TRUMP TAJ MAHAL CASINO RESORT
QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 2006

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

DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

TRUMP TAJ MAHAL CASINO RESORT
BALANCE SHEETS

AS OF MARCH 31, 2006 AND 2005

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$56,781	$55,638
2	Short-Term Investments			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2006, $5,975; 2005, $11,717)		21,420	21,979
4	Inventories		4,250	4,796
5	Other Current Assets		5,170	3,673
6	Total Current Assets		87,621	86,086
7	Investments, Advances, and Receivables		19,437	15,202
8	Property and Equipment - Gross	2, 5	790,403	1,163,839
9	Less: Accumulated Depreciation and Amortization	2, 5	(26,585)	(338,747)
10	Property and Equipment - Net	2, 5	763,818	825,092
11	Other Assets	2, 5	193,920	8,414
12	Total Assets		$1,064,796	$934,794
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$10,403	$7,855
14	Notes Payable			
	Current Portion of Long-Term Debt:			
15	Due to Affiliates			
16	External		11,385	12,021
17	Income Taxes Payable and Accrued	4	7,711	6,663
18	Other Accrued Expenses	2, 5	22,949	107,098
19	Other Current Liabilities		12,558	13,613
20	Total Current Liabilities		65,006	147,250
	Long-Term Debt:			
21	Due to Affiliates	2, 3, 5	575,000	836,750
22	External	3	4,369	14,118
23	Deferred Credits			
24	Other Liabilities		17,611	400
25	Commitments and Contingencies	9		
26	Total Liabilities		661,986	998,518
27	Stockholders', Partners', or Proprietor's Equity	2, 5, 7	402,810	(63,724)
28	Total Liabilities and Equity		$1,064,796	$934,794

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

TRUMP TAJ MAHAL CASINO RESORT
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	Revenue:			
1	Casino		$121,014	$122,757
2	Rooms		7,798	7,239
3	Food and Beverage		12,856	12,227
4	Other		3,921	3,636
5	Total Revenue		145,589	145,859
6	Less: Promotional Allowances		28,250	33,253
7	Net Revenue		117,339	112,606
	Costs and Expenses:			
8	Cost of Goods and Services		71,413	69,050
9	Selling, General, and Administrative		18,251	18,836
10	Provision for Doubtful Accounts		571	332
11	Total Costs and Expenses		90,235	88,218
12	Gross Operating Profit		27,104	24,388
13	Depreciation and Amortization		8,376	12,295
	Charges from Affiliates Other than Interest:			
14	Management Fees			
15	Other	6	1,486	1,490
16	Income (Loss) from Operations		17,242	10,603
	Other Income (Expenses):			
17	Interest Expense - Affiliates	2, 3, 5	(12,402)	(23,533)
18	Interest Expense - External	3	(661)	(770)
19	CRDA Related Income (Expense) - Net		(507)	(516)
20	Nonoperating Income (Expense) - Net	8	579	243
21	Total Other Income (Expenses)		(12,991)	(24,576)
22	Income (Loss) Before Taxes and Extraordinary Items		4,251	(13,973)
23	Provision (Credit) for Income Taxes	4	876	615
24	Income (Loss) Before Extraordinary Items		3,375	(14,588)
	Extraordinary Items (Net of Income Taxes -			
25	2006, $0; 2005, $0)			
26	Net Income (Loss)		$3,375	($14,588)

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

TRUMP TAJ MAHAL CASINO RESORT
STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005
AND THE THREE MONTHS ENDED MARCH 31, 2006

