



MTR GAMING GROUP, INC.

FOR IMMEDIATE RELEASE

**MTR GAMING GROUP ANNOUNCES SECOND QUARTER RESULTS:
EBITDA FROM CONTINUING OPERATIONS UP 10% AND EPS FROM
CONTINUING OPERATIONS OF \$0.03 PER DILUTED SHARE**

CHESTER, WV – August 12, 2009 – MTR Gaming Group, Inc. (NasdaqGS: MNTG) today announced financial results for the second quarter and six months ended June 30, 2009. Current and prior-year results reflect the presentation of Running Aces Harness Park, Jackson Harness Raceway, the Ramada Inn and Speedway Casino and Binion's Gambling Hall & Hotel as discontinued operations. See attached tables (including Reconciliation of GAAP net income (loss) to Non-GAAP EBITDA).

For the second quarter of 2009, the Company's net revenues from continuing operations decreased to \$121.1 million, down 4% from \$125.7 million in the same period of 2008. EBITDA from continuing operations was \$19.9 million, up 10% (after severance costs of \$167,000 and strategic costs associated with lobbying and gaming efforts in Ohio of \$350,000) compared to \$18.0 million in the second quarter of 2008. The increase in EBITDA from continuing operations is directly attributable to cost containment, a shift in marketing strategies and improved operating performance at Mountaineer Casino, Racetrack & Resort and Presque Isle Downs & Casino. The Company reported net income of \$352,000 or \$0.01 per diluted share, of which a loss of \$565,000 or \$0.02 per diluted share was from discontinued operations. In the same period last year, the Company reported a net loss of \$2.3 million or \$0.08 per share, of which a loss of \$1.6 million, or \$0.05 per share, was from discontinued operations.

During the second quarter of 2009, corporate operating expenses decreased 24% to \$2.3 million compared to \$3.0 million in the second quarter of 2008 as a result of cost containment efforts.

Net revenues at the Mountaineer Casino, Racetrack & Resort decreased 4% to \$72.2 million in the second quarter of 2009 compared to \$75.4 million in the second quarter of 2008. Table gaming at Mountaineer generated \$12.1 million of revenues compared to \$11.4 million in the prior-year period, while revenues from slots decreased by \$1.6 million compared to the same quarter in 2008. The decrease in slot revenue is primarily attributable to competitive pressures and weak economic conditions. The property generated EBITDA of \$12.3 million versus \$11.7 million in the comparable quarter of 2008.

Net revenues at Presque Isle Downs & Casino decreased 2% to \$47.8 million during the second quarter of 2009 compared to \$48.9 million during the same period of 2008. The property generated EBITDA of \$10.2 million versus \$9.6 million in the comparable

quarter of 2008. The increase in EBITDA is directly attributable to operational efficiencies.

“We are pleased that our cost containment efforts resulted in another 10% increase in EBITDA,” said Robert Griffin, President and Chief Executive Officer of MTR Gaming Group. “Further, we are very happy with Ohio Governor Strickland’s recent approval of video lottery terminals at Ohio racetracks. In addition, we are preparing to take advantage of the approved non-taxable promotional credits, or free play, in West Virginia starting in September 2009. We believe that free play will position Mountaineer to compete more effectively in the expanding Ohio Valley market.”

For the first half of 2009, MTR’s total net revenues decreased 3% to \$230.8 million from \$238.7 million in the first half of 2008. EBITDA from continuing operations increased 15% to \$39.4 million (after severance costs of \$287,000 and strategic costs associated with lobbying and gaming efforts in Ohio of \$350,000) from \$34.4 million in the same period last year. The 2009 year-to-date net income was \$1.1 million or \$0.04 per diluted share, of which a loss of \$1.3 million or \$0.05 per diluted share was from discontinued operations. In the same period last year, the Company reported a net loss of \$4.9 million or \$0.18 per diluted share, which included a loss of \$1.8 million from discontinued operations and a \$3.4 million (\$1.6 million net of tax) non-cash charge resulting from a loss on debt modification, or \$0.12 per diluted share in the aggregate.

Mr. Griffin further added, “We will now turn much of our attention toward Ohio where the company is well positioned to leverage the new gaming initiative put forth by Governor Strickland. We are very excited about this new growth opportunity for MTR Gaming.”

Conference Call

Management will conduct a conference call providing a market update at 4:30 PM EDT on Wednesday, August 19, 2009. Interested parties may participate in the call by dialing (877) 407-4018. Please call in 10 minutes before the call is scheduled to begin and ask for the MTR Gaming call (conference ID #330621).

