



2006 ANNUAL REPORT

Implementing
OUR STRATEGIES
FOR CHANGE

DELIVERING MEANINGFUL,
MEASURABLE RESULTS



Trump Entertainment Resorts, Inc.

2006 FINANCIAL HIGHLIGHTS

OPERATING INFORMATION

(in millions of dollars, except per share data)	REORGANIZED COMPANY		PREDECESSOR COMPANY	
	YEAR ENDED DECEMBER 31, 2006	MAY 20, 2005 THROUGH DECEMBER 31, 2005	JANUARY 1, 2005 THROUGH MAY 19, 2005	YEAR ENDED DECEMBER, 31 2004
Net revenues	\$ 1,026.2	\$ 627.8	\$ 364.4	\$ 1,002.9
Income from operations	101.5	42.8	50.8	27.8
(Loss) from continuing operations	(19.1)	(36.3)	(37.3)	(203.8)
Income from discontinued operations	0.6	9.8	118.8	12.5
Extraordinary gain on extinguishment of debt	-	-	196.9	-
Net (loss) income	(18.5)	(26.5)	278.4	(191.3)
<i>BASIC AND DILUTED EARNINGS PER SHARE:</i>				
Continuing operations	(0.62)	(1.19)	(1.25)	(6.82)
Discontinued operations	0.02	0.32	3.97	0.42
Extraordinary gain on extinguishment of debt	-	-	6.59	-
Net (loss) income	(0.60)	(0.87)	9.31	(6.40)
<i>WEIGHTED AVERAGE SHARES OUTSTANDING:</i>				
Basic and diluted	30,920,616	30,533,041	29,904,764	29,904,764

TRUMP AT A GLANCE

TRUMP ENTERTAINMENT RESORTS, INC. IS A LEADING GAMING COMPANY THAT OWNS AND OPERATES THREE ATLANTIC CITY PROPERTIES – TRUMP TAJ MAHAL CASINO RESORT AND TRUMP PLAZA HOTEL AND CASINO, BOTH LOCATED ON THE BOARDWALK, AND TRUMP MARINA HOTEL CASINO, SITUATED IN THE MARINA DISTRICT. THE COMPANY IS THE SOLE VEHICLE THROUGH WHICH DONALD J. TRUMP, THE COMPANY'S CHAIRMAN AND LARGEST STOCKHOLDER, CONDUCTS GAMING ACTIVITIES AND SEEKS TO PROVIDE CUSTOMERS WITH OUTSTANDING CASINO RESORT AND ENTERTAINMENT EXPERIENCES CONSISTENT WITH THE TRUMP STANDARD OF EXCELLENCE.

TO OUR SHAREHOLDERS



Fiscal 2006 was the first full year of operations for Trump Entertainment Resorts following a comprehensive, far-reaching recapitalization completed in May 2005. Our overriding focus in 2005 was on establishing a solid foundation for change and developing a strategy to turn our business around. In 2006, we concentrated on implementing our strategic plan and delivering meaningful, measurable results that will drive our business improvement in years to come.

We have made significant progress in improving our operations, renovating our properties, implementing new technology and changing our internal culture. Evidence of our accomplishments is clearly evident in our improved financial results, in the exciting changes completed or under way at our properties, and in the renewed commitment of our staff to deliver exceptional customer service. As our collective efforts come together going forward, we anticipate solid gains in performance and profitability across the enterprise.

IMPROVED FINANCIAL PERFORMANCE

As our reorganization process and renovation efforts continue to progress and produce results, the company is generating higher levels of revenue from higher value customers. Net revenues for the year ended December 31, 2006 climbed to \$1,026 million, a \$34 million increase over net revenues of \$992 million in 2005. Our successful efforts aimed at margin growth were considerably complemented by programs designed to increase cash sales and streamline operations in 2006.

Across the company, we increased our cash room, food and beverage revenues by approximately \$10 million. Our efforts to improve profit margins include dramatic cuts in payroll, which exceeds the industry average as a percentage of revenue, as well as promotional spending. Since mid-2005, we have reduced staffing by over 400 full-time equivalents. Adjusted for benefit and other cost increases, we realized a net savings of just under \$5 million as a result of these efforts. Going forward, we anticipate that our various operating and technology initiatives will further improve margins, and we continue to look for areas where we can combine or centralize certain functions.

Among the factors that impacted our operating results during the year, the state-imposed casino shutdown in Atlantic City as a result of the New Jersey budget stalemate briefly curtailed the positive momentum under way at our properties. The closure from July 5 through July 7, 2006 negatively impacted operating results in the third quarter.

As we put our plan into effect throughout the year, our internal goal has been to reach industry-average margins for our market by the second half of 2007. While this timeframe is aggressive, we remain committed to being the best we can be, as quickly as we can.

