



Penn National Gaming Announces Agreement with State of Ohio Regarding the Relocation of Its Two Racetracks

March 16, 2012

Agreement Conditional on Pact with Horsemen, Passage of Pending Legislation and Racing Commission and Lottery Commission Approvals

COLUMBUS, Ohio & WYOMISSING, Pa., Mar 16, 2012 (BUSINESS WIRE) --Penn National Gaming, Inc. (Nasdaq: PENN) announced today it has reached an agreement with the State of Ohio that will help pave the way toward the relocation of its two Ohio racetracks and the development of new approximately \$200 million racetrack/video lottery terminal (VLT) facilities (inclusive of a \$50 million license fee) in Dayton and in Austintown (located in the Mahoning Valley).

The non-binding Memorandum of Understanding (MOU) between the Company and the office of Ohio Gov. John Kasich requires Penn National to pay a \$75 million relocation fee per VLT facility within 180 days after each facility opens. Penn National previously announced its intent to relocate Beulah Park from the Columbus suburb of Grove City to Austintown and Raceway Park from Toledo to Dayton. The MOU contemplates Penn National paying the State 33.5% from VLT revenues as well as a yet to be determined amount to the Ohio horse racing industry. Talks between Penn National and the thoroughbred and harness horsemen's organizations are ongoing. In addition, the agreement restricts any other gaming facility from being located within 50 miles of Penn National's Columbus and Toledo casinos, as well as its relocated tracks, with certain exceptions.

"This agreement is a significant step toward the development of two new first-class racing and gaming facilities that will create thousands of construction jobs and more than 3,000 direct and indirect jobs, and bring the excitement of horse racing and VLTs to two areas of the state that are now underserved with this type of entertainment option," said Tim Wilmott, President and Chief Operating Officer of Penn National Gaming.

"We appreciate the efforts of the Governor's Office in allowing us to reach this milestone and the administration's commitment to helping us gain the remaining approvals for relocating our Ohio racetracks," Wilmott said. "We're also appreciative for the support of the legislative delegations from Dayton and the Mahoning Valley as well as the local elected officials and local business communities there."

The MOU assumes final state authorization of VLTs at Ohio racetracks and a favorable resolution of the current litigation challenging the establishment of VLT facilities in Ohio. In addition, the MOU is expressly conditioned on a definitive agreement with representatives of the thoroughbred and harness horsemen that is satisfactory to Penn National and approved by the Racing Commission.

In the agreement, Penn National reiterates its previous commitment to give those employees of Beulah Park and Raceway Park impacted by the closing of the tracks priority in applying for jobs at the Company's two new casinos in Columbus and Toledo, both of which are scheduled to open this year.

About Penn National Gaming

Penn National Gaming owns, operates or has ownership interests in gaming and racing facilities with a focus on slot machine entertainment. The company presently operates twenty-six facilities in nineteen jurisdictions, including Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Mississippi, Missouri, Nevada, New Jersey, New Mexico, Ohio, Pennsylvania, Texas, West Virginia, and Ontario. In aggregate, Penn National's operated facilities feature approximately 29,700 gaming machines, approximately 640 table games, 2,400 hotel rooms and 1.2 million square feet of gaming floor space. Penn National is also developing casinos in Toledo and Columbus, Ohio, with openings targeted for 2012.

Forward-looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may vary materially from expectations. Penn describes certain of these risks and uncertainties in its filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2010. Meaningful factors that could cause actual results to differ from expectations include, but are not limited to, risks related to the following: our ability to receive, or delays in obtaining, the regulatory approvals required to own, develop and/or operate our facilities, or other delays or impediments to completing our planned acquisitions or projects, including favorable resolution of any related litigation; the passage of all necessary regulations regarding VLT operations; our ability to secure state and local permits, the land required for such projects, and approvals necessary for construction; construction factors, including delays, unexpected remediation costs, local opposition and increased cost of labor and materials; the passage of state, federal or local legislation (including referenda) that would expand, restrict, further tax, prevent or negatively impact operations in or adjacent to the jurisdictions in which we do business (such as a smoking ban at any of our facilities) or in jurisdictions where we seek to do business; the effects of local and national economic, credit, capital market, housing, and energy conditions on the economy in general and on the gaming and lodging industries in particular; the activities of our competitors and the emergence of new competitors; our expectations for the continued availability and cost of capital; the maintenance of agreements with our horsemen, pari-mutuel clerks and other organized labor groups; the outcome of pending legal proceedings; changes in accounting standards; our dependence on key personnel; the impact of terrorism and other international hostilities; the impact of weather; and other factors as discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2010, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as filed with the SEC. The Company does not intend to update publicly any forward-looking statements except as required by law.



SOURCE: Penn National Gaming, Inc.

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