

TRUMP ENTERTAINMENT RESORTS, INC.

Form 10-Q

August 15, 2005

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

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x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: **June 30, 2005**

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **1-13794**

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**TRUMP ENTERTAINMENT RESORTS, INC.**

(Exact name of registrant as specified in its charter)

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**DELAWARE**  
(State or other jurisdiction of  
incorporation or organization)

**13-3818402**  
(I.R.S. Employer  
Identification No.)

1000 Boardwalk

Atlantic City, New Jersey  
(Address of principal executive offices)

08401  
(Zip Code)

(609) 449-6515

(Registrant's telephone number, including area code)

Trump Hotels & Casino Resorts, Inc.

(Former name, former address and former fiscal year, if changed since last report)

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## TRUMP ENTERTAINMENT RESORTS HOLDINGS, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction)

33-90786  
(Commission File Number)

13-3818407  
(I.R.S. Employer

of incorporation)

Identification No.)

1000 Boardwalk at Virginia Avenue

Atlantic City, New Jersey  
(Address of principal executive offices)

08401  
(Zip Code)

609-449-6515

(Registrant's telephone number, including area code)

Trump Hotels & Casino Resorts Holdings, L.P.

(Former name, former address and former fiscal year, if changed since last report)

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## TRUMP ENTERTAINMENT RESORTS FUNDING, INC.

(Exact name of registrant as specified in its charter)

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**DELAWARE**  
(State or other jurisdiction)

**33-90786-01**  
(Commission File Number)

**13-3818405**  
(I.R.S. Employer  
Identification No.)

of incorporation)

**1000 Boardwalk at Virginia Avenue**

**Atlantic City, New Jersey**  
(Address of principal executive offices)

**08401**  
(Zip Code)

**609-449-6515**  
(Registrant's telephone number, including area code)

**Trump Hotels & Casino Resorts Funding, Inc.**

((Former name, former address and former fiscal year, if changed since last report))

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No "

Indicate by check mark whether the registrant is an accelerated filer (as defined by Rule 12b-2 of the Exchange Act). Yes "No x

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes xNo "

As of August 12, 2005, there were 27,074,317 shares of common stock and 900 shares of class B common stock (having a voting equivalency of 9,377,484 shares of common stock) of Trump Entertainment Resorts, Inc. outstanding.

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**TRUMP ENTERTAINMENT RESORTS**  
**TRUMP ENTERTAINMENT RESORTS HOLDINGS, L.P.**  
**AND**  
**TRUMP ENTERTAINMENT RESORTS FUNDING, INC.**

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**Table of Contents****TRUMP ENTERTAINMENT RESORTS, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2004 (PREDECESSOR COMPANY) AND JUNE 30, 2005 (REORGANIZED COMPANY)**

(dollars in thousands, except share data)

|  | Predecessor<br>Company | Reorganized<br>Company |
|--|------------------------|------------------------|
|  | December 31, 2004      | June 30, 2005          |
|  |                        | (unaudited)            |
| <b>ASSETS</b>  |                        |                        |
| <b>CURRENT ASSETS:</b>                                 |                        |                        |
| Cash and cash equivalents                              | \$ 104,298             | \$ 116,246             |
| Receivables, net                                       | 42,580                 | 36,896                 |
| Inventories  | 11,575                 | 11,860                 |
| Prepaid expenses and other current assets              | 12,337                 | 18,837                 |
| <b>Total Current Assets</b>                            | <b>170,790</b>         | <b>183,839</b>         |
| PROPERTY AND EQUIPMENT, NET                            | 1,700,311              | 1,489,484              |
| INVESTMENT IN BUFFINGTON HARBOR, LLC                   | 27,433                 | 44,331                 |
| <b>OTHER ASSETS:</b>                                   |                        |                        |
| World's Fair Land                                      | 17,921                 |                        |
| Intangible assets                                      |                        | 468,386                |
| Deferred bond and loan issuance costs                  | 8,895                  | 21,468                 |
| Other assets   | 58,405                 | 67,220                 |
| <b>Total other assets</b>                              | <b>85,221</b>          | <b>557,074</b>         |
| <b>TOTAL ASSETS</b>                                    | <b>\$ 1,983,755</b>    | <b>\$ 2,274,728</b>    |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>  |                        |                        |
| <b>CURRENT LIABILITIES:</b>                            |                        |                        |
| Current maturities of long-term debt                   | \$ 67,692              | \$ 30,262              |
| Accounts payable and accrued expenses                  | 107,756                | 143,601                |
| Income taxes payable                                   | 35,438                 | 54,545                 |
| Due to affiliates, net                                 | 3,305                  | 2,069                  |
| Accrued interest payable                               |                        | 12,699                 |
| Accrued interest payable, subject to compromise        | 103,912                |                        |
| <b>Total current liabilities</b>                       | <b>318,103</b>         | <b>243,176</b>         |
| <b>NON-CURRENT LIABILITIES:</b>                        |                        |                        |
| Long-term debt, net of current maturities              | 31,821                 | 1,426,952              |
| Long-term debt, subject to compromise                  | 1,779,555              |                        |
| Long-term debt, related parties, subject to compromise | 16,367                 |                        |
| Other long-term liabilities                            | 23,622                 | 24,256                 |

