GAMING G&LEISURE PROPERTIES, INC

February 8, 2018

Gaming and Leisure Properties, Inc. Announces Fourth Quarter and Full Year 2017 Results

- Establishes 2018 First Quarter and Full Year Guidance -
- Declares 2018 First Quarter Dividend of $0.63 per Common Share -

WYOMISSING, Pa., Feb. 08, 2018 (GLOBE NEWSWIRE) -- Gaming and Leisure Properties, Inc. (NASDAQ:GLPI) (the "Company"), the first gaming-focused real estate investment trust ("REIT") in North America, today announced results for the quarter and full year ended December 31, 2017.

Financial Highlights

	Three Months Ended December 31,			Year Ended December 31,		
(in millions, except per share data)	**2017 Actual**	**2017 Guidance (1)**	**2016 Actual**	**2017 Actual**	**2017 Guidance (1)**	**2016 Actual**
Net Revenue	$ 240.7	$ 242.6	$ 238.8	$ 971.3	$ 973.2	$ 828.3
Net Income	$ 93.3	$ 96.2	$ 93.7	$ 380.6	$ 383.6	$ 289.3
Funds From Operations (2)	$ 118.5	$ 121.5	$ 118.6	$ 481.7	$ 484.7	$ 384.9
Adjusted Funds From Operations (3)	$ 165.3	$ 168.0	$ 164.9	$ 669.5	$ 672.1	$ 542.1
Adjusted EBITDA (4)	$ 219.9	$ 221.6	$ 218.2	$ 884.6	$ 886.3	$ 721.4
Net income, per diluted common share	$ 0.43	$ 0.45	$ 0.45	$ 1.79	$ 1.80	$ 1.60

(1) The guidance figures in the tables above present the guidance provided on October 26, 2017 for the three months and full year ended December 31, 2017.

(2) Funds from operations ("FFO") is net income, excluding (gains) or losses from sales of property and real estate depreciation as defined by NAREIT.

(3) Adjusted funds from operations ("AFFO") is FFO, excluding stock based compensation expense, debt issuance costs amortization, other depreciation, amortization of land rights, straight-line rent adjustments and direct financing lease adjustments, reduced by capital maintenance expenditures.

(4) Adjusted EBITDA is net income, excluding interest, taxes on income, depreciation, (gains) or losses from sales of property, stock based compensation expense, straight-line rent adjustments, direct financing lease adjustments and the amortization of land rights.

Chief Executive Officer, Peter M. Carlino, commented, "Our portfolio of diversified real estate assets continues to deliver dependable cash flow, with cash rent during the fourth quarter slightly exceeding guidance. We believe our high quality regional gaming assets and well-respected operators are effectively positioned to produce stable and predictable cash flow for our shareholders."

Mr. Carlino continued, "Our focus remains on identifying opportunities to grow AFFO. In the fourth quarter, our two largest tenants, Penn National Gaming, Inc. (NASDAQ:PENN) and Pinnacle Entertainment, Inc. (NASDAQ:PNK), announced that PENN intends to acquire PNK. In agreeing to the transaction, we announced that we would be acquiring two new physical assets, PENN's Plainridge Park Casino and PNK's Belterra Park, for approximately $315 million. Additionally, in order to facilitate the transaction, we intend to enter into a new lease with Boyd Gaming Corp. (NYSE:BYD), whereby BYD will become the operator for four casino operations they are acquiring from PNK. In aggregate, this transaction will increase our total annual rent by approximately $46 million and will be accretive to our shareholders at closing. We are excited to partner with PENN, PNK and BYD to complete this transaction and demonstrate our commitment to creating value for our shareholders. We continue to explore opportunities for further acquisitions and we remain focused on transactions that will enhance existing GLPI shareholder value. In our view, seller expectations are often inflated relative to interest rate risk and the market-based performance risk of the assets offered for sale. We intend to pursue only transactions where the level of accretion compensates for these risks and continues through economic cycles associated with long term leases."

The Company's fourth quarter net income, AFFO and Adjusted EBITDA as compared to guidance were primarily impacted by the following:

- Corporate overhead had a unfavorable variance of $1.9 million, primarily due to an additional bonus accrual as a result of the pending transaction with PENN, PNK, and BYD;
- Interest expense had a favorable variance of $0.5 million; and
- Income tax had an unfavorable variance of $1.8 million due to an adjustment at the TRS Properties for the December 22, 2017 Tax Cuts and Jobs Act. The TRS Properties' deferred taxes were adjusted to reflect the newly enacted 21% tax rate from the previous 35% tax rate.

