

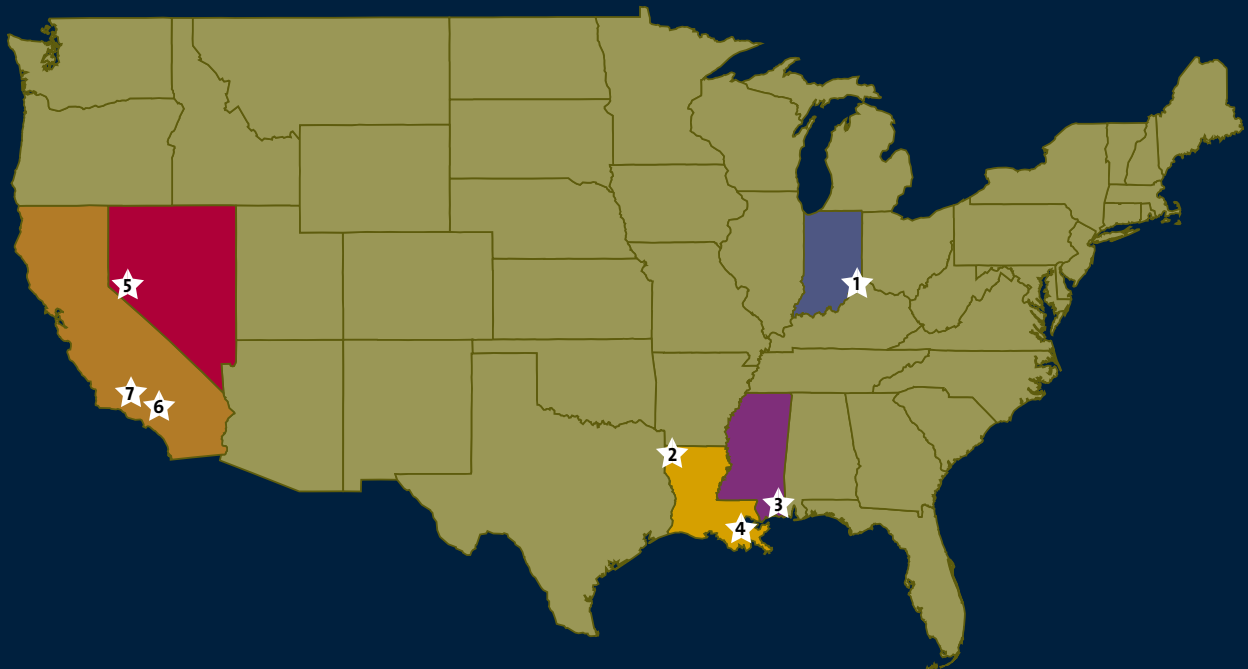
Keeping it Strategic

THE PRINCIPAL MESSAGE IN THIS YEAR'S ANNUAL REPORT IS THAT WE ARE COMMITTED TO CONTINUING OUR BASIC STRATEGY. AFTER MANY YEARS OF DOING BUSINESS AS HOLLYWOOD PARK, WE HAVE JUST COMPLETED OUR FIRST YEAR AS PINNACLE ENTERTAINMENT. WE HAVE ATTRACTIVE ASSETS IN STRATEGIC MARKETS AND A VERY STRONG BALANCE SHEET. FURTHERMORE, WE HAVE AN EXPERIENCED MANAGEMENT TEAM THAT IS PASSIONATELY COMMITTED TO GROWING OUR BUSINESS IN A PROFITABLE AND SENSIBLE WAY. WE ARE DEDICATED TO RESHAPING OUR COMPANY INTO A NATIONAL GAMING AND ENTERTAINMENT ENTITY THAT DELIVERS MAXIMUM EXCITEMENT TO OUR CUSTOMERS AND VALUE TO OUR SHAREHOLDERS.

