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May 22, 2013

Safe Harbor

In addition to historical facts or statements of current conditions, this presentation contains forward-looking statements that involve risk and uncertainties within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the company's current expectations and beliefs but are not guarantees of future performance. As such actual results may vary materially from expectations.

The risks and uncertainties associated with the forward-looking statements are described in the company's filings with the Securities and Exchange Commission, including the Company's reports on Form 8-K, Form 10-K and Form 10-Q and GLPI's report on Form S-11.

PENN and GLPI assume no obligation to publicly update or revise any forward-looking statements.

This presentation includes "Non-GAAP financial measures" within the meaning of SEC Regulation G. A reconciliation of all Non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP can be found at www.pngaming.com in the Recent News section and financial schedules available on the Company's website.

NOTE – Throughout this presentation:

- "PENN" ("Company") refers to Penn National Gaming, Inc. (existing entity)
- "GLPI" refers to Gaming and Leisure Properties, Inc. (formerly referred to as "PropCo"), the proposed newly formed, publicly traded real estate investment trust ("REIT") to be spun-off to PENN shareholders
- "PNG" or "OpCo" refers to the operating entity following the proposed spin-off of GLPI

Offering Information

GLPI has filed an initial registration statement (including a prospectus) with the SEC for the transaction to which this communication relates. You should read the registration statement because it contains more complete information about GLPI and its separation from the Company including financial information and disclosures regarding GLPI's capital structure, senior management and relationship with PENN.

You may get the initial registration statement for free by visiting EDGAR on the SEC website at:

http://www.sec.gov/Archives/edgar/data/1575965/000104746913006103/a2215205zs-11.htm

Alternatively, GLPI or Penn will arrange to send you the prospectus if you request it by e-mailing penn@jcir.com or by calling toll free 855/505-8916.

Current Company Overview (PENN)

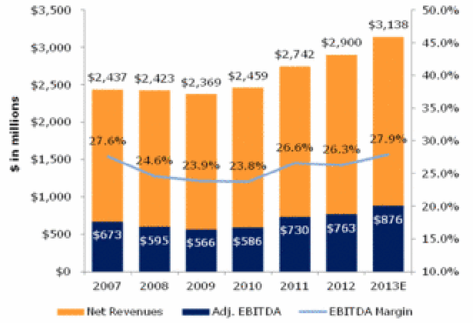
- **Leading Diversified Gaming Company with Regional Focus**
  - 28 properties in 18 jurisdictions, including the recent acquisition of Harrah's St. Louis
  - PENN's regional markets have outperformed destination gaming markets, especially in periods of economic weakness
  - LTM 3/31/13 Net Revenue of $2.96 billion and Adjusted EBITDA of $783 million (1)
  - Diversified Adjusted EBITDA composition
- **Disciplined, Market-Tested Management Team**
  - Industry-leading property operating margins
  - Leading development and acquisition track record
- **Prudent Capital Spend / Robust Development Pipeline / Ongoing Margin Focus**
  - Disciplined maintenance capex in existing properties
  - Project capex calibrated to market size, tax rate and cash return
  - Near-term growth projects: Youngstown, OH and Dayton, OH racetracks; Jamul Indian Village (CA) tribal development/management agreement
  - Several options for future growth (FL, TX, PA, MD)

(1) Excludes $45.1 million of Maryland lobbying expenses and $6.4 million Cherokee County litigation settlement accrual. See the reconciliation of Adjusted EBITDA to PENN's actual reported results for the trailing twelve months ended March 31, 2013 at the end of this presentation.

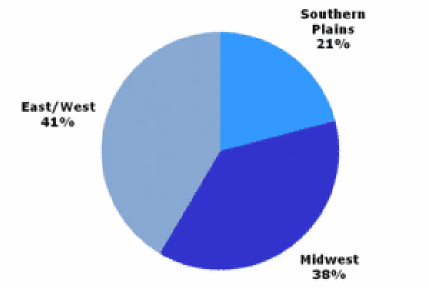
Current Company Overview (PENN)

- **A leading, diversified, multi-jurisdictional owner and manager of gaming and pari-mutuel properties with significant real estate holdings**
  - Approximately 1.6 million square feet of casino gaming space with approximately 34,800 slot machines and approximately 850 table games
  - 2,900 acres of land, 6.6 million square feet of building space and 20,000 structured parking spaces

Historical Revenue & EBITDA (1) (2)

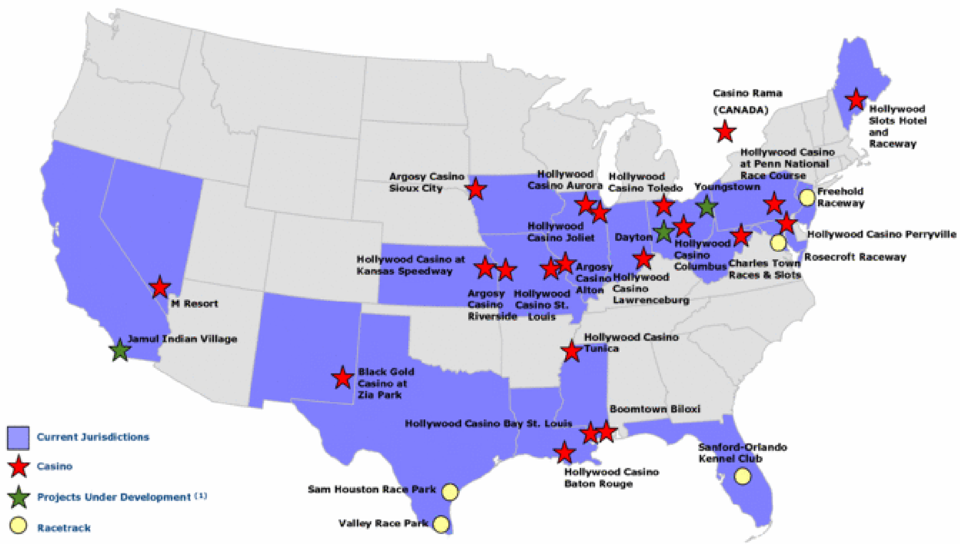


PF LTM EBITDA Diversification by Region (3)



