

News



New Jersey
Office of the Attorney General

NEW JERSEY DEPARTMENT OF LAW & PUBLIC SAFETY

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DGE Announces Quarterly and Year-To-Date Results

For Immediate Release:

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ATLANTIC CITY —

Casino Licensees Financial Results:

According to financial reports filed with the Division of Gaming Enforcement (DGE), the casino licensees' Net Revenue decreased 0.3% to \$1,302.3 million, and Gross Operating Profit for the industry decreased 4.6% for the six months ended June 2018 to \$294.5 million.

Third Party Business Sales:

Sales from third party businesses decreased 0.8% to \$88.8 million for the six months ended June 2018.

Hotel Occupancy:

The occupancy rate in the industry's casino hotels for the six months ended June 2018 was 81.4%, which is 4.4 percentage points lower than the comparable period last year.

NOTICE - CHANGE IN FINANCIAL REPORTING REQUIREMENTS: The Financial Accounting Standards Board and International Accounting Standards Board have updated standards on revenue recognition, including ASC 606: "Revenue from Contracts with Customers". For New Jersey casino licensees, ASC 606 changes the reporting of revenue on the Income Statement by requiring the former "Promotional Allowances" line to be reported as a reduction to the "Casino Revenue" line. Accordingly, the "Total Revenue" and "Promotional Allowances" lines have been removed from the Income Statement effective January 1, 2018. For Income Statements filed with the DGE after the effective date, prior periods will be restated to conform with ASC 606 and ensure consistency and comparability among casino licensees as mandated by the Casino Control Act.

NOTICE - INCOME STATEMENTS FOR OCEAN RESORT AND HARD ROCK: Due to opening dates in late June, Ocean Resort and Hard Rock filed Income Statements covering the days of operation during June. Each property will submit a complete financial report for the 3rd Quarter 2018.

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

Divisions -- Alcoholic Beverage Control · Civil Rights · Consumer Affairs · Criminal Justice ·
Gaming Enforcement · Highway Traffic Safety · Law · State Police

The following notes are integral to understanding the financial information contained in this press release. The notes provide a description and source of the data.

Notes:

- Net Revenue is the amount reported on Line 5 of the income statement. Net Revenue reflects Casino Revenue (less all promotional allowances) plus Rooms Revenue, Food and Beverage Revenue and Other Revenue as reflected on each casino licensee's income statement.
- Gross Operating Profit reflects earnings before interest, taxes, depreciation, amortization, charges from affiliates, and other miscellaneous items as reflected on each casino licensee's income statement. It is a widely-accepted measure of profitability in the Atlantic City gaming industry.
- Third Party Businesses reflect individuals or entities that lease space within the casino licensee whose sales are not included in the revenues reported by the casino licensee. Only businesses that provide food, beverage, retail, entertainment, or hospitality-related items were included in the statistics.
- Average Rate Per Occupied Room reflects Rooms Revenue as reported on the casino licensee's Statements of Income (which includes the value of complimentary rooms) divided by the number of occupied room nights for the period.
- The footnotes are an integral part of each casino licensee's financial statements. Valid comparisons cannot be made without using the information contained in the footnotes.

Additional information on Atlantic City tourism can be found on the Casino Reinvestment Development Authority's website at: <http://www.atlanticcitynj.com/about/stats.aspx>

Reports filed by the individual casinos can be found at the Division's website at: <http://www.nj.gov/oag/ge/quarterlyfinancialrpt.html>

**ATLANTIC CITY CASINO INDUSTRY
STATEMENT OF INCOME STATISTICS
FOR THE QUARTER ENDED JUNE 30, 2018 AND 2017**
(\$ in Thousands)

| | Net Revenue | | Variance | Gross Operating Profit | | Variance |
|------------------------------|-------------------|-------------------|----------|------------------------|-------------------|----------|
| | 2018 | 2017 | | 2018 | 2017 | |
| Casino Hotels: | | | | | | |
| Bally's AC | 57,306 | 59,266 | -3.3% | 11,779 | 11,472 | 2.7% |
| Borgata (a) | 207,859 | 213,789 | -2.8% | 52,929 | 66,676 | -20.6% |
| Caesars (b) | 78,688 | 82,925 | -5.1% | 24,632 | 25,813 | -4.6% |
| Golden Nugget (a) | 76,166 | 68,596 | 11.0% | 14,212 | 10,771 | 31.9% |
| Hard Rock (a)(d) | 6,062 | - | N/A | (2,710) | - | N/A |
| Harrah's | 106,285 | 104,044 | 2.2% | 31,543 | 26,248 | 20.2% |
| Ocean Resort (e) | 4,548 | - | N/A | 860 | - | N/A |
| Resorts Casino (c) | 47,146 | 43,701 | 7.9% | 9,055 | 5,530 | 63.7% |
| Tropicana (a) | 95,924 | 91,663 | 4.6% | 25,280 | 18,852 | 34.1% |
| Internet Gaming Only: | | | | | | |
| CIENJ (b) | 7,766 | 7,191 | 8.0% | 2,927 | 2,077 | 40.9% |
| Resorts Digital (c) | 6,660 | 7,248 | -8.1% | 391 | 1,310 | N/A |
| Industry Total | <u>\$ 694,410</u> | <u>\$ 678,423</u> | 2.4% | <u>\$ 170,898</u> | <u>\$ 168,749</u> | 1.3% |

(a) Casino Licensees with Internet gaming operation. The statistics in the table include each licensee's share of the revenue and Gross Operating Profit associated with Internet gaming operations.

(b) Caesars Interactive Entertainment NJ (CIENJ) operates under an Internet Gaming Permit issued to Caesars. As a separate reporting casino licensee, CIENJ's revenue and GOP statistics are included in the table.