The conference call will be webcast live via the Investor Relations section of the Company’s website at www.mtrgaming.com. To listen to the live webcast please go to the website at least 15 minutes early to register, download and install any necessary audio software. If you are unable to listen to the live call, the conference call will be archived on the Investor Relations section of the Company’s website.

Reconciliation of Non-GAAP Measures to GAAP

EBITDA represents earnings (losses) before interest, income taxes, depreciation and amortization, gain (loss) on disposal of property, loss on debt modification and equity in loss of unconsolidated joint venture. EBITDA is not a measure of performance or liquidity calculated in accordance with generally accepted accounting principles (“GAAP”), is unaudited and should not be considered as an alternative to, or more meaningful than, net income or income from operations as an indicator of our operating performance, or cash flows from operating activities, as a measure of liquidity. EBITDA

has been presented as a supplemental disclosure because it is a widely used measure of performance and basis for valuation of companies in our industry. Uses of cash flows that are not reflected in EBITDA include capital expenditures, interest payments, income taxes, and debt principal repayments. Moreover, other companies that provide EBITDA information may calculate EBITDA differently than we do. A reconciliation of GAAP income (loss) from continuing operations and income (loss) from discontinued operations to EBITDA is included in the financial tables accompanying this release.

About MTR Gaming Group

MTR Gaming Group, Inc., through subsidiaries, owns and operates Mountaineer Casino, Racetrack & Resort in Chester, West Virginia; Presque Isle Downs & Casino in Erie, Pennsylvania; and Scioto Downs in Columbus, Ohio. For more information, please visit www.mtrgaming.com.

Except for historical information, this press release contains forward-looking statements concerning, among other things the prospects for improving the results of our operations at Mountaineer and Presque Isle Downs and the prospects for video lottery gaming at Scioto Downs. Such statements are subject to a number of risks and uncertainties that could cause the statements made to be incorrect and/or for actual results to differ materially. Those risks and uncertainties include, but are not limited to, the impact of new competition for Mountaineer and Presque Isle Downs in 2009, the effectiveness of our marketing programs, the enactment of future gaming legislation in the jurisdictions in which we operate, changes in, or failure to comply with, laws, regulations or the conditions of our gaming licenses, accounting standards or environmental laws, including adverse changes in the gaming tax rates that the Company currently pays in its various jurisdictions, general economic conditions, disruption (occasioned by weather conditions or work stoppages) of our operations, the success and growth of table gaming at Mountaineer, timely implementation of non-taxable promotional credits at Mountaineer and realization of the expected benefits thereof, the failure of any legal challenges to the recent Executive Order and legislation for video lottery gaming at racetracks in Ohio, our ability to improve our operating margins, our continued suitability to hold and obtain renewals of our gaming and racing licenses, our ability to comply with the covenants of our various debt instruments and/or our ability to obtain additional financing, if and when needed, and other factors described in the Company's periodic reports filed with the Securities and Exchange Commission. The Company does not intend to update publicly any forward-looking statements, except as may be required by law. The cautionary advice in this paragraph is permitted by the Private Securities Litigation Reform Act of 1995.

For Additional Information, Please Contact:

MTR Gaming Group, Inc.

www.mtrgaming.com

David R. Hughes

Corporate Executive VP and Chief Financial Officer

(724) 933-8122

dhughes@mtrgaming.com

MTR GAMING GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands, except per share amounts)
(unaudited)