Portfolio Update

GLPI owns over 4,400 acres of land and approximately 15 million square feet of building space, which was 100% occupied as of December 31, 2017. At the end of the fourth quarter of 2017, the Company owned the real estate associated with 38 casino facilities and leases 20 of these facilities to PENN, 15 of these facilities to PNK and one to Casino Queen in East St. Louis, Illinois. Two of the gaming facilities, located in Baton Rouge, Louisiana and Perryville, Maryland, are owned and operated by a subsidiary of GLPI, GLP Holdings, Inc., (collectively, the "TRS Properties").

Capital maintenance expenditures at the TRS Properties were $1.0 million for the three months ended December 31, 2017.

Balance Sheet Update

The Company had $29.1 million of unrestricted cash and $4.4 billion in total debt, including $1.1 billion of debt outstanding under its unsecured credit facility term loans and no outstanding balance under its unsecured credit facility revolver at December 31, 2017. The Company's debt structure as of December 31, 2017 was as follows:

	As of December 31, 2017	
	Interest Rate	**Balance**
		(in thousands)
Unsecured Term Loan A [1]	3.052 %	$ 230,000
Unsecured Term Loan A-1 [1]	2.960 %	825,000
Senior Unsecured Notes Due 2018	4.375 %	550,000
Senior Unsecured Notes Due 2020	4.875 %	1,000,000
Senior Unsecured Notes Due 2021	4.375 %	400,000
Senior Unsecured Notes Due 2023	5.375 %	500,000
Senior Unsecured Notes Due 2026	5.375 %	975,000
Capital Lease	4.780 %	1,230
Total long-term debt		**$ 4,481,230**
Less: unamortized debt issuance costs		(38,350)
Total long-term debt, net of unamortized debt issuance costs		**$ 4,442,880**

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[1] The rate on the term loan facilities and revolver is LIBOR plus 1.50%. The Company's revolver and $300.0 million term loan credit facility mature on October 28, 2018 and the incremental term loan of $825.0 million matures on April 28, 2021.

As of December 31, 2017, the Company had 212,751,346 weighted average diluted shares outstanding.

Dividends

On October 19, 2017, the Company's Board of Directors declared the fourth quarter 2017 dividend. Shareholders of record on December 1, 2017 received $0.63 per common share, which was paid on December 15, 2017. On February 1, 2018, the Company declared its first quarter 2018 dividend of $0.63 per common share, payable on March 23, 2018 to shareholders of record on March 9, 2018.

Guidance

The table below sets forth current guidance targets for financial results for the 2018 first quarter and full year, based on the following assumptions:

- Excludes any impact of the transactions announced on December 18, 2017 with PENN, PNK, and BYD, which are expected to close in the second half of 2018;
- Reported rental income of approximately $880.8 million for the year and $209.1 million for the first quarter, consisting of:

(in millions)	First Quarter	Full Year
Cash Rental Receipts		
PENN	$ 115.8	$ 460.4
PNK	100.4	406.4
Casino Queen	3.6	14.4
PENN non-assigned land lease	(0.7)	(2.9)
Total Cash Rental Receipts	**$ 219.1**	**$ 878.3**
Non-Cash Adjustments		
Straight-line rent	$ (16.6)	$ (51.9)
PNK direct financing lease	(18.2)	(45.2)
Property taxes paid by tenants	21.8	87.3
Land leases paid by tenants	3.0	12.3
Total Rent as Reported	**$ 209.1**	**$ 880.8**

- Cash rent includes incremental escalator on the PENN building rent component effective November 1, 2017, which increases 2018 annual rent by $2.0 million and no additional escalator assumed effective November 1, 2018;
- Five year variable rent reset on the PENN lease effective November 1, 2018, which reduces 2018 annual rent by $1.9 million;
- Cash rent includes incremental escalator on the PNK building rent component effective April 28, 2017, which increases 2018 annual rent by $1.9 million and no additional escalator assumed effective April 28, 2018;
- Two year variable rent reset on the PNK lease effective April 28, 2018, which reduces 2018 annual rent by $0.6 million;
- Adjusted EBITDA from the TRS Properties of approximately $36.6 million for the year and $10.1 million for the first quarter;
- Blended income tax rate at the TRS Properties of 31%;
- LIBOR is based on the forward yield curve; and
- The basic share count is approximately 214.2 million shares for the year and 213.8 million shares for the first quarter and the fully diluted share count is approximately 215.4 million shares for the year and 215.1 million shares for the first quarter.

