

PINNACLE ENTERTAINMENT INC.

Form 10-K

March 02, 2015

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2014

or

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

For the transition period from _____ to _____

Commission file number 001-13641

PINNACLE ENTERTAINMENT, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

95-3667491

(I.R.S. Employer Identification No.)

3980 Howard Hughes Parkway

Las Vegas, Nevada 89169

(Address of principal executive offices) (Zip Code)

(702) 541-7777

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock, \$.10 par value per share

Name of each exchange on which registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "small reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

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(Do not check if a smaller reporting
company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO
The aggregate market value of the common stock held by non-affiliates of the registrant as of June 30, 2014 was \$1,477 million based on a closing price of \$25.18 per share of common stock as reported on the New York Stock Exchange.

The number of outstanding shares of the registrant's common stock as of the close of business on February 26, 2015 was 60,244,891.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive 2015 proxy statement, anticipated to be filed with the Securities and Exchange Commission within 120 days after the end of the registrant's fiscal year, are incorporated by reference into Part III of this Form 10-K.

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PART I

Item 1. Business

Pinnacle Entertainment, Inc. (“Pinnacle”) is an owner, operator and developer of casinos and related hospitality and entertainment facilities. We own and operate 15 gaming entertainment properties in Colorado, Indiana, Iowa, Louisiana, Mississippi, Missouri, Nevada, and Ohio. We also hold a majority interest in the racing license owner, as well as a management contract, for Retama Park Racetrack located outside of San Antonio, Texas. In addition to these properties, we own and operate a live and televised poker tournament series. References in these footnotes to “Pinnacle,” the “Company,” “we,” “our” or “us” refer to Pinnacle Entertainment, Inc. and its subsidiaries, except where stated or the context otherwise indicates.

Our mission is to increase stockholder value. We seek to increase revenues through enhancing the guest experience by providing our guests with their favorite games, restaurants, hotel accommodations, entertainment and other amenities in attractive surroundings with high-quality guest service and guest rewards programs. We seek to improve profit margins by focusing on operational excellence and efficiency while meeting our guests' expectations of value. We seek to connect our portfolio of properties through a common guest loyalty program, while looking to leverage the benefits of our diversified portfolio of properties for our guests whenever possible. Our long-term strategy includes disciplined capital expenditures to improve and maintain our existing properties, and growing the number and quality of our facilities by pursuing gaming entertainment opportunities we can improve or develop. We intend to diversify our guest demographics and revenue sources by growing our portfolio of operating properties both domestically and internationally, while remaining gaming and entertainment centric. We intend to implement these strategies either alone or with third parties when we believe it benefits our stockholders to do so. In making decisions, we consider our stockholders, guests, team members and other constituents in the communities in which we operate.

Highlights of 2014 include the following:

Substantially completed the integration of our operations related to the merger with Ameristar Casinos, Inc. (“Ameristar”), including the implementation and realization of synergies from the combined businesses and the successful implementation and expansion of our mychoice loyalty program to the acquired Ameristar properties;

Retired \$514.3 million of aggregate principal amount of term loans under our Amended and Restated Credit Agreement (“Credit Facility”) for a net reduction of \$401.3 million after giving effect to incremental revolving credit facility borrowings. This includes the redemption of our then outstanding principal balance of Tranche B-1 term loans;

Opened our Belterra Park Gaming and Entertainment Center (“Belterra Park”) property in Cincinnati, Ohio, which offers live racing, pari-mutuel wagering, video lottery terminal (“VLT”) gaming, six restaurants, a VIP lounge, and new racing facilities in May 2014;

Completed the sale of the ownership interests in our subsidiaries that operate the Lumière Place Casino, Hotel Lumière, the Four Seasons Hotel St. Louis, and related excess land parcels (collectively, the “Lumière Place Casino and Hotels”) for net cash consideration of \$250.3 million in April 2014; and

Opened 150-room hotel at Boomtown New Orleans Casino in New Orleans, Louisiana, in December 2014.

Over the last several years, we have developed and opened three properties, Belterra Park in Cincinnati, Ohio, L’Auberge Casino & Hotel Baton Rouge in Baton Rouge, Louisiana, and River City Casino in St. Louis, Missouri. We also have made some strategic acquisitions (the August 2013 acquisition of Ameristar) and dispositions, including the equity interest of subsidiaries that operate the Lumière Place Casino and Hotels, the equity interest of Ameristar

Casino Lake Charles, LLC, Boomtown Reno operations and associated land, Atlantic City land and our Argentina operations.

In November 2014, we announced that our Board of Directors approved a plan to pursue a separation of our operating assets and real estate assets into two publicly traded companies. We intend to carry out the proposed separation of our real estate assets through the creation of a newly formed, publicly traded, real estate investment trust (“REIT”), the common stock of which would be distributed to Pinnacle stockholders in a tax-free spin-off (“REIT transaction”), with Pinnacle remaining an operating entity (“Op Co”) following the transaction. The expected completion of the REIT transaction in 2016 is subject to the successful resolution of various contingencies, including, but not limited to, approval by the required gaming regulators, and obtaining a private letter ruling from the U.S. Internal Revenue Service.

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Operating Properties

The following table presents selected statistical and other information concerning our properties as of December 31, 2014:

	Location	Opening Year	Casino Square Footage	Slot Machines/Video Lottery Terminals	Table Games	Hotel Rooms (1)	Food & Beverage Outlets (2)	Parking Spaces
Midwest segment								
Ameristar Council Bluffs	Council Bluffs, IA	1996	38,500	1,588	23	444	8	3,027
Ameristar East Chicago	East Chicago, IN	1997	56,000	1,768	56	288	8	2,245
Ameristar Kansas City	Kansas City, MO	1997	140,000	2,450	71	184	12	8,320
Ameristar St. Charles	St. Charles, MO	1994	130,000	2,507	77	397	14	6,250
River City	St. Louis, MO	2010	90,000	2,011	61	200	9	4,122
Belterra	Florence, IN	2000	47,000	1,210	45	662	9	2,200
Belterra Park	Cincinnati, OH	2014	51,800	1,325	—	—	8	2,246
South segment								
Ameristar Vicksburg	Vicksburg, MS	1994	70,000	1,549	37	149	5	2,500
Boomtown Bossier City	Bossier City, LA	1996	30,000	866	16	187	3	1,800
Boomtown New Orleans	New Orleans, LA	1994	30,000	1,242	31	150	5	1,907
L'Auberge Baton Rouge	Baton Rouge, LA	2012	74,000	1,428	56	205	6	2,400
L'Auberge Lake Charles	Lake Charles, LA	2005	70,000	1,568	75	995	11	3,236
West segment								
Ameristar Black Hawk	Black Hawk, CO	2001	56,000	1,368	55	536	7	1,500
Cactus Petes and Horseshu	Jackpot, NV	1956	29,000	782	20	416	10	920
			912,300	21,662	623	4,813	115	42,673

Includes 284 rooms at Ameristar Council Bluffs operated by a third party and located on land owned by us and (1) leased to such third party and 54 rooms at Belterra relating to the Olge Haus Inn, which is owned and operated by us and located in close proximity to Belterra.

(2) Includes two outlets at Ameristar East Chicago and one outlet at Ameristar Kansas City that are leased to and operated by third parties.

Midwest Segment

Our Ameristar Council Bluffs property is located across the Missouri River from Omaha, Nebraska, and includes the largest riverboat in Iowa. This property serves the Omaha and southwestern Iowa markets. Ameristar Council Bluffs operates one of three gaming licenses issued in the Council Bluffs gaming market pursuant to an operating agreement with Iowa West Racing Association. The two other licenses are operated by a single company and consist of another riverboat casino and a land-based casino with a pari-mutuel racetrack.

Our Ameristar East Chicago property is located approximately 25 miles from downtown Chicago, Illinois and serves metropolitan Chicago and Northwest Indiana. Ameristar East Chicago's core competitive markets include Northwest Indiana and Northeast Illinois.

Our Ameristar Kansas City property, located seven miles from downtown Kansas City, Missouri, has one of the largest casino floors in Missouri. The property attracts guests from the greater Kansas City area, as well as regional overnight guests. Ameristar Kansas City competes with several other gaming operations located in and around Kansas City, Missouri, and other regional Midwest markets.

Our Ameristar St. Charles property and our River City property are located in the St. Louis, Missouri market. Our Ameristar St. Charles property is located in St. Charles at the Missouri River, strategically situated to attract guests from the St. Charles and the greater St. Louis areas, as well as tourists from outside the region. The property, which is in close proximity to the St. Charles convention facility, includes a 130,000 square-foot casino located on approximately 52 acres along the western bank of the Missouri River. Our River City Casino property, which includes a single-level, 90,000 square-foot casino, is located

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on approximately 56 acres just south of the confluence of the Mississippi River and the River des Peres in the south St. Louis community of Lemay, Missouri.

Both of our St. Louis properties compete with several other gaming operations located in the metropolitan St. Louis area and other regional Midwest markets. Two of these competitors are located in Illinois.

Our southern Indiana property, Belterra, is located along the Ohio River near Vevay, Indiana, approximately 50 minutes from downtown Cincinnati, Ohio, 70 minutes from Louisville, Kentucky, and 90 minutes from Lexington, Kentucky. Belterra is also approximately two and one-half hours from Indianapolis, Indiana. Belterra Casino Resort currently competes with four dockside riverboat casinos; a casino-resort in French Lick, Indiana, approximately 100 miles west of Belterra Casino Resort, two racetrack casinos in the Indianapolis, Indiana metropolitan area, and multiple casino and racino developments in the state of Ohio, including our Belterra Park property.

Our Belterra Park property is located in Cincinnati, Ohio, situated on approximately 160 acres of land, 40 of which are undeveloped. Following an extensive re-development, we re-opened the property in May 2014 as a gaming and entertainment center offering live racing, pari-mutuel wagering, video lottery terminal gaming, six restaurants, a VIP lounge, and new racing facilities. Belterra Park faces competition from casinos and racinos in Ohio and Indiana, including our Belterra Casino property, discussed above.

South Segment

Our Ameristar Vicksburg property is located in Vicksburg, Mississippi along the Mississippi River approximately 45 miles west of Mississippi's largest city, Jackson. Ameristar Vicksburg is the largest dockside casino in central Mississippi. The property caters primarily to guests from the Vicksburg and Jackson, Mississippi and Monroe, Louisiana areas, along with tourists visiting the area. Ameristar Vicksburg primarily competes with three other gaming operations located in Vicksburg, Mississippi. The property also faces competition from two casinos owned by a Native American tribe in Philadelphia, Mississippi, located about 70 miles east of Jackson and 115 miles east of Vicksburg and from gaming properties located in or immediately surrounding Biloxi, Mississippi and the broader Mississippi Gulf Coast area.

Our Boomtown Bossier City property is located in Bossier City, Louisiana. Boomtown Bossier City features a hotel adjoining a dockside riverboat casino and competes with five dockside riverboat casino-hotels, a racetrack slot operation and large Native American casinos in southern Oklahoma. Such Native American facilities are approximately 60 miles north of Dallas.

Our Boomtown New Orleans property is the only casino in the West Bank area, across the Mississippi River from downtown New Orleans, Louisiana. Boomtown New Orleans competes with a large land-based casino in downtown New Orleans, two riverboat casinos, a racetrack with slot machines and numerous truck stop casinos with video poker machines, as well as casinos on the Mississippi Gulf Coast.

In December 2014, we opened a 150-guestroom hotel tower at our Boomtown New Orleans property.

Our L'Auberge Baton Rouge property is located on a portion of the 577 acres of land that we own approximately ten miles southeast of downtown Baton Rouge, Louisiana. L'Auberge Baton Rouge offers a fully integrated casino entertainment experience. L'Auberge Baton Rouge competes directly with two casinos in the Baton Rouge area and other resort facilities regionally in New Orleans and the Mississippi Gulf Coast.

Our L'Auberge Lake Charles property, located in Lake Charles, Louisiana, offers one of the closest full-scale casino-hotel facilities to Houston, Texas, as well as to the Austin, Texas and San Antonio, Texas metropolitan areas. Our property is approximately 140 miles from Houston and approximately 300 miles and 335 miles from Austin and San Antonio, respectively.

