

HOLLYWOOD
Casino[®]

AT PENN NATIONAL RACE COURSE

**PGCB License Renewal Hearing
January 8, 2010**

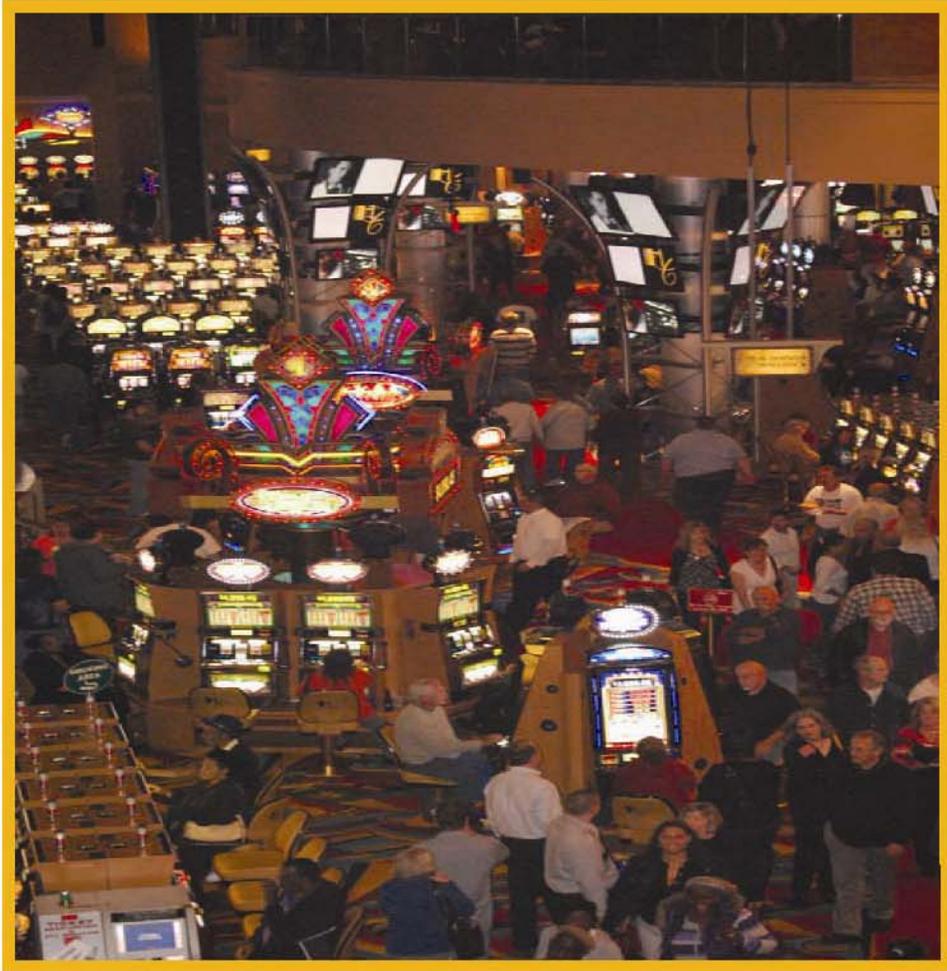
HISTORY AND PROGRESS OF PENN NATIONAL RACE COURSE

- Opened in 1972
- Purchased by Carlino Family in 1982
- Initial Public Offering for Penn National Gaming, Inc. in 1994
- Evolution from Racing Company to Fully-Integrated Racing and Gaming Concern
- Redevelopment of PNRG for Gaming in 2006
- Hollywood Casino Opened in February 2008

HOLLYWOOD CASINO TODAY



OVERVIEW OF FACILITIES



AMENITIES



AMENITIES



HONORING COMMITMENTS

- Substantial Commitment to Horse Racing
- Integration of Slots and Horse Racing
- Gaming Revenue for First Full Year in Excess of \$160M
- Master Plan
- Commitment to Diversity

THE FUTURE FOR HOLLYWOOD CASINO

- Table Games
- Open with 40 Tables and 10-15 Poker Tables in Existing Facility
- Planned 45,000 Square Foot Expansion
- Construction Jobs Associated with Expansion
- 300-400 Additional Permanent Jobs, with Benefits
- Opportunities for Pennsylvania Residents
- Potential Partnering with Educational Facility for Training

GAMING TAXES/FEEES PAID

(\$ in millions)

