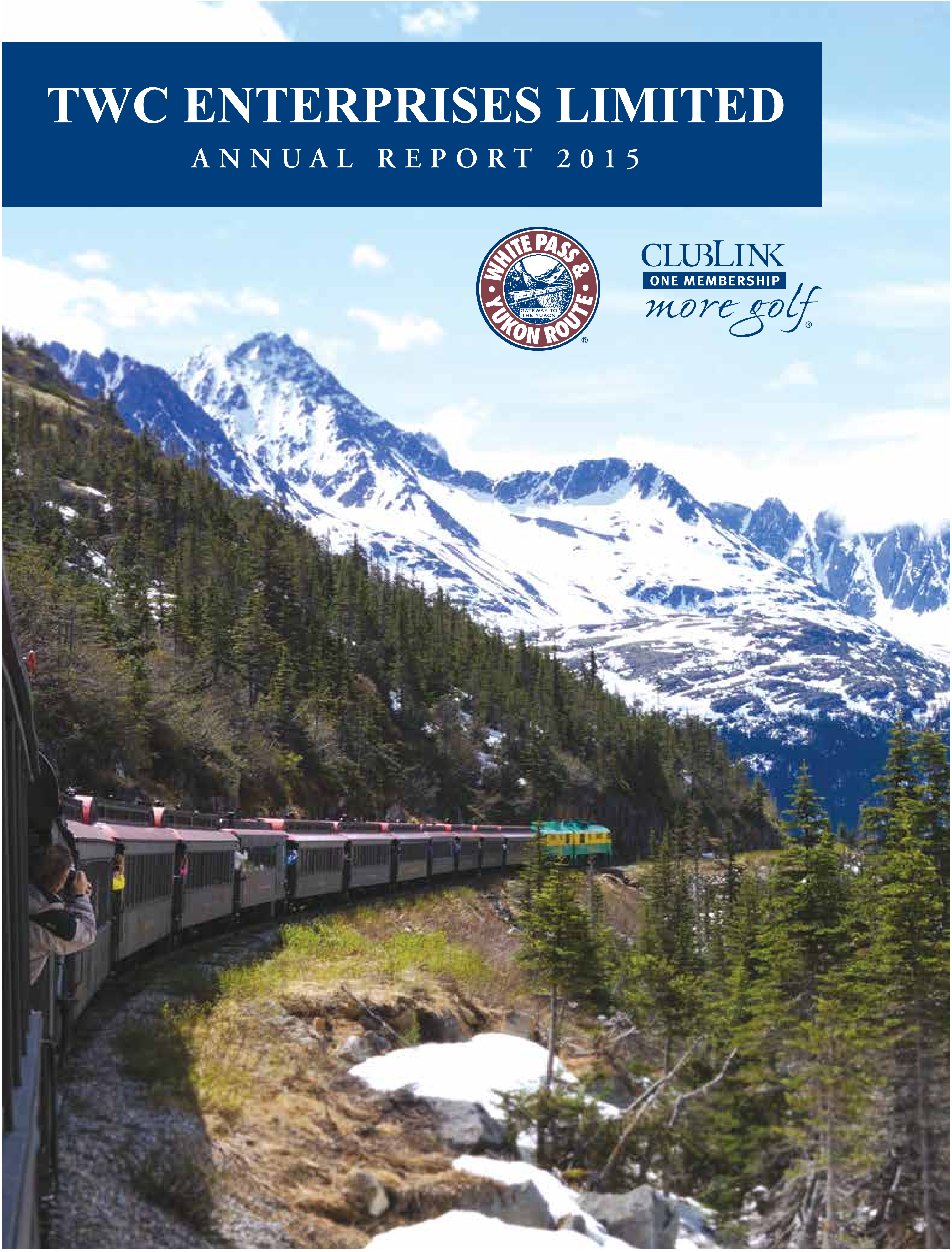
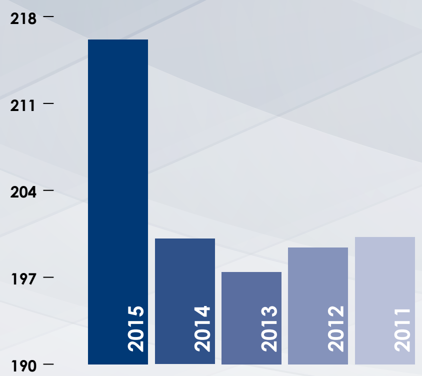
TWC ENTERPRISES LIMITED

ANNUAL REPORT 2015

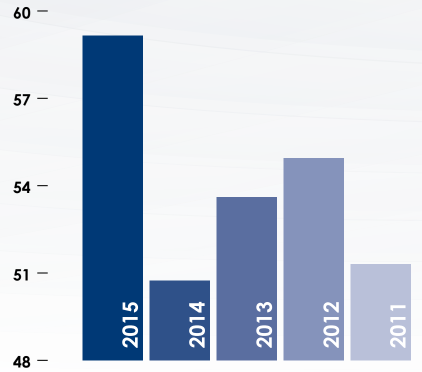


TWC ENTERPRISES LIMITED

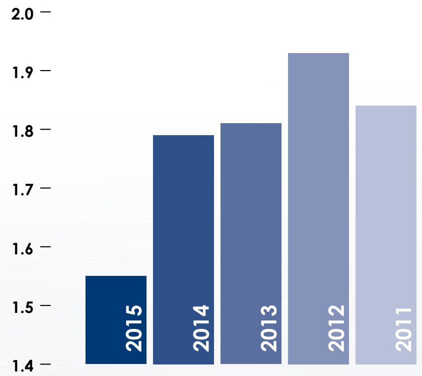
TABLE OF CONTENTS



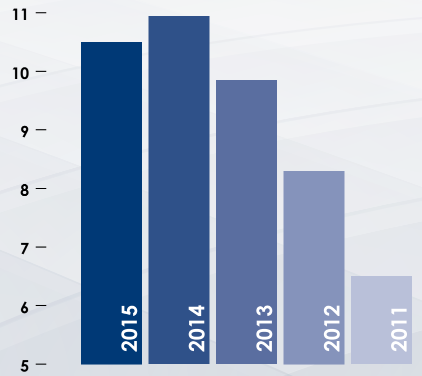
OPERATING REVENUE (millions of dollars)



NET OPERATING INCOME (millions of dollars)



GROSS BORROWINGS TO SHAREHOLDERS' EQUITY RATIO



CLOSING PRICE PER SHARE ON TSX ($)

COVER PHOTO: ALLISON HAAS
BACKGROUND ILLUSTRATION: HAKKI ARSLAN

FINANCIAL HIGHLIGHTS

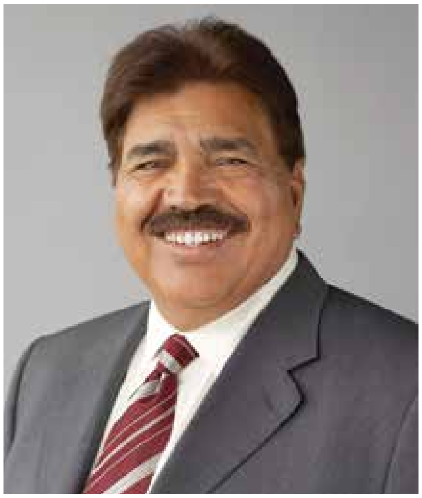
The following table summarizes the consolidated five year financial results of the Company:

For the Years Ended December 31	**2015**	2014	2013	2012	2011
OPERATIONS					
Operating revenue ($000)	**216,147**	200,104	197,425	199,404	200,246
Net operating income ($000)(1)	**59,150**	50,734	53,608	54,944	51,305
Operating margin (%)(1)	**27.4**	25.4	27.2	27.6	25.6
Net membership fee income ($000)(1)	**9,685**	11,150	14,564	14,184	14,353
Earnings before other items and income taxes ($000)(1)	**68,835**	61,884	68,172	69,128	65,658
Net earnings ($000)	**4,259**	3,465	13,154	14,551	16,388
Cash flow from operations ($000)(1)	**36,112**	26,822	34,495	36,527	40,975
OPERATING DATA					
CLUBLINK ONE MEMBERSHIP MORE GOLF					
Championship rounds - Canada(2)	**1,040,000**	950,000	957,000	1,021,000	1,018,000
18-hole equivalent championship golf courses - Canada(2,3)	**42.5**	43.5	41.5	41.5	41.5
Championship rounds - US(2)	**395,000**	373,000	358,000	347,000	212,000
18-hole equivalent championship golf courses - US(2,3)	**12.0**	12.0	11.0	12.0	12.0
WHITE PASS & YUKON ROUTE					
Rail passengers	**402,000**	410,000	395,000	385,000	382,000
Port passengers from cruise ships	**816,000**	820,000	822,000	757,000	712,000
MEMBERSHIP DATA					
Canadian Full Privilege Golf Members	**15,015**	15,177	15,583	16,396	17,074
Membership fees collected ($000)	**6,011**	7,179	7,550	8,679	9,747
COMMON SHARE DATA (000)					
Shares outstanding at year end	**27,136**	26,419	26,104	26,081	27,793
Weighted average shares outstanding	**27,150**	27,046	27,011	27,423	28,777
PER COMMON SHARE DATA ($)					
Basic and diluted earnings	**0.16**	0.13	0.49	0.53	0.57
Basic and diluted cash flow from operations(1)	**1.33**	0.99	1.28	1.33	1.42
Eligible dividends	**0.30**	0.30	0.30	0.30	0.30
FINANCIAL POSITION					
Total assets ($000)	**712,065**	673,335	658,679	652,589	662,132
Gross borrowings ($000)	**350,134**	358,216	350,702	352,401	348,232
Shareholders' equity ($000)	**225,190**	200,556	193,293	182,272	189,542
Gross borrowings to shareholders' equity ratio	**1.55**	1.79	1.81	1.93	1.84
Net book value per share(1)	**8.30**	7.59	7.40	6.99	6.82

(1) Net operating income, operating margin, net membership fee income, earnings before other items and income taxes, cash flow from operations, basic and diluted cash flow from operations per share and net book value per share are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that, in addition to net earnings, these measures are useful supplemental information to provide investors with an indication of the Company's performance. Investors should be cautioned, however, that these measures should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance or to cash flows from operating, investing and financing activities, as a measure of liquidity and cash flows. TWC's method of calculating these measures is consistent from year to year, but may be different than those used by other companies (see "Management's Discussion and Analysis of Financial Condition and Results of Operations").
(2) Excluding academy courses.
(3) 18-hole equivalent championship golf courses operating during the year ended December 31.

CHAIRMAN'S MESSAGE

Photo: Allison Haas



K. (RAI) SAHI
Chairman, President and
Chief Executive Officer

Fellow Shareholder:

2015 was a year of accomplishment which included net operating income of $59.2 million – the highest ever in the Company's history. These results were achieved by way of significant improvements in both the Canadian and Florida golf segments. Currency fluctuations have also impacted the results from higher translated USD White Pass earnings.

Golf Operations

Canadian golf operations achieved a 13-per-cent increase in net operating income resulting from improved results at our Daily Fee golf properties. Championship golf rounds were up almost 10 per cent in 2015, notwithstanding one less property in play compared to 2014.

A renewed focus on enhancing member value has resulted in improvements in resignation rates, sales, and overall member satisfaction. While significant strides were made in this area during 2015, this will need to be a focus in 2016 and beyond. A new 10-month instalment program along with early-pay discounts on annual dues have helped to spread the cost of golf for members throughout the year.

Discounts and special pricing for juniors, intermediates and spouses have been designed to cultivate an atmosphere at our golf clubs that is much more family-friendly. This will continue to be an area of focus.

New products and dynamic green fee pricing for the Daily Fee golfer have helped to substantially improve the results of our Daily Fee golf courses. An extended 2015 golf season which allowed Canadian golfers on our tee sheets at some locations until Christmas Eve also aided in the Daily Fee results.

The Canadian golf market continues to be challenging as a result of an oversupply of golf courses which has put downward pressure on revenue per round across the industry. This trend has also put downward pressure on membership fee prices earned per membership.

A scheduled $1.9-million decline in 2015 of amortization of membership fee revenue was recorded due to fewer membership fees earned from new sales. As revenue recognition for older member age groups becomes complete, they are being replaced with much lower membership fees being added to the pool.

The Highland Gate Golf Club in Aurora, Ontario, closed permanently in late 2015 and is being considered for housing development.

Florida golf operations achieved an 82-per-cent increase in net operating income resulting from increased rounds and savings from a cost-reduction program.

Photo: Kevan Ashworth

Rail and Port Operations

Net operating income from the rail and port operations remained flat in 2015, notwithstanding one day in August that resulted in lost revenue of approximately $400,000 USD due to high winds causing three cruise ships not to dock.

Port passengers were down slightly in 2015 and are expected to remain static in 2016.

White Pass had great success with their first-class dining cars which were introduced in 2015. They provided an upscale experience for a premium price and will be further marketed in 2016.

White Pass & Yukon Route continues to be the premier tourist excursion for tourists taking an Alaskan cruise and is committed to ensuring that the experience is best in class.

White Pass continues to invest in both port and rail infrastructure. A new mooring fender will allow the docking of the new Voyager Class of cruise ship – the biggest yet to come to Skagway.

Overall

Adjusting for one-time expenses, our earnings per share increased to 45 cents per share from 30 cents per share in 2014 due to the improved Canadian golf results. This compares to 42 cents per share in 2013.

Included in the one-time expenses was an impairment charge of $5.4 million on Canadian golf assets, booked primarily on the Montreal properties. The Montreal golf market continues to be challenging with significant downward pressure on pricing.

With a strong balance sheet and solid cash flow, TWC is poised to succeed moving into 2016.

Employee safety remains an important priority for both business segments. Over the years, our strong training initiatives have ensured our quality safety record is maintained and we are very pleased with the resulting decline in lost-time injuries.

Our nearly 5,000 employees are very talented and we strive to ensure that they are motivated and engaged. The company's success is dependent upon their satisfaction. Sincere thanks to them for their valued contributions to our company. It is also a pleasure to work alongside our hard-working and engaged senior management team.

I would also like to take this opportunity to thank our directors for their guidance and direction, in addition to our valued shareholders for their support.

2015 was a year wherein we made great strides in improving the results of the company and we are looking forward to continuing this trend in 2016 and beyond.

K. (Rai) Sahi
Chairman, President and
Chief Executive Officer

PHOTOS: BRENT LONG, BILL ZHU

REDEFINING *golf club* MEMBERSHIP

CLUBLINK
ONE MEMBERSHIP
more golf®

In 2015, ClubLink continued to create new ways to make golf club membership more accessible.

Once again leading the way, ClubLink has developed new opportunities for golfers to enjoy a membership experience that suits their lifestyle and budget.

In keeping with the theme of golf as a family activity and building upon the successful Family Twilight, Junior and Intermediate programs, Principal Members at all ClubLink Clubs may now add a spouse with Home Club privileges for no additional membership fee.

ClubLink also made it easier for young family members to stay in the game and maintain their membership throughout their lives by making membership fees and annual dues more affordable and relative to the time they have to play golf. Members age 35 and under are eligible for these benefits.

Other attractive options unique to a ClubLink membership now include a 10-month installment plan for annual dues and a system-wide cart plan.