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 2004..........**		$39,342	($82,562)		($43,220)
2	Net Income (Loss) - 2005..........			242,362		242,362
3	Capital Contributions................					0
4	Capital Withdrawals..................					0
5	Partnership Distributions...........		(28,306)			(28,306)
6	Prior Period Adjustments...........					0
7	Capitalization on May 19		405,923			405,923
8	Less: May 19 Balance		(31,563)	(143,708)		(175,271)
9						0
10	**Balance, December 31, 2005..........**		385,396	16,092	0	401,488
11	Net Income (Loss) - 2006..........			3,375		3,375
12	Capital Contributions................					0
13	Capital Withdrawals..................					0
14	Partnership Distributions...........	7	(2,080)			(2,080)
15	Prior Period Adjustments...........					0
16	Restrictive Stock Awards		27			27
17						0
18						0
19	**Balance, March 31, 2006...............**		$383,343	$19,467	$0	$402,810

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

TRUMP TAJ MAHAL CASINO RESORT
STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		$15,502	$18,031
	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		(4,199)	(4,755)
5	Proceeds from Disposition of Property and Equipment			
6	CRDA Obligations		(1,602)	(1,515)
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		(5,801)	(6,270)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt			
15	Proceeds from Long-Term Debt			
16	Costs of Issuing Debt			
17	Payments to Settle Long-Term Debt		(3,297)	(3,312)
18	Cash Proceeds from Issuing Stock or Capital Contributions		0	0
19	Purchases of Treasury Stock			
20	Payments of Dividends or Capital Withdrawals			
21	Partnership Distribution		(2,080)	(5,916)
22				
23	Net Cash Provided (Used) By Financing Activities		(5,377)	(9,228)
24	Net Increase (Decrease) in Cash and Cash Equivalents		4,324	2,533
25	Cash and Cash Equivalents at Beginning of Period		52,457	53,105
26	Cash and Cash Equivalents at End of Period		$56,781	$55,638

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)		$12,698	$769
28	Income Taxes		$88	$88

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

TRUMP TAJ MAHAL CASINO RESORT
STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)..		$3,375	($14,588)
30	Depreciation and Amortization of Property and Equipment...		8,376	12,295
31	Amortization of Other Assets..			
32	Amortization of Debt Discount or Premium..........................			
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...........................		507	516
37	(Gain) Loss from Other Investment Activities.......................			
38	(Increase) Decrease in Receivables and Patrons' Checks		1,567	(6,935)
39	(Increase) Decrease in Inventories		49	(31)
40	(Increase) Decrease in Other Current Assets..........................		(628)	713
41	(Increase) Decrease in Other Assets......................................		428	(1,685)
42	Increase (Decrease) in Accounts Payable..............................		1,343	(2,436)
43	Increase (Decrease) in Other Current Liabilities		275	30,182
44	Increase (Decrease) in Other Liabilities			
45	Amortization of Deferred Refinancing		183	
46	Restrictive Stock Awards		27	
47	Net Cash Provided (Used) By Operating Activities..................		$15,502	$18,031

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment..................................		($4,244)	($4,755)
49	Less: Capital Lease Obligations Incurred.............................		45	
50	Cash Outflows for Property and Equipment.............................		($4,199)	($4,755)
	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.

TRUMP TAJ MAHAL CASINO RESORT
SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE THREE MONTHS ENDED MARCH 31, 2006

(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	65,472	$5,166			
2	Food	323,917	5,599			
3	Beverage	1,487,477	2,598			
4	Travel			21,275	2,415	
5	Bus Program Cash	126,809	1,812			
6	Other Cash Complimentaries	302,516	12,573			
7	Entertainment	542	54	5,781	592	
8	Retail & Non-Cash Gifts			23,283	1,160	
9	Parking					
10	Other	6,711	448	13,866	335	*
11	Total	2,313,444	$28,250	64,205	$4,502	

* Includes banquet gratuities on in-house events.

