
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): March 28, 2016

GAMING AND LEISURE PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

PENNSYLVANIA
(State or Other Jurisdiction
of Incorporation or Organization)

001-36124
(Commission
file number)

46-2116489
(IRS Employer
Identification Number)

845 Berkshire Blvd., Suite 200
Wyomissing, PA 19610
(Address of principal executive offices)

610-401-2900
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

As previously disclosed in its Current Report on Form 8-K filed with the Securities and Exchange Commission on July 22, 2015 (the “Prior 8-K”), Gaming and Leisure Properties, Inc. (the “Company”) entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Gold Merger Sub, LLC, a direct, wholly-owned subsidiary of the Company, and Pinnacle Entertainment, Inc., a Delaware corporation (“Pinnacle”), on July 20, 2015, providing for the acquisition of substantially all of Pinnacle’s real property assets by the Company (the “Acquisition”). In connection with the Acquisition, although not conditioned upon its successful completion, on March 28, 2016, the Company commenced a public offering of shares of its common stock (the “Offering”). The preliminary prospectus, dated March 28, 2016, by which the common stock is being offered includes (i) an unaudited pro forma consolidated combined balance sheet as of December 31, 2015, giving effect to the Acquisition and related transactions as if they occurred as of December 31, 2015 and (ii) an unaudited pro forma consolidated combined statement of income for the year ended December 31, 2015, giving effect to the Acquisition and related transactions as if they occurred on January 1, 2015. A copy of this pro forma financial information is furnished as Exhibit 99.1 hereto and is incorporated herein by reference. The above description of the Merger Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Merger Agreement, a copy of which is filed as Exhibit 2.1 to the Prior 8-K.

In addition, on March 28, 2016, the Company issued a press release announcing that it had commenced the Offering, a copy of which is furnished as Exhibit 99.2 hereto and is incorporated herein by reference.

The information contained in this Item 7.01, including exhibits 99.1 and 99.2, is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall the information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

This Current Report on Form 8-K does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Company’s securities, including, without limitation, those securities proposed to be offered and sold pursuant to the preliminary prospectus supplement described above.

Item 8.01. Other Events.

On March 28, 2016, GLP Capital, L.P., a Pennsylvania limited partnership and wholly-owned subsidiary of the Company (the “Operating Partnership”), and GLP Financing II, Inc., a Delaware corporation and wholly-owned subsidiary of the Operating Partnership (“Capital Corp.” and, together with the Operating Partnership, the “Issuers”), entered into a First Supplemental Indenture (the “First Supplemental Indenture”), with Wells Fargo Bank, National Association, as trustee (the “Trustee”), to conform certain provisions of the Indenture, dated October 30, 2013, by and among the Issuers, the Company, as parent guarantor, and the Trustee, governing the Issuers’ 4.375% Senior Notes due 2018, 4.875% Senior Notes due 2020 and 5.375% Senior Notes due 2023 (together, the “Notes”), to the information included in the “Description of Notes” section of the Offering Memorandum, dated October 23, 2013, relating to the Notes.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
4.1	First Supplemental Indenture, dated March 28, 2016, among GLP Capital, L.P., GLP Financing II, Inc. and Wells Fargo Bank, National Association, as Trustee.
99.1	Unaudited pro forma condensed combined financial information of the Company as of December 31, 2015 and for the year ended December 31, 2015.
99.2	Press Release dated March 28, 2016.