IMPLEMENTING OUR GROWTH STRATEGIES

A year ago, as we laid the foundation for change across our organization, we distilled our long-term business goals into broad, strategic imperatives aimed at enhancing

LETTER TO SHAREHOLDERS
(continued)

shareholder value. Over the past year, we have further broadened and refined these core strategies:

1. *Re-establish the company as an industry-leading casino operator* – delivering an improved entertainment experience to our new and existing customers.
2. *Strengthen the company financially* – establishing a free cash flow discipline, improving margins and committing to a strong balance sheet.
3. *Capitalize on the worldwide prominence of the Trump brand* – exploring and exploiting opportunities for profitable growth.
4. *Create a culture built around customer satisfaction and employee accountability* – supporting our staff with the necessary tools and training to excel.
5. *Set benchmarks and measure progress* – focusing on operational expertise, relationship marketing, facility innovation and brand building to elevate the customer experience.

Performance Markers In conjunction with our strategies for growth, we have identified four fundamental performance markers to guide our efforts and measure our progress in achieving our overriding goal – elevating the customer experience. By excelling in these well-defined areas – operational expertise, relationship marketing, facility innovation and building the brand – we will connect with customers and employees to create shareholder value. Later in this report, we detail the considerable progress we have made in these four key areas.

STRENGTHENING OUR MANAGEMENT TEAM

Throughout the year, we continued to strengthen an already exceptional senior management team with several key additions and promotions. Our team has the leadership, experience and skills needed to successfully execute our strategies and achieve our business objectives.

Eric Hausler joined the company in October 2006 as senior vice president of development. In this newly created position, he is responsible for identifying, evaluating and coordinating existing and future opportunities to expand the Trump brand both nationally and internationally. He brings broad experience on Wall Street, most recently with Bear Stearns as managing director in fixed income research across the gaming, lodging and leisure sectors, and previously as senior equity analyst with Susquehanna Financial Group covering gaming equities. He formerly served as the governmental and community relations coordinator for the New Jersey Casino Control Commission.

Gregg Caren, a 20-year veteran of the hotel and hospitality industry, joined the company in September 2006 as vice president of hotel sales with responsibility for coordinating the sales of our more than 3,000 hotel rooms across our three properties. He has worked in management sales positions for Hilton, Sheraton and Marriott, and most recently served as vice president of operations and business development for SMG, a world-wide conference and entertainment venue management company. He formerly served as assistant general manager and director of sales for the Atlantic City Convention Center.

Rosalind Krause, a 27-year gaming industry veteran, was promoted to general manager of our flagship Trump Taj Mahal Casino Resort in April 2006. She served as assistant general manager of the property since joining



DONALD J. TRUMP  JAMES B. PERRY

the company in September 2005, and previously served as assistant general manager of Paris Las Vegas and senior vice president of casino services at Caesar's Palace in Las Vegas.

During the year, we continued efforts to eliminate excess layers of middle management, simplifying our structure and streamlining reporting relationships for greater efficiency.

OVERVIEW OF THE ATLANTIC CITY MARKET

Atlantic City ranks as the second largest gaming market in the United States with 2005 gaming revenues exceeding \$5 billion. Today, Atlantic City is undergoing significant change, fueled by elevated consumer expectations and intensified competition from operators seeking to meet those demands.

Customers have become more discriminating and demanding, and what they want from the gaming experience has changed, as well. According to a gaming industry survey, today more than two-thirds of customers enjoy the food, shows and entertainment more than gaming. To attract new customers and a greater share of wallet, we need to deliver compelling, customer-driven experiences that command a premium price.

Atlantic City remains primarily a day-trip, drive-in market underserved by hotel capacity. For example, the average stay for Atlantic City customers is 14 hours compared to three and a half days for their counterparts in Las Vegas. Furthermore, Atlantic City has three gaming positions for every hotel room compared to less than one position for every room on the Las Vegas Strip.

Hotel Room Expansion As Atlantic City continues to redefine itself and transform into a destination market, hotel room expansions offer the single largest opportunity for us to grow our base of business in the market, as they have delivered the highest return on

invested capital in the Atlantic City industry in recent years. We have space available at our properties to add over 4,000 rooms, which would more than double our existing inventory, in addition to the hotel tower currently under construction. We believe that adding hotel rooms in our Atlantic City market will deliver the greatest return on invested capital and the highest operating flow-through, while also enabling us to rationalize the capacity of our casino floors and increase casino revenues from overnight customers. And hotel customers represent a significant premium over non-hotel customers, with an average gaming value per visit of \$275 compared to \$105 for drive-in customers and \$55 for those who arrive by bus.

As Atlantic City attracts more overnight guests, retail and entertainment offerings will become even more critical components of a complete experience. Our renovation and expansion plan is specifically designed to create new entertainment options and elevate the overall quality of the experience at our properties.

