



Penn National Gaming Submits Proposal for \$700 Million Hollywood Casino Resort at Rosecroft Raceway

May 10, 2013

WYOMISSING, Pa. & OXON HILL, Md.--(BUSINESS WIRE)--May. 10, 2013-- Penn National Gaming, Inc. (PENN: Nasdaq) (the "Company") today submitted a proposal to the Maryland Video Lottery Facility Location Commission for a \$700 million casino resort project to be constructed at the Company's Rosecroft Raceway in Prince George's County, Maryland. Originally opened in 1947, Rosecroft is located approximately 13 miles south of Washington, D.C. just outside the Washington Beltway.

Penn National's proposed Hollywood Casino Resort at Rosecroft Raceway includes an integrated casino gaming and racing entertainment facility that will feature video lottery terminals ("VLT"); live table games; a poker room; a hotel with a pool and spa; a variety of food and beverage options; an entertainment and multi-purpose event center; a new grandstand facility; and, structured and surface parking. A rendering of Penn National's proposed resort development is available at: www.rosecroft.com.

The Company expects the new project to generate approximately 4,600 direct and indirect construction jobs, and 2,600 permanent direct and indirect jobs. Penn National intends to schedule and execute the development of Hollywood Casino Resort at Rosecroft Raceway to allow for the uninterrupted operations of the track and its year-round horseracing meet. The Company has retained Urban Design Group, responsible for leading gaming and resort facilities – including four key Hollywood Casino projects as well as Four Winds Casino Resort in Michigan – as the architect of record for the proposed development.

"We believe our proposed Hollywood Casino Resort at Rosecroft Raceway represents the best way forward for Prince George's County and the state of Maryland as it ensures the track's long-term viability, provides further stability to the local horsemen and the state's horseracing industry, brings significant new investment and employment to the area and will be a long-term driver of elevated economic activity," said Tim Wilmott, President and Chief Operating Officer of Penn National Gaming. "Penn National is excited to bring its Hollywood brand to the six million residents of the greater Washington D.C. area, providing an easily accessible, world-class entertainment experience that features the best in casino gaming, live harness racing, dining and accommodations. We are looking forward to a fair and objective selection process and working with the local community and the state regulators to make this vision of a Rosecroft Raceway of the future a reality. Finally, Penn National has strong record with gaming regulators, the industry's most extensive record of development and operation of first-class gaming facilities, and the Company's strong balance sheet is an asset to the project which ensures that we can and will build the resort facility we are proposing."

Rosecroft Raceway is located approximately 13 miles south of Washington, D.C. on approximately 125 acres just outside the Washington Beltway in Prince George's County, Maryland. Originally opened in 1947 and closed in 2010 following the end of live racing a year earlier, Penn National re-opened the facility in 2011 for live harness racing and race simulcasting. The current facility includes a 5/8-mile oval track, paddock area, a 53,000 square foot grandstand building and 96,000 square-foot three story clubhouse building with dining facilities.

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-nine 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 34,800 gaming machines, approximately 850 table games, 2,900 hotel rooms and approximately 1.6 million square feet of gaming floor space.

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" or "PENN") 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: the proposed separation of PropCo from PENN, including our ability to timely receive all necessary consents and approvals; our ability to secure timely state and local permits and approvals necessary for construction; construction factors, including delays, unexpected remediation costs, local opposition and increased cost of labor and materials; our ability to reach agreements with organized labor groups; 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 or seek to do business (such as a smoking ban at any of our facilities); 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 rapid emergence of new competitors (traditional, internet based and sweepstakes based); increases in the effective rate of taxation at any of our properties or at the corporate level; our ability to identify attractive acquisition and development opportunities and to agree to terms with partners for such transactions; the costs and risks involved in the pursuit of such opportunities and our ability to complete the acquisition or development of, and achieve the expected returns from, such opportunities; our expectations for the continued availability and cost of capital; 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, 2012, 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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