

TILE SHOP HOLDINGS, INC.
Form 10-Q
November 06, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2013

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: 001-35629

TILE SHOP HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware **45-5538095**
(State or other jurisdiction of (I.R.S. Employer
incorporation) Identification No.)

14000 Carlson Parkway
Plymouth, Minnesota **55441**
(Address of principal executive offices) (Zip Code)

(763) 852-2901

(Registrant's telephone number, including area code)

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. x Yes " No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). x Yes " No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of November 1, 2013 there were 51,192,624 shares of the registrant’s common stock, par value \$0.0001 per share, outstanding.

TILE SHOP HOLDINGS, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

Tile Shop Holdings, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(in thousands, except per share amounts)

	September 30, 2013 (unaudited)	December 31, 2012 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,850	\$ 2,987
Restricted cash	2,133	-
Trade receivables, net	1,414	1,009
Inventories	71,863	46,890
Prepaid inventory	5,197	6,051
Prepaid expenses	1,491	2,017
Income tax receivable	3,246	2,529
Deferred tax assets - current	10,523	9,364
Other current assets, net	1,090	966
Total Current Assets	100,807	71,813
Property, plant and equipment, net	112,853	82,080
Deferred tax assets	19,735	20,865
Other assets, net	2,363	1,316
TOTAL ASSETS	\$ 235,758	\$ 176,074
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 25,656	\$ 14,968
Current portion of long-term debt	3,590	3,860
Accrued wages and salaries	3,194	2,912
Other accrued liabilities	9,808	7,734
Income tax payable	-	-
Current portion of capital lease obligation	269	234
Deferred compensation	-	6,171
Total Current Liabilities	42,517	35,879
Long-term debt, net	86,521	69,310
Capital lease obligation, net	1,232	1,420

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Deferred rent	23,130	18,583
Warrant liability	-	95,645
Other long-term liabilities	4,553	-
TOTAL LIABILITIES	157,953	220,837
Stockholders' equity:		
Common stock, par value \$0.0001; authorized: 100,000,000 shares; issued: 51,176,278 and 43,177,822 shares outstanding	5	4
Preferred stock, par value \$.0001; authorized: 10,000,000 shares; issued: 0 shares	-	-
Additional paid-in-capital	169,084	9,434
Accumulated deficit	(91,284	) (54,201
Total stockholders' equity	77,805	(44,763
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 235,758	\$ 176,074

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Tile Shop Holdings, Inc. and Subsidiaries

Condensed Consolidated Statements of Income

(in thousands, except per share amounts)

(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Net sales	\$ 56,800	\$ 44,288	\$ 171,758	\$ 136,463
Cost of sales	16,986	12,196	50,705	37,025
Gross profit	39,814	32,092	121,053	99,438
Selling, general and administrative expenses	32,207	23,899	90,951	68,605
Deferred compensation expense	-	2,624	-	3,897
Income from operations	7,607	5,569	30,102	26,936
Interest expense	780	450	1,869	626
Change in fair value of warrants	-	41,707	54,219	41,707
Other (expense) income	(20	) 1	(61	) 23
Income (loss) before income taxes	6,807	(36,587	) (26,047	) (15,374
(Provision for) benefit from income taxes	(2,757	) 4,723	(11,036	) 4,299
Net income (loss)	\$ 4,050	\$ (31,864	) \$ (37,083	) \$ (11,075
Earnings (loss) per common share:				
Basic	\$ 0.08	\$ (0.87	) \$ (0.75	) \$ (0.33
Diluted	\$ 0.08	\$ (0.87	) \$ (0.75	) \$ (0.33
Weighted average shares outstanding:				
Basic	50,911,104	36,581,888	49,129,577	33,544,079
Diluted	51,892,028	36,581,888	49,129,577	33,544,079
Pro forma computation related to conversion to C Corporation for income tax purposes				
Historical loss before income taxes	\$	\$ (36,587	) \$ -	\$ (15,374
Pro forma provision for income taxes	-	(2,150	) -	(11,060
Pro forma net loss	\$	\$ (38,737	) \$ -	\$ (26,434

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Tile Shop Holdings, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	Nine months ended September 30,	
	2013	2012
Cash Flows From Operating Activities		
Net (loss)	\$ (37,083	) \$ (11,075)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Amortization of debt issuance costs	97	-
Depreciation and amortization	10,154	7,543
Loss on disposals of property, plant and equipment	76	6
Change in fair value of warrants	54,219	41,707
Deferred rent	4,547	2,168
Stock based compensation	3,391	263
Deferred compensation expense	-	3,897
Deferred income taxes	(28	) (5,300)
Changes in operating assets and liabilities:		
Trade receivables	(406	) (358)
Inventories	(24,973	) 3,082
Prepaid expenses and other current assets	1,430	(3,715)
Accounts payable	6,064	4,721
Accrued interest	102	-
Income tax receivable/ payable	(717) -
Accrued expenses and other liabilities	(3,839	) (1,399)
Net cash provided by operating activities	13,034	41,540
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	(36,377	) (16,187)
Restricted cash	-	(1,000)
Net cash used in investing activities	(36,377	) (17,187)
Cash Flows From Financing Activities		
Release of restricted cash	1,323	-
Payments of long-term debt and capital lease obligations	(38,738	) (1,703)
Proceeds from long-term debt	55,526	-
Distributions to members	-	(26,306)
Cash received in merger with JWC Acquisition Corp		62,904
Proceeds from issuance of common shares to JWC Acquisition Corp's shareholders	-	15,000
Payment to members of Tile Shop LLC for contribution		(75,000)
Repurchase of warrants	(30,108) -

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Repurchase of common units	(46,000)	-
Proceeds from exercise of warrants	82,413		599
Proceeds from exercise of stock options	90		
Payment toward special cash distribution units	-		(300)
Expense for recapitalization	-		(1,075)
Debt issuance costs	(300)	-
Receipt on note from member	-		1,205
Net cash provided by (used in) financing activities	24,206		(24,676)
Net change in cash	863		(323)
Cash and cash equivalents beginning of period	2,987		6,283
Cash and cash equivalents end of period	\$ 3,850		\$ 5,960
Non cash items			
Reclassification of warrants from liability to equity	\$ 149,865		\$ -
Issuance of promissory note as part of merger transaction	\$ -		\$ 69,771
Purchases of property, plant and equipment included in accounts payable and accrued expenses	\$ 4,625		\$ -
Increase in long-term liabilities and restricted cash, net of debt issuance costs (Note 11)	\$ 3,465		\$ -

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Tile Shop Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(unaudited)

Note 1: Organization and Nature of Business

The Tile Shop, LLC (“The Tile Shop”) was formed on December 30, 2002, as a Delaware limited liability company and began operations on January 1, 2003. Tile Shop Holdings, Inc. (“Holdings,” and together with its wholly owned subsidiaries, the “Company”) is incorporated under the laws of the state of Delaware.

The Company is engaged in the sale of tile and flooring products. The Company also fabricates or manufactures setting and maintenance materials in Michigan, Wisconsin, Virginia and Oklahoma. The Company’s primary market is retail sales to consumers; however, the Company does have sales to contractors. As of September 30, 2013, the Company had 80 stores and an on-line retail operation. The retail stores are located in Minnesota, Wisconsin, Kansas, Illinois, Michigan, Ohio, Indiana, Maryland, Missouri, Kentucky, New York, Virginia, Iowa, North Carolina, New Jersey, Tennessee, Nebraska, Delaware, Georgia, Pennsylvania, Florida, Massachusetts, Rhode Island, South Carolina, Texas and Colorado. The Company also has distribution centers located in Wisconsin, Michigan, Virginia and Oklahoma.

The consolidated financial statements of the Company include the accounts of its wholly owned subsidiaries, and variable interest entities. See Note 11, “New Market Tax Credit Entities” (NMTC) for the discussion of financing arrangements involving certain entities that are variable interest entities that are included in our consolidated financial statements. All significant intercompany transactions have been eliminated in consolidation.

Note 2: Business Combination

On August 21, 2012, Holdings completed a business combination pursuant to the terms of the Contribution and Merger Agreement dated June 27, 2012 (the “Contribution and Merger Agreement”), whereby the former members of The Tile Shop, LLC (“The Tile Shop”) directly or indirectly, contributed all of their membership interests in The Tile Shop to Holdings (the “Contribution”), in exchange for (i) a cash payment of \$75 million, (ii) 32,000,000 shares of the common stock of Holding’s valued at \$320 million, and (iii) promissory notes issued by Holdings in the aggregate principal amount of \$69.8 million. As a result of the Contribution, all ownership interests in The Tile Shop were contributed to Holdings. Concurrent with the Contribution, (i) all outstanding shares of JWC Acquisition Corp., a Delaware corporation (“JWCAC”) common stock were exchanged for one share of Holding’s common stock and (ii)

each outstanding JWCAC warrant, which was exercisable for one share of JWCAC common stock, became exercisable for one share of Holding's common stock. This transaction is referred to as the "Business Combination". Immediately following the Business Combination, the former members of The Tile Shop held 75.2% of the 42,534,884 issued and outstanding shares of Holding's common stock.

