



GREAT CANADIAN GAMING CORPORATION

GREAT CANADIAN GAMING RECORDS 4% IMPROVEMENT IN REVENUES AND 3% IMPROVEMENT IN EBITDA IN THE SECOND QUARTER OF 2008

August 11, 2008 – Richmond, BC – Great Canadian Gaming Corporation [TSX:GC] (“the Company”) announces its financial results for the second quarter ended June 30, 2008.

2008 SECOND QUARTER HIGHLIGHTS

- Revenue growth of 4%, EBITDA growth of 3%
- Revenue at River Rock improves 12%
- Right-sizing of operations at Nova Scotia casinos generates 107% improvement in EBITDA

(Amounts presented in \$millions, except for per share information)

	Second Quarter			First Half		
	2008	2007	% Chg	2008	2007	% Chg
Revenues	\$ 101.6	\$ 97.7	4%	\$ 201.9	\$ 193.3	4%
EBITDA ⁽¹⁾	\$ 27.7	\$ 26.8	3%	\$ 54.6	\$ 52.2	5%
Human resources as a % of Revenues before Promotional allowances	43.2%	45.8%		43.5%	45.1%	
EBITDA as a % of Revenues	27.3%	27.4%		27.0%	27.0%	
Net earnings ⁽²⁾	\$ 4.1	\$ 5.9	(31%)	\$ 9.5	\$ 10.2	(7%)
Earnings per common share:						
Basic	\$ 0.05	\$ 0.07		\$ 0.11	\$ 0.12	
Diluted	\$ 0.05	\$ 0.07		\$ 0.11	\$ 0.12	
Total assets	\$ 960.1	\$ 1,006.0		\$ 960.1	\$ 1,006.0	
Long-term debt, excluding current portion	\$ 347.7	\$ 355.1		\$ 347.7	\$ 355.1	
Derivative liabilities	\$ 61.1	\$ 36.0		\$ 61.1	\$ 36.0	

(1) EBITDA is a non-GAAP measure and is defined in the Disclaimer section of this press release.

(2) Net earnings in the second quarter of 2007 benefited from a non-cash future income tax recovery of \$1.0 million that resulted from a decrease in enacted tax rates. In addition, amortization expense in the 2008 second quarter increased by \$1.6 million compared to the prior year period primarily as a result of higher amortization expense reflecting property redevelopments completed in the last twelve months as well as increased amortization of the intangible asset associated with Hastings Racecourse since the installation of slot machines in November 2007.

For the second quarter ended June 30, 2008, Great Canadian recorded a 4% improvement in revenues, which rose to \$101.6 million, and a 3% improvement in EBITDA, which rose to \$27.7 million, when compared to the second quarter of 2007. The year-over-year revenue increase primarily reflects continued growth at the Company’s two largest properties, River Rock Casino Resort (“River Rock”) and Boulevard Casino (“Boulevard”). River Rock continued its double-digit

growth as revenue improved by 12% over the second quarter of 2007. Great Canadian's revenue growth also reflects the addition of new gaming devices at both Fraser Downs and Hastings Racecourse ("Hastings"), which combined to improve revenue at BC Racinos by 19% when compared to the second quarter of 2007. These increases were partially offset by the absence of revenue from the Casino on Broadway, which the Company closed in November 2007.

The 3% growth in EBITDA reflects a significant improvement in the performance of the Company's Nova Scotia Casinos, where EBITDA grew by 107% over the second quarter of 2007 due to the ongoing rightsizing of these facilities and improved alignment of their offerings to market demands. River Rock's EBITDA was unchanged, as its higher revenue was offset by increased marketing and entertainment expenses designed to reaffirm its leading position in the market. Boulevard, the Vancouver Island Casinos, Flamboro Downs, and Georgian Downs generated modest EBITDA improvements. These increases were partially offset by the aforementioned closure of the Casino on Broadway and a decline in EBITDA at the BC Racinos, as expenses associated with the addition of gaming devices at Hastings and Fraser Downs are not yet rationalized to the level of revenues the new gaming offerings are currently generating.

EBITDA as a percentage of revenues was 27.3%, a level consistent with the second quarter of 2007. This consistency was achieved despite increased marketing and entertainment expenses intended to mitigate the impact of new competition, lower hold percentages that contributed to reduced revenues at both River Rock and Boulevard, and higher human resources expenses associated with the additional gaming capacity at the BC Racinos.