L'Auberge Lake Charles competes with other full-service regional and destination resort casinos, including those in Lake Charles, Louisiana; New Orleans, Louisiana; Biloxi, Mississippi; and Las Vegas, Nevada. In December 2014, a new competitor, the Golden Nugget Lake Charles, opened in Lake Charles, Louisiana and is located adjacent to our property. Our property also competes with a land-based Native American casino, which is approximately 43 miles northeast of Lake Charles; a racetrack slot operation located approximately 25 miles to the west; and numerous truck stops with slot machines in many parishes of Louisiana.

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West Segment

Our Ameristar Black Hawk property, located in the center of the Black Hawk gaming district, is approximately 40 miles west of Denver. The property caters primarily to patrons from the Denver metropolitan area and surrounding states and primarily competes with 23 other gaming operations located in the Black Hawk and Central City gaming market in Colorado.

Our Cactus Petes and Horseshu properties (collectively, the “Jackpot Properties”) are located in Jackpot, Nevada, just south of the Idaho border. The Jackpot Properties serve guests primarily from Idaho, and secondarily from Oregon, Washington, Montana, northern California and the southwestern Canadian provinces. The Jackpot Properties compete primarily with three other hotels and motels (all of which also have casinos) in Jackpot and a Native American casino and hotel near Pocatello, Idaho.

Other Assets and Operations

We own and operate the Heartland Poker Tour, which is a live and televised poker tournament series that broadcasts its events on hundreds of network television, cable and satellite stations.

We own 75.5% of the equity of Pinnacle Retama Partners, LLC, which is the owner of the racing license utilized in the operation of Retama Park Racetrack. We also have a management contract with Retama Development Corporation (“RDC”) to manage the day-to-day operations of Retama Park Racetrack.

Financial information about segments and geographic areas is incorporated by reference from Notes 1 and 13 to our Consolidated Financial Statements included in this Annual Report on Form 10-K.

Assets to be Sold or Held for Sale

In August 2013, we entered into an agreement to sell the ownership interests in certain of our subsidiaries that own and operate the Lumière Place Casino and Hotels. During 2014, we completed the sale of the ownership interests in these subsidiaries for net cash consideration of \$250.3 million.

In July 2013, we entered into an agreement to sell all of the equity interests of our subsidiary, which was developing the Ameristar Lake Charles development project. In November 2013, we closed the sale of the equity interests of our subsidiary. We have received approximately \$209.8 million in cash consideration associated with the sale of Ameristar Lake Charles and \$10.0 million of deferred consideration, which is in the form of a note receivable from the buyer due in July 2016.

In June 2012, we closed on the sale of our Boomtown Reno operations. In August 2014, we closed the sale of the membership interest of PNK (Reno), LLC, which owns 27 acres of the excess land surrounding Boomtown Reno. As of December 31, 2014, we continue to hold 783 acres of excess land surrounding Boomtown Reno. During the third quarter of 2014, we entered into an agreement to sell this land, subject to a due diligence period.

During the third quarter of 2013, we completed the sale of our land holdings in Atlantic City, New Jersey, for total consideration of approximately \$29.5 million.

We own approximately 40 acres of land in Springfield, Massachusetts, originally purchased by Ameristar for a possible future casino resort. During the first quarter of 2014, we entered into an option agreement to sell this land. As of December 31, 2014, this option had not been exercised.

Competition

We face significant competition in each of the jurisdictions in which we operate. Such competition may intensify in some of these jurisdictions if new gaming operations open in these markets or existing competitors expand their operations. Our properties compete directly with other gaming properties in each state in which we operate, as well as properties in other states. We also compete for customers with other casino operators in other markets, including casinos located on Native American reservations, and other forms of gaming, such as lotteries and Internet gaming. Many of our competitors are larger and have substantially greater name recognition and marketing and financial resources. In some instances, particularly with Native American casinos, our competitors pay substantially lower taxes or no taxes at all, as compared to us. We believe that increased legalized gaming in certain states, particularly in areas close to our existing gaming properties such as Colorado, Idaho, Illinois, Iowa, Kansas, Kentucky, Mississippi, Nebraska, Ohio, Oklahoma, and Texas; the development or expansion of Native

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American gaming in or near the states in which we operate; and the potential legalization of Internet gaming could create additional competition for us and could adversely affect our operations or proposed development projects.

Government Regulation and Gaming Issues

The gaming industry is highly regulated, and we must maintain our licenses to continue our operations. Each of our casinos is subject to extensive regulation under the laws, rules and regulations of the jurisdiction in which it is located. These laws, rules and regulations generally concern the responsibility, financial stability and character of the owners, managers, and persons with financial interests in the gaming operations. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. For a more detailed description of the statutes and regulations to which we are subject, please see Exhibit 99.1 to this Annual Report on Form 10-K, "Government Regulation and Gaming Issues," which is incorporated herein by reference.

Our businesses are subject to various federal, state and local laws and regulations in addition to gaming regulations. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, employees, currency transactions, taxation, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our operating results.

Compliance with federal, state and local provisions which have been enacted or adopted regulating the discharge of materials into the environment or otherwise relating to the protection of the environment have not had a material effect upon our capital expenditures, earnings or the competitive positions of our properties. From time to time, certain of our development projects may require substantial costs for environmental remediation due to prior use of our development sites. Our River City site, for example, was previously used for heavy industrial purposes, necessitating remediation of the site by us as part of the overall project. Our project budgets typically include amounts expected to cover the remediation work required.

Executive Officers of the Registrant

The persons serving as our executive officers as of March 2, 2015, and their positions with us are as follows:

NAME	POSITION WITH THE COMPANY
Anthony M. Sanfilippo	Chief Executive Officer and Director
Carlos A. Ruisanchez	President and Chief Financial Officer
John A. Godfrey	Executive Vice President, Secretary and General Counsel
Virginia E. Shanks	Executive Vice President and Chief Administrative Officer
Troy A. Stremming	Executive Vice President, Government Relations and Public Affairs
Neil E. Walkoff	Executive Vice President, Operations

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Directors of the Registrant

The following table lists our directors, their principal occupations and principal employers as of March 2, 2015:

NAME	PRINCIPAL OCCUPATION & EMPLOYER
Anthony M. Sanfilippo	Chief Executive Officer of Pinnacle Entertainment, Inc.
Stephen C. Comer	Retired Accounting Firm Managing Partner
Richard J. Goeglein	Owner, Evening Star Holdings, LLC (Business Consulting Firm), and Former Gaming Executive
Bruce A. Leslie	Attorney, Bruce A. Leslie, Chtd.
James L. Martineau	Non-executive Chairman of the Board of Pinnacle Entertainment, Inc., Business Advisor and Private Investor
Desirée Rogers	Chief Executive Officer of Johnson Publishing Company, LLC
Jaynie M. Studenmund	Corporate Director and Advisor

Other

Pinnacle Entertainment, Inc., a Delaware corporation, is the successor to the Hollywood Park Turf Club, which was organized in 1938. It was incorporated in 1981 under the name Hollywood Park Realty Enterprises, Inc. In 1992, we changed our name to Hollywood Park, Inc. and in February 2000, we became Pinnacle Entertainment, Inc. As of January 31, 2015, we employed 14,738 full-time and part-time employees.

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports are available free of charge as soon as reasonably practicable after they are filed with or furnished to the Securities and Exchange Commission (“SEC”) through our Internet website, www.pnkinc.com. Our filings are also available through a database maintained by the SEC at www.sec.gov.

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Item 1A. Risk Factors

An investment in our securities is subject to risks inherent to our business. We have described below what we currently believe to be the material risks and uncertainties in our business. Before making an investment decision, you should carefully consider the risks and uncertainties described below, together with all of the other information included or incorporated by reference in this Annual Report on Form 10-K.

This Annual Report on Form 10-K is qualified in its entirety by these risk factors. We also face other risks and uncertainties beyond what is described below. If any of the following risks actually occur, our business, financial condition and results of operations could be materially and adversely affected. If this were to happen, the value of securities, including our common stock, could decline significantly. You could lose all or part of your investment.

Our business is particularly sensitive to reductions in consumers' discretionary spending as a result of downturns in the economy or other changes we cannot accurately predict.

Demand for entertainment and leisure activities is sensitive to consumers' disposable incomes, and thus demand can be affected by changes in the economy that we cannot predict. We compete with a broad range of entertainment and leisure activities and consumer preferences may change. Perceived or actual unfavorable changes in general economic conditions, including recession, economic slowdown, continued high unemployment levels, the housing and credit crises, higher fuel or other transportation costs, and changes in consumer confidence may reduce disposable income of our customers or result in fewer patrons visiting our casinos. As a result, we cannot ensure that demand for entertainment and leisure activities will not be adversely affected or that customers will continue to want to frequent our properties or continue to spend money at our properties. Many of our younger customers do not play slot machines, which is where we derive the majority of our revenue. In the event that our customers do not use slot machines, this may have an adverse effect on our results of operations. Continued adverse developments affecting economies throughout the world, including a general tightening of the availability of credit, potentially rising interest rates, increasing energy costs, rising prices, inflation, acts of war or terrorism, natural disasters, declining consumer confidence or significant declines in the stock market could lead to a reduction in discretionary spending on entertainment and leisure activities, which could adversely affect our business, financial condition and results of operations. Deterioration in operating results could affect our liquidity and our ability to comply with financial covenant ratios, other covenants and requirements in our amended and restated credit facility and covenants and requirements under the bond indentures discussed in other risk factors below.

The gaming industry is very competitive and increased competition, including through legislative legalization or expansion of gaming by states in or near where we own properties or through Native American gaming facilities and Internet gaming, could adversely affect our financial results.

We face significant competition in all of the areas in which we operate. Increased competitive pressures may adversely affect our ability to continue to attract customers or affect our ability to compete efficiently. We have entered into a number of strategic partnerships to compete with other competitors. The loss of one or more of these strategic partnerships may adversely affect our business.

Several of our properties are located in jurisdictions that restrict gaming to certain areas and/or may be affected by state laws that currently prohibit or restrict gaming operations. Economic difficulties faced by state governments could lead to intensified political pressures for the legalization of gaming in jurisdictions where it is currently prohibited. The legalization of gaming in such jurisdictions could be an expansion opportunity for us, or create competitive pressure, depending on where the legalization occurs and our ability to capitalize on it. Our ability to attract customers to our existing casinos could be significantly and adversely affected by the legalization or expansion of gaming in new jurisdictions, including, in particular, Colorado, Idaho, Illinois, Iowa, Kansas, Kentucky, Mississippi, Nebraska, Ohio,

Oklahoma and Texas areas where our customers may also visit, and by the development or expansion of Native American casinos in areas where our customers may visit.

In addition, because the global economic recession has reduced the revenues of state governments from traditional tax sources, voters and state legislatures may be more sympathetic to proposals authorizing or expanding gaming in those jurisdictions. We also face the risk that existing casino licensees will expand their operations and the risk that Native American gaming will continue to grow.

In June 2013, a new casino opened in Bossier City, Louisiana. This new casino has resulted in increased competition for our properties in Louisiana, particularly our Boomtown Bossier City casino. Moreover, we face new competition in the Lake Charles, Louisiana region from the Golden Nugget Casino, which opened in December 2014 and is adjacent to our L'Auberge

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Lake Charles property. In Colorado, a referendum was proposed so that horse racetracks in Arapahoe, Mesa and Pueblo counties would be able to have table games and slot machines. The Colorado referendum was defeated in November 2014.

From time to time, our competitors refurbish, rebrand or expand their casino offerings, which could function to increase competition. For example, a large competitor reopened a rebranded and refurbished riverboat casino in Lawrenceburg, Indiana, replacing a smaller facility near our Belterra property. In addition, changes in ownership may result in improved quality of our competitors' facilities, which may make such facilities more competitive.

We face competition from racetracks that offer VLT's, including seven operating in Ohio, one of which is our property, Belterra Park. On July 24, 2013, the Ohio Supreme Court agreed to determine whether opponents of VLT's have standing to challenge the decision to allow VLT's at the state's seven horse racetracks. The opponents assert that expanding the Ohio lottery by allowing VLT's without putting the question to voters was improper. A lower court ruled that the opponents lacked legal standing in the case. That decision was appealed and unanimously upheld by the 10th Circuit Court of Appeals. The opponents appealed again and the Ohio Supreme Court will hear the case in June 2015. We do not know how the Ohio Supreme Court will rule and what impact, if any, the ruling may have on VLT operations at racetracks in Ohio.

