 1993

(UNAUDITED)

($ in Thousands)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	ASSETS		
	Current Assets:		
1	Cash	$12,831	$11,969
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994, $5,338; 1993, $6,728)	8,594	18,759
4	Inventories	2,299	2,584
5	Prepaid expenses and other current assets (Note 4, 8, 9)	10,021	13,401
6	Total current assets	33,745	46,713
7	Investments, Advances, And Receivables (Note 5, 7, 10)	70,870	76,272
8	Property And Equipment – Gross (Note 2)	597,457	330,337
9	(Accumulated Depreciation/Amortization) (Note 2)	(86,088)	(103,675)
10	Other Assets (Note 4, 8)	34,407	14,621
11	Total Assets	$650,391	$364,268
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable	$2,383	$3,426
13	Notes payable	0	0
	Current portion of long-term debt:		
14	Due to affiliates	0	0
15	Other (Note 3)	3	2,784
16	Income taxes payable and accrued	0	0
17	Other accrued expenses (Note 11)	15,300	19,822
18	Other current liabilities	2,018	3,241
19	Total current liabilities	19,704	29,273
	Long-Term Debt:		
20	Due to affiliates (Note 3, 7)	423,041	140,000
21	Other (Note 3)	0	5,685
22	Deferred Credits	0	0
23	Other Liabilities (Note 7, 12)	51,073	34,077
24	Commitments And Contingencies (Note 5)		
25	Total Liabilities	493,818	209,035
26	Stockholder's, Partners', Or Proprietor's Equity	156,573	155,233
27	Total Liabilities And Equity	$650,391	$364,268

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 SIX MONTHS ENDED JUNE 30, 1994 and 1993

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	Revenue:		
1	Casino	$140,469	$153,362
2	Rooms	10,547	11,732
3	Food and beverage	15,613	16,357
4	Other	6,187	5,910
5	Total revenue	172,816	187,361
6	Less: Promotional allowances	20,262	23,668
7	Net revenue	152,554	163,693
	Costs and Expenses:		
8	Cost of goods and services (Note 6, 7)	80,978	83,986
9	Selling, general, and administrative (Note 7)	36,492	45,447
10	Provision for doubtful accounts	485	(220)
11	Total costs and expenses	117,955	129,213
12	Gross Operating Profit	34,599	34,480
13	Depreciation and amortization	10,717	7,776
	Charges from affiliates other than interest:		
14	Management fees	0	0
15	Other	0	0
16	Income (loss) from operations	23,882	26,704
	Other Income (Expenses):		
17	Interest (expense) – affiliates (Note 3)	(26,767)	(9,450)
18	Interest (expense) – external (Note 3)	(1)	(1,350)
19	Investment alternative tax & related income (exp)–net (Note 5)	(488)	(517)
20	Nonoperating income (expense) – net (Note 13)	(1,751)	(19,066)
21	Total other income (expenses)	(29,007)	(30,383)
22	Income(Loss) Before Income Tax & Extraordinary Items	(5,125)	(3,679)
23	Provision (credit) for income taxes (Note 8)	(2,928)	(1,287)
24	Income (Loss) Before Extraordinary Items	(2,197)	(2,392)
25	Extraordinary items	0	0
26	Net Income (Loss)	($2,197)	($2,392)

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 QUARTER ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	Revenue:		
1	Casino	$74,122	$81,059
2	Rooms	5,644	5,992
3	Food and beverage	8,408	8,573
4	Other	3,630	3,306
5	Total revenue	91,804	98,930
6	Less: Promotional allowances	11,096	12,274
7	Net revenue	80,708	86,656
	Costs and Expenses:		
8	Cost of goods and services (Note 6, 7)	41,800	43,210
9	Selling, general, and administrative (Note 7)	18,988	24,837
10	Provision for doubtful accounts	174	(305)
11	Total costs and expenses	60,962	67,742
12	Gross Operating Profit	19,746	18,914
13	Depreciation and amortization	5,334	3,902
	Charges from affiliates other than interest:		
14	Management fees	0	0
15	Other	0	0
16	Income (loss) from operations	14,412	15,012
	Other Income (Expenses):		
17	Interest (expense) – affiliates (Note 3)	(13,383)	(4,725)
18	Interest (expense) – external (Note 3)	0	(652)
19	Investment alternative tax & related income (exp)–net (Note 5)	(357)	(275)
20	Nonoperating income (expense) – net (Note 13)	(881)	(8,705)
21	Total other income (expenses)	(14,621)	(14,357)
22	Income(Loss) Before Income Tax & Extraordinary Items	(209)	655
23	Provision (credit) for income taxes (Note 8)	(454)	575
24	Income (Loss) Before Extraordinary Items	245	80
25	Extraordinary items	0	0
26	Net Income (Loss)	$245	$80

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 SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1994 (c) SHARES	1994 (d) DOLLARS	1993 (e) SHARES	1993 (f) DOLLARS
	Common Stock:				
1	Beginning balance (January 1)	100	$1	100	$1
2	Sale of stock				
3	_____				
4	Ending balance	100	1	100	1
	Preferred Stock:				
5	Beginning balance (January 1)	0	0	0	0
6	Sale of stock				
8	Ending balance	0	0	0	0
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		132,785		132,785
10	_____				
12	Ending balance		132,785		132,785
	Treasury Stock:				
13	Beginning balance (January 1)				
14	Purchase of additional stock				
15	Sale or retirement of stock				
16	Ending balance				
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)				
18	_____				
19	_____				
20	Ending balance				
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)				
22	_____				
23	_____				
24	Ending balance				
	Retained Earnings:				
25	Beginning balance (January 1)		25,984		24,839
26	Prior period adjustments				
27	Net income (loss)		(2,197)		(2,392)
28	Dividends				
29	Extraordinary item				
30	Change in acct method		0		0
31	Ending balance		23,787		22,447
32	Ending Stockholder's Equity		$156,573		$155,233

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 & ENTERTAINMENT RESORT

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 94	(d) 19 93
	Invested Capital:	$	$
1	Beginning balance (January 1)		
2	Additional capital invested		
3	_____		
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	_____		
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	( )	(
11	Additional capital withdrawals	( )	(
12	_____		
13	Ending balance	( )	(
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	( )	(
15	_____		
16	_____		
17	Ending balance	( )	(
18	Ending Partners' Or Proprietor's Equity	$	$

Not Applicable

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

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 and 1993

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
1	Net Cash Provided (Used) By Operating Activities	$10,503	$8,884
	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	(3,087)	(5,507)
5	Proceeds from disposition of property and equipment	86	258
6	Purchase of casino reinvestment obligations	(1,750)	(1,917)
7	Purchase of other investments and loans/advances made	0	(418)
8	Proceeds from disposal of investments and collection of advances and long-term receivables	(5,981)	(1,876)
9	Cash outflows to acquire business entities		
10	_____		
11	_____		
12	Net Cash Provided (Used) By Investing Activities	(10,732)	(9,460)
	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	(4)	(1,542)
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	(4)	(1,542)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(233)	(2,118)
25	Cash And Cash Equivalents At Beginning Of Period	13,064	14,087
26	Cash And Cash Equivalents At End Of Period	$12,831	$11,969

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$9,451	$10,800
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.

TRADING NAME OF LICENSEE TROPWORLD CASINO AND ENTERTAINMENT RESORT

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ in Thousands)

LINE (a)	DESCRIPTION (b)	1994 (c)	1993 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	($2,197)	($2,392)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	10,713	7,772
31	Amortization of other assets	4	4
32	Amortization of debt discount or premium		
33	Deferred income taxes - current	320	(1,264)
34	Deferred income taxes - noncurrent	(3,248)	(404)
35	(Gain) loss on disposition of property and equipment	18	(24)
36	(Gain) loss on casino reinvestment obligations	488	517
37	(Gain) loss from other investment activities	0	119
38	Net (increase) decrease in receivables and patrons' checks	618	(831)
39	Net (increase) decrease in inventories	212	73
40	Net (increase) decrease in other current assets	(412)	652
41	Net (increase) decrease in other assets	178	(265)
42	Net increase (decrease) in accounts payables	(1,524)	68
43	Net increase (decrease) in other current liabilities excluding debt	1,538	844
44	Net increase (decrease) in other noncurrent liabilities excluding debt	3,795	4,473
45	Net (increase) decrease in accrued interest income	0	(458)
46	_____		
47	Net Cash Provided (Used) By Operating Activities	$10,503	$8,884

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	($3,087)	($5,886)
49	Less: Capital lease obligations incurred	$0	($379)
50	Cash Outflows For Property And Equipment	($3,087)	($5,507)
	Acquisition Of Business Entities:		
51	Property and equipment acquired		
52	Goodwill acquired		
53	Net assets acquired other than cash, goodwill, and property & 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		
59	Consideration in acquisition of business entities		
60	Cash Proceeds From Issuing Stock Or Capital Contributions		

In 1992, a note receivable in the amount of $225 was issued for the sale of fixed assets of which $43 and $39 was received in 1994 and 1993 ,respectively. Capital lease obligations of $-0- and $385 were incurred for 1994 and 1993, respectively, when Adamar entered into new property and equipment leases. Capital lease obligation retirements of $-0- and $6 were incurred for 1994 and 1993, respectively.

ADAMAR OF NEW JERSEY, INC.
DBA TROPWORLD CASINO AND ENTERTAINMENT RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

NOTE 1. DISCLOSURES NOT PRESENTED

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 1993.

The specific footnotes not presented are the summary of significant accounting policies and lease obligations. The footnotes contained in the December 31, 1993 Annual Report should be read in conjunction with these financial statements.

NOTE 2. PROPERTY AND EQUIPMENT

At June 30, 1994 and 1993, the components of Property and Equipment consisted of:

	1994	1993
Land	$ 39,218,000	$ 39,217,000
Building, furniture and fixtures	556,420,000	287,156,000
Construction in progress	1,819,000	3,964,000
Total property and equipment - gross	597,457,000	330,337,000
Accumulated depreciation	(86,088,000)	(103,675,000)
Total property and equipment	$ 511,369,000	$ 226,662,000

New Jersey State Library

NOTE 3. LONG-TERM DEBT

At June 30, 1994 and 1993, Long-Term Debt consisted of:

	1994	1993
Notes Payable to Aztar Mortgage Funding, Inc.		
Note payable; 13.5%; due 1996	$ 140,000,000	$ 140,000,000
Notes Payable to Aztar Corporation		
First Mortgage Note; 12-1/4%; due 1996	171,000,000	-
Second Mortgage; 16.5%; matures 1996	52,041,000	-
Note payable; 8.5%; due 1996	60,000,000	-
Long-term debt due to affiliates	423,041,000	140,000,000
Obligations under capital leases	3,000	8,469,000
	423,044,000	148,469,000
Less: current portion	(3,000)	(2,784,000)
Long-term debt, net of current portion	$ 423,041,000	$ 145,685,000

Substantially all of the Company's property and equipment is pledged as collateral for long-term debt.

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

1994	$ 3,000
1995	0
1996	423,041,000
1997	0
Thereafter	0
Total	$ 423,044,000

NOTE 4. DEFERRED CREDITS

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

NOTE 5. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a permanent gaming license by the New Jersey Casino Control Commission. The license is renewable on a biennial basis. The license was renewed on November 3, 1993, effective November 26, 1993, for a period of two years. 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 counterclaim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters and that the Company's legal posture can be successfully defended 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 Casino Reinvestment Development Authority ("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 Company's reinvestment obligation for 1994 and 1993, respectively, was $1,750,000 and $1,917,000 for the purchase of CRDA bonds and, accordingly, the Company recorded a loss provision (unamortized discount) of $488,000 and $517,000 to recognize the effect of the below market interest rate the bonds would have borne had they been issued on June 30, 1994 and 1993, respectively.

On July 20, 1994, the Company, and Aztar Corporation, received approval from the Casino Control Commission to enter into a $285 million Senior Secured Credit Facility that is currently being negotiated with a group of banks. Aztar has also filed a registration statement relating to the proposed offering of $180

million Senior Subordinated Notes due 2004. If Aztar is successful in the offering of these securities, it intends to use the proceeds to redeem the $170 million principal amount of outstanding 13 1/2% First Mortgage Notes due 1996.

