REVEL ENTERTAINMENT GROUP, LLC
QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2012

SUBMITTED TO THE
DIVISION OF GAMING ENFORCEMENT
OF THE
STATE OF NEW JERSEY

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

REVEL ENTERTAINMENT GROUP, LLC
BALANCE SHEETS

AS OF DECEMBER 31, 2012

(UNAUDITED)
($ IN THOUSANDS)

AMENDED MAY 8, 2013

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$40,693	
2	Short-Term Investments		0	
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2012, $599)	4	13,250	
4	Inventories	3	1,073	
5	Other Current Assets	5	3,296	
6	Total Current Assets		58,312	0
7	Investments, Advances, and Receivables	3	2,855	
8	Property and Equipment - Gross	6	1,086,709	
9	Less: Accumulated Depreciation and Amortization	6	(59,272)	
10	Property and Equipment - Net	6	1,027,437	0
11	Other Assets		59,558	
12	Total Assets		$1,148,162	$0
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$76,296	
14	Notes Payable		0	
	Current Portion of Long-Term Debt:			
15	Due to Affiliates		0	
16	External	8	1,355,804	
17	Income Taxes Payable and Accrued	11	0	
18	Other Accrued Expenses	7	39,313	
19	Other Current Liabilities		6,253	
20	Total Current Liabilities		1,477,666	0
	Long-Term Debt:			
21	Due to Affiliates		0	
22	External	8	4,511	
23	Deferred Credits		0	
24	Other Liabilities		20,949	
25	Commitments and Contingencies	9	0	
26	Total Liabilities		1,503,126	0
27	Stockholders', Partners', or Proprietor's Equity		(354,964)	
28	Total Liabilities and Equity		$1,148,162	$0

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

REVEL ENTERTAINMENT GROUP, LLC
STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012

(UNAUDITED)
($ IN THOUSANDS)

AMENDED MAY 8, 2013

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	Revenue:			
1	Casino		$120,061	
2	Rooms		32,944	
3	Food and Beverage		16,893	
4	Other		26,601	
5	Total Revenue		196,499	0
6	Less: Promotional Allowances	3	43,567	
7	Net Revenue		152,932	0
	Costs and Expenses:			
8	Cost of Goods and Services		204,227	
9	Selling, General, and Administrative		59,015	
10	Provision for Doubtful Accounts		599	
11	Total Costs and Expenses		263,841	0
12	Gross Operating Profit		(110,909)	0
13	Depreciation and Amortization		57,476	
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	
15	Other		0	
16	Income (Loss) from Operations		(168,385)	0
	Other Income (Expenses):			
17	Interest Expense - Affiliates		0	
18	Interest Expense - External		(112,009)	
19	CRDA Related Income (Expense) - Net		(1,529)	
20	Nonoperating Income (Expense) - Net		1,795	
21	Total Other Income (Expenses)		(111,743)	0
22	Income (Loss) Before Taxes and Extraordinary Items		(280,128)	0
23	Provision (Credit) for Income Taxes		0	
24	Income (Loss) Before Extraordinary Items		(280,128)	0
	Extraordinary Items (Net of Income Taxes -			
25	20__, $0; 20__, $0)		0	
26	Net Income (Loss)		($280,128)	$0

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

REVEL ENTERTAINMENT GROUP, LLC
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2012

(UNAUDITED)
($ IN THOUSANDS)

AMENDED MAY 8, 2013

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	Revenue:			
1	Casino		$24,878	
2	Rooms		8,921	
3	Food and Beverage		4,502	
4	Other		5,661	
5	Total Revenue		43,962	0
6	Less: Promotional Allowances	3	8,015	
7	Net Revenue		35,947	0
	Costs and Expenses:			
8	Cost of Goods and Services		58,705	
9	Selling, General, and Administrative		15,730	
10	Provision for Doubtful Accounts		406	
11	Total Costs and Expenses		74,841	0
12	Gross Operating Profit		(38,894)	0
13	Depreciation and Amortization		18,309	
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	
15	Other		0	
16	Income (Loss) from Operations		(57,203)	0
	Other Income (Expenses):			
17	Interest Expense - Affiliates		0	
18	Interest Expense - External		(39,635)	
19	CRDA Related Income (Expense) - Net		(317)	
20	Nonoperating Income (Expense) - Net		56	
21	Total Other Income (Expenses)		(39,896)	0
22	Income (Loss) Before Taxes and Extraordinary Items		(97,099)	0
23	Provision (Credit) for Income Taxes		0	
24	Income (Loss) Before Extraordinary Items		(97,099)	0
25	Extraordinary Items (Net of Income Taxes - 20__, $_____; 20__, $________)		0	
26	Net Income (Loss)		($97,099)	$0

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

REVEL ENTERTAINMENT GROUP, LLC
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE NINE MONTHS ENDED DECEMBER 31, 2012

(UNAUDITED)
($ IN THOUSANDS)

AMENDED MAY 8, 2013

Line (a)	Description (b)	Notes	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)	Accumulated Other Comp Loss (h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	**Balance, March 31, 2012................**		16,911				$103,699	($1,551)	($175,404)	($73,256)
2	Net Income (Loss) - 2012.............									0
3	Contribution to Paid-in-Capital.....									0
4	Dividends....................................									0
5	Prior Period Adjustments.............									0
6										0
7										0
8										0
9										0
10	**Balance, March 31, 2012................**		16,911	0	0	0	103,699	(1,551)	(175,404)	(73,256)
11	Net Income (Loss) - 2012.............								(280,128)	(280,128)
12	Contribution to Paid-in-Capital.....									0
13	Dividends....................................									0
14	Prior Period Adjustments.............									0
15	Other Comprehensive loss							(2,319)		(2,319)
16	Stock based compensation		9,948				739			739
17										0
18										0
19	**Balance, December 31, 2012 ....**		26,859	$0	0	$0	$104,438	($3,870)	($455,532)	($354,964)

