

**Boyd Gaming Corporation's
Proposed Acquisition of Valley Forge Casino Resort**

**Presentation to the
Pennsylvania Gaming Control Board**

April 4, 2018

Introductions

Boyd Gaming Corporation

- William S. Boyd, *Executive Chairman, Co-Founder*
- Marianne Boyd Johnson, *Vice Chairman, Executive Vice President and Chief Diversity Officer*
- Keith Smith, *President and Chief Executive Officer*
- Josh Hirsberg, *Executive Vice President, Chief Financial Officer and Treasurer*
- Brian Larson, *Executive Vice President, General Counsel and Secretary*

Transaction Overview

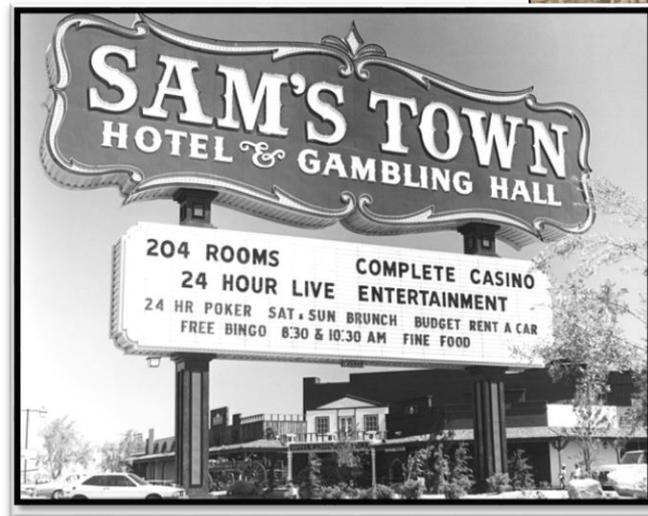
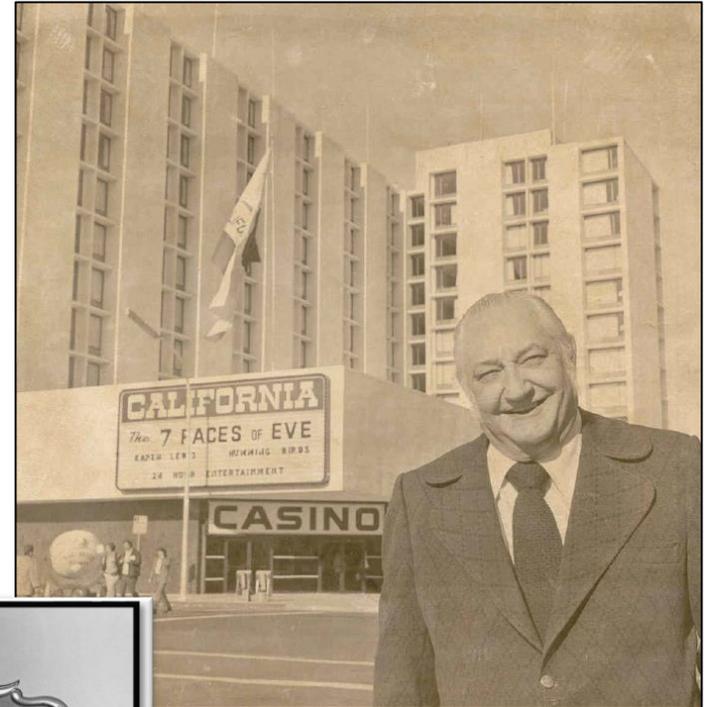
- **Boyd Gaming has entered into a definitive agreement to acquire Valley Forge Casino Resort from Valley Forge Convention Center Partners, L.P.**
- **Total cash consideration of \$280.5 million**

Bill Boyd

*Executive Chairman and Co-Founder,
Boyd Gaming Corporation*

Our Early Days

- **1975:** Boyd Gaming opens the California Hotel and Casino
- **1979:** Company opens Sam's Town Las Vegas



Our Early Days



- **1983:** Boyd Gaming assumes oversight of Stardust at the request of Nevada regulators
- **1985:** The Company acquires Stardust, Fremont



Our National Expansion

Boyd Gaming in 1994:

- 4 casinos in one state (Nevada)



Our National Expansion

Today:

24 casinos in seven states



Keith Smith

*President and Chief Executive Officer,
Boyd Gaming Corporation*

Boyd Gaming's 43-Year Legacy



***We are a national company
with the culture of
a family-owned business.***

Experienced Management



Bill Boyd

Executive
Chairman
43 years



Keith Smith

President and
CEO
28 years



**Marianne
Johnson**

Vice Chairman,
EVP, Chief
Diversity Officer
41 years

Experienced Management



Brian Larson

EVP, General
Counsel
25 years



Josh Hirsberg

EVP, Chief
Financial Officer
10 years



Willie Boyd

Vice President
41 years

Experienced Management



Steve Thompson

EVP, Operations
Nevada
35 years



Ted Bogich

EVP, Operations
Midwest and South
14 years

The Future Boyd Gaming



Our Future Size and Scale

30 properties in 11 states

1.8 Million square feet of casino space

40,000 slot machines

1,000 table games

11,300 hotel rooms

300+ restaurants and bars

27,000+ team members



The Appeal of Valley Forge

Opportunity to serve 2nd largest commercial casino state

- High-quality asset
- Attractive location near Philadelphia
- Consistent track record of success
- Strong financial profile