OUR KEY GROWTH INITIATIVES

Over the last year and a half, we have launched a number of key initiatives specifically designed to support our strategies, drive net revenues and increase operating margins. These initiatives, detailed fully later in this report, represent approximately \$500 million in development capital for bricks-and-mortar improvements, not including technology and human resources programs.

Development Opportunities We also continue to aggressively pursue opportunities to introduce the Trump brand to new gaming markets, both nationally and internationally, and to diversify our cash flows.

One disadvantage our company faces in exploring growth opportunities is our high cost of capital compared to the rest of the industry, currently

LETTER TO SHAREHOLDERS
(continued)

approximately 250 basis points above the industry average. As a result, competitors can afford to outbid us for assets or opportunities and still be able to achieve their required return.

We were disappointed not to have been awarded a gaming license in Philadelphia. In December 2006, the Pennsylvania Gaming Control Board awarded the Philadelphia licenses to two competing bidders, both with greater capital investment and with no competing properties in Atlantic City.

In Rhode Island, we were working through the legislative process seeking a constitutional amendment to allow privately operated casinos in the state. Unfortunately, our efforts ended at mid-year as the state legislature acted to preclude an open bidding process for a gaming license, and voters subsequently rejected using the constitution as a development agreement.

Despite these disappointments, we continue to aggressively pursue opportunities to expand into new markets, both domestically and internationally. In addition to greenfield and acquisition considerations,

we are actively pursuing opportunities to execute appropriate joint venture developments, as well as management and licensing agreements.

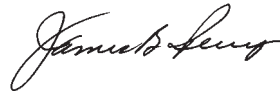
OUTLOOK FOR THE FUTURE

We anticipate 2007 will be a year of both opportunities and challenges as our operations are likely to be affected by gaming at Pennsylvania racetracks and the recently enacted partial smoking ban in Atlantic City. While it is too early to predict the impact, we are actively developing strategies to minimize these factors and enhance the guest experience at our properties.

Building on the momentum we have under way, we will continue to focus on our plan to improve our operations, our physical plant and our culture. While we have faced challenges along the way, our unwavering goal is to create long-term value for our shareholders. We recognize the continuing contributions of our employees at every level throughout the company in putting our plans into action, and we are optimistic that our strategies will produce meaningful results.



DONALD J. TRUMP
Chairman of the Board
New York, New York



JAMES B. PERRY
President and Chief Executive Officer
Atlantic City, New Jersey

Performance MARKERS



AS WE IMPLEMENT OUR STRATEGIES FOR CHANGE IN PURSUIT OF OUR UNWAVERING GOAL TO ELEVATE THE OVERALL ENTERTAINMENT EXPERIENCE WE DELIVER TO OUR CUSTOMERS, WE HAVE ADOPTED FOUR PERFORMANCE MARKERS. THESE BENCHMARKS – OPERATIONAL EXPERTISE, RELATIONSHIP MARKETING, FACILITY INNOVATION AND BUILDING THE BRAND – HELP GUIDE OUR EFFORTS AND MEASURE OUR PROGRESS.

Performance MARKER 1 OPERATIONAL EXPERTISE



UTILIZE STRATEGIC RESEARCH TO BUILD OUR BUSINESS AROUND OUR CUSTOMERS. ☒ UTILIZE TECHNOLOGY TO MAXIMIZE EACH CASINO'S PROFITABILITY AND IMPROVE MARGINS. ☒ ELEVATE SERVICE LEVELS THROUGH THE INTEGRATION OF CUSTOMER LOYALTY DRIVERS WITH HUMAN RESOURCES PROGRAMS. ☒ BECOME THE GAMING "EMPLOYER OF CHOICE" IN ATLANTIC CITY.

Performance MARKER 2 RELATIONSHIP MARKETING



UTILIZE TECHNOLOGY AS A STRATEGIC TOOL TO SUPPORT OUR OPERATIONAL INITIATIVES. ☒ DEVELOP PROFITABILITY MODELS TO REDUCE MARKETING COSTS AND IMPROVE ACCOUNTABILITY. ☒ INCREASE RETAIL PLAY BY PROVIDING CUSTOMERS WITH AN EXCEPTIONAL ENTERTAINMENT EXPERIENCE.

Customer
EXPERIENCE

Performance MARKER 3 FACILITY INNOVATION



FOCUS CAPITAL INVESTMENT ON IMPROVEMENTS THAT MATTER MOST TO TARGETED MARKET SEGMENTS. ☒ IMPROVE MARGINS BY OFFERING POSITIVE AND MEMORABLE EXPERIENCES OUR GUESTS WILL VALUE. ☒ CREATE POINTS OF DISTINCTION THROUGH VENUE DESIGN THAT INCREASE THE ENTERTAINMENT VALUE FOR OUR CUSTOMERS. ☒ CREATE AN ATMOSPHERE AT EACH PROPERTY THAT REINFORCES AND COMPLEMENTS ITS BRAND IDENTITY.