The Tile Shop was considered the acquirer for accounting purposes because it obtained effective control of JWCAC. The Tile Shop did not have a change in control since The Tile Shop's operations comprise the ongoing operations of the combined entity, its senior management became the senior management of the combined entity, and its former owners own a majority voting interest in the combined entity and are able to elect a majority of the combined entity's board of directors. Accordingly, the Business Combination does not constitute the acquisition of a business for purposes of Financial Accounting Standards Board's Accounting Standard Codification 805, "Business Combinations," or ASC 805. As a result, the assets and liabilities of The Tile Shop and JWCAC are carried at historical cost and the Company has not recorded any step-up in basis or any intangible assets or goodwill as a result of the Business Combination. All direct costs of the Business Combination were offset to additional paid-in capital. The historical financial statements presented herein are that of The Tile Shop.

The recapitalization of the number of shares of common stock attributable to The Tile Shop members were reflected retroactive to January 1, 2010. Accordingly, the number of shares of common stock presented as outstanding as of January 1, 2010 totaled 32,329,897 consisting of 32,000,000 shares of common stock issued to The Tile Shop members as consideration for the Contribution, and 329,897 of common units held by the former owners of The Tile Shop, LLC which were fully redeemed in 2011. This number of shares was also used to calculate the Company's earnings per share for all periods prior to the Business Combination.

The cash flows related to the Business Combination, as reported in the Condensed Consolidated Statement of Cash Flow is summarized as follows:

	Amount (in thousands)
Cash in trust at JWCAC	\$ 124,950
Add: proceeds from issue of shares	\$ 15,000
Less: redemption of JWCAC public shares	(54,960)
Less: cash paid to The Tile Shop members	(75,000)
Less: payment of deferred offering cost by JWCAC	(4,588)
Less: payment of transaction expenses	(4,644)
Remaining cash received by the Company in the merger	\$ 758

Because the former members of The Tile Shop retained a significant ownership interest in the Company following the Business Combination, a portion of the \$69.8 million of notes payable issued to former members of The Tile Shop members as part of the Business Combination was treated as a leveraged dividend. Accordingly \$52.5 million was reflected as a distribution of retained earnings. The remainders of the notes payable were deducted from additional paid in capital.

Tile Shop Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(unaudited)

Pro Forma Information:

The pro forma computation related to the conversion to a C Corporation for income tax purposes assumes that such conversion occurred as of January 1, 2010. These amounts are not necessarily indicative of the consolidated results of income for future years or actual results that would have been realized had the change in tax status occurred as of the beginning of each such year.

Note 3: Unaudited Consolidated Financial Statements

The information furnished in this report is unaudited and reflects all adjustments which are normal recurring adjustments that, in the opinion of management, are necessary to fairly present the operating results for the interim periods. The operating results for the interim periods presented are not necessarily indicative of the operating results to be expected for the full fiscal year. The unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2013, should be read in conjunction with the audited consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, previously filed with the Securities and Exchange Commission on March 18, 2013.

Note 4: Summary of Selected Significant Accounting Policies

A detailed description of our significant accounting policies can be found in our most recent Annual Report filed on Form 10-K for the year ended December 31, 2012. There were no material changes in significant accounting policies during the nine months ended September 30, 2013.

Inventories:

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Inventories are stated at the lower of cost (determined on the first-in, first-out method) or market. Inventories consist primarily of merchandise held for sale. Inventories were comprised of the following as September 30, 2013 and December 31, 2012:

	(in thousands)	
	September 30, 2013	December 31, 2012
Finished goods	\$ 59,508	\$ 39,353
Raw materials	1,533	858
Finished goods in transit	10,822	6,679
Total	\$ 71,863	\$ 46,890

Income taxes:

As a result of the Business Combination, beginning August 21, 2012, the Company's results of operations are taxed as a C Corporation. Prior to the Business Combination, The Tile Shop's operations were taxed as a limited liability company, whereby The Tile Shop elected to be taxed as a partnership and the income or loss was required to be reported by each respective member on their separate income tax returns. Therefore, no provision for federal income taxes has been provided in the accompanying condensed consolidated financial statements for periods prior to August 21, 2012. The provision recorded for the period prior to August 21, 2012, represents income taxes primarily payable by The Tile Shop, due to minimum fees in several states and income tax in the state of Michigan.

The change in status to a taxable entity and the transactions consummated as part of the Business Combination resulted in the recognition of deferred tax assets and liabilities based on the expected tax consequences of temporary differences between the book and tax basis of The Tile Shop's assets and liabilities at the date of the Business Combination including the following: (i) historical outside basis difference at August 21, 2012, and (ii) the tax basis increase of The Tile Shop membership interests directly held by the Company related to the Business Combination. At September 30, 2012, outside basis differences prior to the Business Combination relating primarily to temporary basis differences in inventory, fixed assets, accruals, and outside basis differences, totaled approximately \$5.3 million, which have been tax-effected at a 40% rate. This deferred tax asset of \$5.3 million was recognized and included in the tax benefit for the three and nine months ended September 30, 2012. The tax provision for the three and nine months ended September 30, 2012, also included a tax expense of \$0.5 million which was determined using a projected effective tax rate of 42.0% on income for the period from August 21, 2012 (the date on which the tax status changed to a C Corporation) to December 31, 2012. The tax expense on income before income taxes for the three and nine months ended September 30, 2013 is \$2.8 million and \$11 million, respectively. The nine months ended September 30, 2013 tax expense of \$11 million based on the nine month loss of \$26 million is due to the significant non deductible expense added back for a change in warrant liability.

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax liabilities and assets are determined based on the difference between the financial statement basis and tax basis of assets and liabilities using enacted tax rates in

effect for the year in which the differences are expected to reverse. The Company estimates the degree to which tax assets and credit carryforwards will result in a benefit based on expected profitability by tax jurisdiction. A valuation allowance for such tax assets and loss carryforwards is provided when it is determined to be more likely than not that the benefit of such deferred tax asset will not be realized in future periods. If it becomes more likely than not that a tax asset will be used, the related valuation allowance on such assets would be reduced.

Tile Shop Holdings, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(unaudited)

Earnings Per Share:

Basic earnings per share is calculated by dividing net income (loss) by the weighted-average number of shares outstanding during the period. Diluted earnings (loss) per share is calculated by dividing net income (loss) by the weighted-average number of common shares outstanding, after giving effect to all dilutive potential common shares outstanding during the period. Common stock issued to The Tile Shop members in exchange for their direct or indirect ownership interests in The Tile Shop are retroactively reflected from January 1, 2011 as the number of shares outstanding in all periods prior to August 21, 2012 for the purpose of the earnings (loss) per share calculation. The additional shares issued as part of the Business Combination have been reflected as outstanding shares from August 21, 2012. For the nin">(dollars in thousands)

	Issuance of Series A Preferred Stock	Common Stock Amount	Add 1 Paid In Capital	Accum Deficit	Accum Other Comp Loss	Treasury Stock	Total Stockholders Equity
Balance, December 31, 2002	\$	\$ 242	\$ 455,645	\$ (357,819)	\$ (595)	\$ (20,200)	\$ 77,273
Net Loss				(23,965)			(23,965)
Termination of interest rate swap in connection with debt refinancing					595		595
Total comprehensive loss							(23,370)
Preferred Stock	15,000						15,000
Balance, March 31, 2003	\$ 15,000	\$ 242	\$ 455,645	\$ (381,784)	\$	\$ (20,200)	\$ 68,903

At December 31, 2002 and March 31, 2003, there were 22,010,027 shares of Common Stock outstanding and 1,000 shares of Class B Common Stock outstanding. On March 31, 2003, 1,500 shares of Series A Preferred Stock were issued and outstanding.

See accompanying notes.