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

REVEL ENTERTAINMENT GROUP, LLC
STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2012

(UNAUDITED)
($ IN THOUSANDS)

AMENDED MAY 8, 2013

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES...		($249,369)	$0
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments			
3	Proceeds from the Sale of Short-Term Investments			
4	Cash Outflows for Property and Equipment........		(73,514)	0
5	Proceeds from Disposition of Property and Equipment........			
6	CRDA Obligations			
7	Other Investments, Loans and Advances made........			
8	Proceeds from Other Investments, Loans, and Advances			
9	Cash Outflows to Acquire Business Entities........		0	0
10	....			
11	....			
12	Net Cash Provided (Used) By Investing Activities........		(73,514)	0
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt		2,748	
14	Payments to Settle Short-Term Debt........		(2,247)	
15	Proceeds from Long-Term Debt		315,917	
16	Costs of Issuing Debt........		(4,808)	
17	Payments to Settle Long-Term Debt........		(113,209)	
18	Cash Proceeds from Issuing Stock or Capital Contributions....		0	0
19	Purchases of Treasury Stock........			
20	Payments of Dividends or Capital Withdrawals........			
21	PIK interest		31,788	
22	....			
23	Net Cash Provided (Used) By Financing Activities........		230,189	0
24	Net Increase (Decrease) in Cash and Cash Equivalents........		(92,694)	0
25	Cash and Cash Equivalents at Beginning of Period........		133,387	
26	Cash and Cash Equivalents at End of Period........		$40,693	$0

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)........		$64,071	
28	Income Taxes........		$0	

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

REVEL ENTERTAINMENT GROUP, LLC
STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2012

(UNAUDITED)

($ IN THOUSANDS)

AMENDED MAY 8, 2013

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)		($280,128)	
30	Depreciation and Amortization of Property and Equipment		57,476	
31	Amortization of Other Assets			
32	Amortization of Debt Discount or Premium		8,081	
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent			
35	(Gain) Loss on Disposition of Property and Equipment			
36	(Gain) Loss on CRDA-Related Obligations			
37	(Gain) Loss from Other Investment Activities		1,529	
38	(Increase) Decrease in Receivables and Patrons' Checks		(9,698)	
39	(Increase) Decrease in Inventories		1,526	
40	(Increase) Decrease in Other Current Assets		(100)	
41	(Increase) Decrease in Other Assets		(1,557)	
42	Increase (Decrease) in Accounts Payable		(58,485)	
43	Increase (Decrease) in Other Current Liabilities		10,300	
44	Increase (Decrease) in Other Liabilities		20,948	
45	Stock based compensation		739	
46				
47	Net Cash Provided (Used) By Operating Activities		($249,369)	$0

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment		($73,514)	
49	Less: Capital Lease Obligations Incurred			
50	Cash Outflows for Property and Equipment		($73,514)	$0
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired			
52	Goodwill Acquired			
53	Other Assets Acquired - net			
54	Long-Term Debt Assumed			
55	Issuance of Stock or Capital Invested			
56	Cash Outflows to Acquire Business Entities		$0	$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions		$0	$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 statements.
Valid comparisons cannot be made without using information contained in the notes.

REVEL ENTERTAINMENT GROUP, LLC
SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
(UNAUDITED)
($ IN THOUSANDS)

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	98,421	$9,400		
2	Food	110,409	2,614	122,703	3,655
3	Beverage	2,511,263	4,443	14,199	348
4	Travel	2,107	920	83	384
5	Bus Program Cash				
6	Promotional Gaming Credits	755,109	21,253		
7	Complimentary Cash Gifts	33	1,992		
8	Entertainment	14,098	2,199	50	27
9	Retail & Non-Cash Gifts			9,628	396
10	Parking	65,386	197	254,885	765
11	Other	24,469	549	15,872	690
12	Total	3,581,295	$43,567	417,420	$6,265

FOR THE THREE MONTHS ENDED DECEMBER 31, 2012

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	22,671	$2,697		
2	Food	35,084	874	34,416	966
3	Beverage	510,106	1,066	4,173	114
4	Travel	506	191	44	112
5	Bus Program Cash				
6	Promotional Gaming Credits	154,757	3,070		
7	Complimentary Cash Gifts	7	458		
8	Entertainment	475	301	27	15
9	Retail & Non-Cash Gifts			3,549	261
10	Parking			87,301	262
11	Other *	7,928	(642)	4,118	219
12	Total	731,534	$8,015	133,628	$1,949

*Promotion Allowances- Other includes reduction of $819 of free slot play accrual.

REVEL ENTERTAINMENT GROUP, LLC
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 2012

1. I have examined this Quarterly Report.

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

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

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.S.A. 5:12-84a(1)-(5) during the quarter.

4/1/2013
Date

Theresa Glebocki

Vice President of Finance
Title

4954-11
License Number

On Behalf of:

REVEL ENTERTAINMENT GROUP, LLC
Casino Licensee

Revel Entertainment Group, LLC

Notes to Financial Statements

(unaudited)

($ in thousands)

1. Organization and Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and include the accounts of Revel Entertainment Group LLC ("Revel Entertainment") and its wholly-owned subsidiaries NB Acquisition, LLC ("NBA") and SI, LLC, collectively referred to herein as the "Company." The Company is currently wholly-owned and controlled by Revel Group, LLC and Revel AC Employee, LLC, an affiliate of Revel Group, LLC, an entity controlled by Kevin DeSanctis, the Company's sole and beneficial owner and former President and Chief Executive Officer.