Performance MARKER 4 BUILDING THE BRAND



DEVELOP A CONSISTENT IMAGE AND MESSAGING FOR EMPLOYEES, THE PUBLIC AND INVESTMENT COMMUNITY. ☒ CONNECT EMOTIONALLY WITH OUR CUSTOMERS. ☒ BUILD AN ORGANIZATIONAL CULTURE THAT SUPPORTS THE BRAND. ☒ LEVERAGE THE WORLDWIDE PROMINENCE OF THE TRUMP BRAND THROUGH GROWTH OPPORTUNITIES BASED ON OUR STRATEGIC VISION.

OPERATIONAL EXPERTISE

Performance MARKER 1



STRATEGIC RESEARCH

The company employs strategic research in an effort to determine customer preferences and the drivers of customer satisfaction – we then focus our operating, training and marketing plans around those customer needs. Furthermore, understanding our customers' preferences and expectations enables us to develop and implement human resources strategies that are linked to loyalty drivers and elevated service delivery.

In late-2006, we concluded our latest survey of both rated players and random gamers in the Atlantic City market. Survey results indicate that the two most important attributes that influence a customer's choice of casino are infrastructure attributes – cleanliness and security – followed closely by a comfortable atmosphere. Next in importance are customer satisfaction attributes such as a well-trained staff, prompt and pleasant service, and food quality.

YIELD MANAGEMENT

Beginning in 2007, our new hotel yield management system will enable us to maximize revenue and profitability using automated, strategic decisions concerning room rates and blocks. With the ability to forecast future demand, this system will allow us to effectively allocate our room inventory to our most valuable customers. The system can quickly calculate profitability – for example, selling a room for two nights at the weekend rack rate to a retail customer versus allocating that room for three nights to a lower-end database customer. In addition, as we focus on increasing our mid-week business, the system enables us to consolidate convention, tour and travel, and cash sales across the enterprise.

SERVICE CULTURE

Over the last year and a half, we have made significant progress in developing a service-driven culture that

focuses on accountability, performance excellence, dignity and respect. As part of this effort, we are emphasizing fluid internal communications, innovative staffing solutions, employee educational and development initiatives, and new performance measurement systems. Among our supervisors and managers, we seek to consistently develop leaders who are competent, committed, customer-focused, results-driven and ethical.

The company is placing significant emphasis on human resources, focusing on taking care of our employees just as we take care of our customers. Following through on our promise to improve the back of the house, we are completely renovating the employee cafeterias at all three properties and introducing new uniforms in many departments. To engage our associates, we are setting goals and sharing results with employees and management.

In March 2006, we launched our comprehensive customer service initiative, creating a task force of more than 100 departmental trainers to train 7,000 front-line service employees in our standards of service.

Given the acronym "ACT," this initiative distills the customer service process into three simple categories – acknowledge, connect and thank. The acknowledge step combines a friendly verbal greeting with eye contact, a smile and open body language, plus a professional appearance. Connecting with our customers involves solving problems by listening, asking questions and giving information, then checking for satisfaction. Thanking customers includes an expression of appreciation, an invitation to return and a farewell.

To quantify the effectiveness of the ACT program, we use a third-party "mystery shopper" service to gauge how well our guest-contact employees are meeting our service standards. Additionally, we complete the same research at the properties of key competitors in the



marketplace. Based on approximately 450 contacts a month, this system provides performance scores for each operational area – from table games and slot operations to food and beverage, security, hotel, marketing and more. At year-end, customer service scores at our three properties exceeded the average for competitors in the market, and going forward we look for continued improvement as a result of the ACT program. Trump Plaza, in fact, achieved the best service month in its history in January 2007.

MANAGEMENT DEVELOPMENT

In January 2007, we fundamentally changed our performance evaluation system for all management positions as part of our commitment to continuous improvement. The new system removes the direct link between the evaluation process and base compensation, and aligns performance competencies with strategic organizational objectives. The evaluation process focuses on a candid discussion of a manager's performance and connects to their professional development plan.

In conjunction with this initiative, we are implementing performance-based incentive compensation

plans, linking senior management to financial performance and middle management to service and functional performance.

Launched in April 2006, our Trump Leaders program involves a number of development components for our approximately 400 managers, directors and officers. The new program includes 360° assessments measuring 24 leadership competencies, plus one-on-one coaching, individualized professional development plans and both classroom and e-learning opportunities. In 2007, we plan to add best practices, cross-training and job rotation at the property level.

EMPLOYER OF CHOICE

Our ultimate goal is to position the company as the employer of choice in the Atlantic City market by developing and implementing HR strategies linked to customer loyalty drivers and elevating the level of our service delivery. As part of this effort, in 2007 we are introducing a new value-added benefit plan design with improved flexibility, more meaningful choices and enhanced benefits.



