UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): May 7, 2012

PENN NATIONAL GAMING, INC.

Commission file number 0-24206

Incorporated Pursuant to the Laws of the Commonwealth of Pennsylvania

IRS Employer Identification No. 23-2234473

825 Berkshire Blvd., Suite 200
Wyomissing, PA 19610

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On May 7, 2012, Penn National Gaming, Inc. ("Penn") entered into that certain Equity Interest Purchase Agreement (the "Purchase Agreement") with Caesars Entertainment Operating Company, Inc. ("CEOC"), Harrah's Maryland Heights Operating Company ("HMHO"), Players Maryland Heights Nevada, LLC (together with CEOC and HMHO, the "Selling Subsidiaries"), Caesars Entertainment Corporation ("CEC"), and Harrah's Maryland Heights, LLC, owner of the Harrah's St. Louis casino ("HMH"). Each of the Selling Subsidiaries and HMH are wholly-owned subsidiaries of CEC.

Upon the terms and subject to the conditions set forth in the Purchase Agreement, Penn will purchase from the Selling Subsidiaries all of the equity interests of HMH for a purchase price of $610.0 million, subject to adjustments at closing based on the amount of working capital and certain other operational balances. The transaction will be funded through an add-on to Penn's existing Senior Secured Credit Facility. The transaction is subject to customary closing conditions, including the receipt of regulatory approvals and expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The Purchase Agreement may be terminated under certain circumstances, including by either party if the consummation of the transaction has not occurred by the outside date, November 7, 2012 (subject to extension by three two-month extensions, for a total extension of six months, at the election of Penn or CEC). The transaction is expected to close in the second half of 2012.

At the time of the execution of the Purchase Agreement, Penn deposited $9.15 million (the "Deposit") into an escrow account, which amount shall be released to the Selling Subsidiaries at the closing and credited toward the purchase price. Penn is required to increase the Deposit by $9.15 million for each two-month extension of the outside date, unless Penn has taken certain actions to cause a delay in the transaction, in which case Penn may be required to increase the Deposit by $23.363 million for each two-month extension. The Deposit is non-refundable under certain circumstances, including termination of the Purchase Agreement for failure of the parties to consummate the sale by the outside date, as extended. Further, if the transaction fails to occur because Penn has taken certain actions that have resulted in the failure to obtain necessary regulatory approvals, then under certain circumstances Penn may be required to make a make-whole payment to the Selling Subsidiaries if the price for which HMH or its assets are subsequently sold, plus the amount of the Deposit previously forfeited to the Selling Subsidiaries, is less than the purchase price under the Purchase Agreement.

The Purchase Agreement contains customary representations, warranties, covenants and indemnifications by Penn, CEC, HMH and the Selling Subsidiaries.

On May 7, 2012, Penn issued a press release announcing the execution of the Purchase Agreement. A copy of this press release is included as Exhibit 99.1 to this report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release, dated May 7, 2012, Announcing Execution of Purchase Agreement.

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SIGNATURES

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

Dated: May 9, 2012 PENN NATIONAL GAMING, INC.

By: /s/ Robert Ippolito
Name: Robert Ippolito
Title: Vice President, Secretary and Treasurer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated May 7, 2012.

NEWS ANNOUNCMENT

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**PENN NATIONAL GAMING TO ACQUIRE HARRAH'S ST. LOUIS
FOR $610 MILLION IN ACCRETIVE TRANSACTION**

**- Transaction Expands Penn National's Presence in the St. Louis
Gaming Market with Established, Missouri-Based Gaming Facility -**

**- Penn National to Fund Acquisition Through Add-on
to Existing Senior Secured Credit Facility -**

Maryland Heights, MO and Wyomissing, PA (May 7, 2012) -- Penn National Gaming, Inc. (PENN: Nasdaq) announced today that it has entered into a definitive agreement to acquire the stock of the Harrah's St. Louis gaming and lodging facility from Caesars Entertainment (CZR: Nasdaq) for total consideration of approximately $610 million. The transaction price represents a multiple of approximately 7.75 times the property's trailing twelve month EBITDA (earnings before interest, taxes and depreciation) and will be funded through an add-on to Penn National's existing Senior Secured Credit Facility. While the acquisition is a stock transaction, for tax purposes, it will be treated as an asset transaction which Penn National expects will provide tax benefits that will effectively reduce the purchase multiple to 6.75 times the property's trailing twelve month EBITDA. Pro forma for the completion of the transaction, Penn National Gaming's total debt to EBITDA leverage ratio will increase to 3.25 times from 2.75 times (at March 31, 2012).