Forward-Looking Statements

This communication 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. These 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 the Company and its subsidiaries, including risks related to the following: 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 the Company's planned acquisitions or projects; the ultimate timing and outcome of the Company's proposed acquisition of substantially all of the real estate assets of Pinnacle, including the Company's and Pinnacle's ability to obtain the financing and third party approvals and consents necessary to complete the acquisition; the ultimate outcome and results of integrating the assets to be acquired by the Company in the proposed transaction with Pinnacle; the effects of a transaction between the Company and Pinnacle on each party, including the post-transaction impact on the Company's financial condition, operating results, strategy and plans; the Company's ability to maintain its status as a REIT; 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; our ability to access capital through debt and equity markets in amounts and at rates and costs acceptable to the Company; 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 the Company's Annual Report on Form 10-K for the year ended December 31, 2015 and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as filed with the Securities and Exchange Commission. All subsequent written and oral forward looking statements attributable to the Company or persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements included in this communication. The Company 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 communication 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 proposed transaction between GLPI and Pinnacle, GLPI has filed with the SEC a registration statement on Form S-4 (File No. 333-206649) that was declared effective by the SEC on February 16, 2016 and includes a definitive joint proxy statement of GLPI and Pinnacle that also constitutes a prospectus of GLPI, which was mailed to shareholders of GLPI and stockholders of Pinnacle on or about February 16, 2016. This communication is not a substitute for the joint proxy statement/prospectus or any other document that GLPI or Pinnacle may file with the SEC or send to their shareholders in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE FORM S-4, INCLUDING THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS FILED AND OTHER RELEVANT DOCUMENTS THAT WILL BE FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. You may obtain free copies of the preliminary joint proxy statement/prospectus and other relevant documents filed by GLPI and Pinnacle with the SEC at the SEC's website at www.sec.gov. Copies of the documents filed with the SEC by GLPI are available free of charge on GLPI's investor relations website at investors.glpropinc.com or by contacting the GLPI's investor relations representative at (203) 682-8211. Copies of the documents filed with the SEC by Pinnacle are available free of charge on Pinnacle's investor relations website at investors.pnkinc.com or by contacting Pinnacle's investor relations department at (702) 541-7777.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: March 28, 2016

GAMING AND LEISURE PROPERTIES, INC.

By: /s/ William J. Clifford

Name: William J. Clifford

Title: Chief Financial Officer

FIRST SUPPLEMENTAL INDENTURE,

by and among

GLP CAPITAL, L.P.

and GLP FINANCING II, INC.,

as Issuers,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Trustee

Dated as of March 28, 2016

FIRST SUPPLEMENTAL INDENTURE

This **FIRST SUPPLEMENTAL INDENTURE** (this "**First Supplemental Indenture**") is dated as of March 28, 2016, by and among **GLP CAPITAL, L.P.**, a Pennsylvania limited partnership (the "**Operating Partnership**"), and **GLP FINANCING II, INC.**, a Delaware corporation ("**Capital Corp.**") and, together with the Operating Partnership, the "**Issuers**"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as trustee (the "**Trustee**").

WITNESSETH:

WHEREAS, the Issuers, Gaming and Leisure Properties, Inc., as Parent Guarantor, and the Trustee entered into an Indenture dated as of October 30, 2013 (the "**Original Indenture**") and, as amended, supplemented and modified by this First Supplemental Indenture, the "**Indenture**") pursuant to which the Issuers may from time to time create and issue Notes of one or more series; and

WHEREAS, Section 9.01(a) of the Original Indenture provides that the Issuers and the Trustee may amend or supplement the Original Indenture without the consent of any Holder of a Note to cure any ambiguity, defect, mistake or inconsistency; and

WHEREAS, Section 9.01(i) of the Original Indenture provides that the Issuers and the Trustee may amend or supplement the Original Indenture or the Notes without the consent of any Holder of a Note to conform the text of the Original Indenture or the Notes to any provision of the Description of Notes contained in the Offering Memorandum as set forth in an Officer's Certificate; and

WHEREAS, the Issuers have provided to the Trustee an Officer's Certificate in accordance with Section 9.01(i) and stating that terms to be amended or supplemented in the Original Indenture, as set forth in this First Supplemental Indenture, conform to the text of the description of such terms in the Description of Notes contained in the Offering Memorandum; and

WHEREAS, all action on the part of the Issuers necessary to authorize this First Supplemental Indenture has been duly taken; and

WHEREAS, this First Supplemental Indenture will not result in a material modification of the 4.375% Senior Notes due 2018, 4.875% Senior Notes due 2020 and 5.375% Senior Notes due 2023 for Foreign Account Tax Compliance Act purposes; and

NOW THEREFORE, in consideration of the premises and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. **Definitions.** Capitalized terms not otherwise defined herein or defined in reference to a stated document have the meanings given to such terms in the Indenture.