(1) Represents Adjusted EBITDA as reported by the Company except for 2012 which excludes $45.1 million of Maryland lobbying expenses and $6.4 million Cherokee County litigation settlement accrual.
(2) 2013E projections reflect Company guidance as provided on April 18, 2013.
(3) Excludes Other segment which includes standalone racing operations, Bullwhackers and corporate overhead.

Leading Regionally Diversified Gaming Company



(1) Pending regulatory approval.

Development Pipeline

Project Scope	Planned Capital Spend	Amount Spent to Date (3/31/13)	Population (1)	Gross Gaming Revenue Tax Rate (2)	Completion Date
Hollywood St. Louis St. Louis, MO	$61(3)	$23.4	N/A	21.0%	Through 4Q 2013
Youngstown Racetrack Youngstown, OH	$265(5)	$10.7	0.7M	33.5%(4)	2014
Dayton Racetrack Dayton, OH	$257(5)	$8.2	0.8M	33.5%(4)	2014
Jamul Indian Village Jamul, CA	$360(6)	$0.0	1.3M	N/A(7)	TBD

(1) Adult population (25+) within 90 miles, adjusted for competition.
(2) Represents GGR tax rate for all gaming revenues.
(3) Rebranding of former Harrah's property to "Hollywood" theme. Integration of new casino, hotel, financial and operating systems and upgrades of slot machine product.
(4) Excludes horserace purse subsidiary (estimated to be 5% - 15%).
(5) Includes $75 million relocation fee and $50 million VLT license fee.
(6) PENN is committed to providing financing only to the extent the tribe cannot secure financing elsewhere.
(7) PENN earns management and license fee.

Indicates project is currently open / acquisition completed

$ in millions

Proposed Transaction Overview & Highlights

- **Separate real estate and non-real estate holdings**
  - Creation of GLPI to hold majority of PENN real estate, with the majority of non-real estate holdings held at PNG
  - Tax-free spin-off of GLPI common stock to PENN shareholders and refinance all of PENN's existing debt (including Senior Credit Facilities & Subordinated Debt)
- **Agreement reached to exchange $975 million of Series B Redeemable Preferred Stock ("Preferred Stock") at $67 per share into approximately 14.6 million non-voting PENN common shares or equivalents**
  - Exchange will reduce PENN diluted common shares outstanding by approximately 3.4 million shares*
  - Following the exchange, PENN has the right to purchase up to $412 million or approximately 6.2 million shares of the non-voting PENN common stock/equivalents at $67 per share which may reduce PENN diluted common shares outstanding by approximately 6.2 million additional shares
- **Agreement reached to redeem $252 million other Preferred Stock at par**
  - $22.5 million Preferred Stock redeemed during the 1st quarter 2013, reducing diluted shares by 0.4 million shares*
  - Redemption of remaining $230 million Preferred Stock will reduce PENN diluted common shares outstanding by approximately 4.2 million shares*
- **Post-spin, GLPI would declare a dividend to shareholders (necessary to elect REIT status) and elect to become a REIT**
  - Taxable dividend of accumulated earnings and profits of $1.1 billion comprised of approximately $438 million of cash, or an approximately $5.00 cash dividend, and additional .29 GLPI shares per PENN share
- **GLPI would enter into a Master Lease agreement with PNG, leasing all but two of the properties in its initial portfolio back to PNG on a long-term triple net basis**
  - Initially, rent will equal approximately $436 million, which represents approximately half of PNG's projected 2013 adjusted EBITDA
- **Following its REIT election, GLPI would distribute at least 90% of its annual taxable income as dividends which, based on pro-forma 2013 guidance, would be $2.44 per PENN share**
- **PENN has received a Private Letter Ruling from the IRS with respect to certain tax matters regarding the transaction and the qualification of GLPI as a REIT**

* Share count reductions based on 3/31/13 fully diluted share count, which reflects the impact of the current share price on dilution related to the Preferred Stock