The transaction, expected to close in the second half of 2012, is subject to customary closing conditions and regulatory approvals and upon closing, Penn National will re-brand Harrah's St. Louis with the Company's Hollywood-themed brand.

Harrah's St. Louis is located in Maryland Heights, Missouri, directly off I-70 and adjacent to the Missouri River and approximately 22 miles northwest of downtown St. Louis, approximately eight miles west of Lambert St. Louis International Airport, and approximately 25 miles southwest of the Penn National's Argosy Casino Alton. The facility is situated on over 294 acres along the Missouri river and features approximately 109,000 square feet of gaming space with approximately 2,600 gaming machines and 85 table games (including poker positions), a 500 guestroom hotel, nine dining and entertainment venues and structured and surface parking for 4,644 vehicles.

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Peter M. Carlino, Chief Executive Officer of Penn National, commented, “The planned addition of Harrah’s St. Louis will further expand Penn National’s regional operating platform with a facility that is extremely well-positioned in a large metropolitan market. Under the terms of the agreement with Caesars, we are required to re-brand the facility. The re-branding with Penn National’s Hollywood brand -- which has been successfully introduced at eleven other properties across the country -- will invoke the glamour of 1930s’ art deco Hollywood. We look forward to working with Caesars over the upcoming months to ensure a seamless transition for all of our constituents including customers, employees, vendors and Missouri regulators.

“This accretive transaction represents yet another way for Penn National to sensibly leverage its industry-leading balance sheet to further expand our property portfolio. We believe the addition of Harrah’s St. Louis highlights our commitment to build shareholder value through return-focused capital deployment and complements our existing development pipeline which includes the scheduled opening of Hollywood Casino Toledo later this month and Hollywood Casino Columbus later this year along with the recent opening of Hollywood Casino at Kansas Speedway. We continue to evaluate other domestic regional gaming opportunities where we can leverage our balance sheet and proven operating disciplines.”

About Penn National Gaming

Penn National Gaming owns, operates or has ownership interests in gaming and racing facilities with a focus on slot machine entertainment. The company presently operates twenty-six facilities in nineteen jurisdictions, including Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Mississippi, Missouri, Nevada, New Jersey, New Mexico, Ohio, Pennsylvania, Texas, West Virginia, and Ontario. In aggregate, Penn National's operated facilities currently feature approximately 29,700 gaming machines, approximately 665 table games, 2,400 hotel rooms and 1.2 million square feet of gaming floor space. Penn National is also developing casinos in Toledo and Columbus, Ohio, with openings targeted for 2012.

Forward-looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may vary materially from expectations. Penn describes certain of these risks and uncertainties in its filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2011. Meaningful factors that could cause actual results to differ from expectations include, but are not limited to, risks related to the following: our ability to receive timely regulatory approval for and to otherwise complete the planned acquisition, including satisfaction of all conditions precedent set forth in the definitive purchase agreement; the costs and risks of litigation and/or exercise of remedies, including the loss of any deposits, as set forth in the purchase agreement or otherwise in the event that the transactions contemplated in the purchase agreement are not consummated; our ability to obtain the financing on acceptable terms and rates necessary to complete the planned acquisition; our ability to successfully integrate such acquisition into our existing business and to achieve the expected returns; our ability to receive, or delays in obtaining, the regulatory approvals required to own, develop and/or operate our facilities (which can result in lost revenue and forfeiture of deposits), or other delays or impediments to completing our planned projects, including favorable resolution of any related litigation; our ability to secure state and local permits and approvals necessary for construction; construction factors, including delays, unexpected remediation costs, local opposition and increased cost of labor and materials; the effects of local and national economic, credit, capital market, housing, and energy conditions on the economy in general and on the gaming and lodging industries in particular; and other factors as discussed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2011, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as filed with the SEC. The Company does not intend to update publicly any forward-looking statements except as required by law.

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