Aztar's refinancing discussed above will not impact Adamar's aggregate intercompany long-term debt balance of $423 million; however, the individual components of its debt are expected to change. The Refinancing is expected to extend the 1996 maturities of the entire $423 million balance to at least 1999; as well as result in a decrease in interest expense due to lower interest rates on its refinanced debt.

NOTE 6. JACKPOT PAYOUTS

Jackpot payouts for the six months ended June 30, 1994 are:

	Payouts Included In Promotional Allowances		Other Payouts	
	Number of Payouts	Dollar Amount	Number of Payouts	Dollar Amount
Motor Vehicles	-0-	$ -0-	7*	$ 105,000
Total	-0-	$ -0-	7	$ 105,000

*Note: Cash was taken by seven patrons instead of motor vehicles.

Jackpot payouts for the quarter ended June 30, 1994 are:

	Payouts Included In Promotional Allowances		Other Payouts	
	Number of Payouts	Dollar Amount	Number of Payouts	Dollar Amount
Motor Vehicles	-0-	$ -0-	5*	$ 75,000
Total	-0-	$ -0-	5	$ 75,000

*Note: Cash was taken by five patrons instead of motor vehicles.

NOTE 7. RELATED PARTIES

Due to affiliates is reflected in Other Liabilities. The identity of the affiliates and corresponding balances at June 30, 1994 and 1993 are:

	1994	1993
Due to Aztar Corporation	$ 25,912,000	$ 10,076,000
Due to Atlantic-Deauville, Inc.	742,000	502,000
Due to Ramada New Jersey, Inc.	3,136,000	2,667,000
Due to Adamar Garage Corporation	15,875,000	14,152,000
Due to Aztar Mortgage Funding, Inc.	5,408,000	5,407,000
	$ 51,073,000	$ 32,804,000

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliates and corresponding balances at June 30, 1994 and 1993 are:

	1994	1993
Advances to Tropicana West	$ 30,422,000	$ 21,235,000
Advances to Laughlin	3,000	-0-
	30,425,000	21,235,000
Note receivable - Adamar Garage Corporation	17,052,000	17,052,000
	$ 47,477,000	$ 38,287,000

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 June 30, 1994 and 1993 are:

Payee	1994	1993
Aztar Mortgage Funding, Inc.	$ 140,000,000	$ 140,000,000
Aztar Corporation	283,041,000	-0-
	$ 423,041,000	$ 140,000,000

For the six months ended June 30, 1994 and 1993 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:

	1994	1993
Cost of Goods and Services		
Executive Deferred Compensation Plan	$ 5,000	$ 4,000
Property insurance	247,000	234,000
Workman's compensation	473,000	391,000
	$ 725,000	$ 629,000
Selling, General and Administrative		
Insurance	$ 508,000	$ 668,000
Executive deferred compensation plan	16,000	17,000
Workman's compensation	95,000	82,000
Long-term incentive	349,000	394,000
Other	9,000	6,000
	977,000	1,167,000
Total	$ 1,702,000	$ 1,796,000

NOTE 8. INCOME TAXES

Under the regular federal income tax rules the Company's net operating loss carryforward fully offsets taxable income for tax purposes. The benefit for income taxes recorded in the quarters ended 1994 and 1993 is entirely a deferred benefit. The difference between the federal statutory rate and the effective tax rate was primarily attributable to state income taxes, the non-deductible nature of certain business meal expenses, and corporate overhead expense allocations made for tax purposes.

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 is examining the income tax returns for the years 1986 through 1991. The New Jersey Division of Taxation is examining the income tax returns for the years 1983 through 1988. Management believes that adequate provision for income taxes and interest has been made in the financial statements.

NOTE 9. PREPAID EXPENSES AND OTHER CURRENT ASSETS

At June 30, 1994 and 1993, Prepaid Expenses and Other Current Assets consisted of the following:

	1994	1993
Current deferred taxes	$ 4,352,000	$ 8,512,000
Other	5,669,000	4,889,000
	$ 10,021,000	$ 13,401,000

NOTE 10. INVESTMENTS, ADVANCES, AND RECEIVABLES

At June 30, 1994 and 1993, Investments, Advances, and Receivables consisted of the following:

	1994	1993
Due from affiliates	$ 30,425,000	$ 21,235,000
CRDA investment	23,393,000	20,650,000
Mortgage receivable	-0-	17,057,000
Note receivable - Adamar Garage Corporation	17,052,000	17,052,000
Long-term note receivable	-0-	278,000
Total	$ 70,870,000	$ 76,272,000

NOTE 11. OTHER ACCRUED EXPENSES

At June 30, 1994 and 1993, Other Accrued Expenses consisted of the following:

	1994	1993
Accrued payroll taxes and benefits	$ 6,512,000	$ 6,428,000
Accrued progressive slot win	1,055,000	1,750,000
Accrued miscellaneous	850,000	694,000
Accrued claims reserve	1,657,000	1,797,000
Deferred rent	-0-	3,819,000
Accrued employee taxes	1,727,000	1,550,000
Other	3,499,000	3,784,000
Total	$ 15,300,000	$ 19,822,000

NOTE 12. OTHER LIABILITIES

At June 30, 1994 and 1993, Other Liabilities consisted of the following:

	1994	1993
Due to affiliates	$ 51,073,000	$ 32,804,000
Deferred rent	-0-	1,273,000
Total	$ 51,073,000	$ 34,077,000

NOTE 13. NON-OPERATING INCOME/(EXPENSE)

For the period ended June 30, 1994 and 1993, Non-operating income/(expense) consisted of the following:

	1994	1993
Interest income	$ 1,562,000	$ 3,470,000
Administrative fee	-0-	50,000
Leased land rental	-0-	2,771,000
Maintenance reimbursement	-0-	7,557,000
(Loss)/Gain on disposition	(18,000)	24,000
Rent expense	(3,295,000)	(32,938,000)
Total	$ (1,751,000)	$ (19,066,000)

TRADING NAME OF LICENSEE: TROPWORLD CASINO AND ENTERTAINMENT RESORT

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1994
(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	$2,268		
2	Returned patrons' checks	9,500		
3	Total patrons' checks	11,768	($5,238)	$6,530
4	Hotel Receivables	1,190	(100)	1,090
	Other Receivables:			
5	Receivables due from officers and employees	34		
6	Receivables due from affiliates	0		
7	Other accounts and notes receivables	940		
8	Total other receivables	974		974
9	Totals (Form 205)	$13,932	($5,338)	$8,594

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$3,079
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	48,539
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed throuh partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(32,330)
13	Checks collected through deposits	(15,612)
14	Checks transferred to returned checks	(1,408)
15	Other adjustments	0
16	Ending Balance	$2,268
17	"Hold" Checks Included In Balance On Line 16	$0
18	Provision For Uncollectable Patrons' Checks	$469
19	Provision As A Percent Of Counter Checks Issued	1.0%

TRADING NAME OF LICENSEE: TROPWORLD CASINO AND ENTERTAINMENT RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES

For The Six Months Ended June 30, 1994

	Promotional Allowances		Promotional Expense	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	119,390	$ 7,710,000	-0-	$ -0-
Food	664,729	6,514,000	53,356	523,000
Beverage	2,158,993	2,590,000	-0-	-0-
Travel	-0-	-0-	1,655	579,000
Coin	-0-	-0-	834,202	12,037,000
Coupon	-0-	-0-	-0-	-0-
Entertainment	36,636	1,080,000	7,049	141,000
Retail & Gifts	152,098	1,521,000	-0-	-0-
Other	84,655	847,000	30,148	301,000
Total	3,216,501	$ 20,262,000	926,410	$ 13,581,000

For The Three Months Ended June 30, 1994

	Promotional Allowances		Promotional Expense	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	63,955	$ 4,025,000	-0-	$ -0-
Food	364,268	3,570,000	29,297	287,000
Beverage	1,167,340	1,373,000	-0-	-0-
Travel	-0-	-0-	852	298,000
Coin	-0-	-0-	631,153	6,734,000
Coupon	-0-	-0-	-0-	-0-
Entertainment	18,009	629,000	3,341	67,000
Retail & Gifts	97,492	975,000	-0-	-0-
Other	52,400	524,000	14,949	149,000
Total	1,763,464	$ 11,096,000	679,592	$ 7,535,000

STATEMENT OF CONFORMITY AND ACCURACY

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

Deborah Marchese, being duly sworn according to law upon my oath
Name

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 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.

Deborah Marchese
Signature

Controller
Title

367611
License Number

Subscribed and sworn to
before me this 11th day
of August, 19

Joann Martilini
Signature

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

Basis of Authority
to Take Oaths

On Behalf Of:
TropWorld Casino &
Entertainment Resort
Casino Licensee

QUARTERLY REPORT

LICENSEE Trump's Castle Associates
ADDRESS Huron Avenue & Brigantine Boulevard
Atlantic City, N.J. 08401

FOR THE QUARTER ENDED JUNE 30, 1994

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

RECEIVED
FEU
AUG 15 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT..... Richard V. Williamson

OFFICIAL TITLE..... Executive Director Financial Accounting

ADDRESS..... Huron Avenue & Brigantine Boulevard
Atlantic City, N.J. 08401

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1994

TITLE	FORM NO.
Balance Sheets	CCC–205
Statements of Income (Three Months)	CCC–210
Statements of Income (Six Months)	CCC–215
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TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

BALANCE SHEETS

JUNE 30, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	ASSETS		
	Current Assets:		
1	Cash	$10,857	$22,516
2	Marketable securities	0	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994, $5,072; 1993, $2,525) (NOTE 16)	11,703	6,810
4	Inventories	2,135	1,996
5	Prepaid expenses and other current assets	5,996	3,983
6	Total current assets	30,691	35,305
7	Investments, Advances, And Receivables	3,158	3,144
8	Property And Equipment – Gross (NOTE 2)	497,780	489,811
9	(Accumulated Depreciation/Amortization)	(166,420)	(152,0[illegible]
10	Other Assets (NOTE 6)	836	775
11	Total Assets	$366,045	$376,946
	LIABILITIES AND EQUITY		
	Current Liabilities:		
12	Accounts payable (NOTE 7)	$2,368	$2,297
13	Notes payable (NOTE 4)	0	0
	Current portion of long–term debt:		
14	Due to affiliates (NOTE 3,5)	0	0
15	Other (NOTE 4)	0	0
16	Income taxes payable and accrued	0	0
17	Other accrued expenses (NOTE 8)	17,256	22,403
18	Other current liabilities (NOTE 9)	13,794	16,276
19	Total current liabilities	33,418	40,976
	Long–Term Debt:		
20	Due to affiliates (NOTE 3)	274,237	245,124
21	Other (NOTE 4)	38,000	45,000
22	Deferred Credits	0	0
23	Other Liabilities	5	12
24	Commitments And Contingencies (NOTE 11)		
25	Total Liabilities	345,660	331,112
26	Stockholders', Partners', Or Proprietor's Equity	20,385	45,834
27	Total Liabilities and Equity	$366,045	$376,946

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Revenue:		
1	Casino	$65,868	$60,387
2	Rooms	5,143	4,762
3	Food and beverage	8,550	8,887
4	Other	2,496	2,436
5	Total revenue	82,057	76,472
6	Less: Promotional allowances	9,312	8,606
7	Net revenue	72,745	67,866
	Costs And Expenses:		
8	Cost of goods and services	38,892	38,743
9	Selling, general, and administrative	20,975	18,237
10	Provision for doubtful accounts	1,335	289
11	Total costs and expenses	61,202	57,269
12	Gross Operating Profit	11,543	10,597
13	Depreciation and amortization	3,743	4,756
	Charges from affiliates other than interest:		
14	Management fees (NOTE 15)	507	412
15	Other	0	0
16	Income (Loss) From Operations	7,293	5,429
	Other Income (Expenses):		
17	Interest (expense) – affiliates (NOTE 3,5)	(10,125)	(10,283)
18	Interest (expense) – external (NOTE 4)	(877)	(1,021)
19	Investment alternative tax and related income (expense) – net (NOTE 11)	(248)	(224)
20	Nonoperating income (expense) – net (NOTE 10)	148	199
21	Total other income (expenses)	(11,102)	(11,329)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(3,809)	(5,900)
23	Provision (credit) for income taxes (NOTE 1)	0	0
24	Income (Loss) Before Extraordinary Items	(3,809)	(5,900)
25	Extraordinary items (net of income taxes – 1994, $ 0; 1993, $ 0) (NOTE 14)	0	0
26	Net Income (Loss)	($3,809)	($5,900)