2. **Modification of Indenture.** Subject to the terms and conditions set forth herein, pursuant to Section 9.01 of the Indenture, the Indenture is hereby modified as follows:

a. Section 6.02 is hereby amended by adding “, any Subsidiary that is a Significant Subsidiary or any group of Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary” after the first occurrence of “Issuers” in the second sentence therein;

b. The first paragraph of Section 9.02 is hereby amended and restated in its entirety as follows:

“Except as provided below in this Section 9.02, the Issuers and the Trustee may amend or supplement the Notes of any series and this Indenture as it relates to such series of Notes (including Section 4.11 hereof) with the consent of the Holders of at least a majority in principal amount of the Notes of such series (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such series of Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture as it relates to the Notes of any series may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes of such series (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such series of Notes).”

3. **Miscellaneous.**

a. **Incorporation of Indenture Provisions.** The parties hereto agree that the terms of 12.08 (Governing Law), Sections 12.10 (Successors), 12.12 (Counterpart Originals) and 12.11 (Severability) of the Indenture are incorporated herein by reference, *mutatis mutandis*.

b. **Effect of Amendment.** The Issuers acknowledge and agree that this First Supplemental Indenture only amends, supplements and modifies the terms of the Indenture and does not constitute a novation, and the Issuers ratify and confirm the terms and provisions of, and its obligations under, the Indenture (as modified by this First Supplemental Indenture) and the Notes in all respects. Each of the parties hereto acknowledges and agrees that each reference in the Indenture and the Notes to the Indenture shall be deemed to be a reference to the Indenture as amended, supplemented and modified by this First Supplemental Indenture.

c. **Trustee Disclaimer.** The Trustee accepts the amendments of the Indenture effected by this First Supplemental Indenture, but on the terms and conditions set forth in the Indenture, including the terms and provisions defining and limiting the liabilities and responsibilities of the Trustee. Without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by the Issuers, or for or with respect to (i) the validity or sufficiency of this First Supplemental Indenture or any of the terms or provisions hereof, (ii) the proper authorization hereof by the Issuers by action or

otherwise, (iii) the due execution hereof by the Issuers or (iv) the consequences of any amendment herein provided for, and the Trustee makes no representation with respect to any such matters.

d. Headings. The headings of the sections and subsections of this First Supplemental Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

[signature pages to follow]

IN WITNESS WHEREOF, the undersigned have caused this First Supplemental Indenture to be executed by their respective authorized officers as of the date first above written.

GLP CAPITAL, L.P., as Issuer

By: GAMING AND LEISURE PROPERTIES, INC., its
general partner

By: /s/ William J. Clifford

Name: William J. Clifford
Title: Chief Financial Officer and
Treasurer

GLP FINANCING II, INC., as Issuer

By: /s/ William J. Clifford

Name: William J. Clifford
Title: Chief Financial Officer and
Treasurer

[Signature Page to First Supplemental Indenture]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
Trustee

By: /s/ Stefan Victory

Name: Stefan Victory

Title: Vice President

[Signature Page to First Supplemental Indenture]

UNAUDITED PRO FORMA CONSOLIDATED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma consolidated combined financial statements (the “Pro Forma Financial Statements”) have been prepared to reflect (i) the effects of the Acquisition (following the Pinnacle Spin-Off) on our financial statements, (ii) the issuance of \$518 million of our common stock in this offering and (iii) the incurrence of \$2.5 billion aggregate principal amount of indebtedness pursuant to the Debt Financing (such financing transactions described in (ii) and (iii), the “Financing Transactions”). The unaudited pro forma consolidated combined balance sheet is presented as if the Acquisition and the Financing Transactions had occurred on December 31, 2015. The unaudited pro forma consolidated combined statement of income for the year ended December 31, 2015 is presented as if the Acquisition and Financing Transactions had occurred on January 1, 2015. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the Acquisition and the Financing Transactions and, with respect to the statements of income only, expected to have a continuing impact on the combined results.

The Pro Forma Financial Statements have been prepared using the acquisition method of accounting using the accounting guidance for asset acquisitions in ASC 805, with our Company treated as the acquirer. The acquisition method of accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measure. Accordingly, the pro forma adjustments are preliminary, have been made solely for the purpose of providing the Pro Forma Financial Statements, and are subject to revision based on a final determination of fair value as of the date of acquisition. Differences, if any, between these preliminary estimates and the final acquisition accounting may have a material impact on the accompanying Pro Forma Financial Statements and our future consolidated results of operations and consolidated financial position.