We also compete with other forms of legalized gaming and entertainment such as bingo, pull-tab games, card parlors, sports books, pari-mutuel or telephonic betting on horse and dog racing, state-sponsored lotteries, VLTs, video poker terminals and, in the future, we may compete with gaming or entertainment at other venues. Furthermore, competition from Internet lotteries and other Internet wagering gaming services, which allow their customers to wager on a wide variety of sporting events and play Las Vegas-style casino games from home, could divert customers from our properties and thus adversely affect our business. Such internet wagering services are likely to expand in future years and become more accessible to domestic gamblers as a result of recently announced U.S. Department of Justice positions related to the application of federal laws to intrastate internet gaming and initiatives in some states to consider legislation to legalize intrastate internet wagering. In particular, certain states including Nevada, Delaware and New Jersey passed legislation to authorize various forms of intrastate internet gaming. Notably, in February 2013, Nevada amended its internet gaming law to permit Nevada licensed internet providers to commence internet poker and to allow the state to enter into agreements with other states to create multi-state poker wagering, and in February 2013, New Jersey enacted legislation authorizing intrastate internet gaming through Atlantic City casinos, which went into effect in November 2013. The law in this area has been rapidly evolving, and additional legislative developments may occur at the federal and state levels that would accelerate the proliferation of certain forms of internet gaming in the United States.

Our gaming operations rely heavily on technology services provided by third parties. In the event that there is an interruption of these services to us, it may have an adverse effect on our operations and financial conditions.

We have entered into a number of agreements with third parties related to providing gaming operating systems for our properties. As a result, we rely on such third parties to provide uninterrupted services to us in order to run our business efficiently and effectively. In the event one of these third parties experiences a disruption in its ability to provide such services to us (whether due to technological difficulties or power problems), this may result in a material disruption at our casinos and have a material effect on our business, operating results and financial condition.

Any unscheduled interruption in our technology services is likely to result in an immediate, and possibly substantial, loss of revenues due to a shutdown of our gaming operations, cloud computing and lottery systems. Such interruptions may occur as a result of, for example, catastrophic events or rolling blackouts. Our systems are also vulnerable to damage or interruption from earthquakes, floods, fires, telecommunication failures, terrorist attacks, computer viruses, computer denial-of-service attacks and similar events.

Our business may be harmed from cyber security risk and we may be subject to legal claims if there is loss, disclosure or misappropriation of or access to our guests' or our business partners' or our own information or other breaches of our information security.

We make extensive use of online services and centralized data processing, including through third party service providers. The secure maintenance and transmission of customer information is a critical element of our operations. Our information technology and other systems that maintain and transmit guest information, or those of service providers, business partners, or employee information may be compromised by a malicious third party penetration of our network security, or that of a third party service provider or business partner, or impacted by intentional or unintentional actions or inactions by our employees, or those of a third party service provider or business partner. As a result, our guests' information may be lost, disclosed, accessed or taken without our guests' consent.

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In addition, Pinnacle, third party service providers and other business partners process and maintain proprietary business information and data related to our guests, suppliers and other business partners. Our information technology and other systems that maintain and transmit this information, or those of service providers or business partners, may also be compromised by a malicious third party penetration of our network security or that of a third party service provider or business partner, or impacted by intentional or unintentional actions or inactions by our employees or those of a third party service provider or business partner. As a result, our business information, guest, supplier, and other business partner data may be lost, disclosed, accessed or taken without their consent.

Any such loss, disclosure or misappropriation of, or access to, guests' or business partners' information or other breach of our information security can result in legal claims or legal proceedings, including regulatory investigations and actions, may have a serious impact on our reputation and may adversely affect our businesses, operating results and financial condition. Furthermore, the loss, disclosure or misappropriation of our business information may adversely affect our reputation, businesses, operating results and financial condition.

Although we are pursuing a plan to separate our real estate assets from our operating assets in connection with a potential REIT transaction, the plan is subject to the successful resolution of various contingencies and we may not be successful in executing such plan on the time frame currently contemplated, or at all.

On November 6, 2014, we announced that our Board of Directors approved a plan to pursue a separation of our operating assets and real estate assets into two publicly traded companies. We intend to pursue this proposed separation of our real estate assets through the distribution to our stockholders in a tax-free spin-off of a newly formed publicly traded real estate investment trust ("Prop Co"), with the Company remaining as the entity operating our gaming and leisure business ("Op Co") following the such transaction (the "Proposed REIT Transaction"). The Proposed REIT Transaction is complex and there are significant implementation, financial and operational complexities to address before we separate our real estate assets into Prop Co including, among other things, obtaining a favorable private letter ruling ("PLR") from the U.S. Internal Revenue Service (the "IRS") regarding certain aspects of the Proposed REIT Transaction, obtaining required gaming regulatory approvals, entering into a master lease agreement and certain other agreements between Prop Co and Op Co, completing certain financings and completing certain internal reorganizations to successfully position Prop Co. Even if Prop Co is ultimately able to qualify as a REIT, there is no assurance that the tax laws, regulations or interpretations thereof will not change in a manner that could be disadvantageous to our stockholders, and the future stockholders of Prop Co, or adversely affect the intended benefits of the Proposed REIT Transaction.

Our plan is contingent on the successful resolution of such conditions. The timing and outcome of many of the conditions are beyond our control. Furthermore, our Board of Directors may decide not to pursue the Proposed REIT Transaction, to modify any of the previously announced terms of the Proposed REIT Transaction or to delay the Proposed REIT Transaction. There is no assurance as to if, or when, the Proposed REIT Transaction will be consummated or, if consummated, whether such transaction will be successful.

Further, we face a number of risks in connection with the Proposed REIT transaction, including, but not limited to:

if any event, change or other circumstance occurs that results in the termination of the Proposed REIT Transaction, or otherwise results in a failure to complete the Proposed REIT Transaction, such occurrence could negatively impact our stock price; and

we expect to incur a number of non-recurring transaction fees and other costs associated with completing the Proposed REIT Transaction that will be substantial, as well as significant non-cash charges related to debt issuance write-offs and asset impairment charges, that will have an adverse impact on our results of operations.

The completion of the Proposed REIT Transaction is contingent, among the other items mentioned above, on receipt of final approval by our Board of Directors, execution of definitive documentation, receipt of legal and accounting opinions, and other customary conditions. We may, at any time and for any reason until the Proposed REIT Transaction is complete, abandon the Proposed REIT Transaction or modify or change the terms of the Proposed REIT Transaction.

Legislative or other actions affecting REITs could have a negative effect on the Proposed REIT Transaction.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury (the "Treasury"). Changes to the tax laws or interpretations thereof, with or without retroactive application, could materially and adversely affect our investors or us and our ability to

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complete the Proposed REIT Transaction or the intended benefits of the Proposed REIT Transaction. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect Prop Co's ability to qualify to be taxed as a REIT or the U.S. federal income tax consequences to Prop Co's investors and it of such qualification.

On February 26, 2014, House Ways and Means Committee Chairman David Camp released a proposal (the "Camp Proposal") for comprehensive tax reform. The Camp Proposal includes a number of provisions that, if enacted, would have an adverse effect on corporations seeking to make an election to be taxed as a REIT. These include the following: (i) if the stock of a corporation is distributed in a tax-free spin-off under Section 355 of the Internal Revenue Code, such corporation will not be eligible to make an election to be taxed as a REIT for the ten-year period following the taxable year in which the spin-off occurs, (ii) if a corporation elects to be taxed as a REIT, such corporation will be required to recognize certain built-in gains inherent in its property as if all its assets were sold at their fair market value immediately before the close of the taxable year immediately before the corporation became taxed as a REIT, and (iii) any dividend made to satisfy the REIT requirement that a REIT must not have any earnings and profits accumulated during non-REIT years by the end of its first tax year as a REIT must be made in cash instead of a combination of cash and stock. Provisions (i) and (ii), if enacted in their current form, would apply to REIT elections and tax-free spin-off distributions made on or after February 26, 2014. If enacted in its current form, the Camp Proposal would materially and adversely affect Prop Co's ability to make an election to be taxed as a REIT. It is uncertain whether the Camp Proposal, in its current form as it relates to Prop Co, or any other legislation affecting REITs and entities desiring to elect REIT status, will be enacted and whether any such legislation will apply to Prop Co because of its proposed effective date or otherwise.

There is no assurance that we will successfully complete contemplated financings, and therefore we may be unable to complete the Proposed REIT Transaction.

In advance of the Proposed REIT Transaction, we expect to pursue financing in order to enhance the Company's financial flexibility. In addition, certain financing transactions will be required to effect the Proposed REIT Transaction. We do not currently have commitments from underwriters or lenders for such financing transactions. To the extent that market conditions deteriorate, we may be unable to complete the financings on terms acceptable to us, or at all, and therefore may be unable to complete the Proposed REIT Transaction.

Our Rights Agreement may not preserve Prop Co's ability to elect REIT status.

On November 6, 2014, we entered a Rights Agreement in an effort to safeguard the Company's ability to pursue the Proposed REIT Transaction by attempting to provide for the preservation of Prop Co's REIT status by limiting ownership concentration that could threaten Prop Co's REIT status. The exercisability of the rights is triggered only after a person or group has obtained beneficial ownership of 9.8% or more of our common stock, as calculated in accordance with the Rights Agreement (the "Ownership Threshold"), therefore the Rights Agreement, by its terms, cannot prevent a stockholder from exceeding the Ownership Threshold and thereby threatening Prop Co's REIT status. Nevertheless, we expect that the potential for substantial dilution to a person or group that exceeds the Ownership Threshold will strongly discourage a stockholder from exceeding such Ownership Threshold and becoming an Acquiring Person, as defined in the Rights Agreement.

We face risks associated with growth and acquisitions.

We regularly evaluate opportunities for growth through development of gaming operations in existing or new markets, through acquiring other gaming entertainment facilities or through redeveloping our existing facilities. The expansion of our operations, whether through acquisitions, development or internal growth, could divert management's attention and could also cause us to incur substantial costs, including legal, professional and consulting fees. It is uncertain that

we will be able to identify, acquire, develop or profitably manage additional companies or operations or successfully integrate such companies or operations into our existing operations without substantial costs, delays or other problems. Additionally, it is uncertain that we will receive gaming or other necessary licenses or governmental approvals for our new projects or in jurisdictions that we have not operated in the past or that gaming will be approved in jurisdictions where it is not currently approved. Further, we may not obtain adequate financing for such opportunities on acceptable terms.

If we make new acquisitions or new investments, we may face additional risks related to our business, results of operations, financial condition, liquidity and ability to satisfy your financial covenants and comply with other restrictive covenants under our debt agreements and pay or refinance our senior notes and senior subordinated notes and other indebtedness.

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We derived 31.6% and 29.7% of our revenues in 2014 from our casinos located in Louisiana and Missouri, respectively, and are especially subject to certain risks, including economic and competitive risks, associated with the conditions in those areas and in the states from which we draw patrons.

Four of our fifteen gaming properties are located in Louisiana. During 2014, we derived 31.6% of our revenues from these four casinos and 17.5% from one of them, L'Auberge Lake Charles in Lake Charles, Louisiana. In addition, we derived 29.7% of our revenues from three casinos in the Missouri region during 2014.

Because we derive a significant percentage of our revenues from properties concentrated in two states, we are subject to greater risks from regional conditions than a gaming company with operating properties in several different geographies. A decrease in revenues from or increase in costs for one of these locations is likely to have a proportionally greater impact on our business and operations than it would for a gaming company with more geographically diverse operating properties. Risks from regional conditions include the following:

- regional economic conditions;

- regional competitive conditions, including legalization or expansion of gaming in Louisiana (including in Lake Charles, Louisiana by Golden Nugget) or Missouri or in neighboring states;

- reduced land and air travel due to increasing fuel costs or transportation disruptions;

- inaccessibility of the area due to inclement weather, road construction or closure of primary access routes;

- the outbreak of public health threats at any of our properties, or in the areas in which they are located, or the perception that such threats exist; and

- a decline in the number of visitors.

Our present indebtedness and projected future borrowings could adversely affect our financial health; future cash flows may not be sufficient to meet our obligations, and we may have difficulty obtaining additional financing; and we may experience adverse effects of interest rate fluctuations.