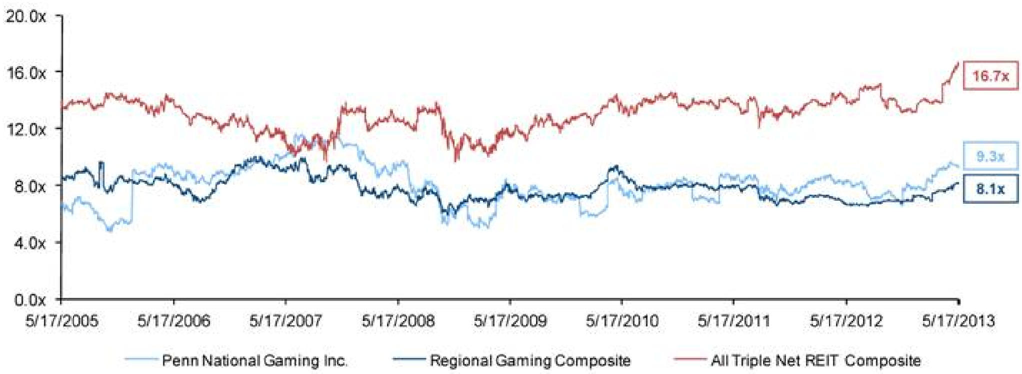
Transaction Rationale

- **Following the separation, shareholder value is expected to increase due to enhanced:**
  - **Competitor Opportunities**
    - Ability for GLPI to enter into agreements with PNG competitors and utilize first-mover advantage to secure transaction flow
      - Asset sale-leaseback transactions with existing gaming operators
      - Acquisition of gaming assets
  - **Avenues for Investment Diversification**
    - Ability for GLPI to pursue acquisitions and developments in non-gaming real estate asset classes
  - **Regulatory Opportunities**
    - Pursue transactions otherwise disadvantaged or precluded due to regulatory constraints (Gaming and/or FTC)
  - **Cost of Capital**
    - Stemming from enhanced business and growth prospects associated with REIT status
  - **Reduces Potential Dilution Related to Preferred Stock**

Historical Valuation of REITs versus Regional Gaming Operators

8-Year EV/ NTM EBITDA [1][2]

Average During:	Penn National Gaming	Regional Gaming	Triple Net REIT
Current Multiple:	9.3x	8.1x	16.7x
Last 1 Year:	8.0x	7.1x	14.3x
Last 2 Years:	8.0x	7.1x	13.9x
Last 3 Years:	7.9x	7.4x	13.9x
Last 5 Years:	7.6x	7.4x	13.2x
Last 8 Years:	8.0x	7.8x	13.0x



Source: FactSet as of 5/17/13. FactSet adjusts shares outstanding in the calculation of EV for the dilution of preferred equity, as applicable, and adjusts for changes in capital structure on a quarterly basis.

(1) Triple Net REIT Composite includes: O, NNN, EPR, LXP, OHI, SRC, NHI, MPW, LTC and SBRA.

(2) Regional Gaming Composite includes: ASCA, BYD, ISLE and PNK.

Summary of Master Lease Terms

Lease Structure:	▪ "Triple Net" Master Lease: PNG will be responsible for maintenance capital expenditures, property taxes, insurance and other expenses ▪ All properties subject to the lease will be cross-defaulted / guaranteed ▪ PNG will remain responsible for acquisition, maintenance, operation and disposition of all (including gaming) FF&E and personal property required for operations
Term and Termination:	▪ 15 years, with four 5-year extensions at PNG's option ▪ Causes for termination by lessor include lease payment default, bankruptcy and/or loss of gaming licenses ▪ At the end of lease term, PNG will be required to transfer the gaming assets (including the gaming licenses) to successor tenant for fair market value, subject to regulatory approval ▪ Provisions for orderly auction-based transition to new operator at the end of the lease term if not extended
Rent:	▪ Fixed base rent component with annual escalators (subject to minimum rent coverage of 1.8x) plus: ▪ Fixed percentage rent component for the facilities (other than Hollywood Casino Toledo and Hollywood Casino Columbus) reset every 5 years to equal 4% of the average net revenue for such facilities for the trailing 5 years ▪ Ohio's (Toledo and Columbus) performance components will be established monthly with land rent set at 20% of monthly net revenues
Capital Expenditures:	▪ PNG will be required to maintain properties and spend a minimum of 1% of net revenues on maintenance capital (including FF&E and capitalized personal property required for operations) annually ▪ Structural projects will generally require GLPI consent
Other:	▪ Obligations under the Master Lease will be guaranteed by PNG and certain of its subsidiaries ▪ Certain rights of first offer as well as radius restrictions on competition

Benefits of GLPI Lease Structure

- **In a Triple Net Lease, the tenant is responsible for all expenses including property taxes, insurance and maintenance capital expenditures**
  - Unlike hotel REITs, which are responsible for CapEx
- **Rent coverage, at 1.9:1 in current guidance, maximizes the economics for GLPI, without risking the stability of OpCo**
  - Many other REITs receive the majority of the economics from the tenant thus risking the viability of the operation and the cash flow should the tenant experience temporary challenges
- **Master lease provides for growth and stability of the revenue stream to GLPI, with certain protections for OpCo**
  - Base rent escalator temporarily suspended if rent coverage drops below 1.8:1
  - Percentage rent component is reset every five years (with the exception of Toledo and Columbus casinos which reset monthly)

PENN's vision is to create two companies with strong free cash flow that are positioned for continued growth both in the gaming sector and other potential investment opportunities

Single Tenant Risk Mitigation

- The lease is in an advantageous position versus OpCo debt
- The lease is a master lease with full cross default provisions
- The rental payments can flex up or down every five years while allowing the Ohio casinos to flex monthly providing occasional financial adjustment that could mitigate lease default in bad economic cycles
- On expiration or termination of the lease, OpCo must transfer the gaming licenses and other non-real estate gaming assets to a successor tenant (subject to regulatory approval) at fair market value
- Additional competitive properties have significant barriers to entry, thus limiting competition and reducing potential lease volatility

REIT Metrics by Category

Average	Triple Net REITs	Lodging
Forward AFFO Multiple	16.2x	16.0x
Forward FFO Multiple	15.6x	11.9x
Forward EBITDA Multiple	14.3x	12.8x
Leverage	5.6x	6.7x
Market Cap	$3.1bn	$3.3bn
Dividend Yield	4.8%	2.4%
Responsible for CapEx	No	Yes

