



# GREAT CANADIAN GAMING CORPORATION

TSX: GCD

## **GREAT CANADIAN GAMING CORPORATION ENTERS INTO AGREEMENT FOR THE PURCHASE OF FLAMBORO DOWNS FROM MAGNA ENTERTAINMENT CORP.**

**July 6, 2005, Richmond, British Columbia and Aurora, Ontario, Canada - Great Canadian Gaming Corporation (“Great Canadian”) (TSX: GCD) and Magna Entertainment Corp. (“MEC”) (NASDAQ: MECA; TSX: MEC.SV.A)** announced today that they have entered into an agreement in principle under which Great Canadian will acquire all of the outstanding shares of Ontario Racing Inc., a wholly owned subsidiary of MEC. Ontario Racing Inc. owns and operates Flamboro Downs, a standardbred racetrack, and siteholder for slot machines operated by the Ontario Lottery and Gaming Corporation, in Flamborough, Ontario. The proposed sale is subject to required regulatory approvals, the completion of customary due diligence, and the negotiation of a definitive purchase and sale agreement. Under the terms of the agreement in principle, Great Canadian will pay to MEC aggregate consideration of Cdn\$50 million and US\$23.6 million in cash and by the assumption of existing debt.

“We are pleased to establish a relationship with Great Canadian and we look forward to developing a long term relationship to the mutual benefit of both our companies. We have agreed with Great Canadian that we will continue to have the use of the Flamboro racing signal, and we will work with them to include other Great Canadian tracks within the MEC distribution network. Flamboro is a great track with excellent people, but its divestiture allows MEC to focus resources on a strategic goal of delivering prime racing content, developing our US gaming potential, and expanding our signal delivery and wagering capability within North America and internationally,” stated W. Thomas Hodgson, President and Chief Executive Officer of MEC.

“We see Flamboro as an excellent fit for our company as we continue to expand into the central and eastern regions of Canada. We are excited about the mutual benefits of a relationship with MEC, particularly given their history of success in the horseracing industry,” stated Anthony R. Martin, President and Chief Operating Officer of Great Canadian.

### **About Flamboro Downs**

Flamboro Downs, located just 45 miles from Toronto, occupies approximately 230 acres in the town of Flamborough, Ontario. Offering year-round live harness racing five days a week, and daily simulcast wagering on-track and at 4 teletheatres/off-track betting (OTB) locations, Flamboro Downs boasts the third highest revenues of racetracks in the province of Ontario. The facility has provided its guests with first class entertainment for more than 20 years, and features a complement of 752 slot machines.

## **About Great Canadian Gaming Corporation**

Great Canadian, home to more than 5,100 employees, is a multi-jurisdictional gaming and entertainment operator with operations in British Columbia, Nova Scotia, Ontario and Washington State. Great Canadian operates casinos, thoroughbred and standardbred racecourses, a community gaming centre and various food and beverage and entertainment facilities.

## **About Magna Entertainment Corp.**

MEC is North America's largest owner and operator of horse racetracks, based on revenue. It develops, owns and operates horse racetracks and related pari-mutuel wagering operations, including off-track bettering facilities. Additionally, MEC owns and operates XpressBet<sup>R</sup>, a national Internet and telephone account wagering systems, and Horse Racing TV<sup>TM</sup>, a 24-hour horse racing television network, as well as RaceONTV and Magnabet internationally.

## **ON BEHALF OF GREAT CANADIAN GAMING CORPORATION**

*"Original signed by Thomas N. Bell"*

Thomas Bell  
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