



Canlan Reports Strong Q1 Earnings Growth and Refinances Debt on Favourable Terms

Burnaby, B.C., May 14, 2014 – [Canlan Ice Sports Corp.](#) (the “Corporation”) ([TSX: ICE](#)) today reported its financial results for the first quarter ended March 31, 2014.

Highlights of Q1 2014

- Total revenue \$21.2 million increased by 2.6% over 2013 while same store revenue was up \$0.7 million or 3.3%;
- EBITDA of \$5.4 million, increased by 16.7% over 2013;
- Canlan Sportsplex, which opened in the fall of 2012, turned its first quarterly profit as EBITDA rose significantly compared to prior year;
- Net earnings of \$2.5 million increased by 21.1%. EPS was \$0.18/share compared to \$0.15/share a year ago;
- The Company approved the continuation of its quarterly dividend policy and declared eligible dividends totaling \$0.02 per common share to be paid on July 15, 2014.

Refinancing

Subsequent to March 31, 2014, the Company successfully refinanced \$14.6 million of senior debt at reduced interest rates and a longer amortization period. In addition, \$5.1 million of additional financing was added to the debt package, enabling the Company to replenish cash reserves.

First Quarter Results

	For the 3 months ended March 31	
<i>(in thousands)</i>	2014	2013
Revenue	\$21,198	\$20,661
Operating expense	14,574	14,782
	6,624	5,879
General & administration expense	1,181	1,214
EBITDA ¹	\$5,443	\$4,665
EBITDA per share	\$0.41	\$0.35
Net earnings	\$2,458	\$2,030
Net earnings per share	\$0.18	\$0.15

¹ Earnings before interest, taxes, depreciation and amortization (EBITDA) is often used as a measure of financial performance. However, EBITDA is not a term that has specific meaning in accordance with IFRS, and may be calculated differently by other companies. Canlan reconciles EBITDA to its net earnings.

Key Balance Sheet Figures (in thousands):

As at March 31:	2014	2013
Assets		
Cash and cash equivalents	\$8,661	\$10,080
Property plant and equipment	88,391	89,401
Investment properties	570	570
Other assets	6,012	5,510
Total assets	\$103,634	\$105,561
Liabilities and Equity		
Interest bearing debt	\$40,845	\$41,233
Accounts payable and accrued liabilities	8,154	7,360
Deferred revenue	6,741	11,216
Other liabilities	747	796
Total liabilities	56,487	60,605
Share capital and contributed surplus	63,652	63,652
Deficit	(16,505)	(18,696)
Total shareholders' equity	47,147	44,956
Total Liabilities and Equity	\$103,364	\$105,561

First Quarter Results

(three months ended March 31, 2014 compared with three months ended March 31, 2013)

- Revenue of \$21.2 million increased by \$0.5 million or 2.6%;
- Incremental sales from Canlan's instructional programs, contract ice rentals, restaurant operations, and soccer rentals at the new Sportsplex were the main drivers of the growth;
- Quarterly EBITDA of \$5.4 million was a new Q1 high for Canlan as increased sales coupled with cost containment helped boost earnings by 16.7%.

"We are pleased with our solid financial results for the first quarter," said Canlan's CEO, Joey St-Aubin. "Instructional programs revenue was strong in most markets and our first multi-sport complex earned its first profit ending Q1 right on target."

"In addition to achieving our revenue targets for the quarter, operating efficiencies and energy cost saving initiatives resulted in lower energy costs," said Canlan's CFO, Mike Gellard. "Energy management has been a focus in our processes and capital projects over the past few years and it appears to be making a positive impact in our financial results."

Dividend Policy

Canlan's Board of Directors has approved the continuation of the Company's quarterly dividend policy and declared eligible dividends totaling \$0.02 per common share that will next be paid on July 15, 2014 to shareholders of record at the close of business June 30, 2014. Canlan's Board of Directors reviews the Company's dividend policy on a quarterly basis. Canlan's dividend is designated as an "eligible" dividend under the Income Tax Act (Canada) and any

corresponding provincial legislation. Under this legislation, individuals resident in Canada may be entitled to enhanced dividend tax credits, which reduce income tax otherwise payable.

Outlook

"Q1 results showed real positive improvements compared to 2013 and now we will be focused on carrying this momentum into the second and third quarters. Much work is also planned related to major maintenance and capital projects during the spring and summer seasons as we continue to ensure our facilities are of the highest standards in the industry," said Mr. St-Aubin.

"In addition to positive Q1 operating results, on May 1st, we successfully completed a \$19.7 million financing package at favourable terms," said Mr. Gellard. "The new credit package, which renewed existing debt, also enabled Canlan to replenish cash reserves. The credit facility has a four year term that matures May 31, 2018. In addition, we renewed a \$5 million acquisition line that can be utilized for future expansion opportunities."

Canlan's financial statements and Management Discussion & Analysis for the period ended March 31, 2014 will be available via SEDAR on or before May 15, 2014 and through the Company's website, www.icesports.com.

About Canlan

Canlan Ice Sports Corp. is the North American leader in the development, operations and ownership of ice rink and multi-purpose recreation facilities. We are the largest private sector owner and operator of recreational ice sports facilities in North America and currently own and/or manage 18 facilities in Canada and the United States with 55 ice surfaces, as well as indoor soccer fields, ball diamonds, curling rinks and volleyball courts. To learn more about Canlan please visit www.icesports.com.

Canlan Ice Sports Corp. is listed on the Toronto Stock Exchange under the symbol "ICE."

Caution concerning forward-looking statements

Certain statements in this MD&A may constitute "forward looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this MD&A, such statements may use such words as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this MD&A. These forward looking statements involve a number of risks and uncertainties. Some of the factors that could cause actual results to differ materially from those expressed in or underlying such forward looking statements are the effects of, as well as changes in: international, national and local business and economic conditions; political or economic instability in the Company's markets; competition; legislation and governmental regulation; and accounting policies and practices. The foregoing list of factors is not exhaustive.

For more information:

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