

**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): **October 26, 2005** (October 25, 2005)

PENN NATIONAL GAMING, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction
of incorporation)

0-24206
(Commission
File Number)

23-2234473
(IRS Employer
Identification No.)

825 Berkshire Blvd., Suite 200
Wyomissing Professional Center
Wyomissing, PA
(Address of principal executive offices)

19610
(Zip Code)

Registrant's telephone number, including area code: **(610) 373-2400**

Not applicable

(Former name or former address, if changed since last report)

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

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

Item 2.01. Completion of Disposition of Assets.

On October 25, 2005, pursuant to the previously announced Securities Purchase Agreement among Argosy Gaming Company, Wimar Tahoe Corporation and CP Baton Rouge Casino, L.L.C., an affiliate of Columbia Sussex Corporation ("Buyer"), Penn National Gaming (the "Company") completed its sale to Buyer of the Argosy Casino-Baton Rouge.

The Company announced the completion of the sale in a press release dated October 25, 2005, a copy of which is filed as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

Exhibit 99.1 Press Release, dated October 25, 2005, issued by Penn National Gaming, Inc.

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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 hereunto duly authorized.

PENN NATIONAL GAMING, INC.
(Registrant)

By: /s/ Robert S. Ippolito

Date: October 25, 2005

Robert S. Ippolito
Vice President, Secretary

EXHIBIT INDEX

Exhibit No.

Exhibit 99.1 Press Release, dated October 25, 2005, issued by Penn National Gaming, Inc.



CONTACT:
William J. Clifford
Chief Financial Officer
610/373-2400

Joseph N. Jaffoni
Jaffoni & Collins Incorporated
212/835-8500 or penn@jcir.com

**PENN NATIONAL GAMING COMPLETES SALE OF
ARGOSY CASINO-BATON ROUGE**

WYOMISSING, Pa. (October 25, 2005) — Penn National Gaming, Inc. (PENN: Nasdaq) announced today that it has completed the previously announced sale of Argosy Casino-Baton Rouge to an affiliate of Columbia Sussex Corporation for \$150 million in cash. Penn National intends to use the approximately \$125 million in net after-tax proceeds from the sale to reduce debt.

Penn National acquired Argosy Casino-Baton Rouge earlier this month as part of its acquisition of Argosy Gaming Company and at that time classified the Argosy Casino-Baton Rouge property as an asset held for sale.

About Penn National Gaming

Penn National Gaming owns and operates casino and horse racing facilities with a focus on slot machine entertainment. The Company presently operates fifteen facilities in thirteen jurisdictions including Colorado, Illinois, Indiana, Iowa, Louisiana, Maine, Mississippi, Missouri, New Jersey, Ohio, Pennsylvania, West Virginia, and Ontario. In aggregate, Penn National's facilities feature over 17,500 slot machines, over 400 table games, over 2,000 hotel rooms and approximately 575,000 square feet of gaming floor space. The property statistics in this paragraph exclude two Argosy properties which the company anticipates divesting, but are inclusive of the Company's Casino Magic - Bay St. Louis, in Bay St. Louis, Mississippi and the Boomtown Biloxi casino in Biloxi, Mississippi, which remain closed following extensive damage incurred as a result of Hurricane Katrina.

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. The Company 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, 2004. The Company does not intend to update publicly any forward-looking statements except as required by law. The cautionary advice in this paragraph is permitted by the Private Securities Litigation Reform Act of 1995.

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