PHOTOS: BRENT LONG, HANICKA MAYUMI, GAYLE MORGAN, CONNOR WHITEHEAD

ClubLink Members are entitled not only to play some of the best courses anywhere, but receive access to benefits and amenities not available through a traditional golf club membership, including:

- Reciprocal access to all Member Clubs
- Preferred tee times at their Home Club
- No assessment fees
- Interest-free financing of membership fees for up to 20 years depending upon age
- Access to more than 230 golf courses, business and athletic clubs worldwide through our ClubCorp Signature Gold Unlimited membership option
- Complimentary Family Twilight Program at Gold, Platinum and Prestige Clubs
- Complimentary Home Club junior memberships (up to age 15) at Platinum and Prestige Clubs
- Privileges at our Clubs in Florida through the TravelLink program
- ClubLink Advantage Pricing on all golf merchandise
- Inter-club leagues and competitions, tournaments, pro-ams and other special events
- PGA of Canada certified training professionals
- Attractive discounts on resort stays, banquets, weddings, meeting room and corporate functions

ClubLink remains committed to its mission of providing the best possible experience to all Members and guests each and every time they visit our family of outstanding Clubs.

CLUBLINK *in* FLORIDA

ClubLink's portfolio of Florida clubs boasts four outstanding championship courses in Sun City Center and seven prestigious courses in Southeast Florida including TPC Eagle Trace, former home to the PGA Tour's Honda Classic.

PHOTOS: PETE DI BARTOLOMEO, MARK GADULA, THE GREG WILSON GRUOP

PHOTOS: KEVAN ASHWORTH, PETE DI BARTOLOMEO, PETER SELLAR

MORE GOLF *for* EVERYONE

Flexibility and value are essential for meeting the demands of today's evolving golf market.

The new ClubLink Players Club satisfies that objective for daily-fee golfers not ready to make the commitment to club membership. Preferred access to ClubLink's roster of outstanding daily-fee courses (Glen Abbey Golf Club, The Club at Bond Head, Hidden Lake Golf Club, Rolling Hills Golf Club, Grandview Inn and Cherry Downs Golf Club) along with "membership prospect" opportunities at selected Member Club locations proved to be an attractive product with more than 2,000 golfers joining the program in 2015.

For a nominal annual fee, ClubLink Players Club cardholders received complimentary rounds, two-for-one certificates, discounts on green fees when not using certificates, discounts on accommodations at ClubLink's Muskoka resorts, and the opportunity to compete in the ClubLink Players Club Summer Tournament Series.

The ClubLink Players Club invites avid golfers to enjoy the advantages of a low-cost, high-value frequent-user program. Our expectation is that, over time, a number of participants will make a long-term ClubLink membership commitment.

THE SCENIC RAILWAY *of the* WORLD

At White Pass & Yukon Route, our mission is to authentically celebrate and share our rich heritage within the communities that we operate and showcase the adventure and accomplishments of the White Pass & Yukon Route since its construction during the Klondike Gold Rush of 1898.

As always, our goal is to provide a unique and memorable customer experience through magnificent scenery, vintage rail equipment, historic sites and informative narration. Known as The Scenic Railway of the World, WP&YR has displayed true ingenuity over the last 118 years, triumphing over challenge to become the successful company known around the globe today.

Our dedicated and knowledgeable staff takes special care to ensure that all of our passengers experience their trip of a lifetime, whether it is on a half-day trip to the Summit and Fraser or a full-day adventure to Lake Bennett and Carcross. Our team knows the importance of making lasting impressions and we make it our duty to fulfill the highest of expectations.

White Pass & Yukon Route consistently ranks very high in customer service, with a 96.5-per-cent passenger satisfaction rate in 2015.

We recognize that there are many facets of our operation that support the overall tour experience for our guests, tour partners, agents, and rail fans alike. From our social media and website, to our online and in-person customer support, to the unsung heroes who keep our operations running smoothly, WP&YR knows that the customer experience begins well before the guests arrive in Skagway and ends long after they depart. All pieces of the puzzle come together each year to create the big picture that our passengers see day in and day out, and remember for a lifetime.

In 2015, 11 cruise lines operating 25 large ships made 396 dockings, bringing 801,000 passengers to the Port of Skagway, with 327,000 of those passengers riding the rails, once again making it Alaska's most popular shore excursion.

Operating as many as 11 trains a day, White Pass & Yukon Route services the tourist market with a railroad fleet consisting of 20 diesel-electric locomotives, 85 restored and replica passenger cars, including two first-class rail cars, and two steam locomotives.

PHOTO: PHILIP WORMALD

PHOTOS: GEORGE A. FORERO JR., ELISE GIORDANO

CONTINUED SUCCESS *with* FOREIGN LANGUAGE AUDIO TOUR

As our customer demographic changes and we see passengers from all over the world, WP&YR continues to offer a highly sought-after service to our group markets with GPS-activated audio tours, which are available in six languages: Japanese, German, Mandarin, Portuguese, Spanish and French, with Korean being added for 2016. The foreign language tour content emphasizes the history of the Gold Rush, the building of the White Pass & Yukon Route, and what it's like to live in the North. It's proven to be a key sales tool in capturing the large groups of foreign-speaking cruise guests who are looking to hear the colourful history of the North in their native language.

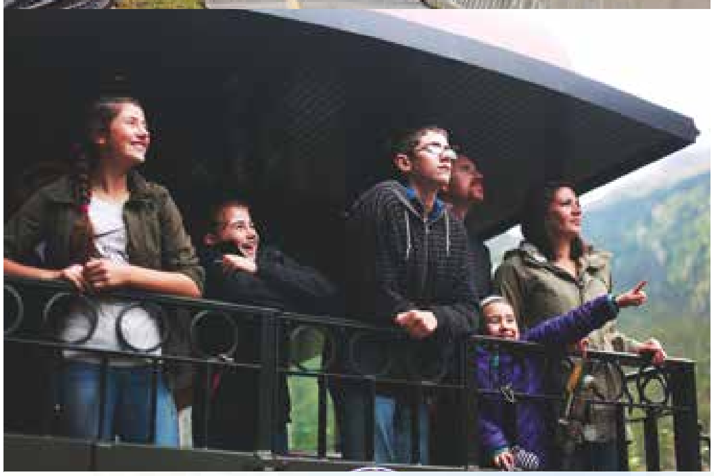
PHOTOS: GEORGE A. FORERO JR., ELISE GIORDANO

NEW CRUISE SHIPS *to* PORT

Five new cruise ships called on Skagway in 2015—the Carnival Legend, Royal Caribbean's Jewel of the Seas, Holland America's Noordam, the Ruby Princess, and the small French-flagged Compagnie du Ponant's L'Austral—bringing more than 187,000 passengers to the port and nearly 77,000 rail guests on a combined 77 port calls. The Carnival Legend, Noordam and Ruby Princess will return to call on Skagway for the 2016 season.

FIRST-CLASS RAIL CARS A SUCCESS

The summer of 2015 marked the first full summer of operating the two new first-class parlour cars and White Pass & Yukon considers this a resounding success. With this new class of service, known as the White Pass Legacy Club, passengers enjoy custom-made leather seating, all-inclusive beverages and regionally sourced appetizers, while sharing the unforgettable experience with their travel companions. Enhancing this first-class excursion is a private guide who highlights all the scenic viewpoints while sharing the incredible story of the building of the railroad. With seating for 12 to 14 guests per car, the White Pass Legacy Club is the ideal way to relish this historic narrow-gauge rail adventure in an exclusive environment.



DOCK **INNOVATION**

In 2016, Port Operations will be enhanced with a new mooring fender at the aft of the Railroad Dock. The completion of this project will enable us to dock the Voyager class of vessel which will be the largest yet to call on our port.

NEW *and* DYNAMIC SAFETY INITIATIVES

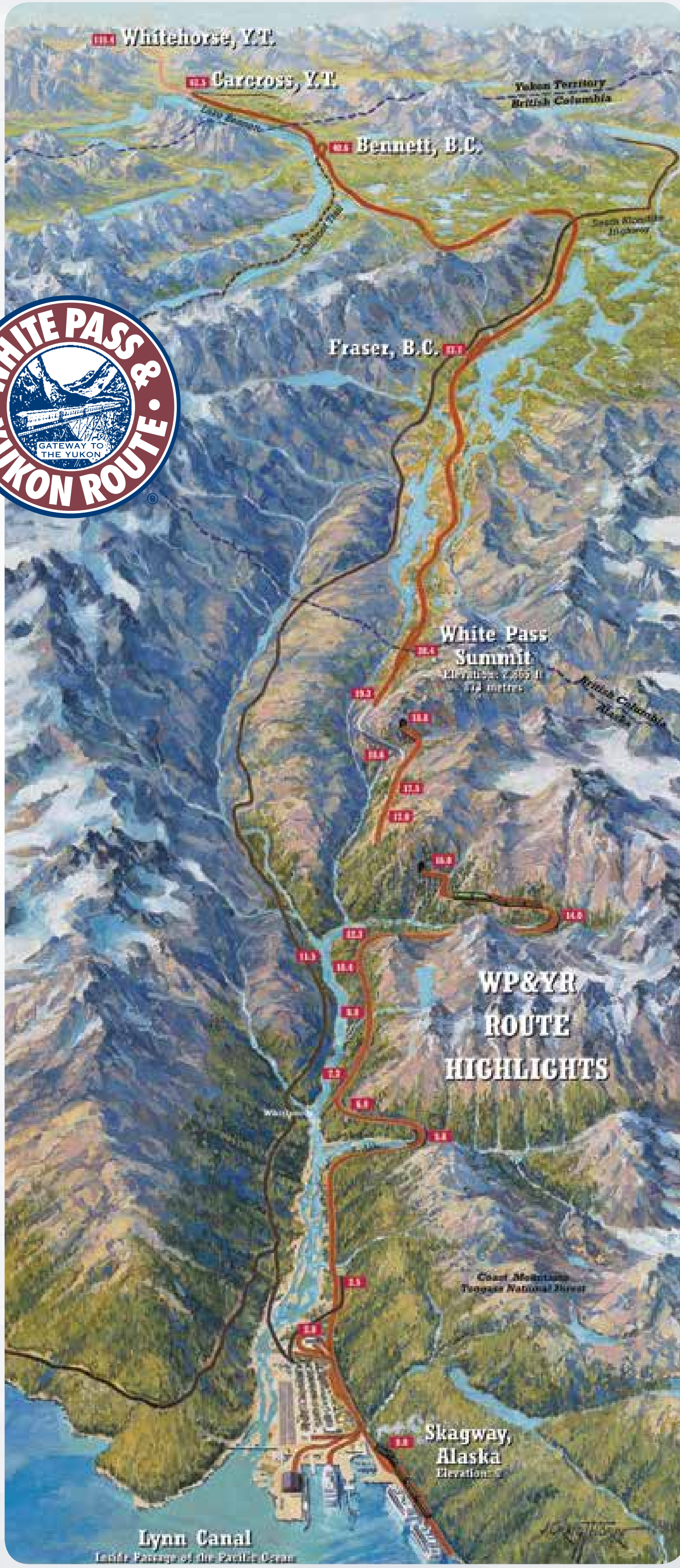
In 2015, new safety initiatives further cultivated our positive health and safety culture. A comprehensive avalanche mitigation program, fall-protection implementation, enhanced high-visibility apparel, safety boot initiatives and an increased overall training program have further ingrained a 'safety first' mentality. We will continue with these enhancements, promoting health and safety in concert with employee engagement to reward those who strengthen our philosophy of care.

