



**HOLLYWOOD**  
*Casino*<sup>®</sup>

AT PENN NATIONAL RACE COURSE

**Table Games Presentation**

**April 7, 2010**

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# OVERVIEW

## **JOHN FINAMORE**

SENIOR VICE PRESIDENT OF REGIONAL OPERATIONS  
PENN NATIONAL GAMING, INC.

# TABLE GAMES EXPERIENCE

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- Twelve of Penn National Gaming's nineteen gaming facilities currently operate Table Games, totaling 400 tables Company-wide:

Illinois (3 properties)

Indiana

Iowa

Missouri

Mississippi (3 properties)

Colorado

Louisiana

Canada

- Currently implementing Table Games in Charles Town, WV, as well as in early planning stages of casinos in Kansas and Ohio, which will also include Table Games

# FUNDING FOR TABLE GAMES

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- Estimated costs of initial Table Games operation on existing gaming floor:
  - Table Games Authorization Fee \$16.5 million
  - Construction/FF&E estimated at \$8.5 million
- Total \$25 million to be financed by Penn National Gaming
- Potential future expansion of existing gaming floor to encompass additional Table Games

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# OPERATIONS

## FRANK QUIGLEY

VICE PRESIDENT AND GENERAL MANAGER  
HOLLYWOOD CASINO AT PENN NATIONAL RACE COURSE

# CASINO OPERATION

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## HISTORIC SLOT MACHINE GROWTH

<u>Date</u>	<u># of Machines</u>
February 2008 (opening)	2,020
June 2008	2,045
July 2008	2,111
August 2008	2,227
February 2009	2,270
March 2009	2,315
August 2009	2,343
<b>October 1, 2009</b>	<b>2,377</b>

**Additional Slots are currently being added; we expect to have 2,499 slots on the floor when Table Games Operation commences, which represents an increase of 122 slot machines over our total of 2,377 units as of October 1, 2009**

# TABLE GAMES EXPERIENCE

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- Hollywood has hired Director of Table Games Anthony Ciallella, with 32 years experience in Table Games
- Additional Table Games personnel with extensive experience have already been hired to conduct dealer training
- Existing Management Staff at Hollywood Casino, have significant Casino experience:
  - Frank Quigley, VP/General Manager 29 years
  - Laura Palazzo, VP/CFO 29 years
  - John Newman, VP Slot Operations 30 years
  - Luann Fetcho, VP Marketing 21 years
  - Joanne Rogers, Casino Controller 30 years
  - Javon White, Director of Security 26 years

# NUMBER/TYPES OF TABLE GAMES

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- House Banked Games – total 40
  - Craps 4
  - Black Jack 20
  - Roulette 4
  - Mini-Baccarat 2
  - Other 10
  
- Non-Banked Games (Live Poker) – total 12
  - Texas Hold'em/Stud 12

**Total Games 52**



# EMPLOYMENT OPPORTUNITIES

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- Estimate hiring 331 full time/108 part time employees, for a total of 439 new employees
- All new positions will be eligible for benefits under Company Plans, such as health insurance, 401K, paid time off, etc.
- Positions include 84 managerial/support staff in Table Games department, along with 270 Dealers
- Additional 85 new positions created in existing departments of Finance, Security, Surveillance, Marketing, Housekeeping, Maintenance and Beverage as a direct result of the commencement of Table Games Operations

# PROJECTED ECONOMIC IMPACT

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● Licensing Fee	\$16.5 million
● Capital Investment	\$ 8.5 million
● Estimated Construction-related wages	\$ 2.0 million
● Annual Table Games Taxes	\$ 4.3 million
● Annual Local Share Assessment	\$ 0.6 million
● Estimated Additional Annual Wages	\$ 8.4 million

# WORKFORCE SUMMARY

## (as of December 31, 2009)

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- 1,037 Employees
- 1,028 Pennsylvania Residents
- 12.1% are Representative of various Minority Groups
- Population within 1 hour drive of property was 9% Minority in 2007
- 49.2% are Female

# EMPLOYMENT DIVERSITY STATISTICS

As of December 31, 2009

	Manager Level and Above		All Employees	
	Count	%	Count	%
White	61	87.1%	912	87.9%
Black/African American	5	7.1%	50	4.8%
Hispanic/Latino	2	2.9%	45	4.3%
Asian	1	1.4%	12	1.2%
Other	1	1.4%	18	1.8%
Total	70	100.0%	1,037	100.0%
Male	40	57.1%	527	50.8%
Female	30	42.9%	510	49.2%
Total	70	100.0%	1,037	100.0%