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|--|-------------------------------|-------------------|-----------------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Revenues: | | | | |
| Gaming | \$ 108,930 | \$ 110,674 | \$ 209,496 | \$ 213,602 |
| Pari-mutuel commissions | 4,126 | 4,720 | 6,091 | 6,749 |
| Food, beverage and lodging | 8,493 | 9,896 | 16,103 | 17,962 |
| Other | 2,569 | 2,697 | 4,265 | 4,348 |
| Total revenues | 124,118 | 127,987 | 235,955 | 242,661 |
| Less promotional allowances | (2,986) | (2,244) | (5,123) | (3,931) |
| Net revenues | 121,132 | 125,743 | 230,832 | 238,730 |
| Operating expenses: | | | | |
| Expenses of operating departments: | | | | |
| Gaming | 68,599 | 71,594 | 131,381 | 136,290 |
| Pari-mutuel commissions | 3,836 | 4,292 | 6,120 | 6,826 |
| Food, beverage and lodging | 6,155 | 7,839 | 11,887 | 14,724 |
| Other revenue | 1,807 | 2,465 | 3,196 | 4,276 |
| Marketing and promotions | 6,503 | 4,528 | 10,948 | 8,101 |
| General and administrative | 14,317 | 16,994 | 27,932 | 34,145 |
| Depreciation | 7,314 | 7,473 | 14,588 | 14,998 |
| Loss on disposal of property | 130 | - | 138 | - |
| Total operating expenses | 108,661 | 115,185 | 206,190 | 219,360 |
| Operating income | 12,471 | 10,558 | 24,642 | 19,370 |
| Other income (expense): | | | | |
| Interest income | - | 51 | 439 | 143 |
| Interest expense | (9,956) | (10,422) | (19,880) | (20,675) |
| Loss on debt modification | - | - | - | (3,356) |
| Income (loss) from continuing operations before income taxes | 2,515 | 187 | 5,201 | (4,518) |
| (Provision) benefit for income taxes | (1,598) | (935) | (2,782) | 1,361 |
| Income (loss) from continuing operations | 917 | (748) | 2,419 | (3,157) |
| Discontinued operations: | | | | |
| Loss from discontinued operations before income taxes and non-controlling interest | | | | |
| | (660) | (2,317) | (2,002) | (2,576) |
| Benefit for income taxes | 92 | 747 | 681 | 784 |
| Loss from discontinued operations before non-controlling interest | (568) | (1,570) | (1,321) | (1,792) |
| Non-controlling interest | 3 | 10 | 6 | 15 |
| Loss from discontinued operations | (565) | (1,560) | (1,315) | (1,777) |
| Net income (loss) | \$ 352 | \$ (2,308) | \$ 1,104 | \$ (4,934) |
| Net income (loss) per share - basic: | | | | |
| Income (loss) from continuing operations | \$ 0.03 | \$ (0.03) | \$ 0.09 | \$ (0.12) |
| Loss from discontinued operations | (0.02) | (0.05) | (0.05) | (0.06) |
| Net income (loss) | \$ 0.01 | \$ (0.08) | \$ 0.04 | \$ (0.18) |
| Net income (loss) per share - diluted: | | | | |
| Income (loss) from continuing operations | \$ 0.03 | \$ (0.03) | \$ 0.09 | \$ (0.12) |
| Loss from discontinued operations | (0.02) | (0.05) | (0.05) | (0.06) |
| Net income (loss) | \$ 0.01 | \$ (0.08) | \$ 0.04 | \$ (0.18) |
| Weighted average number of shares outstanding: | | | | |
| Basic | 27,475,260 | 27,475,260 | 27,475,260 | 27,475,260 |
| Diluted | 27,475,260 | 27,475,260 | 27,475,260 | 27,475,260 |

MTR GAMING GROUP, INC.
SELECTED FINANCIAL INFORMATION
(dollars in thousands)
(unaudited)

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|-------------------------------|-------------------|-----------------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Net revenues from continuing operations: | | | | |
| Mountaineer Casino, Racetrack & Resort | \$ 72,221 | \$ 75,362 | \$ 138,834 | \$ 149,408 |
| Presque Isle Downs & Casino | 47,834 | 48,928 | 90,812 | 87,740 |
| Scioto Downs | 1,068 | 1,450 | 1,177 | 1,576 |
| Corporate | 9 | 3 | 9 | 6 |
| Consolidated net revenues from continuing operations | \$ 121,132 | \$ 125,743 | \$ 230,832 | \$ 238,730 |
| EBITDA from continuing operations: | | | | |
| Mountaineer Casino, Racetrack & Resort | \$ 12,343 | \$ 11,728 | \$ 24,817 | \$ 25,827 |
| Presque Isle Downs & Casino | 10,154 | 9,619 | 19,110 | 16,054 |
| Scioto Downs | (320) | (336) | (832) | (987) |
| Corporate | (2,262) | (2,980) | (3,727) | (6,526) |
| Consolidated EBITDA from continuing operations | \$ 19,915 | \$ 18,031 | \$ 39,368 | \$ 34,368 |
| EBITDA from discontinued operations: | | | | |
| Binion's Gambling Hall & Hotel | (201) | - | (660) | (1,511) |
| Ramada Inn and Speedway Casino | 6 | (712) | 43 | (750) |
| Jackson Racing / Jackson Harness Raceway | (92) | (147) | (165) | (244) |
| MTR-Harness / Running Aces Harness Park | (117) | (23) | (210) | (44) |
| Consolidated EBITDA | \$ 19,511 | \$ 17,149 | \$ 38,376 | \$ 31,819 |

The following tables set forth a reconciliation of income (loss) from continuing operations and income (loss) from discontinued operations, GAAP financial measures, to EBITDA, a non-GAAP financial measure.