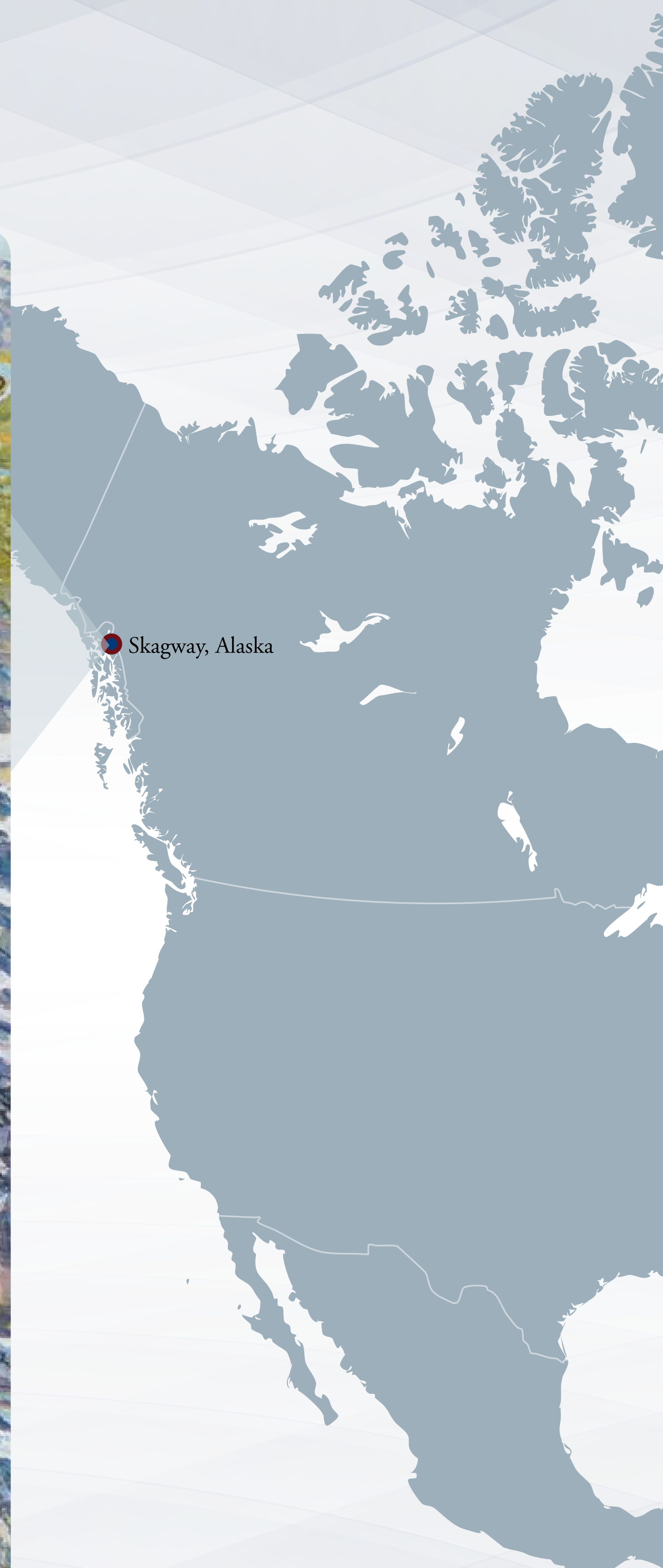
LOOKING AHEAD TO 2016

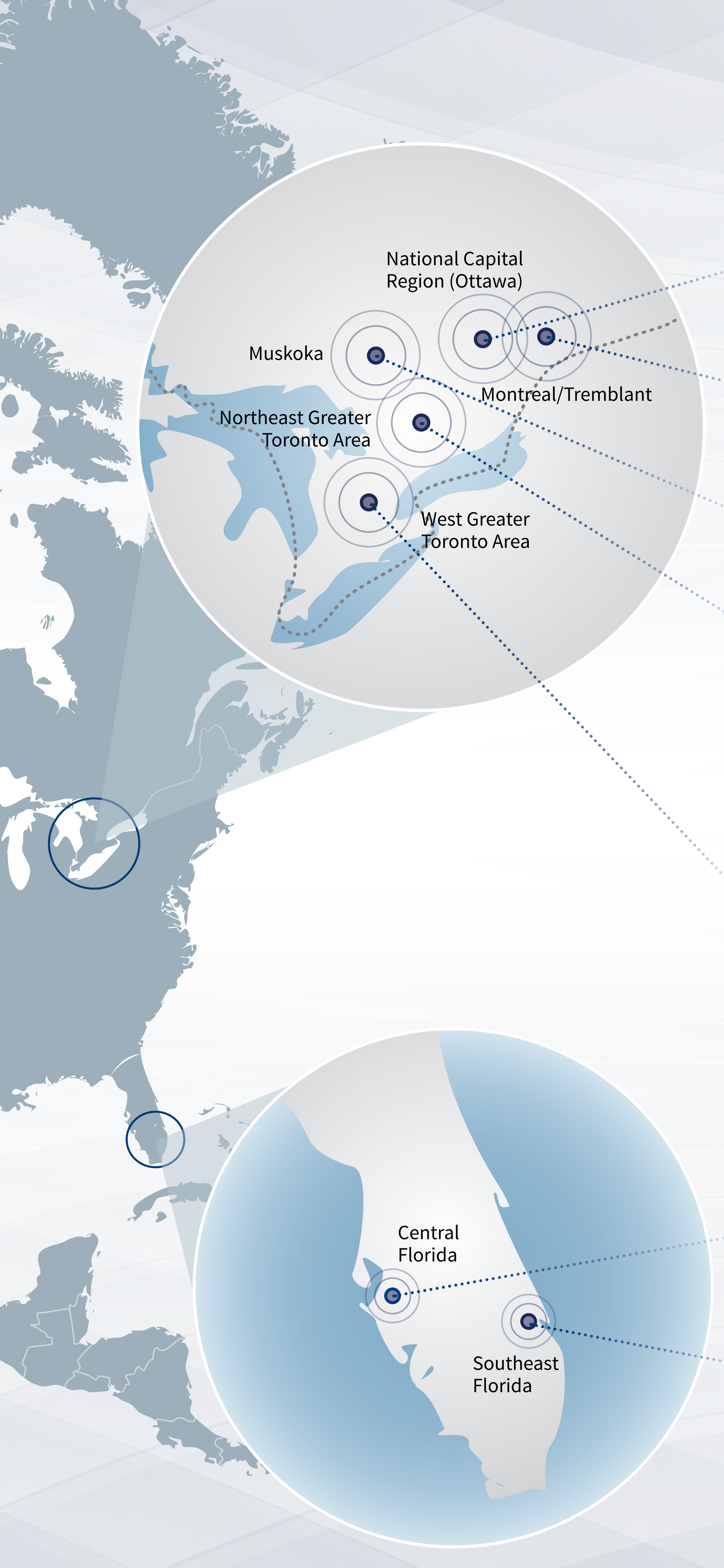
2016 will bring enhancements to our Carcross Service with changes to the guest experience at Bennett Station. While, traditionally, rail passengers ate their meal inside the station, guests will now be able to explore the new museum located there and will enjoy their meal on board the train after taking in the breathtaking Bennett scenery. With this enhancement, we will have decreased run time so that this service will be advertised and available in both directions which offers the opportunity for increased capacity on this route.

PHOTOS: GEORGE A. FORERO JR., ELISE GIORDANO

TWC ENTERPRISES LIMITED







CLUBLINK
ONE MEMBERSHIP
more golf®

GOLF COURSE LOCATIONS (42)

National Capital Region (Ottawa) (4)
- Club de golf Hautes Plaines
- Eagle Creek Golf Club
- GreyHawk Golf Club
- Kanata Golf and Country Club

Montreal/Tremblant (4)
- Club de golf Islesmere
- Club de golf Le Fontainebleau
- Club de golf Val des Lacs
- Le Maître de Mont-Tremblant

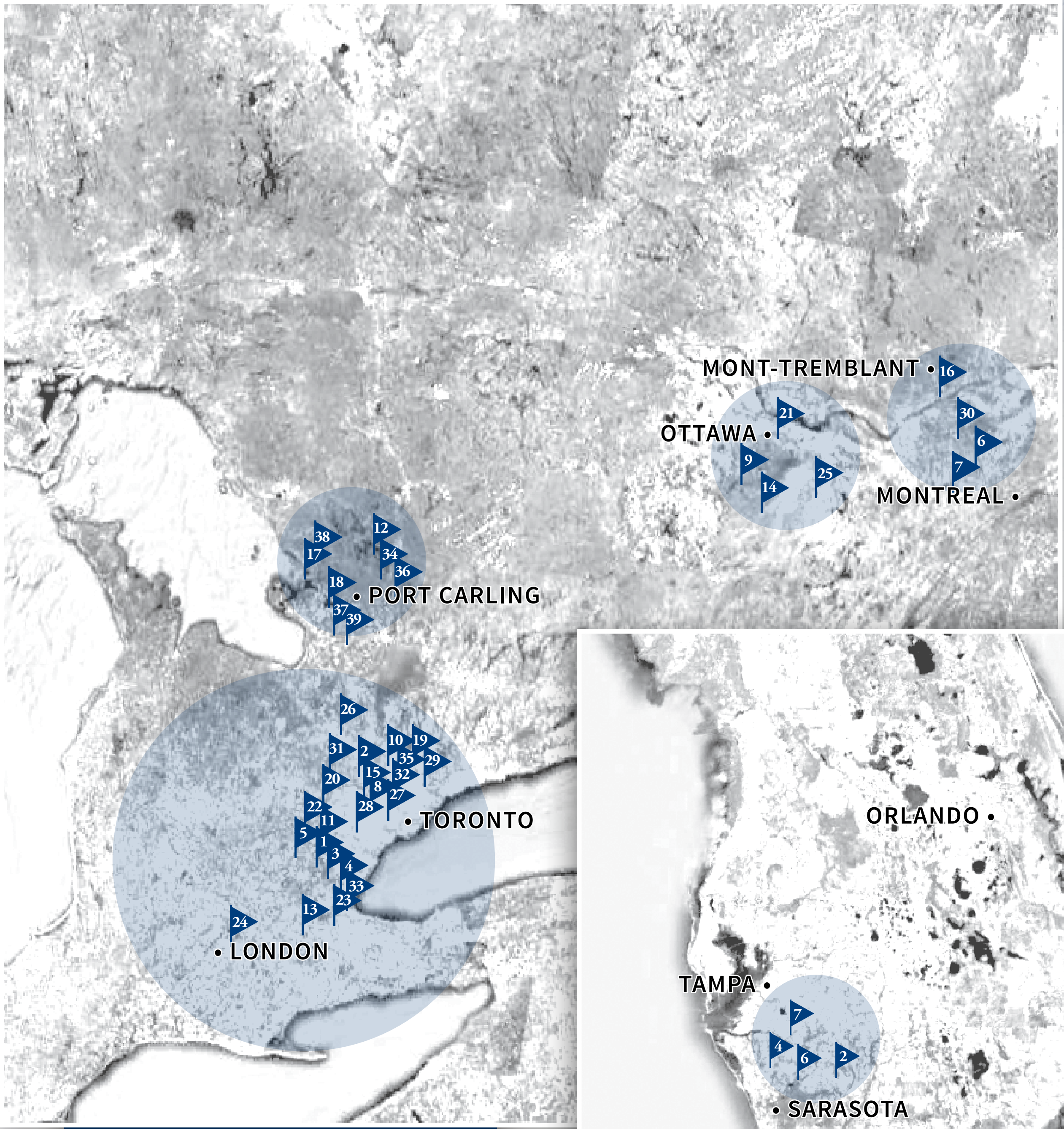
Muskoka (3)
- Grandview Golf Club
- Rocky Crest Golf Club
- The Lake Joseph Club

Northeast Greater Toronto Area (10)
- Bethesda Grange/Rolling Hills Golf Clubs
- Cherry Downs Golf and Country Club
- DiamondBack Golf Club
- Emerald Hills Golf Club
- King Valley Golf Club
- King's Riding Golf Club
- National Pines Golf Club
- Station Creek Golf Club
- The Club at Bond Head
- Wyndance Golf Club

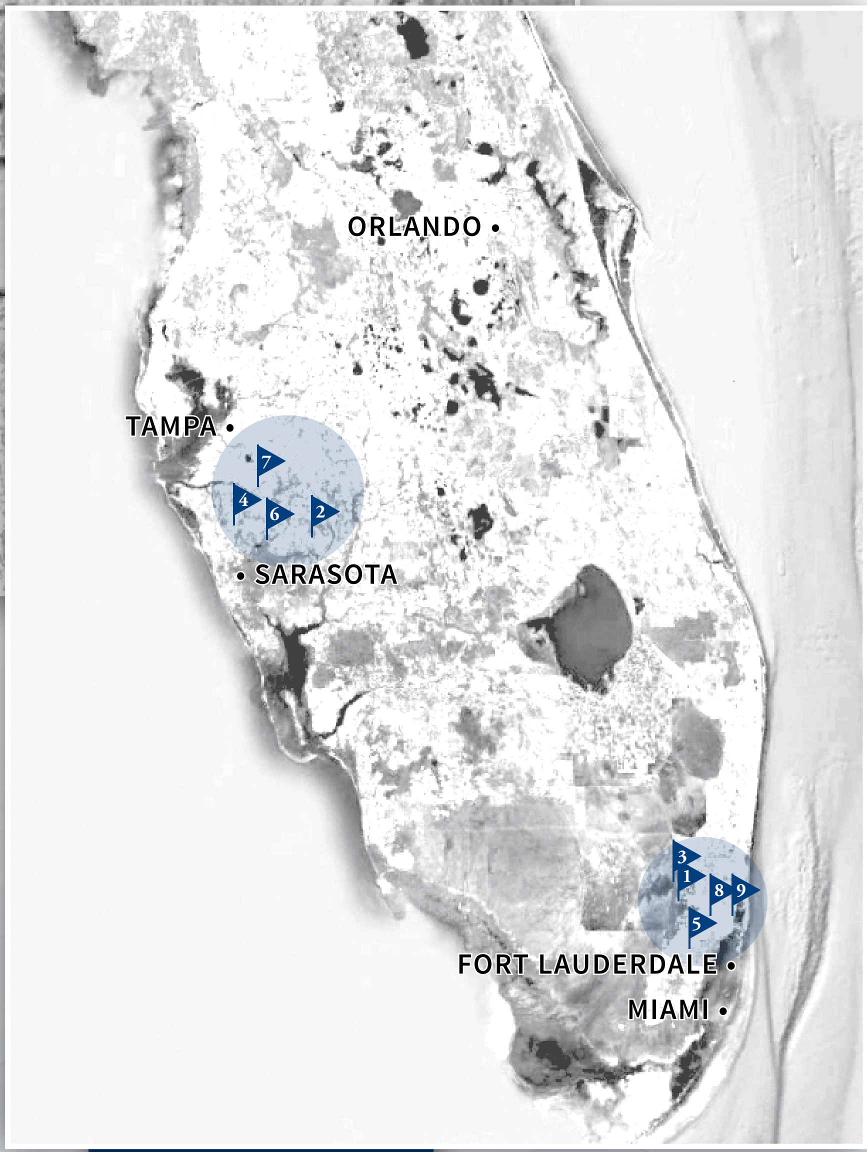
West Greater Toronto Area (12)
- Blue Springs Golf Club
- Caledon Woods Golf Club
- Eagle Ridge Golf Club
- Glen Abbey Golf Club
- Glencairn Golf Club
- Glendale Golf and Country Club
- Greenhills Golf Club
- Greystone Golf Club
- Heron Point Golf Links
- Hidden Lake Golf Club
- RattleSnake Point Golf Club
- The Country Club

Central Florida (4)
- Club Renaissance
- Falcon Watch Golf Club
- Sandpiper Golf Club
- Scepter Golf Course

Southeast Florida (5)
- Heron Bay Golf Club
- Palm Aire Country Club (Oaks, Cypress)
- Palm Aire Country Club (Palms)
- TPC Eagle Trace
- Woodlands Country Club



ONTARIO/QUEBEC REGION



FLORIDA REGION

GOLF CLUB *and* RESORT PROPERTY LISTING (see map on page 15)

	Championship Golf Holes	Academy Golf Holes	Future Golf Holes	Current Rooms	Surplus Land in Acres
ONTARIO/QUEBEC REGION					
Prestige					
1. Greystone Golf Club, Milton, Ontario	18	–	–	–	–
2. King Valley Golf Club, The Township of King, Ontario	18	–	–	–	–
3. RattleSnake Point Golf Club, Milton, Ontario	36	9	–	–	–
Hybrid – Prestige					
4. Glen Abbey Golf Club, Oakville, Ontario	18	–	–	–	–
Platinum					
5. Blue Springs Golf Club, Acton, Ontario	18	9	–	–	–
6. Club de Golf Islesmere, Laval, Quebec (a)	27	–	–	–	–
7. Club de Golf Le Fontainebleau, Blainville, Quebec	18	–	–	–	–
8. DiamondBack Golf Club, Richmond Hill, Ontario	18	–	–	–	–
9. Eagle Creek Golf Club, Dunrobin, Ontario	18	–	–	–	–
10. Emerald Hills Golf Club, Whitchurch-Stouffville, Ontario	27	–	–	–	–
11. Glencairn Golf Club, Milton, Ontario	27	–	–	–	–
12. Grandview Golf Club, Huntsville, Ontario	18	–	18	–	–
13. Heron Point Golf Links, Ancaster, Ontario	18	–	–	–	–
14. Kanata Golf & Country Club, Kanata, Ontario	18	–	–	–	–
15. King's Riding Golf Club, The Township of King, Ontario	18	–	–	–	–
16. Le Maître de Mont-Tremblant, Mont-Tremblant, Quebec	18	–	–	–	–
17. Rocky Crest Golf Club, Mactier, Ontario	18	–	18	–	–
18. The Lake Joseph Club, Port Carling, Ontario	18	9	–	–	–
19. Wyndance Golf Club, Uxbridge, Ontario	18	9	–	–	–
Gold					
20. Caledon Woods Golf Club, Bolton, Ontario	18	–	–	–	–
21. Club de Golf Hautes Plaines, Gatineau, Quebec	18	–	–	–	–
22. Eagle Ridge Golf Club, Georgetown, Ontario	18	–	–	–	–
23. Glendale Golf and Country Club, Hamilton, Ontario	18	–	–	–	–
24. Greenhills Golf Club, London, Ontario (a)	18	–	–	–	–
25. GreyHawk Golf Club, Ottawa, Ontario	36	–	–	–	–
26. National Pines Golf Club, Innisfil, Ontario (a)	18	–	–	–	–
27. Station Creek Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
28. The Country Club, Woodbridge, Ontario (a)	36	9	–	–	–
Hybrid – Gold					
29. Cherry Downs Golf & Country Club, Pickering, Ontario	18	9	18	–	–
30. Club de Golf Val des Lacs, Ste. Sophie, Quebec	18	–	–	–	–
31. The Club at Bond Head, Bond Head, Ontario (a)	36	–	–	–	–
Hybrid – Silver					
32. Bethesda Grange, Whitchurch-Stouffville, Ontario	18	–	–	–	–
33. Hidden Lake Golf Club, Burlington, Ontario	36	–	–	–	–
Daily Fee					
34. Grandview Inn Course, Huntsville, Ontario	–	9	–	–	–
35. Rolling Hills Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Muskoka, Ontario Resorts					
36. Grandview Resort, Huntsville, Ontario (b)	–	–	–	–	–
37. The Lake Joseph Club, Port Carling, Ontario	–	–	–	25	–
38. Rocky Crest Resort/Lakeside at Rocky Crest, Mactier, Ontario (c)	–	–	–	84	–
39. Sherwood Inn, Port Carling, Ontario	–	–	–	49	–
FLORIDA REGION					
Prestige					
1. TPC Eagle Trace, Coral Springs, Florida	18	–	–	–	–
Hybrid – Platinum					
2. Club Renaissance, Sun City Center, Florida	18	–	–	–	–
3. Heron Bay Golf Club, Coral Springs, Florida	18	–	–	–	–
Gold					
4. Scepter Golf Club, Sun City Center, Florida	18	–	–	–	–
Hybrid – Gold					
5. Woodlands Country Club, Tamarac, Florida	36	–	–	–	–
Hybrid – Silver					
6. Falcon Watch Golf Club, Sun City Center, Florida	27	–	–	–	–
7. Sandpiper Golf Club, Sun City Center, Florida	27	–	–	–	–
Daily Fee					
8. Palm Aire Country Club (Oaks, Cypress), Pompano Beach, Florida	36	–	–	–	–
9. Palm Aire Country Club (Palms), Pompano Beach, Florida	18	–	–	–	–
OTHER					
Highland Gate, Aurora, Ontario (50%)	–	–	–	–	101
King Haven, The Township of King, Ontario	–	–	–	–	278
Harwood, Montreal, Quebec	–	–	–	–	400
North Lakes Golf Club, Sun City Center, Florida (d)	–	–	–	–	–
Caloosa Greens Golf Club, Sun City Center, Florida (d)	–	–	–	–	2
Kings Point Golf Club, Sun City Center, Florida (d)	–	–	–	–	–
Total 18-hole Equivalent Courses, Rooms, Acres	54.5	3.5	3.0	158	781

Notes: (a) Operated by ClubLink under long-term leases.
(b) This resort was closed in February 2012.
(c) Rocky Crest Resort consists of 65 units and Lakeside at Rocky Crest consists of 19 units.
(d) North Lakes, Caloosa Greens and Kings Point Golf Clubs are closed.

