

Trump Entertainment has filed for bankruptcy protection... let's see what the history shows!

## Trump Entertainment Resorts, Inc.

Phone: (609) 449-5866

15 South Pennsylvania Avenue  
Atlantic City, NJ 08401 United States

Ticker: [TRMP](#)

**Filed for Bankruptcy on 2/17/2009**  
**Case #09-13655, filed in the U.S. Bankruptcy Court for the District of New Jersey**  
**Trump Hotels & Casino Resorts emerged from a previous Chapter 11 filing on May 20, 2005**

### Latest Financial Statements as of 9/30/2008

#### Business Summary

Trump Entertainment Resorts, Inc. owns and operates three casino hotel properties in Atlantic City, New Jersey, which include Trump Taj Mahal Casino Resort, Trump Plaza Hotel and Casino, and Trump Marina Hotel Casino. The Company conducts gaming activities and provides customers with casino resort and entertainment. It focuses on opening a new Italian restaurant, Il Mulino New York, during 2008.

(Source: 10-K)

Employees: 6,800 (as of 12/31/2007)

Federal Tax Id: 133818402

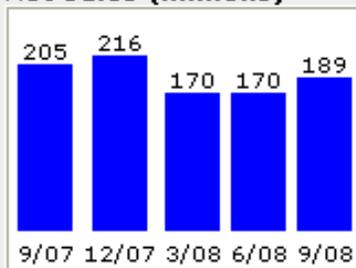
#### Credit Scores

**Z" Score**      **-0.98**      **(Fiscal danger)**      9/30/2008

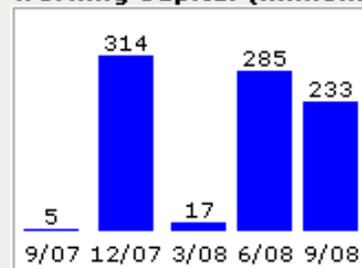
#### Auditor Information

Last Audit: 12/31/2007  
 Auditors: Ernst & Young LLP  
 Opinion: **Unqualified**

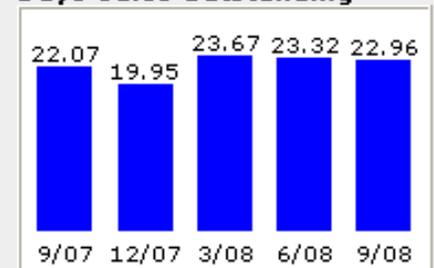
#### Net Sales (millions)



#### Working Capital (millions)



#### Days Sales Outstanding



#### Third Quarter and Year-to-Date Results

Sales for the 3 months ended 9/30/2008 decreased 8.07% to \$188.65 million from last year's comparable period amount of \$205.20 million. Sales for the 9 months ended 9/30/2008 decreased 5.71% to \$527.98 million from \$559.93 million for the same period last year.

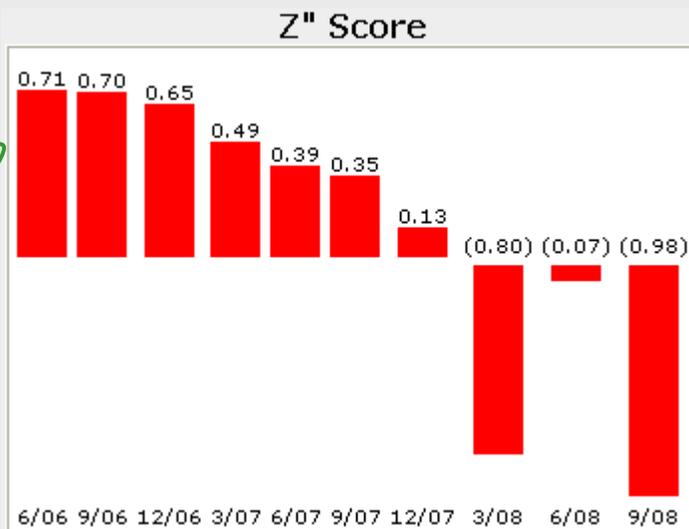
Gross profit margin decreased 11.41% for the period to \$85.61 million (45.38% of revenues) from \$96.63 million (47.09% of revenues) for the same period last year. Gross profit margin decreased 8.97% for the year-to-date period to \$230.33 million (43.63% of revenues) from \$253.02 million (45.19% of revenues) for the comparable 9 month period last year.