The Company's purpose is to develop, own and operate a beachfront casino and entertainment resort in Atlantic City, New Jersey ("Revel").

On March 26, 2012, the Company was granted its gaming license by the New Jersey Casino Control Commission and on April 2, 2012 Revel opened to the public.

In the opinion of management, the accompanying unaudited financial statements include all adjustments, which are of a normal recurring nature, necessary to present fairly the Company's financial position as of December 31, 2012, the results of its operations for the three and nine month periods ended December 31, 2012, and its cash flows for the nine month period ended December 31, 2012. The results of operations for such interim periods are not necessarily indicative of the results to be expected for the full year.

2. Proceedings under Chapter 11 of the Bankruptcy Code

On March 25, 2013 (the "Petition Date"), the Company, together with Revel AC, Revel AC, LLC, and Revel Atlantic City, LLC (collectively, the "Debtors") commenced cases (collectively, the "Cases") in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court") seeking reorganization relief under the provisions of Chapter 11 of Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). As part of the Cases, the Debtors also filed with the Bankruptcy Court their Joint Plan of Reorganization (the "Plan") and accompanying disclosure statement of the same date (the "Disclosure Statement"). See Note 13, Subsequent Events, for a description of the Plan.

The Debtors will continue to operate their businesses and manage their properties as debtors in possession under the jurisdiction of the Bankruptcy Court and in accordance with applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

The accompanying financial statements have been prepared on a going concern basis, which assumes that the Company will realize its assets and satisfy its liabilities in the normal course of business.

3. Summary of Significant Accounting Policies

Receivables

Accounts receivable primarily consist of casino, hotel and other receivables which arise in the normal course of business. The Company issues credit in the form of "markers" to approved casino customers who are investigated as to their credit worthiness. An estimated allowance for doubtful accounts is maintained to reduce the receivables to their carrying amount, which approximates fair value. The allowance is estimated based on the specific review of customer accounts, and taking into account factors such as trends and economic and business conditions.

Inventory

Inventory consists primarily of uniforms, food, beverage and operating supplies, which are valued at the lower of average cost or market value.

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, as follows:

Building and improvements	10 through 40 years
Furniture, fixtures and equipment	3 through 7 years

Costs related to improvements are capitalized, while costs of repairs and maintenance are charged to expense as incurred. The cost and accumulated depreciation of property and equipment retired or otherwise disposed of are eliminated from the respective accounts and any resulting gain or loss is included in operations.

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For assets to be held and used, the Company reviews these assets for impairment whenever indicators of impairment exist. If an indicator of impairment exists, the Company compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then impairment is measured as the difference between fair value and carrying value, with fair value typically based on a discounted cash flow model. If an asset is still under development, future cash flows include remaining construction costs. No impairment charges were recorded during the year ended December 31, 2012.

($ in thousands)

3. Summary of Significant Accounting Policies (continued)

Investment in Unconsolidated Subsidiary

The Company holds a 50% interest in an unconsolidated subsidiary. This investment at December 31, 2012 of $2,643 is included in investments, advances and receivables on the accompanying balance sheet.

Revenue and Promotional Allowances

Gaming revenue is measured by the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs and for chips in the customers' possession. Hotel, food and beverage, entertainment and other operating revenues are recognized when services are performed. Advance deposits for hotel and convention bookings and advance ticket sales are recorded as customer deposits until services are provided to the customer, at which point revenue is recognized.

The retail value of accommodations, food, beverage, admissions and other services provided to guests on a complimentary basis are included in gross revenues and then deducted as promotional allowances. Promotional allowances also include incentives provided to guests in the form of free slot play.

The estimated cost of providing promotional allowances, which is included in the cost of goods and services, for the nine months ended December 31, 2012 was as follows:

	2012
Rooms	$ 2,657
Food & beverage	6,544
Entertainment	4,658
Other	1,914
	$ 15,773

Revel Card Liability

Our player's program allows customers to accumulate certain point-based rewards based on the volume of both their gaming and non-gaming activity. Revel guests may earn "resort dollars" redeemable for complimentary rooms, food, beverage, retail, parking, spa and nightlife. Resort dollars accumulate over time and may be redeemed at the customer's discretion under the terms of the program. Resort dollars are forfeited if a customer does not redeem earned rewards over a specified period of time. As a result of the ability of the customer to accumulate resort dollars, we accrue the associated expense, after giving

3. Summary of Significant Accounting Policies (continued)

effect to estimated forfeitures, as they are earned. At December 31, 2012, $3,034 was accrued related to resort dollars earned under this program, which is included in other current liabilities on the accompanying balance sheet.

Gaming Taxes

The Company is subject to taxes based on gross gaming revenues in New Jersey. The gaming taxes are assessed at eight percent, and are included in the cost of goods and services in the accompanying statement of income.

Advertising Expenses

Advertising costs are expensed as incurred. For the three and nine months ended December 31, 2012, total advertising costs, which are included in selling, general and administrative costs in the accompanying statement of income, totaled $2,449 and $13,539, respectively.

Non-recurring costs

Certain non-recurring opening and related start-up costs have been incurred in 2012 resulting from the opening of Revel in April 2012. In addition, certain non-recurring costs were incurred during the three months ended December 31, 2012 as a result of Hurricane Sandy; Revel was forced to close for six days, from October 28, 2013 to November 3, 2012, and Atlantic County was under a state or emergency that had been declared by New Jersey Governor Chris Christie. Revel has submitted a claim to its insurance carriers for business interruption as a result of Hurricane Sandy.