This management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with TWC Enterprises Limited's ("TWC" or the "Company", formerly ClubLink Enterprises Limited) audited consolidated financial statements and accompanying notes for the year ended December 31, 2015. This MD&A has been prepared as at February 26, 2016 and all amounts are in Canadian dollars unless otherwise indicated.

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Standards ("IFRS").

FORWARD-LOOKING STATEMENTS

This annual report contains certain forward-looking information and statements relating but not limited to, operations, anticipated or prospective financial performance, results of operations, business prospects and strategies of TWC. Forward-looking information typically contains statements with words such as "consider", "anticipate", "believe", "expect", "plan", "intend", "may", "likely", or similar words suggesting future outcomes or statements regarding an outlook, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Readers should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of TWC to differ materially from those suggested by the forward-looking statements, some of which may be beyond the control of management.

Although TWC believes it has a reasonable basis for making the forecasts or projections included in this MD&A, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, TWC's forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to, availability of credit, weather conditions, the economic environment, environmental regulation and competition.

The above list of important factors affecting forward-looking information is not exhaustive, and reference should be made to the other risks discussed in TWC's filings with Canadian securities regulatory authorities. TWC undertakes no obligation, except as required by law, to update publicly or otherwise any forward-looking information, whether as a result of new information, future events or otherwise, or the above list of factors affecting this information.

BUSINESS STRATEGY AND CORPORATE OVERVIEW

TWC operates in two distinct business segments: (a) golf club operations and (b) rail and port operations. In addition, the corporate operations segment oversees the two business segments.

TWC's strategic objective is to grow long-term shareholder value by improving net operating income and operating margins of both underlying businesses. Management has been actively looking for golf club acquisition opportunities in Ontario, Quebec and Florida.

In addition, management is pursuing capital investments in both business segments which will grow our revenue and create long-term value for our shareholders.

OVERVIEW OF BUSINESS SEGMENTS

Golf Club Operations Segment

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf" ("ClubLink"). ClubLink is Canada's largest owner and operator of golf clubs with 54½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses, at 42 locations in two separate geographical Regions: (a) Ontario/Quebec and (b) Florida.

ClubLink's golf clubs are strategically organized in clusters that are located in densely populated metropolitan areas and resort destinations frequented by those who live and work in these areas. By operating in Regions, ClubLink is able to offer golfers in their Region a wide variety of unique membership, daily fee, corporate event and resort opportunities. ClubLink is also able to obtain the benefit of operating synergies to maximize revenue and achieve economies of scale to reduce costs.

Revenue at all golf club properties is enhanced by cross-marketing, as the demographics of target markets for each are substantially similar. Revenue is further improved by TravelLink, corporate golf events, business meetings and social events that utilize golf capacity and related facilities at times that are not in high demand by ClubLink's members.

Member and Hybrid Golf Club revenue is maximized by the sale of flexible personal and corporate memberships that offer reciprocal playing privileges at ClubLink golf clubs and, on payment of an additional fee, inter-regional play within ClubLink through the TravelLink program and ClubCorp Holdings Inc. golf clubs.

Daily fee golf club revenue is maximized through unique and innovative marketing programs in conjunction with dynamic pricing.

The TravelLink program offers two levels that allow ClubLink members inter-regional access. The first level (Basic TravelLink), a free membership benefit, provides ClubLink members inter-regional access with preferred green fee pricing. Level 2 (TravelLink 2nd Home Club) is optional and provides ClubLink members with the ability to elect a second Home Club in another region for an annual fee, and allows members to receive all the benefits of a Home Club Member (access to prime tee times, practice facilities, member events).

In recent years, ClubLink has been focusing on providing enhanced value for its memberships as well as cultivating a family-type atmosphere at its golf clubs.

ClubLink also has annual membership programs, which are unique to each Region. These product offerings include Players Card and Players Club in the Ontario/Quebec Region; as well as the ClubLink Card in the Florida Region. While traditional full privilege golf members have been declining, ClubLink has been focusing on these supplemental categories to replace annual dues revenue.

(a) Ontario/Quebec

ClubLink's Ontario/Quebec Region is organized into two clusters: the major metropolitan areas of Southern Ontario and Muskoka, Ontario's premier resort area, extending from London to Huntsville to Pickering, with a particularly strong presence in the Greater Toronto Area; and Quebec/Eastern Ontario, extending from the National Capital Region to Montreal, including Mont-Tremblant, Quebec's premier resort area.

On February 7, 2014, ClubLink announced the acquisition of Hidden Lake Golf Club in Burlington, Ontario. Hidden Lake is a 36-hole facility and ClubLink plans to continue to operate this property as a daily-fee facility with local membership programs.

On November 3, 2014, ClubLink announced that Highland Gate Golf Club in Aurora, Ontario had been permanently closed. On December 16, 2014, ClubLink sold one-half of Highland Gate to a local developer in exchange for $3,750,000 and one-half of all future revenue and expenses of the property.

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

(a) Ontario/Quebec (continued)

In 2016, ClubLink will operate 27 Ontario/Quebec Region Member Golf Clubs in three categories as follows:

Prestige:	Greystone, King Valley, RattleSnake Point
Platinum:	Blue Springs, DiamondBack, Eagle Creek, Emerald Hills, Fontainebleau, Glencairn, Grandview, Heron Point, Islesmere, Kanata, King's Riding, Lake Joseph, Le Maître, Rocky Crest, Wyndance
Gold:	Caledon Woods, Country Club, Eagle Ridge, Glendale, Greenhills, GreyHawk, Hautes Plaines, National Pines, Station Creek

In 2016, ClubLink will operate six Ontario/Quebec Region Hybrid Golf Clubs in three categories as follows:

Hybrid – Prestige:	Glen Abbey
Hybrid – Gold:	Cherry Downs, The Club at Bond Head, Val des Lacs
Hybrid – Silver:	Bethesda Grange, Hidden Lake

Hybrid Golf Clubs are available for daily fee (public) play, reciprocal access by other ClubLink Members and provide a home club for Members with reciprocal access to the ClubLink system.

In 2016, ClubLink will operate two Ontario/Quebec Region Daily Fee Golf Clubs as follows:

Daily Fee:	Grandview Inn, Rolling Hills

Going in to 2016, ClubLink will have approximately 500 Players Card memberships. Players Card annual memberships allow golfers unlimited access to Rolling Hills during spring and fall shoulder seasons in addition to twilight golf during the summer season. A fixed number of rounds certificates are also included with each Players Card.

Going in to 2016, ClubLink will have approximately 2,000 Players Club memberships. There are three different levels of Players Club memberships with varying degrees of access to ClubLink's daily fee golf clubs at different price points.

Players Card and Players Club member databases also provide ClubLink an opportunity to cultivate these relationships into a full privilege golf membership.

ClubLink owns sufficient land to develop an additional 18 holes at Cherry Downs Golf Club in Pickering, Grandview Golf Club in Muskoka and Rocky Crest Golf Club in Muskoka. Harwood, a 400 acre land holding in the Greater Montreal area, has been listed for sale.

In 2016, ClubLink will operate The Lake Joseph Club, Rocky Crest Resort and Sherwood Inn.

The Lake Joseph Club and Rocky Crest Resort operate seasonally from May to October while Sherwood Inn is available during the off season for group and weekend bookings.

ClubLink's remaining Muskoka land holdings, excluding golf course development sites, include zoned and serviced land that are capable of supporting a substantial number of resort rooms/villas, conference facilities and residential homes.

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

(b) United States

ClubLink's Florida Region includes twelve 18-hole equivalent championship golf courses.

In 2016, ClubLink is operating nine Florida Region Golf Clubs in six categories as follows:

Prestige:	TPC Eagle Trace
Hybrid – Platinum:	Club Renaissance, Heron Bay
Gold:	Scepter
Hybrid – Gold:	Woodlands
Hybrid – Silver:	Falcon Watch, Sandpiper
Daily Fee:	Palm Aire (Cypress/Oaks), Palm Aire (Palms)

In order to increase efficiency, the ClubLink office in Fort Lauderdale, Florida has combined with the Morguard office located in the same building. Starting in 2016, ClubLink will pay Morguard a management fee in exchange for back-office services.

ClubLink has been actively selling ClubLink Card Holder annual memberships in the southeast Florida marketplace. ClubLink Card Holder members have the ability to book preferred tee times at discounted green fees.

Rail and Port Operations Segment

TWC is also engaged in rail and port operations based in Skagway, Alaska which operate under the trade name "White Pass & Yukon Route". This includes a tourist railway stretching approximately 110 kilometres (67.5 miles) from Skagway, Alaska through British Columbia to Carcross, Yukon.

White Pass has continued to invest in programs to build its core operating business. As a standalone entity, White Pass has an experienced on-site management team and has been able to generate growth in the passenger traffic and corresponding US dollar revenue since its acquisition in 1997. Significant initiatives in this business segment have included capitalizing on historical relationships with the cruise lines, supporting investments to create one of the leading port facilities in southeast Alaska, including a floating dock to facilitate the Solstice class cruise ship and an investment to repower our locomotive fleet to reduce both environmental emissions and ongoing operating costs. These initiatives have affirmed White Pass as Alaska's premier shore excursion for the travelling public.

The railway was constructed by White Pass during the Klondike Gold Rush of 1898/1899 and completed in 1900. From 1900 until 1982, it was used for the carriage of general freight, ore concentrates, petroleum products and passengers. Railway operations were suspended in 1982 when a major ore concentrate customer shut down its mine. The South Klondike Highway between Whitehorse and Skagway, subsequently constructed in 1985, transferred the transportation of ore concentrates from rail to road service. The railway reopened in 1988 and has since been operating as a seasonal passenger tourism railway. TWC acquired White Pass in 1997.

White Pass operates three docks in Skagway, which support the tourist railway and provides four berths for cruise ships operating west coast schedules throughout the May to September tourist season. The largest of the three docks, with two berths, is owned while the two remaining docks are situated on state and city property and operate under long-term tideland leases.

The primary market is the cruise industry, which recognizes Skagway as a marquee port for its Alaskan cruises. White Pass maintains a symbiotic relationship with the cruise lines – carrying almost half of all cruise passengers – making it Alaska's premier shore excursion and a high volume, highly rated and profitable shore excursion for the cruise lines. The relationship is supported with an existing incentive program and extensive cooperative pre-cruise and on-board promotion. White Pass also markets to motor coach tour companies and independent travelers who arrive via ferry and the South Klondike Highway.

OVERVIEW OF BUSINESS SEGMENTS (continued)

Corporate Operations Segment

TWC's objective at the corporate level is to identify opportunities to generate incremental returns and cash flow. Historically, the nature of these investments included debt and equity instruments in both public and private organizations. Currently, management is focused on improving the returns of the existing operating business segments.

SELECTED FINANCIAL INFORMATION

The table below sets forth selected financial data relating to the Company's fiscal years ended December 31, 2015, December 31, 2014 and December 31, 2013. This financial data is derived from the Company's audited consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars, except per share amounts)	**2015**	2014	2013	**% Change 2015/2014**	% Change 2014/2013
OPERATING REVENUE	**$ 216,147**	$ 200,104	$ 197,425	**8.0%**	1.4%
COST OF SALES AND OPERATING EXPENSES	**156,997**	149,370	143,817	**5.1%**	3.9%
NET OPERATING INCOME	**59,150**	50,734	53,608	**16.6%**	(5.4%)
Operating margin (%)	**27.4%**	25.4%	27.2%	**7.9%**	(6.6%)
Amortization of membership fees	**11,162**	12,946	16,286	**(13.8%)**	(20.5%)
Direct costs of originating membership fees	**1,477**	1,796	1,722	**(17.8%)**	4.3%
NET MEMBERSHIP FEE INCOME	**9,685**	11,150	14,564	**(13.1%)**	(23.4%)
Earnings before other items and income taxes	**68,835**	61,884	68,172	**11.2%**	(9.2%)
Depreciation and amortization	**(26,387)**	(24,898)	(23,769)	**6.0%**	4.7%
Land lease rent	**(5,489)**	(5,455)	(5,457)	**0.6%**	0.0%
Interest, net	**(19,362)**	(20,257)	(20,216)	**(4.4%)**	0.2%
Other expense, net	**(10,257)**	(6,497)	(496)	**57.9%**	N/A
Income taxes	**(3,081)**	(1,312)	(5,080)	**134.8%**	(74.2%)
NET EARNINGS	**$ 4,259**	$ 3,465	$ 13,154	**22.9%**	(73.7%)
WEIGHTED AVERAGE SHARES OUTSTANDING (000)	**27,150**	27,046	27,011	**0.4%**	0.1%
BASIC AND DILUTED EARNINGS PER SHARE	**$ 0.16**	$ 0.13	$ 0.49	**23.1%**	(73.5%)
CASH FLOW FROM OPERATIONS	**$ 36,112**	$ 26,822	$ 34,495	**34.6%**	(22.2%)
BASIC AND DILUTED CASH FLOW FROM OPERATIONS PER SHARE	**$ 1.33**	$ 0.99	$ 1.28	**34.3%**	(22.7%)
TOTAL ASSETS	**$ 712,065**	$ 673,335	$ 658,679	**5.8%**	2.2%
GROSS BORROWINGS	**$ 350,134**	$ 358,216	$ 350,702	**(2.3%)**	2.1%
SHAREHOLDERS' EQUITY	**$ 225,190**	$ 200,556	$ 193,293	**12.3%**	3.8%
COMMON SHARES OUTSTANDING (000)	**27,136**	26,419	26,104	**2.7%**	1.2%

Summary of Canadian/US Exchange Rates Used for Translation Purposes

The following exchange rates translate one US dollar into the Canadian dollar equivalent.

	2015	2014	2013
Balance Sheet, at December 31	**1.3840**	1.1601	1.0636
Statement of Earnings, average for the year	**1.2788**	1.1048	1.0301

2015 CONSOLIDATED OPERATING HIGHLIGHTS

The exchange rate used for translating US denominated earnings has changed 15.7% to a yearly average 1.2788 in 2015 from 1.1048 in 2014 due to the declining Canadian dollar.

Consolidated operating revenue increased 8.0% to $216,147,000 in 2015 from $200,104,000 in 2014 primarily due to additional operating revenue generated by an increase in championship rounds from the Canadian golf club operations. A weakening Canadian dollar, resulting in a higher translated value for US denominated revenue also has impacted this increase. Consolidated operating revenue in 2013 was $197,425,000.