Our Geographic Focus

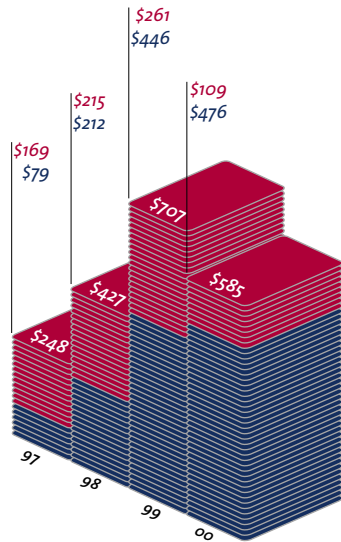
OUR STRATEGICALLY LOCATED PROPERTIES CATER PRINCIPALLY TO LOCAL AND REGIONAL GAMING

PATRONS IN MAJOR MARKETS OUTSIDE OF LAS VEGAS AND ATLANTIC CITY.

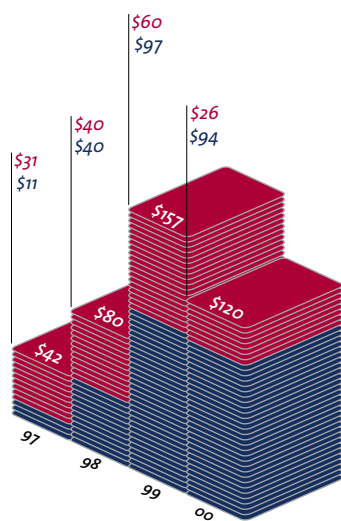


1. BELTERRA CASINO RESORT/SWITZERLAND COUNTY, INDIANA
2. CASINO MAGIC BOSSIER CITY/BOSSIER CITY, LOUISIANA
3. CASINO MAGIC BILOXI/BILOXI, MISSISSIPPI
4. BOOMTOWN NEW ORLEANS/HARVEY, LOUISIANA
5. BOOMTOWN RENO/VERDI, NEVADA
6. TWO CARD CLUBS/LOS ANGELES COUNTY, CALIFORNIA
7. CORPORATE OFFICES IN GLENDALE, CALIFORNIA

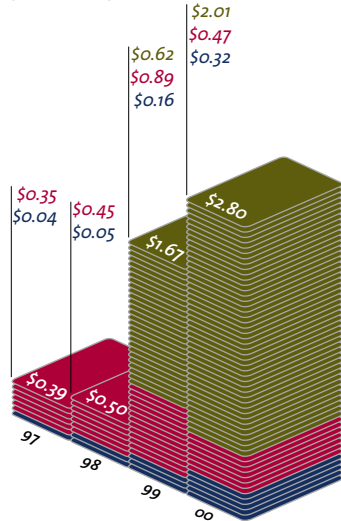
Consolidated Revenues
(in millions)



Consolidated EBITDA
(in millions)



Earnings per Share
(in millions)



- Non-Recurring (primarily gain on asset sales)
- Discontinued Operations
- Continuing Operations

Financial Highlights

	1999	2000	%Change
Revenues*	\$446.2M	\$476.8M	Up 7%
EBITDA*	\$ 97.1M	\$ 94.1M	Down 3%
EPS (diluted)	\$ 1.67	\$ 2.80	Up 68%

*Continuing Operations

Asset Dispositions

As part of our basic strategy, we sold certain non-core assets during 1999 and 2000. Earnings Per Share was favorably affected by one-time gains from the sale of the following properties:

- Hollywood Park Race Track and Casino Inglewood, California (September 1999)
- 42 acres of surplus land in Inglewood, California (March 2000)
- Turf Paradise Race Track/Phoenix, Arizona (June 2000)
- Boomtown Biloxi Casino (August 2000)
- Casino Magic Bay St. Louis Casino (August 2000)

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Debt Reduction

With \$120 million of the proceeds received from asset dispositions, in August 2000 we redeemed notes payable which had a 13% coupon interest rate plus additional interest based upon the cash flow generated at our Casino Magic Bossier City property.

Capital Expenditures

Our capital expenditures in 2000 were approximately \$194.6 million, including approximately \$174 million of which was for the \$215 million Belterra Casino Resort, which opened to the public on October 27, 2000.



Paul Alanis
*Chief Executive Officer
and President*

Dear Fellow Shareholders

As all of our shareholders are aware, we entered into a merger agreement in April of 2000 and worked toward that goal until January of this year, when the transaction was terminated. Also in 2000, the riverboat for our flagship property in Indiana was struck by a barge while en route to its destination at our new Belterra property on the Ohio River. This delayed our opening there by several months, which put our opening into the winter — one of the worst winters in decades — and negatively impacted our initial operating results. During the fourth quarter, that same weather also affected operations at our Casino Magic Bossier City property in Louisiana.