FOR THE THREE MONTHS ENDED __________________, 20__

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms				
2	Food				
3	Beverage				
4	Travel				
5	Bus Program Cash				
6	Other Cash Complimentaries				
7	Entertainment				
8	Retail & Non-Cash Gifts				
9	Parking				
10	Other				
11	Total	0	$0	0	$0

TRUMP TAJ MAHAL CASINO RESORT
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED MARCH 31, 2006

1. I have examined this Quarterly Report

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

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

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

5/15/2006
Date

James L. Wright

Director of Finance
Title

003507-11
License Number

On Behalf of:

TRUMP TAJ MAHAL CASINO RESORT
Casino Licensee

QUARTERLY REPORT

LICENSEE **TRUMP TAJ MAHAL CASINO RESORT**

FOR THE QUARTER ENDED MARCH 31, 2006

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006
(Unaudited)

NOTE 1 - GENERAL

Organization and Operations

Trump Taj Mahal Associates, a New Jersey Limited Liability Corporation ("Taj Associates" or the "Company") is 100% beneficially owned by Trump Entertainment Resorts Holdings, L.P. (formerly known as Trump Hotels & Casino Resorts Holdings, L.P.("THCR")), a Delaware Limited Partnership ("TER Holdings"). Trump Entertainment Resorts, Inc. (formerly known as Trump Hotels & Casino Resorts, Inc.), a Delaware corporation ("TER") currently beneficially owns an approximately 76.5% profits interest in TER Holdings, as both a general and limited partner, and Donald J. Trump ("Mr. Trump") owns directly and indirectly an approximately 23.5% profits interest in TER Holdings, as a limited partner. In addition TER Holdings beneficially wholly owns:

- Trump Plaza Associates, LLC ("Plaza Associates"), which owns and operates the Trump Plaza Hotel and Casino ("Trump Plaza"), located at the center of the Boardwalk in Atlantic City, New Jersey.

- Trump Marina Associates, LLC ("Marina Associates"), which owns and operates the Trump Marina Hotel Casino ("Trump Marina"), located in Atlantic City's marina district.

Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City, New Jersey hotel, casino and convention center complex. The Taj Mahal, Trump Plaza and Trump Marina are collectively referred to as the "Trump Atlantic City Properties." The Atlantic City market is very competitive and is anticipated to become more competitive in the future. Taj Associates derives its revenue from casino operations, room rental, food and beverage sales, and entertainment revenue.

The casino industry in Atlantic City is seasonal in nature with the peak season being the spring and summer months. Accordingly, results of operations for the three months ended March 31, 2006 and 2005 are not necessarily indicative of the operating results for a full year.

Reclassifications

Certain reclassifications and disclosures have been made to prior year financial statements in order to conform to the current year presentation.

NOTE 2- REORGANIZATION AND EMERGENCE FROM CHAPTER 11

On November 21, 2004, Trump Hotels & Casino Resorts, Inc. and its subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court"), as part of a pre-arranged plan of reorganization. While in bankruptcy, the Debtors continued to manage their properties and operate their businesses as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court.

On April 5, 2005, the Bankruptcy Court entered an order confirming the Second Amended and Restated Joint Plan of Reorganization, dated as of March 30, 2005, of the Debtors, as amended (the "Plan"). The Plan became effective on May 20, 2005 (the "Effective Date"), at which time all material conditions to the plan were satisfied and the Debtors emerged from chapter 11.

Basis of Presentation

The accompanying financial statements have been prepared pursuant to the rules and regulations of the Casino Control Commission of the State of New Jersey (the "CCC"). Accordingly, certain information and note disclosures normally included in financial statements prepared in conformity with accounting principles generally accepted in the United States have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in Taj Associates' December 31, 2005 Quarterly Report as filed with the CCC.

From the filing of the Debtors' chapter 11 petition to the Effective Date, THCR and its subsidiaries operated as debtors-in-possession under the jurisdiction of the Bankruptcy Court. Accordingly, Taj Associates financial statements for periods prior to its emergence from chapter 11 were prepared in accordance with the American Institute of Certified Public Accountants Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" ("SOP 90-7"). SOP 90-7 required the Company to report pre-petition liabilities that were subject to compromise separately on its balance sheet at an estimate of the amount that would ultimately be allowed by the Bankruptcy Court. SOP 90-7 also required separate reporting of certain expenses relating to the Debtors' chapter 11 filings as reorganization items.