	Three Months Ended March 31,		**Full Year Ending December 31,**	
(in millions, except per share data)	**2018 Guidance**	**2017 Actual**	**2018 Guidance**	**2017 Actual**
Net Revenue	**$ 245.2**	**$ 242.7**	**$ 1,019.0**	**$ 971.3**
Net Income	**$ 97.5**	**$ 94.0**	**$ 431.0**	**$ 380.6**
Losses or (gains) from dispositions of property	—	0.1	—	0.5
Real estate depreciation	24.6	24.9	98.6	100.6
Funds From Operations (1)	**$ 122.1**	**$ 119.0**	**$ 529.6**	**$ 481.7**
Straight-line rent adjustments	16.6	16.2	51.9	66.0
Direct financing lease adjustments	18.2	17.6	45.2	73.1

Other depreciation	2.9	3.4	11.6	12.9
Amortization of land rights	2.7	2.3	10.9	10.4
Debt issuance costs amortization	3.3	3.3	13.0	13.0
Stock based compensation	4.1	4.5	16.4	15.6
Maintenance CAPEX	(1.2)	(0.5)	(4.3)	(3.2)
Adjusted Funds From Operations [2]	**$ 168.7**	**$ 165.8**	**$ 674.3**	**$ 669.5**
Interest, net	53.2	53.5	215.3	215.1
Income tax expense	1.8	2.5	6.2	9.8
Maintenance CAPEX	1.2	0.5	4.3	3.2
Debt issuance costs amortization	(3.3)	(3.3)	(13.0)	(13.0)
Adjusted EBITDA [3]	**$ 221.6**	**$ 219.0**	**$ 887.1**	**$ 884.6**
Net income, per diluted common share	$ 0.45	$ 0.45	$ 2.00	$ 1.79

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(1) FFO is net income, excluding (gains) or losses from sales of property and real estate depreciation as defined by NAREIT.

(2) AFFO is FFO, excluding stock based compensation expense, debt issuance costs amortization, other depreciation, amortization of land rights, straight-line rent adjustments and direct financing lease adjustments, reduced by capital maintenance expenditures.

(3) Adjusted EBITDA is net income, excluding interest, taxes on income, depreciation, (gains) or losses from sales of property, stock based compensation expense, straight-line rent adjustments, direct financing lease adjustments and the amortization of land rights.

Conference Call Details

The Company will hold a conference call on February 8, 2018 at 11:00 a.m. (Eastern Time) to discuss its financial results, current business trends and market conditions.

Webcast

The conference call will be available in the Investor Relations section of the Company's website at www.glpropinc.com. To listen to a live broadcast, go to the site at least 15 minutes prior to the scheduled start time in order to register, download and install any necessary audio software. A replay of the call will also be available for 90 days on the Company's website.

To Participate in the Telephone Conference Call:
Dial in at least five minutes prior to start time.
Domestic: 1-877-407-0784
International: 1-201-689-8560

Conference Call Playback:
Domestic: 1-844-512-2921
International: 1-412-317-6671
Passcode: 13675400
The playback can be accessed through February 15, 2018

Disclosure Regarding Non-GAAP Financial Measures

Funds From Operations ("FFO"), Adjusted Funds From Operations ("AFFO") and Adjusted EBITDA, which are detailed in the reconciliation tables that accompany this release, are used by the Company as performance measures for benchmarking against the Company's peers and as internal measures of business operating performance, which is used for a bonus metric. The Company believes FFO, AFFO, and Adjusted EBITDA provide a meaningful perspective of the underlying operating performance of the Company's current business. This is especially true since these measures exclude real estate depreciation, and we believe that real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. In addition, in order for the Company to qualify as a REIT, it must distribute 90% of its REIT taxable income annually. The Company adjusts AFFO accordingly to provide our investors an estimate of taxable income for this distribution requirement. Direct financing lease adjustments represent the portion of cash rent we receive from tenants that is applied against our lease receivable and thus not recorded as revenue and the amortization of land rights represents the non-cash amortization of the value assigned to the Company's assumed ground leases.

FFO, AFFO and Adjusted EBITDA are non-GAAP financial measures, that are considered a supplemental measure for the real estate industry and a supplement to GAAP measures. NAREIT defines FFO as net income (computed in accordance with generally accepted accounting principles), excluding (gains) or losses from sales of property and real estate depreciation. We have defined AFFO as FFO excluding stock based compensation expense, debt issuance costs amortization, other depreciation, amortization of land rights, straight-line rent adjustments and direct financing lease adjustments, reduced by capital maintenance expenditures. Finally, we have defined Adjusted EBITDA as net income excluding interest, taxes on income, depreciation, (gains) or losses from sales of property, stock based compensation expense, straight-line rent adjustments, direct financing lease adjustments and the amortization of land rights.