Consolidated cost of sales and operating expenses increased 5.1% to $156,997,000 in 2015 from $149,370,000 in 2014 primarily due to a weakening Canadian dollar, resulting in a higher translated value for US denominated cost of sales and operating expenses. Consolidated cost of sales and operating expenses in 2013 amounted to $143,817,000.

Net operating income for the Canadian golf club operations segment increased 13.0% to $32,838,000 in 2015 from $29,054,000 in 2014, primarily due to an increase of 9.5% in championship golf rounds coming mainly from the Daily Fee golf clubs. Net operating income was $33,520,000 in 2013.

Net operating income for the US golf club operations segment increased to US$1,477,000 in 2015 from US$813,000 in 2014 primarily due to an increase of 5.9% in championship golf rounds. Net operating income for this segment was US$1,850,000 in 2013.

Net operating income for the rail and port operations increased slightly to US$21,318,000 from US$21,295,000 in 2014. Net operating income was US$19,958,000 in 2013.

Net membership fee income decreased 13.1% to $9,685,000 from $11,150,000 in 2014 primarily due to the completion of amortization of membership fee revenue for the 2002 Canadian member group in 2014. This compares to $14,564,000 in 2013.

Consolidated earnings before other items and income taxes increased 11.2% to $68,835,000 in 2015 from $61,884,000 in 2014. This increase is due primarily to the increase in Canadian golf operations and a higher translated value for US source income, offset by the decline in net membership fee income. This compares to $68,172,000 in 2013.

Depreciation and amortization increased 6.0% to $26,387,000 in 2015 from $24,898,000 in 2014 and compares to $23,769,000 in 2013.

Interest, net decreased 4.4% to $19,362,000 in 2015 from $20,257,000 in 2014. Interest, net was $20,216,000 in 2013.

Where there are indicators of impairment, the Company is required to perform impairment testing of a cash generating unit (CGU) combining all cash flows from each property within a CGU. As at December 31, 2015, the Company performed impairment testing on the assets within the Montreal CGU and concluded an impairment adjustment was warranted. The Company also concluded that the assets of a separate property were impaired. Reasons for impairment included declining operating performance and a decline in members at these properties. A total impairment in the amount of $5,381,000 was recorded to both property, plant and equipment and intangible assets. This was recorded as other expense.

The overall effective tax rate for 2015 was 42.0% as compared to 27.5% in 2014 and 27.9% in 2013 due to a change in mix of earnings.

Consolidated net earnings increased to $4,259,000 in 2015 from $3,465,000 in 2014 primarily due to an increase in consolidated earnings before other items and income taxes, offset by the impairment writedown of property, plant and equipment and intangibles. Net earnings were $13,154,000 in 2013.

Basic and diluted earnings per share increased to 16 cents per share in 2015, compared to 13 cents per share in 2014 and 50 cents per share in 2013.

2015 CONSOLIDATED OPERATING HIGHLIGHTS (continued)

Other expense includes certain one-time and non-cash items which are not comparable between years.

The impact of these items are as follows:

(thousands of dollars - except per share amounts)	2015	2014
Net earnings as reported	**$ 4,259**	$ 3,465
Other expense	**10,257**	6,497
Income tax provision on above adjustments	**(2,195)**	(1,900)
Pro Forma net earnings	**$ 12,321**	$ 8,062
Earnings per share as reported	**$ 0.16**	$ 0.13
Impact of other expense	**0.38**	0.24
Impact of income tax provision on above adjustments	**(0.09)**	(0.07)
Pro Forma earnings per share	**$ 0.45**	$ 0.30

Other expense, net consists of the following:

(thousands of Canadian dollars)	2015	2014
Unrealized foreign exchange loss	**$ 3,188**	$ 1,438
Business combination transaction costs	**-**	217
Severance	**516**	1,500
Insurance claims and deductibles	**(111)**	499
Impairment	**5,381**	876
Loss on disposal	**-**	1,241
Other	**1,283**	726
	$ 10,257	$ 6,497

2015 CONSOLIDATED OPERATING HIGHLIGHTS (continued)

A summary reconciliation of net earnings and earnings per share between the years is as follows:

(thousands of Canadian dollars, except per share amounts)	2015 After-tax Earnings	2015 EPS	2014 After-tax Earnings	2014 EPS
Net earnings and EPS as reported – prior year	**$ 3,465**	**$ 0.13**	$ 13,154	$ 0.50
Year over year after tax changes to net earnings				
Increase (decrease) in net operating income:				
Canadian golf club operations	**2,780**	**0.10**	(3,281)	(0.12)
US golf club operations	**561**	**0.02**	(588)	(0.02)
Rail and port operations	**2,559**	**0.09**	1,369	0.05
Decrease in net membership fee income	**(1,088)**	**(0.04)**	(2,513)	(0.10)
Decrease in interest, net	**671**	**0.03**	3	-
Change in unrealized foreign exchange gain/loss on borrowings	**(1,518)**	**(0.06)**	(266)	(0.01)
Change in other expense	**(1,747)**	**(0.07)**	(3,647)	(0.15)
Other	**(1,424)**	**(0.04)**	(766)	(0.02)
Net earnings and EPS as reported – current year	**$ 4,259**	**$ 0.16**	$ 3,465	$ 0.13

RESULTS OF OPERATIONS BY BUSINESS SEGMENT

The results of operations by business segment should be read in conjunction with the segmented information contained in note 19 of the audited consolidated financial statements for the year ended December 31, 2015.

The following is a summary of the results of operations for the past three fiscal years.

(thousands of Canadian dollars)	**2015**	2014	2013
Operating revenue by segment			
Canadian golf club operations	**$ 139,620**	$ 134,178	$ 138,932
US golf club operations	**26,124**	22,819	19,027
Rail and port operations	**50,403**	43,107	39,466
Operating revenue	**216,147**	200,104	197,425
Amortization of membership fees by segment			
Canadian golf club operations	**10,906**	12,795	16,178
US golf club operations	**256**	151	108
Amortization of membership fees	**11,162**	12,946	16,286
Total revenue	**$ 227,309**	$ 213,050	$ 213,711
Net operating income by segment			
Canadian golf club operations	**$ 32,838**	$ 29,054	$ 33,520
US golf club operations	**1,841**	941	1,884
Rail and port operations	**27,281**	23,001	20,711
Corporate operations	**(2,810)**	(2,262)	(2,507)
Net operating income	**59,150**	50,734	53,608
Net membership fee income by segment			
Canadian golf club operations	**9,429**	10,999	14,456
US golf club operations	**256**	151	108
Net membership fee income	**9,685**	11,150	14,564
Earnings before other items and income taxes	**$ 68,835**	$ 61,884	$ 68,172

Capital expenditures for the past three fiscal years are summarized as follows:

(thousands of Canadian dollars)	**2015**	2014	2013
Operating capital			
Canadian golf club operations	**$ 4,756**	$ 5,658	$ 5,386
US golf club operations	**1,082**	648	1,309
Rail and port operations	**3,927**	2,475	2,884
	9,765	8,781	9,579
Expansion capital			
Canadian golf club operations	**911**	246	357
US golf club operations	**80**	1,121	1,014
Rail and port operations	**1,326**	1,857	4,648
	2,317	3,224	6,019
Total capital expenditures	**$ 12,082**	$ 12,005	$ 15,598

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Year Ended December 31, 2015

Summary of Canadian Golf Club Operations

(statistics)	2015	2014	% Change
Championship golf rounds	**1,040,000**	950,000	9.5%
Full privilege golf members	**15,015**	15,177	(1.1%)
Total golf members	**22,618**	19,813	14.2%

(thousands of Canadian dollars)	2015	2014	% Change
Operating revenue	**$ 139,620**	$ 134,178	4.1%
Operating costs	**(106,782)**	(105,124)	1.6%
Net operating income	**32,838**	29,054	13.0%
Operating margin %	**23.5%**	21.7%	
Amortization of membership fees	**10,906**	12,795	(14.8%)
Direct costs of originating membership fees	**(1,477)**	(1,796)	(17.8%)
Net membership fee income	**9,429**	10,999	(14.3%)
Earnings before other items and income taxes	**$ 42,267**	$ 40,053	5.5%

Canadian Golf Club Operating Revenue

Canadian golf club operating revenue is recorded as follows:

(thousands of Canadian dollars)	2015	2014	% Change
Annual dues	**$ 52,209**	$ 53,149	(1.8%)
Corporate events, guest fees and cart rentals	**32,980**	30,617	7.7%
Food and beverage	**41,350**	38,701	6.8%
Merchandise, rooms and other	**13,081**	11,711	11.7%
Total operating revenue	**$ 139,620**	$ 134,178	4.1%

Total operating revenue increased 4.1% to $139,620,000 from $134,178,000 in 2014 due to the 9.5% increase in championship golf rounds.

Canadian Golf Club Operating Costs

Canadian golf club operating costs are recorded as follows:

(thousands of Canadian dollars)	2015	2014	% Change
Cost of sales	**$ 19,885**	$ 18,458	7.7%
Labour and employee benefits	**55,213**	54,483	1.3%
Utilities	**7,161**	7,425	(3.6%)
Property taxes	**3,047**	3,058	(0.4%)
Insurance	**1,733**	1,850	(6.3%)
Repairs and maintenance	**3,290**	3,402	(3.3%)
Fertilizers and pest control products	**2,241**	2,285	(1.9%)
Fuel and oil	**1,077**	1,231	(12.5%)
Other operating expenses	**13,135**	12,932	1.6%
Total operating costs	**$ 106,782**	$ 105,124	1.6%

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Year Ended December 31, 2015 (continued)

Canadian Golf Club Operating Costs (continued)

Operating costs have increased 1.6% to $106,782,000 from $105,124,000.

Gross margin on food and beverage sales decreased to 69.1% in 2015 compared to 69.3% in 2014 due to higher food costs in the third and fourth quarter.

Gross margin on merchandise sales increased to 26.1% in 2015 compared to 23.9% in 2014.

Canadian Membership Fees

Full privilege golf members decreased 1.1% to 15,015 on December 31, 2015 from 15,177 on December 31, 2014.

ClubLink has implemented programs designed to cater to the needs of a changing golf demographic and to address the current industry and company trend of negative full privilege golf membership growth. ClubLink has announced expanded member retention and value-added programs. These include graduated annual dues pricing for intermediates up to age 35 and seniors over the age of 70 who have been members for at least 10 years. Complimentary restricted family membership benefits have been included for Gold, Platinum and Prestige level members. Enhancements for 2016 include a 10-month instalment program for annual dues and early pay discounts on annual dues. Management believes that these added value benefits will attract new members and retain existing members by adding to their package of member benefits.

Changes in golf members and future membership fee instalments are as follows:

(thousands of Canadian dollars)	**2015** Golf Members	**2015** Future Membership Fee Instalments	2014 Golf Members	2014 Future Membership Fee Instalments
Balance, beginning of year	**15,177**	**$ 26,600**	15,583	$ 29,768
Sales to new members	**762**	**7,012**	691	6,365
Reinstated members	**311**	**670**	165	371
Acquired members	**-**	**-**	120	-
Transfer and upgrade fees from existing members	**-**	**1,262**	-	976
Resignations and terminations	**(1,235)**	**(3,093)**	(1,382)	(3,974)
Instalments received in cash	**-**	**(5,633)**	-	(6,906)
Balance, end of year (Full Privilege)	**15,015**	**$ 26,818**	15,177	$ 26,600
Other golf member categories	**7,603**		4,636	
Total golf members	**22,618**		19,813	

ClubLink has three additional greenfield sites (in Canada) on which a 18-hole equivalent championship golf course could be built if demand warrants. The development of a greenfield site requires an investment of approximately $15 to $18 million to open, on a turn-key basis, an 18-championship hole golf club for play including a clubhouse and furniture, fixtures and equipment where required. Management currently has no plans to proceed with development at any of the properties within its budgeting horizons. Acquisitions, including long-term leasing opportunities, will be considered if the opportunity arises on terms acceptable to ClubLink.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Year Ended December 31, 2015 (continued)

Canadian Membership Fees (continued)

Membership fees are amortized over the estimated weighted average remaining life of memberships purchased by join year. This is determined by subtracting the average age of members that joined in that year from 70 and dividing the result by 2. The amortization period is reviewed annually and any adjustments are made prospectively. Membership fee revenue recognized in 2015 decreased 14.8% to $10,906,000 from $12,795,000 in 2014 primarily due to the completion of amortization of membership fee revenue for the 2002 Canadian member group in 2014.

Details on amortization period in years, amortization of membership fee revenue and Canadian Region members at year end is broken down by member join year as follows:

Member Join Year	**Amortization Period (yrs) 2015**	Amortization Period (yrs) 2014	**Amortization of Membership Fees ($000) 2015**	Amortization of Membership Fees ($000) 2014	**Members at year end 2015**	Members at year end 2014	% Change
1994-2001	**Cash**	Cash	**$ 395**	$ 517	**3,984**	4,168	(4.4%)
2002	**Cash**	1	**105**	2,726	**1,240**	1,315	(5.7%)
2003	**2**	3	**1,241**	1,227	**698**	721	(3.2%)
2004	**3**	4	**1,169**	1,164	**635**	671	(5.4%)
2005	**2**	3	**2,094**	2,068	**1,546**	1,616	(4.3%)
2006	**5**	6	**862**	851	**604**	615	(1.8%)
2007	**4**	6	**1,496**	1,198	**1,139**	1,205	(5.5%)
2008	**6**	8	**746**	638	**622**	658	(5.5%)
2009	**7**	9	**664**	593	**732**	775	(5.5%)
2010	**7**	9	**494**	451	**861**	926	(7.0%)
2011	**10**	11	**441**	444	**657**	711	(7.6%)
2012	**12**	13	**244**	260	**421**	489	(13.9%)
2013	**12**	14	**285**	294	**428**	496	(13.7%)
2014	**13**	14	**331**	364	**686**	811	(15.4%)
2015	**14**	-	**339**	-	**762**	-	N/A
Full privilege golf members			**$ 10,906**	$ 12,795	**15,015**	15,177	(1.1%)
Other golf member categories					**7,603**	4,636	
Total golf members					**22,618**	19,813	

The following is an age analysis of ClubLink's Canadian Region golf members:

	2015	2014	% Change
Under 30 years	**1,231**	1,196	2.9%
31 - 40 years	**810**	812	(0.2%)
41 - 50 years	**2,680**	3,026	(11.4%)
51 - 60 years	**5,164**	5,211	(0.9%)
61 - 70 years	**3,263**	3,218	1.4%
71 and over	**1,166**	1,022	14.1%
Not available	**701**	692	1.3%
	15,015	15,177	(1.1%)

The average age of a Canadian full privilege golf member as at December 31, 2015 is 56.4 years as compared to 53.2 years as at December 31, 2014.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of US Golf Club Operations for the Year Ended December 31, 2015

Summary of US Golf Club Operations

(statistics)	**2015**	2014	% Change
Championship golf rounds	**395,000**	373,000	5.9%
Full privilege golf members	**1,316**	1,522	(13.5%)
Total golf members	**3,439**	3,760	(8.5%)

(thousands of dollars)	**2015**	2014	% Change
Operating revenue	**$ 20,500**	$ 20,597	(0.5%)
Operating costs	**(19,023)**	(19,784)	(3.8%)
Net operating income	**1,477**	813	81.7%
Amortization of membership fees	**199**	136	46.3%
Earnings before other items and income taxes (US dollars)	**1,676**	949	76.6%
Exchange	**421**	143	N/A
Earnings before other items and income taxes (Cdn dollars)	**$ 2,097**	$ 1,092	92.0%

US Golf Club Operating Revenue

US golf club operating revenue is recorded as follows:

(thousands of dollars)	**2015**	2014	% Change
Annual dues	**$ 6,614**	$ 7,346	(10.0%)
Corporate events, guest fees and cart rentals	**9,688**	9,119	6.2%
Food and beverage	**3,275**	3,087	6.1%
Merchandise and other	**923**	1,045	(11.7%)
Subtotal (US dollars)	**20,500**	20,597	(0.5%)
Exchange	**5,624**	2,222	N/A
Total (Cdn dollars)	**$ 26,124**	$ 22,819	14.5%

Management is supplementing the 10.0% decline in annual dues through paid golf rounds with corporate events, guest fees and cart rentals increasing 6.2% to $9,688,000 in 2015 from $9,119,000 in 2014.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of US Golf Club Operations for the Year Ended December 31, 2015 (continued)

US Golf Club Operating Costs

US golf club operating costs are recorded as follows:

(thousands of dollars)	**2015**	2014	% Change
Cost of sales	**$ 1,781**	$ 1,863	(4.4%)
Labour and employee benefits	**9,596**	9,747	(1.5%)
Utilities	**1,545**	1,558	(0.8%)
Property taxes	**945**	923	2.4%
Insurance	**496**	525	(5.5%)
Repairs and maintenance	**833**	942	(11.6%)
Fertilizers and pest control products	**927**	974	(4.8%)
Fuel and oil	**272**	411	(33.8%)
Other operating expenses	**2,628**	2,841	(7.5%)
Subtotal (US dollars)	**19,023**	19,784	(3.8%)
Exchange	**5,260**	2,094	N/A
Total (Cdn dollars)	**$ 24,283**	$ 21,878	11.0%

Gross margin on food and beverage sales was 66.6% in 2015 compared to 62.5% in 2014.