* Data as of April 2013
Triple Net : O, NNN, OHI, EPR, LXP, MPW, NHI, SRC, LTC, SBRA
Lodging: HST, HPT, RLJ, LHO, SHO, DRH, BEE, PEB, FCH

GLPI Enterprise Value

($ in millions except per share amounts)	GLPI @ 11.0x	GLPI @ 12.0x	GLPI @ 13.0x	GLPI @ 14.0x	GLPI @ 15.0x	GLPI @ 15.8x
Adjusted EBITDA (1)	$455.2	$455.2	$455.2	$455.2	$455.2	$455.2
Multiple	11.0x	12.0x	13.0x	14.0x	15.0x	15.8x
Total Enterprise Value	$5,007	$5,462	$5,918	$6,373	$6,828	$7,192
Debt @ 5.5x Leverage	$2,504	$2,504	$2,504	$2,504	$2,504	$2,504
Equity Value	$2,504	$2,959	$3,414	$3,869	$4,324	$4,689
Share Count (2)	92.7	92.7	92.7	92.7	92.7	92.7
Share Price	$27.01	$31.92	$36.83	$41.74	$46.65	$50.58
Cash E&P Dividend	$5.00	$5.00	$5.00	$5.00	$5.00	$5.00
Total GLPI Value	**$32.01**	**$36.92**	**$41.83**	**$46.74**	**$51.65**	**$55.58**
Dividend	$2.44	$2.44	$2.44	$2.44	$2.44	$2.44
Dividend Yield	**9.0%**	**7.6%**	**6.6%**	**5.9%**	**5.2%**	**4.8%**

The valuation multiples are presented for illustrative purposes only and do not represent a projection regarding future value. Future trading multiples may be impacted by a variety of factors, and no assurance can be given that actual trading multiples will be within the ranges presented.

(1) Adjusted EBITDA and other assumptions used above are from guidance issued on 4/18/13

(2) Share count does not reflect the anticipated issuance of additional shares for the required purging distribution of historical earnings and profits

OpCo Enterprise Value

($ in millions except per share amounts)	OpCo @ 6.0x	OpCo @ 7.0x	OpCo @ 8.0x
Adjusted EBITDA (1)	$406.7	$406.7	$406.7
Multiple	6.0x	7.0x	8.0x
Total Enterprise Value	$2,440	$2,847	$3,254
Debt @ 2.9x Leverage	$1,220	$1,220	$1,220
Equity Value	$1,220	$1,627	$2,034
Share Count	87.3	87.3	87.3
Share Price	**$13.98**	**$18.63**	**$23.29**

The valuation multiples are presented for illustrative purposes only and do not represent a projection regarding future value. Future trading multiples may be impacted by a variety of factors, and no assurance can be given that actual trading multiples will be within the ranges presented.

(1) Adjusted EBITDA and other assumptions used above are from guidance issued on 4/18/13

REIT Acquisition Example

- **Acquisitions under the REIT structure are anticipated to generate shareholder value in excess of standalone transactions**
  - Higher multiple attributed to REIT entities in the example below effectively increases the overall gross enterprise value by 1.6x creating over $125M of incremental shareholder value.

($ in millions except per share amounts and multiples)	Stand Alone	OpCo	GLPI	Total	Incremental
Adjusted EBITDA	$78.7	$48.7	$30.0	$78.7	
Purchase Multiple	8.0x	7.5x	13.0x	9.6x	1.6x
Gross Enterprise Value	$629.6	$365.0	$390.4	$755.4	$125.8
Debt	$610.0	$294.8	$315.2	$610.0	
Incremental Value	$19.6	$70.3	$75.1	$145.4	$125.8
Incremental Value per Share [1]	**$0.19**	**$0.68**	**$0.73**	**$1.41**	**$1.22**

The valuation multiples are presented for illustrative purposes only and do not represent a projection regarding future value. Future trading multiples may be impacted by a variety of factors, and no assurance can be given that actual trading multiples will be within the ranges presented.

(1) Based on 102.9 diluted shares outstanding (as of 3/31/13)

Free Cash Flow Guidance

($ in millions except per share amounts)	PENN			GLPI	OpCo
	2012 Actual [2]	2013 Guidance [2]	% Change	2013 Guidance [3,4]	2013 Guidance [3]
Adjusted EBITDA [1]	$711.4	$875.8	23.1%	$455.2	$406.7
Book Interest, Book Taxes, Maintenance CapEx & GLPI Employee Option Dividend Payment	$320.6	$370.4	15.5%	$170.8	$208.6
Free Cash Flow (AFFO)	$390.8	$505.4	29.3%	$284.4	$198.1
Share Count	106.1	107.4	1.2%	92.7	87.3
Free Cash Flow per Share	**$3.68**	**$4.71**	**28.0%**	**$3.07**	**$2.27**

(1) 2012 Adjusted EBITDA includes $45.1m Maryland lobbying expense, and $6.4m legal accrual
(2) Share count excludes the impact of the current share price on dilution related to the Preferred Stock
(3) Pro-forma assuming the transaction was completed 1/1/13
(4) GLPI share count does not reflect the anticipated issuance of additional shares for the required purging distribution of historical earnings and profits

Key Next Steps

- **PENN has performed over two years of diligence and has received a Private Letter Ruling from the IRS**
- **Filed Form S-11 with SEC in Q2 2013**
- **Completed agreements with Series B Preferred Equity holders in Q1 2013**
- **Provided documentation and made initial presentations to gaming regulators in all jurisdictions where required**
  - Received initial approval from the Pennsylvania Gaming Control Board
  - GLPI received a temporary suppliers license from Indiana Gaming Commission
- **Next steps:**
  - **Q2 2013**
    - Ongoing formal regulatory approval process
    - Prepare spin-off agreements
  - **Q3 2013**
    - Complete the Carlino Group agreements
    - Finalize financing transactions
  - **Q4 2013**
    - Distribution made after Form S-11 declared effective and complete regulatory process
    - OpCo completes tax-free spin of GLPI
  - **Q1 2014**
    - GLPI to purge E&P and make REIT election