The Company repurchased approximately 1.3 million shares of its common stock during the second quarter, for a total of 2.2 million shares year to date. The Company has also been authorized by its Board of Directors to request approval from the Toronto Stock Exchange ("TSX") to pursue another normal course issuer bid for up to 10% of its public float. If this bid is approved, market purchases will be made through facilities of the TSX and conducted at the market price at the time of the purchase. All shares purchased by the Company would be subsequently cancelled.

"Great Canadian continued to record year-over-year revenue and EBITDA growth in the second quarter. Visitation levels, gaming volumes, and other market indicators demonstrate that the gaming jurisdictions in which we operate remain healthy and robust," stated Ross J. McLeod, Great Canadian's Chairman and CEO. "Revenue at our flagship property, River Rock, improved by 12%. The popularity of our River Rock Show Theatre, more effective marketing, and a heightened focus on customer service have all combined to grow patronage at this property. Revenue at Boulevard Casino also increased 5% year over year due to enhanced marketing and entertainment efforts. Importantly, River Rock and Boulevard recorded increased revenue despite an unfavorable table hold percentage during the second quarter at both facilities, and increased competition.

"In addition to the continued growth of our two flagship facilities, EBITDA for the Nova Scotia casinos increased by \$1.6 million, or 107%. At the beginning of the second quarter of 2008, the Company implemented significant operational changes to our Nova Scotia casinos to better align these offerings with the market's demands. Our success in generating significantly improved levels of EBITDA in Nova Scotia provides a clear example of our ability to extract improvements from our existing facilities.

"While we are pleased with the operating improvements realized at our Nova Scotia casinos, we are actively addressing the rationalization of expenses at our BC Racinos following the introduction of new gaming offerings at both Hastings and Fraser Downs. As we have seen with prior expansions, we believe the impact on our results reflects the natural maturation process that occurs following the introduction of new gaming product. Later this week, the permanent facility at Hastings will open with 600 new slot machines. This facility will provide our patrons with an entertainment experience

that vastly exceeds what was available at the temporary facility. We expect to increase our marketing efforts accordingly. At Fraser Downs, we're taking steps to implement a change in the format of the gaming floor, which should both enhance the patron experience and reduce operating costs.

"During the second quarter we continued to make progress on the construction of the new hotel and parking garage at River Rock, and succeeded in minimizing construction disruption at that property. We expect to have an additional 600 parking spaces available by the conclusion of the third quarter. We are also reviewing opportunities to further develop this flagship property.

"The markets in which Great Canadian operates continue to show healthy levels of customer spend. As a result, we have established several substantial opportunities to capitalize upon this market dynamic through the implementation of programs to enhance our operating margins as well as several redevelopment initiatives. In addition to the River Rock project and the upcoming opening of the permanent slot facility at Hastings, we will be upgrading our gaming offerings at both View Royal and Georgian Downs during 2009."

Mr. McLeod concluded, "We remain confident in our ability to effectively grow both the scale and efficiency of our operations and look forward to reporting to you our progress in executing upon Great Canadian's unique opportunities for continued growth."

Development Projects

The following table summarizes Great Canadian's current facility redevelopment projects:

(\$ in millions)

Property	Scope of Project/ Gaming Positions	Estimated Completion Date	Planned or Estimated Total Budget/ Spent to June 30, 2008/ Spent in Q2/08
River Rock Casino Resort	1,200 stall parking garage; 5 storey, 191 room hotel featuring 350 additional parking spaces; 21,000 sq ft of commercial space	Initial 600 stalls in Q3/08 Remaining 950 stalls by Q4/09 New hotel by early 2010	\$118.0/\$32.5/\$12.9
Georgian Downs	550 slot machine expansion	400 new slots installed by Q2/09 Balance to come online by early 2010	\$30.3/\$2.7/\$0.5
Hastings Racecourse	Installation of 600 slots and new food, beverage and entertainment facilities	150 temporary machines installed in Q4/07 600 permanent machines installed by August 15, 2008	\$40.0/\$20.0/\$6.6
View Royal	37,000 sq ft for slots, poker and Racebook; F&B upgrade; entertainment lounge; back-of-house space	Parking garage: Q4/08 Facility: Q4/09	\$50.0/\$3.3/\$2.2

The Company will host a conference call for investors and analysts today, Monday, August 11, 2008 at 5:00 PM Eastern Time, or 2:00 PM Pacific Time, to review the financial results for the period ended June 30, 2008. To participate in the conference call, please dial 416-695-6272, or toll free at 1-800-766-6630. Questions will be reserved for institutional investors and analysts. Interested parties may also access the call on the Internet at www.gcgaming.com; please allow 15 minutes to register and install any necessary software. Following completion of the call, a replay will be available until August 18, 2008 by dialing 416-695-5800, or toll free at 1-800-408-3053 (Passcode: 3267813). A replay of the call will also be available at www.gcgaming.com.