Table of Contents**TRUMP HOTELS & CASINO RESORTS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2003****(unaudited)****(dollars in thousands)**

	<u>2002</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (4,586)	\$ (23,965)
Adjustments to reconcile net loss to net cash flows provided by operating activities:		
Gain on debt refinancing, net		(2,892)
Issuance of debt in satisfaction of accrued interest	4,799	8,636
Non-cash increase in Trump's Castle PIK Notes	(4,302)	(6,177)
Equity in loss of Buffington Harbor, L.L.C.	602	615
Depreciation and amortization	19,418	22,686
Minority interest in net loss	(2,644)	(5,061)
Accretion of discounts on mortgage notes	1,772	1,964
Amortization of deferred loan costs	1,629	1,749
Provision for losses on receivables	1,759	1,911
Write-down of CRDA investments	1,364	1,429
Changes in operating assets and liabilities:		
Decrease in receivables	1,518	323
Decrease in inventories	164	543
Decrease in other current assets	1,162	2,340
Decrease (increase) in advances to affiliates, net	429	(17)
Decrease (increase) in other assets	800	(863)
Increase in accounts payable, accrued expenses, and other current liabilities	1,885	6,595
Increase in accrued interest payable	36,275	33,261
Increase (decrease) in other long-term liabilities	4,520	(2,814)
	<u>66,564</u>	<u>40,263</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net	(5,162)	(9,278)
Purchase of CRDA investments	(3,383)	(3,268)
Advances to Tribe	(1,683)	
Other	(23)	318
	<u>(10,251)</u>	<u>(12,228)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from additional borrowings, net of discount		468,036
Issuance of Preferred Stock		15,000
Loan costs on additional borrowings		(18,527)

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Payment of long-term debt	(5,179)	(466,924)
Net cash flows used in financing activities	(5,179)	(2,415)
NET INCREASE IN CASH AND CASH EQUIVALENTS	51,134	25,620
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	119,173	116,072
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 170,307	\$ 141,692
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ 10,151	\$ 21,252
Purchase of property and equipment under capital lease obligations	1,455	1,760

See accompanying notes.

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TRUMP HOTELS & CASINO RESORTS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(1) Organization and Operations

The accompanying condensed consolidated financial statements include those of Trump Hotels & Casino Resorts, Inc., a Delaware corporation (THCR), Trump Hotels & Casino Resorts Holdings, L.P., a Delaware limited partnership (THCR Holdings), and Subsidiaries (as defined below). THCR Holdings is currently owned approximately 63.4% by THCR, as both a general and limited partner, and approximately 36.6% by Donald J. Trump (Trump), as a limited partner. Trump 's limited partnership interest in THCR Holdings represents his economic interests in the assets and operations of THCR Holdings. Such limited partnership interest is convertible at Trump 's option into 13,918,723 shares of THCR 's common stock, par value \$.01 per share (the THCR Common Stock) (subject to certain adjustments), and if converted, would give Trump ownership of 44.5% of the THCR Common Stock (including his current personal share ownership) or 47.0% (assuming currently exercisable options held by Trump were exercised). Accordingly, the accompanying condensed consolidated financial statements include those of THCR and its 63.4% owned subsidiary, THCR Holdings and its wholly-owned subsidiaries. In connection with the March 2003 financing (see Note 3), Trump acquired 1,500 shares of Series A Preferred Stock, par value \$1.00 per share, which, upon stockholder approval, may be exchanged by Trump for an aggregate of 7,894,737 shares of THCR Common Stock (subject to anti-dilution protection). Upon obtaining stockholder approval, Trump 's beneficial ownership of the THCR Common Stock would increase to approximately 56.2%. The minority interest liability in the consolidated balance sheet is adjusted with the proportionate share of the earnings (losses) of THCR. During the quarter ended March 31, 2003, the minority interest liability was completely eliminated through past losses. Consequently, losses will no longer be allocated to minority interest.

All significant intercompany balances and transactions have been eliminated in the accompanying condensed consolidated financial statements.

The accompanying condensed consolidated financial statements have been prepared without audit. In the opinion of management, all adjustments, consisting of only normal recurring adjustments necessary to present fairly the financial position, the results of operations and cash flows for the periods presented, have been made.

The accompanying condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). 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 condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Registrants Annual Report on Form 10-K for the year ended December 31, 2002 filed with the SEC.

The casino industry in Atlantic City is seasonal in nature. Accordingly, results of operations for the period ended March 31, 2003 are not necessarily indicative of the operating results for a full year.

THCR has no operations and its ability to service its debt is dependent on the successful operations of the following subsidiaries of THCR Holdings (the Subsidiaries): (i) Trump Atlantic City Associates, a New Jersey general partnership (Trump AC), which is comprised of Trump Taj Mahal Associates, a New Jersey general partnership (Taj Associates), and Trump Plaza Associates, a New Jersey general partnership (Plaza Associates); and (ii) Trump Casino Holdings, LLC, a Delaware single member limited liability company (TCH), which is comprised of: Trump Indiana, Inc., a Delaware corporation (Trump Indiana); Trump Marina Associates, L.P., a New Jersey limited partnership (Marina Associates), and THCR Management Services, LLC, a Delaware limited liability company (THCR Management), which manages Trump 29 Casino located in the Palm Springs, California area pursuant to a five-year management agreement (the Trump 29 Management Agreement) with the Twenty-Nine Palms Band of Luiseno Mission Indians (the Tribe). TCH was capitalized in March 2003 and Trump Indiana, Marina Associates, Trump Marina, Inc., THCR Management, THCR Management Holdings, LLC (the sole member of THCR Management) and Trump Indiana Realty, LLC became wholly-owned subsidiaries of TCH on March 25, 2003 pursuant to a corporate reorganization approved by the Board of Directors of THCR. THCR, through THCR Holdings and its subsidiaries (collectively, the Company), is the exclusive vehicle through which Trump engages in gaming activities.

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TRUMP HOTELS & CASINO RESORTS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

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Basic and Diluted Loss Per Share

Basic loss per share is based on the weighted average number of shares of THCR Common Stock outstanding. Diluted loss per share includes the impact of the conversion of Series A Preferred Stock and common stock options using the treasury stock method unless the impact of such securities is anti-dilutive. The shares of THCR's Class B common stock, par value \$.01 per share (the THCR Class B Common Stock), owned by Trump have no economic interest and therefore are not considered in the calculation of weighted average shares outstanding.

Stock-based Compensation Plans

THCR has stock-based employee compensation plans. The Company applies the recognition and measurement principles of APB Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for those plans. For stock options, no compensation expense is reflected in net loss as all stock options granted had an exercise price equal to or greater than the market value of the underlying common stock on the date of grant. Pro forma information regarding net income (loss) and earning (loss) per share is required by Statement of Financial Accounting Standards (SFAS) No. 123, Accounting for Stock-Based Compensation, and has been determined as if the Company had accounted for its stock plans under the fair value method of SFAS No. 123. Pro forma results are not necessarily indicative of the pro forma results for any future period. For purposes of the pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The following table illustrates the effect on net loss and loss per share if the Company had applied the fair value recognition provisions of SFAS No. 123:

	Three Months ended	
	March 31,	
	2002	2003
Net loss as reported	\$ (4,586,000)	\$ (23,965,000)
Deduct total stock-based compensation expense determined under fair value method of all awards, net of tax	(125,000)	(191,000)
Pro forma loss	\$ (4,711,000)	\$ (24,156,000)
Basic and diluted loss per-share as reported	\$ (0.21)	\$ (1.09)
Basic and diluted loss per-share pro forma	\$ (0.21)	\$ (1.10)

Reclassifications

During September 2002, the Company reclassified certain costs (primarily bus coin) from costs and expenses to promotional allowances to be consistent with prevailing industry practice. The amount of \$5,385,000 for the three months ended March 31, 2002, has been reclassified to conform to the current period presentation.

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

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TRUMP HOTELS & CASINO RESORTS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(2) Other Assets

Plaza Associates is appealing a real estate tax assessment by the City of Atlantic City. At December 31, 2002 and March 31, 2003, other assets include \$8,014,000, which Plaza Associates believes will be recoverable on the settlement of the appeal.

Included in other assets is a \$1,822,000 payment for sales and use tax assessed on Trump Indiana's riverboat vessel, which is being appealed. The Company made this payment in 2002 in order to avoid incurring interest and penalties while this matter is under appeal. Trump Indiana's appeal is based on the fact that it pays property taxes on the riverboat vessel as the vessel was determined to be real property by the taxing authority, and therefore, not susceptible to a use tax. Management believes that the amount will be fully recoverable upon settlement of the appeal.

(3) Debt Refinancing

On March 25, 2003, TCH and Trump Casino Funding, Inc., or TCF, consummated a private placement, or the TCH Note Offering, of \$475.0 million aggregate principal amount of two new issues of mortgage notes, consisting of \$425.0 million principal amount of first priority mortgage notes due March 15, 2010, bearing interest at a rate of 11.625% per year payable in cash, sold at a price of 94.832% of their face amount for an effective yield of 12.75%, (the First Priority Mortgage Notes), and \$50.0 million principal amount of second priority mortgage notes due September 15, 2010, bearing interest at a rate of 11.625% per year payable in cash, plus 6.0% through the issuance of payable-in-kind notes (the Second Priority Mortgage Notes, and together with the First Priority Mortgage Notes, the TCH Notes). The indentures of the TCH Notes contain various restrictions including the ability of TCH to incur additional debt, pay dividends, issue stock or repurchase stock, make capital expenditures, or merge with another entity. The TCH Notes are guaranteed by each of the subsidiaries of TCH, other than TCF which is a co-issuer of the TCH Notes, fully and unconditionally and on a senior secured basis. Substantially all assets of TCH and its subsidiaries are pledged as security on the TCH Notes.

