



GREAT CANADIAN GAMING CORPORATION

GREAT CANADIAN GAMING FIRST QUARTER EBITDA RISES 17% TO \$25.4 MILLION ON 5% REVENUE GAIN

May 14, 2007 – Richmond, BC – Great Canadian Gaming Corporation [TSX:GC] (the “Company”) announces its financial results for the quarter ended March 31, 2007.

2007 FIRST QUARTER HIGHLIGHTS

- Revenue growth of 5%
- EBITDA growth of 17% attributable to revenue improvements and the continued realization of efficiencies at both the site and head office levels
- Achieved improvement in EBITDA as a percentage of revenues
- Completed new debt structure, which provides flexibility to pursue value-enhancing projects at existing properties

	First Quarter			% Fourth Quarter		
	2007	2006	Change	2006	Change	
Revenues	\$ 95.6	\$ 91.3	5%	\$ 98.1	(3%)	
EBITDA ⁽²⁾	\$ 25.4	\$ 21.7	17%	\$ 25.4	0%	
Human resources as a % of Revenues before promotional allowances	44.4%	46.6%		44.8%		
EBITDA as a % of Revenues	26.6%	23.8%		25.9%		
Net income (loss)	\$ 4.3	\$ 0.9	378%	\$ (11.5)		
Earnings (loss) per common share:						
Basic	\$ 0.05	\$ 0.01		\$ (0.13)		
Diluted	\$ 0.05	\$ 0.01		\$ (0.13)		
Total assets	\$ 991.5	\$ 955.1	4%	\$ 940.7	5%	
Long-term debt, excluding current portion	\$ 385.9	\$ 395.1	(2%)	\$ 390.3	(1%)	

Notes:

- (1) The unaudited summary of 2006 first quarter financial results above reflects the retrospective application of the change in accounting policy for the Facilities Development Commission (“FDC”) received from the British Columbia Lottery Corporation (“BCLC”). FDC is recorded as revenues when earned (when it is payable by BCLC to the Company), subject to the Company making sufficient improvement or development expenditures, approved by BCLC, on its BC gaming properties.
The disclosure of this change is presented in Note 3 of the Interim Consolidated Financial Statements for the three-month period ended March 31, 2007.
- (2) “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 costs, goodwill impairment, foreign exchange gain 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. See additional comments in the Disclaimer.

For the quarter ended March 31, 2007, Great Canadian Gaming recorded improvements in both revenues, which rose by 5% to \$95.6 million, and EBITDA, which rose by 17% to \$25.4 million, when compared to the first quarter of 2006. These gains were led by River Rock Casino Resort, where revenues and EBITDA rose by 13% and 19%, respectively. The Company's EBITDA gain is attributable to both the revenue increase and, more importantly, the benefit derived from corporate initiatives aimed at the realization of operational efficiencies and human resource expense reductions. The progress of these initiatives is visible in Great Canadian's Q1 2007 EBITDA margin as a percentage of revenues, which improved 70 basis points to 26.6%, compared to 25.9% in the fourth quarter of 2007.

"Great Canadian's operating results for the first quarter of 2007 reflect improvements at the majority of our properties and are evidence of the benefits of the revenue growth and operating efficiency strategies that were initiated in 2006," stated Ross J. McLeod, Chairman and CEO. "We made meaningful progress on the rationalization of human resources expenses at nearly every one of our properties, while simultaneously growing revenues. As human resources costs are the Company's largest expense item, the continued focus on aligning these costs with revenue growth remains a leading corporate priority.

"Great Canadian continues to advance its strategies to grow revenues and market penetration across our portfolio of properties. We expect to realize additional benefits from these initiatives given that the average gaming spend per capita in our markets is significantly below that of the Canadian average. In addition to property-specific strategies, such as those noted above and the continued focus on increasing high limit play at River Rock, we are also in the early stages of implementing a plan focused on improving customer service through a customized guest experience training program. This plan, which we expect to drive service delivery to the next level, will complement the initial progress we have made in increasing the utilization of our player management systems as we are achieving success in more focused targeting of players in our markets. Each of these initiatives is part of a broad approach to simultaneously build the customer experience and our operating results and includes a focus on optimizing the value of our theatres and internally managed hospitality offerings as well as improving cash access for customers in British Columbia. We expect these efforts will drive new and repeat customer visitation rates as well as spend per visit metrics.

