Penn Virginia GP Holdings, L.P.
Form 425
September 22, 2010

Penn Virginia Resource Partners, L.P
Penn Virginia GP Holdings, L.P
Investor Presentation
9/22/2010
NYSE: PVR
www.pvresource.com
NYSE: PVG
www.pvgpholdings.com

Filed by Penn Virginia GP Holdings, L.P. pursuant to Rule 425 under the Securities Act of 1933 and deemed filed pursuant to Rule 14a-12 under the Securities Exchange Act of 1934
Subject Company: Penn Virginia GP Holdings, L.P.
Commission File No.: 001-33171

2

Legal Notices

Certain statements by PVR and PVG contained herein that are not descriptions of historical facts are forward-looking staten PVR and PVG within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended. Words such as may, will, could, should, expect, plan, project, intend, antici estimate, predict, potential, pursue, target, continue, and similar expressions are intended to identify such for statements. These forward-looking statements include, without limitation, the anticipated benefits and other aspects of the pro merger, future financial and operating results and expectations and intentions with respect to future operations and services, ap

the proposed transaction by PVR and PVG unitholders, the satisfaction of the closing conditions to the proposed transaction, ar
timing of the completion of the proposed transaction. Because such statements include risks, uncertainties and contingencies,
results may differ materially from those expressed or implied by such forward-looking statements. Many of the factors that w
PVR s and PVG's future results are beyond the ability of management to control or predict. Readers should not place undue re
forward-looking statements, which reflect management s views only as of the date hereof. PVR and PVG undertake no obliga
or update any forward-looking statements, or to make any other forward-looking statements, whether as the result of new infor
future events or otherwise. These risks as well as other risks, uncertainties and contingencies are discussed in more detail in PV
PVG's joint press release and public periodic filings with the Securities and Exchange Commission (SEC), including PVR
Annual Reports on Form 10-K for the year ended December 31, 2009 and most recent Quarterly Reports on Form 10-Q.

PVR and PVG will file a joint proxy statement/prospectus and other documents with the SEC in relation to the merger. Investo
to read these documents carefully when they become available because they will contain important information regarding PVR
the transaction. A definitive joint proxy statement/prospectus will be sent to unitholders of PVR and PVG seeking their appro
contemplated by the merger agreement. Once available, investors may obtain a free copy of the joint proxy statement/prospectu
participants in the solicitation of proxies from their security holders. Information about these entities and persons can be found
and PVG s Annual Reports on Form10-K for the year ended December 31, 2009. Additional information about such entities a
may also be obtained from the joint proxy statement/prospectus when it becomes available.

other documents containing information about PVR and PVG, without charge, at the SEC s website at www.sec.gov. Copies of the joint proxy statement/prospectus and the SEC filings that will be incorporated by reference in the joint proxy statement/prospe may also be obtained free of charge by contacting investor relations at 610-975-8204, or by accessing www.pvresource.com or www.pvgpholdings.com. PVR, PVG, and the officers and directors of the general partner of each partnership may be deemed to be

3
Transaction Summary

The boards of directors of PVR and PVG have agreed to a merger of the two partnerships in a tax-free, 100% equity exchange

Terms of the merger were approved by the conflicts committees and boards of PVR and PVG

The merger is subject to approval by a majority of each of PVR s and PVG s unitholders

PVG has agreed to vote its approximate 37.6% interest in PVR units in favor of the merger

PVG unitholders will receive 0.98 PVR limited partnership (LP) units in exchange for each PVG LP unit they own

The merger would result in 38.3 million additional PVR units being issued and the cancellation of the approximate 19.6 million PVR LP units currently owned by PVG

Following the merger, the former PVG unitholders will own approximately 54% of PVR s LP units

The merger would result in PVR owning its General Partner and the cancellation of PVG s incentive distribution rights (IDRs)

The PVR management team will continue in their current roles

PVR s unitholders will elect all of the directors of its general partner s board of directors beginning in 2011

All three of PVG s independent directors are expected to join PVR s board of directors

The transaction is expected to result in dilution of PVR s distributable cash flow per unit of approximately 1.0% in 2011 (a)

Thereafter, the transaction is expected to be accretive as the economic benefits of the merger are realized

(a) Accretion / dilution calculations are based on management assumptions presented on page 8

4

Expected Merger Benefits

The merger is expected to provide benefits to both PVR and PVG unitholders, including:

Lower Cost of Capital

Elimination of the IDRs
will reduce PVR s cost of capital

Lower cost of capital enhances the cash accretion from investments in internal growth projects and acquisitions

Strengthens PVR s overall competitive position when pursuing growth opportunities

Simplified Structure

Provides a capital structure more easily understood by the investing public

Streamlines governance of PVR

Eliminates the potential for conflicts of interest from dual management roles

Reduces G&A costs associated with the elimination of one publicly traded entity

Enhanced Investor and Market Profile

Improves transparency for debt and equity investors

Attracts a broader investor base by increasing the public float and trading liquidity of the market for PVR s LP units

Provides PVR s unitholders the right to elect all of the directors of its general partner s board of directors

Based on the exchange ratio and upon closing of the merger, PVG unitholders quarterly cash distributions will increase 18%

5
Current Structure
Penn Virginia
Resource Partners, L.P.
(NYSE: PVR)
Public
Unitholders
32.7 MM Common

Units
60.4% LP interest
Penn Virginia
GP Holdings, L.P.
(NYSE: PVG)
Public
Unitholders
39.1 MM Common
Units
100% LP interest
Penn Virginia
Resource
GP, LLC
100% ownership
2% GP Interest
and Incentive
Distribution Rights
37.6% LP interest
19.6 MM PVR Common Units
Notes:
1)
Chart displays simplified organizational structure
2)
Units outstanding and ownership interests are
rounded approximations
Penn Virginia
Operating Co., LLC
and its subsidiaries

6
Post-Transaction Structure
Penn Virginia
Resource Partners, L.P.
(NYSE: PVR)
Public
Unitholders
71.0 Million

Common Units
100% LP interest
Penn Virginia
Operating Co., LLC
and its subsidiaries
Penn Virginia
Resource
GP, LLC
100% (Indirect)
Non-economic GP interest
Notes:
1)
Chart displays simplified organizational structure
2)
Units outstanding and ownership interests are
rounded approximations

7
Transaction Milestones

Preparation of joint proxy statement/prospectus by PVR and PVG

Review of joint proxy statement/prospectus by SEC

Solicitation of PVR and PVG unitholder votes

PVR and PVG unitholder meetings

Transaction Closing (anticipated Q1 2011)

8
Key Base Case Assumptions

Approximately $325 million of cumulative internal growth capital
expenditures from 2010 through 2014

$100
million

in
annual
acquisitions
from
2011
through
2014
at
an
8.5x
EBITDA multiple, financed 50/50 debt/equity

Inclusion of $24 million in annual reserve replacement capital expenditures in 2011 through 2014 resulting in a reduction of distributable cash flow, offset by a reduction in targeted cash distribution coverage ratio from 1.20x to 1.05x

Reserve replacement capital expenditures are in addition to $14 to $15 million in expected annual maintenance capital expenditures

Note:
This forecast is based on various forward-looking assumptions made by the management of PVR. While management believes
assumptions are reasonable, it can give no assurance that such results will materialize. Please refer to forward looking stateme
disclosure on page 2.