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 TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Revenue:		
1	Casino	$127,650	$116,712
2	Rooms	9,066	8,574
3	Food and beverage	15,612	16,441
4	Other	4,061	3,943
5	Total revenue	156,389	145,670
6	Less: Promotional allowances	17,315	16,282
7	Net revenue	139,074	129,388
	Costs And Expenses:		
8	Cost of goods and services	75,149	73,822
9	Selling, general, and administrative	39,146	36,636
10	Provision for doubtful accounts	3,723	595
11	Total costs and expenses	118,018	111,053
12	Gross Operating Profit	21,056	18,335
13	Depreciation and amortization	7,334	9,416
	Charges from affiliates other than interest:		
14	Management fees (NOTE 15)	1,022	845
15	Other	0	0
16	Income (Loss) From Operations	12,700	8,074
	Other Income (Expenses):		
17	Interest (expense) – affiliates (NOTE 3,5)	(20,208)	(20,505)
18	Interest (expense) – external (NOTE 4)	(1,740)	(2,029)
19	Investment alternative tax and related income (expense) – net (NOTE 11)	(2,340)	(520)
20	Nonoperating income (expense) – net (NOTE 10)	295	334
21	Total other income (expenses)	(23,993)	(22,720)
22	Income (Loss) Before Income Taxes And Extraordinary Items	(11,293)	(14,646)
23	Provision (credit) for income taxes (NOTE 1)	0	0
24	Income (Loss) Before Extraordinary Items	(11,293)	(14,646)
25	Extraordinary items (net of income taxes – 1994, $ 0; 1993, $ 0) (NOTE 14)	0	0
26	Net Income (Loss)	($11,293)	($14,646)

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 STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 and 1993

NOT APPLICABLE

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1993 (c) SHARES	1993 (d) DOLLARS	1992 (e) SHARES	1992 (f) DOLLARS
	Commom Stock:		$		$
1	Beginning balance (January 1)				
2	Sale of stock				
3	_____				
4	Ending balance				
	Preferred Stock				
5	Beginning balance (January 1)				
6	Sale of stock				
7	_____				
8	Ending balance				
	Additional Paid–in Capital:				
9	Beginning balance (January 1)				
10	_____				
11	_____				
12	Ending balance				
	Treasury Stock:				
13	Beginning balance (January 1)		( )		( )
14	Purchase of additional stock		( )		( )
15	Sale or retirement of stock				
16	Ending balance		( )		( )
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		( )		( )
18	_____				
19	_____				
20	Ending balance		( )		( )
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		( )		( )
22	_____				
23	_____				
24	Ending balance		( )		( )
	Retained Earnings:				
25	Beginning balance (January 1)				
26	Prior period adjustments				
27	Net income (loss)				
28	Dividends		( )		( )
29	_____				
30	_____				
31	Ending balance				
32	Ending Stockholders' Equity		$ N/A		$ N/A

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Invested Capital:		
1	Beginning balance (January 1)	$71,196	$71,196
2	Additional capital invested	32,118	32,535
3	_____	0	0
4	Ending balance	103,314	103,731
	Accumulated Income (Loss):		
5	Beginning balance (January 1)	(33,186)	(4,801)
6	Prior period adjustments	0	0
7	Net income (loss)	(11,293)	(14,646)
8	_____	0	0
9	Ending balance	(44,479)	(19,447)
	Capital Withdrawals:		
10	Beginning balance (January 1)	(38,450)	(38,450)
11	Additional capital withdrawals	0	0
12	_____	0	0
13	Ending balance	(38,450)	(38,450)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	0	0
15	_____	0	0
16	_____	0	0
17	Ending balance	0	0
18	Ending Partners' Or Proprietor's Equity	$20,385	$45,834

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash Provided (Used) By Operating Activities	($5,282)	$705
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	0	0
3	Proceeds from the sale of short-term investment securities	0	0
4	Cash outflows for property and equipment	(4,337)	(6,734)
5	Proceeds from disposition of property and equipment	0	0
6	Purchase of casino reinvestment obligations	(1,424)	(654)
7	Purchase of other investments and loans/advances made	0	0
8	Proceeds from disposal of investments and collection of advances and long-term receivables	0	0
9	Cash outflows to acquire business entities	0	0
10	Redemption of A-1 Bonds	0	0
11	_____	0	0
12	Net Cash Provided (Used) By Investing Activities	(5,761)	(7,388)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	0	0
14	Payments to settle short-term debt	0	0
15	Cash proceeds from issuance of long-term debt	1,345	5,706
16	Costs of issuing debt	0	0
17	Payments to settle long-term debt	0	0
18	Cash proceeds from issuing stock or capital contributions	0	0
19	Purchases of treasury stock	0	0
20	Payments of dividends or capital withdrawls	0	(317)
21	_____	0	0
22	_____	0	0
23	Net Cash Provided (Used) By Financing Activities	1,345	5,389
24	Net Increase (Decrease) In Cash And Cash Equivalents	(9,698)	(1,294)
25	Cash And Cash Equivalents At Beginning Of Period	20,555	23,810
26	Cash And Cash Equivalents At End Of Period	$10,857	$22,516

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$13,750	$11,810
28	Income taxes	0	0

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

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 and 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	($11,293)	($14,646)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	7,334	9,416
31	Amortization of other assets	0	0
32	Amortization of debt discount or premium	1,097	4,973
33	Deferred income taxes – current	0	0
34	Deferred income taxes – noncurrent	0	0
35	(Gain) loss on disposition of property and equipment	(3)	(20)
36	(Gain) loss on casino reinvestment obligations	2,340	520
37	(Gain) loss from other investment activities	0	0
38	Net (increase) decrease in receivables and patrons' checks	(1,376)	132
39	Net (increase) decrease in inventories	180	164
40	Net (increase) decrease in other current assets	(2,539)	(728)
41	Net (increase) decrease in other assets	(12)	(790)
42	Net increase (decrease) in accounts payables	(937)	(2,924)
43	Net increase (decrease) in other current liabilities excluding debt	(71)	4,603
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(2)	5
45	_____	0	0
46	_____	0	0
47	Net Cash Provided (Used) By Operating Activities	($5,282)	$705

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$4,340	$6,754
49	Less: Capital lease obligations incurred	0	0
50	Cash Outflows For Property And Equipment	$4,340	$6,754
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$0	$0
52	Goodwill acquired	0	0
53	Net assets acquired other than cash, goodwill, and property and equipment	0	0
54	Long–term debt assumed	0	0
55	Issuance of stock or capital invested	0	0
56	Cash Outflows To Acquire Business Entities	$0	$0
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$0	$0
58	Less: Issuances to settle long–term debt	0	0
59	Consideration in acquisition of business entities	0	0
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$0	$0

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

TRUMP'S CASTLE HOTEL & CASINO

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Operation:

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

Revenue Recognition:

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

Promotional Allowances:

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

Income Taxes/Deferred Credits:

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

Under the New Jersey Casino Control Commission regulations, the Partnership is required to file a consolidated New Jersey corporation business tax return. However, no provision for state income taxes has been reflected in the accompanying financial statements, since the Partnership has experienced operating losses during the periods contained in this report.

Allowance for Doubtful Accounts:

The Partnership has provided $5,072,000 through June 30, 1994 including a $3.0 million provision (recorded through the second quarter of 1994) with respect to $4.0 million owed by four foreign gaming patrons.

Inventories:

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

Property and Equipment:

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

Original Issuance Discount:

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

NOTE 2 - PROPERTY AND EQUIPMENT:

Property and equipment as of June 30:

	1994	1993
	(In thousands)	
Land and Land Improvements	$ 36,407	$ 36,315
Buildings	235,170	235,170
Furniture, Fixtures and Equipment	105,587	100,988
Construction in Progress	5,094	4,188
Building/Leasehold Improvements	115,522	113,150
TOTAL	$497,780	$489,811
Less Accumulated Depreciation	(116,420)	(152,090)
Net Property and Equipment	$381,360	$337,721

NOTE 3 - LONG TERM DEBT:

Plan of Reorganization:

Trump's Castle Funding (the "Company") was incorporated on May 28, 1985 solely to serve as a financing company to raise funds through the issuance of its 13-3/4% First Mortgage Bonds, Series A-1, due 1997 (the "Series A-1 Bonds") and 7% First Mortgage Bonds, Series A-2, due 1999 (the "Series A-2 Bonds," and together with the Series A-1 Bonds, the "Old Bonds"), the proceeds of which were loaned to the Partnership. In return for such proceeds, the Partnership issued a promissory note (the "Old Partnership Note") to the Company in a principal amount equal to the aggregate principal amount of the Old Bonds and with similar payment terms. In addition, the Partnership directly guaranteed the payment of the principal of, premium, if any, and interest on the Old Bonds (the "Old Guaranty"). On the Effective Date, the Old Partnership Note and Old Guaranty were discharged, the Partnership issued a new promissory note (the "Partnership Note") and a new guaranty (the "Guaranty") and the Old Bonds were exchanged for the Company's 9.50% Mortgage Bonds, due 1998 (the "New Bonds") and shares of common stock of TC/GP (the "Common Stock").

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

In accordance with AICPA Statement of Position 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," the New Bonds have been stated at the present value of amounts to be paid, determined at current interest rates (effective rate of approximately 17.5%). The effective interest rate of the New Bonds was determined based on the trading price of the New Bonds for a specific period. Stating the debt at its present value resulted in a reduction of approximately $96,896,000 in the carrying amount of the New Bonds. This gain will be offset by increased interest costs over the period of the New Bonds to accrete such bonds to their face value at maturity.

On the Effective Date, TC/GP received a 50% beneficial interest in Trump's Castle Hotel & Casino, Inc., a partner in the Partnership, and was admitted as a partner in the Partnership, giving TC/GP a 50% beneficial interest in the Partnership. On the Effective Date, the partners executed the Amended and Restated Partnership Agreement (the "Partnership Agreement"), which provides, among other things, for a Board of Partners Representatives (the "Board") to oversee the business and operations of the Partnership. Pursuant to the terms of the Partnership Agreement, Donald J. Trump was appointed the Managing General Partner of the Partnership responsible for its day-to-day operations, and has the right to appoint four of the seven members of the Board; the remaining members of the Board are appointed by TC/GP through the holders of its Common Stock. Upon the occurrence of certain events, TC/GP has the right to appoint four members to the Board, and Donald J. Trump has the right to appoint three.

The Plan resulted in an extraordinary gain totaling approximately $128,187,000, including the $96,896,000 discussed above, $18,000,000 representing the forgiveness of the bank debt (Note 3), and $23,805,000 representing a discharge of accrued interest and accretion on indebtedness, less the write-off of unamortized loan issuance costs of $9,514,000. On the Effective Date, 35,447 of additional units (Note 3) were issued in lieu of the Bond Carryforward Amount and the Effective Date Amount, as defined. Additionally, the Plan resulted in a discharge of related party indebtedness in the approximate amount of $33,325,000 which has been accounted for as a contribution to capital (Note 5).

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

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

For interest payment dates on or before February 15, 1994, the difference between interest calculated at the rate of 9.50% per annum and the Mandatory Cash Amount (the "Additional Amount") was payable to holders of Bonds in cash to the extent that Excess Available Cash, as defined, of the Partnership was available for such purpose and in additional Units to the extent that Excess Available Cash was less that the Additional Amount.

Recapitalization:

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

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

The PIK Notes bear interest, payable at the Company's option in whole or in part in cash and through the issuance of additional PIK Notes, semi-annually commencing May 15, 1994 at the rate of 7% through September 30, 1994 and 13-7/8% through November 15, 2003. Thereafter, interest on the Notes is payable in cash, semiannually at the rate of 13-7/8%. The PIK Notes mature on November 15, 2005. The PIK Notes may be redeemed at the Company's option at 100% of the principal amount under certain conditions, as defined in the PIK Note Indenture, and are required to be redeemed from a specified percentage of any equity offering which includes the Partnership.

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

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

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

On May 15, 1994, the first interest payment on the PIK Notes came due. The amount of interest due totaled approximately $1,345,000. In accordance with the indentures, the Partnership issued additional notes in lieu of a cash payment as satisfaction of the amount due.

