



FOR RELEASE FOLLOWING MARKET CLOSE

November 10, 2010

Red Deer, Alberta, November 10, 2010 – Gamehost Income Fund (the “Fund”) (TSX: GH.UN)

### **GAMEHOST INCOME FUND – REPORTS 2010 Q3 INTERIM FINANCIAL RESULTS**

Management and Trustees of Gamehost Income Fund (the “Fund”) are pleased to present results for the nine months ended September 30, 2010 (the “Period”) and three months ended September 30, 2010 (the “Quarter”).

#### **Caution to Investors**

Effective May 1, 2010, the Fund acquired an additional 51% of the Deerfoot Joint Venture (the “Acquisition”). The Fund now owns a 91% controlling interest in the Deerfoot Joint Venture up from the pre-Acquisition ownership position of 40%. The change in ownership position required the Fund to change the method used to report results of the Deerfoot Joint Venture. The Fund’s Financial Statements and MD&A report 100% of the detailed Deerfoot Joint Venture results from the effective date of the Acquisition and only 40% of the Deerfoot Joint Venture detailed results prior to the Acquisition. A single line entry representing the non-controlling interest (NCI) of 9% in equity and net operating results are recorded on the balance sheet and income statement respectively which reduce the net post-Acquisition results from the Deerfoot Joint Venture to the Fund’s ownership of 91%. Comparing post-Acquisition results to pre-Acquisition results of the Fund could be misleading.

#### **Bluebird on our Windowsill**

Quarterly revenue for the Fund inclusive of a NCI totaled \$17.6 million compared to \$11.3 million for the same quarter in 2009, a 55% increase.

EBITDA of the Fund inclusive of a NCI for the Quarter gained \$3.1 million to \$8.1 million compared to \$4.9 million for the same quarter in 2009, a 64% increase. Versus the previous year, EBITDA margins rose 2% to 46% from the same quarter in 2009. The Acquisition is a major factor in the overall year over year increases. On a more significant note, perhaps, each of the Fund’s operations posted year over year gains in revenue, EBITDA and EBITDA percentage for the most recent Quarter. Prior to this we had witnessed mixed results in the bottoming out of the revenue and earnings curves. Combined, for this Quarter compared to Q3 2009 operational gains from the properties totaled \$0.7 million or 4% for revenue, \$0.9 million or 12% for EBITDA and an increase to EBITDA percentage of 3%. Could the bluebird, a symbol of good cheer, be singing at last once again?

#### **Impetus for Growth**

On July 20, 2010, Alberta’s Premier, Ed Stelmach announced the provincial government was moving ahead with a new 200 bed acute-care hospital for the City of Grande Prairie. The site for this \$520 million hospital, to begin construction in 2011, is located directly behind and adjacent to the Fund’s Service Plus hotel and Great Northern Casino. This project is expected to boost guest room sales and casino traffic

during construction and following completion of the project. The new hospital will also spawn additional commercial and residential development in the immediate area also to the Fund's benefit.

Work continues on the \$1.25 billion South Health Campus in Calgary, located south of the Deerfoot Joint Venture. This project, like the one in Grande Prairie, will increase the market area for the Deerfoot Joint Venture substantially as it is built out and ancillary development follows.

### If you like the Income...

The Acquisition of an additional 51% of the Deerfoot Joint Venture and a unit holder endorsement for conversion to a corporation provide an effective response to the otherwise end of the favoured tax status of the trust model at the end of this calendar year. The Acquisition will boost cash flow to be used to offset corporate taxes as they become payable in 2011. The corporate conversion together with the Acquisition and an improving economy set the stage for sustaining distributions at their current rate of \$0.0733 per unit for the foreseeable future. The conversion to a corporation will result in cash distributions being treated for tax purposes as eligible dividend income rather than income to shareholders and thereby providing a more favourable tax rate to shareholders. Investors who like the income should love the dividend income!

### Consolidated Balance Sheets

	<i>(unaudited)</i>	<i>(audited)</i>
	Sept 30, 2010	December 31, 2009
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 16,636,291	\$ 9,973,895
Restricted cash (note 7)	22,420	67,700
Accounts receivable	1,339,572	827,504
Inventories (note 3)	472,743	305,488
Prepaid expenses	594,050	175,278
	19,065,076	11,349,865
Property, plant and equipment (note 9)	89,581,470	31,007,914
Licenses (note 3)	22,500,000	-
Goodwill (note 3)	48,852,216	42,579,216
	\$ 179,998,762	\$ 84,936,995
<b>Liabilities and unit holder equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,029,187	\$ 2,198,254
Revolving credit lines (note 10)	3,500,000	6,000,000
Demand loans (note 10)	25,886,500	17,250,076
Unit holder distributions payable	1,547,184	1,547,184
	34,962,871	26,995,514
Debentures payable (note 10)	47,975,099	-
Future income taxes (note 9)	780,513	1,523,866
	83,718,483	28,519,380
Class B limited partnership equity (note 12)	39,999,343	25,977,980
	123,717,826	54,497,360