(c) Resorts Digital operates under an Internet Gaming Permit issued to Resorts Casino. As a separate reporting casino licensee, Resorts Digital's revenue and GOP statistics are included in the table.

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

(e) Ocean Resort commenced operations (soft play period on June 25, 2018). Ocean Resort opened to the public June 27, 2018.

The notes contained in the Quarterly Press Release and the footnotes contained in the Quarterly Report are an integral part of each licensee's financial results. Valid comparisons cannot be made without using this information.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENT OF INCOME STATISTICS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017
(\$ in Thousands)**

| | Net Revenue | | | Gross Operating Profit | | |
|------------------------------|---------------------|---------------------|----------|------------------------|-------------------|----------|
| | 2018 | 2017 | Variance | 2018 | 2017 | Variance |
| Casino Hotels: | | | | | | |
| Bally's AC | 106,392 | 109,135 | -2.5% | 17,991 | 15,966 | 12.7% |
| Borgata (a) | 400,300 | 419,385 | -4.6% | 98,057 | 128,595 | -23.7% |
| Caesars (b) | 142,447 | 159,294 | -10.6% | 37,209 | 46,083 | -19.3% |
| Golden Nugget (a) | 142,536 | 129,994 | 9.6% | 24,221 | 16,964 | 42.8% |
| Hard Rock (a)(d) | 6,062 | - | N/A | (2,710) | - | N/A |
| Harrah's | 206,716 | 200,554 | 3.1% | 59,958 | 50,188 | 19.5% |
| Ocean Resort (e) | 4,548 | - | N/A | 860 | - | N/A |
| Resorts Casino (c) | 83,463 | 83,570 | -0.1% | 10,737 | 9,536 | 12.6% |
| Tropicana | 180,459 | 177,661 | 1.6% | 42,754 | 35,253 | 21.3% |
| Internet Gaming Only: | | | | | | |
| CIENJ (b) | 15,445 | 13,695 | 12.8% | 5,836 | 4,172 | 39.9% |
| Resorts Digital (c) | 13,975 | 13,313 | 5.0% | (424) | 1,880 | N/A |
| Industry Total | <u>\$ 1,302,343</u> | <u>\$ 1,306,601</u> | -0.3% | <u>\$ 294,489</u> | <u>\$ 308,637</u> | -4.6% |

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(b) Caesars Interactive Entertainment NJ (CIENJ) operates under an Internet Gaming Permit issued to Caesars. As a separate reporting casino licensee, CIENJ's revenue and GOP statistics are included in the table.

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**ATLANTIC CITY CASINO INDUSTRY
HOTEL STATISTICS
FOR THE QUARTER ENDED JUNE 30, 2018**

| CASINO | NUMBER OF GUEST ROOMS IN PROPERTY* | NUMBER OF AVAILABLE ROOM NIGHTS | NUMBER OF OCCUPIED ROOM NIGHTS | OCCUPANCY RATE | AVERAGE RATE PER OCCUPIED ROOM |
|-----------------------|---|--|---------------------------------------|-----------------------|---------------------------------------|
| Bally's AC | 1,251 | 113,841 | 99,154 | 87.1% | 108.21 |
| Borgata | 2,767 | 251,797 | 221,176 | 87.8% | 178.27 |
| Caesars | 1,141 | 103,627 | 83,567 | 80.6% | 152.64 |
| Golden Nugget | 716 | 65,156 | 51,439 | 78.9% | 86.41 |
| Hard Rock | 1,971 | 5,913 | 3,339 | 56.5% | 149.31 |
| Harrah's | 2,587 | 232,207 | 193,942 | 83.5% | 126.56 |
| Ocean Resort | 1,399 | 4,197 | 3,896 | 92.8% | 198.91 |
| Resorts | 942 | 85,722 | 77,756 | 90.7% | 93.06 |
| Tropicana | 2,366 | 213,575 | 177,903 | 83.3% | 132.95 |
| INDUSTRY TOTAL | 15,140 | 1,076,035 | 912,172 | 84.8% | \$136.01 |

* Number of guest rooms at end of quarter

**ATLANTIC CITY CASINO INDUSTRY
HOTEL STATISTICS
FOR THE SIX MONTHS ENDED JUNE 30, 2018**

| CASINO | NUMBER OF GUEST ROOMS IN PROPERTY* | NUMBER OF AVAILABLE ROOM NIGHTS | NUMBER OF OCCUPIED ROOM NIGHTS | OCCUPANCY RATE | AVERAGE RATE PER OCCUPIED ROOM |
|-----------------------|---|--|---------------------------------------|-----------------------|---------------------------------------|
| Bally's AC | 1,251 | 226,431 | 184,754 | 81.6% | \$101.06 |
| Borgata | 2,767 | 500,827 | 421,239 | 84.1% | 176.86 |
| Caesars | 1,141 | 206,213 | 168,097 | 81.5% | 137.03 |
| Golden Nugget | 716 | 129,596 | 95,853 | 74.0% | 82.82 |
| Hard Rock | 1,971 | 5,913 | 3,339 | 56.5% | 149.31 |
| Harrah's | 2,587 | 461,573 | 371,210 | 80.4% | 117.93 |
| Ocean Resort | 1,399 | 4,197 | 3,896 | 92.8% | 198.91 |
| Resorts | 942 | 161,412 | 136,517 | 84.6% | 83.45 |
| Tropicana | 2,366 | 407,220 | 327,144 | 80.3% | 124.29 |
| INDUSTRY TOTAL | 15,140 | 2,103,382 | 1,712,049 | 81.4% | \$129.23 |

* Number of guest rooms at end of quarter