



## Penn National Gaming Proposes \$807 Million Springfield, Massachusetts Development Including Hollywood-Branded Destination Casino Resort

October 11, 2012

- **Single-Phase Planned Development to Feature 300,000+ Square-Foot Casino, Up to 500 Guestroom Hotel, Structured Parking for Over 4,000 Vehicles, and a Variety of Gaming and Non-Gaming Amenities -**
- **Master Plan Calls for Mixed-use Retail and Housing and Contemplates Relocation of the *Republican* Newspaper, Resulting in New Printing Facility in Springfield and Interactive, State of the Art Village Square Downtown -**
- **Development Plans and Hollywood Casino Springfield Will Create Thousands of Jobs and Generate Millions in Tax Revenue for the City and State -**

WYOMISSING, Pa. & SPRINGFIELD, Mass.--(BUSINESS WIRE)--Oct. 11, 2012-- Penn National Gaming, Inc. (PENN: Nasdaq) announced today that it has submitted to the City of Springfield and the Springfield Redevelopment Authority a proposal to develop an approximately \$807 million, single-phase, comprehensive economic development project, including a Hollywood-branded [destination casino resort](#) in Springfield, MA. Penn National is working in partnership with Peter Picknelly, Chief Executive Officer of Springfield-based Peter Pan Bus Lines, to construct its new facility on 13.4 acres of land in the north end of Springfield.



Rendering of Penn National Gaming's proposed \$807 million Springfield, Mass. development

Penn National's proposed development plan will include a seamless integration of Hollywood Casino Springfield into the downtown area, along with a planned mixed-use development along Springfield's

waterfront. The company's proposal contemplates the relocation of the *Springfield Republican* to a newly renovated downtown location featuring a state-of-the-art "village square" in the heart of the city and construction of a new printing plant in Springfield that will act as a catalyst for further industrial park development for the city. Penn National would also work to attract a large retailer to the former Westinghouse property currently held by another applicant for Massachusetts' western region gaming license. The partnership is planning to relocate the existing Peter Pan bus operations to Union Station where it is exploring ways to incorporate that facility into its long-range plans, through expansion of the existing parking structures and the location of office space for Penn National employees. In keeping with its Hollywood brand, Penn National also intends to assist in the refurbishment of the historic Paramount Theater and house additional administrative offices in the building.

Peter Carlino, Chairman and Chief Executive Officer of Penn National Gaming, commented, "Penn National's proven track record of developing first-class destination gaming and entertainment resorts in urban locations including most recently Toledo and Columbus, as well as our strong balance sheet, make us the ideal partner to usher in a renaissance for Springfield's downtown area. Our proposed \$807 million destination casino resort will be the centerpiece of a revitalization of the City and bring thousands of new permanent jobs, significant union construction jobs, and millions of tax dollars to the region."

"Penn National Gaming shares our vision, our values, and has a terrific record of partnering with local communities in the development and operation of urban casinos," said Peter Picknelly. "We're looking forward to a constructive dialogue about our proposal with Mayor Sarno, the Springfield community, and state gaming commission."

Located off Interstate 91 in downtown Springfield, Penn National's proposed development will feature 3,000-3,500 slot machines; 80-100 live table games; a 20-30 table poker room; a hotel with 300-500 guestrooms and a spa; a variety of food and beverage options including fine dining, casual dining, a buffet, sports bar and food court; a nightclub/ultra lounge; structured parking with 4,000-5,000 spaces; and 30,000-45,000 square-feet of meeting and convention space. The Company plans to incorporate elements of Springfield's existing architecture into the design of the facility to ensure that Hollywood Casino Springfield fits seamlessly into the downtown area.

Mr. Carlino added, "Hollywood Casino Springfield will offer City residents unparalleled dining and entertainment options, including potential partnerships with world class restaurateurs and an upscale nightclub venue for round-the-clock entertainment. We will also offer the community a new downtown hotel and meeting space to attract new events and commercial interest and activity to the area. Penn National is planning to create a destination resort that will strengthen the local community and provide an exciting environment that will drive visitation and keep guests coming back to Springfield. In addition, as part of our plans to revitalize the downtown Springfield area, we are committed to the development and redevelopment of existing properties in and around our proposed destination casino resort that will provide the foundation for long-term growth for the City and the region."

Carlino concluded, "Penn National is committed to partnering with the City of Springfield and we believe that our project, budgeted at over \$800 million, will be a catalyst for the revitalization of the downtown area, create thousands of construction and permanent jobs in the region, drive increased tourism to the area and bring millions in new revenues to the City of Springfield as well as the Commonwealth of Massachusetts. Our balance sheet and financial liquidity are unmatched relative to the other applicants seeking the western Massachusetts license and our record of development and generating employment and tax dollars is also unparalleled. We look forward to working with the City of Springfield, the Massachusetts Gaming Commission and the Peter Pan and *Republican* teams on what we believe is a key step towards a bright future for Springfield."

**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-eight 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 currently feature approximately 34,700 gaming machines, approximately 800 table games, 2,400 hotel rooms and approximately 1.5 million square feet of gaming floor space. Penn National has agreed to acquire Harrah's St. Louis gaming and lodging facility from Caesars Entertainment with the transaction expected to close in the fourth quarter of 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. Although Penn National Gaming, Inc. and its subsidiaries (collectively, the "Company") believe that our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, there can be no assurance that actual results will not differ materially from our expectations. Meaningful factors that could cause actual results to differ from expectations include, but are not limited to, risks related to the following: changes in the legal and regulatory framework in Massachusetts, our ability to prevail in local referenda and obtain the support of host and local communities in Massachusetts, our ability to arrange for all the necessary property and partners for the Springfield project, the potential for local opposition, the uncertainties related to construction costs and schedules in a project of this magnitude, our ability to receive and maintain, 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; our ability to receive timely regulatory approval for and to otherwise complete our planned acquisition of Harrah's St. Louis (failure to do so could, among other things, result in the loss of certain deposits); our ability to successfully integrate Harrah's St. Louis into our existing business; our expectations for the continued availability and cost of capital; our dependence on key personnel; the impact of terrorism and other international hostilities; and other factors as discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, 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.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/cgi-bin/mmg.cgi?eid=50438316&lang=en>



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