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In connection with the TCH Note Offering, Donald J. Trump purchased in a concurrent private offering, \$15.0 million aggregate principal amount of additional Second Priority Mortgage Notes at the same purchase price at which the initial purchasers purchased the Second Priority Mortgage Notes.

The net proceeds of the TCH Note Offering and the concurrent private offering of Second Priority Mortgage Notes to Donald J. Trump were used to:

redeem at the applicable redemption prices \$242.1 million aggregate principal amount of Trump's Castle Funding, Inc.'s, or Castle Funding's, 11.75% Mortgage Notes due 2003;

repay \$70.0 million aggregate principal amount of Marina Associates' bank debt due 2003;

redeem at the applicable redemption prices \$14.3 million principal amount of Castle Funding's 13.875% Pay-In-Kind Notes due 2005, or the Castle PIK Notes;

repay \$20.3 million aggregate principal amount of Trump Indiana's bank debt in 2006;

acquire and redeem at the applicable redemption prices \$96.9 million aggregate principal amount (including the call premium) of THCR Holdings' 15.5% Senior Notes due 2005, or the THCR Holdings Senior Notes; and

repay \$0.2 million aggregate principal amount of THCR Management's bank debt due 2003.

Also, in connection with the TCH Note Offering, \$141.9 million principal amount of Castle PIK Notes and \$35.5 million principal amount of THCR Holdings Senior Notes held by THCR Holdings and its subsidiaries were cancelled without payment.

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TRUMP HOTELS & CASINO RESORTS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

Included in the \$96.9 million principal amount (including call premium) of THCR Holdings Senior Notes purchased with the net proceeds of the TCH Note Offering, \$1.7 million principal amount of THCR Holdings Senior Notes were held by Mr. Trump. THCR Holdings also acquired an additional \$15.0 million principal amount of THCR Holdings Senior Notes on the closing date of the TCH Note Offering in a private transaction with Donald J. Trump. The purchase price of the aggregate \$16.7 million principal amount of THCR Holdings Senior Notes acquired from Mr. Trump consisted of the proceeds from the issuance of 1,500 shares of Series A Preferred Stock, par value \$1.00 per share, of THCR valued at

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\$15.0 million, plus a cash amount equal to \$1.7 million, plus the applicable redemption premium of 2.583% (approximately \$430,000) and accrued interest of approximately \$0.7 million on the entire \$16.7 million principal amount of THCR Holdings Senior Notes sold by Mr. Trump. The Series A Preferred Stock of THCR, upon stockholder approval, may be exchanged by Mr. Trump for an aggregate of 7,894,737 shares of THCR Common Stock (subject to anti-dilution protection). The Series A Preferred Stock (which is newly designated) does not pay or accrue any dividend and has a liquidation preference aggregating \$15.0 million. The Series A Preferred Stock may not be exchanged for THCR Common Stock until such time as the stockholders of THCR approve such issuance.

Financing costs, including underwriters' discounts of 2.5% to the purchasers of the First Priority Mortgage Notes and 10% to the purchasers of the Second Priority Mortgage Notes and direct transactional fees (including accounting, legal and printing), have been capitalized as deferred bond and loan issuance costs in the accompanying balance sheet and are being amortized to interest expense over the term of the debt.

In connection with the refinancing, THCR incurred a net gain of \$2,892,000 which consists of a net gain of \$10,451,000 on the retirement of Castle Funding's 11.75% Mortgage Notes due 2003 and the Castle PIK Notes, a \$2,828,000 call premium on the retirement of THCR Holdings Senior Notes, the settlement of Trump Indiana's interest rate swap for \$851,000 and the write-off of unamortized loan costs of approximately \$3,880,000.

The TCH Notes were offered to qualified institutional buyers under Rule 144A and Regulation S of the Securities Exchange Act of 1934. Under the indentures governing the TCH Notes, TCH and TCF filed a registration statement on Form S-4 (File No.: 333-104916) with the SEC on May 1, 2003 to register notes having substantially identical terms as the TCH Notes, or the Exchange Notes, as part of an offer to exchange freely tradable Exchange Notes for the TCH Notes. The exchange offer will not be commenced unless and until the registration statement is declared effective by the SEC.

(4) Debt Renegotiation Costs

THCR previously announced its intention to refinance or modify the terms of THCR's and its subsidiaries' public debt issues. During the three months ended March 31, 2002 and 2003, debt renegotiation costs of \$2,115,000 and \$2,628,000, respectively, were expensed in the accompanying Statements of Operations. Debt renegotiation costs include the costs associated with 2002 debt refinancing no longer pursued and transactional fees earned upon the successful completion of the TCH debt refinancing on March 25, 2003.

(5) THCR Management Services

Under the Trump 29 Management Agreement, THCR Management manages the day-to-day operations of Trump 29 Casino. During the three months ended March 31, 2003, THCR Management earned \$964,000 in management fees (included in other revenues) and incurred \$109,000 of general and administrative costs pursuant to the Trump 29 Management Agreement.

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TRUMP HOTELS & CASINO RESORTS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(6) New Jersey Corporate Business Tax

On July 3, 2002, the State of New Jersey passed the New Jersey Business Tax Reform Act (the Act). This Act, among other things, requires the suspension of the use of the New Jersey net operating loss carryforwards for two years and the introduction of a new alternative minimum assessment under the New Jersey corporate business tax based on gross receipts or gross profits, as defined. As a result of the change in tax law, THCR has recorded a charge to income tax expense of \$1,159,000 for the three months ended March 31, 2003. There was no comparable expense in 2002 since this charge was recorded beginning in the period in which the tax law was passed (third quarter of 2002) pursuant to the accounting literature in Financial Accounting Standards Board Statement Number 109, Accounting for Income Taxes.

(7) Recent Accounting Pronouncements

In July 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations. This standard addresses the financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The standard is effective for fiscal years beginning after June 15, 2002. The effect of adoption was not material to the Company's financial results.

In November 2002, the FASB issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an Interpretation of FASB Statements No. 5, 57, and 107 and Rescission of FASB Interpretation No. 34 (FIN No. 45). The interpretation requires that upon issuance of a guarantee, the entity must recognize a liability for the fair value of the obligation it assumes under that obligation. This interpretation is intended to improve the comparability of financial reporting by requiring identical accounting for guarantees issued with separately identified consideration and guarantees issued without separately identified consideration. For the company, the initial recognition, measurement provision and disclosure requirements of FIN No. 45 are applicable to guarantees issued or modified after December 31, 2002. The effect of adoption was not material to the Company's financial results.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities (FIN No. 46). This interpretation clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient subordinated financial support from other parties. FIN No. 46 applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. For existing variable interest entities, the consolidated requirement is effective for interim or annual financial statements beginning after June 15, 2003. The Company does not believe that it has any variable interest entities, which will be subject to consolidation pursuant to FIN No. 46.

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ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report includes forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts included in this report regarding the prospects of our industry or our prospects, plans, financial position or business strategy, may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking words such as may, will, expect, intend, estimate, anticipate, believe, plans, forecasts, continue or could or these terms or variations of them or similar terms. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. Important factors that could cause actual results to differ materially from our expectations include business, competition, regulatory and other uncertainties and contingencies discussed in this report that are difficult or impossible to predict and which are beyond our control. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements included in this document. These forward-looking statements speak only as of the date of this report. We do not intend to update these statements unless the securities laws require us to do so.

In this section, the words Company, we, our, ours, and us refer to Trump Hotels & Casino Resorts, Inc. (THCR), Trump Hotels & Casino Resorts Holdings, L.P. (THCR Holdings) and its subsidiaries, unless otherwise noted. We, through one or more subsidiaries of THCR Holdings, own and operate four casinos. Three of the four casinos are located in Atlantic City, New Jersey: (i) Trump Plaza Hotel and Casino (Trump Plaza), (ii) Trump Taj Mahal Casino Resort (the Taj Mahal) and (iii) the Trump Marina Hotel Casino (Trump Marina), and together with the Trump Plaza and the Taj Mahal, (the Trump Atlantic City Properties). The fourth is a riverboat casino docked in Buffington Harbor on Lake Michigan in Indiana (the Indiana Riverboat, and together with the Trump Atlantic City Properties, the Trump Casino Properties). We also manage, through THCR Management, Trump 29 Casino located in the Palm Springs, California area pursuant to the Trump 29 Management Agreement with the Tribe. Terms not defined in this section shall have the meanings ascribed to them elsewhere in this Quarterly Report on Form 10-Q.

General

Our business is subject to a variety of risks and uncertainties, some of which are discussed below.

We have substantial indebtedness and interest expense which could limit capital expenditures and adversely affect our competitiveness.

The Company has substantial indebtedness and interest expense. Interest expense as a percentage of net revenues was 20.8% and 18.7% for the three months ended March 31, 2003 and 2002, respectively.