Pro Forma Financial Highlights

- **Sources & Uses**
  - Refinance PENN Existing Debt: $2.7 billion
  - Pre-spin redemption of Fortress Investment Group Conversion Shares: $412 million
  - Pre-spin redemption of other Preferred Equity: $253 million (1)
  - Cash portion of the Accumulated E&P Dividend: $438 million
  - Transaction Expenses: ~$145 million
  - Total Transaction Debt: $3.75 – $4.25 billion

- **Key GLPI (REIT) Stats**
  - Target Leverage: 5.5x EBITDA
  - Target Interest Coverage: 3.2x
  - Target Dividend Payout Ratio: ~80% AFFO less employee option holder dividends

- **Key PNG (OpCo) Stats**
  - Target Leverage: 3.0x EBITDA
  - Implied Adjusted Leverage: 5.6x EBITDAR
  - Target Rent Coverage: ~2.0x
  - Target Interest Coverage: >5.0x

(1) Includes $22.5m Preferred Equity redeemed in the first quarter of 2013

Investment Highlights

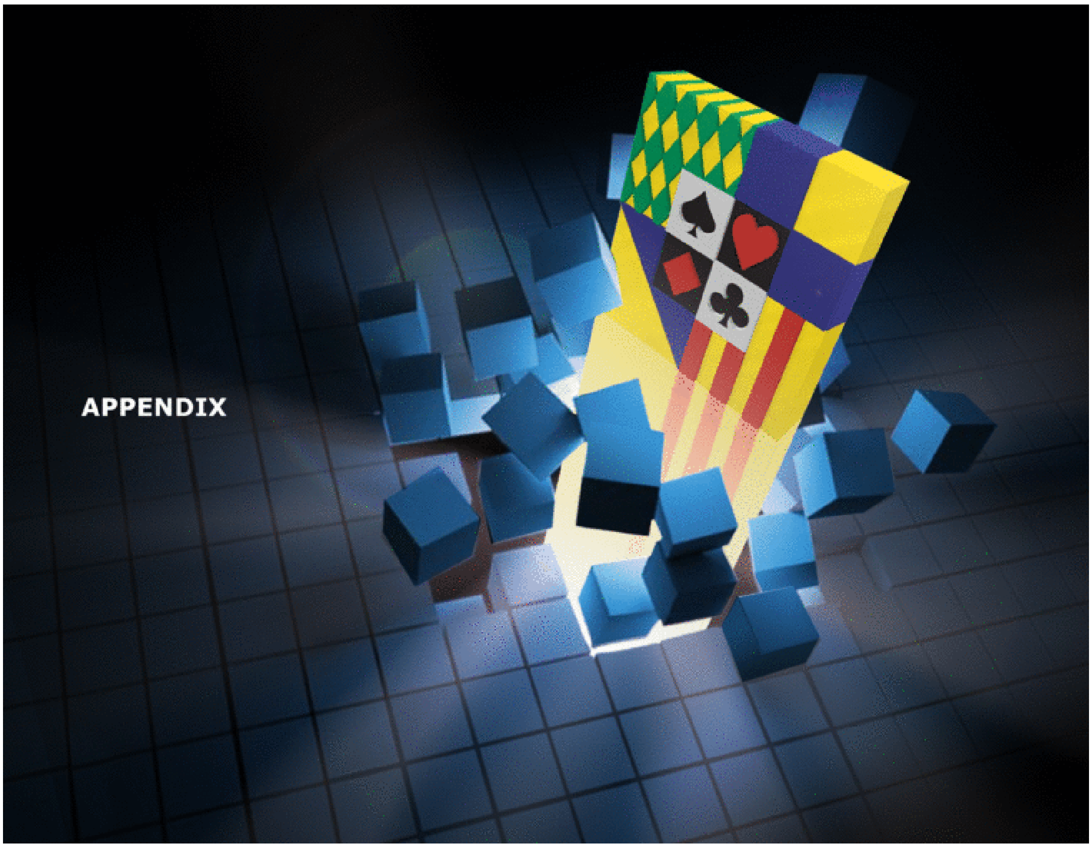
PNG (OpCo)	GLPI (REIT)

PNG (OpCo)

- **Top regional operating know-how, strong brand, robust database**
- **Deep management team**
- **Best-in-class financing and development know-how**
- **Positioned to capture gaming management contracts from GLPI assets**
- **Initial master lease locks in operations for 15 years with up to four, five year extension options**
- **Low leverage (below 3.5x)**

GLPI (REIT)

- **Geographically diversified, high quality real estate**
- **Triple net lease structure**
- **Multiple opportunities for growth**
  - Gaming and other leisure assets
- **High barriers to entry based on jurisdictional gaming licenses creates predictable, stable cash flows to fund rents**
- **Unique advantage difficult to replicate**
  - Diverse portfolio: Other gaming portfolios too small, levered or geographically concentrated
  - Gaming approved: other REITs are not