	Actual 2008	Projected 2009
Slot revenues, net of promotional credits	\$ 170.5	\$ 236.8
Property Tax Relief	\$ 58.2	\$ 80.5
Race Horse Development Fund	20.5	28.4
Economic Development and Tourism Fund	8.6	11.8
Local and County Share Assessments	12.2	14.7
Total Gaming Taxes	\$ 99.5	\$ 135.5
Regulatory Fees	3.7	4.0
Employee licenses/other fees	0.4	0.4
Total Gaming Taxes/Regulatory Fees	\$ 103.6	\$ 139.8

COMMITMENT TO DIVERSITY

- Employment
- Contracting, Purchasing & Procurement
- Diversity Training
- Participation in Diversity Events

WORKFORCE SUMMARY

(as of September 30, 2009)

- 1080 Employees
- 1064 Pennsylvania Residents
- 12.3% are Representative of Various Minority Groups
- Population within 1 Hour Drive of Property was 9%
Minority in 2007
- 48.8% are Female

DIVERSITY- SUPPLIERS (as of September 30, 2009)

Total Number of PA Registered Vendors	309
Minority Business Enterprises	96
Women-Owned Businesses	128
Disabled Veterans	4
Disabled	3
Disadvantaged	15
Small Business Enterprises	62

COMMITMENT TO RESPONSIBLE GAMING

- Worked with Representatives of Council on Compulsive Gambling of Pennsylvania (CCGP) to Establish Comprehensive Compulsive and Problem Gambling Training
- Incorporated Compulsive Gambling Training into New Employee Orientation to Ensure All Team Members are Trained and Aware
- Contributor to CCGP
- Amended Responsible Gaming Plan Approved November 6, 2009

COMMUNITY INVOLVEMENT

Approximately \$300,000 in Donations and Sponsorships Since 2008

- Jump Street
- Grantville Volunteer Fire Company
- Harrisburg University
- Grantville Food Pantry
- African American Chamber of Commerce
- Governor's Cup Golf Tournament
- Permanently Disabled Jockey's Fund
- Harrisburg Regional Chamber of Commerce
- Ono Fire Department
- Racetrack Chaplaincy of America
- Dauphin County Economic Development
- East Hanover Youth Football
- Hospice of Central PA
- ALS Research
- East Hanover Park Day
- Habitat for Humanity of Greater Harrisburg
- Hall Family Scholarship Fund
- Pennsylvania State Police
- Perry County VFW
- Ronald McDonald Charities
- West Hanover Township Festival
- West Shore Chamber of Commerce
- York County Food Bank

PENN NATIONAL GAMING, INC. RACING COMMITMENT & HERITAGE

- Company Began with Single Racetrack – Penn National Race Course
- PA Off-Track Wagering Revenues Fueled IPO for Company
- Brand Name Still Reflects Racing Roots

PENN NATIONAL GAMING, INC. A LEADER IN THE RACING INDUSTRY

- Six Wholly-Owned and Operated Facilities Plus One Joint Venture
- Second Largest Track Operator in United States
- Five Off-Track Wagering Locations
- Regional Internet/Telephone Wagering Operation
- 1,100 Live Racing Performances Annually
- More than \$700M Generated Through Live Racing and Simulcast Imports/Exports

PENN NATIONAL GAMING, INC. INTEGRATING RACING & GAMING

- Four Pari-Mutuel Facilities With Gaming
 - 2nd Highest Among U.S. Operators
 - 9,100 Slots at Racetrack Operations - Most of any Operator
 - Will Generate \$100M in Purse Funds Through Gaming for Horsemen/Breeders in 2009
 - More than \$370M Generated in State Tax Revenues

PENN NATIONAL RACE COURSE

- Opened 1972
- Year-Round Thoroughbred Racing
- More than 200 Racing Dates Scheduled for 2010
 - 50 weeks; Wednesday through Saturday Evenings
- Year-Round Simulcasting
- Four Off-Track Wagering Facilities and Internet/Telephone Wagering System