ENERGIZED AND ENTHUSED BY OUR NEW COMPREHENSIVE CUSTOMER SERVICE INITIATIVE, OUR 7,000 FRONT-LINE EMPLOYEES ARE ELEVATING THE DELIVERY OF CUSTOMER SERVICE TO NEW HEIGHTS. YEAR-END CUSTOMER SERVICE SCORES ACROSS THE COMPANY SURPASSED THE AVERAGE FOR COMPETITORS IN THE MARKET, AND TRUMP PLAZA ACHIEVED ITS BEST MONTH EVER IN JANUARY 2007.

RELATIONSHIP MARKETING

Performance MARKER 2



CUSTOMER SEGMENTATION

Early in 2006, we concentrated on significantly reducing our marketing costs for marginal, low-end database customers – trimming promotional spending by \$1 million per week – and eliminating many bus programs. We then strategically reinvested in efforts to attract a more qualified, more profitable base of customers for revenue and margin growth. Our segmentation tools also provide us with a method for evaluating customer profitability that is consistent across the enterprise.

In addition, a shift to higher-value customers can translate into dramatic increases in productivity on the casino floor, where table games account for the largest payroll costs as a percentage of gaming revenues. Ultimately, we seek to build our business around higher-value customers while increasing cash sales.

DATA WAREHOUSE

We will also begin to benefit from our new data warehouse in 2007. Gathering data in a single accessible repository, this technology tool provides an integrated view of our customers for use by operations and marketing. Enhancing our ability to identify, attract and retain target customers, the data warehouse ultimately will improve our return on investment by focusing on targeted segments to improve customer loyalty and increase their spending in our casinos.

In addition, the data warehouse includes a new visualization tool that can be used as decision support for our operating and marketing departments to improve the mix of slot manufacturers and denominations on our

casino floor. It illustrates the top slot machines on the floor, for example, with the ability to drill down and identify which customers played those machines as well as what other machines they played.

The goal of our various technology initiatives is to improve the customer experience by collecting information from every customer transaction and converting that data into insight leveraged across the enterprise.

CASINO MANAGEMENT SYSTEM

A proprietary casino management system, Trump Casino Management System (TCMS) will be introduced in 2007 and will enable us to market our assets on an enterprise-wide basis through the introduction of a unified, tiered card program. In addition, a series of changes and updates to the transactional systems on the casino floor in 2006 will enable us to introduce valuable new marketing and bonusing modules. These upgrades will not only add excitement to the casino floor, they are also expected to help increase profit margins.

UNIFIED CARD PROGRAM

Our new unified players' card program is scheduled to launch in June 2007. A common card used at all our Atlantic City properties will reduce duplicated functions and drive revenue through new customer loyalty and cross-property play initiatives. A comp banking component will add more value to the club for our customers by allowing them to choose where and how to utilize earned complimentaries, while also allowing us to reduce our costs of sales overall across the enterprise.







1

TRUMP EXCHANGE AT TRUMP TAJ MAHAL

2

PHASE 1 OF SPICE ROAD AT TRUMP TAJ MAHAL

3

CASINO FLOOR AT TRUMP PLAZA

4

RENDERING OF THE NEW HOTEL TOWER AT TRUMP TAJ MAHAL

FACILITY INNOVATION

Performance MARKER 3



PROPERTY RENOVATIONS

Our unified corporate brand strategy provides the foundation for our development of targeted brand positioning statements for each of our Atlantic City properties. These brand positioning statements are based on each property's physical plant and location, competitive set and target customer profile.

We are redefining the individual personalities and perceptions of our three properties, and targeting them toward a specific customer. The operating plans developed at each site support the brand positioning and integrate casino, hotel, food, entertainment and retail.

We seek to position the Trump Taj Mahal as our iconic flagship and high-end tourist magnet – setting the standard for quality in the Atlantic City market with the best suites, best food, best games and best entertainment. We plan to concentrate our high-end play, entertainment and dining at this location. At the Taj Mahal, our target customer is the premium player.

Our goal will be to capitalize on Trump Plaza's highly desirable center Boardwalk location by creating fun for customers as a quality leader in our competitive set. Here, our target customer is the upper-middle tier player.

Celebrating its waterfront location, we are positioning the Trump Marina as fun and familiar, appealing particularly to suburban customers who seek a clean, safe and fun experience. At the Marina, our target customer is also the upper-middle tier player.

CAPITAL PROGRAM

Last year, we detailed the first phase of our multi-year master plan of targeted renovations at our three Atlantic City properties, providing customers with expanded

amenities and entertainment options to enhance their overall experience. The initial phase, totaling \$110 million in capital improvement projects, was launched in 2006 and will be substantially completed by the end of the first quarter of 2007. This phase focused on investing in our infrastructure and making improvements that offer the most immediate return – for instance, every standard guest room and nearly all our suites were upgraded by year-end.