As of December 31, 2014, we had indebtedness of approximately \$4.0 billion, including \$325 million aggregate principal amount of 7.75% senior subordinated notes due 2022, \$350 million aggregate principal amount of 8.75% senior subordinated notes due 2020, \$850 million aggregate principal amount of 6.375% senior notes due 2021, and \$1.04 billion aggregate principal amount of 7.50% senior notes due 2021, approximately \$607 million in borrowings under our revolving commitment under our Credit Facility and approximately \$782 million in outstanding term loans. In addition, we had approximately \$12.7 million in outstanding letters of credit under our Credit Facility as of December 31, 2014.

There can be no assurance in the future that we will generate sufficient cash flow from operations or through asset sales to meet our long-term debt service obligations. Our present indebtedness and projected future borrowings could have important adverse consequences to us, such as:

- making it more difficult for us to satisfy our obligations with respect to our existing indebtedness;

- limiting our ability to obtain additional financing without restructuring the covenants in our existing indebtedness to permit the incurrence of such financing;

requiring a substantial portion of our cash flow to be used for payments on the debt and related interest, thereby reducing our ability to use cash flow to fund other working capital, capital expenditures and general corporate requirements;

limiting our ability to respond to changing business, industry and economic conditions and to withstand competitive pressures, which may affect our financial condition;

causing us to incur higher interest expense in the event of increases in interest rates on our borrowings that have variable interest rates or in the event of refinancing existing debt at higher interest rates;

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- limiting our ability to make investments, dispose of assets, pay cash dividends or repurchase stock;
- increasing our vulnerability to downturns in our business, our industry or the general economy and restricting us from making improvements or acquisitions or exploring business opportunities;
- placing us at a competitive disadvantage to competitors with less debt or greater resources; and
- subjecting us to financial and other restrictive covenants in our indebtedness, the non-compliance with which could result in an event of default.

We cannot assure you that our business will generate sufficient cash flow from operations, that our anticipated revenue growth will be realized, or that future borrowings will be available to us under our amended and restated credit facility in amounts sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. In addition, as we undertake substantial new developments or facility renovations or if we consummate significant acquisitions in the future, our cash requirements and our debt service requirements may increase significantly.

If we fail to generate sufficient cash flow from future operations to meet our debt service obligations, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt, including our amended and restated credit facility, the term loans, the senior notes and the senior subordinated notes, on attractive terms, commercially reasonable terms or at all, particularly because of our anticipated high levels of debt and the debt incurrence restrictions imposed by the agreements governing our debt. Our amended and restated revolving credit facility matures in August 2018 and the tranche B-2 term loans mature in August 2020. Our future operating performance and our ability to service, extend or refinance our indebtedness will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

Our borrowings under our amended and restated revolving credit facility are at variable rates of interest, and to the extent not protected with interest rate hedges, could expose us to market risk from adverse changes in interest rates. While we may enter into interest rate hedges in the future, we currently have no such interest rate hedges. If interest rates increase, our debt service obligations on the variable-rate indebtedness could increase significantly even though the amount borrowed would remain the same.

Our indebtedness imposes restrictive covenants on us.

Our amended and restated credit facility and the indentures governing our senior notes and senior subordinated notes impose various customary covenants on us and our subsidiaries. The restrictions that are imposed under these debt instruments include, among other obligations, limitations on our and our subsidiaries' ability to:

- incur additional debt;
- make payments on subordinated obligations;
- make dividends or distributions and repurchase stock;
- make investments;
- grant liens on our property to secure debt;
- enter into certain transactions with affiliates;

- sell assets or enter into mergers or consolidations;
- sell equity interest in our subsidiaries;
- create dividend and other payment restrictions affecting our subsidiaries;
- change the nature of our lines of business;
- make capital expenditure;

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designate restricted and unrestricted subsidiaries; and

amend or modify our subordinate indebtedness without obtaining consent from the holders of our senior indebtedness.

Our amended and restated credit facility imposes various customary affirmative covenants on us and our restricted subsidiaries, including, among others, reporting covenants, covenants to maintain insurance, comply with laws and maintain properties and other covenants customary in senior credit financings of this type. In addition, our amended and restated credit facility requires that we comply with various restrictive maintenance financial covenants, including an interest coverage ratio, a total leverage ratio (a ratio of total debt to annualized Adjusted EBITDA (as defined)), and a senior secured debt ratio.

Our ability to comply with the covenants contained in the instruments governing our indebtedness may be affected by general economic conditions, industry conditions, and other events beyond our control, including delay in the completion of new projects under construction. As a result, we cannot assure you that we will be able to comply with these covenants. Our failure to comply with the covenants contained in the instruments governing our indebtedness, including our amended and restated credit facility and the indentures governing our senior notes and senior subordinated notes, including failure to comply as a result of events beyond our control, could result in an event of default, which could materially and adversely affect our operating results and our financial condition.

If there were an event of default under one of our debt instruments, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable, subject to applicable grace periods. This could trigger cross-defaults under our other debt instruments. We cannot assure you that our assets or cash flow would be sufficient to repay borrowings under our outstanding debt instruments if accelerated upon an event of default, or that we would be able to repay, refinance or restructure the payments on any of those debt instruments.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures and expansion efforts will depend upon our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you that our business will generate sufficient cash flows from operations, or that future borrowings will be available to us under our amended and restated credit facility in amounts sufficient to enable us to pay our indebtedness, as such indebtedness matures and to fund our other liquidity needs. In such circumstances, we may need to refinance all or a portion of our indebtedness, at or before maturity, and cannot provide assurances that we will be able to refinance any of our indebtedness on commercially reasonable terms, or at all. We may have to adopt one or more alternatives, such as reducing or delaying planned expenses and capital expenditures, selling assets, restructuring debt, or obtaining additional equity or debt financing or joint venture partners. These financing strategies may not be completed on satisfactory terms, if at all. In addition, certain states' laws contain restrictions on the ability of companies engaged in the gaming business to undertake certain financing transactions. Some restrictions may prevent us from obtaining necessary capital.

Our ability to obtain additional financing on commercially reasonable terms may be limited.

Although we believe that our cash, cash equivalents and short-term investments, as well as future cash from operations and availability under the revolver under our amended and restated credit facility, will provide adequate resources to fund ongoing operating requirements, we may need to seek additional financing to compete effectively. Our debt ratings affect both our ability to raise debt financing and the cost of that financing. Future downgrades of our

debt ratings may increase our borrowing costs and affect our ability to access the debt markets on terms and in amounts that would be satisfactory to us. If we are unable to obtain financing on commercially reasonable terms, it could:

- reduce funds available to us for purposes such as working capital, capital expenditures, strategic acquisitions and other general corporate purposes;
- restrict our ability to capitalize on business opportunities;
- increase our vulnerability to economic downturns and competitive pressures in the markets in which we operate; and
- place us at a competitive disadvantage.

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In the event that we undertake future development plans for capital-intensive projects, we may be required to borrow significant amounts under our amended and restated credit facility and, depending on which projects are pursued to completion, may cause us to incur substantial additional indebtedness.

We expect to fund our working capital and general corporate requirements (including our development activities) with cash flow from operations and funding from the amended and restated credit facility, but cannot provide assurances that such financing will provide adequate funding for our future property developments. In the event that we pursue future property developments and our future cash flows from operations do not match the levels we currently anticipate, whether due to downturns in the economy or otherwise, we may need to amend the terms of our credit facility or obtain waivers from our lenders in order to implement future development plans. We may not be able to obtain such an amendment or waiver from our lenders. In such event, we may need to raise funds through the capital markets and may not be able to do so on favorable terms or on terms acceptable to us.

We may experience an impairment of our goodwill, other intangible assets, or long-lived assets, which could adversely affect our financial condition and results of operations.

We test goodwill and other indefinite-lived intangible assets for impairment annually during the fourth quarter, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. A significant amount of judgment is involved in performing fair value estimates for goodwill and other indefinite-lived intangible assets because the results are based on estimated future cash flows and assumptions related thereto. Significant assumptions include estimates of future sales and expense trends, liquidity and capitalization, among other factors. We base our fair value estimates on projected financial information, which we believe to be reasonable. If we are required to recognize an impairment to some portion of our goodwill and other indefinite-lived intangible assets, it could adversely affect our financial condition and results of operations.

We review the carrying value of our long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When performing this assessment, we consider current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition, and other economic, legal, and regulatory factors. If we are required to recognize an impairment to some portion of the carrying value of our long-lived assets, it could adversely affect our financial condition and results of operations.

Insufficient or lower-than-expected results generated from our new developments and acquired properties may negatively affect our operating results and financial condition.

We cannot assure you that the revenues generated from our new developments and acquired properties will be sufficient to pay related expenses if and when these developments are completed, or, even if revenues are sufficient to pay expenses, that the new developments and acquired properties will yield an adequate return or any return on our significant investments. Our projects, if completed, may take significantly longer than we expect to generate returns, if any. Moreover, lower-than-expected results from the opening of a new facility may negatively affect our operating results and financial condition and may make it more difficult to raise capital, even as such a shortfall would increase the need to raise capital. In addition, as our new properties open, they may compete with our existing properties. For example, our development at our Belterra Park facility in Ohio competes with our Belterra Casino Resort in Indiana.

Rising operating costs at our gaming properties could have a negative impact on our business.

The operating expenses associated with our gaming properties could increase due to, among other reasons, the following factors:

changes in the foreign, federal, state or local tax or regulations, including state gaming regulations or taxes, could impose additional restrictions or increase our operating costs;

aggressive marketing and promotional campaigns by our competitors for an extended period of time could force us to increase our expenditures for marketing and promotional campaigns in order to maintain our existing customer base and attract new customers;

- as our properties age, we may need to increase our expenditures for repairs, maintenance, and to replace equipment necessary to operate our business in amounts greater than what we have spent historically;

an increase in the cost of health care benefits for our employees could have a negative impact on our financial results;

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our reliance on slot play revenues and any additional costs imposed on us from vendors;

availability and cost of the many products and service we provide our customers, including food, beverages, retail items, entertainment, hotel rooms, spa and golf services;

availability and costs associated with insurance;

increase in costs of labor, including due to potential unionization of our employees;

our properties use significant amounts of electricity, natural gas and other forms of energy, and energy price increase may adversely affect our cost structure; and

our properties use significant amounts of water, and a water shortage may adversely affect our operations.

If our operating expenses increase without any offsetting increase in our revenues, our results of operations would suffer.

The global recession has affected our business and financial condition, and economic conditions may continue to affect us in ways that we currently cannot accurately predict.

The economic recession has had and may continue to have far reaching adverse consequences across many industries, including the gaming industry, which has an effect on our business and financial condition. The U.S. economy continues to experience some weakness following a severe recession, which resulted in increased unemployment, decreased consumer spending and a decline in housing values. While the U.S. economy has slowly emerged from the recession, high levels of unemployment have continued to persist. In addition, while the Federal Reserve took policy actions to promote market liquidity and encourage economic growth following the recession, such actions are now being curtailed as signs of improvement in the economy have emerged, and the impact of these monetary policy actions on the recovery is uncertain. If the economic recovery slows or stalls, or if the economy experiences another recession, we may experience a material adverse effect on our business, results of operations and financial condition.

We are engaged from time to time in one or more construction and development projects, and many factors could prevent us from completing them as planned, including the escalation of construction costs beyond increments anticipated in our construction budgets.

Construction of major buildings has certain inherent risks, including the risks of fire, structural collapse, human error and electrical, mechanical and plumbing malfunction. In addition, projects entail additional risks related to structural heights and the required use of cranes. Our development and expansion projects also entail significant risks, including:

shortage of materials;

shortage of skilled labor or work stoppages;

unforeseen construction scheduling, engineering, excavation, environmental or geological problems;

natural disasters, hurricanes, weather interference, changes in river levels, floods, fires, earthquakes or other casualty losses or delays;

unanticipated cost increase or delays in completing the project;

•delays in obtaining or inability to obtain or maintain necessary license or permits;

•changes to plans or specifications;

•performance by contractors and subcontractors;

•disputes with contractors;

•disruption of our operations caused by diversion of management's attention to new development projects and construction at our existing properties;

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remediation of environmental contamination at some of our proposed construction sites, which may prove more costly than anticipated in our construction budgets;

failure to obtain and maintain necessary gaming regulatory approvals and licenses, or failure to obtain such approvals and licenses on a timely basis;

requirements or government-established “goals” concerning union labor or requiring that a portion of the project expenditures be through companies controlled by specific ethnic or gender groups, goals that may not be obtainable, or may only be obtainable at additional project cost; and

increases in the cost of raw materials for construction, driven by worldwide demand, higher labor and construction costs and other factors, may cause price increases beyond those anticipated in the budgets for our development projects.