The Pro Forma Financial Statements are provided for informational purposes only and do not purport to represent what our actual consolidated results of operations or consolidated financial position would have been had the Acquisition occurred on the dates assumed, nor are they necessarily indicative of our future consolidated results of operations or consolidated financial position. The Pro Forma Financial Statements should be read in conjunction with:

- the accompanying notes to the Pro Forma Financial Statements; and
- our audited consolidated financial statements and accompanying notes contained in our 2015 10-K.

Unaudited Pro Forma Consolidated Combined Balance Sheet
As of December 31, 2015
(in thousands, except share and per share data)

	<u>Actual</u>	<u>Pro Forma Adjustments</u>		<u>Pro Forma Combined</u>
Assets				
Real estate investments, net	\$ 2,090,059	\$ 1,257,352	A	\$ 3,347,411
Land rights	—	570,193	B	570,193
Property and equipment, used in operations, net	129,747	2,728,209	C	129,747
Investment in direct financing lease	—	3,980	D	2,728,209
Cash and cash equivalents	41,875	15,000	E	60,855
Prepaid expenses	7,908	111	F	8,019
Other current assets	57,721	—		57,721
Goodwill	75,521	—		75,521
Other intangible assets	9,577	—		9,577
Debt issuance costs, net of accumulated amortization of \$5,937 at December 31, 2015	3,563	—		3,563
Loan receivable	29,350	—		29,350
Deferred tax assets, non-current	2,447	—		2,447
Other assets	387	287	F	674
Total assets	<u>\$ 2,448,155</u>	<u>\$ 4,575,132</u>		<u>\$ 7,023,287</u>
Liabilities				
Accounts payable	\$ 406	—		\$ 406
Accrued expenses	9,580	—		9,580
Accrued interest	17,623	—		17,623
Accrued salaries and wages	13,719	—		13,719
Gaming, property, and other taxes	24,702	—		24,702
Current maturities of long-term debt	102	—		102
Other current liabilities	17,687	15,000	E	32,687
Long-term debt, net of current maturities and unamortized debt issuance costs	2,510,239	2,500,000	G	4,978,794
		(31,445)	H	
Deferred rental revenue	107,379	—		107,379
Deferred tax liabilities, non-current	232	—		232
Total liabilities	<u>\$ 2,701,669</u>	<u>\$ 2,483,555</u>		<u>\$ 5,185,224</u>
Shareholders' (deficit) equity				
Preferred stock (\$.01 par value, 50,000,000 shares authorized, no shares issued or outstanding at December 31, 2015)	—	—		—
Common stock (\$.01 par value, 500,000,000 shares authorized, 115,594,321 shares issued at December 31, 2015)	1,156	748	I	1,904
Additional paid-in capital	935,220	2,090,829	I	3,026,049
Retained deficit	(1,189,890)	—		(1,189,890)
Total shareholders' (deficit) equity	<u>(253,514)</u>	<u>2,091,577</u>		<u>1,838,063</u>
Total liabilities and shareholders' equity	<u>\$ 2,448,155</u>	<u>\$ 4,575,132</u>		<u>\$ 7,023,287</u>

Pro Forma Balance Sheet

GLPI calculated the total purchase price of \$4.556 billion for the Pinnacle real estate assets by assuming that GLPI issued \$1.486 billion of common stock in exchange for the outstanding shares of Pinnacle common stock at the closing date and \$109.8 million of common stock for GLPI's portion of the outstanding employee equity and cash based incentive awards outstanding at the closing date (assuming a stock price of \$28.62), repaid \$2.7 billion of Pinnacle Debt (through combined net proceeds from the Debt Financing and this offering of our common stock), paid \$240.0 million of transaction expenses related to the Acquisition that GLPI has agreed to pay on behalf of Pinnacle and incurred \$20.6 million of its own transaction expenses to be included in purchase price. A \$1.00 change in our stock price would change the total purchase price for the Pinnacle real estate assets by approximately \$60 million. The Acquisition will be accounted for as an asset acquisition under the Accounting Standards Codification Section 805—Business Combinations and the Master Lease between GLPI and Pinnacle will be bifurcated between an operating lease and a direct financing lease under the Accounting Standards Codification Section 840—Leases. The land and land rights portion of the lease will be classified as an operating lease and the building portion of the lease will be classified as a direct financing lease. The total purchase price will be allocated to the land and land rights acquired from Pinnacle, the investment in the direct financing lease and a director and officer liability insurance policy acquired from Pinnacle. The allocation of the purchase price components are described below.