# DIVERSITY IN CONTRACTING/ PURCHASING/PROCUREMENT

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- Approximately \$20.2 million of construction expenditures awarded to MBE/WBEs related to the construction of the gaming facility
- Over 21% of construction expenditures in 2008 were to M/WBE businesses, outpacing the State average of 19%
- Over \$2 million (11% of total) in M/WBE non-construction disbursements in 2008, the highest of all seven operating PA Casinos
- More than \$2.8 million (11% of total) in operating disbursements during 2009 were made to M/WBEs
- Member of the Minority Supplier Diversity Council of PA-NJ-DE

# COMMITMENT TO RESPONSIBLE GAMING

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- 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 was approved November 6, 2009

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# HORSE RACING

**CHRISTOPHER McERLEAN**

**VICE PRESIDENT OF RACING**

**PENN NATIONAL GAMING, INC.**

# PENN NATIONAL GAMING, INC. INTEGRATING RACING & GAMING

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- Four Pari-Mutuel Facilities With Gaming
  - 2nd highest Among U.S. Operators
  - 9,100 Slots at Racetrack Operations - most of any Operator
  - Generated over \$100M in Purse funds through gaming for Horsemen/Breeders in 2009
  - More than \$370M generated in State Tax Revenues in 2009



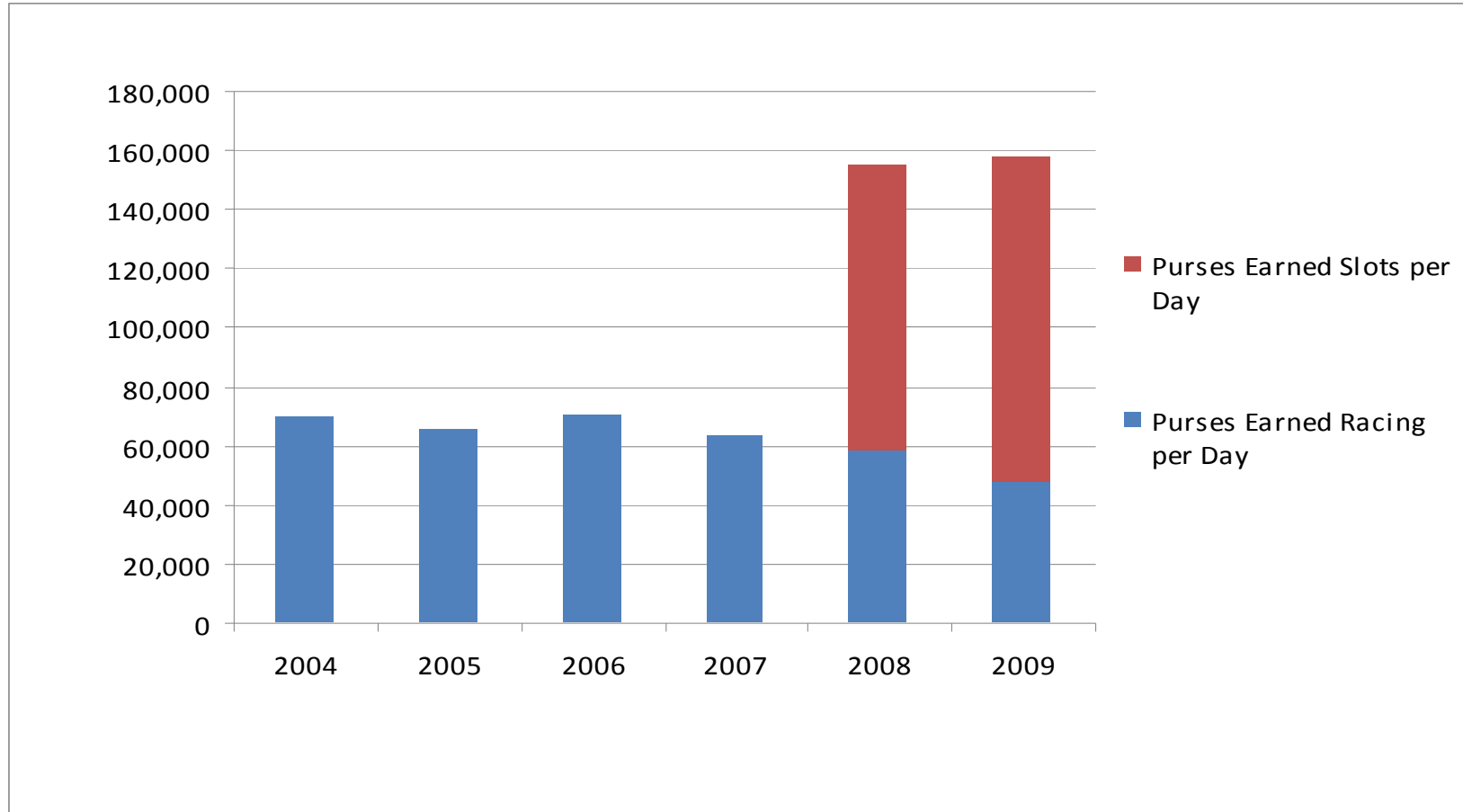
# CAPITAL IMPROVEMENTS AT PENN NATIONAL RACE COURSE