Re-establishes Boyd's strategic foothold in the Northeast

- Borgata (2003-2016)

Opportunity to cross-market with our nationwide portfolio

Future Upside at Valley Forge

Eliminated admission fee in late 2017

Expanding slot inventory by 250 machines

Opportunity to bid on satellite casino licenses



Future Upside at Valley Forge

Opportunity to offer online gaming

- Boyd Gaming operated N.J.'s leading site for 3 years

Potential for Sports betting

- Pending favorable decision by SCOTUS
- Significant sports betting infrastructure and expertise



WelcomeToBoydGamingVF.com

BOYDGAMING WELCOME TO BOYD GAMING

Welcome TO OUR TEAM!

WELCOME

- ABOUT BOYD
- BOYD STYLE
- OUR PEOPLE
- UNIVERSITY
- SUBMIT A QUESTION
- FAQ
- BOYD BUZZ

WELCOME TO BOYD GAMING

WELCOME TO OUR TEAM

Welcome to Boyd Gaming, where we look forward to a bright future together.

[READ OUR INTRODUCTION](#)

THE FUTURE BOYD GAMING

Together, we will be one of the largest casino operators in the United States.

[SEE OUR MAP](#)

Welcome to Boyd Gaming! We want to take this chance to welcome you to the Boyd Gaming family, and give you a glimpse of the Company you're about to join. Founded by Sam and Bill Boyd more than 40 years ago, Boyd Gaming is one of the largest and most respected casino operators in the United States. We've operated under the same leadership for all of those years, and the unique culture of a family-owned business remains an important part of who we are. Your customers know your property as a place they can go to for exceptional entertainment, great customer service, and a memorable experience. That won't change, and as you transition into the Boyd Gaming family, you'll find even more career opportunities are available to you, as you join a company with 28 properties across 10 states. We know you have lots of questions about who we are, and what to expect. Through this website, we will provide an introduction into our Company, share important updates as they become available, and answer some of the questions that are on your mind. On behalf of Boyd Gaming's team members across the U.S., we look forward to welcoming you to our team!

BOYDGAMING LAS VEGAS EL PASO RENOVA IDRA KANSAS LOUISIANA MISSISSIPPI

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ENHANCED ANYTIME ANYWHERE
- BCONNECTED SOCIAL**
ENHANCED YOUR ONLINE AND SOCIAL ACTIVITY

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Josh Hirsberg

*Executive Vice President,
Chief Financial Officer and Treasurer,
Boyd Gaming Corporation*

Financing Overview

The Company agreed to purchase Valley Forge for \$280.5 million

We intend to utilize availability under the Company's credit lines to fund the purchase

Financial Impact to Boyd

The Valley Forge acquisition directly aligns with the Company's long term growth strategy of acquiring assets in strong and growing markets that generate substantial free cash flow

Financial Impact:

- Accretive to earnings and free cash flow
- Attractive margins today with opportunities for upside
- Coupled with the acquisition of the four Pinnacle assets, pro forma leverage is expected to approximate leverage at year-end 2017
 - Free cash flow generation of the Valley Forge and four Pinnacle assets support immediate de-leveraging

Brian Larson

*Executive Vice President,
General Counsel and Secretary,
Boyd Gaming Corporation*

Boyd Gaming's Mission Statement

*We, as members of Boyd Gaming Corporation, **operate only with the highest degree of integrity**, and rely on the competence and friendliness of each person in our organization to provide entertainment and service to satisfy our customers' wants.*

*Through teamwork, we strive to maximize shareholder value, to be among the leading companies in our industry, and to provide opportunities for all **while we support and enhance our communities**.*

“Boyd Style”

Integrity

Work Smart

Value Relationships

Exceed Expectations



Our Reputation

A 43-year track record of integrity

- Designated operators of the Stardust (1983)
- Excellent reputation with regulators nationwide

