



Canlan Reports Record Revenue and EBITDA for 2015 and Declares Dividend

Burnaby, B.C., March 24, 2016 – [Canlan Ice Sports Corp.](#) (the “Corporation”) ([TSX: ICE](#)) today reported its financial results for the fourth quarter and year ended December 31, 2015. The Corporation also announced the continuation of its dividend for Q1 2016.

Highlights of 2015

- Record revenue of \$79.4 million increased by \$3.7 million or 4.9% compared to 2014; same store revenue increased by \$2.2 million or 2.9%;
- Record EBITDA¹ of \$11.4 million increased by \$0.3 million or 2.6% compared to 2014;
- Net loss was \$3.6 million compared to net earnings of \$0.9 million in 2014. Net loss for 2015 includes the recognition of a \$4.1 million asset impairment charge;
- Canlan commenced operations of its newest facility, Sportsplex Lake Barrington, on February 1, 2015, and earnings from the Sportsplex which houses two gymnasiums and a FIFA-sized soccer field were on target for the year;
- Major capital projects were completed at Ice Sports Winnipeg to renew one ice-pad, and renovate the entrance area to improve accessibility;
- Due to a change in accounting policy, the Corporation recorded a foreign currency translation difference of \$3.6 million in other comprehensive income that increased shareholders’ equity. This difference reflects the net effect of translating U.S. operations’ financial results and net asset balances; and
- Canlan received a 2015 Technology Impact Award (TIA) in the category of “Adoption of Technology” from the BC Technology Industry Association. Working with Traction on Demand, Player’s Bench is a mobile responsive application for Canlan’s adult hockey league (ASHL) players, designed to enhance their experience by providing a centralized portal for players to access tools they need including efficient team management and social networking.

Fourth Quarter and Annual Results

	For the 3 months ended December 31		For the year ended December 31	
<i>(in thousands)</i>	2015	2014	2015	2014
Revenue	\$22,889	\$21,888	\$79,449	\$75,732
Operating expense	15,987	15,623	63,769	60,089
	6,902	6,265	15,680	15,643
G&A expense	1,018	1,315	4,304	4,559
EBITDA ¹	\$5,884	\$4,950	\$11,376	\$11,084
EBITDA per share	\$0.44	\$0.37	\$0.85	\$0.83
Depreciation, interest and taxes	2,604	2,891	9,855	9,522
Impairment loss	4,070	-	4,070	-
Loss on foreign exchange	67	344	1,053	666
Net earnings (loss)	(\$857)	\$1,715	(\$3,602)	\$896
Net earnings (loss) per share	(\$0.06)	\$0.13	(\$0.27)	\$0.07

Key Balance Sheet Figures *(in thousands)*:

As at December 31:	2015	2014
Assets		
Cash and cash equivalents	\$10,065	\$13,534
Property plant and equipment	103,631	97,682
Investment properties	574	570
Other assets	6,334	6,236
Total assets	\$120,604	\$118,022
Liabilities and Equity		
Interest bearing debt	\$55,762	\$53,582
Accounts payable and accrued liabilities	7,938	7,351
Deferred revenue	12,519	11,333
Other liabilities	657	971
Total liabilities	76,876	73,237
Share capital and contributed surplus	63,652	63,652
Foreign currency translation reserve	3,612	-
Deficit	(23,536)	(18,867)
Total shareholders' equity	43,728	44,785
Total liabilities and equity	\$120,604	\$118,022

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.

Fourth Quarter Results

(three months ended December 31, 2015 compared with three months ended December 31, 2014)

- Q4 revenue of \$22.9 million increased by \$1.0 million or 4.6% compared to prior year;
- Same store revenue of \$22.5 million, increased by \$0.6 million or 2.6% from 2014;
- Growth in sales from adult hockey leagues, contract ice rentals and youth hockey leagues were the primary sources of the year-over-year revenue increase;
- Same store operating expenses of \$15.6 million remained consistent with the prior year; and
- A non-cash impairment charge of \$4.1 million was recognized for accounting purposes to reduce the book value of an ice rink facility in Fort Wayne, Indiana.

