

Benefits to Kansas from PENN's Combined Southern Strategy

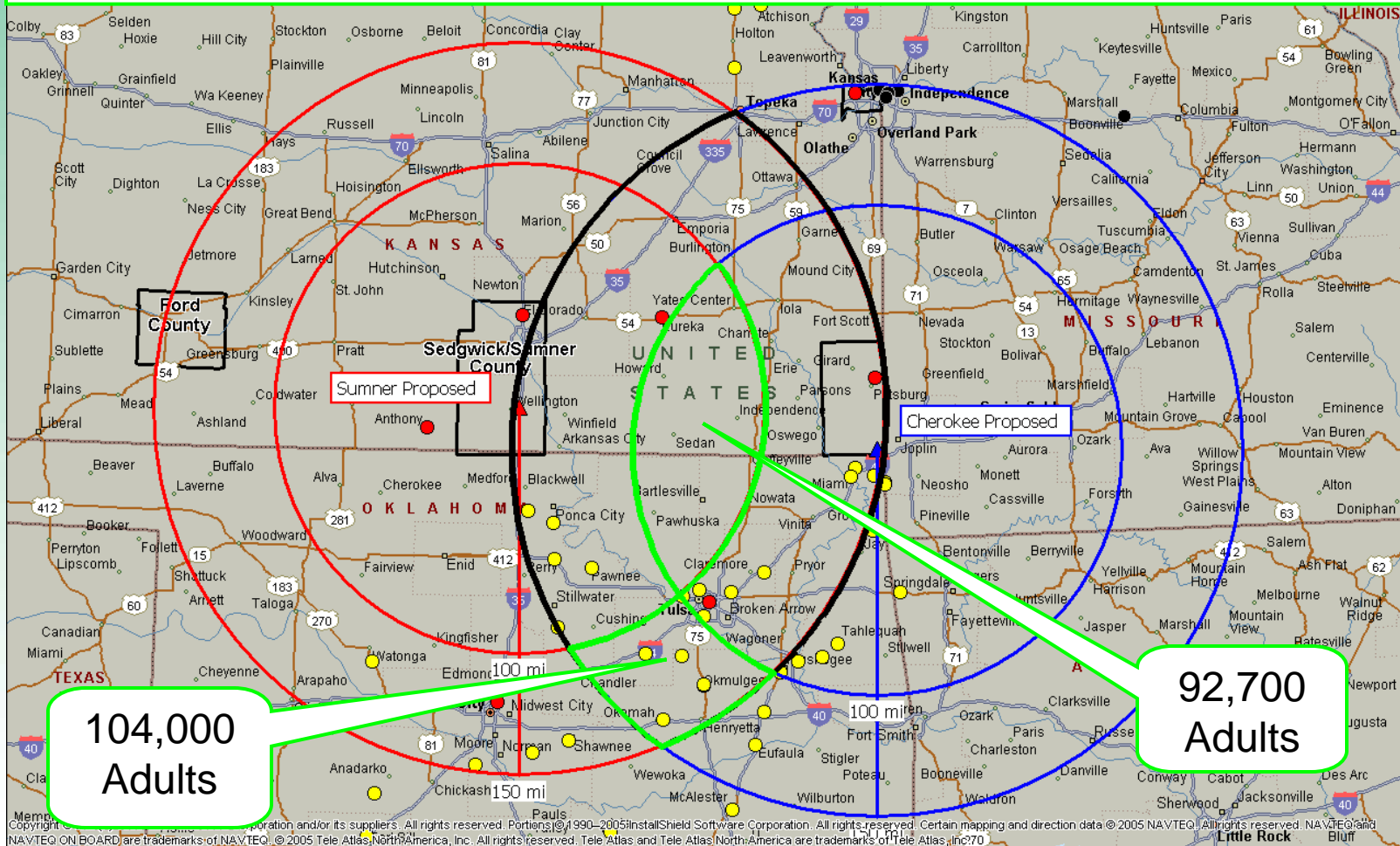


PENN NATIONAL
GAMING, INC.

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Southern Kansas Marketing Overlap Map

The green overlap areas include 156,400 Adults from OK and 40,300 from KS that will be subject to an overlap in marketing generating two extra trips a year per adult.



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Incremental Revenue

Total Overlap Population Within 100 and 150 mile radius of both facilities	196,700
Incremental Trips Per Year Per Person Driven by Common Ownership	2.0
Penetration Rate (3rd Full Yr)	54.5%
Total Incremental Trips to Both Properties	214,403
Win Per Trip (3rd Full Yr)	\$ 76.95
Incremental Revenue	\$ 16,499,105



Revenue Summary

	Sumner	Cherokee	Incremental **	Total
Trips	2,764,841	1,219,991	214,403	4,199,235
Win Per Trip	\$ 78.72	\$ 74.11	\$ 76.95	\$ 77.29
Gaming Rev (3rd Full Yr)	217,644,057	90,418,201	16,499,105	324,561,362
Gaming Tax	65,293,217	24,412,914	4,804,454	94,510,585

** Incremental win per trip is a weighted average of the two facilities win per trip for residential gaming customers in the third full year of operations. The incremental gaming tax rate of 29.1% is based on a weighted average of the rates at the two facilities.



PENN Revenue Estimate Vs Independent Consultant

	Revenue	Tax Rate	Gaming Tax
Sumner	217.6	30.0%	65.3
Cherokee	90.4	27.0%	24.4
Incremental - Southern Strategy	16.5	29.1%	4.8
TOTAL PENN	\$324.5	29.1%	\$94.5
Christiansen - Mulvane	209.3	27.0%	56.5
Christiansen - Cherokee	100.6	27.0%	27.2
TOTAL CHRISTIANSEN	\$309.9	27.0%	\$83.7
PENN common ownership exceeds independent consultant's estimate	\$14.6	2.1%	\$10.8

\$ In Millions