Upon its emergence from chapter 11, the Company adopted fresh-start reporting in accordance with SOP 90-7. Under fresh-start reporting, a new entity was deemed to have been created for financial reporting purposes and the recorded amounts of assets and liabilities were adjusted to reflect their preliminary estimated fair values. The term, "Predecessor Company" refers to the Company for periods prior to and including May 19, 2005, and the term "Reorganized Company" refers to the Company for periods on and subsequent to May 20, 2005. As a result of the adoption of fresh-start reporting, the Reorganized Company's post-emergence financial statements are generally not comparable with the financial statements of the Predecessor Company prior to its emergence from bankruptcy, including the historical financial statements included in this quarterly report. Due to the adoption of fresh-start reporting, the Predecessor and Reorganized Company financial statements are prepared on different bases. See Note 5 for a condensed balance sheet showing the impact of fresh-start accounting at May 20, 2005.

Financial Reporting Under the Bankruptcy Code

From November 21, 2004 to May 19, 2005, the Company accounted for its operations under SOP 90-7. In accordance with SOP 90-7, certain expenses incurred and benefits realized by the Company during the bankruptcy period were recorded as reorganization expenses in the accompanying statements of income. Reorganization expenses also include professional fees and other expenses directly associated with the bankruptcy process.

The following table summarizes reorganization expense:

	Predecessor Company For the three months ended March 31, 2005
Professional fees and expenses	$ 10,000

NOTE 3 - LONG-TERM DEBT

Long-term debt consists of the following:

	Reorganized Company	Predecessor Company
	March 31, 2006	March 31, 2005
Note Payable - TER and TER Funding 8.5% Senior Secured Notes, due 2015 (a)	$ 575,000,000	$ —
Note Payable - TAC and TAC Funding 11.25% First Mortgage Notes, due 2006 (b)	—	800,000,000
Note Payable - TAC, TAC Funding II and TAC Funding III 11.25% First Mortgage Notes, due 2006 (b)	—	36,750,000
Capitalized lease obligations (c)	15,754,000	26,139,000
	590,754,000	862,889,000
Less: current maturities	(11,385,000)	(12,021,000)
Less: long-term debt, subject to compromise	—	(836,750,000)
	$ 579,369,000	$ 14,118,000

(a) In May 2005, TER and TER Funding, Inc., ("TER Funding"), a wholly owned subsidiary of TER issued $1,250,000,000 principal amount of 8.50% First Mortgage Notes due June 1, 2015 (the "TER Notes"). Interest on the TER Notes is payable semi-annually on each June 1 and December 1 commencing on May 20, 2005 initially payable December 1, 2005.

TER allocated $575,000,000 to Taj Associates with interest at 8.50%, due June 1, 2015 with the same terms as the TER Notes.

(b) In April 1996, Trump Atlantic City Associates ("TAC") and Trump Atlantic City Funding, Inc., a wholly owned subsidiary of TAC ("TAC Funding"), issued $1,200,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC I Notes"). On May 20, 2005, the TAC I Notes were cancelled as a result of the transaction described in Note 2.

In December 1997, TAC and Trump Atlantic City Funding II, Inc. ("TAC Funding II") issued $75,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC II Notes"). In December 1997, TAC and Trump Atlantic City Funding III, Inc. ("TAC Funding III") issued $25,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC III Notes" and together with the TAC I Notes and TAC II Notes, the "TAC Notes"). On May 20, 2005, the TAC II Notes and TAC III Notes were cancelled as a result of the transaction described in Note 2.