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|   |                     |                     |
|---|---------------------|---------------------|
| Total non-current liabilities   | 1,851,365           | 1,451,208           |
| <b>TOTAL LIABILITIES</b>  | <b>2,169,468</b>    | <b>1,694,384</b>    |
| Minority Interest   |                     | 136,380             |
| COMMITMENTS AND CONTINGENCIES   |                     |                     |
| STOCKHOLDERS EQUITY (DEFICIT):  |                     |                     |
| Preferred stock, \$1.00 par value, 1,000,000 shares authorized, none issued   |                     |                     |
| Common Stock, \$0.01 par value, 75,000,000 shares authorized, 29,904,764 issued and outstanding at December 31, 2004; \$0.001 par value, 75,000,000 shares authorized, 27,038,768 issued and outstanding at June 30, 2005 | 321                 | 27                  |
| Class B Common Stock, \$0.01 par value, 1,000 shares authorized, issued and outstanding at December 31, 2004; \$0.001 par value, 900 shares authorized, issued and outstanding at June 30, 2005                           |                     |                     |
| Additional Paid in Capital  | 470,566             | 451,553             |
| Accumulated Deficit   | (636,400)           | (7,616)             |
| Less treasury stock at cost, 2,196,729 shares at December 31, 2004  | (20,200)            |                     |
| <b>TOTAL STOCKHOLDERS EQUITY (DEFICIT)</b>  | <b>(185,713)</b>    | <b>443,964</b>      |
| <b>TOTAL LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS EQUITY (DEFICIT)</b>   | <b>\$ 1,983,755</b> | <b>\$ 2,274,728</b> |

See accompanying notes.

**Table of Contents****TRUMP ENTERTAINMENT RESORTS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****FOR THE THREE MONTHS ENDED JUNE 30, 2004 (PREDECESSOR COMPANY),****THE PERIOD APRIL 1, 2005 TO MAY 19, 2005 (PREDECESSOR COMPANY)****AND MAY 20, 2005 TO JUNE 30, 2005 (REORGANIZED COMPANY)****(unaudited)****(dollars in thousands, except share data)**

|  | <b>Predecessor<br/>Company</b>                      |  | <b>Reorganized<br/>Company</b>               |
|--|---|--|--|
|  | <b>Three Months<br/>Ended<br/>June 30,<br/>2004</b> | <b>April 1, 2005<br/>to<br/>May 19, 2005</b> | <b>May 20, 2005<br/>to<br/>June 30, 2005</b> |
| <b>REVENUES:</b>                             |   |  |  |
| Gaming                                       | \$ 305,861  | \$ 161,428                                   | \$ 140,114                                   |
| Rooms  | 20,226  | 10,305                                       | 9,109  |
| Food and beverage                            | 33,200  | 17,073                                       | 15,566                                       |
| Other  | 10,740  | 4,924  | 5,284  |
|  | <u>370,027</u>                                      | <u>193,730</u>                               | <u>170,073</u>                               |
| Gross revenues                               | 370,027   | 193,730                                      | 170,073                                      |
| Less Promotional allowances                  | 79,015  | 44,312                                       | 38,606                                       |
|  | <u>291,012</u>                                      | <u>149,418</u>                               | <u>131,467</u>                               |
| Net Revenues                                 | 291,012   | 149,418                                      | 131,467                                      |
| <b>COSTS AND EXPENSES:</b>                   |   |  |  |
| Gaming                                       | 141,445   | 76,608                                       | 67,174                                       |
| Rooms  | 7,576   | 3,989  | 3,382  |
| Food and beverage                            | 12,664  | 6,232  | 5,715  |
| General and administrative                   | 65,798  | 34,991                                       | 31,721                                       |
| General and administrative-related party     | 1,156   | 235  | 8,385  |
| Depreciation and amortization                | 24,636  | 13,710                                       | 7,443  |
| Reorganization (income) expense (See Note 2) |   | (166,398)                                    | 1,940  |
|  | <u>253,275</u>                                      | <u>(30,633)</u>                              | <u>125,760</u>                               |
| Income from operations                       | 37,737  | 180,051                                      | 5,707  |
| <b>NON-OPERATING INCOME AND (EXPENSE):</b>   |   |  |  |
| Interest income                              | 270   | 412  | 243  |
| Interest expense                             | (56,930)  | (31,264)                                     | (14,645)                                     |
| Interest expense related party               | (747)   | (628)  |  |
| Other non-operating income, net              | 2,752   | 23   | 169  |



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|  |          |          |          |
|--|----------|----------|----------|
| Non-operating expense, net   | (54,655) | (31,457) | (14,233) |
| Income (loss) before equity in loss from Buffington Harbor, LLC, provision for income taxes, discontinued operations, extraordinary item and minority interest | (16,918) | 148,594  | (8,526)  |
| Equity in loss from Buffington Harbor, LLC   | (613)    | (326)    | (278)    |
| Income (loss) before income taxes, discontinued operations, extraordinary item and minority interest   | (17,531) | 148,268  | (8,804)  |
| Provision for income taxes   | (2,090)  | (21,423) | (1,152)  |
| Income (loss) from continuing operations   | (19,621) | 126,845  | (9,956)  |
| Income from discontinued operations of Trump 29  | 2,057    |          |          |
| Extraordinary gain on extinguishment of debt   |          | 196,932  |          |
| Minority interest  |          |          |          |