Pro Forma Adjustments:

- (A) To record the fair value of the land acquired from Pinnacle.
- (B) To record the fair value of the land rights acquired from Pinnacle.
- (C) To record the investment in the direct financing lease. Under the Company's application of Accounting Standards Codification Section 840 – Leases, GLPI will account for the lease of the building assets to Pinnacle as a direct financing lease. The accounting treatment for direct financing leases requires the Company to record an investment in direct financing leases on its books at lease inception and subsequently recognize interest income and a reduction in the investment for the building portion of rent.
- (D) To record the excess cash impact of transaction costs that were paid prior to the execution of the Merger Agreement, related to the Acquisition, which are included in the debt and equity pro forma adjustments.
- (E) To record GLPI's assumption of certain tax liabilities of Pinnacle. Under the tax matters agreement, GLPI has agreed to be liable for taxes of Pinnacle arising as a result of the Acquisition, the spin-off and certain related transactions. GLPI's liability in this regard will be limited by certain assumptions relating to Pinnacle's tax attributes and projected taxable income, with OpCo bearing liability to the extent additional taxes may result from an inaccuracy in such assumptions. As this amount is not expected to be paid at the closing date, it will remain in cash until paid.
- (F) To record the fair value of the director and officer liability insurance policy acquired from Pinnacle at the closing date of the Acquisition. The policy was prepaid by Pinnacle prior to the Acquisition and will be amortized to general and administrative expense within GLPI's consolidated statement of earnings over the remaining policy term. The original policy term was six years; thus GLPI recorded one year of the prepaid policy as a current asset and the remainder of the policy as a long-term deposit.

- (G) To record the debt issued by GLPI in connection with the Acquisition. Based on recent discussions with prospective lenders and current market interest rates, we estimate that GLPI will issue and/or borrow \$1.675 billion of unsecured debt with a blended interest rate of 5.45%. Additionally, GLPI will borrow an additional \$825 million under an incremental Term Loan A facility with a five year maturity. This facility will be variable in nature and priced at LIBOR plus 175 basis points.
- (H) To record anticipated debt issuance costs related to our new debt issuances associated with the Acquisition. Under ASU 2015-03, Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs (“ASU 2015-03”), debt issuance costs related to a recognized debt liability are presented as a direct reduction from the carrying amount of that debt liability on the balance sheet. GLPI early adopted ASU 2015-03 during its 2015 fiscal year and its historical statement of income reflects such presentation.
- (I) To record the issuance of common stock of \$1.596 billion to Pinnacle stockholders and to Pinnacle to satisfy the GLPI portion of employee equity and cash based incentive awards, as well as a primary equity issuance of \$518 million to fund acquisition related costs and repay a portion of the existing Pinnacle debt, net of issuance costs of \$22.0 million. This assumes GLPI issued approximately 74.8 million new shares of common stock.

Unaudited Pro Forma Consolidated Combined Statement of Income
For the Year Ended December 31, 2015
(in thousands, except per share data)

	<u>Actual</u>	<u>Pro Forma Adjustments</u>		<u>Pro Forma Combined</u>
Revenues				
Revenues from rental properties	\$ 392,075	\$ 219,305	A	\$ 712,783
		101,403	B	
Real estate taxes and ground rent paid by tenants	35,050	36,256	C	79,535
		8,229	D	
Total rental revenue	427,125	365,193		792,318
Gaming	142,310	—		142,310
Food, beverage and other	11,213	—		11,213
Total revenues	580,648	365,193		945,841
Less promotional allowances	(5,595)	—		(5,595)
Net revenues	575,053	365,193		940,246
Operating expenses				
Gaming	77,188	—		77,188
Food, beverage and other	8,586	—		8,586
Real estate taxes	36,412	36,256	C	72,668
General and administrative	85,669	8,229	D	105,976
		446	E	
		(3,980)	F	
		15,612	G	
Depreciation and amortization	109,783	—		109,783
Total operating expenses	317,638	56,563		374,201
Income from operations	257,415	308,630		566,045
Other income (expense)				
Interest expense	(124,183)	(117,321)	H	(241,504)
Interest income	2,332	—		2,332
Total other expenses	(121,851)	(117,321)		(239,172)
Income before income taxes	135,564	191,309		326,873
Income tax expense	7,442	—		7,442
Net Income	<u>\$ 128,122</u>	<u>\$ 191,309</u>		<u>\$ 319,431</u>
Basic earnings per common share	\$ 1.12	\$ 0.56		\$ 1.68
Diluted earnings per common share	\$ 1.08	\$ 0.57		\$ 1.65
Dividends paid per common share	\$ 2.18	\$ 0.22		\$ 2.40