Cost of goods and services for the three and nine months ended December 31, 2012 includes certain non-recurring opening and related start-up and storm-related costs, totaling approximately ($684) and $29,968, respectively, which consist of entertainment, operating supplies and payroll related expenses. In addition, selling, general and administrative costs for the three and nine months ended December 31, 2012 include certain non-recurring opening and related start-up and storm-related costs, totaling approximately $2,484 and $13,569, respectively, consisting of marketing, legal and repair and maintenance expenses. Promotional allowances for the three and nine months ended December 31, 2012 include certain non-recurring opening and related start-up costs, totaling approximately $0 and $9,140, respectively. Revenues associated with these expenses for the three and nine months ended December 31, 2012 totaled approximately $0 and $9,723, respectively. The net cost of these non-recurring opening and start-up costs for the three and nine months ended December 31, 2012 was $1,800 and $42,954, respectively.

3. Summary of Significant Accounting Policies (continued)

Stock-Based Compensation

Share-based payments to employees, including grants of stock options and other equity interests, are recognized in the statement of income based on the fair value of the award on the grant date. All new stock option grants are valued on the date of grant using the Black-Scholes option pricing model.

Income Taxes

Income taxes are recorded under the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets also include future tax benefits attributable to net operating loss and tax credit carryforwards.

Accounting standards regarding income taxes requires a reduction of the carrying amounts of deferred tax assets by a valuation allowance, if, based on the available evidence, it is more likely than not that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed at each reporting period based on a more-than-likely-than-not realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, likelihood of operating loss and tax credit carryforwards expiring unused, and tax planning alternatives.

Deferred Financing Costs

Costs incurred in connection with the debt financings have been capitalized and are being amortized over the expected life of the loan. Total amortization of deferred financing fees in the amounts of $2,162 and $6,254 for the three and nine months ended December 31, 2012, respectively, is included in interest expense on the accompanying consolidated statement of operations.

Self-Insurance Reserves

The Company is self-insured for claims related to employee health medical plans, workers compensation and general liability plans occurring in the normal course of business. These reserves are established by management based on a review of specific open claims, and also include reserves for incurred but not reported claims as of the balance sheet date. The actual costs of these claims could differ from the estimated reserve amounts.

3. Summary of Significant Accounting Policies (continued)

Derivative Instruments and Hedging Activities

As required by ASC 815, *Derivatives and Hedging*, the Company records all derivatives on the consolidated balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the earnings effect of the hedged forecasted transactions in a cash flow hedge. For derivatives designated as fair value hedges, changes in the fair value of the derivative and the hedged item related to the hedged risk are recognized in earnings. For derivatives designated as cash flow hedges, the effective portion of changes in the fair value of the derivative is initially reported in other comprehensive income, outside of earnings, and subsequently reclassified to earnings when the hedged transaction affects earnings, and the ineffective portion of changes in the fair value of the derivative is recognized directly in earnings. The Company assesses the effectiveness of each hedging relationship by comparing the changes in fair value or cash flows of the derivative hedging instrument with the changes in fair value or cash flows of the designated hedged item or transaction. For derivatives not designated as hedges, changes in fair value are recognized in earnings. The Company uses a variety of methods and assumptions based on market conditions and risks existing at each balance sheet date to determine the approximate fair values of our cash flow hedges.

The Company’s objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate caps as part of its interest rate risk management strategy.

Interest rate caps designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an upfront premium. In August 2011, the Company executed an interest rate cap to hedge its interest rate risk.

From the time of designation as a cash flow hedge in November 2011, the effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in accumulated other comprehensive income and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The Company recorded a loss of $110 and $2,319, respectively, for the three and nine months ended December 31, 2012 on this contract, and this amount was recognized in other comprehensive loss. Since execution, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt. The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. Since the designation of the

($ in thousands)

3. Summary of Significant Accounting Policies (continued)

interest rate cap as a hedge, the Company determined there was no hedge ineffectiveness required to be recorded in earnings subsequent to the November 2011 designation as a cash flow hedge.

At December 31, 2012, the interest rate cap with a fair value of approximately $461 was included in Other Assets in the accompanying balance sheet. The interest rate cap agreement was terminated in March 2013; the proceeds from the termination of the interest rate cap of $550 were returned to the Company

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents. At December 31, 2012, the Company had all of its cash and cash equivalents on deposit with two financial institutions.

Use of Estimates

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

4. Receivables and Patrons' Checks

Receivable and patrons' checks consist of the following:

	December 31, 2012
Casino receivables (net of allowance for doubtful accounts of $411)	$ 5,320
Non-gaming receivables (net of allowance for doubtful accounts of $103)	3,312
Other receivables (net of allowance for doubtful accounts of $85)	4,618
Receivables and Patrons' Checks	$ 13,250

($ in thousands)

5. Other Current Assets

Other current assets consist of the following:

	December 31, 2012
Prepaid insurance	$ 1,831
Prepaid slot license fee	610
Other prepaid expenses	855
Other Current Assets	$ 3,296

6. Property and Equipment

Property and equipment consist of the following:

	December 31, 2012
Land and improvements	$ 23,423
Building and improvements	739,200
Furniture, fixtures, and equipment	325,661
Total	1,088,284
Less accumulated depreciation	60,051
Property and equipment, net	$1,028,233

For the three and nine months ended December 31, 2012 depreciation and amortization expense related to property and equipment was $19,088 and $58,255, respectively.