Selling, general and administrative expenses for the period decreased 11.02% to \$53.58 million compared with \$60.21 million for the same period last year. Selling, general and administrative expenses for the 9 months ended 9/30/2008 decreased 5.86% to \$169.40 million from \$179.94 million for the same period last year.

**CreditRiskMonitor**

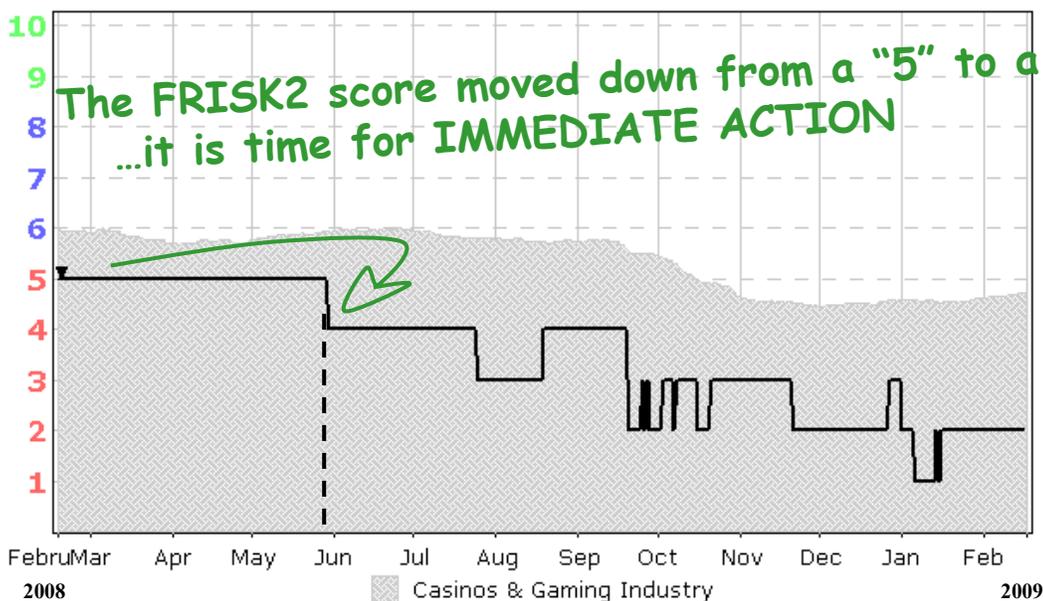
(845) 230-3000  
 info@crmz.com

The Altman Z" was signaling trouble early in 2006...



**LEGEND:**  
 Financially sound: 2.60 or higher  
 Neutral: 1.10 to 2.60  
 Fiscal danger: less than 1.10

The current FRISK2 score is 2 (probability of default\* 14.1% - 21.0%), below its 13-month average and below its industry average.



	FRISK2	Probability of default within 12 months	
		From	To
Best	10	0%	0.3%
	9	0.3%	0.4%
	8	0.4%	0.9%
	7	0.9%	1.9%
	6	1.9%	3.7%
	5	3.7%	7.4%
	4	7.4%	10.1%
	3	10.1%	14.1%
	2	14.1%	21.0%
Worst	1	21.0%	50.0%

**CreditRiskMonitor**

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...plus, looking at our News Alerts you would have seen...

Requests extensions...

Company seeks forbearance agreement...

Continues researching property investments despite current state of the economy...

Losses continue to increase...

Increased costs & consistent drops in revenue...

Losses continue to be reported...