Pro Forma Income Statement

The total rent received from the tenant will be comprised of Base Rent and Percentage Rent components, which are described below.

Base Rent

Fixed amount for duration of lease. This amount will be:

- (i) A fixed component expected equal to \$289.056 million¹ during the first year of the Pinnacle Master Lease, and thereafter escalated annually by 2%, subject to a cap that would cause the preceding year's adjusted revenue to rent ratio for the leased properties in the aggregate not to fall below 1.8:1 ("Building Base Rent"); plus
- (ii) An additional fixed component expected to equal to \$43.972 million² ("Land Base Rent")

Percentage Rent

A variable percentage rent component that will be calculated as follows and is expected to equal \$43.972 million² during the first year of the Pinnacle Master Lease. The percentage rent shall be a fixed amount for the first two years of the lease, and thereafter will be adjusted every two years. The adjusted percentage rent shall be calculated by multiplying 4% by the excess (if any) of (a) the average annual net revenues for the trailing two-year period over (b) \$1,099,305,500³.

Based upon the Company's application of Accounting Standards Codification Section 840—Leases, the Pinnacle Master Lease will be accounted for partially as an operating lease and partially as a direct financing lease. The components of the revenues from rental properties on the Company's Unaudited Pro Forma Consolidated Statement of Income are described below.

Pro Forma Adjustments:

- (A) To record rental income associated with the acquired Pinnacle land and land rights in connection with the Pinnacle Master Lease. The fair market value of the acquired land and land rights at lease inception multiplied by the lessee's incremental borrowing rate was used to calculate the land rent.
- (B) To record interest income associated with the acquired Pinnacle buildings under the Pinnacle Master Lease. The building portion of the lease is classified as a direct financing lease; therefore at the lease inception GLPI, as the lessor, records an investment in direct financing leases on its balance sheet and subsequently recognizes interest income and a reduction in the investment for the building portion of rent.

¹ \$377 million minus (i) Land Base Rent and (ii) Percentage rent. Current amount is as of June 30, 2015. Initial Building Base Rent to be updated as of the date of execution of the Master Lease.

² Calculated as 2% of the trailing 12 months Net Revenues as of June 30, 2015. To be updated as of the date of execution of the Master Lease to equal 2% of the aggregate Base Year Net Revenue.

³ Calculated as 50% of the trailing 12 months Net Revenues as of June 30, 2015. To be updated as of the date of execution of the Master Lease to equal 50% of the aggregate Base Year Net Revenue.

- (C) To record the estimated real estate taxes paid by Pinnacle on the leased properties. In accordance with ASC 605, the Company records revenue for the real estate taxes paid by its tenants on the leased properties with offsetting expense recorded in real estate taxes within the consolidated statement of income as GLPI has concluded it is the primary obligor.
- (D) To record the estimated ground lease rent paid by Pinnacle on the properties subleased from GLPI. In accordance with ASC 605, the Company records revenue for the ground lease rent paid by its tenants on the subleased properties with offsetting expense recorded in general and administrative expenses within the consolidated statement of income as GLPI has concluded it is the primary obligor.
- (E) To record the amortization of the prepaid director and officer liability insurance policy acquired from Pinnacle on the date of the Acquisition.
- (F) To reverse the impact of transaction costs that were paid prior to the execution of the merger Agreement, relating to the Acquisition.
- (G) To record expected amortization expense related to the acquired lease rights for the land on which Pinnacle's acquired real estate assets reside. The estimated amortization expense related to these above market ground leases was determined based upon the lease term of the Pinnacle Master Lease, which was assumed to be 35 years.
- (H) To record anticipated interest expense related to GLPI's anticipated fixed and variable rate borrowings related to the Acquisition. Based on recent discussions with prospective lenders and current market interest rates, we estimate that GLPI will issue and/or borrow \$1.675 billion of unsecured debt with a blended interest rate of 5.45%. Additionally, GLPI will borrow an additional \$825 million under an incremental Term Loan A facility with a five year maturity. This facility will be variable in nature and priced at LIBOR plus 175 basis points. The interest expense amount also includes the anticipated amortization of debt issuance costs, which is recorded as interest expense in the consolidated statement of earnings. The impact of a 1/8% change in the interest rate of our borrowings described in this paragraph and our existing variable rate debt would increase or decrease the Company's annual interest expense by \$3.7 million.