We are also aggressively upgrading our slot product to meet customer demand and improve market share. As capital leases expire on our slot machines, we are replacing them with new product, particularly the increasingly popular penny and nickel machines, increasing our win-per-unit.

By the end of the first quarter of 2007, across our three properties, we will have completed detailed master plans for each facility and addressed numerous deferred maintenance projects. Company-wide last year, we renovated 170,000 square feet of casino space, 50,000 square feet of public space and 50,000 square feet of meeting space; we renovated 1,512 standard rooms and hallways and 310 suites; and we added six new restaurants, two new lounges and several new retail spaces.

TRUMP TAJ MAHAL

As part of our renovation capital program, the now dated opulence of the Taj Mahal is being transformed with a rich union of influences rooted in exotic Eastern tradition ... but distinctly modern and casual.

The most visible indicator of change at our flagship property is the \$30 million refurbishment of the entrance corridor into the casino from the parking garage, through which 70 percent of casino customers arrive and depart. Named "Spice Road," the promenade



PERFORMANCE MARKER 3
(continued)

is a centrally located marketplace designed for the comfort and convenience of our casino guests. Projecting a warmer, friendlier presence and more natural color palette and textures, the initial phase was completed in fall 2006. Making the Spice Road truly unique is a series of new branded venues with distinctive one-word names – Freeze (frozen alcoholic drinks), Burger (gourmet hamburgers), Stem (florist), Plate (24-hour restaurant), Candy (sweets), Accents (accessories) and more. This portable concept can be adapted as a distinct component of future company development projects.

Featuring quality entertainment seven nights a week and a signature martini menu, the new Ego casino bar and lounge opened in July 2006. Located on the casino floor, this 11,000-square-foot facility seats up to 360 guests, with a diamond-shaped bar complemented by four private-seating cabanas.

Located directly across from Ego on the casino floor and also opened in July 2006 is our exciting new Asian gaming area. This high-end gaming area features 15 new gaming tables including mini- and midi-baccarat, pai-gow poker and pai-gow tile tables.

The Rim, our new gourmet noodle bar located adjacent to Ego, opened in July 2006 and offers a tempting selection of signature Asian dishes.

The new Trump Exchange branded retail store, located on the second floor, features an array of Donald J. Trump Signature Collection apparel and merchandise – dress shirts, ties, golf shirts, cologne, wallets, belts and watches. The 4,000-square-foot store also offers “Apprentice” and Miss Universe pageant merchandise, the Trump Getaway Spa collection, Taj Mahal logo items and other upscale retail brands such as Coach and Robert Trent Jones.

TRUMP PLAZA

At the Plaza, selected capital investments have dramatically elevated the excitement and elegance of the casino and hotel. A \$25 million renovation of nearly the entire casino floor was completed in June 2006 featuring contemporary colors, Italian marble accents and fine Austrian crystal chandeliers.

The 7,000-square-foot, 260-seat 24 Central Café opened in April 2006. This upscale, 24-hour restaurant features a wide variety of global cuisine in a casual, contemporary atmosphere.

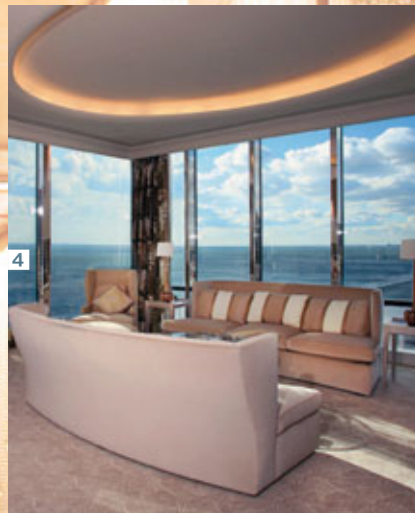
The introduction of a new bar and lounge on the casino floor brings added excitement to the casino level and to our guests. Featuring a state-of-the-art sound system and a live entertainment stage, Jezebel’s was completed at the end of 2006 and includes bar-top video poker machines.

Completed at the end of 2006 were six newly renovated penthouse suites in the East Tower hotel. Featuring contemporary custom finishes in a modern and elegant atmosphere, each of these new suites is designed to highlight the Plaza’s waterfront views.

TRUMP MARINA

At the Marina, we have concentrated on upgrading the quality of our food product and revising the menus and tabletop presentations at all restaurants. By year-end, we had developed a comprehensive master plan for the entire casino footprint, including renovation of meeting space and food and beverage outlets.