As previously announced, we have sought to refinance or modify the terms of THCR's and its subsidiaries public debt issues. In March 2003, we refinanced an aggregate principal amount of approximately \$441.4 million of debt with the net proceeds of the TCH Note Offering. See Note 3 to the Condensed Consolidated Financial Statements (unaudited). Upon consummation of the TCH Note Offering, our consolidated long-term

debt was not reduced significantly and our consolidated interest expense remains high. Capital expenditures, such as room refurbishment, amenity upgrades and replacements and additions of new gaming equipment, are necessary from time to time to preserve the competitiveness of our properties. In addition, construction of additional rooms at one or more of our Atlantic City properties could be desirable in the future. Our high levels of interest expense, however, could limit our ability to make capital expenditures necessary to improve and upgrade our properties and preserve our competitive position. We have substantial indebtedness maturing in 2006, and we may seek to refinance this indebtedness on more favorable terms when and if market conditions are suitable. We cannot assure you, however, that we will be successful in reducing our interest expense in any refinancing. Management believes that, based upon THCR's current cash flow forecasts for 2003, THCR and its subsidiaries will have sufficient cash flows to meet their respective debt service and operating expense requirements throughout 2003.

The ability of Trump AC and its subsidiaries to pay interest on the TAC Notes (\$1.3 billion principal amount) and the ability of TCH and TCF to pay interest on the TCH Notes (\$490.0 million principal amount) depends primarily on the ability of the Trump Casino Properties to generate cash from operations sufficient for such purposes. In the case of principal payments at maturity, the ability to refinance such indebtedness is also important. The future operating performance of the Trump Casino Properties is subject to general economic conditions, industry conditions, including competition and regulatory matters, and numerous other factors, many of which are unforeseeable or are beyond the control of the Trump Casino Properties. There can be no assurance that the future operating performance of the Trump Casino Properties will be sufficient to generate the cash flows required to meet the debt service obligations of the Trump Casino Properties. The ability of the Trump Casino Properties to pay the principal amount of their public debt at maturity (whether scheduled or by acceleration

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thereof) is primarily dependent upon their ability to obtain refinancing. There is also no assurance that the general state of the economy, the status of the capital markets generally, or the receptiveness of the capital markets to the gaming industry or to THCR and its subsidiaries will be conducive to refinancing debt at any given time or on more favorable terms.

We do not know how the Borgata, when opened, will affect us.

In September 2000, Boyd Gaming and MGM Mirage, Inc. commenced their joint development of a 25-acre site located in Atlantic City's marina district for the construction of the Borgata. The Borgata is expected to feature a 40-story tower with 2,010 rooms and suites, as well as a 135,000 square-foot casino, restaurants, retail shops, a spa and pool, and entertainment venues. Construction of the Borgata is scheduled to be completed in the summer of 2003. We believe that the opening of the Borgata will attract additional visitors to Atlantic City, especially the marina district which could benefit Trump Marina. It is also possible, however, that the Borgata could have an adverse effect on our business and operations, including a reduction in net revenues caused by a loss of gaming patrons.

A downturn in the regional economy and high energy and gasoline prices and adverse weather conditions could negatively impact our financial performance.

Moderate or severe economic downturns or adverse conditions in the Atlantic City and regional markets and surrounding areas may negatively affect our operations. During periods of economic contraction, our revenues may decrease while some of our costs remain fixed, resulting in decreased earnings. This is because gaming and other leisure activities we offer are discretionary expenditures and participation in such activities

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may decline during economic downturns because consumers have less disposable income. Even an uncertain economic outlook may adversely affect consumer spending in our gaming operations and related facilities, as consumers spend less in anticipation of a potential economic downturn.

We use significant amounts of electricity, natural gas and other forms of energy. While no shortages of energy have been experienced, any substantial increases in the cost of electricity and natural gas in the United States may negatively impact our operating results. The extent of any impact is subject to the magnitude and duration of the energy price increases and could be material.

Also, a majority of our patrons drive to our properties. High gasoline prices could reduce automobile travel and decrease the number of patrons to our properties. In addition, adverse weather conditions reduce automobile travel. As a result, our business, assets, financial condition and results of operations could be adversely affected by a weakening of regional economic conditions, high gasoline prices and/or adverse weather conditions.

We may incur losses that would not be covered by insurance and the cost of insurance is expected to continue to increase.

Although we maintain insurance which is customary and, we believe, appropriate for our business, we cannot assure you that insurance will be available or adequate to cover all losses and damage to which our business or our assets might be subjected. In connection with insurance renewals subsequent to September 11, 2001, the availability of insurance coverage for certain types of damages or occurrences has been diminished substantially and the cost of insurance has increased significantly. Consequently, we are self-insured for certain risks and levels of risk. The lack of insurance for certain types or levels of risk could expose us to significant losses in the event that an uninsured catastrophe occurred. Any uncovered losses may decrease our future operating income, require us to find replacements or repairs and reduce funds otherwise available to upgrade our property.

Taxation of the gaming industry, already significant, may increase in the future which would reduce our profitability.

The casino industry represents a significant source of tax revenues to the various jurisdictions in which casinos operate. We, as well as other gaming companies, are currently subject to significant state and local taxes and fees in addition to normal federal and state corporate income taxes. New Jersey taxes annual gaming revenues at the rate of 8.0% and levies an annual investment alternative tax of 2.5% on annual gaming revenue. This 2.5% obligation, however, can be satisfied by purchasing certain bonds or making certain investments in the amount of 1.25% of annual gaming revenues. In July 2002, New Jersey passed the New Jersey Business Tax Reform Act, which, among other things, suspended the use of the net operating loss carryforwards for two years and introduced a new alternative minimum assessment under the New Jersey corporate business tax based on gross receipts or gross profits.

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From time to time, and as was the case in the second quarter of 2002 in Indiana, various state and federal legislators have proposed changes in tax laws that affect the gaming industry. In connection with permitting dockside gaming which we believe is advantageous, the Indiana state legislature passed legislation effective July 1, 2002 that increased the gaming tax rates in Indiana. If a casino elects to become a dockside operation, the gaming tax rate structure changes from a flat tax rate of 22.5% to a graduated scale with a maximum tax rate of 35.0%, depending on gaming revenues levels. Trump Indiana became a dockside operation in August 2002.

In February 2003, in response to state budgetary concerns, the Governor of New Jersey proposed increasing New Jersey's casino gross revenue tax from 8.0% to 10.0%, to tax complimentary and to impose a 7.0% occupancy tax on hotel rooms. The outcome of this tax proposal is uncertain at this time. Any tax increase imposed on the Trump Atlantic City Properties would reduce our profitability.

Our Business is Subject to a Variety of Other Risks and Uncertainties.

Our financial condition and results of operations could be affected by other events and uncertainties that are beyond our control, such as (i) capital market conditions which could affect our ability to raise capital for refinancing debt or pursuing other alternatives, (ii) future acts of terrorism and their impact on capital markets, the economy, consumer behavior and operating expenses, including insurance premiums, (iii) competition from existing and potential new competitors in Atlantic City and other markets, which is likely to increase over the next five years, (iv) regulatory changes, and (v) adverse or unfavorable weather conditions.

Critical Accounting Policies

The preparation of our financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Management periodically evaluates the Company's policies and the estimates and assumptions related to such policies. The Trump Casino Properties operate in a highly regulated industry and are subject to regulations that describe and regulate operating and internal control procedures. The Company believes its most critical accounting policies and significant estimates are described below.

Revenue Recognition and Allowance for Doubtful Accounts

The majority of the Company's revenue is from gaming activities, and the majority of such revenue is derived from cash, which by nature does not require complex estimations. The Company does extend credit to customers on a discretionary basis to certain qualified patrons. Credit play as a percentage of total dollars wagered has been approximately 20% for the past three years. The Trump Casino Properties establish credit limits based upon a particular patron's creditworthiness, as determined by an examination of various factors including a credit check of the patron, checking the patron's personal checking account balance, and checking the patron's credit limits and indebtedness at other casinos. The Company maintains an allowance for doubtful accounts for those customers whose checks have been unable to be deposited due to

non-sufficient funds. This allowance is based on a specific review of customer accounts as well as a review of the history of write-offs of returned markers. Management believes that the reserve recorded is reasonable; however, these estimates could change in the near term based on actual collection experience with each returned marker.

Long-lived Assets

Management has determined that the Company's policy associated with its long-lived assets and the related estimates is critical to the preparation of the consolidated financial statements. The Company has a significant investment in long-lived property and equipment. Management estimates that the undiscounted future cash flows expected to result from the use of these assets exceed the current carrying value of these assets. Any adverse change to the estimate of these undiscounted cash flows could necessitate an impairment charge that would adversely affect operating results. Management estimates the useful lives for the Company's assets based on historical experience and the estimates of assets commercial lives. Should the actual useful life of a class of assets differ from the estimated useful life, an impairment charge would be recorded. Management reviews useful lives and obsolescence and assesses commercial viability of the Company's assets periodically.