7. Other Accrued Expenses

Other Accrued Expenses consist of the following:

	December 31, 2012
Accrued payroll and related expenses	$ 10,506
Accrued interest	9,763
Accrued insurance reserves	8,336
Other accrued expenses	10,708
Total Accrued Expenses	$ 39,313

($ in thousands)

8. Debt

Debt consisted of the following as of December 31, 2012:

	December 31, 2012
Term Loan Facilities, net of discount of $9,197 at December 31, 2012	$ 1,011,303
Second Lien Notes, net of discount of $91,466 at December 31, 2012	287,198
Revolver Facility	31,181
Other borrowings	30,633
	1,360,315
Less current portion	1,344,976
Long term debt, net of current portion	$ 15,339

Future minimum payments of long-term debt as of December 31, 2012 are as follows:

2013	$ 1,344,976
2014	12,375
2015	2,964
2016	-
2017	-
Thereafter	-
Total minimum payments	$ 1,360,315

Chapter 11 Proceeding

On the Petition Date, the Debtors commenced the Cases in Bankruptcy Court seeking reorganization under the Bankruptcy Code. The filing of the Cases created an event of default under the 2012 Credit Agreement (as defined below), the Term Loan Credit Agreement (as defined below) and the Indenture governing the Second Lien Notes (as defined below). As a result of this event of default, all of the debt resulting from these agreements has been reclassified to current on the balance sheet as of December 31, 2012. The ability of the creditors of the Debtors to seek remedies to enforce their rights under the credit facilities and notes is stayed as a result of the filing of the Cases, and the creditors' rights of enforcement are subject to the applicable provisions of the Bankruptcy Code. See Note 13, Subsequent Events.

There have been multiple amendments to the Term Loan Credit Agreement and the 2012 Credit Agreement since December 31, 2012, and in the weeks leading up to the Petition Date, including

8. Debt (continued)

amendments to the Minimum Liquidity Threshhold (as defined in the 2012 Credit Agreement), the issuance and amendment to a letter of credit in favor of a general contractor to complete certain capital expenditures and the requirement of the Company to retain a financial advisor.

2011 Term Loan Facility

On February 17, 2011, the Company entered into the credit agreement governing the $850,000 first lien term loan facility (the “Term Loan Facility”) (as amended from time to time, the “Term Loan Credit Agreement”).

The loans under the Term Loan Facility bear interest at a rate per annum which, at the Company’s option, can be either: (i) a base rate plus a margin of 6.50%; or (ii) the Eurodollar rate (not to be less than 1.50% per annum) plus a margin of 7.50%. For the period February 7, 2011 through December 31, 2012, the Company elected to incur interest under the Term Loan Facility at the Eurodollar rate, or 9% per annum.

All borrowings under the Term Loan Facility are required to be repaid on the final maturity date of such facility. The Term Loan Facility will amortize in quarterly installments of 0.25% of the original principal of the term loan, with the first quarterly installment due on September 30, 2012.

Obligations under the Term Loan Facility are guaranteed by the Company. The obligations and guarantees under the Term Loan Facility are secured by a first priority security interest in substantially all of the Company’s assets (other than the proceeds of the Second Lien Notes (as defined below)), subject to certain exceptions set forth in the definitive documentation for the Term Loan Facility.

The Term Loan Credit Agreement requires the Company to maintain compliance with certain financial covenants commencing in fiscal 2013, including, a consolidated leverage ratio covenant, a consolidated interest coverage ratio covenant, and a minimum EBITDA covenant (in each case, as defined therein), subject to the terms provided in the credit agreement governing the Term Loan Credit Agreement. In addition, the Term Loan Credit Agreement restricts the Company’s ability to, among other things, (a) incur additional indebtedness, (b) pay dividends, prepay subordinated indebtedness or purchase capital stock, (c) encumber assets, (d) enter into business combinations or divest assets and (e) make investments or loans, subject in each case to certain exceptions or excluded amounts.

8. Debt (continued)

Incremental Facility

On May 3, 2012 the Company entered into amendments to the Term Loan Credit Agreement which provided for an additional $50,000 of term loan commitments. As of December 31, 2012, $50,000 had been drawn under this amendment.

On December 20, 2012, the Company entered into a third amendment to the Term Loan Credit Agreement, which, among other things, permitted the December 2012 Term Loan Facility (discussed below) and an increase of $25,000 in revolving credit agreements under the 2012 Credit Agreement (defined below).

Units, Second Lien Notes and Warrants

Also on February 17, 2011, concurrently with the closing under the Term Loan Facility, the Company issued 152,200 units (the “Units”), each consisting of a Warrant to purchase 1,000 shares of Common Stock, subject to certain adjustments, and $2 principal amount of the Second Lien Notes at a price equal to 97.5% of the face value of the Second Lien Notes in a transaction exempt from registration under the Securities Act of 1933, as amended.

Interest on the Second Lien Notes is payable semi-annually in arrears on March 15 and September 15 of each year. All interest on the Notes through the interest payment period ending September 15, 2013 will be payable by increasing the outstanding principal amount of the Second Lien Notes or issuing additional Second Lien Notes (“PIK Interest”). For the interest payment period ending March 15, 2014, interest on the Second Lien Notes will be payable, at the sole option of the Company, in cash or PIK Interest or a combination thereof. After the interest payment period ending March 15, 2014, all interest on the Notes will be payable in cash. The Second Lien Notes will mature on March 15, 2018.

The Company accounted for the Warrants in accordance with the applicable accounting guidance provided in ASC Topic 815. Accordingly, the Warrants have been classified as equity instruments. At issuance, the Company estimated the fair value of the Warrants utilizing a Black-Scholes option pricing model using Level 3 inputs. The estimated fair value of the Warrants on the issuance date was approximately $100,000. In accordance with ASC Topic 815, the Warrants were recorded on the date of issuance by allocating the proceeds from the Second Lien Notes under a relative fair value approach. As a result of such approach, the Warrants were recorded at $97,500 on the accompanying consolidated balance sheet.