THOROUGHBRED RACING



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CAPITAL IMPROVEMENTS AT PENN NATIONAL RACE COURSE

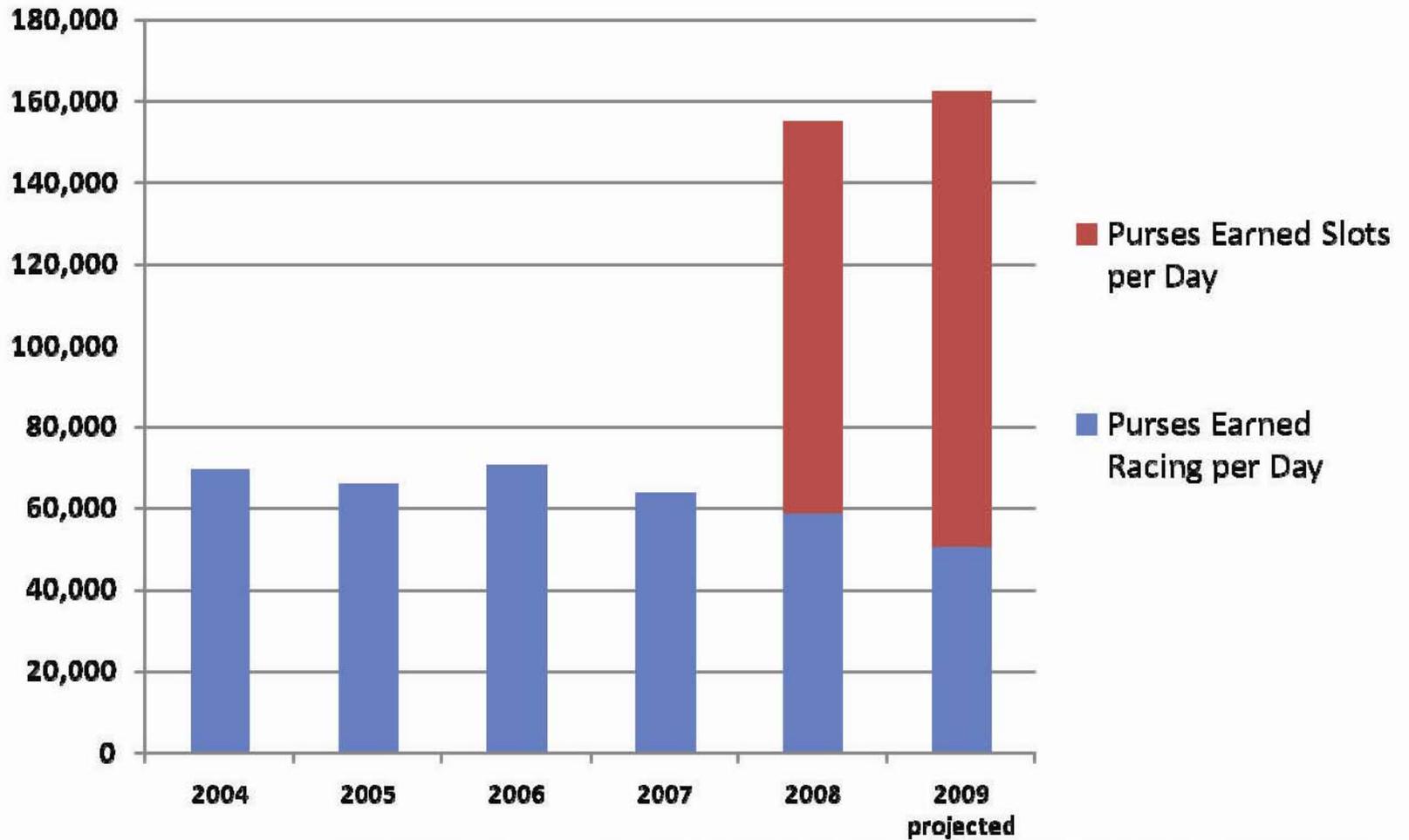
- Ten-Year/\$10M Agreement with HBPA-PA on Backside Improvements – 60% Above Act 71 Mandate
 - New Barns
 - Site Improvements
- Nearly 50% of Total Spent in First 20 Months of Casino Operation
 - Five New Barns by End of 2009
- Up to \$2M in Additional Backside Improvements Planned for 2010
 - Three New Barns

ADDITIONAL CAPITAL IMPROVEMENTS AT PENN NATIONAL RACE COURSE

- Over \$3M in Additional Capital Improvements Dedicated to Racing Since 2008
 - New Dirt Track Surface
 - Upgraded Electrical and Water Service on Track/Backstretch
 - Track Equipment/Vehicles
 - Safety Initiatives and Customer Satisfaction Improvements

INCREASE IN PURSES

Purses Earned Per Race Day by Source



IMPACT OF CASINO ON RACING PRODUCT

- Field Size (9.12 Horses Per Race) Highest in Mid-Atlantic Region
- 2009 Wagering on Penn National Races Nationwide Up 10% from 2008
- Record Purse (\$200,000) and Handle for Governor's Cup
- Purses Currently Paid at a Record \$180,000 Per Day - - Up 220% from 2007