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Self-Insurance Reserves

Self-insurance reserves represent the estimated amounts of uninsured claims related to employee health medical costs, workers' compensation, and personal injury claims that have occurred in the normal course of business. These reserves are established by management based upon specific review of open claims, with consideration of incurred but not reported claims as of the balance sheet date. The costs of the ultimate disposition of these claims may differ from these reserve numbers.

Recent Accounting Pronouncements

In July 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations. This standard addresses the financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The standard is effective for fiscal years beginning after June 15, 2002. The effect of adoption was not material to the Company's financial results.

In November 2002, the FASB issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an Interpretation of FASB Statements No. 5, 57, and 107 and Rescission of FASB Interpretation No. 34 (FIN No. 45). The interpretation requires that upon issuance of a guarantee, the entity must recognize a liability for the fair value of the obligation it assumes under that obligation. This interpretation is intended to improve the comparability of financial reporting by requiring identical accounting for guarantees issued with separately identified consideration and guarantees issued without separately identified consideration. For the company, the initial recognition, measurement provision and disclosure requirements of FIN No. 45 are applicable to

guarantees issued or modified after December 31, 2002. The effect of adoption was not material to the Company's financial results.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities (FIN No. 46). This interpretation clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient subordinated financial support from other parties. FIN No. 46 applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. For existing variable interest entities, the consolidated requirement is effective for interim or annual financial statements beginning after June 15, 2003. The Company does not believe that it has any variable interest entities, which will be subject to consolidation pursuant to FIN No. 46.

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Financial Condition

Liquidity and Capital Resources

Cash flows from operating activities of the Company's owned and managed casino properties are the Company's primary source of liquidity and capital resources. The Company relies on capital leases for its capital resource needs. The Company's ability to borrow funds for its liquidity and capital resources needs is severely restricted by covenants in the various indentures governing its public debt issues and by its already high levels of indebtedness. Sources of the Company's short-term and long-term liquidity include casino gaming revenues and room, food and beverage sales. Although we expect the Company to have sufficient liquidity from the operating activities of the Trump Casino Properties to meet its short-term obligations, there can be no assurances in this regard. A variety of factors, including a decrease or change in the demand for our services, could have a material adverse effect on our liquidity. See General above.

The Trump Atlantic City Properties compete with other Atlantic City casino/hotels on the basis of customer service, the array of games offered, the attractiveness of a casino/hotel and on extent and quality of the facilities and amenities.

Because the Company has substantial indebtedness and related interest expenses, we have not been able to pursue various capital expansion plans, such as the addition of more hotel rooms. Capital expenditures for the Trump Casino Properties for the three months ended March 31, 2002 and 2003 are as follows:

TRUMP HOTELS AND CASINO RESORTS

CONSOLIDATING CAPITAL EXPENDITURES

(IN THOUSANDS)

	<u>TAJ ASSOC</u>	<u>PLAZA ASSOC</u>	<u>TRUMP AC CONSOL</u>	<u>TRUMP MARINA</u>	<u>TRUMP INDIANA</u>	<u>TCH CONSOL</u>	<u>THCR HOLDINGS</u>	<u>THCR CONSOL.</u>
FOR THE THREE MONTHS ENDED MARCH 31, 2002								
Purchase of Property & Equipment	\$ 2,153	\$ 862	\$ 3,015	\$ 803	\$ 1,304	\$ 2,107	\$ 40	\$ 5,162
Capital Lease Additions (A)	1,455		1,455					1,455
Total Capital Expenditures	\$ 3,608	\$ 862	\$ 4,470	\$ 803	\$ 1,304	\$ 2,107	\$ 40	\$ 6,617
FOR THE THREE MONTHS ENDED MARCH 31, 2003								
Purchase of Property & Equipment	\$ 5,525	\$ 887	\$ 6,412	\$ 1,156	\$ 1,705	\$ 2,861	\$ 5	\$ 9,278
Capital Lease Additions (A)		1,760	1,760					1,760
Total Capital Expenditures	\$ 5,525	\$ 2,647	\$ 8,172	\$ 1,156	\$ 1,705	\$ 2,861	\$ 5	\$ 11,038

(A) Capital lease additions for Trump Casino Properties were principally slot machines.

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Results of Operations: Operating Revenues and Expenses

All business activities of THCR and THCR Holdings are conducted by Plaza Associates, Taj Associates, Marina Associates and Trump Indiana.

Comparison of Three-Month Periods Ended March 31, 2002 and 2003. The following tables include selected data of Plaza Associates, Taj Associates, Trump Indiana and Trump Marina.

	Three Months Ended March 31, 2002				
	<u>Plaza Associates</u>	<u>Taj Associates</u>	<u>Trump Indiana</u>	<u>Trump Marina</u>	<u>THCR Consolidated*</u>
	(dollars in thousands)				
Revenues:					
Gaming	\$ 81,501	\$ 129,925	\$ 32,722	\$ 67,290	\$ 311,438
Other	16,622	26,341	2,138	12,784	57,885

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Gross Revenues	98,123	156,266	34,860	80,074	369,323
Less: Promotional Allowances	22,259	31,408	3,004	16,862	73,533
Net Revenues	75,864	124,858	31,856	63,212	295,790
Costs and Expenses:					
Gaming	38,019	58,113	16,654	30,377	143,163
Other	5,198	8,465	1,561	3,078	18,302
General & Administrative	15,689	25,211	6,751	15,921	64,594
Depreciation & Amortization	4,319	8,806	1,387	4,901	19,418
Debt Renegotiation Costs				471	2,115
Total Costs and Expenses	63,225	100,595	26,353	54,748	247,592
Income from Operations	12,639	24,263	5,503	8,464	48,198
Non-operating Income	71	79	13	33	389
Interest Expense	(11,831)	(23,317)	(1,096)	(15,609)	(55,215)
Total Non-operating Expense, Net	(11,760)	(23,238)	(1,083)	(15,576)	(54,826)
Loss in Joint Venture			(602)		(602)
Income (Loss) before Minority Interest	\$ 879	\$ 1,025	\$ 3,818	\$ (7,112)	\$ (7,230)
Minority Interest					2,644
Net Loss					\$ (4,586)

* Intercompany eliminations and expenses of THCR, THCR Holdings, Trump AC and THCR Management are not separately shown.

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	Three Months Ended March 31, 2003				
	Plaza	Taj	Trump	Trump	THCR
	Associates	Associates	Indiana	Marina	Consolidated*
(dollars in thousands)					
Revenues:					
Gaming	\$ 75,431	\$ 123,232	\$ 32,825	\$ 62,220	\$ 293,708
Other	15,613	24,077	1,841	12,650	55,145
Gross Revenues	91,044	147,309	34,666	74,870	348,853
Less: Promotional Allowances	21,078	28,774	3,880	16,347	70,079

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Net Revenues	69,966	118,535	30,786	58,523	278,774
Costs and Expenses:					
Gaming	36,731	57,158	16,342	30,485	140,716
Other	4,794	8,427	1,540	2,907	17,668
General & Administrative	16,067	26,613	6,943	17,159	67,780
Depreciation & Amortization	5,088	10,359	1,838	5,395	22,686
Debt Renegotiation Costs				(47)	2,628
Total Costs and Expenses	62,680	102,557	26,663	55,899	251,478
Income from Operations	7,286	15,978	4,123	2,624	27,296
Non-operating Income	79	53	349	37	613
Interest Expense	(14,089)	(24,553)	(586)	(20,034)	(58,053)
Gain (Loss) on Bond Redemption			(1,820)	9,751	2,892
Total Non-operating Expense, Net	(14,010)	(24,500)	(2,057)	(10,246)	(54,548)
Loss in Joint Venture			(615)		(615)
Provision for Income Taxes	(325)	(534)		(300)	(1,159)
Income (Loss) before Minority Interest	\$ (7,049)	\$ (9,056)	\$ 1,451	\$ (7,922)	\$ (29,026)
Minority Interest					5,061
Net Loss					\$ (23,965)

* Intercompany eliminations, revenues and expenses of THCR, THCR Holdings, Trump AC, TCH, and THCR Management are not separately shown.