8. Debt (continued)

2012 Revolver Facility and December 2012 Term Loan Facility

On May 3, 2012, the Company entered into a revolving credit facility (the "Revolver Facility") under the Revolving Credit Agreement (as amended from time to time, the "2012 Credit Agreement"). On August 22, 2012 and December 20, 2012, the Company entered into amendments to the 2012 Credit Agreement, which increased the Revolver Facility commitments to $125 million, and in December 2012, established a new $125 million term loan facility (the "December 2012 Term Loan Facility", collectively with the original Term Loan Facility, the "Term Loan Facilities").

The loans under the Revolver Facility are denominated in U.S. dollars and bear interest at a rate per annum which, at the Company's option, can be either: (i) a base rate (subject to a floor of 2%) plus a margin of 6.50%; or (ii) the Eurodollar rate (subject to a floor of 1%) plus a margin of 7.50%. Borrowings under the December 2012 Term Loan Facility bear interest at a rate per annum which, at the Company's option, can be either: (i) a base rate (subject to a floor of 2%) plus a margin of 8.00%; or (ii) the Eurodollar rate (subject to a floor of 1%) plus a margin of 9.00%.

All borrowings under the Revolver Facility are required to be repaid by May 22, 2015. Borrowings under the December 2012 Term Loan Facility will amortize in quarterly installments of 0.25% of the original principal of the term loan.

Obligations under the 2012 Credit Agreement are guaranteed by the Company's wholly owned subsidiaries. The Company's obligations under the 2012 Credit Agreement and the guarantees thereof are generally secured by a first priority or "first out" security interest in substantially all of the Company's assets (other than funds constituting proceeds of the 2011 Term Loan Credit Agreement), subject to certain exceptions set forth in the definitive documentation for the 2012 Credit Agreement.

As of December 31, 2012, $33,081 was outstanding under the Revolver, which includes a $1,900 irrevocable letter of credit drawn as collateral for workers' compensation claims.

Other Borrowings

The Company acquired approximately 2,300 slot machines under financing arrangements, for use in the casino operation. These financing arrangements, with five slot manufacturers, are payable in installments over varying time periods for the next three years.

($ in thousands)

9. Commitments and Contingencies

In February 2011, the Company entered into an Energy Services Agreement (the "ESA") with ACR Energy Partners, LLC ("ACR") pursuant to which the Company has continued to engage ACR to design and construct a central utility plan (the "CUP") on land leased from the Company that will supply the Company with all of its thermal energy (hot and chilled water) and electricity needs for Revel. The term of the ESA is for a period of 20 years commencing on the date that Revel is commercially open to the public (or April 2, 2012). Obligations under the ESA contain both fixed fees and variable fees based upon usage rates. The fixed fee components under the ESA are currently estimated at approximately $20,200 per annum. The variable fee component under the ESA is based upon pre-negotiated rates.

The Company, through its subsidiary NBA, is party to a ground lease (the "Ground Lease") for ACR to lease the land on which the CUP is located. The initial term of the Ground Lease commenced on April 8, 2011 and expires with the expiration of the ESA (April 1, 2032). Fixed rent under the Ground Lease is $198 annually, payable to the Company in equal monthly installments.

Future minimum lease payments under noncancellable operating leases, excluding the variable fee component under the ESA, as of December 31, 2012, consisted of the following:

2013	$ 731
2014	206
2015	115
2016	9
2017	-
Thereafter	-
Total minimum payments	$ 1,061

During the third quarter of 2012, the Company received an additional real estate tax assessment (the "Assessment") for the period from June 1, 2012 through December 31, 2012 as a result of the commencement of operations of Revel on April 2, 2102. The total amount of tax associated with the Assessment initially was $10,400 for 2012, but was subsequently reduced to $4,200 during the three months ended December 31, 2012. This Assessment and subsequent reduction was included in selling, general and administrative expense in the accompanying Statements of Income. The Company has filed an appeal of the Assessment, as amended.

The New Jersey Casino Control Act provides, among other things, for an assessment of licensee equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the Casino

9. Commitments and Contingencies (continued)

Reinvestment Development Authority (“CRDA”). Under the terms of an agreement with the CRDA, the Company has agreed to donate the first four years of deposits to the CRDA. As a result, the Company has recorded a full reserve for its CRDA obligation as of December 31, 2012 totaling $1,529.

From time to time, the Company is a party to various claims and lawsuits arising in the normal course of business, including the construction and development of Revel. Legal proceedings of this nature are inherently unpredictable and substantial losses sometimes result. As a consequence, the Company may in the future incur judgments or enter into settlements of claims that could have a material adverse effect on its financial position, results of operations, or cash flows. The Company is of the opinion that these litigations or claims will not have a material negative effect on its consolidated financial position, results of operations, or cash flows.

10. Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures,* establishes a valuation hierarchy of the inputs used to measure fair value. This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the Company’s own assumptions.

An asset or liability’s classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

($ in thousands)

10. Fair Value Measurements (continued)

The following table presents the assets measured at fair value on a recurring basis by input level in the consolidated balance sheet at December 31, 2012:

	Level 1	Level 2	Level 3	Total December 31, 2012
Assets				
Derivatives	$ –	$ 461	$ –	$ 461
	$ –	$ 461	$ –	$ 461

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, and long-term debt. The Company considers the carrying amount of cash, accounts receivable, accounts payable, and accrued liabilities to approximate their fair values because of the short period of time between the origination of such instruments and the expected realization, or because of their current market rates of interest.