NOTE 4 - BANK BORROWINGS:

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

The principal amount of the amended Term Loan (the "Amended Term Loan") was reduced to $38,000,000. The amended Term Loan has an initial maturity of three years from the Effective Date and with its terms, the Partnership has the option, subject to certain conditions, to extend the Amended Term Loan an additional five years. Upon such an extension, the interest rate on such loan will adjust to a market rate, but not less than a minimum rate of 9%. The Amended 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.

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

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

NOTE 5 - OTHER BORROWINGS:

Senior Notes:

On December 28, 1993, the Company issued 11-1/2% Senior Secured Notes, due 2000. Similar to the Mortgage Notes, the

Senior Notes are secured by an assignment of a promissory note of the Partnership (the "Senior Partnership Note") which is in turn secured by a mortgage on Trump's Castle and substantially all of the other assets of the Partnership. In addition, the Partnership has guaranteed (the "Senior Guaranty") the payment of the Senior Notes, which Guaranty is secured by a mortgage on Trump's Castle. The Senior Partnership Note and the Senior Guaranty are subordinated to the Amended Term Loan described above.

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

Pursuant to the terms of a Registration Rights Agreement with the purchasers of the Series A Notes, Funding and the Partnership filed a registration statement with the Securities and Exchange Commission (the "SEC") for the issuance of $27 million principal amount of Funding's 11-1/2% Series B Senior Secured Notes (the "Series B Notes") in exchange for the $27 million outstanding principal amount of the Series A Notes. The Registration Statement was declared effective in May 1994, and the full $27,000,000 in principal amount of Series A Notes were exchanged for a like amount of Series B Notes in June 1994. The Series B Notes have terms which are virtually identical to those of the Series A Notes.

Trump Priority Interest:

During 1990, the Partnership borrowed $28,265,000 from Donald J. Trump, one of its general partners, which included $9,889,000 of series A-1 Bonds (face value $12,480,000), the proceeds of which were used to partially satisfy the June 1990 interest and sinking fund requirements of the Old Bonds. Pursuant to the Plan, the above obligations and related accrued interest of $5,060,000 were canceled and contributed to capital and Donald J. Trump received in exchange therefor a priority interest in the Partnership (the "Trump Priority Interest"). The Trump Priority Interest was initially $15,000,000 and pursuant to the terms of the Partnership Agreement, the Partnership was required to pay a priority return thereon semi-annually at a rate per annum of up to 9.5%. pursuant to the terms of the Recapitalization Plan, the Partnership Agreement was amended to provide, among other things, that Trump will be entitled to receive a priority distribution equal to the Trump Priority Interest upon

liquidation and to eliminate the priority return. For the quarter ended June 30, 1994 and 1993, no amounts were paid as priority return on capital.

Fred Trump Gaming Chip Liability:

In December 1990, Fred Trump, the father of Donald J. Trump, placed $3,500,000 in cash on deposit with the Partnership's casino cage, which was recorded by the Partnership as a gaming patron deposit. Counter checks totaling $3,500,000 were issued against the deposit, for which Fred Trump received gaming chips valued at $3,500,000. On October 8, 1992, in accordance with the indenture, Fred Trump redeemed $1,000,000 in gaming chips for cash. In December 1993, Fred Trump redeemed $1,000,000 in gaming chips and placed the same amount on deposit in the casino cage. This amount was included in Patrons Deposits as of December 31, 1993 and was subsequently redeemed on January 6, 1994. On May 19, 1994 in accordance with the indentures, Fred Trump redeemed $1,475,000 in gaming chips for cash. The remaining gaming chip liability to Fred Trump of $25,000 is included in the unredeemed chip liability as of June 30, 1994.

NOTE 6 - OTHER ASSETS - (NET):

	1994	1993
	(In thousands)	
Other Non-Current Assets	$ 836	$ 776
TOTAL OTHER ASSETS	$ 836	$ 776

NOTE 7 - ACCOUNTS PAYABLE:

	1994	1993
	(In thousands)	
Accounts Payable Trade	$ 1,311	$ 1,415
Patron Deposits	1,006	824
Other	51	58
TOTAL ACCOUNTS PAYABLE	$ 2,368	$ 2,297

NOTE 8 - OTHER ACCRUED EXPENSES:

	1994	1993
	(In thousands)	
Accrued Payroll & Taxes	$ 4,730	$ 5,135
Accrued Interest	5,990	11,758
Accrued Advertising/Promotions	347	219
Accrued Progressive Jackpots	342	285
Accrued Sick/Vacation	4,700	4,604
Other	1,147	402
TOTAL OTHER ACCRUED EXPENSES	$17,256	$22,403

NOTE 9 - OTHER CURRENT LIABILITIES:

	1994	1993
	(In thousands)	
Outstanding Chip Liability	$ 1,025	$ 3,504
Outstanding Token Liability	520	435
Patron Deposits	101	344
Accrued Utilities	436	228
Accrued Group Health Insurance	2,480	3,316
Accrued Insurance	4,697	4,217
A/P Other	2,491	2,355
Accrued Legal	495	425
Accrued CCC/DGE	463	486
Construction Retainage	12	53
Accrued Inventories	318	195
Accrued CRDA	756	718
TOTAL OTHER CURRENT LIABILITIES	$13,794	$16,276

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

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

	Three Months	
	1994	1993
	(In thousands)	
Interest Income	$ 148	$ 199
TOTAL NON-OPERATING INCOME - NET	$ 148	$ 199

	Six Months	
	1994	1993
	(In thousands)	
Interest Income	$ 295	$ 334
TOTAL NON-OPERATING INCOME - NET	$ 295	$ 334

NOTE 11 - COMMITMENTS AND CONTINGENCIES:

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

The CCC renewed the casino license of the Partnership through May 31, 1995 subject to certain continuing reporting and compliance conditions.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY OBLIGATIONS

The New Jersey Casino Control Act requires the Partnership to make qualified investments, as defined, in New Jersey, or pay an investment alternative tax.

Commencing 12 months after the date of opening (June 17, 1985) and continuing for a period of 25 years thereafter, 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 of 2.5% of its gross casino revenues. Investment tax credits may be obtained by the purchase of bonds at below market interest rates from the Casino Reinvestment Development Authority (CRDA) or by making qualified investments which must be approved by the CRDA.

The Partnership is required to make quarterly deposits with the CRDA to satisfy its investment obligation.

As a result of this agreement, the Partnership has charged $307,000 for the six months ending June 30, 1994 to operations, which represents application of a portion of the tax credits, as well as the effect of below market interest rates associated with the bond purchase commitment.

The Partnership made two (2) additional donations of its existing CRDA deposits during the first six months of 1994, totaling approximately $3,171,000, in exchange for satisfaction of an equivalent amount of its prior bond purchasing commitments, in addition to receiving future tax credits totaling approximately $314,000.

Additionally, the Partnership has charged $304,000 respectively to its first six months of 1994 results to give effect to the CRDA donations. This charge represents the write down of the asset value of the CRDA deposits to the value of the tax credits issued to the Partnership by the CRDA.

ROADWAY IMPROVEMENTS

The Partnership, along with another Atlantic City casino, has entered into a joint venture agreement with the New Jersey Department of Transportation to fund the construction of certain roadway improvements in the Atlantic City Marina District. The agreement requires that the Partnership make cash contributions totaling $8,000,000. As of June 30, 1994, the Partnership had made contributions totaling approximately $8,419,000.

NOTE 12 - EMPLOYEE BENEFIT PLANS:

Effective November 1, 1986, the Company adopted a retirement savings plan for its non-union employees under Section 401K of the Internal Revenue Code. The plan allows employees of the Partnership to defer up to 15% of their income on a pre-tax basis through contributions to the plan.

The Partnership will match 50% of eligible employees' contributions up to a maximum of 4% of an individual's earnings. Effective January 1, 1992, the Partnership will match 50% of eligible employees' contributions up to a maximum of 5% of an individual's earnings.

The Partnership recorded charges of approximately $449,000 for matching contributions for the six months ended June 30, 1994.

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

NOTE 13 - JACKPOT PAYOUTS:

The Partnership has not recorded any jackpot payouts in the form of merchandise for the six months ended June 30, 1994 and 1993.

NOTE 14 - EXTRAORDINARY ITEM:

The Partnership has not recorded any extraordinary items for the six months ended June 30, 1994 and 1993.

NOTE 15 - RELATED PARTY TRANSACTIONS:

The Partnership had a management agreement with Trump's Castle Management Corp. ("TCMC"), a corporation wholly owned by Donald J. Trump (the "Management Agreement"). The Management Agreement provided that the day-to-day operation of Trumps'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. During the years ended 1993 and 1992, the Partnership incurred fees and expenses of $1,647,000 and 888,000 respectively, under the Management Agreement.

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

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

The Partnership has recorded service agreement expenses for the period ended June 30, 1994 and 1993 of approximately $1,022,000 and $845,000 respectively.

On May 19, 1994 in accordance with the indentures, Fred Trump redeemed $1,475,000 in gaming chips for cash. The remaining gaming chip liability to Fred Trump of $25,000 is included in the unredeemed chip liability as of June 30, 1994 (see Note 5).

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

NOTE 16 - MISCELLANEOUS RECEIVABLE:

In March of 1994, Trump's Castle Associates paid $2,249,089 to acquire certain riverfront property in Philadelphia, Pennsylvania. Discussions in connection with the proposed acquisition have been terminated and Trump's Castle Associates expects to recover the amount paid from the ultimate purchaser of the property. Accordingly, the full $2,249,089 has been recorded as a receivable in these financial statements.

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1994

(UNAUDITED)
($ IN THOUSANDS)

	ACCOUNTS RECEIVABLE BALANCES			
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE – (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	$4,304		
2	Returned patrons' checks	6,572		
3	Total patrons' checks	10,876	$4,922	$5,954
4	Hotel Receivables	952	150	802
	Other Receivables:			
5	Receivables due from officers and employees	18		
6	Receivables due from affiliates	1,034		
7	Other accounts and notes receivables	3,895		
8	Total other receivables	4,947	0	4,947
9	Totals (Form 305)	$16,775	$5,072	$11,703

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$7,015
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	74,736
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)	(53,031)
13	Checks collected through deposits	(16,899)
14	Checks transferred to returned checks	(7,517)
15	Other adjustments	0
16	Ending Balance	$4,304
17	"Hold" Checks Included In Balance On Line 16	$0
18	Provision For Uncollectible Patrons' Checks	598
19	Provision As A Percent Of Counter Checks Issued	0.8%

TRADING NAME OF LICENSEE TRUMP'S CASTLE HOTEL & CASINO

PROMOTIONAL ALLOWANCES AND EXPENSES

($ IN THOUSANDS)

FOR THE SIX MONTHS ENDED JUNE 30, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
ROOMS	131,496	6,448,000	0	0
FOOD	485,400	7,280,000	0	0
BEVERAGE	631,059	2,682,000	0	0
TRAVEL	0	0	19,302	3,378,000
COIN	0	0	0	0
COUPON	0	0	969,170	10,916,000
ENTERTAINMENT	30,360	759,000	538	16,000
RETAIL & GIFTS	27,400	137,000	0	0
OTHER	1,800	9,000	28,320	1,416,000
TOTAL	1,307,515	$17,315,000	1,017,330	$15,726,000

****

($ IN THOUSANDS)

FOR THE THREE MONTHS ENDED JUNE 30, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar	Number of Recipients	Dollar Amount
ROOMS	66,927	3,596,000	0	0
FOOD	258,800	3,882,000	0	0
BEVERAGE	317,647	1,350,000	0	0
TRAVEL	0	0	9,851	1,724,000
COIN	0	0	0	0
COUPON	0	0	545,791	6,183,000
ENTERTAINMENT	16,360	409,000	163	5,000
RETAIL & GIFTS	14,400	72,000	0	0
OTHER	600	3,000	9,680	484,000
TOTAL	674,734	$9,312,000	565,485	$8,396,000

STATEMENT OF CONFORMITY AND ACCURACY

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

Richard V. Williamson, being duly sworn according to law upon my oath deposes and says:

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

Signature

Executive Director Financial Accounting
Title

005378-11
License Number

On behalf Of:

Trump's Castle Hotel & Casino
Casino Licensee

Subscribed and sworn to
before me this 15TH day
of August, 1994

Signature

NORMA J. ZIMMERMAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 12, 1998
Basis of Authority
to Take Oaths