"Concurrent with the implementation of revenue generating programs, we remain focused on the realization of operational efficiencies. Initiatives put in place to accomplish this are already benefiting the Company as evidenced by the meaningful portion of revenue growth that is reflected in the higher 2007 first quarter EBITDA when compared to the prior year period. Accordingly, we expect that the Company's operating results will continue to benefit from already implemented cost control initiatives including staffing reductions at the corporate and site levels and the recent internalization of our hospitality services.

Mr. McLeod concluded, "The priorities for Great Canadian in 2007 remain revenue growth and EBITDA margin improvements and the first quarter results indicate that we are executing against these goals. We are also focused on project development opportunities at several of our properties, including River Rock and Hastings Racecourse, which can drive longer-term growth. As we begin to act on these development plans, the Company will benefit from the added flexibility and attractive cost of capital afforded by our new debt facility that closed in February and for which we have total borrowing capacity of more than CDN \$600 million. I am confident that Great Canadian's financial results will continue to reflect the benefits from the many initiatives we are pursuing as we continue to lay a solid foundation from which to generate increased value for our shareholders for many years to come."

The Company will host a conference call for investors and analysts today, Monday, May 14, 2007 at 5:00 PM Eastern Daylight Time, or 2:00 PM Pacific Daylight Time, to review the financial results for the period ended March 31, 2007. To participate in the conference call,

please dial 416-695-9745, or toll free at 1-877-888-4605. 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 May 21, 2007 by dialing 416-695-5275, or toll free at 1-888-509-0081 (passcode 643669). A replay of the call will also be available at www.gcgaming.com.

ABOUT GREAT CANADIAN GAMING CORPORATION

Great Canadian is a multi-jurisdictional gaming and entertainment operator with facilities in British Columbia, Ontario, Nova Scotia and Washington State. Great Canadian operates eleven casinos, a thoroughbred racetrack, four standardbred racetracks (three of which offer slot machines), a community gaming centre, a hotel, two show theatres, and various food and beverage facilities. Further information is available on the Company's website, www.gcgaming.com.

Please refer to the Consolidated Financial Statements and Management's Discussion and Analysis at www.gcgaming.com (available on May 14, 2007) or www.sedar.com (available on May 15, 2007) for detailed financial information and analysis.

The financials results on the following pages are unaudited and prepared by management. Amounts are in thousands, except per share information.

Consolidated Results of Operations

(Unless otherwise stated, in millions, except for share and per share information)

	First Quarter			% Fourth Quarter	
	2007	2006	Change	2006	Change
Gaming revenues	\$ 70.7	\$ 66.4	6%	\$ 69.9	1%
Racetrack revenues	6.6	6.4	3%	7.5	(12%)
Facility Development Commission	5.0	4.7	6%	4.8	4%
Hospitality and other revenues	15.8	16.0	(1%)	18.4	(14%)
	98.1	93.5	5%	100.6	(2%)
Less: promotional allowances	(2.5)	(2.2)	14%	(2.5)	0%
Revenues	95.6	91.3	5%	98.1	(3%)
Human resources	43.6	43.6	0%	45.1	(3%)
Property, marketing and administration	26.6	26.0	2%	27.6	(4%)
	70.2	69.6	1%	72.7	(3%)
EBITDA ⁽¹⁾	25.4	21.7	17%	25.4	0%
Human resources as a % of Revenues before promotional allowances	44.4%	46.6%		44.8%	
EBITDA as a % of Revenues	26.6%	23.8%		25.9%	
Amortization	9.4	9.2	2%	10.1	(7%)
Stock-based compensation	1.4	2.2	(36%)	1.3	8%
Restructuring costs	-	1.6	N/M ⁽²⁾	7.0	N/M ⁽²⁾
Interest and financing costs, net	6.8	5.4	26%	6.6	3%
Goodwill impairment	-	-	N/M ⁽²⁾	9.9	N/M ⁽²⁾
Other expenses	0.2	0.1	100%	0.5	(60%)
Income taxes	3.3	2.3	43%	1.5	78%
Net earnings (loss)	\$ 4.3	\$ 0.9	378%	\$ (11.5)	N/M ⁽²⁾
Earnings (loss) per common share:					
Basic	\$ 0.05	\$ 0.01		\$ (0.13)	
Diluted	\$ 0.05	\$ 0.01		\$ (0.13)	
Weighted average number of common shares (in thousands):					
Basic	86,408	79,729		86,133	
Diluted	86,802	80,822		86,133	

