

# News



New Jersey  
**Office of the Attorney General**

NEW JERSEY DEPARTMENT OF LAW & PUBLIC SAFETY

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**Division of Gaming Enforcement**

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## **DGE Announces Quarterly and Year-To-Date Results**

**For Immediate Release:**

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ATLANTIC CITY —

### **Casino Licensees Financial Results:**

According to financial reports filed with the Division of Gaming Enforcement (DGE), the casino licensees' Net Revenue increased 6.4% to \$2,202.1 million, and Gross Operating Profit for the industry decreased 9.3% for the nine months ended September 2018 to \$508.7 million.

### **Third Party Business Sales:**

Sales from third party businesses increased 5.5% to \$162.1 million for the nine months ended September 2018.

### **Hotel Occupancy:**

The occupancy rate in the industry's casino hotels for the nine months ended September 2018 was 84.1%, which is 5.1 percentage points lower than the comparable period last year.

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

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

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

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

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

Notes:

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

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

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

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

	Net Revenue			Gross Operating Profit		
	2018	2017	Variance	2018	2017	Variance
<b>Casino Hotels:</b>						
Bally's AC	67,001	68,959	-2.8%	18,395	18,301	0.5%
Borgata (a)	235,186	245,930	-4.4%	63,181	80,739	-21.7%
Caesars (b)	84,962	90,754	-6.4%	28,674	29,423	-2.5%
Golden Nugget (a)	67,641	65,145	3.8%	13,648	12,804	6.6%
Hard Rock (a)(d)	100,563	-	N/A	8,262	-	N/A
Harrah's	113,637	117,984	-3.7%	35,935	38,049	-5.6%
Ocean Resort (e)	77,938	-	N/A	1,429	-	N/A
Resorts Casino (c)	48,952	52,794	-7.3%	9,187	10,771	-14.7%
Tropicana (a)	107,438	113,138	-5.0%	31,841	46,194	-31.1%
<b>Internet Gaming Only:</b>						
CIENJ (b)	8,115	9,069	-10.5%	1,161	3,788	-69.4%
Resorts Digital (c)	8,466	17,420	-51.4%	2,030	12,183	-83.3%
<b>Industry Total</b>	<b>\$ 919,899</b>	<b>\$ 781,193</b>	<b>17.8%</b>	<b>\$ 213,743</b>	<b>\$ 252,252</b>	<b>-15.3%</b>

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

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

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

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

(e) Ocean Resort commenced operations (soft play period on June 25, 2018). Ocean Resort opened to the public June 27, 2018. Internet gaming operations commenced on July 10, 2018.

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

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

	Net Revenue			Gross Operating Profit		
	2018	2017	Variance	2018	2017	Variance
<b>Casino Hotels:</b>						
Bally's AC	173,393	178,094	-2.6%	36,386	34,267	6.2%
Borgata (a)	635,486	665,315	-4.5%	161,238	209,334	-23.0%
Caesars (b)	227,409	250,048	-9.1%	65,883	75,506	-12.7%
Golden Nugget (a)	191,388	176,555	8.4%	37,868	29,769	27.2%
Hard Rock (a)(d)	105,098	-	N/A	5,592	-	N/A
Harrah's	320,353	318,538	0.6%	95,893	88,237	8.7%
Ocean Resort (e)	82,704	-	N/A	2,722	-	N/A
Resorts Casino (c)	132,415	136,364	-2.9%	19,924	20,307	-1.9%
Tropicana (a)	287,897	290,799	-1.0%	74,595	81,447	-8.4%
<b>Internet Gaming Only:</b>						
CIENJ (b)	23,560	22,764	3.5%	6,997	7,960	-12.1%
Resorts Digital (c)	22,441	30,733	-27.0%	1,606	14,063	-88.6%
Industry Total	<u>\$ 2,202,144</u>	<u>\$ 2,069,210</u>	6.4%	<u>\$ 508,704</u>	<u>\$ 560,890</u>	-9.3%

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

<b>CASINO</b>	<b>NUMBER OF GUEST ROOMS IN PROPERTY*</b>	<b>NUMBER OF AVAILABLE ROOM NIGHTS</b>	<b>NUMBER OF OCCUPIED ROOM NIGHTS</b>	<b>OCCUPANCY RATE</b>	<b>AVERAGE RATE PER OCCUPIED ROOM</b>
Bally's AC	1,214	114,833	110,150	95.9%	\$127.17
Borgata	2,767	254,564	240,788	94.6%	188.85
Caesars	1,141	104,972	102,599	97.7%	165.61
Golden Nugget	717	65,902	54,512	82.7%	92.22
Hard Rock	1,971	181,332	117,539	64.8%	126.71
Harrah's	2,587	231,306	212,127	91.7%	139.48
Ocean Resort	1,395	128,224	111,256	86.8%	152.30
Resorts	942	86,664	84,854	97.9%	99.72
Tropicana	2,366	217,672	188,391	86.5%	180.32
<b>INDUSTRY TOTAL</b>	<b>15,100</b>	<b>1,385,469</b>	<b>1,222,216</b>	<b>88.2%</b>	<b>\$151.66</b>

\* Number of guest rooms at end of quarter

**ATLANTIC CITY CASINO INDUSTRY  
HOTEL STATISTICS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**

<b>CASINO</b>	<b>NUMBER OF GUEST ROOMS IN PROPERTY*</b>	<b>NUMBER OF AVAILABLE ROOM NIGHTS</b>	<b>NUMBER OF OCCUPIED ROOM NIGHTS</b>	<b>OCCUPANCY RATE</b>	<b>AVERAGE RATE PER OCCUPIED ROOM</b>
Bally's AC	1,214	341,264	294,904	86.4%	\$110.81
Borgata	2,767	755,391	662,027	87.6%	181.22
Caesars	1,141	311,185	270,696	87.0%	147.86
Golden Nugget	717	195,498	150,365	76.9%	86.23
Hard Rock	1,971	187,245	120,878	64.6%	127.33
Harrah's	2,587	692,879	583,337	84.2%	125.77
Ocean Resort	1,395	132,421	115,152	87.0%	151.56
Resorts	942	248,076	221,371	89.2%	93.11
Tropicana	2,366	624,892	515,535	82.5%	144.77
<b>INDUSTRY TOTAL</b>	<b>15,100</b>	<b>3,488,851</b>	<b>2,934,265</b>	<b>84.1%</b>	<b>\$138.74</b>

\* Number of guest rooms at end of quarter