QUARTERLY REPORT

LICENSEE: TRUMP PLAZA HOTEL & CASINO

ADDRESS: MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED JUNE 30, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

RECEIVED
FEU
AUG 15 1994
CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT..... GEORGE T. PAPANIER

OFFICIAL TITLE..... VICE-PRESIDENT OF FINANCE

ADDRESS..... MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1994

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
Notes to Financial Statements	
Schedule of Receivables and Patrons' Checks	CCC–240
Promotional Expenses and Allowances	CCC–245
Statement of Conformity and Accuracy	CCC–250

New Jersey State Library

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

BALANCE SHEETS

JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		(c) 1994	(d) 1993
	ASSETS			
	Current Assets:			
1	Cash		$ 11,108	$ 8,564
2	Marketable securities		–	–
3	Receivables and patrons' checks (net of allowance for doubtful accounts – 1994, $9,429; 1993, $12,524)		6,617	7,645
4	Inventories		3,475	2,798
5	Prepaid expenses and other current assets	NOTE 2	4,259	3,847
6	Total current assets		25,459	22,854
7	Investments, Advances, and Receivables	NOTE 3	9,985	9,027
8	Property and Equipment – Gross	NOTE 4	426,684	411,488
9	(Accumulated Depreciation/Amortization)	NOTE 4	(130,059)	(114,852)
10	Other Assets	NOTE 5	43,612	45,728
11	Total Assets		$ 375,681	$ 374,245
	LIABILITIES AND EQUITY			
	Current Liabilities:			
12	Accounts Payable		$ 7,706	$ 5,842
13	Notes Payable		1,121	1,347
	Current portion of long–term debt:			
14	Due to affiliates		–	–
15	Other	NOTE 9	3,708	1,655
16	Income taxes payable and accrued		–	–
17	Other accrued expenses	NOTE 6	18,144	17,636
18	Other current liabilities	NOTE 7	7,229	6,356
19	Total current liabilities		37,908	32,836
	Long–Term Debt:			
20	Due to affiliates	NOTE 8	326,041	325,687
21	Other	NOTE 9	3,298	6,829
22	Deferred Credits	NOTE 10	1,150	918
23	Other Liabilities	NOTE 13	2,949	4,004
24	Commitments and Contingencies	NOTE 14	–	–
25	Total Liabilities		371,346	370,274
26	Stockholders', Partners', or Proprietor's Equity		4,335	3,971
27	Total Liabilities and Equity		$ 375,681	$ 374,245

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 PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993	
	Revenue:			
1	Casino	$ 122,444	$ 131,706	
2	Rooms	8,462	8,297	
3	Food and beverage	18,186	19,951	
4	Other	3,844	3,672	*
5	Total revenue	152,936	163,626	*
6	Less: Promotional allowances	16,351	17,476	
7	Net revenue	136,585	146,150	*
	Costs and Expenses:			
8	Costs of goods and services	74,160	76,804	
9	Selling, general, and administrative	36,498	35,985	
10	Provision for doubtful accounts	170	311	
11	Total costs and expenses	110,828	113,100	
12	Gross Operating Profit	25,757	33,050	*
13	Depreciation and amortization	7,841	9,370	
	Charges from affiliates other than interest:			
14	Management fees	657	536	
15	Other	950	1,665	
16	Income (Loss) from Operations	16,309	21,479	*
	Other Income (Expenses):			
17	Interest (expense) – affiliates NOTE 11	(18,840)	(14,760)	
18	Interest (expense) – external	(520)	(1,592)	
19	Investment alternative tax and related income (expense) – net	(459)	(546)	
20	Nonoperating income (expense) – net NOTE 12	(2,241)	(256)	*
21	Total other income (expense)	(22,060)	(17,154)	*
22	Income (Loss) before Income Taxes and Extraordinary Items	(5,751)	4,325	
23	Provision (credit) for income taxes NOTE 15	(523)	423	
24	Income (Loss) before Extraordinary Items	(5,228)	3,902	
25	Extraordinary items (net of income taxes – 1994,$ – , 1993, $ –) NOTE 16	–	4,120	
26	Net (Loss)	$ (5,228)	$ 8,022	

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

5/92 * Prior year restated to conform to current year presentation.

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE	DESCRIPTION	(c) 1994	(d) 1993	
(a)	(b)			
	Revenue:			
1	Casino	$ 67,864	$ 70,398	
2	Rooms	4,831	4,662	
3	Food and beverage	9,803	10,483	
4	Other	2,024	1,786	*
5	Total revenue	84,522	87,329	*
6	Less: Promotional allowances	8,864	9,105	
7	Net revenue	75,658	78,224	*
	Costs and Expenses:			
8	Costs of goods and services	38,673	39,222	
9	Selling, general, and administrative	18,659	18,483	
10	Provision for doubtful accounts	(76)	134	
11	Total costs and expenses	57,256	57,839	
12	Gross Operating Profit	18,402	20,385	*
13	Depreciation and amortization	3,919	5,007	
	Charges from affiliates other than interest:			
14	Management fees	389	262	
15	Other	475	475	
16	Income (Loss) from Operations	13,619	14,641	*
	Other Income (Expenses):			
17	Interest (expense) – affiliates NOTE 11	(9,419)	(8,010)	
18	Interest (expense) – external	(260)	(789)	
19	Investment alternative tax and related income (expense) – net	(182)	(291)	
20	Nonoperating income (expense) – net NOTE 12	(1,056)	(322)	*
21	Total other income (expense)	(10,917)	(9,412)	*
22	Income (Loss) before Income Taxes and Extraordinary Items	2,702	5,229	
23	Provision (credit) for income taxes NOTE 15	260	496	
24	Income (Loss) before Extraordinary Items	2,442	4,733	
25	Extraordinary items (net of income taxes – 1994, $ – ; 1993, $ –) NOTE 16	–	4,120	
26	Net (Loss)	$ 2,442	$ 8,853	

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

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Invested Capital:		
1	Beginning balance (January 1)	$ 69,114	$ 50,707
2	Additional capital invested	–	–
3	_____	–	18,407
4	Ending balance	69,114	69,114
	Accumulated Income (Loss):		
5	Beginning balance (January 1)	28,391	14,724
6	Prior period adjustments	–	–
7	Net income (loss)	(5,228)	8,022
8	_____	–	–
9	Ending balance	23,163	22,746
	Capital Withdrawals:		
10	Beginning balance (January 1)	(87,889)	(54,069)
11	Additional capital withdrawals	–	(27,500)
12	Preferred Partnership Interest Distribution	(53)	(6,320)
13	Ending balance	(87,942)	(87,889)
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	–	–
15	_____	–	–
16	_____	–	–
17	Ending balance	–	–
18	Ending Partners' or Proprietor's Equity	$ 4,335	$ 3,971

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash Provided (Used) by Operating Activities	$ 8,096	$ 10,922
	Cash Flows from Investing Activities:		
2	Purchase of short-term investment securities	–	–
3	Proceeds from the sale of short-term invest. securities	–	–
4	Cash outflows for property and equipment	(10,879)	(5,177)
5	Proceeds from disposition of property and equipment	7	–
6	Purchase of casino reinvestment obligations	(1,375)	(1,002)
7	Purchase of other investments and loans/advances made	(1,357)	(6,611)
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	2,151	–
11		–	–
12	Net Cash Provided (Used) by Investing Activities	(11,453)	(12,790)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt	1,520	1,478
14	Payments to settle short-term debt	(1,393)	(511)
15	Cash proceeds from issuance of long-term debt	–	325,687
16	Costs of issuing debt	–	(14,031)
17	Payments to settle long-term debt	–	(247,292)
18	Cash proceeds from issuing stock or capital contribution	–	–
19	Purchases of treasury stock	–	(40,000)
20	Payments of dividends or capital withdrawals	–	(27,500)
21	Preferred Partnership interest distribution	(53)	(6,201)
22		–	–
23	Net Cash Provided (Used) by Financing Activities	74	(8,370)
24	Net Increase (Decrease) in Cash and Cash Equivalents	(3,283)	(10,238)
25	Cash and Cash Equivalents at Beginning of Period	14,391	18,802
26	Cash and Cash Equivalents at End of Period	$ 11,108	$ 8,564

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	$ 18,283	$ 23,717
28	Income taxes	$ –	$ –

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

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Net Cash Flows from Operating Activities:		
29	Net income (loss)	$ (5,228)	$ 8,022
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment	7,653	9,181
31	Amortization of other assets	188	189
32	Amortization of debt discount or premium	182	–
33	Deferred income taxes – current	–	–
34	Deferred income taxes – noncurrent	(523)	423
35	(Gain) loss on disposition of property and equipment	1	5
36	(Gain) loss on casino reinvestment obligation	459	546
37	(Gain) loss from other investment activities	–	–
38	Net (increase) decrease in receivables and patrons' checks	340	225
39	Net (increase) decrease in inventories	91	270
40	Net (increase) decrease in other current assets	(1,558)	(1,348)
41	Net (increase) decrease in other assets	1,134	5,032
42	Net increase (decrease) in accounts payable	3,305	(48)
43	Net increase (decrease) in other current liabilities excluding debt	2,052	(7,455)
44	Net increase (decrease) in other noncurrent liabilities excluding debt	–	–
45	Extraordinary Gain	–	(4,120)
46		–	–
47	Net Cash Provided (Used) by Operating Activities	$ 8,096	$ 10,922

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to property and equipment	$ (11,145)	$ (5,556)
49	Less: Capital lease obligations incurred	266	379
50	Cash Outflows for Property and Equipment	$ (10,879)	$ (5,177)
	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	$ –	$ –
58	Less: Issuances to settle long–term debt	–	–
59	Consideration in acquisition of business entities	–	–
60	Cash Proceeds from Issuing Stock or Capital Contributions	$ –	$ –

TRUMP 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. On June 25, 1993 the Company issued a Promissory Note (the "Partnership Note") to reflect the terms of the 10 7/8% Mortgage Notes. See Note 8 Long-Term Debt Due To Affiliates.

B. Disclosures Not Presented

Certain footnotes have not been presented in these Notes to Financial Statements since they would duplicate the disclosures contained in the Casino Control Commission Annual Report for the year ended December 31, 1993. The footnotes excluded are Summary of Significant Accounting Policies (except for Organization), and Employee Benefit Plans.

NOTE 2: PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	1994	1993
Prepaid taxes	$1,098,000	$ 918,000
Prepaid insurance	1,385,000	1,340,000
Prepaid rent	118,000	128,000
Prepaid advertising costs	371,000	473,000
Prepaid service contracts	95,000	120,000
Prepaid sewerage costs	296,000	273,000
Prepaid CRDA expense	331,000	-
Other	565,000	595,000
	$4,259,000	$3,847,000

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

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

	1994	1993
Advances due from -		
Trump Seashore Associates	$ 754,000	$1,005,000
Trump Plaza Holding Associates	3,046,000	3,061,000
Donald J. Trump	1,250,000	-
Casino reinvestment bonds and escrow deposit, net of valuation adjustment (1994) $2,470,000; (1993)$2,480,000	4,935,000	4,961,000
	$ 9,985,000	$9,027,000

NOTE 4: PROPERTY AND EQUIPMENT - NET

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

	1994	1993
Land and land improvements	$ 36,462,000	$ 35,613,000
Buildings	297,221,000	294,671,000
Furniture, fixtures and equipment	82,403,000	74,952,000
Leasehold improvements	2,404,000	2,404,000
Construction in progress	8,194,000	3,848,000
	426,684,000	411,488,000
Less - Accumulated depreciation & amortization	(130,059,000)	(114,852,000)
Net property and equipment	$ 296,625,000	$ 296,636,000

NOTE 5: OTHER ASSETS

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

	1994	1993
Land rights, net	$ 29,874,000	$ 30,243,000
Deferred Loan Cost (net of affiliate)	12,550,000	14,063,000
Deposits	1,108,000	1,364,000
Deferred slot tax charge	80,000	58,000
	$ 43,612,000	$ 45,728,000