#	Date	Source	Headline
1	2/17/2009	CRMZ News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Bankruptcy or Receivership, Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance S</b>
2	2/17/2009	GlobeNewswire	<b>Trump Entertainment Resorts Files Petition for Relief</b>
3	2/17/2009	CRM News Service	<b>Trump Entertainment Resorts Chapter 11 Petition Filed</b>
4	2/11/2009	CRMZ News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Other Events</b>
5	2/5/2009	CRMZ News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Other Events</b>
6	1/22/2009	CRM News Service	<b>Trump's Casino Firms Hoping to Avoid Bankruptcy</b>
7	1/22/2009	CRMZ News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Other Events</b>
8	12/31/2008	CRMZ News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Other Events</b>
9	12/1/2008	CRMZ News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Financial Statements and Exhibits</b>
10	11/21/2008	CRMZ News Service	<b>Trump Entertainment Resorts, Inc. -- updated financials available</b>
11	8/11/2008	CRM News Service	<b>Trump Entertainment Resorts, Inc. -- updated financials available</b>
12	8/8/2008	CRM News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC.: a Form 10-Q has been Filed with the SEC</b>
13	8/7/2008	CRM News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Results of Operations and Financial Condition, Regulation FD Disclosure, Financial Statements and Exhibits</b>
14	7/3/2008	CRM News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Change in Directors or Principal Officers, Financial Statements and Exhibits</b>
15	6/2/2008	CRM News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Financial Statements and Exhibits</b>
16	5/12/2008	CRM News Service	<b>TRUMP ENTERTAINMENT RESORTS FUNDING INC: a Form 10-Q has been Filed with the SEC</b>
17	5/10/2008	CRM News Service	<b>Trump Entertainment Resorts, Inc. -- updated financials available</b>
18	5/8/2008	CRM News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Results of Operations and Financial Condition, Change in Directors or Principal Officers, Regulation FD Disclosure, Financial Statements and Ex</b>
19	3/17/2008	CRM News Service	<b>TRUMP ENTERTAINMENT RESORTS HOLDINGS LP: a Form 10-K has been Filed with the SEC</b>
20	3/6/2008	CRM News Service	<b>Trump Entertainment Resorts, Inc. -- updated financials available</b>
21	3/5/2008	CRM News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Results of Operations and Financial Condition, Regulation FD Disclosure, Financial Statements and Exhibits</b>
22	3/4/2008	CRM News Service	<b>TRUMP ENTERTAINMENT RESORTS, INC. FILES (8-K) Disclosing Change in Directors or Principal Officers</b>

Files Chapter 11...

Requires deal with banks to avoid bankruptcy...

Fails to make interest payment on Senior Notes...

Director resigns, current director seeks indemnity agreement...

Sells Trump Marina to raise cash...

Losses reported due to competition & economic condition...

## ...need more depth? Look at the Performance Ratios

No profitability...

### Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2008	3 mos 6/30/2008	3 mos 3/31/2008	3 mos 12/31/2007	3 mos 9/30/2007
<b>Net sales \$</b>	\$188,651	\$169,622	\$169,702	\$215,759	\$205,202
% change	11.22%	-0.05%	-21.35%	5.14%	13.84%
<b>Gross margin \$</b>	\$85,610	\$72,660	\$72,062	\$80,329	\$96,634
% change	17.82%	0.83%	-10.29%	-16.87%	25.02%
% of sales	45.38%	42.84%	42.46%	37.23%	47.09%
<b>SG&amp;A \$</b>	\$53,581	\$57,982	\$57,832	\$72,529	\$60,214
% change	-7.59%	0.26%	-20.26%	20.45%	-2.88%
% of sales	28.40%	34.18%	34.08%	33.62%	29.34%
<b>Operating margin \$</b>	(\$102,161)	\$9,038	\$8,268	(\$247,039)	\$34,375
% change	-1230.35%	9.31%	103.35%	-818.66%	259.46%
% of sales	-54.15%	5.33%	4.87%	-114.50%	16.75%
<b>EBITDA \$</b>	(\$88,071)	\$25,792	\$25,389	(\$230,647)	\$52,033
% change	-441.47%	1.59%	111.01%	-543.27%	101.06%
% of sales	-46.68%	15.21%	14.96%	-106.90%	25.36%
<b>Pre-tax income \$</b>	(\$133,523)	(\$21,574)	(\$23,597)	(\$278,541)	\$2,721
% change	-518.91%	8.57%	91.53%	-10336.71%	112.83%
% of sales	-70.78%	12.72%	-13.90%	-129.10%	1.33%
<b>Net income (loss) \$</b>	(\$139,143)	(\$29,821)	(\$18,648)	(\$173,720)	\$6,626
% change	-366.59%	59.92%	89.27%	2721.79%	149.25%
% of sales	-73.76%	-17.58%	-10.99%	-80.52%	3.23%
<b>Tax expense \$</b>	(\$2,295)	n/a	n/a	(\$49,175)	n/a
Effective tax rate	1.72%	n/a	n/a	17.65%	n/a
<b>Depreciation expense \$</b>	\$14,069	\$13,909	\$13,607	\$16,392	\$13,397
% of sales	7.46%	8.20%	8.02%	7.60%	6.53%
% of capital expenses	24.45%	31.89%	26.51%	29.07%	25.26%
% of PP&E, net (annualized)	3.86%	3.58%	3.60%	4.33%	3.24%
<b>Capital expenditures \$</b>	\$57,547	\$43,618	\$51,320	\$56,384	\$53,046
% change	31.93%	-15.01%	-8.98%	6.29%	-19.09%
% of PP&E, net (annualized)	15.81%	11.23%	13.57%	14.89%	12.83%
% of working capital (annualized)	88.83%	115.28%	123.87%	141.52%	1865.52%
<b>Interest coverage ratio</b>	(2.75)	0.82	0.75	(6.87)	1.54
% change	-435.38%	8.72%	110.97%	-544.97%	93.34%
<b>Free cash flow \$</b>	(\$18,664)	(\$84,838)	(\$26,842)	(\$64,756)	(\$5,142)
% change	78.00%	-216.06%	58.55%	-1159.35%	94.09%
Source:	10-Q 11/7/2008	10-Q 8/8/2008	10-Q 8/8/2008	10-K 3/17/2008	10-Q 11/7/2008