FFO, AFFO and Adjusted EBITDA are not recognized terms under GAAP. Because certain companies do not calculate FFO, AFFO, and Adjusted EBITDA in the same way and certain other companies may not perform such calculation, those measures as used by other companies may not be consistent with the way the Company calculates such measures and should not be considered as alternative measures of operating profit or net income. The Company's presentation of these measures does not replace the presentation of the Company's financial results in accordance with GAAP.

About Gaming and Leisure Properties

GLPI is engaged in the business of acquiring, financing, and owning real estate property to be leased to gaming operators in triple-net lease arrangements, pursuant to which the tenant is responsible for all facility maintenance, insurance required in connection with the leased properties and the business conducted on the leased properties, taxes levied on or with respect to the leased properties and all utilities and other services necessary or appropriate for the leased properties and the business conducted on the leased properties. GLPI expects to grow its portfolio by pursuing opportunities to acquire additional gaming facilities to lease to gaming operators. GLPI also intends to diversify its portfolio over time, including by acquiring properties outside the gaming industry to lease to third parties. GLPI elected to be taxed as a REIT for United States federal income tax purposes commencing with the 2014 taxable year and is the first gaming-focused REIT in North America.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding our financial outlook for the first quarter of 2018 and the full 2018 fiscal year; our expectations regarding future acquisitions and the expected impact of PENN's proposed acquisition of PNK, refinancing of indebtedness and dividend payments. Forward looking statements can be identified by the use of forward looking terminology such as "expects," "believes," "estimates," "intends," "may," "will," "should" or "anticipates" or the negative or other variation of these or similar words, or by discussions of future events, strategies or risks and uncertainties. Such forward looking statements are inherently subject to risks, uncertainties and assumptions about GLPI and its subsidiaries, including risks related to the following: the availability of and the ability to identify suitable and attractive acquisition and development opportunities and the ability to acquire and lease those properties on favorable terms; the ability to receive, or delays in obtaining, the regulatory approvals required to own and/or operate its properties, or other delays or impediments to completing GLPI's planned acquisitions or projects, including the acquisitions of the physical assets at PENN's Plainridge Park Casino and PNK's Belterra Park and the other transactions contemplated in connection with PENN's proposed acquisition of PNK; the satisfaction of the conditions to closing of each of PENN, PNK, and BYD, including the timely receipt of all necessary regulatory approvals, financing and other matters, in connection with PENN's proposed acquisition of PNK and the related divestitures to BYD; GLPI's ability to maintain its status as a REIT; our ability to access capital through debt and equity markets in amounts and at rates and costs acceptable to GLPI, including through GLPI's existing ATM program; changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs or to the gaming or lodging industries; and other factors described in GLPI's Annual Report on Form 10-K for the year ended December 31, 2016, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each as filed with the Securities and Exchange Commission. All subsequent written and oral forward-looking statements attributable to GLPI or persons acting on GLPI's behalf are expressly qualified in their entirety by the cautionary statements included in this press release. GLPI undertakes no obligation to publicly update or revise any forward-looking statements contained or incorporated by reference herein, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks, uncertainties and assumptions, the forward looking events discussed in this press release may not occur.

Additional Information

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended. In connection with the establishment of its ATM Program, the Company filed with the SEC a prospectus supplement dated August 9, 2016 to the prospectus contained in its effective Registration Statement on Form S-3 (No. 333-210423), filed with the SEC on March 28, 2016. This communication is not a substitute for the filed Registration Statement/prospectus or any other document that the Company may file with the SEC or send to its shareholders in connection with the proposed transactions. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND PROSPECTUS THAT HAVE BEEN FILED WITH THE SEC AND OTHER RELEVANT DOCUMENTS THAT WILL BE FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN, OR WILL CONTAIN, IMPORTANT INFORMATION. You may obtain free copies of the registration statement/prospectus and other relevant documents filed by the Company with the SEC at the SEC's website at www.sec.gov. Copies of the documents filed with the SEC by the Company are available free of charge on the Company's investor relations website at investors.glpropinc.com or by contacting the Company's investor relations representative at (203) 682-8211.

