



GREAT CANADIAN GAMING CORPORATION

GREAT CANADIAN GAMING ANNOUNCES SECOND QUARTER 2010 RESULTS

RIVER ROCK LEADS REVENUE AND EBITDA IMPROVEMENTS

August 12, 2010 – Richmond, BC – Great Canadian Gaming Corporation [TSX:GC] (“the Company”) announces its financial results for the three month period ended June 30, 2010 (“second quarter of 2010”).

2010 SECOND QUARTER HIGHLIGHTS

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

- Revenues of \$97.0 million, 3% improvement from the second quarter of 2009
- EBITDA of \$35.0 million, 16% improvement from the second quarter of 2009
- EBITDA margin of 36.1%, 4.0 percentage point improvement from the second quarter of 2009

	Second Quarter			First Half		
	2010	2009	% Chg	2010	2009	% Chg
Revenues	\$ 97.0	\$ 93.8	3%	\$ 190.0	\$ 189.9	0%
EBITDA ⁽¹⁾	\$ 35.0	\$ 30.1	16%	\$ 66.4	\$ 59.4	12%
EBITDA as a % of Revenues	36.1%	32.1%		34.9%	31.3%	
Shareholders' net earnings ⁽²⁾	\$ 9.6	\$ 6.2	55%	\$ 13.9	\$ 4.2	231%
Shareholders' net earnings per common share:						
Basic	\$ 0.12	\$ 0.08		\$ 0.17	\$ 0.05	
Diluted	\$ 0.11	\$ 0.07		\$ 0.16	\$ 0.05	
Total assets				\$ 1,007.7	\$ 1,030.5	(2%)
Long-term debt, excluding current portion				\$ 349.5	\$ 423.0	(17%)
Derivative liabilities				\$ 43.9	\$ 20.9	110%

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

(2) Shareholders' net earnings increased by \$3.4 in the second quarter and \$9.7 in the first half of 2010, when compared to the second quarter and first half of 2009. The increase in the second quarter of 2010 was primarily due to the EBITDA improvement, and was partially offset by an increase in amortization. The increase in the first half of 2010 was primarily due to both the EBITDA improvement and a reduction of \$12.0 in restructuring expenses, and was partially offset by increases in amortization and income taxes.

During the second quarter of 2010, Great Canadian Gaming Corporation successfully translated increased revenues into significant improvements in EBITDA. Revenues grew to \$97.0 million, a 3% increase from the second quarter of 2009, while EBITDA rose to \$35.0 million, a 16% increase.

The Company's revenue increase was primarily due to the River Rock Casino Resort ("River Rock"). River Rock's revenues for the second quarter of 2010 improved by \$7.7 million, when compared to the second quarter of 2009. This improvement can be attributed to both the opening of the Canada Line transit system during the third quarter of 2009 and the completion of River Rock's redevelopments and enhancements during the fourth quarter of 2009 and first quarter of 2010. These factors have increased both gaming and hospitality revenues at the property. The benefit of River Rock's performance was partially offset by several factors, including decreased revenues at the BC Racinos and impact of a below-average table hold percentage at the Company's Great American Casinos.

The Company's EBITDA increase can be attributed to both the growth in River Rock's revenues and the continued benefit of the expense reduction initiatives implemented throughout 2009.

EBITDA as a percentage of revenues for the second quarter of 2010 was 36.1%, a 4.0 percentage point increase from the second quarter of 2009. This percentage was 34.9% for the first half of 2010, a 3.6 percentage point increase from the first half of 2009. These improvements can be attributed to both River Rock's revenue increase and the operating expense reductions.

"Great Canadian's financial results for the second quarter of 2010 are evidence of the benefit that improved efficiency has brought to our business," stated Ross J. McLeod, Great Canadian's Chairman and Chief Executive Officer. "This benefit was most evident at our flagship facility, the River Rock Casino Resort. Both the introduction of the Canada Line and the subsequent completion of several redevelopments and enhancements at the property have provided a catalyst for significant growth in River Rock's gaming volumes. Efficiency initiatives implemented throughout 2009 allowed this growth to translate into an equally impressive improvement in both EBITDA and EBITDA as a percentage of revenues.