Series B Exchange and Potential Repurchase Impact to PENN Share Count

	Impact of Exchange of Fortress Preferred Stock for PENN Common Shares	Impact of PENN Share Repurchase Agreement with Fortress	Reduction in PENN Diluted Common Share Count Assuming Fortress Exchange and Repurchase Agreement
Fortress Preferred Stock Balance	$975.0	($412.0)	$563.0
Conversion/Exchange Price	$67.00	$67.00	$67.00
Fortress Holdings of Non-Voting Shares or Equivalents Post Exchange	14.6	(6.2)	8.4
Fortress Impact to Diluted Share Count at $45 Floor Price	21.7		21.7
Impact of Conversion to Diluted Share Count at Floor Price	(7.1)	(6.2)	(13.3)
Impact of Current Stock Price on Fortress Dilution*	3.7		3.7
Reduction in PENN Diluted Shares	**(3.4)**	**(6.2)**	**(9.6)**

* March 31, 2013 closing stock price of $54.43 is used to calculate quarter-end dilutive impact of the Preferred Equity, according to terms of the equity agreement

Redemption of Other Preferred Equity Impact to PENN Share Count

	Impact of PENN Redemption of Other Preferred Equity
Preferred Stock Balance to be Redeemed at Par	$230.0
Preferred Impact to Diluted Share Count at $45 Floor Price	5.1
Impact of Redemption to Diluted Share Count at Floor Price	(5.1)
Impact of Current Stock Price on Preferred Dilution*	0.9
Reduction in PENN Diluted Shares	**(4.2)**

* March 31, 2013 closing stock price of $54.43 is used to calculate quarter-end dilutive impact of the Preferred Equity, according to terms of the equity agreement

Share Count Reconciliation

(in millions)	Fortress Impact	Other Preferred Impact	OpCo	GLPI
Fully Diluted PENN Shares @ 3/31/13	102.9			
Fortress Conversion at $67	(3.4)			
Fortress Share Buyback	(6.2)			
Shares Adjusted for Fortress Impact	**93.3**	**93.3**		
Preferred Redemption at Par		(4.2)		
Shares Adjusted for Preferred Transactions		**89.1**	**89.1**	**89.1**
Other [1]			(1.8)	3.6
Pro-Forma Share Count [2]			**87.3**	**92.7**

(1) Other includes Carlino Group non-pro rata distribution, impact of share price increase on employee stock options and an adjustment required to reflect that there is no tax benefit of GLPI employee stock options

(2) GLPI share count does not reflect the anticipated issuance of additional shares for the required purging distribution of historical earnings and profits

Debt Roll-Forward

($ in millions)	Current	Incremental	At Split	OpCo	GLPI
LTM EBITDA [1]	$783				
Leverage	3.3x				
Long-term Debt 12/31/12	$2,731				
Cash E&P Dividend		$438			
Fortress Buyback		$412			
Other Preferred [2]		$253			
Transaction Expenses		$145			
2013 FCF Per Guidance		($505)			
2013 Project CapEx Per Guidance		$277			
Other		($31)			
Pro-Forma Debt			**$3,720**	**$1,220**	**$2,500**
Pro-Forma EBITDA			$875.8	$406.7	$455.2
Pro-Forma Leverage			**4.2x**	**3.0x**	**5.5x**

(1) LTM 3/31/13 EBITDA excludes $45.1M Maryland lobbying expense and $6.4M Kansas legal accrual

(2) Includes $22.5m Preferred Equity redeemed in the first quarter of 2013

Triple Net Comp Multiple Support

	Market Cap	Enterprise Value / EBITDA	AFFO Multiple	Total Debt / EBITDA	Dividend Yield
Lexington Realty Trust	$2.5B	14.3x	14.3x	7.0x	4.9%
Entertainment Properties Trust	$2.7B	13.2x	14.2x	5.7x	5.6%
Medical Properties Trust	$2.4B	11.9x	13.9x	4.5x	5.0%
Omega Healthcare Investors	$3.7B	13.6x	14.3x	5.1x	5.6%
National Retail Properties	$4.9B	18.0x	19.3x	5.4x	4.0%
Average	$3.2B	14.2x	15.2x	5.5x	5.0%

* Data as of April 2013

New Opportunities Created by Proposed Transaction

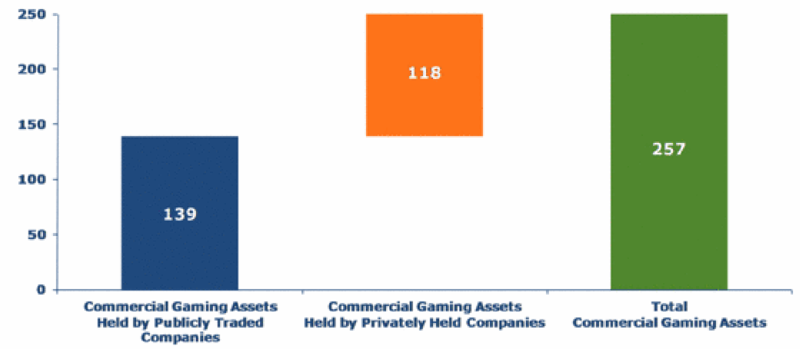
Potential Strategic Actions	New Standalone Entities		Commentary
	PNG (OpCo)	GLPI (REIT)	
Acquire properties of PENN competitors in a sale lease-back transaction*	–	✓	Allows competition to move to asset-light model and provides GLPI access to assets that may not otherwise be available; provides tenant diversification
Acquire other leisure and recreation real estate	–	✓	REITs benefit from tenant diversification and scale
Acquire small operators (< $20 million of EBITDA)*	✓	–	Due to size, would have greater effect on PNG
Native American development	✓	–	Due to size, would have greater effect on PNG
Expand financing options	–	✓	REITs benefit from a lower cost of capital compared to gaming companies
Develop in new jurisdictions	✓	✓	Splitting the operating business and asset ownership increases ability to secure gaming licenses in certain jurisdictions