The estimated fair value of the Company's Term Loan Facility on December 31, 2012 was approximately $447,750. The estimated fair value of the Company's Second Lien Notes on December 31, 2012 was approximately $21,300. The Company estimates the fair value of its long-term debt using a combination of quoted market prices and expected future payments discounted at risk-adjusted rates. The fair value of long-term debt is considered a Level 2 measurement within the fair value hierarchy. The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate caps as part of its interest rate risk management strategy.

Interest rate caps designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an upfront premium. In August 2011, the Company executed an interest rate cap to hedge its interest rate risk. The interest rate cap agreement terminates on February 17, 2016. The notional amount of the derivative contract is $400,000 and has a fair value of $461 recorded in the consolidated balance sheet at December 31, 2012. The Company recorded a loss of $110 and $2,319, respectively, on this contract during the three and nine months ended December 31, 2012 and this amount was recognized in other comprehensive loss.

In determining fair value of derivative instruments, the Company considers both the counterparty credit risk and its own credit worthiness. To determine the Company's credit risk, the Company estimates its credit rating by benchmarking the price of outstanding debt to publicly-available comparable data from

($ in thousands)

10. Fair Value Measurements (continued)

rating agencies. Using the estimated rating, the Company's credit risk was quantified by reference to publicly-traded debt with a corresponding rating. The Company determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy. The Company does not have any fair value measurements using significant unobservable inputs (Level 3) as of December 31, 2012.

11. Income Taxes

The following table reconciles the statutory federal income tax rate to the actual effective income tax rate for 2012 and 2011:

	2012
Percent of pretax loss:	
Loss at statutory rate	(35.00%)
Permanent differences	.02%
Valuation allowance increase	34.98%
Total	0.00%

Deferred tax assets and liabilities are provided for the effects of temporary differences between the tax basis of assets and liabilities and their reported amounts in the balance sheet. These temporary differences result in taxable or deductible amounts in future years.

($ in thousands)

11. Income Taxes (continued)

The components of the Company's recorded deferred tax assets and deferred tax liabilities at December 31, 2012 are as follows:

	2012
Deferred tax assets:	
Pre-opening expenses	$ 22,734
Capitalized interest	7,580
NOL carryforwards	165,450
Reserves/accrued expenses	8,020
Gross deferred tax assets	203,784
Deferred tax liabilities:	
Basis difference in acquired assets	10,051
Fixed assets	6,282
Other	1,030
Net deferred tax liabilities	17,363
Net deferred tax assets	186,421
Valuation allowance	186,421
Deferred tax assets, net	$ –

A valuation allowance is recorded if it is more likely than not that a net deferred tax asset will not be realized. In assessing its need for a valuation allowance, the Company considered all available positive and negative evidence including its status as a start-up entity with pre-opening losses and forecasted operating losses for 2012. Based on this analysis, the Company has recorded a full valuation allowance on its net deferred tax assets as of December 31, 2012. The Company will continue to reassess its valuation allowance on a quarterly basis and if future evidence allows for a partial or full release of the valuation allowance a tax benefit will be recorded accordingly in the subsequent period.

Uncertain tax positions not deemed to meet the more-likely-than-not threshold are recorded by the Company as a tax reserve in the appropriate year such tax positions are claimed, including any related interest or penalties. The Company did not have any recorded uncertain tax positions as of December 31, 2012.

11. Income Taxes (continued)

For income tax reporting, the Company has federal and state net operating loss carryforwards of approximately $405,000 available to reduce future federal and state taxable income. Such net operating loss carryforwards begin to expire in 2031.

The Company files federal and New Jersey income tax returns and the tax years 2012 and 2011 remain open subject to examination by the tax authorities.

12. Employee Benefit Plans

401(k) Plan

The Company has a retirement savings plan under Section 401(k) of the Internal Revenue Code covering our non-union employees. The plan allows employees to defer up to the lessor of the Internal Revenue Code prescribed maximum amount or 75% of their income on a pre-tax basis through contributions to the plan. The Company may elect to match a portion of participants' contributions on an annual basis as determined by management. For the year ended December 31, 2012, the Company expensed the voluntary contribution to the 401(k) plan in the amount of $572.

Multi-employer Pension Plans

Approximately 100 of the Company's trade workers, including painters, carpenters and mechanics, are represented by collective bargaining agreements. The Company contributes to multiemployer pension defined-benefit plans under the terms of these agreements. The Company is obligated to make defined contributions under these plans.

The significant risks of participating in multi-employer plans include, but are not limited to, the following:

- If the Company elects to withdraw from participation in the multiemployer plan, the Company may be required to pay a withdrawal liability based on the underfunded status of the plan as applicable.
- The Company may contribute assets to the multiemployer plan for the benefit of our covered employees that are used to provide benefits to employees of other participating employers.
- The Company may be required to fund additional amounts if other participating employers stop contributing to the multiemployer plan.

Contributions, which are based on hours worked and gross earnings by covered employees, totaled approximately $1,375 for the year ended December 31, 2012.

13. Subsequent Events

Nonpayment of Interest and Restructuring Support Agreement

In early 2013, the Debtors and their advisors engaged in extensive negotiations and discussions with a steering committee of their key creditors (the "Steering Committee"), JPMorgan Chase Bank, N.A., in its capacities as administrative agent, collateral agent and disbursement agent under the Term Loan Credit Agreement (the "Term Loan Agent), and their respective advisors regarding the terms of a potential restructuring of the Debtors obligations under its credit facilities and the Indenture governing the Second Lien Notes. After good faith, arm's length negotiations, the Debtors reached an agreement with the Steering Committee and Term Loan Agent with respect to a consensual restructuring on the terms set forth in the Plan.