No cash flow...

**CreditRiskMonitor**

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...need more depth? Look at the Leverage Ratios

Tons of debt...

Very few debt free assets...

<b>Leverage Ratios - Sequential Quarters</b> (Thousands of U.S. Dollars )					
<b>Period Ended</b>	<b>3 mos 9/30/2008</b>	<b>3 mos 6/30/2008</b>	<b>3 mos 3/31/2008</b>	<b>3 mos 12/31/2007</b>	<b>3 mos 9/30/2007</b>
<b>Total debt \$</b>	<b>\$1,719,624</b>	<b>\$1,696,864</b>	<b>\$1,647,690</b>	<b>\$1,643,287</b>	<b>\$1,567,432</b>
% change	1.54%	2.98%	0.27%	4.84%	-0.12%
<b>Stockholders' equity \$</b>	<b>\$44,881</b>	<b>\$183,482</b>	<b>\$208,276</b>	<b>\$226,368</b>	<b>\$399,806</b>
% change	-75.54%	-11.90%	-7.99%	-43.38%	1.80%
<b>Total debt to equity ratio</b>	<b>38.32</b>	<b>9.25</b>	<b>7.91</b>	<b>7.26</b>	<b>3.92</b>
% change	314.30%	16.90%	8.98%	85.17%	-1.89%
<b>Tangible net worth \$</b>	<b>(\$23,962)</b>	<b>(\$16,741)</b>	<b>(\$33,898)</b>	<b>(\$14,620)</b>	<b>(\$29,751)</b>
% change	-43.13%	50.61%	-131.86%	50.86%	20.78%
<b>Total debt to tangible net worth</b>	<b>(71.76)</b>	<b>(101.36)</b>	<b>(48.61)</b>	<b>(112.40)</b>	<b>(52.69)</b>
% change	29.20%	-108.53%	56.76%	-113.34%	-26.08%
<b>Total assets \$</b>	<b>\$2,076,280</b>	<b>\$2,203,959</b>	<b>\$2,232,032</b>	<b>\$2,230,949</b>	<b>\$2,449,360</b>
% change	-5.79%	-1.26%	0.05%	-8.92%	1.14%
<b>Total debt to assets ratio</b>	<b>0.83</b>	<b>0.77</b>	<b>0.74</b>	<b>0.74</b>	<b>0.64</b>
% change	7.57%	4.30%	0.22%	15.10%	-1.24%
<b>Net tangible assets \$</b>	<b>\$2,007,437</b>	<b>\$2,003,736</b>	<b>\$1,989,858</b>	<b>\$1,989,961</b>	<b>\$2,019,803</b>
% change	0.18%	0.70%	-0.01%	-1.48%	1.42%
<b>Short-term debt \$</b>	<b>\$4,377</b>	<b>\$5,357</b>	<b>\$4,478</b>	<b>\$4,994</b>	<b>\$5,157</b>
% change	-18.29%	19.63%	-10.33%	-3.16%	-17.49%
<b>Short-term debt % of total debt</b>	<b>0.25%</b>	<b>0.32%</b>	<b>0.27%</b>	<b>0.30%</b>	<b>0.33%</b>
% change	-19.38%	16.16%	-10.57%	-7.63%	-17.39%
<b>Short-term debt % of working capital</b>	<b>1.88%</b>	<b>1.88%</b>	<b>25.67%</b>	<b>1.59%</b>	<b>108.77%</b>
% change	0.02%	-92.68%	1513.83%	-98.54%	213.39%
<b>Total liabilities \$</b>	<b>\$2,031,399</b>	<b>\$2,020,477</b>	<b>\$2,023,756</b>	<b>\$2,004,581</b>	<b>\$2,049,554</b>
% change	0.54%	-0.16%	0.96%	-2.19%	1.01%
<b>Total liabilities to equity ratio</b>	<b>45.26</b>	<b>11.01</b>	<b>9.72</b>	<b>8.86</b>	<b>5.13</b>
% change	311.03%	13.33%	9.73%	72.74%	-0.78%
<b>Total liabilities to tangible net worth ratio</b>	<b>(84.78)</b>	<b>(120.69)</b>	<b>(59.70)</b>	<b>(137.11)</b>	<b>(68.89)</b>
% change	29.76%	-102.16%	56.46%	-99.03%	-27.50%
Source:	10-Q 11/7/2008	10-Q 8/8/2008	10-Q 8/8/2008	10-K 3/17/2008	10-Q 11/7/2008