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 6: OTHER ACCRUED EXPENSES

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

	1994	1993
Accrued payroll	$ 8,572,000	$ 7,872,000
Accrued progressive jackpot liabilities	993,000	719,000
Accrued interest	1,497,000	663,000
Accrued gaming taxes payable	353,000	373,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	469,000	592,000
Accrued utilities	455,000	455,000
Accrued union benefits	247,000	337,000
Accrued health insurance benefits	1,610,000	1,789,000
Accrued parking, sales, use & luxury tax	320,000	216,000
Accrued professional costs	372,000	723,000
Accrued special event costs	572,000	767,000
Accrued repairs & maintenance costs	82,000	120,000
Accrued refinancing expense	-	1,005,000
Accrued property taxes	124,000	186,000
Distribution payable on income taxes to Trump Plaza Funding, Inc.	974,000	-
Other	1,504,000	1,819,000
	$18,144,000	$17,636,000

NOTE 7: OTHER CURRENT LIABILITIES

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

	1994	1993
Unredeemed chip/token liability	$1,088,000	$1,107,000
Patron deposits	407,000	269,000
Casino reinvestment liability	785,000	873,000
Reserve for insurance claims	3,108,000	2,527,000
Advance room/theater deposits	195,000	151,000
Advances due to Trump Castle Associates	507,000	207,000
Advances due to Trump Penthouse Parcel	-	73,000
Advances due to Seashore Four Associates	583,000	589,000
Advances due to Taj Mahal Associates	217,000	114,000
Other	339,000	446,000
	$7,229,000	$6,356,000

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

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

	1994	1993
10 7/8% Partnership Note, net of unamortized discount of $3,959,000 in 1994 and $4,313,000 in 1993, interest payable semi-annually, maturing in 2001.	$326,041,000	$325,687,000

On June 25, 1993 Trump Plaza Funding, Inc. ("TPF"), issued $330,000,000 principal amount of 10 7/8% Mortgage Notes, due 2001 (the "Mortgage Notes"), net of discount of $4,313,000. Net proceeds of the Offering were used to redeem all of TPF's outstanding $225,000,000 principal amount 12% Mortgage Bonds, due 2002 and together with other funds, $40,000,000 of the Preferred Partnership Interest, $12,000,000 principal amount of the 9.14% Regency Note due 2003, a portion of the Special Distribution and transaction expenses. In exchange for the Mortgage Notes, the Company issued a Partnership Note to TPF.

The Mortgage Notes mature on June 15, 2001 and are redeemable at any time on or after June 15, 1998, at the option of the Company or TPF, in whole or in part, at the principal amount plus a premium which declines ratably each year to zero in the year of maturity. The Mortgage Notes bear interest at the rate of 10 7/8% per annum from the date of issuance, payable semi-annually on each June 15 and December 15, commencing December 15, 1993 and are secured by substantially all of the Company's assets.

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

NOTE 9: LONG-TERM DEBT - OTHER

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

	1994	1993
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 1994 and 1998 and are secured by certain real property.	$6,189,000	$7,084,000
Other notes with interest rates ranging from 8.0% to 11.5%, principal and interest payable monthly, secured by automobile and computer equipment	817,000	1,400,000
	7,006,000	8,484,000
Less current maturities	3,708,000	1,655,000
	$3,298,000	$6,829,000

NOTE 10: DEFERRED CREDITS

Deferred credits as of June 30, 1994 and 1993 consisted of deferred state income taxes.

NOTE 11: INTEREST (EXPENSE) - AFFILIATES

Interest (Expense)- Affiliates consisted of the interest on the 10 7/8% Partnership Note for the three and six months ended June 30, 1994, and interest on the 12% Partnership Note and the 10 7/8% Partnership Note upon consummation of the Mortgage Note Offering on June 25, 1993 for the three and six months ended June 30, 1993.

NOTE 12: NONOPERATING INCOME (EXPENSE) - NET

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

	Three Months Ended		Six Months Ended	
	1994	1993	1994	1993
Interest income	$ 214,000	$ 103,000	$ 316,000	$ 228,000
Gain (Loss) on disposal of property and equipment	2,000	5,000	(1,000)	5,000
Litigation expense	-	84,000	-	25,000
Restructuring expense	-	-	(1,000)	-
Nonoperating lease and related costs	(1,272,000)	(514,000)	(2,555,000)	(514,000)
	$(1,056,000)	$(322,000)	$(2,241,000)	$(256,000)

NOTE 13: OTHER LIABILITIES

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

	1994	1993
Deferred Income Taxes relating to Preferred Partnership Interest	$2,949,000	$ 4,004,000

On June 25, 1993, TPF's Preferred Stock units were redeemed with $40.0 million of the proceeds of the Company's 10 7/8% Mortgage Note as well as Trump Plaza Holding Associates ("Holding")'s $35.0 million of 12 1/2% Pay-In-Kind Notes, due 2003 (the "PIK Notes"). The balance of the Company's preferred partnership interest was converted into and classified as a general partnership interest in accordance with the amended Partnership Agreement.

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Casino License Renewal

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

In April, 1993, the New Jersey Casino Control Commission ("CCC") renewed the Company's license to operate Trump Plaza. This license must be renewed in June, 1995, is not transferable and will include a review of the financial stability of the Company. Upon revocation, suspension for more than 120 days, or failure 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.

B. Pay-In-Kind Notes

On June 25, 1993, Holding, a newly formed Partnership beneficially owned 100% by Donald J. Trump ("Trump"), issued $60,000,000 principal amount of 12 1/2% PIK Notes, together with Warrants to acquire an additional $12,000,000 of PIK Notes at no additional cost. The Warrants will be exercisable following the earlier of certain triggering events or June 15, 1996.

The PIK Notes mature on June 15, 2003. The PIK Notes bear interest at the rate of 12 1/2% per annum from the date of issuance, payable semi-annually on each June 15 and December 15, commencing December 15, 1993. At the option of Holding, interest is payable in whole or in part, in cash or, in lieu of cash, through the issuance of additional PIK Notes valued at 100% of their principal amount. Holding has no other assets or business other than its 99% equity interest in the Company. As such, the ability of Holding to pay interest in cash on the PIK Notes is entirely dependent on the ability of the Company to distribute available cash, as defined, to Holding for such purpose. On December 15, 1993 and June 15, 1994 the Company elected to issue, in lieu of cash, an additional $3,562,000 and $3,973,000 resectively in PIK Notes to satisfy its semi-annual PIK Note interest obligations.

The PIK Notes are subordinate to TPF's Mortgage Notes and any other indebtedness of the Company. The PIK Notes are secured by a pledge of Holding's 99% equity interest in the Company. The indenture to which the PIK Notes were issued (the "PIK Note Indenture") contains covenants prohibiting Holding from incurring additional indebtedness and engaging in other activities, and other covenants restricting the activities of the Company substantially similar to those set forth in the Mortgage Note Indenture. The PIK Note and Warrants are non-recourse to the Partners of Holding, including Trump, and to all other persons and entities (other than Holding). Upon an event of default, holders of PIK Notes or Warrants will

B. Pay-In-Kind Notes cont.

have recourse only to the assets of Holding which consist solely of its equity interest in the Company.

C. Future Expansion

In 1993, the Company received the approval of the CCC, subject to certain conditions, for the expansion of its hotel facilities (the "Boardwalk Expansion Site"). On June 25, 1993, Trump transferred title to the Boardwalk Expansion Site to a lender in exchange for a reduction in indebtedness to such lender in an amount equal to the sum of fair market value of the Boardwalk Expansion Site and all rent payments made to such lender by Trump under the Boardwalk Expansion Site Lease. On June 25, 1993, the lender leased the Boardwalk Expansion Site to Trump (the "Boardwalk Expansion Site Lease") for a term of five years,which expires on June 30, 1998, during which time Trump is obligated to pay the lender $260,000 per month in lease payments. In October 1993, the Company assumed the Boardwalk Expansion Site Lease and related expenses.

On June 25, 1993, the Company acquired a five-year option to purchase the Boardwalk Expansion Site (the "Option"). In addition, the Company has a right of first refusal upon any proposed sale of all or any portion of the Boardwalk Expansion Site during the term of the Option. Until such time as the Option is exercised or expires, the Company will be obligated, from and after the date it entered into the Option, to pay the net expenses associated with the Boardwalk Expansion Site. During the six months ended June 30, 1994 the Company incurred $2.6 million of such expenses. Under the Option, the Company has the right to acquire the Boardwalk Expansion Site for a purchase price of $26.0 million through 1994, increasing by $1.0 million annually thereafter until expiration on June 30, 1998. The CCC has required that the Company exercise the Option for its right of first refusal therein no later than July 1, 1995. If the Company defaults in making payments due under the 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 Option during the term thereof and (b) the cost of demolition of all improvements then located on the Boardwalk Expansion Site.

As of June 30, 1994 the Company had capitalized approximately $7.1 million in construction costs related to the Boardwalk Expansion Site. The Company's ability to acquire the Boardwalk Expansion Site pursuant to the Option would be dependent upon its ability to obtain financing to acquire the property. The ability to incur such indebtedness is restricted by the Indenture and the PIK Note Indenture and requires the consent of certain of Trump's personal creditors. The Company's ability to develop the Boardwalk Expansion Site would be dependent upon its ability to use existing cash on hand and generate cash flow from operations sufficient to fund development costs. No assurance can be given that such cash on hand will be available to the Company for such purposes or that it will be able to generate sufficient cash flow from operations. In addition, exercise of the Option or right of first refusal

C. Future Expansion cont.

requires the consent of certain of Trump's personal creditors, and there can be no assurance that such consent will be obtained at the time the Company desires to exercise the Option or such right.

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

D. Services Agreement

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

E. Advances to Donald J. Trump

In December, 1993, Trump entered into an option agreement (the "Original Chemical Option Agreement") with Chemical Bank ("Chemical") and ACFH, Inc. ("ACFH") a wholly owned subsidiary of Chemical. The Original Chemical Option Agreement grants to Trump an option to purchase (i) the Trump Regency (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.

The aggregate purchase price payable for the assets subject to the Original Chemical Option Agreement was $80 million. Under the terms of the Original Chemical Option Agreement, $1 million was required to be paid for the option by January 5, 1994. In addition, the Original Chemical Option Agreement provided for an expiration of the option on May 6, 1994, subject to an extension until June 30, 1994 upon payment of an additional $250,000 on or prior to May 6, 1994. The Original Chemical Option Agreement did not allocate the purchase price among the assets subject to the option or permit the option to be exercised for some, but not all, of such assets.

In connection with the execution of the Original Chemical Option Agreement, Trump agreed with the Company that, if Trump is able to acquire the Trump Regency pursuant to the exercise of the option, he would make the Trump Regency available for the sole benefit of the Company on a basis consistent with the Company's contractual obligations and requirements. Trump further agreed that the Company would not be required to pay any additional consideration to Trump in connection with any assignment of the option to purchase the Trump Regency. On January 5, 1994, the Company obtained the

E. Advances to Donald J. Trump cont.

approval of the CCC to make the $1 million payment, which was made on that date. On June 16, 1994 Trump, Chemical and ACFH entered into, amended and restated the Original Chemical Option Agreement the ("Amended Chemical Option Agreement"). The Amended Chemical Option Agreement provides for an extension of the expiration of the Option through September 30, 1994, upon payment of $250,000. Such payment was made on June 27, 1994. The Amended Chemical Option Agreement provides for a $60 million option price for the Trump Regency and one of the Chemical Notes and a separate $20 million option price for the other Chemical Notes. The Amended Chemical Option may be terminated if certain conditions are not met. Certain of such conditions have not been met. Trump is engaged in discussion with Chemical regarding a further extension of the option.

NOTE 15: PROVISION (CREDIT) FOR INCOME TAXES

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

	Three months ended		Six months ended	
	1994	1993	1994	1993
Current	$ -	$ -	$ -	$ -
Deferred	260,000	496,000	(523,000)	423,000
Total	$ 260,000	$ 496,000	$(523,000)	$ 423,000

NOTE 16: EXTRAORDINARY GAIN:

The $4,120,000 excess of the carrying value of the Regency Note Obligation over the amount of the settlement payment net of related prepaid expenses has been reported as an extraordinary gain for the six months ended June 30, 1993.

