



## **Penn National Gaming Completes Bullwhackers Casino Acquisition; Transaction Expands Penn National's Gaming Operations to Colorado**

April 25, 2002

WYOMISSING, Pa. & BLACK HAWK, Colo., Apr 25, 2002 (BUSINESS WIRE) -- Penn National Gaming, Inc. (NASDAQ:PENN) announced today that it has completed the purchase of the assets of the Bullwhackers Casino operations from Colorado Gaming and Entertainment Co., a subsidiary of Hilton Group plc, for \$6.5 million.

The Bullwhackers assets consist of the Bullwhackers Casino, the adjoining Bullpen Sports Casino, the Silver Hawk Saloon and Casino and a 475-car parking area, located in Black Hawk, Colorado. The purchase marks Penn National's entry into the growing Colorado gaming marketplace and is expected to be accretive to earnings.

Peter M. Carlino, Chief Executive Officer of Penn National commented, "While small, this transaction adheres to our strategy of opportunistically expanding our gaming portfolio in markets that offer long-term growth opportunities. In addition to the strategic benefit of establishing a Colorado presence, we believe that Bullwhackers is a solid financial transaction given its attractive acquisition multiple and the potential for an excellent return on this investment. As with other acquisitions, we will apply our standardized operating procedures, local incentivized management and a prudent capital expenditure plan including modest facility refurbishments and slot and slot system upgrades."

The Bullwhackers properties comprise a total of 63,800 square feet of interior space, 20,700 square feet of which is devoted to gaming, consisting of approximately 900 slot machines and 16 gaming tables. The properties are located on leased land as well as 3.25 acres of land included in the acquisition, much of which is utilized for parking. The 3.25 acre parcel is one of the largest tracts of level, undeveloped land in the area, providing Penn National with long term development opportunities.

Black Hawk is 35 miles west of downtown Denver and readily accessible from many of Colorado's leading ski resorts. Black Hawk has demonstrated tremendous growth since the legalization of gaming in 1991 and is now the largest of Colorado's three gaming markets, representing over 60% of total Colorado gaming activity.

In addition to Bullwhackers, Penn National Gaming owns and operates Charles Town Races in Charles Town, West Virginia, which presently features 2,000 gaming machines; two Mississippi casinos, the Casino Magic hotel, casino, golf resort and marina in Bay St. Louis and the Boomtown Biloxi casino in Biloxi; and the Casino Rouge, a riverboat gaming facility in Baton Rouge, Louisiana. Penn National also owns two racetracks and eleven off-track wagering facilities in Pennsylvania and the racetrack at Charles Town Races in West Virginia, and operates the Casino Rama, a gaming facility located approximately 90 miles north of Toronto, Canada, pursuant to a management contract.

In addition to historical facts or statements of current condition, this press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Some of these statements are those regarding our prospects for future growth, our expectation of continued acquisitions and our optimism in light of current economic conditions and our expectations for our Bullwhackers acquisition. These statements are subject to a number of risks and uncertainties that could cause the statements made to be incorrect and the actual results to differ materially. The Company describes certain of these risks and uncertainties in its filings with the Securities and Exchange Commission, including its Annual Report on Form 10K for the year ended December 31, 2001. Some of these risks include those relating to the ability of the Company to integrate and manage facilities it acquires, risks relating to the development and expansion of properties, risks of increased competition and risks relating to the fact that we are heavily regulated by gaming authorities. Furthermore, the Company does not intend to update publicly any forward-looking statements except as required by law. The cautionary advice in this paragraph is permitted by the Private Securities Litigation Reform Act of 1995.

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