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|--|-------------------------------|------------------|-----------------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| EBITDA FROM CONTINUING OPERATIONS: | | | | |
| Mountaineer Casino, Racetrack & Resort: | | | | |
| Income from continuing operations | \$ 2,365 | \$ 4,602 | \$ 6,096 | \$ 9,442 |
| Interest expense, net of interest income | 2,224 | 2,253 | 4,466 | 4,518 |
| Provision for income taxes | 4,053 | 1,135 | 6,985 | 4,362 |
| Depreciation | 3,591 | 3,738 | 7,177 | 7,505 |
| Gain on disposal of property | 110 | - | 93 | - |
| EBITDA from continuing operations | \$ 12,343 | \$ 11,728 | \$ 24,817 | \$ 25,827 |
| Presque Isle Downs & Casino: | | | | |
| Income from continuing operations | \$ 2,450 | \$ 4,172 | \$ 5,587 | \$ 5,691 |
| Interest expense, net of interest income | 253 | 406 | 122 | 860 |
| Provision for income taxes | 3,937 | 1,617 | 6,402 | 2,629 |
| Depreciation | 3,514 | 3,424 | 6,999 | 6,874 |
| EBITDA from continuing operations | \$ 10,154 | \$ 9,619 | \$ 19,110 | \$ 16,054 |
| Scioto Downs: | | | | |
| Loss from continuing operations | \$ (188) | \$ (355) | \$ (599) | \$ (897) |
| Interest expense, net of interest income | 26 | 27 | 48 | 56 |
| Benefit for income taxes | (362) | (236) | (686) | (598) |
| Depreciation | 204 | 228 | 405 | 452 |
| EBITDA from continuing operations | \$ (320) | \$ (336) | \$ (832) | \$ (987) |

MTR GAMING GROUP, INC.
SELECTED FINANCIAL INFORMATION (continued)
(dollars in thousands)
(unaudited)

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|-------------------------------|-------------------|-----------------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 |
| EBITDA FROM CONTINUING OPERATIONS (continued): | | | | |
| Corporate: | | | | |
| Loss from continuing operations | \$ (3,710) | \$ (9,167) | \$ (8,665) | \$ (17,393) |
| Interest expense, net of interest income | 7,453 | 7,685 | 14,805 | 15,098 |
| Benefit for income taxes | (6,030) | (1,581) | (9,919) | (7,754) |
| Depreciation | 5 | 83 | 7 | 167 |
| Loss on disposal of property | 20 | - | 45 | - |
| Loss on debt modification | - | - | - | 3,356 |
| EBITDA from continuing operations | \$ (2,262) | \$ (2,980) | \$ (3,727) | \$ (6,526) |
| Consolidated: | | | | |
| Income (loss) from continuing operations | \$ 917 | \$ (748) | \$ 2,419 | \$ (3,157) |
| Interest expense, net of interest income | 9,956 | 10,371 | 19,441 | 20,532 |
| Provision (benefit) for income taxes | 1,598 | 935 | 2,782 | (1,361) |
| Depreciation | 7,314 | 7,473 | 14,588 | 14,998 |
| Loss on disposal of property | 130 | - | 138 | - |
| Loss on debt modification | - | - | - | 3,356 |
| EBITDA from continuing operations | \$ 19,915 | \$ 18,031 | \$ 39,368 | \$ 34,368 |
| EBITDA from discontinued operations: | | | | |
| Binion's Gambling Hall & Hotel: | | | | |
| (Loss) income from discontinued operations | \$ (178) | \$ 79 | \$ (435) | \$ (1,287) |
| Interest income, net of interest expense | - | - | - | (29) |
| Benefit for income taxes | (23) | (79) | (225) | (879) |
| Loss on disposal of property | - | - | - | 684 |
| EBITDA from discontinued operations | \$ (201) | \$ - | \$ (660) | \$ (1,511) |
| Ramada Inn and Speedway Casino: | | | | |
| Income (loss) from discontinued operations | \$ 8 | \$ (37) | \$ 30 | \$ 1,488 |
| Interest expense (income) | 1 | 66 | (1) | 163 |
| (Benefit) provision for income taxes | (3) | (1) | 14 | 1,016 |
| Depreciation | - | 73 | - | 199 |
| Gain on disposal of property | - | (813) | - | (3,616) |
| EBITDA from discontinued operations | \$ 6 | \$ (712) | \$ 43 | \$ (750) |
| Jackson Racing / Jackson Harness Raceway: | | | | |
| Loss from discontinued operations | \$ (68) | \$ (130) | \$ (109) | \$ (288) |
| Interest expense, net of interest income and non-controlling interest | - | 1 | - | 2 |
| Benefit for income taxes, net of non-controlling interest | (24) | (27) | (56) | (133) |
| Depreciation, net of non-controlling interest | - | 10 | - | 16 |
| (Gain) loss on disposal of property, net of non-controlling interest | - | (1) | - | 159 |
| EBITDA from discontinued operations | \$ (92) | \$ (147) | \$ (165) | \$ (244) |
| MTR-Harness / Running Aces Harness Park: | | | | |
| Loss from discontinued operations | \$ (327) | \$ (1,472) | \$ (801) | \$ (1,690) |
| Interest expense, net of interest income | 2 | 2 | 5 | 2 |
| Benefit for income taxes | (42) | (636) | (414) | (781) |
| Equity in loss of North Metro Harness Initiative, LLC | 250 | 2,083 | 1,000 | 2,425 |
| EBITDA from discontinued operations | \$ (117) | \$ (23) | \$ (210) | \$ (44) |