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GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(in thousands, except per share data) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	**2016**	**2017**	**2016**
Revenues				
Rental income	$ 169,236	$ 164,464	$ 671,190	$ 567,444
Income from direct financing lease	18,956	18,131	74,333	48,917
Real estate taxes paid by tenants	19,716	19,905	83,698	67,843
Total rental revenue and income from direct financing lease	207,908	202,500	829,221	684,204
Gaming, food, beverage and other	33,919	37,748	146,866	149,661
Total revenues	241,827	240,248	976,087	833,865
Less promotional allowances	(1,130)	(1,449)	(4,780)	(5,610)
Net revenues	240,697	238,799	971,307	828,255
Operating expenses				
Gaming, food, beverage and other	18,852	20,170	80,487	82,463
Real estate taxes	19,860	20,300	84,666	69,448
Land rights and ground lease expense	6,378	5,138	24,005	14,799
General and administrative	17,322	16,041	63,151	71,368
Depreciation	28,168	28,287	113,480	109,554
Total operating expenses	90,580	89,936	365,789	347,632
Income from operations	150,117	148,863	605,518	480,623
Other income (expenses)				
Interest expense	(53,969)	(53,679)	(217,068)	(185,896)
Interest income	492	471	1,935	2,123
Total other expenses	(53,477)	(53,208)	(215,133)	(183,773)
Income from operations before income taxes	96,640	95,655	390,385	296,850
Income tax expense	3,381	1,963	9,787	7,545

	2017 Q4	2016 Q4	2017	2016
Net income	$ 93,259	$ 93,692	$ 380,598	$ 289,305
Earnings per common share:				
Basic earnings per common share	$ 0.44	$ 0.45	$ 1.80	$ 1.62
Diluted earnings per common share	$ 0.43	$ 0.45	$ 1.79	$ 1.60

GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES
Operations
(in thousands) (unaudited)

	NET REVENUES Three Months Ended December 31,		ADJUSTED EBITDA Three Months Ended December 31,	
	2017	**2016**	**2017**	**2016**
Real estate	$ 207,908	$ 202,500	$ 211,919	$ 208,597
GLP Holdings, LLC (TRS)	32,789	36,299	8,023	9,625
Total	**$ 240,697**	**$ 238,799**	**$ 219,942**	**$ 218,222**

	NET REVENUES Year Ended December 31,		ADJUSTED EBITDA Year Ended December 31,	
	2017	**2016**	**2017**	**2016**
Real estate	$ 829,221	$ 684,204	$ 846,347	$ 684,063
GLP Holdings, LLC (TRS)	142,086	144,051	38,215	37,340
Total	**$ 971,307**	**$ 828,255**	**$ 884,562**	**$ 721,403**

GAMING AND LEISURE PROPERTIES, INC. AND SUBSIDIARIES
General and Administrative Expenses
(in thousands) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	**2016**	**2017**	**2016**
Real estate general and administrative expenses [1]	$ 11,518	$ 9,908	$ 40,123	$ 48,640
GLP Holdings, LLC (TRS) general and administrative expenses [1]	5,804	6,133	23,028	22,728
Total	**$ 17,322**	**$ 16,041**	**$ 63,151**	**$ 71,368**

(1) General and administrative expenses include payroll related expenses, insurance, utilities, professional fees and other administrative costs.

Reconciliation of Net income (GAAP) to FFO, FFO to AFFO, and AFFO to Adjusted EBITDA
Gaming and Leisure Properties, Inc. and Subsidiaries
CONSOLIDATED
(in thousands) (unaudited)

Three Months Ended December 31,		Year Ended December 31,	
2017	**2016**	**2017**	**2016**

Net income	**$ 93,259**	**$ 93,692**	**$ 380,598**	**$ 289,305**
Losses or (gains) from dispositions of property	15	5	530	(455)
Real estate depreciation	25,264	24,910	100,576	96,074
Funds from operations	**$ 118,538**	**$ 118,607**	**$ 481,704**	**$ 384,924**
Straight-line rent adjustments	16,616	16,244	65,971	58,673
Direct financing lease adjustments	18,613	18,004	73,072	48,533
Other depreciation (1)	2,904	3,377	12,904	13,480
Amortization of land rights	2,728	2,311	10,355	6,163
Debt issuance costs amortization	3,256	3,257	13,026	15,146
Stock based compensation	3,685	4,508	15,636	18,312
Maintenance CAPEX (2)	(991)	(1,418)	(3,178)	(3,111)
Adjusted funds from operations	**$ 165,349**	**$ 164,890**	**$ 669,490**	**$ 542,120**
Interest, net	53,477	53,208	215,133	183,773
Income tax expense	3,381	1,963	9,787	7,545
Maintenance CAPEX (2)	991	1,418	3,178	3,111
Debt issuance costs amortization	(3,256)	(3,257)	(13,026)	(15,146)
Adjusted EBITDA	**$ 219,942**	**$ 218,222**	**$ 884,562**	**$ 721,403**

(1) Other depreciation includes both real estate and equipment depreciation from the Company's taxable REIT subsidiaries as well as equipment depreciation from the REIT subsidiaries.