Gross margin on merchandise sales was 28.6% in 2015 compared to 27.8% in 2014.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Rail and Port Operations for the Year Ended December 31, 2015

Summary of Rail and Port Operations

(statistics)	2015	2014	% Change
Rail passengers	**402,000**	410,000	(2.0%)
Port passengers	**816,000**	820,000	(0.5%)

(thousands of dollars)	2015	2014	% Change
Operating revenue	**$ 39,464**	$ 39,654	(0.5%)
Operating costs	**(18,146)**	(18,359)	(1.2%)
Net operating income (US dollars)	**21,318**	21,295	0.1%
Exchange	**5,963**	1,706	N/A
Net operating income (Cdn dollars)	**$ 27,281**	$ 23,001	18.6%

Rail and Port Operating Revenue

Rail and port operating revenue is recorded as follows:

(thousands of dollars)	2015	2014	% Change
Railroad	**$ 29,331**	$ 29,394	(0.2%)
Port	**8,007**	8,062	(0.7%)
Gift shop and other	**2,126**	2,198	(3.3%)
Subtotal (US dollars)	**39,464**	39,654	(0.5%)
Exchange	**10,939**	3,453	N/A
Total (Cdn dollars)	**$ 50,403**	$ 43,107	16.9%

The number of rail passengers has decreased 2.0% to 402,000 in 2015 as compared to 410,000 in 2014. Railroad revenue decreased 0.2% to $29,331,000 in 2015 from $29,394,000 in 2014. On August 18, 2015 there were 3 ships that could not dock due to high winds, resulting in lost revenue of approximately US$400,000.

The number of port passengers decreased 0.5% to 816,000 in 2015 as compared to 820,000 in 2014 resulting in a 0.7% decrease in port revenue. The capture rate of port passengers decreased to 41% in 2015 compared to 42% in 2014.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Rail and Port Operations for the Year Ended December 31, 2015 (continued)

Rail and Port Operating Costs

Rail and port operating costs are recorded as follows:

(thousands of dollars)	**2015**	2014	% Change
Cost of sales	**$ 762**	$ 775	(1.7%)
Labour and employee benefits	**9,547**	9,910	(3.7%)
Utilities	**384**	401	(4.2%)
Property taxes	**561**	564	(0.5%)
Insurance	**1,668**	1,616	3.2%
Repairs and maintenance	**393**	424	(7.3%)
Fuel and oil	**990**	1,206	(17.9%)
Other operating expenses	**3,841**	3,463	10.9%
Subtotal (US dollars)	**18,146**	18,359	(1.2%)
Exchange	**4,976**	1,747	N/A
Total (Cdn dollars)	**$ 23,122**	$ 20,106	15.0%

Review of Corporate Operations and Unallocated Amounts for the Year Ended December 31, 2015

For the year ended December 31, 2015, the corporate operations segment incurred costs of $2,810,000 as compared to $2,262,000 in 2014. There is no operating revenue earned by the corporate operations segment.

Corporate operations operating costs are recorded as follows:

(thousands of Canadian dollars)	**2015**	2014	% Change
Labour and employee benefits	**$ 1,762**	$ 1,337	31.8%
Insurance	**163**	163	-
Other operating expenses	**885**	762	16.1%
	$ 2,810	$ 2,262	24.2%

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Corporate Operations and Unallocated Amounts for the Year Ended December 31, 2015 (continued)

Interest, net decreased 4.4% to $19,362,000 in 2015 from $20,257,000 in 2014 primarily due to a lower average borrowing rate (5.17% compared to 5.45% in 2014) and a lower debt level in 2015.

Other expense, net increased to $10,257,000 in 2015 from $6,497,000 in 2014.

Other expense, net consists of the following:

(thousands of Canadian dollars)	**2015**	2014
Unrealized foreign exchange loss	**$ 3,188**	$ 1,438
Business combination transaction costs	**-**	217
Severance	**516**	1,500
Insurance claims and deductibles	**(111)**	499
Impairment	**5,381**	876
Loss on disposal	**-**	1,241
Other	**1,283**	726
	$ 10,257	$ 6,497

The unrealized foreign exchange loss represents the foreign exchange adjustment on the revaluation of the US denominated debt in the Canadian golf operations segment. This is a non-cash item.

Severance expense primarily represents the expense incurred on a targeted head office reduction in the Canadian golf operations segment.

Where there are indicators of impairment, the Company is required to perform impairment testing of a cash generating unit (CGU) combining all cash flows from each property within a CGU. As at December 31, 2015, the Company performed impairment testing on the assets within the Montreal CGU and concluded an impairment adjustment was warranted. The Company also concluded that the assets of a separate property were impaired. Reasons for impairment included declining operating performance and a decline in members at these properties. A total impairment in the amount of $5,381,000 was recorded to both property, plant and equipment and intangible assets. This was recorded as other expense.

CRITICAL ACCOUNTING ESTIMATES

The Company's discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with IFRS.

The Company's significant accounting policies and accounting estimates under IFRS are contained in the consolidated financial statements (see Note 2 for description). Certain of these policies involve critical accounting estimates as they require us to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. We have discussed the development, selection and application of our key accounting policies, and the critical accounting estimates and assumptions they involve, with the external auditors and the audit committee of the Board of Directors.

FINANCIAL CONDITION

The following is a summary consolidated balance sheet and analysis for the last two fiscal years

(thousands of Canadian dollars)	**2015**	2014	Net Change	Ref
Assets				
Cash	**$ 2,251**	$ 1,784	$ 467	
Accounts receivable	**10,636**	3,859	6,777	1
Mortgages and loans receivable	**15,303**	1,499	13,804	2
Inventories and prepaid expenses	**6,486**	6,479	7	
Other assets	**11,819**	7,343	4,476	
Property, plant and equipment and intangibles	**633,965**	620,766	13,199	3
Goodwill	**31,605**	31,605	-	
	$ 712,065	$ 673,335	$ 38,730	
Liabilities				
Accounts payable and accrued liabilities	**$ 26,448**	$ 19,404	$ 7,044	
Borrowings	**348,563**	356,225	(7,662)	
Prepaid annual dues and deposits	**24,140**	12,410	11,730	4
Deferred membership fees	**24,457**	29,540	(5,083)	
Deferred income tax liabilities	**63,267**	55,200	8,067	
	486,875	472,779	14,096	
Shareholders' Equity				
Share capital	**109,953**	101,952	8,001	
Retained earnings	**83,892**	87,634	(3,742)	
Accumulated other comprehensive income	**31,345**	10,970	20,375	5
	225,190	200,556	24,634	
	$ 712,065	$ 673,335	$ 38,730	

Please see reference notes on page 36.

FINANCIAL CONDITION (continued)

The following notes describe significant changes in the balance sheets presented on page 35:

1. Accounts receivable have increased by $6,777,000 due to a change in collection practices for collecting Canadian annual dues.
2. Loans receivable have increased by $13,804,000 due to a US$10,000,000 loan to an affiliate company outstanding at December 31, 2015.
3. Property, plant and equipment and intangibles increased $13,199,000 primarily due to a weaker Canadian dollar, resulting in a higher net book value for US denominated property, plant and equipment.
4. Prepaid annual dues and deposits have increased by $11,730,000 primarily due to a change in collection practices for collecting Canadian annual dues.
5. The Company has recorded a positive adjustment to its accumulated other comprehensive gain account of $20,375,000 due to a change in the Canadian/US exchange rate to 1.3840 at December 31, 2015 from 1.1601 at December 31, 2014. This change has a corresponding impact on the US dollar assets and liabilities of the Company.

Shareholders' Equity

Consolidated shareholders' equity at December 31, 2015 totaled $225,190,000 or $8.30 per share, compared to $200,556,000 or $7.59 per share at December 31, 2014. The number of common shares outstanding increased to 27,135,545 shares as at December 31, 2015 from 26,419,342 as at December 31, 2014 as reflected in the chart below.

The following is a summary of the common share activity:

(number of shares)	**2015**	2014
Balance, beginning of year	**26,419,342**	26,104,385
Shares issued pursuant to dividend reinvestment plan	**-**	1,289
Shares issued pursuant to stock dividend	**742,183**	178,668
Exercise of stock options	**-**	135,000
Shares cancelled through sunset clause	**(25,980)**	-
Balance, end of year	**27,135,545**	26,419,342

The following is a summary of dividends declared in 2014 and 2015:

Date of declaration	Record date	Distribution date	Cash/stock	Amount per share
March 6, 2014	March 18, 2014	March 28, 2014	Cash	0.075
May 8, 2014	May 30, 2014	June 13, 2014	Cash	0.075
August 7, 2014	August 29, 2014	September 15, 2014	Cash	0.075
November 6, 2014	November 28, 2014	December 15, 2014	Stock	0.075
March 4, 2015	March 18, 2015	March 27, 2015	Stock	0.075
May 7, 2015	May 29, 2015	June 15, 2015	Stock	0.075
August 6, 2015	August 31, 2015	September 15, 2015	Stock	0.075
November 5, 2015	November 30, 2015	December 15, 2015	Stock	0.075

LIQUIDITY AND CAPITAL RESOURCES

TWC's objective is to ensure that capital resources are readily available to meet obligations as they become due, to complete its approved capital expenditure program and to take advantage of attractive acquisitions as they arise. TWC's capital availability and demonstrated ability to execute transactions give it a competitive advantage in corporate development opportunities.

A summarized statement of cash flows is as follows:

(thousands of Canadian dollars)	**2015**	2014
Cash flow from operations (please see consolidated statement of cash flows)	**$ 36,112**	$ 26,822
Net change in working capital accounts	**11,071**	(220)
Cash provided by operating activities	**47,183**	26,602
Operating property, plant and equipment expenditures	**(9,765)**	(8,781)
Expansion property, plant and equipment expenditures	**(2,317)**	(3,224)
Business combinations, net of divestiture	**-**	(11,850)
Mortgages and loans receivable	**(13,188)**	50
Revolving borrowings	**1,460**	20,927
Non-revolving borrowings – amortization payments	**(18,820)**	(17,276)
Finance lease obligations, net	**(2,232)**	(290)
Shares issued, net	**-**	993
Dividends paid	**-**	(5,875)
Other	**(1,854)**	(520)
Net change in cash during the year	**467**	756
Cash, beginning of year	**1,784**	1,028
Cash, end of year	**$ 2,251**	$ 1,784

Funds and adjusted funds from operations are calculated as follows:

(thousands of Canadian dollars)	**2015**	2014
Net earnings	**$ 4,259**	$ 3,465
Depreciation of property, plant and equipment	**25,270**	23,783
Amortization of intangible assets	**1,117**	1,115
Deferred income tax expense (recovery)	**450**	(418)
Amortization of membership fees	**(11,162)**	(12,946)
Collection of membership fee instalments	**6,011**	7,179
Unrealized foreign exchange loss	**3,188**	1,438
Impairment	**5,381**	804
Loss on disposal	**-**	1,241
Business combination transaction costs	**-**	217
Funds from operations	**34,514**	25,878
Operating capital expenditures	**(9,765)**	(8,781)
Adjusted funds from operations	**$ 24,749**	$ 17,097

Please see page 48 for a description and definition of the funds from operations calculations.

LIQUIDITY AND CAPITAL RESOURCES (continued)

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	**Availability on December 31, 2015** Maximum	Available	Availability on December 31, 2014 Maximum	Available
Cash	**$ 2,251**	**$ 2,251**	**$ 1,784**	**$ 1,784**
Revolving line of credit (US golf)	**13,840**	**-**	**11,601**	**10,441**
Revolving line of credit (corporate)	**70,000**	**14,026**	**70,000**	**1,256**
Revolving line of credit (rail)	**41,963**	**22,335**	**37,889**	**37,889**
Related party revolving line of credit	**50,000**	**15,000**	**50,000**	**-**
	$ 178,054	**$ 53,612**	**$ 171,274**	**$ 51,370**

Funds will be used during 2016 for operating capital expenditures, development capital expenditures and to pay debt obligations as they become due.

Liquidity risk arises from general funding needs and in the management of assets, liabilities and optimal capital structure. TWC manages liquidity risk to maintain sufficient liquid financial resources to meet its commitments and obligations in the most cost-effective manner possible.

Based on TWC's financial position at December 31, 2015, and projected future earnings, management expects to be able to fund its working capital requirements, and meet its other obligations including debt repayments.

The following is an analysis of the Company's net borrowings and their characteristics on December 31, 2015 compared to December 31, 2014:

(thousands of Canadian dollars)	**Interest Rate 2015**	Interest Rate 2014	**Total Indebtedness 2015**	Total Indebtedness 2014	**Average Term to Maturity (Yrs) 2015**	Average Term to Maturity (Yrs) 2014
Revolving (US golf)	**1.99%**	1.92%	**$ 10,000**	$ 1,000	**1.50**	1.42
Revolving (rail)	**1.99%**	2.11%	**14,182**	-	**2.92**	3.92
Non-revolving	**8.00%**	8.00%	**13,644**	14,163	**13.75**	14.75
Term loan	**3.24%**	3.17%	**23,998**	25,858	**4.67**	5.67
Exchange	**-**	-	**23,740**	6,568	**-**	-
Subtotal US borrowings	**3.81%**	4.80%	**85,564**	47,589		
Revolving (corporate)	**2.64%**	3.02%	**45,325**	58,839	**1.50**	1.42
Revolving (related party)	**2.03%**	2.58%	**35,000**	50,000	**N/A**	N/A
Non-revolving	**7.13%**	7.15%	**178,668**	194,448	**8.99**	9.99
Finance lease obligations	**3.59%**	3.76%	**5,577**	7,340	**1.69**	2.10
Subtotal CDN borrowings	**5.61%**	5.55%	**264,570**	310,627		
Gross borrowings	**5.17%**	5.45%	**350,134**	358,216		
Cash			**(2,251)**	(1,784)		
Related party receivable			**(13,840)**	-		
Net borrowings			**$ 334,043**	$ 356,432		

LIQUIDITY AND CAPITAL RESOURCES (continued)

TWC's consolidated borrowings include revolving lines of credit, non-revolving mortgages, term loan and finance lease obligations. The following table illustrates future maturities and amortization payments of consolidated borrowings for the next five years and thereafter as at December 31, 2015:

(thousands of Canadian dollars)	Revolving Maturities	Mortgage and Term Loan Amortization Payments	Mortgage and Term Loan Maturities	Finance Lease Obligations	**Total Borrowings**
2016	$ 35,000	$ 20,301	$ -	$ 2,591	**$ 57,892**
2017	59,165	18,983	-	1,667	**79,815**
2018	19,628	19,947	-	852	**40,427**
2019	-	21,232	-	384	**21,616**
2020	-	21,753	21,200	83	**43,036**
2021 and thereafter	-	107,348	-	-	**107,348**
	$ 113,793	$ 209,564	$ 21,200	$ 5,577	**$ 350,134**

TWC expects to meet its 2016 obligations by way of cash flow from operations, and using unutilized lines of credit if necessary.