From the proceeds of the issuance of the TAC Notes, TAC loaned $800,000,000 and $36,750,000 to Taj Associates with interest at 11.25%, due May 1, 2006 with the same terms as the TAC Notes. The difference between the carrying value of the intercompany note (and related accrued interest) and the value received has been recorded as a gain on debt retirement in the period ended May 19, 2005. As this gain resulted from the bankruptcy recapitalization and, as such, was unusual and infrequent in nature, it has been reflected as an extraordinary loss pursuant to Accounting Principles Board Number 30, "Reporting the Results of Operations – Reporting the Effects of Disposal of a segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," and Financial Standards Board Statement Number 145, "Recission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Correction." Such gain is eliminated in the TAC consolidation.

(c) Interest on these leases are payable with interest rates ranging from 4.5% to 18.2%. The leases are due at various dates between 2006 and 2009 and are secured by the equipment financed.

The TER Notes are senior obligations of the issuers and are guaranteed on a senior basis by us on a joint and several basis, and rank senior in right of payment to the issuers' and our subordinated indebtedness. Notwithstanding the foregoing, because amounts borrowed under TER's Credit Agreement are secured by substantially all the assets of the issuers and the Guarantors on a priority basis, the TER Notes and the guarantees thereof are effectively subordinated to amounts borrowed under TER's Credit Agreement.

TER's various debt agreements restrict the ability of TER and its subsidiaries to make distributions or pay dividends unless certain financial ratios are achieved and to make distributions from TER Holdings to TER. In addition, the ability of the Company, Trump Marina or Trump Plaza to make payments to TER may be restricted by the CCC.

TER's Senior Secured Credit Facility

On May 20, 2005, TER and TER Holdings entered into an agreement for a $500,000,000 senior secured credit facility (the "Credit Agreement") with a group of lenders. Pursuant to the Credit Agreement, as amended, the lenders have agreed to provide TER Holdings (i) a revolving credit facility in the amount of $200,000,000, (ii) a single-draw term loan facility in the amount of $150,000,000, which was drawn on the Effective Date and (iii) a delayed draw term loan facility in the amount of $150,000,000, which may be drawn in multiple borrowings through November 20, 2006. The TER Credit Agreement also includes a sub-facility for letters of credit in an amount of up to $70,000,000. At March 31, 2006, TER had outstanding letters of credit of $40,000,000 under the Credit Agreement.

Proceeds from the term loans may be utilized to (i) pay off amounts outstanding under the debtor-in-possession financing, which occurred on the Effective Date, (ii) fund the construction of a new tower at the Trump Taj Mahal, (iii) pay fees and expenses in connection with our restructuring, and (iv) provide for ongoing working capital and general corporate needs; provided that $150,000,000 of the term loan is restricted to fund construction of the new tower at the Trump Taj Mahal. The Credit Facility may be used to fund ongoing working capital requirements of TER Holdings and its subsidiaries and other general corporate purposes. The revolving credit facility matures on May 20, 2010. The term loan matures on May 20, 2012, and must be repaid during the final year of such loans in equal quarterly amounts, subject to amortization of approximately 1.0% per year prior to the final year.

Borrowings under the Credit Agreement are secured by a first priority security interest on substantially all the assets of TER Holdings and its subsidiaries. TER Holdings' obligations under the Credit Agreement are guaranteed by TER and each of its direct and indirect subsidiaries. TER and its subsidiaries are subject to a number of affirmative and negative covenants and must comply with certain financial covenants. Such financial covenants include maintenance of a leverage ratio of 8.75 to 1, a lien coverage ratio of 2.25 to 1 and an interest coverage ratio of 1.35 to 1. TER was in compliance with such covenants as of March 31, 2006.

NOTE 4 - INCOME TAXES

The accompanying financial statements do not include a provision for federal income taxes since the Predecessor Company is a partnership for federal income tax purposes and the Reorganized Company is a division of TER Holdings, which is taxed as a partnership, for federal income tax purposes. Therefore, the Predecessor Company's income and losses are allocated and reported for federal income tax purposes by its partners and the Reorganized Company's income and losses are allocated and reported for federal income tax purposes by TER Holdings' partners.