The cumulative effect of these events had an impact on our performance in 2000. After a long run of increasing EBITDA, we posted \$94.1 million from continuing operations in 2000, down from the \$97.1 reported the previous year. We had a net loss in the fourth quarter of \$6.1 million. Fortunately, these disappointing results were mitigated by increased revenues earned through the sale of some of our non-core properties, including our last race track, Turf Paradise in Arizona. We are pleased to report that we have now successfully exited the racing business as part of our long-term strategy of concentrating on becoming one of the major gaming companies in the industry. As an additional benefit, these non-recurring revenues enabled us to pay down our debt by over \$120 million and ultimately achieve earnings per share on a non-recurring basis of \$2.01.

Continuing the Basic Strategy

Despite these various challenges encountered in 2000, we remain confident that our long-term strategic plan is on track and we are more determined than ever to move that plan forward. After doing business for many years as Hollywood Park, we have completed our first year of operations as Pinnacle Entertainment. As we move forward, we are devoting all of our energies to the continued implementation of this strategic plan in our ongoing effort to enhance shareholder value. We have an experienced and dedicated management team with a proven track record to lead the way. We have a stable cash flow, significant cash reserves (with cash and short term investments as of December 31, 2000 of \$172 million), plus an unused borrowing facility of \$200 million to fund our efforts. In addition, we have a balanced and disciplined growth strategy and a focus on improving our existing operations to grow cash flow.

While our new Belterra Casino and Hotel Resort opened slower than anticipated, it is steadily improving every month and represents a prime example of this strategy. This property offers, by far, the most attractive amenities in the market, including a Fazio-designed championship golf course which will open this summer. There are over 4.9 million people living within a two-hour drive of our property. Realizing the market potential for this region, we opted to build a dramatic facility which would provide the most distinctive gaming and vacation experience anywhere along the Ohio River in the three-state area of Kentucky, Ohio and Indiana. So, despite our slow start, we remain confident that this property will be a financial success for our company and represent a valuable long-term asset that will continue to appreciate into the future.



R.D. Hubbard
Chairman

Whether building or buying, our strategy remains simple — to increase shareholder value. We want to own and operate properties in markets that have significant future growth potential and have a balanced, geographically diversified portfolio of quality assets. Examples of the implementation of this basic strategy this year include the following:

- * We divested our Boomtown Biloxi and Casino Magic Bay St. Louis properties, reducing our exposure in this market to a single, highly desirable location in Biloxi, Mississippi.
- * We completed the sale of 42 acres of excess land in Inglewood, California to Home Depot for \$24 million in cash, and our Turf Paradise Race Track in Phoenix, Arizona for \$53 million in cash.
- * We entered into an agreement with Casden Properties for the sale of our remaining excess acreage in Inglewood, California at a price of \$63 million.
- * Dockside gaming has been approved in the state of Louisiana, which will enhance operations at our Boomtown New Orleans property and at our proposed Lake Charles project, should we be successful in being awarded the 15th and final riverboat gaming license later this year. Such Lake Charles project would be a \$225 million development, including a dockside riverboat casino, 500-room hotel, championship golf course and other amenities, all located within a two-hour drive of Houston, Texas.
- * In Louisiana, we are planning an expansion of our Casino Magic Bossier City property to include a new state-of-the-art dockside riverboat and pavilion building, including new restaurants, retail and a major entertainment venue.
- * A multi-level parking garage is planned to begin construction in the fall of 2001 for our Casino Magic Biloxi facility in Mississippi.

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Our strategic plan is only partially implemented. Our goal is to be one of the most profitable and dynamic regional gaming companies in the United States. We're focused on improving margins and being smart and creative operators and developers. With our excellent property portfolio and solid balance sheet, Pinnacle occupies a strong competitive position in our industry with the potential to significantly increase shareholder value. Through hard work and by focusing on fundamentals we can and will complete our plan. On behalf of all of the management at Pinnacle, we thank you for your continued support.