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1994

(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	$ 3,390		
2	Returned patrons' checks	11,439		
3	Total patrons' checks	14,829	$ 9,199	$ 5,630
4	Hotel Receivables	1,019	230	789
5	Other Receivables: Receivables due from officers and employees	13		
6	Receivables due from affiliates	–		
7	Other accounts and notes receivables	185		
8	Total other receivables	198	–	198
9	Totals (Form 205)	$ 16,046	$ 9,429	$ 6,617

	UNDEPOSITED PATRONS' CHECKS ACTIVITY	
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 3,074
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	52,096
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)	(37,716)
13	Checks collected through deposits	(11,370)
14	Checks transferred to returned checks	(2,694)
15	Other adjustments	–
16	Ending Balance	$ 3,390
17	"Hold Checks" included in Balance on Line 16	$ –
18	Provision for Uncollectible Patrons' Checks	$ 157
19	Provision as a percent of Counter Checks Issued	0.3%

TRADING NAME OF LICENSEE: TRUMP PLAZA HOTEL AND CASINO

PROMOTIONAL EXPENSES AND ALLOWANCES

For the Three Months Ended June 30, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	25,201	$2,838,000	411	$ 31,000
Food	215,700	2,804,000	-	-
Beverage	683,428	2,050,000	-	-
Travel	-	-	3,211	482,000
Coin	-	-	723,985	5,536,000
Coupon	81,099	698,000	-	-
Entertainment	17,036	291,000	437	17,000
Retail & Gifts	-	-	206	534,000
Other	18,331	183,000	3,677	91,000
Total	1,040,795	$8,864,000	731,927	$6,691,000

For the Six Months Ended June 30, 1994

	Promotional Allowances		Promotional Expenses	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	47,691	$ 4,982,000	2,204	$ 165,000
Food	415,841	5,406,000	-	-
Beverage	1,284,472	3,853,000	-	-
Travel	-	-	7,396	1,110,000
Coin	-	-	1,283,171	9,473,000
Coupon	141,908	1,196,000	-	-
Entertainment	30,924	541,000	1,332	53,000
Retail & Gifts	-	-	226	563,000
Other	37,290	373,000	13,827	345,000
Total	1,958,126	$16,351,000	1,308,156	$11,709,000

STATEMENT OF CONFORMITY AND ACCURACY

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

GEORGE T. PAPANIER, being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Quarterly Report.

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

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



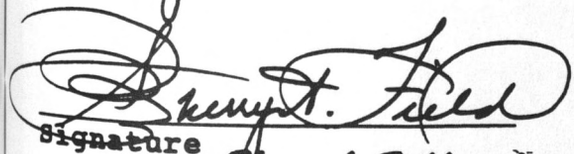
Signature

Vice President of Finance
Title

004859-11
License Number

On Behalf Of:
TRUMP PLAZA HOTEL & CASINO
Casino Licensee

Subscribed and sworn to before me this 11 **day of** August **, 19**94



Signature

Sherry A. Field
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 28, 1999

Basis of Authority to Take Oaths

4/86

CCC-250

New Jersey State Library

QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED JUNE 30, 1994

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT..... R. BRUCE MCKEE

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

ADDRESS..... 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

LIST OF FORMS – QUARTERLY REPORT

FOR THE QUARTER ENDED JUNE 30, 1994.

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	
Schedule of Receivables and Patrons' Checks	CCC-240
Promotional Expenses and Allowances	CCC-245
Statement of Conformity and Accuracy	CCC-250

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

BALANCE SHEETS

JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		JUNE (c) 1994	JUNE (d) 1993
	ASSETS			
	Current Assets:			
1	Cash and cash investments		$ 47,829	$ 43,099
2	Marketable securities		-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1994, $3,638; 1993, $5,254)		12,582	12,348
4	Inventories		6,284	2,912
5	Prepaid expenses and other current assets		6,141	6,426
6	Total current assets		72,836	64,785
7	Investment, Advances, and Receivables - CRDA		8,456	5,672
8	Property and Equipment - Gross	NOTE 2	872,076	855,235
9	(Accumulated Depreciation/Amortization)	NOTE 2	(159,335)	(122,550)
10	Other Assets		2,252	1,737
11	Total Assets		$ 796,285	$ 804,879
	LIABILITIES AND EQUITY			
	Current Liabilites:			
12	Accounts Payable		$ 5,538	$ 5,876
13	Notes Payable		-	-
	Current portion of long-term debt:			
14	Due to affiliates		-	-
15	Other	NOTES 1 & 3	644	697
16	Income taxes payable and accrued		-	-
17	Other accrued expenses	NOTE 4	38,800	34,966
18	Other current liabilities	NOTE 5	8,913	7,027
19	Total current liabilities		53,895	48,566
	Long-Term Debt:			
20	Due to affiliates	NOTES 1 & 3	601,703	572,244
21	Other	NOTES 1 & 3	45,039	45,491
22	Deferred Credits		-	-
23	Other Liabilities	NOTE 6	24,514	24,733
24	Commitments and Contingencies	NOTE 9		
25	Total Liabilities		725,151	691,034
26	Stockholders', Partners', or Proprietor's Equity		71,134	113,845
27	Total Liabilities and Equity		$ 796,285	$ 804,879

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

SIX MONTHS ENDED JUNE 30, 1994 AND 1993

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)		(c) 1994	(d) 1993
	REVENUE:			
1	Casino		$ 213,884	$ 211,145
2	Rooms		19,610	18,943
3	Food and Beverage		28,013	26,199
4	Other		8,677	8,747
5	Total Revenue		270,184	265,034
6	Less: Promotional allowances		30,292	26,382
7	Net Revenue		239,892	238,652
	COSTS AND EXPENSES:			
8	Cost of Goods and Services		118,664	112,019
9	Selling, General and Administrative		70,534	65,921
10	Provision for Doubtful Accounts		1,354	2,515
11	Total Costs and Expenses		190,552	180,455
12	Gross Operating Profit		49,340	58,197
13	Depreciation and Amortization		19,143	18,343
	Charges from Affiliates other than Interest:		-	-
14	Management Fees		-	-
15	Other	NOTE 7	2,291	2,355
16	Income (Loss) From Operations		27,906	37,499
	Other Income (Expenses):			
17	Interest (Expenses) - Affiliates	NOTE 3	(52,876)	(50,476)
18	Interest (Expenses) - External	NOTE 3	(5,475)	(2,392)
19	Investment Alternative Tax and Related Income(Expense) - Net		(1,324)	(1,304)
20	Nonoperating Income (Expense) - Net	NOTE 8	(2,839)	478
21	Total Other Income (Expenses)		(62,514)	(53,694)
22	Income (Loss) Before Income Taxes and Extraordinary Items		(34,608)	(16,195)
23	Provision (Credit) for Income Taxes		-	-
24	Income (Loss) Before Extraordinary Items		(34,608)	(16,195)
25	Extraordinary Items		-	-
26	Net Income (Loss)		$ (34,608)	$ (16,195)

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: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

THREE MONTHS ENDED JUNE 30, 1994 AND 1993

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	REVENUE:		
1	Casino	$ 113,601	$ 111,915
2	Rooms	10,838	10,507
3	Food and Beverage	15,050	13,534
4	Other	4,825	4,918
5	Total Revenue	144,314	140,874
6	Less: Promotional allowances	16,408	13,458
7	Net Revenue	127,906	127,416
	COSTS AND EXPENSES:		
8	Cost of Goods and Services	60,810	57,464
9	Selling, General and Administrative	36,372	33,995
10	Provision for Doubtful Accounts	492	1,694
11	Total Costs and Expenses	97,674	93,153
12	Gross Operating Profit	30,232	34,263
13	Depreciation and Amortization	9,638	9,151
	Charges from Affiliates other than Interest:	-	-
14	Management Fees	-	-
15	Other NOTE 7	1,209	1,242
16	Income (Loss) From Operations	19,385	23,870
	Other Income (Expenses):		
17	Interest (Expenses) - Affiliates NOTE 3	(26,635)	(25,433)
18	Interest (Expenses) - External NOTE 3	(2,644)	(1,206)
19	Investment Alternative Tax and Related Income(Expense) - Net	(704)	(690)
20	Nonoperating Income (Expense) - Net NOTE 8	(3,249)	267
21	Total Other Income (Expenses)	(33,232)	(27,062)
22	Income (Loss) Before Income Taxes and Extraordinary Items	(13,847)	(3,192)
23	Provision (Credit) for Income Taxes	-	-
24	Income (Loss) Before Extraordinary Items	(13,847)	(3,192)
25	Extraordinary Items	-	-
26	Net Income (Loss)	$ (13,847)	$ (3,192)

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: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

NOT APPLICABLE

LINE	DESCRIPTION	1994 (C) SHARES	1994 (D) DOLLARS	1993 (E) SHARES	1993 (F) DOLLARS
	Common Stock:				
1	Beginning Balance (January 1)		$		$
2	Sale of Stock				
3	_____				
4	Ending Balance				
	Preferred Stock:				
5	Beginning Balance (January 1)				
6	Sale of Stock				
7	_____				
8	Ending Balance				
	Additional Paid-in Capital:				
9	Beginning Balance (January 1)				
10	_____				
11	_____				
12	Ending Balance				
	Treasury Stock:				
13	Beginning Balance (January 1)		( )		( )
14	Purchase of Additional Stock		( )		( )
15	Sale or Retirement of Stock				
16	Ending Balance		( )		( )
	Subscriptions Receivable for Capital Stock:				
17	Beginning Balance (January 1)		( )		( )
18	_____				
19	_____				
20	Ending Balance		( )		( )
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:				
21	Beginning Balance (January 1)		( )		( )
22	_____				
23	_____				
24	Ending Balance		( )		( )
	Retained Earnings:				
25	Beginning Balance (January 1)				
26	Prior Period Adjustments				
27	Net Income (Loss)				
28	Dividends		( )		( )
29	_____				
30	_____				
31	Ending Balance				
32	Ending Stockholders' Equity		$		$

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

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)

($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Invested Capital:		
1	Beginning Balance	$ 123,745	$ 123,745
2	Capital Contributions	0	0
3	_____	0	0
4	Ending Balance	123,745	123,745
	Accumulated Income (Loss):		
5	Beginning Balance	(13,566)	8,973
6	Prior Period Adjustments	0	0
7	Net Income (Loss)	(34,608)	(16,195)
8	_____	0	0
9	Ending Balance	(48,174)	(7,222)
	Capital Withdrawals:		
10	Beginning Balance	(3,558)	(1,825)
11	Additional Capital Withdrawals	-	-
12	Partnership Distribution NOTE 9	(879)	(853)
13	Ending Balance	(4,437)	(2,678)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning Balance	-	-
15	_____	-	-
16	_____	-	-
17	Ending Balance	0	0
18	Ending Partners' or Proprietor's Equity	$ 71,134	$ 113,845

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: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
1	Net Cash Provided (Used) by Operating Activities	$ (9,499)	$ 6,557
	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	(9,050)	(8,367)
5	Proceeds from Disposition of Property and Equipment	-	-
6	Purchase of Casino Reinvestment Obligations	(2,592)	(2,463)
7	Purchase of Other Investments and Loans/Advances Made	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables	-	-
9	Cash Outflows to Acquire Business Entities	-	-
10	_____	-	-
11	_____	-	-
12	Net Cash Provided (Used) by Investing Activities	(11,642)	(10,830)
	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	(424)	(399)
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	12,249	14,582
22	Partnership Distribution	(879)	(853)
23	Net Cash Provided (Used) by Financing Activites	10,946	13,330
24	Net Increase (Decrease) in Cash and Cash Equivalents	(10,195)	9,057
25	Cash and Cash Equivalents at Beginning of Period	58,024	34,042
26	Cash and Cash Equivalents at End of Period	$ 47,829	$ 43,099

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period for:		
27	Interest (Net of Amount Capitalized)	$ 40,867	$ 37,031
28	Income Taxes	$ -	$ -

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

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 1994 AND 1993

(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1994	(d) 1993
	Net Cash Flows from Operating Activities:		
29	Net Income (Loss)	$ (34,608)	$ (16,195)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment	19,143	18,343
31	Amortization of Other Assets	-	-
32	Amortization of Debt Discount or Premium	8,990	7,522
33	Deferred Income Taxes - Current	-	-
34	Deferred Income Taxes - Noncurrent	-	-
35	(Gain) Loss on Disposition of Property and Equipment	-	-
36	(Gain) Loss on Casino Reinvestment Obligations	1,268	1,159
37	(Gain Loss from Other Investment Activities	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks	452	1,877
39	Net (Increase) Decrease in Inventories	(1,599)	161
40	Net (Increase) Decrease in Other Current Assets	(2,155)	(2,755)
41	Net (Increase) Decrease in Other Assets	(459)	(709)
42	Net Increase (Decrease) in Accounts Payables	1,604	717
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt	1,663	3,088
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt	(4,783)	(7,500)
45	Net Increase in Notes Payable	-	-
46	Costs related to lease guarantee	985	849
47	Net Cash Provided (Used) by Operating Activites	$ (9,499)	$ 6,557

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment	$ 9,050	$ 8,899
49	Less: Captial Lease Obligations Incurred	-	(532)
50	Cash Outflows for Property and Equipment	$ 9,050	$ 8,367
	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	$ -	$ -

New Jersey State Library

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1994
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation:

Trump Taj Mahal Associates was formed on June 23, 1988, as a New Jersey limited partnership. The Partnership was converted to a general partnership in December, 1990. The current partners and their respective ownership interests are Trump Taj Mahal, Inc. ("TTMI"), 49.995%, the Trump Taj Mahal Corporation ("Trump Corp."), .01%, and TM/GP Corporation ("TMGP"), the managing general partner, a wholly owned subsidiary of Taj Mahal Holding Corp. ("Holding") 49.995%.