Non-controlling interest (note 13)	8,156,643	-
Unit holders' equity (note 14)	48,124,293	30,439,635
	<u>\$ 179,998,762</u>	<u>\$ 84,936,995</u>

Commitments (note 15)  
Guarantees (note 16)  
Subsequent events (note 18)

See accompanying notes to consolidated financial statements

## Consolidated Statements of Income and Comprehensive Income

	<i>(unaudited)</i>		<i>(unaudited)</i>	
	nine months ended September 30		three months ended September 30	
	2010	2009	2010	2009
Revenue				
Hotel - rooming	\$ 7,330,417	\$ 5,010,512	\$ 3,107,204	\$ 1,531,466
Table games	7,003,027	6,186,201	2,830,369	1,862,998
Slot machines	16,679,849	14,262,842	6,225,445	4,604,795
Food and beverage services	10,587,189	7,692,932	3,976,079	2,339,228
Lease and rental	295,679	271,354	98,887	96,260
Other	3,597,237	2,869,993	1,334,979	880,887
	<u>45,493,398</u>	<u>36,293,834</u>	<u>17,572,963</u>	<u>11,315,634</u>
Operating Expenses				
Cost of goods sold	3,303,495	2,398,898	1,247,830	734,982
Human resources	12,644,053	9,636,397	4,979,543	3,152,096
Marketing and promotions	1,974,764	1,542,762	711,519	541,600
Operating	5,320,235	4,372,730	1,972,812	1,416,624
Corporate and general administration	2,164,924	1,649,763	599,793	547,281
Amortization of licenses (note 3)	(3,500,000)	-	(3,500,000)	-
Amortization of property, plant & equipment	2,368,150	1,422,331	1,358,524	475,866
	<u>24,275,621</u>	<u>21,022,881</u>	<u>7,370,021</u>	<u>6,868,449</u>
Operating income	21,217,777	15,270,953	10,202,942	4,447,185
Other income and (expenses)				
Gain (loss) on sale of assets (note 4)	22,163,015	(748,094)	-	(748,094)
Impairment reversal	-	-	-	742,755
Interest charges	(2,897,128)	(584,698)	(1,454,370)	(204,278)
Guarantee payments	-	(5,000,000)	-	(5,000,000)
	<u>19,265,887</u>	<u>(6,332,792)</u>	<u>(1,454,370)</u>	<u>(5,209,617)</u>
Income before taxes and minority interest	40,483,664	8,938,161	8,748,572	(762,432)
Future tax recovery (expense) (note 9)	743,353	316,698	284,525	(1,459,195)
	41,227,017	9,254,859	9,033,097	(2,221,627)
Allocation to Class B limited partners	(18,015,434)	(4,092,779)	(3,859,865)	1,526,186
	23,211,583	5,162,080	5,173,232	(695,441)
Net and comprehensive income (loss)				
Continuing operations				
Fund unit holders'	\$ 22,722,239	\$ 5,162,080	\$ 4,868,313	\$ (1,239,156)
Non-controlling interest	489,344	-	304,919	-
	23,211,583	5,162,080	5,173,232	(1,239,156)
Discontinued operations	-	(2,163,856)	-	863,778

	\$	23,211,583	\$	2,998,224	\$	5,173,232	\$	(375,378)
Net income/unit and comprehensive income/unit - Basic								
Continuing operations	\$	1.953	\$	0.438	\$	0.428	\$	(0.105)
Discontinued operations		-		(0.103)		-		0.041
	\$	1.953	\$	0.336	\$	0.428	\$	(0.064)
Net income/unit and comprehensive income/unit - Diluted								
Continuing operations	\$	1.764	\$	0.438	\$	0.377	\$	(0.105)
Discontinued operations		-		(0.103)		-		0.041
	\$	1.764	\$	0.336	\$	0.377	\$	(0.064)

See accompanying notes to consolidated financial statements

This press release may contain forward-looking statements. Forward-looking statements may contain words such as “anticipates”, “believes”, “could”, “expects”, “indicates”, “plans” or other similar expressions that suggest future outcomes or events. Use of these statements reflect reasonable assumptions made on the basis of management’s current beliefs with information known by management at the time of writing. Many factors could cause actual results to differ from the results discussed in forward-looking statements. Actual results may not be consistent with these forward-looking statements.

The Fund is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta. The Fund’s activities are currently confined to the Province of Alberta, Canada. Operations include the Boomtown Casino in Ft. McMurray, the Great Northern Casino, Service Plus Inns & Suites and a strip mall all located in Grande Prairie. The Fund is also a 91% joint venture partner in the Deerfoot Inn & Casino in Calgary.

Complete consolidated financial statements and MD&A for the three and nine months ended September 30, 2010 are available on the company’s website at [www.gamehost.ca](http://www.gamehost.ca) and will be filed in their entirety along with the Fund’s other interim filings, when they are available, on SEDAR at [www.sedar.com](http://www.sedar.com).

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