"We are very satisfied by River Rock's results. However, many of our other markets continue to face economic or competitive challenges, and we remain conservative about their future. Although gaming volumes have begun to stabilize at several of our properties, this stabilization has occurred at levels below those witnessed prior to the recession. Great Canadian's strategy for both maintaining current revenues and recovering those revenues lost during 2009 remains the improvement of every customer-facing facet of our business.

"The cost-effective optimization of our properties is a major component of this strategy. This process continued during the second quarter of 2010, during which Georgian Downs in Ontario completed its capacity increase to 1,000 slot machines. Here in British Columbia, we will soon move forward with the transformation of Maple Ridge's Haney Bingo Plex into a Community Gaming Centre. I look forward to the installation of 100 slot machines at that property's temporary facility."

Mr. McLeod concluded, "Great Canadian's financial position continues to strengthen. However, the majority of this strength can be attributed to the improved efficiency of our operations, rather than revenue growth. As a result, we will ensure we sustain this improved efficiency as we focus on the recovery of those revenues lost during 2009. While our results

for the second quarter of 2010 are encouraging, it is the recovery of these lost revenues that remains our greatest near-term opportunity for increasing stakeholder value.”

Great Canadian will host a conference call for investors and analysts today, August 12, 2010, at 2:00 PM Pacific Time to review the financial results for the period ended June 30, 2010. To participate in the conference call, please dial 647-427-7450, or toll free 888-231-8191. 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. 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. The Company operates ten casinos, a thoroughbred racetrack that offers slot machines, three 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, 2010, the Company had approximately 3,900 employees in Canada and 600 in Washington State. Further information is available on the Company’s website, www.gcgaming.com.

Please refer to the Consolidated Annual Financial Statements and Management’s Discussion and Analysis (“MD&A”) at www.gcgaming.com (available on August 12, 2010) or www.sedar.com (available on August 13, 2010) 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 per share information.**

Consolidated Results of Operations

(Dollar amounts expressed in millions, except for per share information)

	Second Quarter			First Half		
	2010	2009	% Chg	2010	2009	% Chg
Gaming revenues	\$ 69.0	\$ 65.7	5%	\$ 135.5	\$ 134.3	1%
Facility Development Commission	7.5	7.2	4%	14.7	14.7	0%
Hospitality and other revenues	17.0	15.8	8%	32.9	31.8	3%
Racetrack revenues	6.3	7.8	(19%)	12.5	14.7	(15%)
	99.8	96.5	3%	195.6	195.5	0%
Less: Promotional allowances	(2.8)	(2.7)	4%	(5.6)	(5.6)	0%
Revenues	97.0	93.8	3%	190.0	189.9	0%
Human resources	39.1	40.1	(2%)	76.7	80.6	(5%)
Property, marketing and administration	22.9	23.6	(3%)	46.9	49.9	(6%)
	62.0	63.7	(3%)	123.6	130.5	(5%)
EBITDA	35.0	30.1	16%	66.4	59.4	12%
Human resources as a % of Revenues before Promotional allowances	39.2%	41.6%		39.2%	41.2%	
EBITDA as a % of Revenues	36.1%	32.1%		34.9%	31.3%	
Amortization	14.1	11.6		28.1	23.2	
Stock-based compensation	0.9	1.4		3.6	3.1	
Restructuring and other	-	0.7		0.1	12.1	
Interest and financing costs, net	7.1	7.3		14.1	14.2	
Other expenses	0.4	0.1		0.7	1.4	
Income taxes	2.9	2.8		5.9	1.2	
Shareholders' net earnings	\$ 9.6	\$ 6.2	55%	\$ 13.9	\$ 4.2	231%
Shareholders' net earnings per common share:						
Basic	\$ 0.12	\$ 0.08		\$ 0.17	\$ 0.05	
Diluted	\$ 0.11	\$ 0.07		\$ 0.16	\$ 0.05	
Weighted average number of common shares (in thousands):						
Basic	82,614	82,090		82,508	82,088	
Diluted	84,286	82,943		84,296	82,164	