...In the MD&A section, the CEO and CFO tell us that the company is in a high debt position as their capital expenditures have far exceeded the amount of revenue coming in...

## CreditRiskMonitor (CRMZ)

Report	
Overview	<p><i>From MD&amp;A section, period 8/31/2008, filed 10/9/2008:</i></p> <p>LIQUIDITY AND CAPITAL RESOURCES</p> <p>During the nine months ended September 30, 2008, our cash flows provided by operating activities were \$22.1 million compared to \$75.8 million during the nine months ended September 30, 2007. <u>The decrease in cash flows from operations is principally a result of the decline in gaming revenues due to regional competition, the weakening economy, rising fuel costs and smoking restrictions...</u></p> <p>...In order to increase the competitiveness of our casino properties, we have made significant capital expenditures to renovate, update and expand our casinos. Construction continues on the estimated \$255 million, 782-room Chairman Tower and connecting structure to expand our existing facility at the Trump Taj Mahal. We opened sixteen floors of the tower – approximately 300 rooms – during the 2008 Labor Day weekend. During October 2008, we opened approximately 120 additional rooms. We expect the remainder of the Chairman Tower to become available in phases through the conclusion of 2008.</p> <p>...Our ability to meet our operating and debt service obligations depends on a number of factors including existing cash on hand and cash flows generated by our operating subsidiaries, particularly cash flows expected to be generated by the Chairman Tower at the Taj Mahal. We currently expect to utilize the \$25.0 million remaining availability under our 2007 Credit Facility, together with cash on hand, and cash flows to fund operating and debt service obligations and capital expenditures, including the completion of the new hotel tower at the Taj Mahal during the remainder of 2008. However, given the current global economic distress, as well as the downturn in the Atlantic City gaming market, our cash flows have been negatively impacted. If our operating results do not improve, we may not have sufficient sources of liquidity to meet our cash obligations going forward, including with respect to the semi-annual payments under the Senior Notes or the quarterly payments under the 2007 Credit Facility. If we are unable to meet our cash obligations, we will need to explore our alternatives, which may include renegotiating the terms of our debt or seeking to obtain a waiver or extension of the covenants under the Senior Notes and our 2007 Credit Agreement, or exploring strategic corporate options, including a sale of assets or other transactions.</p>
Company News	
Risk Ratings	
Annual Financials	
Year/Year Interim	
Sequential Quarters	
Liquidity (MD&A)	
Liquidity (MD&A) History	
SEC Filings	
Peer Analysis	
Payments	
Public Filings	
General Info	
Access History	
Credit Limit	
Add To My Portfolio	
Print/Save Report	
Currency Converter	
Send This to a Colleague	

A casino that acted "like a gambler" and then the world starting changing

**CreditRiskMonitor**

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