TWC is committed to the following minimum land lease rent payments for the next five years and thereafter as follows:

(thousands of Canadian dollars)	Golf Club Operations	Rail and Port Operations	**Total**
2016	$ 4,947	$ 257	**$ 5,204**
2017	5,248	257	**5,505**
2018	5,352	257	**5,609**
2019	5,459	257	**5,716**
2020	5,569	257	**5,826**
2021 and thereafter	36,543	2,774	**39,317**
	$ 63,118	$ 4,059	**$ 67,177**

Operating Activities

Cash flow from operations increased 34.6% to $36,112,000 in 2015 from $26,822,000 in 2014 primarily due to the increase in net operating income.

Cash provided by operating activities has increased 77.4% to $47,183,000 in 2015 from $26,602,000 in 2014 primarily due to the change in cash flow from operations and improvements in working capital from the timing of collecting Canadian annual dues.

LIQUIDITY AND CAPITAL RESOURCES (continued)

Investing Activities

Cash used in investing activities decreased 34.0% to $15,794,000 in 2015 from $23,935,000 in 2014 primarily due to the business combination which occurred in 2014.

Property, plant and equipment expenditures are broken down as follows:

(thousands of Canadian dollars)	**2015**	2014
Operating property, plant and equipment expenditures		
Canadian golf club operations		
Golf carts	**$ 1,100**	$ 989
Turf improvements	**991**	1,450
Turf equipment	**657**	1,437
Facilities, administrative and other	**2,008**	1,782
US golf club operations		
Golf carts	**183**	44
Turf improvements	**107**	159
Turf equipment	**427**	330
Other	**365**	115
Rail and port operations		
Track improvements	**1,025**	474
Bridge upgrades	**443**	-
Rolling stock upgrades	**1,372**	950
Dock upgrades	**339**	248
Facilities, administrative and other	**748**	803
	9,765	8,781
Expansion property, plant and equipment expenditures		
Canadian golf club operations		
Land and buildings	**911**	156
Golf course upgrades	**-**	90
US golf club operations		
Golf course and clubhouse upgrades	**80**	1,121
Rail and port operations		
Locomotive upgrades	**978**	259
Rolling stock	**348**	1,598
	2,317	3,224
Total	**$ 12,082**	$ 12,005

On February 7, 2014, ClubLink announced the acquisition of Hidden Lake Golf Club in Burlington, Ontario for the amount of $15,726,000 which included cash consideration of $15,600,000 and assumption of liabilities in the amount of $126,000. Hidden Lake is a 36-hole facility and ClubLink has continued to operate this property as a daily-fee facility with local membership programs.

On December 16, 2014, TWC and a land developer entered into a joint venture agreement to develop the Highland Gate Golf Club property into residential development. In order to effect the joint venture arrangement, TWC sold a 50% interest in the Highland Gate Golf Club including land, buildings, intangibles and goodwill for proceeds of $3,750,000. In 2015, $1,672,000 was spent by TWC in relation to this development venture.

LIQUIDITY AND CAPITAL RESOURCES (continued)

Financing Activities

Cash flows used in financing activities were $32,874,000 in 2015 compared to $1,727,000 in 2014 primarily due to the financing required for the Hidden Lake acquisition in 2014 and a loan receivable from a related party in 2015 in the amount of US$10,000,000.

The Company's $70,000,000 secured revolving operating line of credit due June 4, 2016 was renewed to June 30, 2017. The Company's US$10,000,000 revolving operating line of credit was renewed to June 30, 2017 as well. These facilities have a two year term and provisions for annual one year extensions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,338,000 of its common shares, expiring on September 19, 2016. During 2015, no shares were repurchased for cancellation under the normal course issuer bid.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,305,000 of its common shares which expired on September 19, 2015. During 2015, no shares were repurchased for cancellation under the normal course issuer bid

During 2015, ClubLink declared and issued four quarterly stock dividends of 7.5 cents per common share. There were 742,183 shares issued for the year.

On November 5, 2015, TWC announced an eligible stock dividend of 7.5 cents per share distributed on December 15, 2015. There were 180,220 shares issued under this eligible stock dividend.

TWC finances its operations and expansion through a combination of operating cash flows, revolving and non-revolving secured debt and finance lease obligations. In the past, TWC has issued debt and shares to facilitate acquisitions and to provide working capital. Wherever possible, expansion activities are financed through secured long term debt with repayment obligations corresponding to the expected cash flows.

The Company primarily uses credit facilities, along with funds generated from operating activities, to fund development capital spending and interest and principal payments on borrowings.

The Company currently does not expect to access debt or equity capital markets for financing over the next twelve months; however, the Company may access these markets.

OFF-BALANCE SHEET FINANCING AND GUARANTEES

TWC and its subsidiaries do not engage in off-balance sheet financing, except for the existence of operating leases, which are primarily for the rental of golf courses and for the rental of tide lands in Skagway, Alaska.

From time to time, TWC enters into agreements to provide financial or performance assurances to third parties of which letters of credit of $1,049,000 (2014 - $1,105,000) and unsecured surety bonds of $1,601,000 (2014 - $1,601,000) were outstanding as at December 31, 2015.

In the normal course of operations, the Company executes agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions, business acquisitions, sales of assets, sales of services, securitization agreements and underwriting and agency agreements.

The Company has also agreed to indemnify its directors, officers and certain of its employees. The nature of substantially all of the indemnification undertakings prevents the Company from making a reasonable estimate of the maximum potential amount that could be required to pay third parties as the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Company has not made significant payments nor does it expect to make any significant payments under such indemnification agreements.

RELATED PARTY TRANSACTIONS

Refer to Note 18 in the audited consolidated financial statements for the year ending December 31, 2015 for a complete description of all related party transactions.

ENVIRONMENTAL AND HEALTH AND SAFETY OBLIGATIONS

The Company's operations and properties are subject to extensive federal, provincial, territorial, state, municipal and local environmental laws and requirements in both Canada and the United States, relating to, among other things, air emissions, the management of contaminants including hazardous materials and waste, discharges to waters and the remediation of environmental impacts. The Company believes it has identified and provided for the expenditures relating to known environmental matters, including compliance issues and the assessment and remediation of the environmental condition of its properties, whether currently or previously owned, or other properties where it may have environmental matters. The Company's total costs and liabilities cannot be predicted with certainty due to, among other things, the various issues described above, changing environmental laws, requirements and the potential necessity to conduct additional investigations.

TWC continually demonstrates its commitment to ensuring the health and safety of anyone affected by its operations and to responsibly manage the impact of its operations on the environment. In implementing its policies, TWC employs the benefits of strong environment, health and safety ("EH&S") management systems to a wide range of stakeholders in Canada and the United States. Stakeholders include all employees and the communities where TWC operates, along with customers, investors, partners, and service providers. This commitment extends throughout the entire Company at every level, starting with the Board of Directors.

The EH&S committee of the Company's Board of Directors meets on a regular basis to review and oversee TWC's policies and programs as well as to review the EH&S performance of each business unit. The committee also oversees the Company's compliance with applicable EH&S laws and regulations and monitors trends, issues and events which could have a significant impact on the Company.

TWC continually monitors changes in both EH&S technologies and regulations both directly and through its involvement with various industry associations.

TWC believes that safe operations are essential for a productive and engaged workforce. TWC is committed to workplace incident prevention and makes expenditures towards the necessary human and financial resources and site-specific systems to ensure compliance with its health and safety policies. Any injuries that may occur are investigated to determine root cause and to establish and put in place necessary controls, with the goal of preventing recurrence.

FINANCIAL INSTRUMENTS

TWC has a number of financial instruments which are described in Note 22 to the audited consolidated financial statements for the year ending December 31, 2015. These financial instruments do not include any hedging or complicated derivatives.

Risks associated with these financial instruments and information on their fair values are also disclosed in Note 22.

SUMMARY OF FINANCIAL RESULTS BY QUARTER

The table below sets forth selected financial data for the most recent eight quarters ending December 31, 2015. The financial data is derived from the Company's unaudited interim financial statements, which are prepared in accordance with IFRS as follows:

(thousands of Canadian dollars, except per share amounts)	2015 Dec. 31	2015 Sep. 30	2015 Jun. 30	2015 Mar. 31	2014 Dec. 31	2014 Sep. 30	2014 Jun. 30	2014 Mar. 31
Total assets	**$ 712,065**	**$ 719,933**	**$ 708,983**	**$ 697,916**	$ 673,335	$ 694,761	$ 696,346	$ 690,734
Operating revenue	**31,052**	**96,352**	**65,598**	**23,145**	28,967	87,695	60,946	22,496
Net operating income	**2,019**	**38,390**	**17,522**	**1,219**	1,294	33,321	14,571	1,548
Operating margin (%)	**6.5**	**39.8**	**26.7**	**5.3**	4.5	38.0	23.9	6.9
Net membership fee income	**2,386**	**2,621**	**2,160**	**2,518**	2,911	2,766	2,533	2,940
Earnings before other items and income taxes	**4,405**	**41,011**	**19,682**	**3,737**	4,205	36,087	17,104	4,488
Net earnings (loss)	**(10,772)**	**17,749**	**4,666**	**(7,384)**	(8,103)	14,440	2,830	(5,702)
Basic earnings (loss) per share	**(0.40)**	**0.66**	**0.17**	**(0.28)**	(0.30)	0.54	0.11	(0.22)
Cash flow from operations	**(4,812)**	**34,866**	**12,189**	**(6,131)**	(5,625)	28,679	7,364	(3,596)
Cash flow from operations per share	**(0.18)**	**1.29**	**0.46**	**(0.23)**	(0.22)	1.07	0.28	(0.14)
Eligible dividends per share	**0.075**	**0.075**	**0.075**	**0.075**	0.075	0.075	0.075	0.075

FOURTH QUARTER RESULTS

For the Fourth Quarter ended December 31, (thousands of Canadian dollars, except per share amounts)	2015	2014	Change
Operating revenue	**$ 31,052**	$ 28,967	7.2%
Cost of sales and operating expenses	**29,033**	27,673	4.9%
Net operating income	**2,019**	1,294	56.0%
Operating margin (%)	**6.5%**	4.5%	44.4%
Amortization of membership fees	**2,710**	3,148	(13.9%)
Direct costs of originating membership fees	**324**	237	36.7%
Net membership fee income	**2,386**	2,911	(18.0%)
Earnings before other items and income taxes	**4,405**	4,205	4.8%
Depreciation and amortization	**(6,768)**	(6,427)	5.3%
Land lease rent	**(1,372)**	(1,358)	1.0%
Interest, net	**(4,865)**	(5,051)	(3.7%)
Other expense, net	**(7,348)**	(4,178)	75.9%
Income tax recovery	**5,176**	4,706	10.0%
Net loss	**$ (10,772)**	$ (8,103)	(32.9%)
Weighted average shares outstanding (000)	**27,135**	27,107	0.1%
Basic and diluted loss per share	**$ (0.40)**	$ (0.30)	(33.3%)
Cash flow from operations	**$ (4,812)**	$ (5,625)	14.5%
Basic and diluted cash flow from operations per share	**$ (0.18)**	$ (0.22)	18.2%
Eligible dividends per share	**$ 0.075**	$ 0.075	0.0%

The following exchange rates translate one US dollar into the Canadian dollar equivalent:

Statement of earnings, average for the fourth quarter	**1.3353**	1.1357

FOURTH QUARTER RESULTS (continued)

The majority of the revenue and net operating income earned in the fourth quarter relate to the activities of the Canadian and US golf operations as certain golf clubs remain open in the fall and annual dues revenue is recognized on a monthly basis. The Florida golf course acquisitions have also helped to increase revenue and operating income for the fourth quarter. Costs for the end of season maintenance and operating expenses negatively impact net operating income in the fourth quarter.

Net operating income for the fourth quarter of 2015 has increased 56.0% to $2,019,000 from $1,294,000 in 2014 primarily due to an increase in Canadian golf operations net operating income resulting from unseasonably warm weather extending the golf season. Net loss for the fourth quarter of 2015 has increased to $14,195,000 from $8,103,000 in 2014 due to the impairment adjustment recorded for the Canadian golf operations segment.

SEASONALITY

The quarterly earnings performance of the Company reflects the highly seasonal nature of both business segments. The majority of revenue and earnings from these businesses occur during the second and third quarters of the year. Accordingly, the quarterly reported net earnings of the Company will fluctuate with those of the underlying business segments. This seasonality has been offset by the Florida acquisitions since September 2010.

RISKS AND UNCERTAINTIES

TWC manages a number of risks in each of its business segments in order to achieve an acceptable level of risk without hindering its ability to maximize returns. Management has procedures to identify and manage significant operational and financial risks.

In addition to the risks described elsewhere in this MD&A, this section describes the principal risks that could have a material and adverse effect on the Company's financial condition, results of operations, cash flows or business, as well as cause actual results to differ materially from expectations expressed in or implied by forward-looking statements. The risks described below are not the only risks that could affect the Company. Additional risks and uncertainties not currently known or that are currently deemed to be immaterial may also materially and adversely affect TWC's financial condition, results of operations, cash flows or business.

Economic & Business Risk

A decline in the economic environment and its impact on disposable income in areas where TWC operates may have an adverse effect on operating revenue. The Company's business segments are dependent upon discretionary spending by consumers and corporations which in turn is impacted by general economic conditions.

An extended recession could materially affect both business segments' revenue and financial performance as discretionary spending declines.

The ability to attract and retain full privilege golf members and the number of rounds played at member, hybrid and daily fee golf clubs have historically been dependent upon (i) discretionary spending by consumers and corporations, which may be affected by general economic conditions in the markets that it operates, and (ii) the popularity of golf as a leisure activity. There is no certainty that current levels of participation will be sustained or increase in the future. A decrease in the overall number of golfers, their rates of participation and consumer or corporate spending on golf, individually or collectively, could have a material adverse effect on the Company's business, financial condition and results of operations. Given that a substantial portion of the Company's golf activities are carried out in Southern Ontario, the results of operations will depend heavily on the financial condition of this market.

A decline in the economic environment and its impact on disposable income in areas where TWC's clusters are located may have an adverse effect on the Company's golf club operations revenue. The Company believes this is mitigated and that revenue from member clubs would remain relatively constant since a member is committed to pay annual dues and consume a food and beverage minimum to maintain their membership. While the sale of new memberships may decline in such circumstances, almost all Member Golf Clubs have a membership base that generates sufficient operating revenue to sustain profitable operations at that property.

RISKS AND UNCERTAINTIES (continued)

Economic & Business Risk (continued)

Corporate event bookings, which represent a material portion of the Company's golf revenue, are susceptible to major changes in the economic environment.

The success of the rail and port operations are economically dependent upon the flow of cruise ship traffic along the west coast of North America to Alaska. These operations can be disrupted for reasons beyond the control of management, including new taxes, commercial and weather-related changes to ship scheduling. There is a risk, beyond the control of TWC, that receivables due from Carnival Cruises will not be paid or paid in a timely manner.