Our master plan calls for changes to the central atrium that will dramatically enhance the feel and image of the property and appeal to a whole new audience, as well as development of a new entry corridor. Our goal is to mix modern materials like glass and steel with



1

NEW SUITE AT TRUMP MARINA

2

EGO BAR AND LOUNGE AT TRUMP TAJ MAHAL

3

TABLE GAMING AREA AT TRUMP PLAZA

4

NEW SUITE AT TRUMP PLAZA

PERFORMANCE MARKER 3
(continued)

traditional elements of the maritime tradition – introducing warmer tones, wood and curved shapes with comfortable finishes contrasting with dramatic features to suggest water and waves.

SECOND PHASE

The second phase of our renovation capital improvement program was announced early in 2007, and is expected to cost approximately \$140 million and occur through the first quarter of 2008. The plan calls for major physical changes at each of our properties including all-new buffet concepts and replacement of approximately 20 percent of our slot product.

At the Taj Mahal, the second phase of improvements will include completion of the Spice Road project, complete renovation of the casino floor, seven new luxurious penthouse suites, renovation of the baccarat pit and poker room, and one or more new gourmet restaurants. At the Plaza, a newly redesigned and refurbished transportation center will accommodate the majority of arriving guests. At the Marina, we have already introduced a new gourmet Italian restaurant, antipasto bar and lounge called Finestra. Throughout the year, we anticipate opening additional venues including a new 24-hour restaurant, a noodle bar and Asian-themed restaurant, several additional

redeveloped restaurants, and renovated meeting rooms and convention space.

STRATEGIC EXPANSION

To take advantage of existing capacity on our properties' casino floors and in our restaurants and convention facilities – and to capitalize on Atlantic City's growing presence as a destination market – our long-range master plan includes adding to our inventory of hotel guest rooms. Ultimately, we see the potential for as many as five new hotel towers opening every 18 to 24 months over the next 10 years and a total of over 4,000 additional rooms.

At the Taj Mahal, construction of a \$250 million, 40-story hotel tower began in June 2006 and is on schedule for completion in the third quarter of 2008. The new hotel, designed to maximize available views, will feature 716 standard guest rooms and 70 ocean-view suites. The corner suites, in particular, will be positioned to attract convention guests with their larger size, latest technology and business-friendly amenities. The site selected for the hotel minimizes disruption to operations, and the plan maximizes the use of land and views while allowing for future expansion.

Approximately 12 acres remain available for future development, with the potential for as many as 2,000



AT THE TAJ MAHAL, CONSTRUCTION OF A \$250 MILLION, 40-STORY HOTEL TOWER BEGAN IN JULY 2006 AND IS ON SCHEDULE FOR COMPLETION IN SUMMER 2008. THE NEW HOTEL, DESIGNED TO MAXIMIZE AVAILABLE VIEWS, WILL FEATURE 716 STANDARD GUEST ROOMS AND 70 OCEAN-VIEW SUITES.

rooms in addition to the new tower. The famous Steel Pier, situated across the Boardwalk from the Taj Mahal, also represents a unique development opportunity. We continue to explore development options to transform the 3-acre Steel Pier from its existing amusement park feel to a mixed-use project that may also feature additional convention facilities and a residential component.

At the Plaza, some 3 acres are available for future development at the property's prime center Boardwalk location, with the potential for approximately 1,000 rooms. The Marina site includes 1.5 acres with the potential for as many as 1,500 hotel rooms – as well as additional potential development opportunities, either utilizing leased land fronting on the marina or atop the existing facility.

BUILDING THE BRAND

Performance MARKER 4



CORPORATE BRAND STRATEGY

We have formulated a corporate brand strategy as part of our initiative to strengthen and extend the Trump brand. This campaign is designed to use the celebrity of the Trump name as a catalyst to unify our three Atlantic City properties into a single marketing force. As part of this program, we introduced the concept of joint marketing promotions beginning with our Million Dollar Car Giveaway in September 2006. This effort also involves unifying the creative look and messaging of our properties for broader impact and recognition.

DEVELOPMENT OPPORTUNITIES

We are continuing to identify and explore opportunities to strategically leverage the Trump brand beyond the Atlantic City market, both domestically and internationally, and are dedicating additional resources to this critical effort. This effort to diversify our cash

flows, however, is hindered somewhat by financial restraints resulting from our high leverage and restrictive covenants.

While maximizing our Atlantic City asset base and positioning these properties for the future, our long-term objective remains to build a more geographically diverse company and lessen our dependency on a single market. As we explore development opportunities, we will consider a variety of approaches. Joint ventures or strategic alliances, for instance, enable us to expand without assuming all of the capital risk, while taking advantage of our operational expertise. Selective acquisitions provide an opportunity to rebrand assets and improve returns on capital through improved operations. As new gaming markets open, early entrants typically have a strategic advantage in terms of location and access to resources, and enjoy outsized returns on investment initially.