MTR GAMING GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

| | June 30 2009 | December 31 2008 |
|---|-------------------------|-----------------------------|
| ASSETS | (unaudited) | |
| Current assets: | | |
| Cash and cash equivalents | \$ 40,711 | \$ 29,011 |
| Restricted cash | 836 | 929 |
| Accounts receivable, net of allowance for doubtful accounts of \$295 in 2009 and \$125 in 2008 | 3,804 | 7,717 |
| Accounts receivable - West Virginia Lottery Commission | 1,210 | - |
| Inventories | 4,038 | 4,445 |
| Deferred financing costs | 3,463 | 4,444 |
| Prepaid income taxes | - | 7,059 |
| Deferred income taxes | 1,399 | 1,397 |
| Prepaid expenses and other current assets | 6,217 | 4,528 |
| Assets held for deferred compensation | - | 11,529 |
| Assets of discontinued operations | - | 36 |
| Total current assets | 61,678 | 71,095 |
| Property and equipment, net | 359,908 | 367,769 |
| Goodwill | 1,985 | 1,985 |
| Other intangibles | 68,819 | 68,819 |
| Deferred financing costs, net of current portion | 1,498 | 2,499 |
| Deposits and other | 14,403 | 14,815 |
| Assets of discontinued operations | 234 | 728 |
| Total assets | \$ 508,525 | \$ 527,710 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 4,898 | \$ 6,869 |
| Accounts payable - gaming taxes and assessments | 5,268 | 6,848 |
| Accrued payroll and payroll taxes | 3,190 | 3,220 |
| Accrued interest | 4,993 | 4,932 |
| Accrued income taxes | 2,795 | - |
| Other accrued liabilities | 12,165 | 14,486 |
| Construction project and equipment liabilities | 4,386 | 1,048 |
| Deferred compensation | - | 11,547 |
| Current portion of long-term debt and capital lease obligations | 241,776 | 20,498 |
| Liabilities of discontinued operations | 459 | 1,240 |
| Total current liabilities | 279,930 | 70,688 |
| Long-term debt and capital lease obligations, net of current portion | 127,868 | 357,112 |
| Long-term deferred compensation | 339 | 663 |
| Deferred income taxes | 3,644 | 3,644 |
| Total liabilities | 411,781 | 432,107 |
| Shareholders' equity: | | |
| Common stock | - | - |
| Additional paid-in capital | 61,817 | 61,774 |
| Retained earnings | 35,117 | 34,013 |
| Accumulated other comprehensive loss | (386) | (386) |
| Total shareholders' equity of MTR Gaming Group, Inc. | 96,548 | 95,401 |
| Non-controlling interest of discontinued operations | 196 | 202 |
| Total shareholders' equity | 96,744 | 95,603 |
| Total liabilities and shareholders' equity | \$ 508,525 | \$ 527,710 |