

COLUMBUS

BUSINESS FIRST

Columbus, Toledo casinos off to sluggish start for Penn National

Feb 1, 2013, 11:46am EST

[Jeff Bell](#) Staff reporter- *Business First*

[Penn National Gaming Inc.](#) plans to boost marketing for its Columbus casino after company executives acknowledged the \$400 million gambling house and a sister casino in Toledo haven't performed as well as hoped in their early months of operations.

CEO [Peter Carlino](#) and President [Tim Wilmott](#) said as much Thursday during a conference with Wall Street analysts after the Wyomissing, Pa.-based gaming company reported its fourth-quarter and 2012 financial results.

Executives at Penn National (NASDAQ:PENN) were peppered with questions about what is seen as a slow start for the Columbus and Toledo casinos, which opened in October and May, respectively. Gambling revenue at the Columbus casino [fell more than \\$2 million](#) in December from the previous month and revenue at both casinos lag receipts at the Horseshoe Casino in downtown Cleveland.

"Needless to say," Carlino told analysts, "we would have liked to have had more out of the box (in Ohio), but things are moving along well. Ultimately the properties will be what we think they should be. ... We always take the long view, and the long view looks pretty good."

Wilmott said the company plans to be more aggressive marketing both casinos.

"In Central Ohio," he said, "the primary issue is market penetration and getting in new households. We've got to do a better job in introducing this new facility on the west side of town to more and more customers."

Wilmott said there has been a slower ramp-up than anticipated in slot machine betting at Penn National's Ohio casinos, especially in Columbus. That may be due, he indicated, to competition from video lottery terminals at [Scioto Downs](#) in Columbus, which is owned by rival MTG Gaming Group Inc. (NASDAQ:MNTG) out of Chester, W.Va. Wilmott said Scioto Downs outspent Hollywood Casino 4-to-1 on promotional slot plays in December.

But business from table games, poker and food and beverage services at the Ohio casinos have exceeded the company's expectations, he said.

Penn National reported net income of \$20.2 million on net revenue of \$743.8 million in the quarter ended Dec. 31. It turned a profit of \$212 million on revenue of \$2.9 billion for the year.

Details on the earnings report and a webcast with executives is [here](#).