Economic Dependency

Rail and port operations are economically dependent upon the Alaska cruise line industry. For the year ended December 31, 2015, Carnival Cruises and its subsidiaries, Princess Cruises and Holland America Cruises, made up approximately 54.3% of White Pass port passengers (2014 – 56.3%). The loss of this customer could have a material impact on the operations of the Company.

Foreign Currency Risk

TWC operates both in Canada and the United States and reports its earnings in Canadian dollars. Certain TWC borrowings have a base currency of US dollars as well. Fluctuations in exchange rates could affect the cost of capital or the contribution from operations in the United States, and the value of the Company's investments in the United States.

Availability of Credit/Liquidity

No assurance can be given that borrowings will be available to the Company or its subsidiaries to replace existing credit facilities on terms acceptable to the Company, if at all. Failure to renew or replace credit facilities as they mature would require TWC to obtain alternative sources of capital, which may include the sale of assets or the issuance of equity at prices that may be dilutive to current shareholders.

Renewal Risk

TWC is exposed to renewal risk on its maturing borrowings. A total of 68% (December 31, 2014 – 64%) of TWC's consolidated borrowings is fully amortizing over the remaining term to maturity and 32% (December 31, 2014 – 36%) of TWC's borrowings is subject to this risk.

Interest Rate Risk

TWC is exposed to market risk related to interest rate fluctuations. The majority of TWC's borrowings has fixed interest rates over its remaining term to maturity, with 42% (December 31, 2014 – 39%) of its debt subject to this risk.

Risks Associated with Information Systems

Golf club operations rely on information systems in its business to obtain, rapidly process and analyze data to manage:

- its tee sheet and reservation system;
- its member database;
- the accurate billing of receivables and collections from members;
- the accurate accounting for and payment to vendors; and
- the processing of financial data.

Rail and port operations rely on information systems to manage train scheduling, cruise ship bookings, communications and accounting data.

Results of operations from both business segments could be adversely affected if these systems are interrupted, damaged by unforeseen events or fail for any extended period of time, including due to the action of third parties.

RISKS AND UNCERTAINTIES (continued)

Competition

The competitive environment in all business segments is evolving. There have been significant additions to alternative products in the golf club, resort and tourism sectors in Ontario. While the Company has certain competitive advantages which management believes will offset, in part, the impact of this increased competition, it has been affected by these developments.

The Company faces strong competition in the Florida golf marketplace from golf clubs that have been reducing their golf fees to maintain market share. TWC believes its pricing is competitive and is striving to differentiate their product by ensuring a quality golfing experience.

Key Management

The Company's success depends upon the continued contribution of key management, some of whom have unique talents and experience and would be difficult to replace quickly. The loss or interruption of the services of a key executive could have a material adverse effect on our business during the transitional period that would be required to restructure the organization or for a successor to assume the responsibilities of the key management position.

Litigation

The Company and certain of its subsidiaries are defendants in a number of legal actions. Although the outcome of these claims cannot be determined, in the opinion of management, the resolution of these matters is not expected to have a material adverse effect on the Company's financial position or results of operations.

Regulatory Environment

TWC and its subsidiaries are subject to regulation by numerous agencies involving the serving of alcohol, operation of a railroad and adherence to environmental constraints. Changes in these regulations, and their application, can impact the cost and efficiency of each business segment.

Loss of Reputation

"ClubLink One Membership More Golf" and "White Pass & Yukon Route" both currently enjoy recognizable brand names in their operating markets. Damage to these brands could have a negative impact on the affairs of the Company. If the Company does not meet or exceed customer expectations, these brands could suffer. We have endeavoured to reduce this risk by ongoing employee training and a company-wide focus on customer service excellence.

Environment

TWC's golf courses are managed with a high level of environmental awareness. In addition, TWC's turf management team is highly knowledgeable and receives extensive training regarding the proper use of pesticides and chemicals required to promote healthy golf course conditions and compliance with applicable regulations. However, certain risks are associated with the use of these materials and the overall effect a golf course has on the surrounding habitat, including nearby waterways.

Phase 1 environmental assessments are completed prior to the acquisition of any property. Once the property is acquired, environment assessment programs ensure continued compliance with all laws and regulations governing environment and related matters.

Rail and port operations are subject to extensive federal, provincial, territorial, state, municipal and local environmental laws and requirements in both Canada and the US relating to, among other things, air emissions, management of contaminants including hazardous materials and waste, discharges to waters and the remediation of environmental impacts (such as the contamination of soil and water, including groundwater). A risk of environmental liabilities is inherent in transportation operations, historic activities associated with such operations and the ownership, management or control of real estate.

The Company believes that it has adopted appropriate practices and procedures and maintains adequate insurance to address environmental contingencies. As part of our environmental policies, TWC monitors, controls and manages environmental issues by way of measures for waste prevention, minimization and recycling of any waste products. A committee of the Board of Directors has been established to ensure appropriate policies and standards are maintained for environmental stewardship.

Terrain

The rail and port operations segment operates in remote, rocky and mountainous terrain. While the Company maintains safeguards, operations may be adversely effected in the event of a rock slide, washout or accident.

RISKS AND UNCERTAINTIES (continued)

Weather

Extraordinary weather conditions involving extended dry or wet periods or exceptional hot or cold temperatures could impact the condition of golf courses and the demand for golf. Management believes that its geographically diverse operations may serve to reduce the impact of severe weather conditions.

The rail and port operations segment is dependent on its ability to operate its port and railroad. Severe weather and natural disasters, such as extreme cold or heat, flooding, snow, unusual high winds, stormy seas and earthquakes, can disrupt operations and service for the port and railroad and damage its infrastructure or properties.

Real Estate

TWC is subject to risks inherent in the acquisition, development, ownership and financing of real estate in general and the operations, rehabilitation and development of golf courses and recreational real estate in particular, such as the risk of depreciation in the value of land and federal, provincial and municipal governmental regulations, including environmental, sewer, water, zoning and similar regulations. It is possible that enactment of new laws, changes in the interpretation or enforcement of applicable laws, rules and regulations or the decision of any authority to change or refuse a change to current zoning classification may have an adverse effect on the value of these golf facilities and related real estate.

Unions and Collective Bargaining

White Pass has three separate unions which represent employees in the rail and port operations segment. All three unions are under contract for 2016.

In any set of labour negotiations, there can be no assurance that the negotiated compensation expenses or changes to operating efficiency will be as planned and may result in unanticipated increased costs and/or reduced productivity. In addition, there can be no assurance that reduced productivity and work disruptions will not occur during the course of collective bargaining prior to settlement.

Exchange of Confidential Information

This risk involves the utilization of members' confidential information, particularly in direct marketing. The potential dissemination of such information to the wrong individuals could cause significant damage to our relationship with our members and customers and could result in legal action. Various initiatives, such as a corporate privacy policy, have been implemented which seek to minimize the possibility that this may occur.

TWC is also involved in payment card industry ("PCI") compliance, a rigorous set of standards leveraging the latest security technology, such as encryption, to ensure the protection of customer credit card information. These capabilities are being introduced and implemented by TWC in accordance with the ongoing PCI certification program.

Income and Commodity Tax Amounts

The operations of TWC are relatively complex and related tax interpretations, regulations and legislation that pertain to TWC's activities are subject to continual change. The Company collects and pays income and commodity taxes to various taxation authorities.

The audit and review activities of the Internal Revenue Services and Canada Revenue Agency and other jurisdictions' tax authorities affect the ultimate determination of the actual amounts of commodity taxes payable or receivable, income tax liabilities and income tax expense. Therefore, there can be no assurance that taxes will be payable as anticipated and/or that the amount and timing of receipt of use of the tax-related assets will be as currently expected.

Risk of Loss Not Covered by Insurance

The Company generally maintains insurance policies related to our business, including casualty, general liability and other policies covering our business operations, employees and assets; however, TWC would be required to bear all losses that are not adequately covered by insurance, as well as any insurance deductibles. In the event of a substantial property loss, the insurance coverage may not be sufficient to pay the full current market value or current replacement cost of the property. In the event of an uninsured loss, the Company could lose some or all of its capital investment, cash flow and anticipated profits related to one or more properties. Assurance cannot be provided that the Company will not incur losses in excess of insurance coverage or that insurance can be obtained in the future at acceptable levels and reasonable cost. Due to the cost involved, the Company has chosen not to purchase catastrophic wind (hurricane) insurance for its southeast Florida golf clubs.

RISKS AND UNCERTAINTIES (continued)

Integration of Acquisitions

Integration activities include the review and alignment of accounting policies, employee transfers and moves, information systems, optimization of service offerings and establishment of control over new operations. Such activities may not be conducted efficiently and effectively, negatively impacting service levels, competitive position and expected financial results.

TWC has a team that performs the integration function. This team applies an integration model, based on experiences from numerous previous integrations, which enhances and accelerates the standardization of TWC's business processes and strives to preserve the unique qualities of acquired operations. The integration process begins with strategic, pre-closing analysis and planning, and continues after closing with the execution of a plan. Integrated operations are re-evaluated and assessed regularly, based on timely feedback received from the integration team.

NON-IFRS MEASURES

The Company has prepared the financial information contained in this discussion and analysis in accordance with IFRS. Reference is also made to net operating income, operating margin, net membership fee income, earnings before other items and income taxes, cash flow from operations, basic and diluted cash flow from operations per share, funds from operations and adjusted funds from operations. The calculations of these measures can be found embedded in the MD&A.

TWC uses these non-IFRS measures as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. We consider these non-IFRS measures to be a meaningful supplement to net earnings. We also believe these non-IFRS measures are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance. While these non- IFRS measures have been disclosed herein to permit a more complete comparative analysis of the Company's operating performance and debt servicing ability relative to other companies, readers are cautioned that these non- IFRS measures as reported by TWC may not be comparable in all instances to non-IFRS measures as reported by other companies.

Funds from operations ("FFO") is a key measure of our financial performance and is defined as net income prior to unrealized foreign exchange and non cash items such as depreciation/amortization. FFO also adjusts for the non-cash earnings impact of membership fees and excludes transaction costs on business combinations which are required to be expensed.

Our definition of funds from operations may differ from the definition used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada ("REALPAC"), the main difference being the adjustment for the non cash component of membership fee revenue which is not considered by REALPAC.

Earnings before other items and income taxes does not represent cash generated from operations as defined by IFRS and it is not necessarily indicative of cash available to fund cash needs. Furthermore, earnings before other items and income taxes does not reflect the impact of a number of items that affect our net earnings. Earnings before other items and income taxes is not a measure of financial performance under IFRS, and should not be considered as an alternative to measures of performance under IFRS.

The glossary of financial terms is as follows:

Net operating income = operating revenue - cost of sales - operating expenses

Operating margin = net operating income/operating revenue

Net membership fee income = amortization of membership fees revenue - direct costs of originating membership fees

Earnings before other items and income taxes = net operating income + net membership fee income

Cash flow from operations = net earnings +/- items not affecting cash (please see consolidated statement of cash flows)

Basic and diluted cash flow from operations per share = cash flow from operations/weighted average shares outstanding

Funds from operations = net earnings +/- items not effecting cash less business combination transaction costs

Adjusted funds from operations = funds from operations less operating property, plant and equipment expenditures

Operating property, plant and equipment expenditures = capital expenditures to maintain existing operations

Expansion property, plant and equipment expenditures = capital expenditures which expand existing operations

DISCLOSURE CONTROLS AND PROCEDURES

TWC's Chairman, President and Chief Executive Officer ("CEO") and its Chief Financial Officer ("CFO") are responsible for establishing and maintaining the Company's disclosure controls and procedures. Our disclosure controls are designed to provide reasonable assurance that information required to be disclosed by TWC is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure. The CEO and CFO, after evaluating the effectiveness of the Company's disclosure controls and procedures as at December 31, 2015, have concluded that the Company's disclosure controls are adequate and effective to ensure that material information relating to the Company and its subsidiaries would have been known to them.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting.

The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of TWC's assets; (ii) provide reasonable assurance that transactions are recorded appropriately to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Based on their evaluation, the CEO and CFO have concluded that, as at December 31, 2015, the Company's internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes is in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

There were no changes in internal control over financial reporting that occurred during the Company's most recent year that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

OUTLOOK

Canadian Golf Club Operations

ClubLink has implemented programs designed to cater to the needs of a changing golf demographic and to address the current industry and company trend of negative full privilege golf membership growth. Programs new for the 2016 season include a 10 month instalment program in addition to complimentary home club spousal memberships – subject to annual dues. Members also have the opportunity to pay their 2016 annual dues early at last year's rate. Management believes that these added value benefits will attract new members and retain existing members by adding to their package of member benefits. During the year ended December 31, 2015, the number of new members increased 10.3% and the number of members resigning decreased 10.6%. The year over year negative growth of 406 full privilege golf members as of December 31, 2014 has been reduced to 162 as of December 31, 2015. Management believes that this positive trend will continue as our membership programs increase sales and decrease resignations.

ClubLink is pursuing the development of its Highland Gate Golf Club in Aurora as part of a 50/50 joint venture with a local house developer. A draft plan of the subdivision has been submitted to the Town of Aurora which confirmed on March 2, 2015 that the application was complete. The joint venture held an open house on April 15, 2015. The Town has held three statutory public meetings on June 24, 2015, September 30, 2015 and October 28, 2015. In December 2015, the joint venture referred the application to the Ontario Municipal Board.

On October 23, 2015, ClubLink filed a pre-consultation request with the Town of Oakville regarding redevelopment of Glen Abbey Golf Club. This meeting was conducted on November 18, 2015. ClubLink is currently considering the material and reports required as a result of this meeting.

OUTLOOK (continued)

US Golf Club Operations

Management has been focused on improving turf conditions at our Florida courses. These improvements have elevated the golf experience and also improved our competitive advantage in the Florida marketplace.

ClubLink continues to pursue opportunities in the Southern Florida marketplace to supplement its existing operations.

Rail and Port Operations

Based on data provided by Cruise Line Agencies of Alaska, we are expecting approximately the same number of cruise ship passengers in 2016 as in 2015.

As port operations are expected to be consistent with 2015, we expect growth in our rail operations by working with each cruise line operator to continue to improve the cruise line capture rate during 2016.

Corporate Operations

The Company believes it is well positioned to capitalize on its unique assets and their competitive strengths. The Company anticipates that the current economic environment will offer opportunities to add quality assets. With the strength of the existing brands, experienced management, and a focus on cost control, stable operating results are expected. Both business segments are diligently controlling discretionary spending. Currency fluctuations may continue to impact reported results.

ADDITIONAL INFORMATION

Additional information concerning the Company, as well as the Company's Annual Information Form is available on SEDAR (www.sedar.com) and the investor relations section of the Company's website (www.twcenterprises.ca).

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements and management's discussion and analysis of operations contained in this MD&A are the responsibility of the Company's management. To fulfill this responsibility, the Company maintains a system of internal controls to ensure that its reporting practices and accounting and administrative procedures are appropriate and provide assurance that relevant and reliable financial information is produced. The consolidated financial statements have been prepared in conformity with International Financial Reporting Standards and, where appropriate, reflect estimates based on management's best judgment in the circumstances. The financial information presented throughout this MD&A is consistent with the information contained in the consolidated financial statements.

Deloitte LLP, the independent auditor appointed by the shareholders, have audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the consolidated financial statements. Their independent auditor's report is set out on the following page.

The consolidated financial statements have been further examined by the Board of Directors and by its Audit Committee, which meets regularly with the auditors and management to review the activities of each. The Audit Committee, which is comprised of three independent directors, who are not officers of the Company, reports to the Board of Directors.

K. (Rai) Sahi
Chairman, President and Chief Executive Officer

Andrew Tamlin
Chief Financial Officer

February 26, 2016