Escalating construction costs may cause us to modify the design and scope of projects from those initially contemplated or cause the budgets for those projects to be increased. We generally carry insurance to cover certain liabilities related to construction, but not all risks are covered, and it is uncertain whether such insurance will provide sufficient payment in a timely fashion even for those risks that are insured and material to us.

Construction of our development projects exposes us to risks of cost overruns due to typical construction uncertainties associated with any project or changes in the designs, plans or concepts of such projects. For these and other reasons, construction costs may exceed the estimated cost of completion, notwithstanding the existence of any guaranteed maximum price construction contracts.

Our industry is highly regulated, which makes us dependent on obtaining and maintaining gaming licenses and subjects us to potentially significant fines and penalties.

The ownership, management and operation of gaming facilities are subject to extensive state and local regulation. The statutes, rules and regulations of the states and local jurisdictions in which we and our subsidiaries conduct gaming operations require us to hold various licenses, registrations, permits and approvals and to obtain findings of suitability. The various regulatory authorities, including the Colorado Division of Gaming, the Colorado Limited Gaming Control Commission, Indiana Gaming Commission, the Iowa Racing and Gaming Commission, the Louisiana Gaming Control Board, the Mississippi Gaming Commission, the Missouri Gaming Commission, the Nevada State Gaming Control Board, the Nevada Gaming Commission, the Ohio State Racing Commission, the Ohio Lottery Commission, and the Texas Racing Commission may, among other things, limit, condition, suspend, revoke or fail to renew a license to conduct gaming operations or prevent us from owning the securities of any of our gaming subsidiaries for any cause deemed reasonable by such licensing authorities. Substantial fines or forfeitures of assets for violations of gaming laws or regulations may be levied against us, our subsidiaries and the persons involved, including, but not limited to, our management, employees and holders of 5% or more of the Company's securities. In addition, many of the Company's key vendors must be licensed and found suitable by regulatory authorities and there can be no assurance that such vendors will be able to be licensed and found suitable.

To date, we have obtained all governmental licenses, findings of suitability, registrations, permits and approvals necessary for the operation of our existing gaming facilities. It is uncertain, however, whether we will be able to obtain any new licenses, registrations, permits, approvals and findings of suitability that may be required in the future or that existing ones will be renewed or will not be suspended or revoked. Any expansion of our gaming operations in our existing jurisdictions or into new jurisdictions may require various additional licenses, findings of suitability, registrations, permits and approvals of the gaming authorities. The approval process can be time consuming and

costly, and there can be no assurance of success.

We are also subject to a variety of other rules and regulations, including, but not limited to, laws and regulations governing payment card information and the serving of alcoholic beverages at our operating properties. If we are not in compliance with these laws, it could adversely affect our business.

Potential changes in the regulatory environment could harm our business.

Changes in regulations affecting the casino business can affect our existing or proposed operations. In addition, legislators and special-interest groups have proposed legislation from time to time that would restrict or prevent gaming operations. Other regulatory restrictions or prohibitions on our current or future gaming operations could curtail our operations and could result in decreases in revenues.

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Our business may be adversely affected by legislation prohibiting tobacco smoking.

Legislation in various forms to ban indoor tobacco smoking in public places has been enacted or introduced in many states and local jurisdictions, including several of the jurisdictions in which we operate. We believe the smoking bans and restrictions have significantly impacted business volumes.

In February 2014, the Indiana Supreme Court struck down an ordinance that extended a smoking ban to restaurants and bars, but exempted a local casino. The Indiana Supreme Court held that the ordinance violated the state constitution's equal privileges and immunities clause. While the Indiana Supreme Court's decision only applies to this ordinance, similar challenges may be made to invalidate exemptions for casinos in ordinances and laws in Indiana which may result in new laws and ordinances that prohibit smoking at Belterra Casino Resort and Ameristar East Chicago. If smoking was prohibited at our properties in Indiana, we believe that this will adversely effect on our businesses.

In January 2015, the New Orleans City Council unanimously approved an ordinance in the City of New Orleans that prohibits smoking in casinos, bars and restaurants. Our Boomtown New Orleans property is located in the West Bank and not in the City of New Orleans, so the smoking ban does not apply to our property. However, if a smoking ban was approved in the West Bank, we believe that this will adversely effect on our business.

Adverse weather conditions, road construction, gasoline shortages and other factors affecting our facilities and the areas in which we operate could make it more difficult for potential customers to travel to our properties and deter customers from visiting our properties.

Our continued success depends upon our ability to draw customers from each of the geographic markets in which we operate. Adverse weather conditions or road construction can deter our customers from traveling to our facilities or make it difficult for them to frequent our properties. In late 2013 and early 2014, there were severe cold temperatures in the Midwest, that we believe adversely affected our financial performance in our Midwest segment. Moreover, gasoline shortages or fuel price increases in regions that constitute a significant source of customers for our properties could make it more difficult for potential customers to travel to our properties and deter customers from visiting. Our dockside gaming facilities in Indiana, Iowa, Louisiana, Mississippi and Missouri, as well as any additional riverboat or dockside casino properties that might be developed or acquired, are also subject to risks, in addition to those associated with land-based casinos, which could disrupt our operations. Although none of our vessels leave their moorings in normal operations, there are risks associated with the movement or mooring of vessels on waterways, including risks of casualty due to river turbulence, flooding, collisions with other vessels and severe weather conditions.

Our results of operations and financial condition could be materially adversely affected by the occurrence of natural disasters, such as hurricanes, or other catastrophic events, including war and terrorism.

Natural disasters, such as major hurricanes, typhoons, floods, fires and earthquakes, could adversely affect our business and operating results. Hurricanes are common in the areas in which our Louisiana properties are located, and the severity of such natural disasters is unpredictable. Our facilities in St. Louis (River City and Ameristar St. Charles) are located near an earthquake fault line and are subject to earthquakes. In addition, our River City casino is in an area along the Mississippi River that has historically experienced flooding. Although its foundation is built up to be above historical flooding levels, there is no certainty that this will be sufficient in future floods. Our Ameristar Council Bluffs property in Iowa is located on the Missouri River, which fell to record low levels in the fall and winter of 2012-2013 due to a drought in the region. There can be no assurance that the contingency plans we have implemented to accommodate the changes in river level will be adequate to prevent damage to, closure of or a restriction of access

to the casino vessel at Ameristar Council Bluffs in the event of a drought. Actual levels of the Missouri River lower than those currently forecasted would increase such risks. Any such damage, closure or restriction of access could cause our Ameristar Council Bluffs business to be materially adversely affected.

In 2005, Hurricanes Katrina and Rita caused significant damage in the Gulf Coast region. Hurricane Katrina destroyed our former Biloxi, Mississippi facility. In August 2005, our Boomtown New Orleans casino was forced to close for 34 days as a result of Hurricane Katrina. In September 2005, Hurricane Rita caused significant damage in the Lake Charles, Louisiana area and forced our L' Auberge Lake Charles facility to close for 16 days, in addition to causing physical damage. In the third quarter of 2008, Hurricanes Gustav and Ike, which struck during two key weekends, affected our Louisiana operations and our Texas customer base. Hurricane Ike also caused flooding in St. Louis, necessitating the temporary closure of our former President Casino, and caused a power outage over the course of two days at our Belterra Casino Resort in Indiana. In March 2011, our Belterra Park racetrack was forced to delay the opening of live racing due to flooding from the Ohio River. In addition, the Ho Tram Strip project is located on the coast of the Eastern Sea, a location that is vulnerable to natural disasters, including

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typhoons. In October 2012, Hurricane Isaac delayed the opening of L'Auberge Baton Rouge for approximately a week and caused a temporary closure of Boomtown New Orleans for five days.

Catastrophic events, such as terrorist and war activities in the United States and elsewhere, have had a negative effect on travel and leisure expenditures, including lodging, gaming (in some jurisdictions) and tourism. We cannot accurately predict the extent to which such events may affect us, directly or indirectly, in the future. We also cannot assure you that we will be able to obtain or choose to purchase any insurance coverage with respect to occurrences of terrorist acts and any losses that could result from these acts. If there is a prolonged disruption at our properties due to natural disasters, terrorist attacks or other catastrophic events, our results of operations and financial condition would be materially adversely affected.

The concentration and evolution of the slot machine manufacturing industry or other technological conditions could impose additional costs on us.

A substantial majority of our revenues is attributable to slot machines operated by us at our casinos. It is important that, for competitive reasons, we offer the most popular and up-to-date slot machine games with the latest technology to our guests.

In recent years, the prices of new slot machines with additional features have escalated faster than the general rate of inflation. Furthermore, in recent years, slot machine manufacturers have frequently refused to sell slot machines featuring the most popular games, instead requiring participation lease arrangements in order to acquire the machines. Participation slot machine leasing arrangements typically require the payment of a fixed daily rental. Such agreements may also include a percentage payment of coin-in or net win. Generally, a participation lease is substantially more expensive over the long-term than the cost to purchase a new machine.

For competitive reasons, we may choose to purchase new slot machines or enter into participation lease arrangements that are more expensive than the costs associated with the continued operation of our existing slot machines. If the newer slot machines do not result in sufficient incremental revenues to offset the increased investment and participation lease costs, it could hurt our profitability.

We materially rely on a variety of hardware and software products to maximize revenue and efficiency in our operations. Technology in the gaming industry is developing rapidly, and we may need to invest substantial amounts to acquire the most current gaming and hotel technology and equipment in order to remain competitive in the markets in which we operate. Ensuring the successful implementation and maintenance of any new technology acquired is an additional risk.

We operate in a highly taxed industry and it may be subject to higher taxes in the future. If the jurisdictions in which we operate increase gaming taxes and fees, our operating results could be adversely affected.

In gaming jurisdictions in which we operate, state and local governments raise considerable revenues from taxes based on casino revenues and operations. We also pay property taxes, admission taxes, occupancy taxes, sales and use taxes, payroll taxes, franchise taxes and income taxes.

Our profitability depends on generating enough revenues to pay gaming taxes and other largely variable expenses, such as payroll and marketing, as well as largely fixed expenses, such as property taxes and interest expense. From time to time, state and local governments have increased gaming taxes and such increases can significantly impact the profitability of gaming operations.

We cannot assure you that governments in jurisdictions in which we operate, or the federal government, will not enact legislation that increases gaming tax rates. The global economic recession has reduced the revenues of state governments from traditional tax sources, which may cause state legislatures or the federal government to be more inclined to increase gaming tax rates.

Natural disasters have made it more challenging for us to obtain adequate levels of Weather Catastrophe Occurrence/Named Windstorm, Flood and Earthquake insurance coverage for our properties.

Because of significant loss experience caused by hurricanes and other natural disasters over the last several years, a number of insurance companies have significantly limited the amount of coverage they will write in these markets and have dramatically increased the premiums charged for this coverage. As a result, our policy limits for Weather Catastrophe Occurrences/Named Windstorms are significantly less than the policy limits we had during the 2005 hurricane season. Our coverage for a Named Windstorm, Flood and Earthquake today is \$200 million per occurrence, subject to a deductible, including business interruption. For other catastrophes, our coverage today is \$700 million per occurrence, subject to a

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deductible, including business interruption. In addition, as a result of the worldwide economic conditions, there has been uncertainty as to the viability of certain insurance companies. While we believe that the insurance companies from which we have purchased insurance policies will remain solvent, there is no certainty that this will be the case.

We may incur property and other losses that are not adequately covered by insurance, which may harm our results of operations.

Although we maintain insurance that our management believes is customary and appropriate for our business, we cannot assure you that insurance will be available or adequate to cover all losses and damage to which our business or our assets might be subjected. The lack of adequate insurance for certain types or levels of risk could expose us to significant losses in the event that a catastrophe occurred for which we are uninsured or underinsured. Any losses we incur that are not adequately covered by insurance may decrease our future operating income, require us to find replacements or repairs for destroyed property and reduce the funds available for payments of our obligations.

Work stoppages, organizing drives and other labor problems could negatively impact our future profits.

We are currently a party to two collective bargaining agreements at our Belterra Park facility and two collective bargaining agreements with certain employees at our East Chicago facility. In addition, other unions have approached our employees. A lengthy strike or other work stoppages at any of our casino properties or construction projects could have an adverse effect on our business and results of operations. Labor unions are making a concerted effort to recruit more employees in the gaming industry. We cannot provide any assurance that we will not experience additional and more aggressive union activity in the future.