R.D. Hubbard
Chairman

Paul Alanis
Chief Executive Officer and President

March 23, 2001

GAMING ASSETS

A cruising riverboat containing:

- 1,351 slots
- 57 tables

OTHER AMENITIES

- 308 hotel rooms and penthouse suites
- 6 restaurants
- 2,000 parking spaces, including a multi-level garage
- 18-hole Tom Fazio Championship Golf Course
- Spa facility
- 1,500 seat entertainment venue
- Retail shops

MARKET POTENTIAL

This destination resort property is located within a one-hour drive from Cincinnati, Ohio and Louisville, Kentucky; slightly more than a one-hour drive from Lexington, Kentucky; and is a two-hour drive from Indianapolis, Indiana.

Metro Area	Population
Cincinnati	1,959,400
Indianapolis	1,529,700
Louisville	989,000
Lexington	454,600
Total	4,932,000

Belterra received the last gaming license available under Indiana law for the Ohio River region, thus limiting future competition.

LOCATED IN SWITZERLAND COUNTY

INDIANA, THIS 315-ACRE CASINO AND

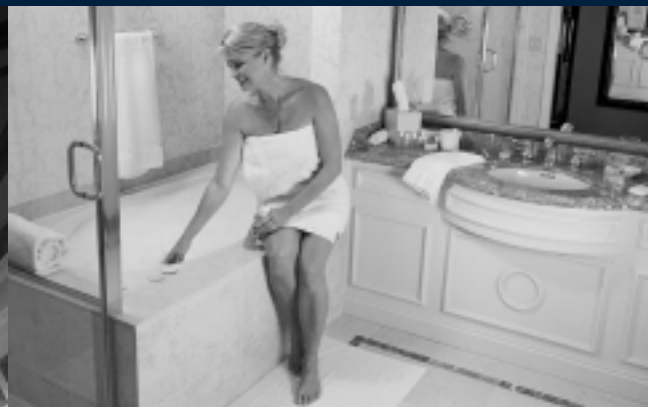
HOTEL RESORT OPENED IN OCTOBER 2000.

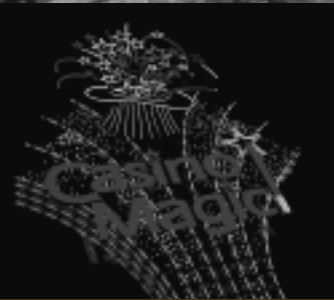
THE CHAMPIONSHIP GOLF COURSE WILL

OPEN DURING THE SUMMER OF 2001.



Belterra Casino Resort





Casino Magic Bossier City

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GAMING ASSETS

A docked riverboat casino, containing:

- 1,058 slots
- 41 tables

OTHER AMENITIES

- 188 hotel rooms
- 3 restaurants
- 2,100 parking spaces, including a multi-level garage
- 55,000 square foot entertainment pavilion
- 300 seat live entertainment theatre

MARKET POTENTIAL

Casino Magic Bossier City is situated directly off Interstate 20, allowing convenient access to the Dallas/Ft. Worth metro area.

Metro Area	Population
Dallas/Fort Worth	4,852,400
Shreveport/Bossier City	377,300
Total	5,229,700

LOCATED IN BOSSIER CITY,

LOUISIANA, THIS RIVERBOAT

CASINO AND 23-ACRE FACILITY

WAS ACQUIRED IN 1998.



0 40 80 miles

LOCATED ON THE GULF COAST IN
 BILOXI, MISSISSIPPI, THIS 18-ACRE
 DOCKSIDE GAMING FACILITY WAS
 ACQUIRED IN 1998.



GAMING ASSETS

A 47,700 square foot casino barge, containing:

- 1,275 slots
- 35 tables

OTHER AMENITIES

- 378 hotel rooms
- 4 restaurants
- 6,600 square foot convention space
- Health club spa and salon
- Retail shops
- 1,315 parking spaces

MARKET POTENTIAL

This property is well located on Biloxi's "Casino Row" and is within easy driving distance from three major population centers in the Gulf Coast region.

Metro Area	Population
Tallahassee	1,714,600
Mobile	535,400
Pensacola	411,800
Total	2,611,800

Casino Magic Biloxi



GAMING ASSETS

A riverboat casino, containing:

- 1,183 slots
- 35 tables

OTHER AMENITIES

An 88,000 square foot pavilion building, featuring the following:

- 3 restaurants
- Banquet facilities
- Arcade-style amusement center
- Live entertainment nightclub facility
- 1,729 parking spaces

MARKET POTENTIAL

This property draws essentially from the local population, and has a loyal customer base, with the average customer visiting 4 times per month.