On February 19, 2013, the Debtors entered into a Restructuring Support Agreement, which was amended on March 8, 2013, March 13, 2013 and March 22, 2013 (as amended, the "Restructuring Support Agreement"), with holders of a majority of outstanding claims under the 2012 Credit Agreement, holders of a majority of outstanding claims under the Term Loan Credit Agreement (the "Term Loan Credit Agreement Claims"), and holders of a majority of outstanding claims under the Indenture governing the Second Lien Notes (collectively, the "Consenting Debtholders"). The Restructuring Support Agreement provides for the implementation of a restructuring plan through an expedited Chapter 11 process. Prior to commencing a solicitation of certain creditors' votes to approve the Plan, the Debtors, the Steering Committee and the Term Loan Agent finalized the Plan in a manner consistent with the restructuring term sheet appended to the Restructuring Support Agreement, which provides that holders of Term Loan Credit Agreement Claims will receive 100% of the common equity in the reorganized Debtors (subject to dilution by a new management incentive plan to be implemented by the reorganized Debtors) on account of their claims. The agreed-upon Plan also provides for the treatment of the holders of the Second Lien Notes and fully satisfies certain allowed claims of the Debtors' general unsecured creditors.

In light of the agreement set forth in the Restructuring Support Agreement, the Debtors determined not to make the February 19, 2013 interest payment under the Term Loan Credit Agreement in order to conserve cash for operational expenses.

Pursuant to the Restructuring Support Agreement, the Consenting Debtholders agreed to support the Plan, provided that the Debtors are successful in taking the steps necessary to meet the various agreed upon milestones

13. Subsequent Events (continued)

Planned Reorganization and Chapter 11 Bankruptcy Proceeding

On March 13, 2013, the Debtors commenced a solicitation of votes for the prepackaged Plan. The Plan was accepted by (a) lenders holding approximately $143.9 million (or 100% of those who voted) in aggregate amount of the borrowings under the 2012 Credit Agreement and (b) lenders holding approximately $862.5 million (or 100% of those who voted) in aggregate amount of the borrowings under the Term Loan Credit Agreement. The deadline for holders of the Second Lien Notes to cast votes to accept or reject the Plan is April 10, 2013.

On the Petition Date, the Debtors commenced the Cases in the Bankruptcy Court and filed a motion requesting that the Bankruptcy Court, among other things, enter an order (a) scheduling a combined hearing on their Plan and Disclosure Statement; (b) approving the form and notice of a confirmation hearing; (c) establishing procedures for objections to their Plan and Disclosure Statement; and (d) approving solicitation procedures. A specific date for the Debtors’ completion of their reorganization cannot be estimated at this time.

REVEL ENTERTAINMENT GROUP, LLC

ANNUAL FILINGS

FOR THE YEAR ENDED 2012

SUBMITTED TO THE
DIVISION OF GAMING ENFORCEMENT
OF THE
STATE OF NEW JERSEY

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

REVEL ENTERTAINMENT GROUP, LLC
ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS
FOR THE YEAR ENDED 2012

(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
Line (a)	**Description (b)**	**Account Balance (c)**	**Allowance (d)**	**Accounts Receivable (Net of Allowance) (e)**
	Patrons' Checks:			
1	Undeposited Patrons' Checks......	$3,510		
2	Returned Patrons' Checks......	2,221		
3	Total Patrons' Checks......	5,731	$411	$5,320
4	Hotel Receivables......	3,415	103	$3,312
	Other Receivables:			
5	Receivables Due from Officers and Employees....	-		
6	Receivables Due from Affiliates......	-		
7	Other Accounts and Notes Receivables......	4,703		
8	Total Other Receivables......	4,703	85	$4,618
9	Totals (Form DGE-205)......	$13,849	$599	$13,250

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	**Description (g)**	**Amount (h)**
10	Beginning Balance (January 1)......	$0
11	Counter Checks Issued......	100,070
12	Checks Redeemed Prior to Deposit......	(74,883)
13	Checks Collected Through Deposits......	(17,047)
14	Checks Transferred to Returned Checks......	(4,630)
15	Other Adjustments......	
16	Ending Balance......	$3,510
17	"Hold" Checks Included in Balance on Line 16......	0
18	Provision for Uncollectible Patrons' Checks......	$411
19	Provision as a Percent of Counter Checks Issued......	0.4%

REVEL ENTERTAINMENT GROUP, LLC
ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2012

($ IN THOUSANDS)

AMENDED APRIL 9, 2013

Line (a)	Department (b)	Number of Employees (c)	Salaries and Wages: Other Employees (d)	Salaries and Wages: Officers & Owners (e)	Salaries and Wages: Totals (f)
	CASINO:				
1	Table and Other Games	900			
2	Slot Machines	88			
3	Administration				
4	Casino Accounting	194			
5	Simulcasting				
6	Other	14			
7	Total - Casino	1,196	$21,607	$0	$21,607
8	ROOMS	646	10,878		10,878
9	FOOD AND BEVERAGE	719	8,875		8,875
10	GUEST ENTERTAINMENT	154	1,987		1,987
11	MARKETING	211	8,094		8,094
12	OPERATION AND MAINTENANCE	167	6,945		6,945
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	8	950	1,275	2,225
14	Accounting and Auditing	56	2,107	382	2,489
15	Security	265	5,676		5,676
16	Other Administrative and General	94	1,779	225	2,004
	OTHER OPERATED DEPARTMENTS:				
17					0
18					0
19					0
20					0
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	3,516	$68,898	$1,882	$70,780