(2) Capital maintenance expenditures are expenditures to replace existing fixed assets with a useful life greater than one year that are obsolete, worn out or no longer cost effective to repair.

Reconciliation of Net income (GAAP) to FFO, FFO to AFFO, and AFFO to Adjusted EBITDA
Gaming and Leisure Properties, Inc. and Subsidiaries
REAL ESTATE and CORPORATE (REIT)
(in thousands) (unaudited)

	Three Months Ended December 31,		**Year Ended December 31,**	
	2017	**2016**	**2017**	**2016**
Net income	**$ 93,374**	**$ 91,279**	**$ 372,832**	**$ 280,295**
Gains from dispositions of property	—	—	—	(471)
Real estate depreciation	25,264	24,910	100,576	96,074
Funds from operations	**$ 118,638**	**$ 116,189**	**$ 473,408**	**$ 375,898**
Straight-line rent adjustments	16,616	16,244	65,971	58,673
Direct financing lease adjustments	18,613	18,004	73,072	48,533
Other depreciation (1)	518	524	2,076	2,097
Amortization of land rights	2,728	2,311	10,355	6,163
Debt issuance costs amortization	3,256	3,257	13,026	15,146
Stock based compensation	3,685	4,508	15,636	18,312
Maintenance CAPEX	—	—	—	—
Adjusted funds from operations	**$ 164,054**	**$ 161,037**	**$ 653,544**	**$ 524,822**
Interest, net (2)	50,876	50,607	204,730	173,371
Income tax expense	245	210	1,099	1,016
Maintenance CAPEX	—	—	—	—
Debt issuance costs amortization	(3,256)	(3,257)	(13,026)	(15,146)
Adjusted EBITDA	**$ 211,919**	**$ 208,597**	**$ 846,347**	**$ 684,063**

[1] Other depreciation includes both real estate and equipment depreciation from the Company's taxable REIT subsidiaries as well as equipment depreciation from the REIT subsidiaries.

[2] Interest expense, net is net of intercompany interest eliminations of $2.6 million and $10.4 million for both the three months and years ended ended December 31, 2017 and 2016, respectively.

Reconciliation of Net income (GAAP) to FFO, FFO to AFFO, and AFFO to Adjusted EBITDA
Gaming and Leisure Properties, Inc. and Subsidiaries
GLP HOLDINGS, LLC (TRS)
(in thousands) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	**2016**	**2017**	**2016**
Net income	**$ (115)**	**$ 2,413**	**$ 7,766**	**$ 9,010**
Losses from dispositions of property	15	5	530	16
Real estate depreciation	—	—	—	—
Funds from operations	**$ (100)**	**$ 2,418**	**$ 8,296**	**$ 9,026**
Straight-line rent adjustments	—	—	—	—
Direct financing lease adjustments	—	—	—	—
Other depreciation [1]	2,386	2,853	10,828	11,383
Amortization of land rights	—	—	—	—
Debt issuance costs amortization	—	—	—	—
Stock based compensation	—	—	—	—
Maintenance CAPEX [2]	(991)	(1,418)	(3,178)	(3,111)
Adjusted funds from operations	**$ 1,295**	**$ 3,853**	**$ 15,946**	**$ 17,298**
Interest, net	2,601	2,601	10,403	10,402
Income tax expense	3,136	1,753	8,688	6,529
Maintenance CAPEX [2]	991	1,418	3,178	3,111
Debt issuance costs amortization	—	—	—	—
Adjusted EBITDA	**$ 8,023**	**$ 9,625**	**$ 38,215**	**$ 37,340**

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[1] Other depreciation includes both real estate and equipment depreciation from the Company's taxable REIT subsidiaries as well as equipment depreciation from the REIT subsidiaries.

[2] Capital maintenance expenditures are expenditures to replace existing fixed assets with a useful life greater than one year that are obsolete, worn out or no longer cost effective to repair.