Metro Area	Population
New Orleans	1,309,900

Future competition in the region is limited by the fact that there is only one remaining gaming license available in Louisiana, and no current applicant for such license has proposed locating it in the greater New Orleans area.

LOCATED IN HARVEY, LOUISIANA

(APPROXIMATELY 15 MILES FROM

DOWNTOWN NEW ORLEANS),

THIS 54-ACRE FACILITY WAS

ACQUIRED IN 1997.



BooMtOwN New Orleans





Boomtown Reno

LOCATED IN VERDI, NEVADA, THIS 569-ACRE LAND-BASED FACILITY WAS ACQUIRED IN 1997. THIS PROPERTY INCLUDES 250 ADDITIONAL ACRES AVAILABLE FOR DEVELOPMENT.



0 40 80 miles

GAMING ASSETS

A 45,000 square foot casino, containing:

- 1,265 slots
- 39 tables

OTHER AMENITIES

- 318 hotel rooms
- 4 restaurants
- 1,351 parking spaces
- Over 10,000 square feet of convention space/meeting rooms
- Truck stop
- RV Park (203 spaces)
- Full-service gas station and mini-mart
- Family Fun Center (16,000 square feet)

MARKET POTENTIAL

Boomtown Reno is adjacent to Interstate 80, the region's major travel artery with California. It achieves significant visitation from the 10 million vehicles passing the property annually, and attracts numerous customers from the Bay Area, particularly on weekends.

Metro Area	Population
San Francisco/San Jose	7,079,100
Reno	312,700
Total	7,319,800

Corporate Information

Directors

R.D. Hubbard^(a)
Chairman of the Board

Paul R. Alanis
Director

Robert T. Manfuso^(b)
Director
Partner, Manfuso Brothers

James Martineau^(b)
Director
Private Investor

Gary Miller^(c)
Director
Chairman of the Board,
Four Star Golf, Inc.

Michael Ornest^(c)
Director
Private Investor

Timothy J. Parrott^(a,c)
Director
Chief Executive Officer,
Parrott Investment Company

Lynn P. Reitnouer^(a,b)
Director
Partner, Crowell Weedon & Co.

Marlin Torguson
Director
Private Investor

^(a) *Member of the Executive Committee*

^(b) *Member of the Compensation Committee*

^(c) *Member of the Audit Committee*

Senior Officers

R.D. Hubbard
Chairman of the Board

Paul R. Alanis
President and
Chief Executive Officer

G. Michael Finnigan
President and
Chief Executive Officer of
Realty Investment Group, Inc.
(wholly owned subsidiary of
the Company)

J. Michael Allen
Senior Vice President,
Chief Operating Officer of
Gaming Operations

James W. Barich
Senior Vice President,
Public Affairs

Bruce C. Hinckley
Senior Vice President,
Chief Financial Officer
and Treasurer

Loren S. Ostrow
Senior Vice President,
General Counsel and Secretary

Annual Meeting of Stockholders

May 22, 2001 9:00 AM PDT
Glendale Hilton
100 West Glenoaks
Glendale, CA 91202

Securities Information

Pinnacle Entertainment Inc. stock trades on the New York Stock Exchange under the symbol PNK

Transfer Agent and Registrar

Mellon Investor Services LLC
P.O. Box 3315
South Hackensack, NJ 07606
800-356-2017
www.mellon-investor.com

Trustee of Senior Subordinated Notes

The Bank of New York
101 Barclay Street, Floor 21 West
New York, NY 10286

Form 10-K

Upon written request, the Company's Form 10-K for the fiscal year ended December 31, 2000, which has been filed with the Securities and Exchange Commission, is available free of charge.

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Corporate Offices

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www.pinnacle-entertainment-inc.com
www.casinomagic.com
www.boomtowncasinos.com
www.beltterraresortcasino.com

Certified Public Accountants

Arthur Andersen LLP
Los Angeles, CA

Legal Counsel

Irell & Manella LLP
Los Angeles, CA