The state income tax provision attributable to income (loss) from continuing operations before income taxes is as follows:

	Reorganized Company	Predecessor Company
	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
Current expense	$ 559,000	$ 615,000
Deferred expense	----	----
Non-Cash Charge in lieu of taxes	317,000	----
	$ 876,000	$ 615,000

The current income tax provision reflects the utilization of net operating loss carryforwards and the deferred income tax provision reflects the impact of changes to the valuation allowances. The non-cash charge in lieu of taxes represents the utilization of pre-reorganization tax benefits that are reflected as a reduction to goodwill. Predecessor Company net operating losses utilized to offset taxable income of the Reorganized Company are recorded in our provision for income taxes as a non-cash charge in lieu of taxes and as a reduction to goodwill, if available, and then to other intangible assets and additional paid-in-capital to the extent goodwill would be reduced to zero. For the three months ended March 31, 2006, our goodwill has been reduced by $317,000 for our non-cash charge in lieu of taxes.

State income taxes for Taj Associates' New Jersey operations are computed under the alternative minimum assessment method. Taj Associates believes it is exempt from these taxes and, as such, have not remitted payments of the amounts provided. The New Jersey Division of Taxation has issued an assessment to collect the unpaid taxes for the tax years 2002 and 2003. At March 31, 2006, Taj Associates has accrued $8,855,000 for taxes and interest relating to this alternative minimum tax assessment for 2002 and 2003, as well as the open years 2004, 2005 and 2006. Taj Associates is currently in discussions with the New Jersey Division of Taxation.

Taj Associates is currently involved in examinations with the IRS concerning our federal partnership income tax returns for the tax years 2002 and 2003. While any adjustments resulting from this examination could affect our specific state income tax returns, we do not believe that adjustments, if any, will have a material adverse effect on our financial condition or results of operations.

NOTE 5 - FRESH-START REPORTING

TER and its subsidiaries adopted fresh-start reporting upon its emergence from chapter 11 on the Effective Date in accordance with SOP 90-7. TER and its subsidiaries are required to apply the fresh-start provisions of SOP 90-7 to its financial statements because (i) the reorganization value of the assets of the emerging entity immediately before the date of confirmation was less than the total of all post-petition liabilities and allowed claims and (ii) the holders of existing voting shares of THCR Common Stock immediately before confirmation (i.e., the holders of shares of the common stock of the Predecessor Company (the "Old Common

Stock") that were issued and outstanding prior to the commencement of the chapter 11 proceedings) received less than 50 percent of the voting shares of the emerging entity. Under SOP 90-7, application of fresh-start reporting is required on the date on which the plan of reorganization is confirmed by a bankruptcy court, but SOP 90-7 further provides that fresh-start reporting should not be applied until all material conditions are satisfied. All material conditions to the Plan were satisfied as of May 20, 2005.

The Company and TER have elected to apply "push-down" accounting with regard to the impact of fresh-start reporting on subsidiary financial statements. Fresh-start reporting requires that the Company adjust the historical cost of its assets and liabilities to their fair value as determined by the reorganization value of the Company as set forth in the Plan. Furthermore, the reorganization value must be allocated among the reorganized entity's net assets in conformity with procedures specified by Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations" ("SFAS 141"). TER had engaged an independent appraiser to assist TER in the allocation of reorganization value under the Plan to TER's assets and liabilities including Trump Taj Mahal. The Company used the independent appraiser's analysis and other information to make the allocations as of the Effective Date. The Company's intangibles include trademarks (including a perpetual, exclusive royalty-free license of the "Trump" name and certain derivatives thereof, subject to certain terms and conditions), customer relationships, leasehold interests and goodwill. The adoption of fresh-start reporting resulted in the following adjustments to the Company's balance sheet as of May 20, 2005:

	Predecessor Company May 20, 2005	Reorganization of Debt and Equity (1)	Fresh Start Adjustments (2)	Reorganized Company May 20, 2005
		(In thousands)		
Assets				
Current Assets:				
Cash and cash equivalents	$ 43,496	$ —	$ —	$ 43,496
Receivable, net	19,467	—	—	19,467
Other current assets	12,134	—	837	12,971
Total current assets	75,097	—	837	75,934
Property and equipment, net	821,800	—	(49,356)	772,444
Other assets	24,435	—	7,346	31,781
Intangible assets	—	—	186,506	186,506
TOTAL ASSETS	$ 921,332	$ —	$ 145,333	$ 1,066,665
LIABILITIES AND EQUITY (DEFICIT)				
CURRENT LIABILITIES:				
Current maturities of long-term debt	$ 12,449	$ —	$ —	$ 12,449
Accounts Payable and accrued expenses	42,724	—	—	42,724
Due to affiliates, net	47	—	—	47
Accrued interest payable	89,102	(89,102)	—	—
TOTAL CURRENT LIABILITIES	144,322	(89,102)	—	55,220
NON-CURRENT LIABILITIES				
Long-term debt, net of current maturities	849,489	(261,750)	—	587,739
Deferred income taxes	—	—	17,383	17,383
Other long-term liabilities	400	—	—	400
TOTAL LIABILITIES	994,211	(350,852)	17,383	660,742
PARTNERS'/OWNER'S EQUITY (DEFICIT)				
Predecessor Company	(72,879)	72,879	—	—
Reorganized Company	—	277,973	127,950	405,923
Partners'/owner's equity (deficit)	(72,879)	350,852	127,950	405,923
TOTAL LIABILITIES AND PARTNERS'/OWNER'S EQUITY (DEFICIT)	$ 921,332	$ —	$ 145,333	$ 1,066,665

(1) To record the reorganization of debt and equity in accordance with the Plan, including the discharge of pre-petition liabilities comprised principally of $261,750 million of TAC Notes and $54,329 of accrued interest thereon.

(2) To adjust the carrying value of assets, liabilities and partners'/owner's equity to fair value, and record on the Reorganized Company other intangibles in accordance with the fresh-start reporting requirements of SOP 90-7.

Accordingly, the Company recorded the following as intangible assets at May 20, 2005:

Trademarks	$	81,000,000
Customer Relationships		7,000,000
Goodwill		98,040,000
Leasehold Interests		466,000
Total	$	186,506,000

Customer Relationships and Leasehold Interests are being amortized on a straight-line basis over a period of seven years and one year, respectively, and are included in depreciation and amortization in the accompanying statement of operations. The trademarks have an indefinite life; accordingly, trademarks are not subject to periodic amortization but are reviewed annually for impairment. Goodwill is reviewed annually for impairment.

Net reorganization fresh start gain as of May 20, 2005 consisted of the following:

Net gain resulting from reorganization of debt and equity	$	143,353,000
Net gain resulting from fresh start value adjustments to assets and liabilities		104,797,000
Net fresh start reorganization gain	$	248,150,000

The extraordinary gain from the reorganization of debt relates to the settlement of long-term debt and accrued interest at an amount less than the historical recorded value. As this gain resulted from the bankruptcy recapitalization and as such was unusual and infrequent in the nature, it has been reflected as an extraordinary gain pursuant to Accounting Principles Board Number 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," and Financial Standards Board Statement Number 145, "Rescission of FASB Statements No. 4, 41, and 62, Amendment of FASB Statement No. 13, and Technical Corrections."