2015 Year End Results

(year ended December 31, 2015 compared with year ended December 31, 2014)

- Revenue of \$79.4 million increased by \$3.7 million or 4.9% compared to 2014. Same store revenue increased by \$2.2 million or 2.9%;
- Main drivers of same-store increases were pricing, growth in adult hockey leagues markets, instructional programs and third-party ice/field rentals and youth hockey leagues in the U.S.;
- The Sportsplex facility in Lake Barrington, Illinois that was purchased earlier in the year strengthened Canlan's revenue base and results were on target for this facility during its first 11 months of operations;
- Total facility operating costs of \$63.8 million in 2015 increased by \$3.7 million or 6.1% compared to 2014. Same store operating costs increased by \$2.1 million or 3.5%;
- Same store costs increased mainly by the rise in labour costs, utilities, and variable expense items related to certain segments of the business;
- Utility expenses increased significantly due to regulatory surcharges on electricity imposed by Ontario's power authority. While electricity consumption has been relatively stable, a surcharge called "Global Adjustment", imposed by Ontario utility regulators has increased costs by approximately \$0.5 million or 44.3% for the year;
- Corporate G&A expenses of \$4.3 million decreased by \$0.3 million or 5.6% due to lower salary and stock-based compensation costs;
- After G&A, EBITDA of \$11.4 million, increased by \$0.3 million or 2.6% compared to 2014;
- A non-cash impairment charge of \$4.1 million was recognized for accounting purposes to reduce the book value of an ice rink facility in Fort Wayne, Indiana;
- After recording a total of \$10.9 million for interest, depreciation, foreign exchange losses, and an income tax recovery, net loss for the year was \$3.6 million or \$0.27 per share; and
- Prior to January 1, 2015, the functional currency of the Corporation's U.S. subsidiaries was determined to be the Canadian dollar but should have been the U.S. dollar. The impact of this difference on prior years was not material and accordingly the Corporation corrected the difference in the consolidated financial statements for the year ended December 31, 2015 and recorded a positive foreign currency translation reserve of \$3.6 million.

"For the 2015 year, I'm encouraged that EBITDA grew by 2.6% despite having to face significant cost burdens from electricity surcharges imposed by Ontario energy authorities," said Canlan's CEO, Joey St-Aubin. "This was made possible through concerted efforts by our team to remain competitive in most markets, prudently manage costs, while focusing on hitting

our targets at our new Sportsplex facility in Lake Barrington, Illinois that was purchased in early 2015.”

“In addition to achieving EBITDA growth, we re-invested \$3.2 million into our facilities in 2015 to renew equipment, improve playing conditions, and enhance amenities. Our consistent capital expenditure program is crucial not only to sustain our revenue streams, but more importantly, to maintain a high level of customer service and safety standards,” added Canlan's CFO, Mike Gellard. “In 2015, we also recognized a valuation impairment charge of \$4.1 million related to our ice rink facility in Fort Wayne, Indiana. Although the purchase of the facility is still expected to strategically benefit the Company in the longer term, we've reduced its book value to reflect the fact it has taken longer than anticipated to stabilize the business that we began operating in 2010 and purchased in 2014. In this market, our focus is to continue to build top line revenue by developing the market not only in terms of ice sports, but with a focus on making the facility a recreation destination for the community.”

Dividend Policy

Canlan's Board of Directors has approved the continuation of the Corporation's quarterly dividend policy and declared eligible dividends totaling \$0.02 per common share that will next be paid on April 15, 2016 to shareholders of record at the close of business April 6, 2016. Canlan's Board of Directors reviews the Corporation'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.

“As we turn the corner from 2015, we look forward to solid operations from our ice rink facilities and business growth from our newer multi-sport complexes in the current year. We anticipate Q1 2016 to finish on target as winter sports leagues and programs start to wind down and spring leagues begin to ramp up,” said Mr. St-Aubin. “Canlan will continue to execute a business plan that enables us to grow our business, serve the communities well, and manage our cash flows to ensure adequate resources remain available for debt retirement and continued investment in our capital assets.”

Canlan's financial statements and Management Discussion & Analysis for the year ended December 31, 2015 will be available via SEDAR on or before March 31, 2016 and through the Corporation's website, www.icesports.com.

About Canlan

Canlan Ice Sports Corp. is the North American leader in the development, operations and ownership of multi-purpose recreation and entertainment facilities. We are the largest private sector owner and operator of recreation facilities in North America and currently own, lease and/or manage 21 facilities in Canada and the United States with 57 ice surfaces, as well as five indoor soccer fields, and 21 sport, volleyball, and basketball 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 Corporation 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 Corporation's markets; competition; legislation and governmental regulation; and accounting policies and practices. The foregoing list of factors is not exhaustive.

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