We face environmental and archaeological regulation of our real estate.

Our business is subject to a variety of federal, state and local governmental statutes and regulations relating to activities or operations that may have adverse environmental effects, such as discharges to air and water and use, storage, discharge, emission and disposal of hazardous materials and concentrated animal feeding operations. These laws and regulations are complex, and subject to change, and failure to comply with such laws could result in the imposition of severe penalties or restrictions on our operations by government agencies or courts of law or the incurrence of significant costs for the remediation of spills, disposals or other releases of hazardous or toxic substances or wastes. Under certain of these laws and regulations, a current or previous owner or operator of property may be liable for the costs of remediating contamination on its property, without regard to whether the owner or operator knew of, or caused, the presence of the contaminants, and regardless of whether the practices that resulted in the contamination were legal at the time that they occurred. We endeavor to maintain compliance with environmental laws, but from time to time, current or historical operations on, or adjacent to, our property may have resulted or may result in noncompliance with environmental laws or liability for cleanup pursuant to environmental laws. A material fine or penalty, severe operational or development restriction, or imposition of material remediation costs could adversely affect our business. In addition, the locations of our current or future developments may coincide with sites containing archaeologically significant artifacts, such as Native American remains and artifacts. Federal, state and local governmental regulations relating to the protection of such sites may require us to modify, delay or cancel construction projects at significant cost to us.

We are subject to litigation, which, if adversely determined, could cause us to incur substantial losses.

From time to time during the normal course of operating our businesses, we are subject to various litigation claims and legal disputes. Some of the litigation claims may not be covered under our insurance policies, or our insurance carriers may seek to deny coverage. As a result, we might also be required to incur significant legal fees, which may have a material adverse effect on our financial position. In addition, because we cannot accurately predict the outcome

of any action, it is possible that, as a result of current and/or future litigation, we will be subject to adverse judgments or settlements that could significantly reduce our earnings or result in losses.

We are subject to certain federal, state and other regulations.

We are subject to certain federal, state and local environmental laws, regulations and ordinances that apply to businesses generally, The Bank Secrecy Act, enforced by the Financial Crimes Enforcement Network (“FinCEN”) of the U.S. Treasury Department, requires us to report currency transactions in excess of \$10,000 occurring within a gaming day, including identification of the guest by name and social security number, to the IRS. This regulation also requires us to report certain suspicious activity, including any transaction that exceeds \$5,000 that we know, suspect or have reason to believe involves funds from illegal activity or is designed to evade federal regulations or reporting requirements. Periodic audits by the IRS and our internal audit department

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assess compliance with the Bank Secrecy Act, and substantial penalties can be imposed against us if we fail to comply with this regulation. In recent years the U.S. Treasury Department has increased its focus on Bank Secrecy Act compliance throughout the gaming industry, and recent public comments by FinCEN suggest that casinos should obtain information on each customer's sources of income. This could impact our ability to attract and retain casino guests.

Our riverboats must comply with certain federal and state laws and regulations with respect to boat design, on-board facilities, equipment, personnel and safety. In addition, we are required to have third parties periodically inspect and certify all of our casino barges for stability and single compartment flooding integrity. Our casino barges also must meet local fire safety standards. We would incur additional costs if any of our gaming facilities were not in compliance with one or more of these regulations.

We are also subject to a variety of other federal, state and local laws and regulations, including those relating to zoning, construction, land use, employment, marketing and advertising and the production, sale and service of alcoholic beverages. If we are not in compliance with these laws and regulations, it could have a material adverse effect on our business, financial condition and results of operations.

The imposition of a substantial penalty could have a material adverse effect on our business.

Climate change, climate change regulations and greenhouse effects may adversely impact our operations and markets.

There is a growing political and scientific consensus that greenhouse gas emissions, also referred to herein as "GHG" continue to alter the composition of the global atmosphere in ways that are affecting and are expected to continue affecting the global climate. Climate change, including the impact of global warming, creates physical and financial risk. Physical risks from climate change include an increase in sea level and changes in weather conditions, such as an increase in changes in precipitation and extreme weather events. Climate change could have a material adverse effect on our results of operations, financial condition, and liquidity. We have described the risks to us associated with extreme weather events in the risk factors above.

We may become subject to legislation and regulation regarding climate change, and compliance with any new rules could be difficult and costly. Concerned parties, such as legislators and regulators, stockholders and non-governmental organizations, as well as companies in many business sectors, are considering ways to reduce GHG emissions. Many states have announced or adopted programs to stabilize and reduce GHG emissions and in the past federal legislation have been proposed in Congress. If such legislation is enacted, we could incur increased energy, environmental and other costs and capital expenditures to comply with the limitations. Unless and until legislation is enacted and its terms are known, we cannot reasonably or reliably estimate its impact on our financial condition, operating performance or ability to compete. Further, regulation of GHG emissions may limit our guests' ability to travel to our properties as a result of increased fuel costs or restrictions on transport related emissions.

We face business and regulatory risks associated with our investment in ACDL.

PNK Development 18, LLC ("PNK 18"), one of our wholly owned unrestricted subsidiaries, owns a minority interest in Asian Coast Development (Canada) Ltd., a British Columbia corporation ("ACDL"). Entities affiliated with Harbinger Capital Partners ("Harbinger") are the majority shareholders of ACDL. ACDL's wholly owned subsidiary Ho Tram Project Company Limited ("HTP") is the owner and developer of the Ho Tram Strip beachfront complex of destination integrated resorts, residential developments and golf course in the Province of Ba Ria-Vung Tau in southern Vietnam (the "Ho Tram Strip"). As a minority shareholder of ACDL, our ability to control the management, record keeping, operations and decision-making of ACDL is limited. We fully impaired the value of our investment in ACDL in the first quarter of 2013.

HTP's operations are subject to the significant business, economic, regulatory and competitive uncertainties and contingencies frequently encountered by new businesses in new gaming jurisdictions and other risks associated with this investment, many of which are beyond ACDL's, HTP's or our control. The gaming elements of the businesses are subject to regulation by the government of Vietnam and uncertainty exists as to how such regulation will affect HTP's gaming operations. Because ACDL and HTP have limited operating history, it may be more difficult for them to prepare for and respond to these types of risks than for a company with an established business and operating cash flow.

ACDL has operations outside the United States, which expose us to complex foreign and U.S. regulations inherent in doing business in Vietnam. We are subject to regulations imposed by the Foreign Corrupt Practices Act (the "FCPA"), and other anti-corruption laws that generally prohibit U.S. companies and their intermediaries from offering, promising, authorizing or making improper payments to foreign government officials for the purpose of obtaining or retaining business. Violations of the

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FCPA and other anti-corruption laws may result in severe criminal and civil sanctions as well as other penalties. The SEC and U.S. Department of Justice in recent years have increased their enforcement activities with respect to the FCPA.

Internal control policies and procedures and the compliance program that ACDL has implemented to deter prohibited practices may not be effective in prohibiting its employees, contractors or agents from violating or circumventing our policies and the law. Even though our investment in ACDL is through an unrestricted subsidiary under our debt agreements, if ACDL's or our employees or agents fail to comply with applicable laws or company policies governing ACDL's international operations, we and our subsidiaries may face investigations, prosecutions and other legal and regulatory proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions which could, in turn, serve as the basis for the initiation of like proceedings by gaming regulators in one or more of the states wherein we and our subsidiaries hold gaming licenses. Any determination that we have violated the FCPA could have a material adverse effect on our financial condition and on the gaming licenses and approvals held by us and our subsidiaries.

Compliance with international and U.S. laws and regulations that apply to ACDL's international operations increases the cost of doing business in foreign jurisdictions. ACDL will also deal with significant amounts of cash in its operations and will be subject to various reporting and anti-money laundering regulations. Any violation of anti-money laundering laws or regulations by ACDL could have a negative effect on us.

Our operations are largely dependent on the skill and experience of our management and key personnel. The loss of management and other key personnel could significantly harm our business, and we may not be able to effectively replace members of management who have left the company.

Our continued success and our ability to maintain our competitive position is largely dependent upon, among other things, the efforts and skills of our senior executives and management team. Although we have entered into employment agreements with certain of our senior executives and key personnel, we cannot guarantee that these individuals will remain employed by us. If we lose the services of any members of our management team or other key personnel, our business may be significantly impaired. We cannot assure you that we will be able to retain our existing senior executive and management personnel or attract additional qualified senior executive and management personnel.

We have experienced and expect to continue to experience strong competition in hiring and retaining qualified property and corporate management personnel, including competition from numerous Native American gaming facilities that are not subject to the same taxation regimes as we are and therefore may be willing and able to pay higher rates of compensation. From time to time, we have a number of vacancies in key corporate and property management positions. If we are unable to successfully recruit and retain qualified management personnel at our properties or at our corporate level, our results of operations could be adversely affected.

In addition, our officers, directors and key employees also are required to file applications with the gaming authorities in each of the jurisdictions in which we operate and are required to be licensed or found suitable by these gaming authorities. If the gaming authorities were to find an officer, director or key employee unsuitable for licensing or unsuitable to continue having a relationship with us, we would have to sever all relationships with that person. Furthermore, the gaming authorities may require us to terminate the employment of any person who refuses to file appropriate applications. Either result could significantly impair our operations.

Some of our casinos are located on leased property. If we default on one or more leases, the applicable lessors could terminate the affected leases and we could lose possession of the affected casino.

We lease certain parcels of land on which Ameristar East Chicago, L'Auberge Lake Charles, River City, and Belterra Casino Resort are located. As a ground lessee, we have the right to use the leased land; however, we do not hold fee ownership in the underlying land. Accordingly, with respect to the leased land, we will have no interest in the land or improvements thereon at the expiration of the ground leases. Moreover, since we do not completely control the land underlying the property, a landowner could take certain actions to disrupt our rights in the land leased under the long-term leases which are beyond our control. If the entity owning any leased land chose to disrupt our use either permanently or for a significant period of time, then the value of our assets could be impaired and our business and operations could be adversely affected. If we were to default on any one or more of these leases, the applicable lessors could terminate the affected leases and we could lose possession of the affected land and any improvements on the land, including the hotels and casinos. This would have a significant adverse effect on our business, financial condition and results of operations as we would then be unable to operate all or portions of the affected facilities and may result in the default under our amended and restated credit facility.

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We are subject to extensive governmental regulations that impose restrictions on the ownership and transfer of our securities.

We are subject to extensive governmental regulations that relate to our current or future gaming operations and that impose certain restriction on the ownership and transfer of our securities.

In addition, we may be required by gaming authority to redeem shares of our common stock in the event that a stockholder is deemed to be unsuitable by a gaming regulatory authority. Our certificate of incorporation requires that if a person owns or controls our securities, including shares of our common stock, and is determined by a gaming authority to be unsuitable to own or control such securities or in the sole discretion of our board of directors is deemed likely to jeopardize our right to conduct gaming activities in any of the jurisdictions in which we conduct or intend to conduct gaming activities, we may redeem, and we may be required by a gaming authority to redeem, such person's securities to the extent required by the government gaming authority or deemed necessary or advisable by us.

If a gaming authority requires us, or if we deem it necessary or advisable, to redeem such securities, we will serve notice on the holder who holds securities subject to redemption and will call for the redemption of the securities of such holder at a redemption price equal to that required to be paid by the gaming authority making the finding of unsuitability, or if such gaming authority does not require a certain price per share to be paid, a sum deemed reasonable by us, which in our discretion may be the original purchase price, the then current trading price of the securities or another price we determine. The redemption price may be paid in cash, by promissory note, or both, as required by the applicable gaming authority and, if not so required, as we elect. Unless the gaming authority requires otherwise, the redemption price will in no event exceed:

the closing sales price of the securities on the national securities exchange on which such shares are then listed on the date the notice of redemption is delivered to the person who has been determined to be unsuitable, or

if such shares are not then listed for trading on any national securities exchange, then the closing sales price of such shares as quoted in the NASDAQ National Market System, or

if the shares are not then so quoted, then the mean between the representative bid and the ask price as quoted by NASDAQ or another generally recognized reporting system.