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Three Months Ended March 31, 2002

	Plaza	Taj	Trump	Trump	THCR
	Associates	Associates	Indiana	Marina	Consolidated
	(dollars in thousands)				
Table Game Revenues	\$ 25,661	\$ 39,356	\$ 6,310	\$ 15,925	\$ 87,252
Table Game Drop	\$ 143,066	\$ 225,712	\$ 34,662	\$ 85,416	\$ 488,856
Table Win Percentage	17.9%	17.4%	18.2%	18.6%	17.9%
Number of Table Games	88	139	50	80	357
Slot Revenues	\$ 55,840	\$ 85,046	\$ 26,412	\$ 51,233	\$ 218,531
Slot Handle	\$ 702,943	\$ 1,100,722	\$ 347,234	\$ 649,011	\$ 2,799,910

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Slot Win Percentage	7.9%	7.7%	7.6%	7.9%	7.8%
Number of Slot Machines	2,844	4,857	1,459	2,523	11,683
Other Gaming Revenues	\$ N/A	\$ 5,523	\$ N/A	\$ 132	\$ 5,655
Total Gaming Revenues	\$ 81,501	\$ 129,925	\$ 32,722	\$ 67,290	\$ 311,438

Three Months Ended March 31, 2003

	Plaza	Taj	Trump	Trump	THCR
	Associates	Associates	Indiana	Marina	Consolidated
(dollars in thousands)					
Table Game Revenues	\$ 22,612	\$ 39,887	\$ 4,643	\$ 14,386	\$ 81,528
Incr (Decr) over prior period	\$ (3,049)	\$ 531	\$ (1,667)	\$ (1,539)	\$ (5,724)
Table Game Drop	\$ 143,924	\$ 223,710	\$ 27,857	\$ 85,666	\$ 481,157
Incr (Decr) over prior period	\$ 858	\$ (2,002)	\$ (6,805)	\$ 250	\$ (7,699)
Table Win Percentage	15.7%	17.8%	16.7%	16.8%	16.9%
Incr (Decr) over prior period	(2.2) pts	0.4 pts	(1.5) pts	(1.8) pts	(1.0) pts
Number of Table Games	90	126	46	81	343
Incr (Decr) over prior period	2	(13)	(4)	1	(14)
Slot Revenues	\$ 52,819	\$ 78,226	\$ 28,182	\$ 47,690	\$ 206,917
Incr (Decr) over prior period	\$ (3,021)	\$ (6,820)	\$ 1,770	\$ (3,543)	\$ (11,614)
Slot Handle	\$ 675,989	\$ 976,008	\$ 345,849	\$ 590,906	\$ 2,588,752
Incr (Decr) over prior period	\$ (26,954)	\$ (124,714)	\$ (1,385)	\$ (58,105)	\$ (211,158)
Slot Win Percentage	7.8%	8.0%	8.2%	8.1%	8.0%
Incr (Decr) over prior period	(0.1) pts	0.3 pts	0.6 pts	0.2 pts	0.2 pts
Number of Slot Machines	2,962	4,842	1,728	2,510	12,042
Incr (Decr) over prior period	118	(15)	269	(13)	359
Other Gaming Revenues	\$ N/A	\$ 5,119	\$ N/A	\$ 144	\$ 5,263
Incr (Decr) over prior period	\$ N/A	\$ (404)	\$ N/A	\$ 12	\$ (392)
Total Gaming Revenues	\$ 75,431	\$ 123,232	\$ 32,825	\$ 62,220	\$ 293,708
Incr (Decr) over prior period	\$ (6,070)	\$ (6,693)	\$ 103	\$ (5,070)	\$ (17,730)

Gaming revenues are the primary source of THCR's revenues. Table game revenues represent the amount retained by THCR from amounts wagered at table games. The table win percentage tends to be fairly constant over the long term, but may vary significantly in the short term, due to large wagers by high rollers. The Atlantic City industry table game win percentages were 16.2% and 16.6% for the three months ended March 31, 2002 and 2003, respectively. THCR's table game win percentage was 17.9% and 16.9% for the three months ended March 31, 2002 and 2003, respectively.

Table game revenues decreased \$5,724,000, or 6.6%, to \$81,528,000 for the three months ended March 31, 2003 compared to \$87,252,000 for the three months ended March 31, 2002. The \$531,000 increase in table game revenue at the Taj Mahal was primarily due to a 0.4 point increase in table win percentage. Trump Plaza's 2.2 point decrease in table win percentage is responsible for the \$3,049,000 decrease in table game revenue. Trump Marina's \$1,539,000 decrease in table game revenue is due to a 1.8 point decrease in table win percentage. Trump Indiana's \$1,667,000 decrease in table games revenue was due to a \$6,805,000 decrease in table game drop, combined with a 1.5 point decrease in table win percentage.

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Slot revenues decreased \$11,614,000, or 5.3%, to \$206,917,000 for the three months ended March 31, 2003 compared to \$218,531,000 for the three months ended March 31, 2002. Decreases in slot handle of \$26,954,000 at Trump Plaza, \$124,714,000 at Trump Taj Mahal and \$58,105,000 at Trump Marina primarily contributed to their respective decreases in slot revenues. Trump Indiana's slot revenues increased \$1,770,000 primarily due to a 0.6 point increase in slot win percentage which was partially offset by a \$1,385,000 decrease in slot handle.

Overall, gaming revenues during the first quarter of 2003 were negatively impacted by severe winter weather in both the Atlantic City and Chicago/Northern Indiana markets as well as adverse economic conditions and the war in Iraq.

Other revenues for the three months ended March 31, 2003 includes a \$964,000 management fee from the Trump 29 Casino located in Coachella, California, for which there was no comparative revenue in 2002.

Gaming costs and expenses decreased \$2,447,000 for the three months ended March 31, 2003 to \$140,716,000, compared to \$143,163,000 for the three months ended March 31, 2002. This decrease was attributed to lower gaming revenues.

General and administrative expenses were \$67,780,000 for the three months ended March 31, 2003, a \$3,186,000, or 4.9%, increase from \$64,594,000 for the three months ended March 31, 2002. This increase was primarily attributed to higher insurance costs, utilities, and real estate taxes.

During the three months ended March 31, 2002 and 2003, THCR incurred debt renegotiation costs of \$2,115,000 and \$2,628,000, respectively. Debt renegotiation costs include the costs associated with 2002 debt refinancing no longer pursued and transactional fees earned upon the consummation of the TCH Note Offering on March 25, 2003.

In connection with the debt refinancing in March 2003, THCR incurred a net gain of \$2,892,000 which consists of a net gain of \$10,451,000 on the retirement of Castle Funding's 11.75% Mortgage Notes due 2003 and the Castle PIK Notes, a \$2,828,000 call premium on the retirement of THCR Holdings Senior Notes, the settlement of Trump Indiana's interest rate swap of \$851,000 and the write off of unamortized loan costs of approximately \$3,880,000.

Included in other non-operating income for the three months ended March 31, 2002, is a \$656,000 distribution from Miss Universe, L.P., LLLP to THCR Holdings. There is no comparable income in 2003.

Income taxes of \$1,159,000 in 2003 represent taxes recorded in connection with the New Jersey Business Tax Reform Act enacted during July 2002.

Seasonality

Our cash flows from operating activities are seasonal in nature. Spring and summer are traditionally the peak seasons for the Trump Atlantic City Properties, with autumn and winter being non-peak seasons. Trump 29's peak seasons are late winter and spring. Trump Indiana generally is not seasonal. Since the Trump Atlantic City Properties account for the majority of our business, our operating results for the two quarters ending in March and December are not historically as profitable as the two quarters ending in June and September. Any excess cash flow achieved from operations during peak seasons is used to subsidize non-peak seasons. Performance in non-peak seasons is usually dependent on favorable weather and a long-weekend holiday calendar. In the event that we are unable to generate excess cash flows in one or more peak seasons, we may not be able to subsidize non-peak seasons, if necessary.

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ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4 CONTROLS AND PROCEDURES

(a) *Evaluation of Disclosure Controls and Procedures.* Based on their evaluation as of a date within 90 days of the filing date of this Quarterly Report on Form 10-Q, the Registrant's principal executive officer and principal financial officer have concluded that the Registrant's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934 (the Exchange Act)) are effective to ensure that information required to be disclosed by the Registrant in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

(b) *Changes in Internal Controls.* There were no specific changes in the Registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of its evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

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PART II OTHER INFORMATION

ITEM 1 LEGAL PROCEEDINGS

General. THCR and certain of its employees have been involved in various legal proceedings. In general, THCR has agreed to indemnify such persons 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 said legal proceedings.

Various other legal proceedings are now pending against THCR. Except as set forth herein and in THCR's Annual Report on Form 10-K for the year ended December 31, 2002, THCR considers all such proceedings to be ordinary litigation incident to the character of its business and not material to its business or financial condition. THCR believes that the resolution of these claims, to the extent not covered by insurance, will not, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations of THCR.