NOTE 6 - TRANSACTIONS WITH AFFILIATES

Taj Associates has engaged in certain transactions with Mr. Trump and entities that are wholly or partially owned by Mr. Trump. Amounts receivable/(payable) at March 31 are as follows:

	March 31, 2006		March 31, 2005	
Marina Associates	$	35,000	$	75,000
Plaza Associates		(65,000)		49,000
Trump Indiana, Inc.		---		(21,000)
Trump Administration		(2,059,000)		(3,969,000)
Trump Casino Holdings, LLC		---		23,000
Trump Entertainment Resorts		48,000		---
	$	(2,041,000)	$	(3,843,000)

Taj Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities that are affiliates of Mr. Trump. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance and payroll costs as well as complimentary services offered to customers.

Trump Taj Mahal Associates Administration, a separate division of Taj Associates ("Trump Administration") was formed for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to Taj Associates, Plaza Associates and Marina Associates. Management believes that Trump Administration's services will continue to result in substantial cost savings and operational synergies.

NOTE 7 - PARTNER'S/OWNER'S CAPITAL

Partnership/Owner's Distribution

Pursuant to the indentures governing the TER Notes, Taj Associates is permitted to reimburse TER for its operating and interest expenses. During the three months ended March 31, 2006 Taj Associates declared cash partnership distributions to TER of $2,080,000 consisting of operating and interest expense reimbursements.

Pursuant to the indentures governing the TAC Notes, TAC was permitted to reimburse THCR for its operating and interest expenses. These reimbursements were subject to limitations set forth in such indentures, including an annual limitation of $10,000,000 in operating expense reimbursements and a life-time limitation of $50,000,000 in interest expense reimbursements. As such, TAC's subsidiaries, Taj Associates and Plaza Associates were permitted to reimburse TAC for its interest expenses and operating expense reimbursements to THCR. During the three months ended March 31, 2005, Taj Associates declared cash partnership distributions to TAC of $5,916,000, consisting of operating expense reimbursements as well as cash to fund the payment by TAC of other expenses which were principally transaction costs related to the Plan.

NOTE 8 - NON-OPERATING INCOME (EXPENSE)

Non-operating income (expense) for the three months ended March 31, 2006 and 2005 consists of:

	2006	2005
Interest income	$ 579,000	$ 253,000
Reorganization expense	---	(10,000)
	$ 579,000	$ 243,000

See Notes 2 and 5 for additional disclosure and discussion.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Chapter 11 Cases

Although the Company has emerged from bankruptcy, the Company is still in the process of resolving various claims and other litigation in connection with the Plan, which may continue for the foreseeable future.

401(k) Plan Participant Litigation

On February 8, 2005, certain individuals filed a complaint in the United States District Court for the District of New Jersey, Camden Division, against certain persons and organizations that included members of the Trump Capital Accumulation Plan Administrative Committee. In their complaint, the plaintiffs allege, among other things, that such persons and organizations, who were responsible for managing the Trump Capital Accumulation Plan, breached their fiduciary duties owed to the plan participants when THCR Common Stock held in employee accounts was allegedly sold without participant authorization if the participant did not willingly sell such shares by a specified date in accordance with the plan. The plaintiffs brought this suit under the Employee Retirement Income Security Act of 1974 on behalf of themselves and certain other plan participants and beneficiaries and sought to have the court certify their claims as a class action. In their complaint, the plaintiffs also sought, among other things, damages for losses suffered by certain accounts of affected plan participants as a result of such allegedly improper sale of THCR Common Stock and reasonable costs and attorneys' fees. The parties have commenced discovery, which is ongoing in this matter. At this time, the Company cannot predict the outcome of such litigation or its effect on the Company's business.

Other Litigation

In addition to the foregoing, Taj Associates and certain of its employees are involved from time to time in other legal proceedings arising in the ordinary course of the Company's business. While any proceeding or litigation contains an element of uncertainty, management believes that the final outcomes of these other matters are not likely to have a material adverse effect on the Company's results of operations or financial condition. In general, the Company has agreed to indemnify its employees and its directors against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in any legal proceedings absent a showing of such persons' gross negligence or malfeasance.