Beginning on the date that a gaming authority serves notice of a determination of unsuitability or the loss or threatened loss of a gaming license upon us, and until the securities owned or controlled by the unsuitable person are owned or controlled by persons found by such gaming authority to be suitable to own them, it is unlawful for the unsuitable person or any affiliate of such person (i) to receive any dividend, payment, distribution or interest with regard to the securities, (ii) to exercise, directly or indirectly or through any proxy, trustee, or nominee, any voting or other right conferred by such securities, and such securities shall not for any purposes be included in our securities entitled to vote, or (iii) to receive any remuneration in any form from the corporation or an affiliated company for services rendered or otherwise.

From and after the date of redemption, such securities will no longer be deemed to be outstanding and all rights of the person who was determined to be unsuitable, other than the right to receive the redemption price, will cease. Such person must surrender the certificates for any securities to be redeemed in accordance with the requirements of the redemption notice.

All persons owning or controlling securities of the Company and any affiliated companies must comply with all requirements of the gaming laws in each gaming jurisdiction in which we or any of our affiliated companies conduct or intend to conduct gaming activities. All securities of the Company must be held subject to the requirements of such

gaming laws, including any requirement that (i) the holder file applications for gaming licenses with, or provide information to, applicable gaming authorities, or (ii) that any transfer of such securities may be subject to prior approval by gaming authorities, and any transfer of our securities in violation of any such approval requirement are not permitted and the purported transfer is void ab initio.

Ownership and transfer of our securities could be subjected at any time to additional or more restrictive regulations, including regulation in applicable jurisdictions where there are no current restrictions on the ownership and transfer of our securities or in new jurisdictions where we may conduct our operations in the future. A detailed description of such regulations, including the requirements under gaming laws of the jurisdictions in which we operate, can be found in the Exhibit 99.1 to this Form 10-K and is incorporated herein by reference.

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The market price for our common stock may be volatile, and you may not be able to sell our stock at a favorable price or at all.

Many factors could cause the market price of our common stock to rise and fall, including:

- actual or anticipated variations in our quarterly results of operations;
 - change in market valuations of companies in our industry;
 - change in expectations of future financial performance;
 - regulatory changes;
 - fluctuations in stock market prices and volumes;
 - issuance of common stock market prices and volumes;
 - issuance of common stock or other securities in the future;
 - the addition or departure of key personnel; and
- announcements by us or our competitors of acquisitions, investments, dispositions, joint ventures or other significant business decisions.

In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to companies' operating performance. Broad market and industry factors may materially harm the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, shareholder derivative lawsuits and/or securities class action litigation has often been instituted against that company. Such litigation, if instituted against us, could result in substantial costs and a diversion of management's attention and resources.

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Forward - Looking Statements

The Private Securities Litigation Reform Act of 1995 (the “Act”) provides certain “safe harbor” provisions for forward-looking statements. Except for the historical information contained herein, the matters addressed in this Annual Report on Form 10-K, as well as in other reports filed with or furnished to the SEC or statements made by us, may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. From time to time, we may provide oral or written forward-looking statements in our other periodic reports on Form 10-Q, Form 8-K, press releases and other materials released to the public. All forward-looking statements made in this Annual Report on Form 10-K and any documents we incorporate by reference are made pursuant to the Act. Words such as, but not limited to, “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “could,” “may,” “will,” “should,” and similar expressions are intended to identify forward-looking statements. Such forward-looking statements, which may include, without limitation, statements regarding expected results of operations and future operating performance and future growth, adequacy of resources to fund development and expansion projects, liquidity, financing options, including the state of the capital markets and our ability to access the capital markets, the state of the credit markets and economy, cash needs, cash reserves, operating and capital expenses, expense reductions, the sufficiency of insurance coverage, anticipated marketing costs at various projects, the future outlook of Pinnacle and the gaming industry and pending regulatory and legal matters, ability to separate the Company’s real estate assets into a real estate investment trust (“REIT”) and the timing thereof, the ability to obtain financing in connection with the REIT transaction, the ability of the Company to continue to meet its financial and other covenants governing its indebtedness, the ability of the Company to sell or otherwise dispose of discontinued operations, the Company's anticipated future capital expenditures, ability to implement strategies to improve revenues and operating margins at the Company’s properties, reduce costs and debt, the Company's ability to successfully implement marketing programs to increase revenue at the Company's properties, and the Company's ability to improve operations and performance at Belterra Park and Boomtown New Orleans, are all subject to a variety of risks and uncertainties that could cause actual results to differ materially from those anticipated by us. This can occur as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties. Factors that may cause our actual performance to differ materially from that contemplated by such forward-looking statements include, among others, the various risk factors discussed above, in addition to general domestic and international economic and political conditions as well as market conditions in our industry. For more information on the potential factors that could affect our operating results and financial condition in addition to the risk factors described above, review our other filings (other than any portion of such filings that are furnished under applicable SEC Rules rather than filed) with the SEC.

All forward-looking statements included in this Annual Report on Form 10-K are made only as of the date of this Form 10-K. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 1B. Unresolved Staff Comments

None.

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Item 2. Properties

The following table provides a brief description of our properties as of December 31, 2014:

Locations	Approximate Number of		
	Slot Machines/Video Lottery Terminals	Table Games	Guest Rooms
Operating Properties by Segment:			
Midwest segment, which includes			
Ameristar Council Bluffs, IA	1,588	23	444
Ameristar East Chicago, IN	1,768	56	288
Ameristar Kansas City, MO	2,450	71	184
Ameristar St. Charles, MO	2,507	77	397
River City, MO	2,011	61	200
Belterra, IN	1,210	45	662
Belterra Park, OH	1,325	—	—
South segment, which includes			
Ameristar Vicksburg, MS	1,549	37	149
Boomtown Bossier City, LA	866	16	187
Boomtown New Orleans, LA	1,242	31	150
L'Auberge Baton Rouge, LA	1,428	56	205
L'Auberge Lake Charles, LA	1,568	75	995
West segment, which includes			
Ameristar Black Hawk, CO	1,368	55	536
Cactus Petes and Horseshu, NV	782	20	416
	21,662	623	4,813

Ameristar Council Bluffs: Ameristar Council Bluffs is located on an approximately 69-acre site along the east bank of the Missouri River. We own approximately 46 acres of this site and have rights to use the remaining portion of the site that is owned by the State of Iowa for a term expiring in 2045. We lease approximately one acre of the Ameristar Council Bluffs site to a third party for the operation of a 188-room limited service Holiday Inn Suites Hotel and a 96-room Hampton Inn Hotel.

Ameristar East Chicago: Ameristar East Chicago is located on a 28-acre site in East Chicago, Indiana, approximately 25 miles from downtown Chicago, Illinois. We lease the site from the City of East Chicago under a ground lease that expires (after giving effect to our renewal options) in 2086. We own the casino vessel, hotel and other improvements on the site.

Ameristar Kansas City: Ameristar Kansas City is located on approximately 183 acres of property that we own. The site is east of and adjacent to Interstate 435 along the north bank of the Missouri River.

Ameristar St. Charles: Ameristar St. Charles is located on approximately 52 acres that we own along the west bank of the Missouri River immediately north of Interstate 70. In addition, we own various real property in the region, including undeveloped land held for possible future wetlands remediation.

River City: We lease 56 acres in south St. Louis County located approximately 12 miles south of downtown St. Louis, where we have built our River City casino. The lease has a term of 99 years and commenced in September 2005.

Belterra: We lease approximately 148 acres of the 315 acres that our Belterra occupies in southern Indiana. The current lease term is through September 2015 and has seven remaining consecutive five-year automatic renewal periods. We also have the option to purchase the land on or after October 2020 for \$30 million, subject to adjustments as defined in the lease agreement. In addition, we own the facilities and associated improvements at the property,

including the dockside riverboat casino. We also own a 54-guestroom hotel on six acres approximately 10 miles from Belterra.

Belterra Park: The Belterra Park site includes approximately 160 acres that we own in southeast Cincinnati. We re-developed the site as a gaming entertainment property that opened in May 2014.

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Ameristar Vicksburg: Ameristar Vicksburg is located on two parcels, totaling approximately 52 acres, that we own in Vicksburg, Mississippi, on either side of Washington Street near Interstate 20. We own or lease various other properties in the vicinity that are not part of our facility, including a service station and convenience store and a recreational vehicle park that we operate.

Boomtown Bossier City: We own 23 acres on the banks of the Red River in Bossier City, Louisiana. We also own the facilities and associated improvements at the property, including the dockside riverboat casino. We lease approximately one acre of water bottoms from the State of Louisiana. The current lease term expires in September 2016. We have options to extend the lease for seven additional five-year periods.

Boomtown New Orleans: We own approximately 54 acres in Harvey, Louisiana, that are utilized by Boomtown New Orleans. We also own the facilities and associated improvements at the property, including the dockside riverboat casino and hotel.

L'Auberge Baton Rouge: We own approximately 577 acres of land located approximately 10 miles south of downtown Baton Rouge, Louisiana. Approximately 77 acres are utilized by L'Auberge Baton Rouge.

L'Auberge Lake Charles: We lease 232 acres from the Lake Charles Harbor and Terminal District upon which our L'Auberge Lake Charles casino-hotel resort is located. We own the facilities and associated improvements at the property, including the casino facility and 54 acres of excess land surrounding the site.

Ameristar Black Hawk: Ameristar Black Hawk is located on a site of approximately 6 acres that we own on the north side of Colorado Highway 119 in Black Hawk, Colorado. We own various other properties in the vicinity that are not part of our facility, including approximately 100 acres of largely hillside land across Richman Street from the casino site, portions of which are used for overflow parking, administrative offices and other operational uses, and a warehouse.

Cactus Petes and Horseshu: We own approximately 116 acres in or around Jackpot, Nevada, including the 34-acre site of Cactus Petes and the 25-acre site of The Horseshu. The Cactus Petes and Horseshu sites are across from each other on either side of U.S. Highway 93. We also own a service station and 288 housing units in Jackpot that support the primary operations of Cactus Petes and the Horseshu.

Central City, Colorado: We own approximately one and one-half acres of gaming-zoned land in Central City, Colorado.

Springfield, Massachusetts: We own approximately 40 acres of land in Springfield, Massachusetts, originally purchased by Ameristar Casinos, Inc. in January 2012 as the site of a possible future casino resort. During the first quarter of 2014, we entered into an option agreement to sell this land. As of December 31, 2014, this option had not been exercised.

Reno, Nevada: We hold approximately 783 acres of excess land surrounding Boomtown Reno. During the third quarter of 2014, we entered into an agreement to sell this land, subject to a due diligence period.

Other: We lease office and warehouse space in various locations outside of our operating properties, including our corporate offices in Las Vegas, Nevada.

Virtually all of our real property interests collateralize our obligations under our amended and restated credit facility.

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Item 3. Legal Proceedings

We are a party to a number of pending legal proceedings. Management does not expect that the outcome of such proceedings, either individually or in the aggregate, will have a material effect on our financial position, cash flows or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

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PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information: Our common stock is quoted on the New York Stock Exchange under the symbol "PNK." The table below sets forth the high and low sales prices of our common stock as reported on the New York Stock Exchange:

	Price Range	
	High	Low
2014		
Fourth Quarter	\$26.00	\$19.66
Third Quarter	27.45	21.46
Second Quarter	25.72	21.57
First Quarter	26.77	20.33
2013		
Fourth Quarter	\$26.58	\$22.40
Third Quarter	25.71	18.85
Second Quarter	20.99	14.14
First Quarter	16.97	13.28

Holders: As of February 26, 2015, there were 1,947 stockholders of record of our common stock.

Dividends: We did not pay any cash dividends in 2014 or 2013. Our indentures governing our senior subordinated notes, senior notes and our credit facility limit the amount of dividends that we are permitted to pay.

Sales of Unregistered Equity Securities: During the years ended December 31, 2014, 2013, and 2012, we did not issue or sell any unregistered equity securities.

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Stock Performance Graph: The stock performance graph and related information presented below is not deemed to be “soliciting material” or to be “filed” with the Securities and Exchange Commission or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 (the “Exchange Act”) or to the liabilities of Section 18 of the Exchange Act, and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent we specifically incorporate it by reference into such a filing.

Set forth below is a graph comparing the cumulative total stockholder return for Pinnacle’s common stock with the cumulative total returns for the New York Stock Exchange Composite Index (the “NYSE Composite Index”) and the Dow Jones US Gambling Index. The total cumulative return calculations are for the period commencing December 31, 2009 and ending December 31, 2014, and include the reinvestment of dividends. The stock price performance shown in this graph is neither necessarily indicative of, nor intended to suggest, future stock price performance.