Trump Taj Mahal Funding, Inc., (the"Company") is a wholly owned subsidiary of the Partnership and was incorporated on June 3, 1988 for the purpose of raising funds through the issuance of Mortgage Bonds, the proceeds of which were loaned to the Partnership for construction of the Taj Mahal.

The accompanying financial statements have been prepared by the Partnership without audit. In the opinion of the Partnership, all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the financial position, results of operations and changes in cash flows for the periods presented, have been made.

The casino industry in Atlantic City is seasonal in nature, therefore, results of operations for the three and six months ended June 30, 1994 are not necessarily indicative of the operating results for a full year.

NOTE 2 - PROPERTY AND EQUIPMENT

	June 30,	
	1994	1993
	(in thousands)	
Land	$ 37,843	$ 37,291
Buildings	652,808	647,976
Furniture, fixtures and equipment	150,350	145,692
Leasehold improvements	31,075	24,276
Total	872,076	855,235
Less Accumulated Depreciation	(159,335)	(122,550)
Net Property and Equipment	$712,741	$732,685

NOTE 3 - LONG TERM DEBT

Long term debt consisted of the following at June 30:

	1994	1993
	(in thousands)	
Long-term Portion		
Due to affiliates:		
Trump Taj Mahal Funding, Inc.	$765,130	$752,884
Unamortized discount	(163,427)	(180,640)
Net	$601,703	$572,244
Other:		
Bank term loan	$ 45,026	$ 45,211
Other	13	280
Total other	$ 45,039	$ 45,491
Current Portion		
Other:		
Bank term loan	$ 185	$ 168
Other	459	529
Total other	$ 644	$ 697

	Six months ended June 30,	
	1994	1993
	(in thousands)	
Interest Expense - Affiliates		
Trump Taj Mahal Funding, Inc.	$ 42,901	$ 42,106
Accretion - bond discount	8,990	7,521
Accretion - lease guarantee	985	849
Total	$ 52,876	$ 50,476
Interest Expense - External		
Bank term loan	$ 2,134	$ 2,141
Working Capital line of credit	219	95
Refinancing Costs	3,104	-
Other	18	156
Total	$ 5,475	$ 2,392

NOTE 3 - LONG TERM DEBT (continued)

	Three months ended June 30, 1994	1993
	(in thousands)	
Interest Expense-Affiliates		
Trump Taj Mahal Funding, Inc.	$ 21,538	$ 21,157
Accretion - bond discount	4,595	3,844
Accretion - lease guarantee	502	432
Total	$ 26,635	$ 25,433
Interest Expense-External		
Bank term loan	$ 1,072	$ 1,076
Working Capital line of credit	110	48
Refinancing Costs	1,454	-
Other	8	82
Total	$ 2,644	$ 1,206

Borrowings:

Long term debt consists of outstanding Mortgage Bonds (the "Bonds"). The Bonds bear interest at 11.35% per annum payable semi-annually on May 15 and November 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, on each May 15 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 paid on that date and the immediately preceding November 15. To the extent that there is Excess Available Cash Flow ("EACF") of the Partnership, as defined, for the immediately preceding calendar year, the Company will pay the Additional Amount in cash up to 10.28% and the balance thereof may be paid at the option of the Company in cash or additional Bonds provided that an equivalent amount of cash is used to purchase or redeem Bonds. For the period from the issuance of the Bonds, October 4, 1991, through December 31, 1992, there was no EACF. Accordingly, the Company 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, the $2,621,000 was paid in cash and the $12,249,000 balance in Bonds. Since the Company has no business operations, its ability to repay the principal and interest on the Bonds is completely dependent on the operations of the Partnership. The Bonds are collateralized by substantially all the Partnership's property and mature November 15, 1999.

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. The effective interest rate of the Bonds was determined based on the trading price of the Bonds for a specific period. Stating the debt at its approximate present value resulted in a reduction of approximately $204,276,000 in the carrying amount of the Bonds. This gain is being offset by increased interest costs over the period of the Bonds to accrete such bonds to their face value at maturity. At June 30, 1994 the unaccreted balance of this discount approximated $163,427,000. The current interest rates of other borrowings approximated their stated interest rates as of October 4, 1991.

In November 1991, the Partnership obtained a working capital line of credit in the amount of $25,000,000 with a maturity of five years. Interest on advances under the line is at prime plus 4% with a minimum of 9% per annum. The Agreement provides for a 1% annual fee and a 3/4% unused line fee and contains various covenants. During 1994 and 1993, no amounts were outstanding under the line.

NOTE 4 - OTHER ACCRUED EXPENSES

	June 30,	
	1994	1993
	(in thousands)	
Accrued payroll & related	$ 15,080	$ 13,093
Accrued interest	8,982	8,838
Accrued advertising	2,933	2,796
Progressive jackpot	2,152	2,096
Accrued taxes	1,912	2,996
Accrued insurance	2,042	996
Other	** 5,699	** 4,151
Total	$ 38,800	$ 34,966

** None of the individual components of Other exceed 5% of the total.

NOTE 5 - OTHER CURRENT LIABILITIES

	June 30, 1994	1993
	(in thousands)	
Affiliates:		
Donald J. Trump	$ 37	$ 160
Trump's Castle Associates	94	234
Trump Plaza Associates	(225)	(114)
Helicopter Air Service	(43)	(43)
Trump Realty	(45)	-
	(182)	237
Advance deposits	738	824
Unredeemed chip liability	2,710	1,662
Insurance reserves	5,077	3,833
Other	570	471
	9,095	6,790
Total	$ 8,913	$ 7,027

NOTE 6 - OTHER LIABILITIES

	June 30, 1994	1993
	(in thousands)	
Deferred taxes	$ 7,155	$ 7,155
Insurance reserves	1,637	1,637
Accrued interest - Long Term	1,889	1,859
Accounts payable - Long Term	-	1,000
Lease guarantee	13,716	11,816
Other	117	1,266
	$24,514	$24,733

NOTE 7 - CHARGES FROM AFFILIATES

	Six months ended June 30, 1994	1993
	(in thousands)	
Other:		
Rent	$ 1,363	$ 1,362
Allocated salaries	412	303
Trump Services Agreement	516	690
	$ 2,291	$ 2,355

	Three months ended June 30, 1994	1993
	(in thousands)	
Other:		
Rent	$ 682	$ 681
Allocated salaries	210	154
Trump Services Agreement	317	407
	$ 1,209	$ 1,242

NOTE 8 - NON-OPERATING INCOME (EXPENSE)

	Six months ended June 30, 1994	1993
	(in thousands)	
Interest Income	$ 861	$ 478
Litigation Costs	(3,700)	-
	$(2,839)	$ 478

	Three months ended June 30, 1994	1993
	(in thousands)	
Interest Income	$ 451	$ 267
Litigation Costs	(3,700)	-
	$(3,249)	$ 267

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Casino License Renewal:

The Company and the Partnership are subject to regulation and licensing by the New Jersey Casino Control Commission (the "CCC"). The Partnership's casino license must be renewed periodically, is not transferable, is dependent upon the financial

stability of the Partnership and can be revoked at anytime. Upon revocation, suspension for more than 120 days, or failure to renew the casino license due to the Partnership's financial condition or for any other reason, the Casino Control Act provides that the CCC may appoint a conservator to take possession of and title to the hotel and casino's business and property, subject to all valid liens, claims and encumbrances. On March 15, 1993, the CCC renewed the casino license of the Partnership through March 31, 1995.

Legal Proceedings:

The Partnership, its Partners, certain of its employees and the Company are involved in various legal proceedings incurred in the normal course of business. In the opinion of the Partnership the expected disposition of these proceedings would not have a material adverse effect on the Partnership's or the Company's financial condition or results of operations.

Partnership Distribution:

The Partnership is obligated to reimburse Holding for its operating expenses which consist of directors and officers liability insurance, board of director fees and expenses, and administrative expenses. Total expenses for the six months ended June 30, 1994 and 1993 approximated $879,000 and $853,000, respectively.

NOTE 10 - JACKPOT PAYOUTS IN MERCHANDISE

The Company purchased motor vehicles and antique slot machines to be used as jackpot payouts. This merchandise was accounted for as operating expenses of the Slot Department which are included in the accompanying statements of income as costs of goods and services.

	Six months ended June 30,	
	1994	1993
Merchandise - jackpot payouts	$52,105	$52,105

	Three months ended June 30,	
	1994	1993
Merchandise - jackpot payouts	$22,896	$29,209

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

JUNE 30, 1994

($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCE				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE-NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks	$ 7,690		
2	Returned Patrons' Checks	6,450		
3	Total Patrons' Checks	14,140	$ (3,389)	$ 10,751
4	Hotel Receivables	1,675	(249)	1,426
	Other Receivables:			
5	Receivables Due From Officers and Employees	0		
6	Receivables Due From Affiliates	0		
7	Other Accounts and Notes Receivables	405		
8	Total Other Receivables	405	0	405
9	Totals (Form 205)	$ 16,220	$ (3,638)	$ 12,582

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	$ 8,027
11	Counter Checks Issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	123,762
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)	(92,864)
13	Checks Collected Through Deposits	(26,042)
14	Checks Transferred to Returned Checks	(5,193)
15	Other Adjustments	0
16	Ending Balance	$ 7,690
17	"Hold" Checks Included in Balance on Line 16	$ 0
18	Provision for Uncollectible Patrons' Checks	$ 1,320
19	Provision as a Percent of Counter Checks Issued	1.1%

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN TIIOUSANDS)

FOR THE SIX MONTHS ENDED JUNE 30, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	# OF RECIPIENTS	DOLLAR AMOUNTS	# OF RECIPIENTS	DOLLAR AMOUNTS
Rooms	94,947	$12,032		$
Food	938,364	10,462		
Beverage	2,733,463	5,171		
Travel			16,225	2,202
Coin/Table Coupons			1,519,547	21,681
Coupon	70,436	433		
Entertainment	82,741	1,823		
Retail & Gifts			5,670	154
Other	16,934	371	67,906	5,178
Total	3,936,885	$30,292	1,609,348	$29,215

FOR THE THREE MONTHS ENDED JUNE 30, 1994

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	# OF RECIPIENTS	DOLLAR AMOUNTS	# OF RECIPIENTS	DOLLAR AMOUNTS
Rooms	50,518	$ 6,653		$
Food	503,041	5,534		
Beverage	1,425,446	2,758		
Travel			9,234	1,463
Coin/Table Coupons			760,694	11,786
Coupon	38,724	225		
Entertainment	41,130	1,049		
Retail & Gifts			2,660	47
Other	8,043	189	38,231	2,933
Total	2,066,902	$16,408	810,819	$16,229

STATEMENT OF CONFORMITY AND ACCURACY

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

R. BRUCE MCKEE
NAME
, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Quarterly Report.

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

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

R Bruce McKee
SIGNATURE

Senior Vice President, Finance
TITLE

0548-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 12th day of August, 1994

Maryann S. Connor
Signature

MARYANN S. CONNOR
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 11, 1998
Basis of Authority
to Take Oaths

On Behalf Of:

Trump Taj Mahal Associates
Casino Licensee

1/86

CCC-250