ABOUT GREAT CANADIAN GAMING CORPORATION

Great Canadian Gaming Corporation is a multi-jurisdictional gaming and entertainment operator with operations in British Columbia, Ontario and Nova Scotia, and Washington State. We operate ten casinos, a thoroughbred racetrack that offers slot machines, four standardbred racetracks (two offer slot machines and one offers both slot machines and table games), a community gaming centre, a bingo hall, a hotel and conference centre, two show theatres and various associated food and beverage and entertainment facilities. As of June 30, 2008 the Company had approximately 5,400 employees. Further information is available on the Company's website, www.gcgaming.com.

Please refer to the Consolidated Interim Financial Statements and Management's Discussion and Analysis at www.gcgaming.com (available on August 11, 2008) or www.sedar.com (available on August 12, 2008) for detailed financial information and analysis.

**The financial results on the following pages are unaudited and prepared by management.
Amounts are in millions, except for share information.**

Consolidated Results of Operations

(Expressed in millions, except for share information)

	Second Quarter			First Half		
	2008	2007	% Chg	2008	2007	% Chg
Gaming revenues	\$ 69.3	\$ 69.0	0%	\$ 141.0	\$ 139.7	1%
Racetrack revenues	8.6	8.3	4%	15.7	14.9	5%
Facility Development Commission	7.4	5.0	48%	15.1	10.0	51%
Hospitality and other revenues	19.0	17.8	7%	35.5	33.6	6%
	104.3	100.1	4%	207.3	198.2	5%
Less: Promotional allowances	(2.7)	(2.4)	13%	(5.4)	(4.9)	10%
Revenues	101.6	97.7	4%	201.9	193.3	4%
Human resources	45.1	45.8	(2%)	90.2	89.4	1%
Property, marketing and administration	28.8	25.1	15%	57.1	51.7	10%
	73.9	70.9	4%	147.3	141.1	4%
EBITDA	27.7	26.8	3%	54.6	52.2	5%
Human resources as a % of Revenues before Promotional allowances	43.2%	45.8%		43.5%	45.1%	
EBITDA as a % of Revenues	27.3%	27.4%		27.0%	27.0%	
Amortization	10.6	9.0	18%	20.6	18.4	12%
Stock-based compensation	1.9	2.0	(5%)	4.0	3.4	18%
Restructuring and other	1.4	-		1.7	-	
Interest and financing costs, net	6.6	6.6	0%	14.1	13.4	5%
Other expenses	0.2	0.7	(71%)	0.3	0.9	(67%)
Income taxes	2.9	2.6	12%	4.4	5.9	(25%)
Net earnings	\$ 4.1	\$ 5.9	(31%)	\$ 9.5	\$ 10.2	(7%)
Earnings per common share:						
Basic	\$ 0.05	\$ 0.07		\$ 0.11	\$ 0.12	
Diluted	\$ 0.05	\$ 0.07		\$ 0.11	\$ 0.12	
Weighted average number of common shares (in thousands):						
Basic	83,357	86,672		83,784	86,540	
Diluted	83,443	87,093		83,924	86,959	

GREAT CANADIAN GAMING CORPORATION

Interim Consolidated Statements of Financial Position

(Unaudited - Prepared by Management)

(Expressed in millions, except for share information)

	June 30, 2008	December 31, 2007
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 74.6	\$ 107.1
Restricted cash	9.1	3.6
Accounts receivable	15.0	13.3
Income taxes receivable	2.2	-
Due from Nova Scotia Gaming Corporation	8.4	17.2
Prepays, deposits and other assets	14.3	12.0
	123.6	153.2
Property, plant and equipment	608.7	567.3
Intangible assets	186.9	191.5
Goodwill	37.7	37.0
Other assets	3.2	5.0
	\$ 960.1	\$ 954.0
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 86.1	\$ 69.5
Income taxes payable	-	3.6
Long-term debt, deferred credit and other liabilities, current	3.2	8.8
	89.3	81.9
Long-term debt	347.7	329.4
Derivative liabilities	61.1	62.8
Deferred credit, other liabilities and non-controlling interests	1.9	2.0
Future income taxes	66.0	67.7
	566.0	543.8
SHAREHOLDERS' EQUITY		
Share capital and contributed surplus	336.5	341.3
Accumulated other comprehensive loss	(13.3)	(9.1)
Retained earnings	70.9	78.0
	394.1	410.2
	\$ 960.1	\$ 954.0