	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Pinnacle Entertainment, Inc.	\$ 100.00	\$ 156.12	\$ 113.14	\$ 176.28	\$ 289.42	\$ 247.77
NYSE Composite Index	\$ 100.00	\$ 113.39	\$ 109.04	\$ 126.47	\$ 159.71	\$ 170.49
Dow Jones US Gambling Index	\$ 100.00	\$ 173.11	\$ 160.92	\$ 177.84	\$ 305.42	\$ 247.97

Assumes \$100 invested on December 31, 2009 in Pinnacle’s common stock, the NYSE Composite Index and the *Dow Jones US Gambling Index. Total return assumes reinvestment of dividends. Values are as of December 31st of each year.

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Item 6. Selected Financial Data

The following selected financial information for the years 2010 through 2014 was derived from our audited Consolidated Financial Statements. The information set forth below should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the audited Consolidated Financial Statements and related notes thereto.

	For the year ended December 31,				
	2014 (a)	2013 (b)	2012 (c)	2011 (d)	2010 (e)
	(in millions, except per share data)				
Results of Operations:					
Revenues	\$2,210.5	\$1,487.8	\$1,002.8	\$940.9	\$859.0
Operating income	310.5	104.4	136.7	127.3	52.4
Income (loss) from continuing operations, net of income taxes	38.3	(133.4)	(13.2)	28.9	(41.0)
Income (loss) from discontinued operations, net of income taxes	5.5	(122.5)	(18.6)	(31.4)	17.6
Income (loss) from continuing operations per common share:					
Basic	\$0.64	\$(2.27)	\$(0.22)	\$0.47	\$(0.67)
Diluted	\$0.62	\$(2.27)	\$(0.22)	\$0.46	\$(0.67)
Other Data:					
Capital expenditures and land additions	\$230.8	\$292.6	\$299.5	\$153.5	\$157.5
Ratio of Earnings to Fixed Charges (f)	1.1x	—	1.0x	1.2x	—
Cash Flows Provided by (Used in):					
Operating activities	\$328.5	\$161.1	\$186.9	\$131.8	\$88.7
Investing activities	33.2	(1,842.7)	(302.1)	(293.4)	(130.7)
Financing activities	(395.6)	1,778.5	136.7	46.5	108.2
Balance Sheet Data—December 31:					
Cash, restricted cash and equivalents (g)	\$170.3	\$203.5	\$100.5	\$82.9	\$199.9
Total assets	4,833.7	5,159.4	2,109.0	1,950.6	1,883.8
Long-term debt less current portion	3,975.6	4,364.0	1,437.3	1,223.9	1,176.6
Total stockholders’ equity	289.4	225.2	447.1	519.4	507.4

The financial results for 2014 include the full year impact of the acquisition of Ameristar Casinos, Inc. In addition, financial results include the opening of Belterra Park, which opened May 1, 2014, the redemption of approximately (a) \$514.3 million of aggregate principal amount of term loans, for a net reduction in total debt of \$401.3 million under our Amended and Restated Credit Agreement, a portion of which resulted in a \$8.2 million loss on early extinguishment of debt.

The financial results for 2013 include the impact of the acquisition of Ameristar in August 2013. In addition, we incurred \$85.3 million in costs associated with the acquisition of Ameristar Casinos, Inc., we incurred a \$30.8 million loss on early extinguishment of debt, a \$144.6 million charge to discontinued operations for the impairment of the Lumière Place Casino, the Four Seasons Hotel St. Louis and Hotel Lumière and related excess land parcels (b) classified as assets held for sale in 2013, a \$10.0 million charge related to the impairment of our Boomtown Bossier City gaming license, a tax benefit from the release of \$58.4 million of our valuation allowance as a result of the consolidation of our deferred tax assets with Ameristar’s deferred tax liabilities, and a \$92.2 million impairment of our investment in ACDL.

The financial results for 2012 include the opening of L’Auberge Baton Rouge, which opened September 1, 2012. In addition, we incurred a \$20.7 million loss on early extinguishment of debt, a \$10.2 million charge related to cash (c) and land donation commitments made for various projects in the City of St. Louis to satisfy obligations under our redevelopment agreement, and a \$25 million impairment of our investment in ACDL.

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(d) The financial results for 2011 include a full year of operations at River City, and the purchase of River Downs racetrack for approximately \$45.2 million in January 2011, as well as our \$95 million investment in ACDL in August 2011, which results have been included from the time of close. The purchase price of these entities has been excluded from the capital expenditures shown for 2011.

(e) The financial results for 2010 reflect impairment charges totaling \$35.5 million related to indefinite-lived intangible assets, land and development costs and buildings and equipment. In addition, the 2010 results reflect the March 2010 opening of River City and income from discontinued operations related to the recovery of insurance proceeds from our former Casino Magic Biloxi property.

(f) In computing the ratio of earnings to fixed charges: (x) earnings were the income from continuing operations before income taxes and fixed charges, excluding capitalized interest; and (y) fixed charges were the sum of interest expense, amortization of debt issuance costs, capitalized interest and the estimated interest component included in rental expense. Due principally to our large non-cash charges deducted to compute such earnings, earnings so calculated were less than fixed charges by \$44.5 million and \$56.4 million for the years ended December 31, 2013, and 2010, respectively.

(g) Excludes amounts of cash and cash equivalents associated with entities and operations included in discontinued operations in the respective year.

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Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of financial condition, results of operations, liquidity and capital resources should be read in conjunction with, and is qualified in its entirety by, our audited Consolidated Financial Statements and the notes thereto, included in this Annual Report on Form 10-K, and other filings with the Securities and Exchange Commission.

EXECUTIVE OVERVIEW

Pinnacle Entertainment, Inc. (“Pinnacle”) is an owner, operator and developer of casinos and related hospitality and entertainment facilities. We own and operate 15 gaming entertainment properties in Colorado, Indiana, Iowa, Louisiana, Mississippi, Missouri, Nevada, and Ohio. We also hold a majority interest in the racing license owner, and we are a party to a management contract, for Retama Park Racetrack located outside of San Antonio, Texas. In addition to these properties, we own and operate a live and televised poker tournament series under the trade name Heartland Poker Tour. We view each of our operating properties as an operating segment with the exception of our two properties in Jackpot, Nevada, which we view as one operating segment. For financial reporting purposes, we aggregate our operating segments into the following reportable segments:

Midwest segment, which includes:

Ameristar Council Bluffs
 Ameristar East Chicago
 Ameristar Kansas City
 Ameristar St. Charles
 River City
 Belterra
 Belterra Park

Location

Council Bluffs, Iowa
 East Chicago, Indiana
 Kansas City, Missouri
 St. Charles, Missouri
 St. Louis, Missouri
 Florence, Indiana
 Cincinnati, Ohio

South segment, which includes:

Ameristar Vicksburg
 Boomtown Bossier City
 Boomtown New Orleans
 L'Auberge Baton Rouge
 L'Auberge Lake Charles

Location

Vicksburg, Mississippi
 Bossier City, Louisiana
 New Orleans, Louisiana
 Baton Rouge, Louisiana
 Lake Charles, Louisiana

West segment, which includes:

Ameristar Black Hawk
 Cactus Petes and Horseshu

Location

Black Hawk, Colorado
 Jackpot, Nevada

We own and operate gaming entertainment properties, all of which include gaming and dining facilities, and most of which include hotel, retail and other amenities. In addition, we manage a racetrack and own and operate a poker tour. Our operating results are highly dependent on the volume of customers at our properties, which, in turn, affects the price we can charge for our hotel rooms and other amenities. While we do provide casino credit in several gaming jurisdictions, most of our revenue is cash-based, with customers wagering with cash or paying for non-gaming services with cash or credit cards. Our properties generate significant operating cash flow. Our industry is capital-intensive, and we rely on the ability of our properties to generate operating cash flow to pay interest, repay debt costs and fund maintenance capital expenditures.

Our mission is to increase stockholder value. We seek to increase revenues through enhancing the guest experience by providing them with their favorite games, restaurants, hotel accommodations, entertainment and other amenities in attractive surroundings with high-quality guest service and guest rewards programs. We seek to improve cash flows

by focusing on operational excellence and efficiency while meeting our guests' expectations of value. Our long-term strategy includes disciplined capital expenditures to improve and maintain our existing properties, while growing the number and quality of our facilities by pursuing gaming entertainment opportunities we can improve, develop, or acquire. We intend to diversify our guest demographics and revenue sources by growing our portfolio of operating properties both domestically and internationally, while remaining gaming and entertainment centric. We intend to implement these strategies either alone or with third parties

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when we believe it benefits our stockholders to do so. In making decisions, we consider our stockholders, guests, team members and other constituents in the communities in which we operate.

Highlights of 2014 include the following:

Substantially completed the integration of our operations related to the merger with Ameristar Casinos, Inc. (“Ameristar”), including the implementation and realization of synergies from the combined businesses and the successful implementation and expansion of our mychoice loyalty program to the acquired Ameristar properties;

Retired \$514.3 million of aggregate principal amount of term loans under our Amended and Restated Credit Agreement (“Credit Facility”) for a net reduction of \$401.3 million after giving effect to incremental revolving credit facility borrowings. This includes the redemption of our then outstanding principal balance of Tranche B-1 term loans;

Opened our Belterra Park Gaming and Entertainment Center (“Belterra Park”) property in Cincinnati, Ohio, which offers live racing, pari-mutuel wagering, video lottery terminal gaming, six restaurants, a VIP lounge, and new racing facilities in May 2014;

Completed the sale of the ownership interests in our subsidiaries that operate the Lumière Place Casino, Hotel Lumière, the Four Seasons Hotel St. Louis, and related excess land parcels (collectively, the “Lumière Place Casino and Hotels”) for net cash consideration of \$250.3 million in April 2014; and

Opened 150-room hotel at Boomtown New Orleans Casino in New Orleans, Louisiana, in December 2014.

In November 2014, we announced that our Board of Directors approved a plan to pursue a separation of our operating assets and real estate assets into two publicly traded companies. We intend to carry out the proposed separation of our real estate assets through the creation of a newly formed, publicly traded, real estate investment trust (“REIT”), the common stock of which would be distributed to Pinnacle stockholders in a tax-free spin-off (“REIT transaction”), with Pinnacle remaining an operating entity (“Op Co”) following the transaction. The completion of the REIT transaction is subject to the successful resolution of various contingencies, including, but not limited to, approval by the required gaming regulators, and obtaining a private letter ruling from the U.S. Internal Revenue Service (“IRS”).

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RESULTS OF OPERATIONS

The following table highlights our results of operations for the years ended December 31, 2014, 2013, and 2012. As discussed in Note 13, "Segment Information," to our Consolidated Financial Statements, we report segment operating results based on revenues and Adjusted EBITDA. Such segment reporting is on a basis consistent with how we measure our business and allocate resources internally. See Note 13, "Segment Information," to our Consolidated Financial Statements for more information regarding our segment information. The following table highlights our Adjusted EBITDA (defined below) for each segment and reconciles Consolidated Adjusted EBITDA (defined below) to Income (loss) from continuing operations in accordance with U.S. GAAP.

	For the year ended December 31,		
	2014	2013	2012
	(in millions)		
Revenues:			
Midwest segment (a)	\$1,185.2	\$650.9	\$367.3
South segment (a)	801.9	748.1	634.9
West segment (a)	216.0	82.9	—
	2,203.1	1,481.9	1,002.2
Corporate and other (c)	7.4	6.0	0.6
Total revenues	\$2,210.5	\$1,487.9	\$1,002.8
Adjusted EBITDA (b):			
Midwest segment	\$348.4	\$183.7	\$94.3
South segment	244.4	213.5	176.6
West segment	78.2	27.7	—
	671.0	424.9	270.9
Corporate expenses and other (c)	(86.2	) (54.3	) (20.6
Consolidated Adjusted EBITDA (b)	\$584.8	\$370.6	\$250.3
Other benefits (costs):			
Depreciation and amortization	\$(241.1	) \$(148.5	) \$(82.7
Pre-opening, development and other costs	(13.0	) (89.0	) (21.5
Non-cash share-based compensation	(13.9	) (11.5	) (8.5
Write-downs, reserves and recoveries, net	(6.4	) (17.3	) (0.8
Interest expense, net	(252.6	) (169.8	) (93.7
Loss from equity method investment	(0.2	) (92.2)