IMPLEMENTING OUR STRATEGIES FOR CHANGE



THE STRATEGIES WE DEFINED AND DEPLOYED OVER THE LAST YEAR AND A HALF ARE NOW DELIVERING MEANINGFUL, MEASURABLE RESULTS. IMPROVING OUR EXECUTION AND OPERATIONAL PERFORMANCE. RENOVATING AND UPGRADING OUR PHYSICAL PROPERTIES. ADOPTING ADVANCED TECHNOLOGY AND SYSTEMS. FORGING A SERVICE-DRIVEN CULTURE. ■ AS WE CONTINUE TO GAIN MOMENTUM GOING FORWARD, WE REMAIN INTENTLY FOCUSED ON CONNECTING WITH OUR CUSTOMERS AND ENGAGING OUR EMPLOYEES TO ACHIEVE OUR FOREMOST GOAL – TO ENHANCE SHAREHOLDER VALUE.

BOARD OF DIRECTORS

DONALD J. TRUMP ^(c)
Chairman of the Board,
Trump Entertainment Resorts, Inc.;
President and Chief Executive Officer,
The Trump Organization, LLC

WALLACE B. ASKINS ^(a)
Retired Executive Vice President
and Chief Financial Officer,
Armco, Inc.

EDWARD H. D'ALELIO ^(a)
Executive-in-Residence and Member,
College Management Advisor Board,
University of Massachusetts,
College of Management

JAMES J. FLORIO ^(a)
Founding Partner,
Florio Perrucci Steinhardt & Fader, LLC

CEZAR (CID) M. FROELICH ^(b)
Partner, Shefsky & Froelich Ltd.

MORTON E. HANDEL ^(c)
Chairman of the Board,
Marvel Enterprises, Inc.

MICHAEL A. KRAMER ^(b)
Partner,
Perella Weinberg Partners, LP

JAMES B. PERRY ^(c)
Chief Executive Officer and President,
Trump Entertainment Resorts, Inc.

DON M. THOMAS ^(b)
Consultant and Retired Senior Vice
President of Corporate Affairs,
Pepsi-Cola Bottling Co. of New York

*(a) Class I Director
(b) Class II Director
(c) Class III Director*

CORPORATE EXECUTIVE OFFICERS

JAMES B. PERRY
Chief Executive Officer and President

MARK JULIANO
Chief Operating Officer

DALE R. BLACK
Executive Vice President and Chief
Financial Officer

JOHN P. BURKE
Executive Vice President and Corporate
Treasurer

JOSEPH A. FUSCO
Executive Vice President of
Governmental Affairs

PAUL B. KELLER
Executive Vice President of Design and
Construction

CRAIG D. KEYSER
Executive Vice President of Human
Resources and Administration

VIRGINIA MCDOWELL
Executive Vice President and
Chief Information Officer

ROBERT M. PICKUS
Executive Vice President, Secretary and
General Counsel

RICHARD M. SANTORO
Executive Vice President of Asset Protection
and Risk Management

ERIC L. HAUSLER
Senior Vice President of Development

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

ERNST & YOUNG LLP
2 Commerce Square
Suite 4000
2001 Market Street
Philadelphia, Pennsylvania 19103
(215) 448-5000

TRANSFER AGENT

CONTINENTAL STOCK TRANSFER & TRUST COMPANY
2 Broadway
New York, New York 10004
(212) 509-4000

DIVIDEND POLICY

We have never paid a dividend on our Common Stock and do not anticipate paying one in the foreseeable future. The payment of any future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our financial condition and capital needs, legal restrictions on the payment of dividends, contractual restrictions in financing agreements and on other factors deemed pertinent by our Board. It is the current policy of our Board to retain earnings, if any, for use in our properties' operations. Pursuant to the terms of the Credit Facility and Senior Notes, TER Holdings and its subsidiaries are restricted from paying dividends and making distributions.

COMMON STOCK AND SYMBOL

Our Common Stock trades on The NASDAQ Stock Market under the symbol TRMP.

CORPORATE EXECUTIVE OFFICES AND WEBSITE

TRUMP ENTERTAINMENT RESORTS, INC.
1000 Boardwalk at Virginia Avenue
Atlantic City, New Jersey 08401
(609) 449-1000
www.trumpcasinos.com

ANNUAL SHAREHOLDERS' MEETING

Our annual meeting of shareholders is scheduled for May 2, 2007, at 8:30 a.m. at Weil, Gotshal & Manges, LLP, 767 Fifth Avenue, New York, New York 10153.

INVESTOR RELATIONS

For further information please contact:

JOHN P. BURKE
Executive Vice President and
Corporate Treasurer
(212) 891-1500

DALE R. BLACK
Executive Vice President and
Chief Financial Officer
(609) 449-5556

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ENTERTAINMENT RESORTS

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