ITEM 2 CHANGES IN SECURITIES AND USE OF PROCEEDS

On March 19, 2003, Donald J. Trump entered into a note purchase agreement (the "Note Purchase Agreement") with THCR, THCR Holdings and Trump Hotels & Casino Resorts Funding, Inc. ("THCR Funding") pursuant to which Mr. Trump agreed to sell \$16.7 million principal amount of the THCR Holdings Senior Notes owned by him to THCR Holdings and THCR Funding, the issuers of the THCR Holdings Senior Notes, in exchange for 1,500 shares of Series A Preferred Stock, par value \$1.00 per share, of THCR (having an aggregate liquidation preference of \$15.0 million), plus a cash amount equal to \$1.7 million, plus the applicable redemption premium of 2.583% (approximately \$432,000) and accrued interest of approximately \$0.7 million on the entire \$16.7 million principal amount of THCR Holdings Senior Notes sold by Mr. Trump to the issuers. The transactions contemplated by the Note Purchase Agreement, including the issuance of the 1,500 shares of Series A Preferred Stock to Donald Trump, were consummated simultaneously with the TCH Note Offering on March 25, 2003. The 1,500 shares of Series A Preferred Stock was issued to Mr. Trump in a transaction that was exempt from the registration requirements of the Securities Act of 1933, as amended (the "Act"), based on the exemption afforded by Section 4(2) of the Act. The Series A Preferred Stock and the THCR Common Stock into which the Series A Preferred Stock may be exchanged as described below are restricted securities within the meaning of Rule 144 under the Act.

The Series A Preferred Stock has a liquidation preference of \$10,000 per share, pays no dividends and has no voting rights. Under the Note Purchase Agreement, the Company has agreed (subject to prior stockholder approval) to exchange the Series A Preferred Stock for Common Stock (at the election of Donald Trump) on the basis of an exchange of \$1.90 per share of Common Stock (the closing trading price of the THCR Common Stock on March 18, 2003) such that the 1,500 shares of Series A Preferred Stock are exchangeable for a total of 7,894,737 shares of THCR Common Stock (subject to customary anti-dilution adjustments).

ITEM 3 DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5 OTHER INFORMATION

None.

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits:

- 3.1.1* Certificate of Formation of Trump Casino Holdings, LLC.
- 3.1.2* Certificate of Incorporation of Trump Casino Funding, Inc.
- 3.2.1* Operating Agreement of Trump Casino Holdings, LLC.
- 3.2.2* Bylaws of Trump Casino Funding, Inc.
- 4.1.1* 11^{5/8}% First Priority Mortgage Notes Indenture, dated as of March 25, 2003, by and among Trump Casino Holdings, LLC, Trump Casino Funding, Inc., each of Trump Casino Holdings, LLC's subsidiaries listed as guarantors on the signature pages thereto, and U.S. Bank National Association, as Trustee and U.S. Bank National Association as Collateral Agent.
- 4.1.2* 17^{5/8}% Second Priority Mortgage Notes Indenture, dated as of March 25, 2003, by and among Trump Casino Holdings, LLC, Trump Casino Funding, Inc., each of Trump Casino Holdings, LLC's subsidiaries listed as guarantors on the signature pages thereto, and U.S. Bank National Association, as Trustee and U.S. Bank National Association as Collateral Agent.

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- 4.2.1* 11^{5/8}% First Priority Mortgage Notes Registration Rights Agreement, dated as of March 25, 2003, by and among Trump Casino Holdings, LLC, Trump Casino Funding, Inc., each of Trump Casino Holdings, LLC's subsidiaries listed as guarantors on the signature pages thereto, and Deutsche Bank Securities Inc., Credit Suisse First Boston LLC, UBS Warburg LLC and Jefferies & Company, Inc.
- 4.2.2* 17^{5/8}% Second Priority Mortgage Notes Registration Rights Agreement, dated as of March 25, 2003, by and among Trump Casino Holdings, LLC, Trump Casino Funding, Inc., each of Trump Casino Holdings, LLC's subsidiaries listed as guarantors

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on the signature pages thereto, and Deutsche Bank Securities Inc., Credit Suisse First Boston LLC, UBS Warburg LLC and Jefferies & Company, Inc.

- 4.3.1* Form of First Priority Note (included in Exhibit 4.1.1).
- 4.3.2* Form of Second Priority Note (included in Exhibit 4.1.2).
- 4.4* Priority Intercreditor Agreement, dated as of March 25, 2003, by and among U.S. Bank National Association, as Collateral Agent, as First Priority Trustee and as Second Priority Trustee, Trump Casino Holdings, LLC, Trump Casino Funding, Inc., and other Pledgors thereto.
- 4.5* Security Agreement, dated as of March 25, 2003, by and among Trump Casino Holdings, LLC, Trump Casino Funding, Inc., each of Trump Casino Holdings, LLC's subsidiaries listed as guarantors on the signature pages thereto, and U.S. Bank National Association, as Trustee and U.S. Bank National Association as Collateral Agent.
- 4.6* First Fee and Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of March 25, 2003, by Trump Marina Associates, L.P., mortgagor to U.S. Bank National Association as Collateral Agent, mortgagee.
- 4.7* Second Fee and Leasehold Mortgage, Assignment of Leases and Rent, Security Agreement and Fixture Filing, dated as of March 25, 2003, by Trump Marina Associates, L.P., mortgagor to U.S. Bank National Association as Collateral Agent, mortgagee.
- 4.8* First Preferred Ship Mortgage, dated as of March 25, 2003, by Trump Indiana, Inc., mortgagor to U.S. Bank National Association as Collateral Agent, mortgagee.
- 4.9* Second Preferred Ship Mortgage, dated as of March 25, 2003, by Trump Indiana, Inc., mortgagor to U.S. Bank National Association as Collateral Agent, mortgagee.
- 4.10 Certificate of Designations of Series A Preferred Stock.
- 10.1* Fourth Amended and Restated Partnership Agreement, dated March 25, 2003, of Trump Marina Associates, L.P.
- 10.7* Amendment No. 2 to First Amended and Restated Operating Agreement, dated March, 2003, of Buffington Harbor Riverboat, LLC between Trump Indiana, Inc. and Barden-Davis Casinos, LLC.
- 10.8 Note Purchase Agreement, dated March 19, 2003, by and among Trump Hotels & Casino Resorts, Inc., Trump Hotels & Casino Resorts Holdings, L.P., Trump Hotels & Casino Resorts Funding, Inc. and Donald J. Trump.
- 99.1 Certification of the Chief Executive Officer of the Registrant Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 Certification of the Chief Financial Officer of the Registrant Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Incorporated by reference to the identically numbered exhibit to Registration Statement on S-4 (File No.: 333-104916) of Trump Casino Holdings, LLC and Trump Casino Funding, Inc.

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b. Current Reports on Form 8-K:

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On January 16, 2003, THCR filed a Form 8-K with the SEC pursuant to Regulation FD regarding unaudited operating results for the quarter and year ended December 31, 2002 for Marina Associates, Trump Indiana, Inc. and THCR Management furnished to potential investors in the TCH Note Offering.

On January 30, 2003, THCR filed a Form 8-K with the SEC regarding its earnings release for the quarter and fiscal year ended December 31, 2002.

On March 11, 2003, THCR filed a Form 8-K with the SEC announcing the commencement of the TCH Note Offering.

On March 13, 2003, THCR filed a Form 8-K with the SEC announcing the pricing of the TCH Notes.

On March 18, 2003, THCR filed a Form 8-K with the SEC pursuant to Regulation FD regarding information furnished to potential investors of the TCH Notes.

On March 19, 2003, THCR filed a Form 8-K with the SEC regarding the removal of Ernst & Young, LLP's going concern qualification of Trump's Castle Associates' 2002 audited financial statements upon the consummation of the TCH Note Offering.

On March 25, 2003, THCR filed a Form 8-K with the SEC announcing the consummation of the TCH Note Offering.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRUMP HOTELS & CASINO RESORTS, INC.
(Registrant)

Date: May 15, 2003

By:

/s/ FRANCIS X. MCCARTHY, JR.

Francis X. McCarthy, Jr.
Executive Vice President of Finance and

Chief Financial Officer

(Duly Authorized Officer and Principal

Financial Officer)

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CERTIFICATION

I, DONALD J. TRUMP, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trump Hotels & Casino Resorts, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5.

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The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

/s/ DONALD J. TRUMP

Donald J. Trump

Chief Executive Officer and President

of Trump Hotels & Casino Resorts, Inc.

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CERTIFICATION

I, FRANCIS X. MCCARTHY, JR., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trump Hotels & Casino Resorts, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

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3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

/s/ FRANCIS X. MCCARTHY, JR.

Francis X. McCarthy, Jr.

Executive Vice President of Finance and

Chief Financial Officer of

Trump Hotels & Casino Resorts, Inc.

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<u>Exhibit No.</u>	<u>Description</u>
4.10	Certificate of Designations of Series A Preferred Stock.
10.8	Note Purchase Agreement, dated March 19, 2003, by and among Trump Hotels & Casino Resorts, Inc., Trump Hotels & Casino Resorts Holdings, L.P., Trump Hotels & Casino Resorts Funding, Inc. and Donald J. Trump.
99.1	Certification of the Chief Executive Officer of the Registrant Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.2	Certification of the Chief Financial Officer of the Registrant Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.