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

⁽²⁾ Not meaningful

GREAT CANADIAN GAMING CORPORATION
Interim Consolidated Statements of Financial Position

(Unaudited - Prepared by Management)

(Expressed in millions, except per share information)

	March 31, 2007	December 31, 2006
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 120.5	\$ 56.8
Restricted cash	3.6	2.6
Accounts receivable	11.5	13.3
Income taxes receivable	6.4	9.9
Due from Nova Scotia Gaming Corporation, current	17.1	17.1
Prepays, deposits and other	9.9	12.9
	169.0	112.6
Property, plant and equipment	561.4	565.8
Intangible assets	199.7	202.0
Goodwill	31.7	30.6
Due from Nova Scotia Gaming Corporation	13.3	17.7
Future income taxes	10.0	10.7
Other assets	6.4	1.3
	\$ 991.5	\$ 940.7
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 56.2	\$ 62.0
Long-term debt, deferred credit and other liabilities, current	48.4	3.7
	104.6	65.7
Long-term debt	385.9	390.3
Deferred credit, other liabilities and non-controlling interests	3.5	3.3
Future income taxes	83.9	86.5
Cross currency interest rate swaps	13.1	-
	591.0	545.8
SHAREHOLDERS' EQUITY		
Share capital and other equity	340.1	335.9
Accumulated other comprehensive income (loss)	(8.2)	(5.3)
Retained earnings	68.6	64.3
	400.5	394.9
	\$ 991.5	\$ 940.7

GREAT CANADIAN GAMING CORPORATION
Interim Consolidated Statements of Earnings

(Unaudited - Prepared by Management)

(Expressed in millions, except per share information)

	Three months ended March 31,	
	2007	2006
REVENUES	\$ 95.6	\$ 91.3
EXPENSES		
Human resources	43.6	43.6
Property, marketing and administration	26.6	26.0
Amortization	9.4	9.2
Stock-based compensation - human resources	1.4	2.2
Restructuring costs	-	1.6
	81.0	82.6
EARNINGS FROM OPERATIONS	14.6	8.7
Interest and financing costs, net	6.8	5.4
Foreign exchange gain	(0.1)	(0.2)
	6.7	5.2
EARNINGS BEFORE INCOME TAXES	7.9	3.5
Income tax expense	3.3	2.3
EARNINGS BEFORE NON-CONTROLLING INTERESTS	4.6	1.2
Non-controlling interests	0.3	0.3
NET EARNINGS	\$ 4.3	\$ 0.9
EARNINGS PER COMMON SHARE		
Basic	\$ 0.05	\$ 0.01
Diluted	\$ 0.05	\$ 0.01

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 and proposed 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, ongoing requirements to comply with financial covenants associated with credit facilities, 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 2006, or as identified in the Company's disclosure record on www.sedar.com. The forward-looking statements included in this news release and 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 costs, goodwill impairment, foreign exchange gain 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 income 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

Milton Woensdregt, CA
Chief Financial Officer

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