***We will pass on business opportunities before compromising our
integrity or reputation***

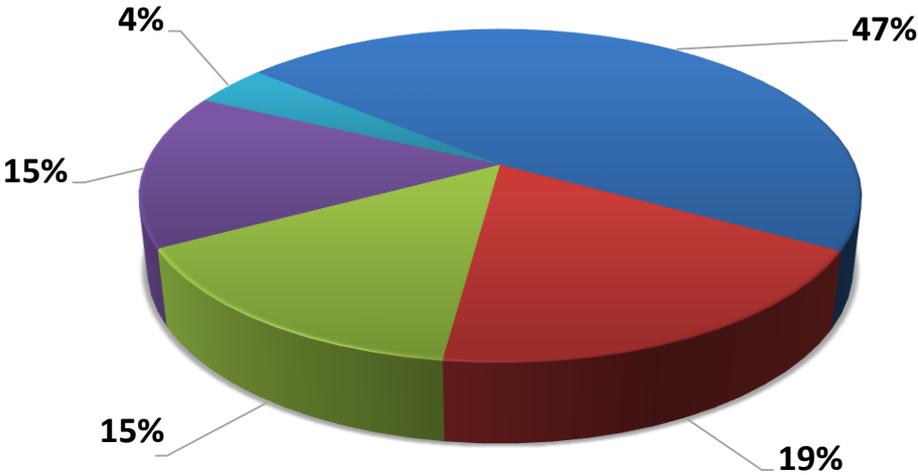
Our Commitment to Diversity

We embrace diversity in every aspect of our business, from our team members to our purchasing programs, to our philanthropic endeavors and our customers.

Our commitment to diversity strengthens our Company, our communities and our people.

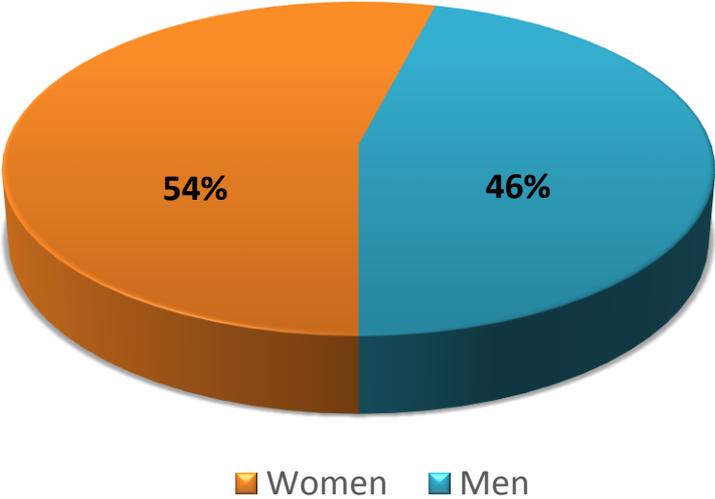
Our Diverse Workforce

Ethnic Diversity



- White/Caucasian
- Black/African American
- Hispanic/Latino
- Asian-American
- Other

Gender Diversity



- Women
- Men

Our Unique Culture

Highly visible senior management team

Commitment to promoting from within

Commitment to integrity

- Anonymous hotline
- Universal Open Door policy
- Mandatory anti-harassment training
- Anti-fraternization policy

A Highly Engaged Workforce

81% of team members report high job satisfaction

Average tenure with Boyd Gaming is **7.6 years**

71% of our team members are full-time

99%+ are above minimum wage

Change In Control Fee

4 Pa. C.S. § 1328

A change in control of any slot machine licensee shall require that the slot machine licensee independently qualify for a license in accordance with this part, **and the slot machine licensee shall pay a new license fee as required by section 1209, except as otherwise required by the board pursuant to this section.** The new license fee shall be paid upon the assignment and actual change of control or ownership of the slot machine license.

4 Pa. C.S. § 1328 (Cont'd)

The board may in its discretion eliminate the need for qualification **and/or proportionately reduce, but not eliminate, the new license fee otherwise required pursuant to this section in connection with a change of control of a licensee**, depending upon the type of transaction, the relevant ownership interests and changes thereto resulting from the transaction and other considerations deemed relevant by the board.

The Slot Machine License Fees

- Category 3 Slot Machine License Fee - \$5 million
(4 Pa. C.S. § 1305)
- Category 1 and Category 2 Slot Machine License Fee - \$50 million
(4 Pa. C.S. § 1209)

The Presumptive Fee

- The Pennsylvania Gaming Control Board has established a “presumptive fee” of \$2.5 million (in connection with Category 1 and Category 2 slot machine licenses).
- December 18, 2007 Board Meeting - Motion of Commissioner Ginty:
*“Madam Chairman, I move that the Board adopt a fee for a change of control in slot machine licensee, as defined by the Pennsylvania Racehorse . . . Development and Gaming Act, of two and a half million dollars **unless special circumstances would dictate otherwise.**”*

The Presumptive Fee

- In the Category 1 and Category 2 context, the Pennsylvania Gaming Control Board has assessed the presumptive fee on five occasions, and assessed a higher fee on one occasion (in the Penn/Pinnacle transaction).
- The Pennsylvania Gaming Control Board has never expressly found that “special circumstances” warranted the assessment of a higher change in control fee.

Calculation of the Fee

In the Category 1 and 2 Context, the \$2.5 million presumptive change in control fee represents 5% of the \$50 million license fee (or in the case of the Penn/Pinnacle fee, 7.5% of the \$50 million fee).

The Valley Forge Fee

- Valley Forge Fee Calculation (Alternative 1)

5% X \$5,000,000 (statutorily mandated license fee) = \$250,000

- Valley Forge Fee Calculation (Alternative 2)

7.5% X \$5,000,000 (statutorily mandated license fee) = \$375,000