* There are over 250 commercial gaming facilities in the United States of which approximately 140 are owned by public companies

Opportunity in Commercial Gaming Assets

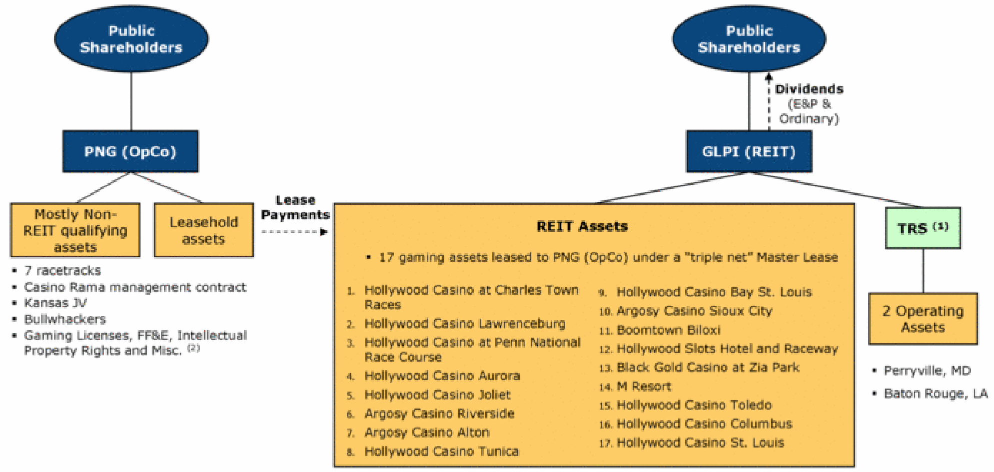
- There are over 250 commercial gaming facilities in the United States of which approximately 140 are owned by public companies
- Many of these facilities are located in jurisdictions where regulatory constraints limit operator expansion
- The following jurisdictions limit the number of properties an operator can own:

  IN, PA, MD, ME, CO



Source: American Gaming Association, company websites, SEC filings and state gaming regulatory boards.
Note: Represents only domestic gaming (and excludes Native American) properties. Figures exclude assets owned by Penn and properties in South Dakota due to their small size. Nevada property count only includes publicly traded companies (equity and debt) with $12 million or more of gaming revenue.

Transaction Mechanics



(1) Taxable REIT Subsidiary conducts activity that generates non-qualifying REIT income.
(2) At the end of the lease term, Penn has the right to sell the applicable gaming license necessary to operate the facilities at fair market value, subject to regulatory approval.

Overview of Corporate Structure

Executive Officers	▪ Peter Carlino, current Chairman and CEO of PENN, will serve as GLPI's Chairman and CEO ▪ Tim Wilmott, current President and COO of PENN, will serve as PNG's CEO ▪ In addition, Peter Carlino will serve as Chairman of PNG
Transition Services	▪ PNG will provide certain transition services to GLPI for a limited period of time (accounting, tax, legal, IT, government relations, etc.)

Shareholder Impact

Existing PENN Shareholders

- PENN shareholders would retain shares of PNG and receive one share of GLPI for each PENN share owned
  - GLPI shareholders would receive accumulated E&P cash dividend of $5.00 per PENN share based on pro forma 2013 estimates
  - GLPI shareholders would receive additional .29 GLPI shares per PENN share for the non-cash portion of the E&P dividend
  - GLPI shareholders would receive $2.44 ordinary cash dividend per PENN share based on 2013 pro forma estimates

Penn Employee Options

- PENN Employee Option holders would receive one new option in GLPI with appropriate adjustments so that their combined intrinsic value after the spin-off is the same as before the spin-off

Re-Alignment of Investments to Satisfy REIT Requirements

The Carlino Group

- In order for GLPI to qualify as a REIT, certain members of the "Carlino Group," which consists of Peter M. Carlino and the Carlino Family Trust and the beneficiaries thereof, will need to receive either (i) additional shares of GLPI common stock, in exchange for shares of Penn common stock that they will transfer to Penn immediately prior to the spin-off and/or (ii) options to acquire GLPI common stock, in exchange for options to acquire Penn common stock, which options will be issued/tendered following the spin-off (collectively, the "Compliance Exchanges"). Penn will engage in either or both of the Compliance Exchanges with the Carlino Group to ensure that they collectively own less than 10% of the outstanding shares of Penn common stock following the separation, so that GLPI can qualify to be taxed as a REIT for U.S. federal income tax purposes. Absent a re-alignment of the ownership interests of the Carlino Group, GLPI will not be able to qualify as a REIT and the spin-off may not occur. Although the Carlino Group has agreed in principle to effect the Compliance Exchanges, neither the Carlino Group nor the independent directors of Penn, on behalf of Penn, have entered into definitive documentation regarding the Compliance Exchanges and no assurance can be made that such definitive documentation will be executed and delivered.