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- Ten-Year/\$10M Agreement with HBPA-PA on Backside Improvements – 60% Above Act 71 Mandate
  - New barns/Site Improvements
- Over 50% of total spent in first 24 months of Casino Operation
  - Five new barns by end of 2009
- Up to \$2M in additional Backside Improvements planned for 2010
  - Three new barns
- Over \$3 million in **Additional** Capital Improvements dedicated to Racing since 2008

# INCREASE IN PURSES

## Purses Earned per Race Day by Source



# IMPACT OF CASINO ON RACING PRODUCT

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- Field size (9.16 Horses per race) highest in Mid-Atlantic Region
- Daily average 2009 wagering on Penn National Races Nationwide Up 17% over 2008
- Record Purse (\$200,000) and Handle for Governor's Cup
- Purses Paid 2009 average \$180,000 Per Day - - Up 220% from 2007

# RACING MARKETING INITIATIVES

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- **Two day PA Governor's Cup Festival sponsored in 2009**
  - 7 Stakes worth \$525,000
  - On-track Promotional Giveaway
  - First ever Live Broadcast (ABC 27)
  - Record Race Handle
  - Expect to continue growth plan in 2010
- **On-going**
  - Players Choice Rewards Program – Over \$2.3 million in cash incentives/complimentaries to racing customers in 2009 at track/OTW's/account wagering

# RACING MARKETING INITIATIVES 2010

- Active participant in PA State Horse Racing Commission's "Track Pack" marketing/advertising efforts
- Twice weekly, racing-oriented advertisement in Patriot News Sports Section
- Billboard advertisements currently being created
- Promotional programs with monthly events; Fan Appreciation Weekend scheduled for April 9 – 10, 2010
- Expanded coverage of live racing signal on casino floor and Sports Bar
- Live/simulcast schedules included on Casino direct marketing monthly mailers (125,000 player accounts)
- To promote PA Breeding Program, Racing Office is offering Horsemen one race each card restricted to horses bred in the Keystone State

**LET YOUR HEART RACE!**

**Live Racing**  
Wednesday - Saturday  
Post time 6:30PM

**Full-card Simulcasting of  
Thoroughbred AND  
Harness Racing**  
Seven Days a Week  
11:30AM - Midnight

**FAN APPRECIATION NIGHT**  
Saturday, April 10

**'SPIN TO WIN'** You could win a  
\$50, \$100 or  
\$250 WIN BET!

All guests age 18 and older receive:  
\* One FREE entry to 'Spin to Win' \* One FREE Penn National  
Live Racing Program \* One FREE Hot Dog and Soft Drink Coupon  
Complete promotion details available at guest services.

GAMBLING PROBLEM? CALL 1.877.565.2112 FOR HELP.

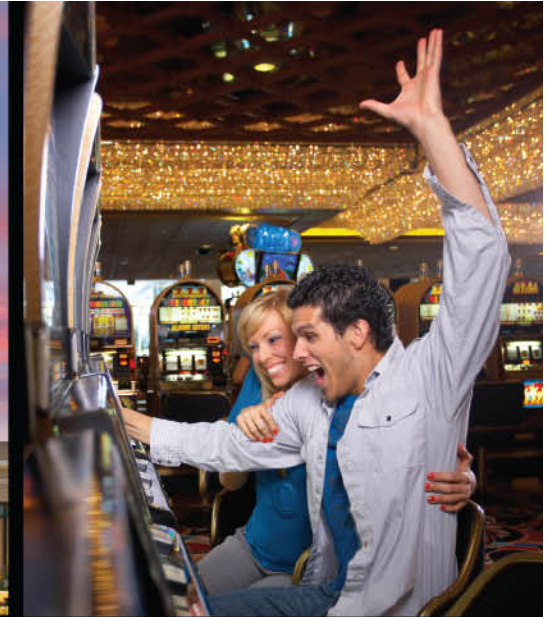
**HOLLYWOOD**  
Casino  
777 Hollywood Boulevard • Grantville, PA 17028  
717.469.2211 • HCPN.COM • I-81 Exit 80

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# CONCLUSION

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