March 28, 2016

Gaming and Leisure Properties, Inc. Announces Public Offering of 19,000,000 Shares of Common Stock.

WYOMISSING, Pa., March 28, 2016 (GLOBE NEWSWIRE) — Gaming and Leisure Properties, Inc. (the “Company” or “GLPI”)(NASDAQ:GLPI), the first publicly traded gaming-focused REIT in North America, today announced that it has commenced an offering to sell 19,000,000 shares of its common stock in an underwritten public offering. The Company intends to grant the underwriters a 30-day option to purchase up to an additional 2,850,000 shares of its common stock.

The Company intends to use the net proceeds from this offering to partially fund its previously announced acquisition (the “Acquisition”) of substantially all of the real estate assets of Pinnacle Entertainment, Inc. (“Pinnacle”), including for the repayment, redemption and/or discharge of a portion of certain debt associated with Pinnacle and the payment of transaction-related fees and expenses. The offering is not conditioned upon the successful completion of the Acquisition or any other potential source of financing. Pending such uses, the Company intends to use the net proceeds of this offering to invest in interest-bearing accounts and short-term, interest-bearing securities.

BofA Merrill Lynch, J.P. Morgan, Wells Fargo Securities, Fifth Third Securities, UBS Investment Bank, Credit Agricole CIB, Nomura, SunTrust Robinson Humphrey, Barclays and Oppenheimer & Co. are serving as joint book-running managers for the offering. The offering will be made under the Company’s effective shelf registration statement previously filed with the Securities and Exchange Commission (“SEC”). When available, a copy of the preliminary prospectus supplement, final prospectus supplement and prospectus relating to the offering may be obtained from BofA Merrill Lynch, 222 Broadway, New York, NY 10038, Attention: Prospectus Department, email: dg.prospectus_requests@baml.com, J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717 or by calling 1-866-803-9204 or Wells Fargo Securities, LLC, Attention: Equity Syndicate Department, 375 Park Avenue, New York, NY 10152 or by telephone at (800) 326-5897 or email a request to cmclientsupport@wellsfargo.com or by visiting the EDGAR database on the SEC’s web site at www.sec.gov.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any offer or sale will be made only by means of the Company’s prospectus supplement and prospectus forming part of the effective registration statement relating to these securities.

About Gaming and Leisure Properties

GLPI is primarily 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 elected to be taxed as a real estate investment trust (“REIT”) for United States federal income tax purposes commencing with the 2014 taxable year and is the first publicly traded triple-net lease REIT focused on gaming.

Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended, including, but not limited to, statements regarding the proposed public offering, the anticipated use of proceeds of the offering and the expectations regarding size and timing of completion of the offering. These 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 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; the ultimate timing and outcome of the Acquisition, including GLPI’s and Pinnacle’s ability to obtain the financing and third party approvals and consents necessary to complete the Acquisition; the ultimate outcome and results of integrating the assets to be acquired by GLPI in the proposed Acquisition; the effects of a transaction between GLPI and Pinnacle on each party, including the post-transaction impact on GLPI’s financial condition, operating results, strategy and plans; GLPI’s ability to maintain its status as a REIT; 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; GLPI’s ability to access capital through debt and equity markets in amounts and at rates and costs acceptable to GLPI; 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, 2015, as amended from time to time in GLPI’s other investor communications. 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.

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