GREAT CANADIAN GAMING CORPORATION
Interim Consolidated Statements of Financial Position
(Unaudited - Dollar amounts expressed in millions)

	June 30, 2010	December 31, 2009
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 56.2	\$ 34.6
Restricted cash	5.1	5.6
Accounts receivable	5.9	7.3
Due from Nova Scotia Gaming Corporation	3.3	1.7
Prepays, deposits and other assets	11.4	7.2
	81.9	56.4
Property, plant and equipment	722.2	735.6
Intangible assets	160.9	167.6
Goodwill	38.0	37.9
Future income taxes	0.7	2.0
Other assets	4.0	4.6
	\$ 1,007.7	\$ 1,004.1
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 59.3	\$ 63.4
Income taxes payable	1.9	0.1
Long-term debt, deferred credits and other liabilities, current	2.9	2.9
	64.1	66.4
Long-term debt	349.5	356.9
Derivative liabilities	43.9	50.8
Deferred credits and other liabilities	26.1	27.0
Future income taxes	69.5	68.6
	553.1	569.7
SHAREHOLDERS' EQUITY		
Share capital and contributed surplus	352.1	347.6
Accumulated other comprehensive loss	(8.6)	(10.4)
Retained earnings	111.1	97.2
	454.6	434.4
	\$ 1,007.7	\$ 1,004.1

DISCLAIMER

This news release contains certain “forward-looking information” or statements within the meaning of applicable securities legislation. Forward-looking information is based on the Company’s current expectations, estimates, projections and assumptions that were made by the Company in light of its historical trends and other factors. All information or statements, other than statements of historical fact, are forward-looking information including statements that address expectations, estimates or projections about the future, the Company’s strategy for growth, expected future expenditures, costs, operating and financial results and expected impact of future commitments. Such forward-looking information is not a guarantee of future performance and may involve a number of risks and uncertainties. Although forward-looking information is based on information and assumptions that the Company believes are current, reasonable and complete, they are subject to a number of factors that could cause actual results to vary materially from those expressed or implied by such forward-looking information. Such factors may include, but are not limited to: terms of operational service agreements with lottery corporations; changes to gaming laws that may impact our operational service agreements; pending, proposed or unanticipated regulatory or policy changes; impact of global liquidity and credit availability; adverse tourism trends and further decreases in levels of travel, leisure and consumer spending; competition from established competitors and new entrants in the gaming business; dependence on key personnel; the risk that systems, procedures and controls may not be adequate to support current and expanding operations; potential undisclosed liabilities and capital expenditures associated with acquisitions; negative connotations linked to the gaming industry; First Nations claims with respect to some Crown land on which we conduct our operations; future or current legal proceedings; construction disruptions; financial covenants associated with credit facilities and long-term debt; credit, liquidity and market risks associated with our financial instruments; interest and exchange rate fluctuations; non-realization of cost reductions and synergies; demand for new products and services; fluctuations in operating results; and economic uncertainty and financial market volatility. These factors and other risks and uncertainties are discussed in the Company’s continuous disclosure documents filed with the Canadian securities regulatory authorities from time to time, including in the “Risk Factors” section of the Company’s Annual Information Form for fiscal 2009, and as identified in the Company’s disclosure record on SEDAR at www.sedar.com. The forward-looking information in documents incorporated by reference speak only as of the date of those documents. Readers are cautioned not to place undue reliance on the forward-looking information, as there can be no assurance that the plans, intentions, or expectations upon which they are based will occur. The Company undertakes no obligation to publicly revise forward-looking information to reflect subsequent events or circumstances except as required by law. The forward-looking information contained herein is made as of the date hereof and is expressly qualified in its entirety by cautionary statements in this news release.

The Company has included non-generally accepted accounting principles (“non-GAAP”) measures in this news release. EBITDA 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 statements of earnings, and can 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 or in other jurisdictions. 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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