GREAT CANADIAN GAMING CORPORATION
Interim Consolidated Statements of Earnings

(Unaudited - Prepared by Management)

(Expressed in millions, except for share information)

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
REVENUES	\$ 101.6	\$ 97.7	\$ 201.9	\$ 193.3
EXPENSES				
Human resources	45.1	45.8	90.2	89.4
Property, marketing and administration	28.8	25.1	57.1	51.7
Amortization	10.6	9.0	20.6	18.4
Stock-based compensation	1.9	2.0	4.0	3.4
Restructuring and other	1.4	-	1.7	-
	87.8	81.9	173.6	162.9
EARNINGS FROM OPERATIONS	13.8	15.8	28.3	30.4
Interest and financing costs, net	6.6	6.6	14.1	13.4
Foreign exchange (gain) loss	(0.2)	0.4	(0.4)	0.3
	6.4	7.0	13.7	13.7
EARNINGS BEFORE INCOME TAXES	7.4	8.8	14.6	16.7
Income taxes	2.9	2.6	4.4	5.9
EARNINGS BEFORE NON-CONTROLLING INTERESTS	4.5	6.2	10.2	10.8
Non-controlling interests	0.4	0.3	0.7	0.6
NET EARNINGS	\$ 4.1	\$ 5.9	\$ 9.5	\$ 10.2
EARNINGS PER COMMON SHARE				
Basic	\$ 0.05	\$ 0.07	\$ 0.11	\$ 0.12
Diluted	\$ 0.05	\$ 0.07	\$ 0.11	\$ 0.12
WEIGHTED AVERAGE NUMBER OF COMMON SHARES				
Basic	83,356,802	86,671,557	83,784,475	86,540,329
Diluted	83,442,883	87,092,545	83,923,520	86,959,334

DISCLAIMER

This news release contains forward-looking statements which reflect management's current expectations regarding the Company's objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities. These forward-looking statements are not guarantees, but only predictions. Although the Company believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a number of factors that could cause actual results to vary significantly from current expectations. Such differences may be caused by factors which include, but are not limited to, limited terms of operational service agreements with gaming regulators; pending, proposed and unanticipated legislative or regulatory developments; competition from established competitors and new entrants in the gaming business; dependence on key personnel; no assurance that systems, procedures and controls will be adequate to support expanding operations; potential undisclosed liabilities and capital expenditures associated with acquisitions; negative connotations linked to the gaming industry; First Nations claims with respect to public lands on which we conduct our operations; impact of legal proceedings; impact of smoking bans; impact of construction disruption on our business; ongoing requirements to comply with financial covenants associated with credit facilities and long-term debt; interest and exchange rate fluctuations; non-realization of cost reductions and synergies; acceptance and demand for new products and services; fluctuations in operating results; and general economic conditions. The Company cautions that this list of factors is not exhaustive. These factors and other risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including in the "Risks Factors" section of the Company's Annual Information Form for fiscal 2007, or as identified in the Company's disclosure record on www.sedar.com. The forward-looking statements included in this news release are expressly qualified in their entirety by this cautionary statement. Readers should not place undue reliance on the forward-looking statements, which reflect management's plans, estimates, projections, and views only as of the date hereof. The Company does not undertake to publicly update these forward-looking statements to reflect subsequent events or circumstances.

The Company has included non-generally accepted accounting principles ("non-GAAP") measures in this news release. "EBITDA", a non-GAAP measure as defined by the Company, means Earnings Before Interest and financing costs (net of interest income), Income Taxes, Depreciation and Amortization, stock-based compensation, restructuring and other costs, foreign exchange gain (loss) and non-controlling interests. EBITDA is derived from the consolidated statement of earnings and can also be computed as revenues, less human resources expenses and property, marketing, and administration expenses.

Readers are cautioned that these non-GAAP definitions are not recognized measures under Canadian GAAP, do not have standardized meanings prescribed by GAAP, and should not be construed to be alternatives to net earnings determined in accordance with GAAP or as indicators of performance or liquidity or cash flows. The Company's method of calculating these measures may differ from methods used by other entities and accordingly our measures may not be comparable to similarly titled measures used by other entities. The Company uses these measures because it believes they provide useful information to both management and investors with respect to the operating and financial performance of the Company.

ON BEHALF OF

GREAT CANADIAN GAMING CORPORATION

"Original Signed By Milton Woensdregt"

Milton Woensdregt, CA
Chief Financial Officer

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