Re-Alignment of Investments to Satisfy REIT Requirements

Series B Preferred Equity Holders

- Fortress Investment Group ("FIG"), owners of approximately $975 million or 80.9% of the outstanding Series B Redeemable Preferred Stock ("Preferred Stock"), entered into an agreement to reduce their aggregate interest in PENN prior to the spin-off such that FIG would own in the aggregate less than a 10% interest in GLPI following the spin-off.
- Pursuant to the agreement, PENN has agreed with FIG to exchange their Preferred Stock for non-voting PENN common stock or equivalents at a price of $67 per share or 14.6 million non-voting common shares or equivalents. The non-voting common shares or equivalents would convert to PENN voting common shares upon sale to a third party.
- Prior to the spin-off, the timing of the exchange into non-voting common shares or equivalents at $67 per share will be at FIG's discretion. If FIG doesn't fully exercise the exchange right prior to the spin-off, any remaining Preferred Stock will automatically be converted into PENN non-voting common shares or equivalents. The effect of the above would reduce PENN's diluted share count by 3.4 million shares*.
- Following the exchange, FIG may either divest 6.2 million of the 14.6 million non-voting PENN common shares or equivalents prior to the spin-off, or, if it does not, PENN has the right to repurchase the undisposed shares for $67 per share. This agreement may further reduce PENN's diluted share count by up to 6.2 million shares. In total, reflecting the exchange and potential repurchase and assuming Fortress Investment Group does not divest any of its non-voting common shares or equivalents to third parties, PENN would reduce its diluted share count by up to 9.6 million shares*.

* Share count reductions based on 3/31/2013 fully diluted share count, which reflects the impact of the current share price on dilution related to the Preferred Stock

Definitions and Reconciliation of Non-GAAP Measures to GAAP

- **Adjusted EBITDA, or earnings before interest, taxes, stock compensation, insurance recoveries and deductible charges, depreciation and amortization, gain or loss on disposal of assets, and other income or expenses, and inclusive of gain or loss from unconsolidated affiliates, is not a measure of performance or liquidity calculated in accordance with GAAP**
  - Adjusted EBITDA information is presented as a supplemental disclosure, as management believes that it is a widely used measure of performance in the gaming industry. In addition, management uses adjusted EBITDA as the primary measure of the operating performance of its segments, including the evaluation of operating personnel. Adjusted EBITDA should not be construed as an alternative to operating income, as an indicator of the Company's operating performance, as an alternative to cash flows from operating activities, as a measure of liquidity, or as any other measure of performance determined in accordance with GAAP.
  - The Company has significant uses of cash flows, including capital expenditures, interest payments, taxes and debt principal repayments, which are not reflected in adjusted EBITDA.
  - It should also be noted that other gaming companies that report adjusted EBITDA information may calculate adjusted EBITDA in a different manner than the Company.
  - Adjusted EBITDA is presented as a supplemental disclosure, as management believes that it is a principal basis for the valuation of gaming companies, as this measure is considered by many to be a better indicator of the Company's operating results than diluted net income (loss) per GAAP. A reconciliation of the Company's adjusted EBITDA to net income (loss) per GAAP, as well as the Company's adjusted EBITDA to income (loss) from operations per GAAP, is included in the Company's news announcements and financial schedules available on the Company's website.

- **Adjusted EBITDAR is adjusted EBITDA less rent expense**

- **Funds From Operations ("FFO") is equal to net income, excluding gains or losses from sales of property, plus real estate depreciation**
  - FFO is defined by NAREIT (the National Association of Real Estate Investment Trusts, the trade organization for REITs) as "the most commonly accepted and reported measure of REIT operating performance."
  - Adjusted Funds From Operations ("AFFO") is defined as FFO plus stock based compensation expense reduced by maintenance capex.
  - A reconciliation of FFO and AFFO to net income (loss) per GAAP is included in this presentation as well as in the news announcements and financial schedules available on the Company's website.
  - FFO and AFFO do not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income as defined by GAAP and is not indicative of cash available to fund all cash flow needs.

- **Notwithstanding the foregoing, GLPI's measures of adjusted EBITDA, adjusted EBITDAR, FFO and AFFO may not be comparable to similarly titled measures used by other companies**

Reconciliation of GLPI Non-GAAP Measures to GAAP

Gaming and Leisure Properties, Inc.
Unaudited Forecasted Consolidated Income Statement
For the year-ending December 31, 2013 (in thousands)

	Total
Revenues	
Rental income	$ 436,334
Net revenues from TRSs	169,967
Total revenues	606,301
Costs and expenses	
TRSs operating expenses	128,406
REIT G&A expenses	49,262
Depreciation and amortization	117,884
Interest expense	143,673
Total costs and expenses	439,225
Income before income taxes	167,076
Income tax expense	5,546
Net income	$ 161,530

Reconciliation of GLPI's FFO and AFFO to its forecasted net income

Net income	$ 161,530
Real estate depreciation	117,884
FFO	279,414
Stock based compensation expense	8,444
Maintenance Capex	(3,497)
AFFO	$ 284,361

Reconciliation of GLPI's Adjusted EBITDA to its forecasted net income

Net income	$ 161,530
Real estate depreciation	117,884
Interest expense	143,673
Stock based compensation expense	8,444
Employee option dividend payments	18,173
Income tax expense	5,546
Adjusted EBITDA	$ 455,250

Reconciliation of PENN Non-GAAP Measures to GAAP

Penn National Gaming, Inc.
Reconciliation of PENN's Adjusted EBITDA to its reported net income
For the last twelve months ended March 31, 2013 (in thousands)

Net income	$ 198,623
Depreciation and amortization	269,082
Charge for stock compensation	26,950
Insurance recoveries (net)	(3,366)
Loss (gain) on disposal of assets	1,645
Interest (net)	90,330
Other	(292)
Taxes on income	148,468
Adjusted EBITDA as reported	$ 731,440
Maryland lobby expense	45,121
Cherokee County legal accrual	6,420
Adjusted EBITDA as presented	$ 782,981