



For Immediate Release:

## CANLAN REPORTS FIRST QUARTER 2010 FINANCIAL RESULTS

Burnaby, B.C., May 13, 2010 – Canlan Ice Sports Corp., industry-leading providers of on-ice experiences to youth and adults across North America, today announced its financial results for the three month period ended March 31, 2010.

### Selected First Quarter Financial Highlights

| <i>In thousands except share and % data</i> | Q1 2010   | Q1 2009   | Change |
|---|-----------|-----------|--------|
| Total revenue                               | \$19,873  | \$19,445  | +2%    |
| EBITA <sup>1</sup>                          | \$4,685   | \$5,023   | -7%    |
| Earnings before taxes                       | \$2,789   | \$3,046   | -8%    |
| Net earnings after taxes                    | \$2,002   | \$1,982   | +1%    |
| Net earnings per share                      | \$0.15    | \$0.15    | 0%     |
| Total Assets                                | \$110,970 | \$110,374 | 0%     |
| Cash and Cash equivalents                   | \$5,666   | \$4,216   | +34%   |
| Total Interest bearing debt                 | \$48,200  | \$51,800  | -7%    |

“We are pleased with the modest revenue and net earnings growth we experienced in Q1 given the slow economic recovery in several of our key markets,” Joey St-Aubin, President and CEO of Canlan Ice Sports. “The initial results of Ice Sports Fort Wayne following its launch in February as well as the increased registrations in the Adult Safe Hockey League are encouraging signs that point to our continued steady performance for the year ahead.”

### Q1 2010 Operational and Financial Highlights

- Adult Safe Hockey League (ASHL) revenue increased by \$320,000 or 4.4%.
- Launched operations at a three-rink facility in Fort Wayne, Indiana as part of the Company's strategy to expand into select U.S. markets.
- Same store revenue grew by \$204,000 or 1%.
- Invested \$1.1 million in capital improvements to the Company's existing portfolio of facilities managed and leased.

### Highlights subsequent to quarter end

- Signed an exclusive marketing agreement with Molson Coors Canada that combines sponsorship, branding and web-based promotional activities related to the Adult Safe Hockey Network.
- Signed an agreement to be the exclusive provider of adult recreational hockey leagues at the Richmond Olympic Oval, the crown jewel venue of the 2010 Olympic Winter Games.

<sup>1</sup> Earnings before interest, taxes and amortization (EBITA) is often used as a measure of financial performance. However, EBITA is not a term that has specific meaning in accordance with generally accepted accounting principles, and may be calculated differently by other companies. Canlan reconciles EBITA to its net earnings.

## **Review of Q1 2010 Financial Results**

Canlan reported consolidated revenue of \$19.9 million for the three-month period ended December 31, up 2% from \$19.4 million for the corresponding period of 2009. The revenue increase was primarily attributable to the launch of Ice Sports Fort Wayne. Revenue gains were offset by a decline in food and beverage sales of \$188,000 or 5.6% when compared to the corresponding period of 2009. The decline is consistent with reduced spending trends on restaurants throughout North America.

Same store revenue in Q1 2010 grew by \$204,000 or 1% over Q1 2009. The growth was principally due to increased registrations for the Adult Safe Hockey League in various markets across North America.

Canlan derives its revenue from the rental of its playing surfaces, registrations for internal programming, food and beverage sales, sports stores sales, tournament registrations, management and consulting fees and other related fees.

Operating expenses for Q1 2010 were \$14 million, up 4% from \$13.5 million for Q1 2009. The year-over-year increase was due primarily to higher wages, principally as a result of the launch of Ice Sports Fort Wayne and the addition of staff in strategic business areas, such as sales and marketing.

General and administrative expenses for Q1 2010 totaled \$1.2 million, up 21% from \$1 million for the corresponding period of 2009. The growth was primarily attributable to the recording of a \$157,000 expense related to the Company's Stock Appreciation Rights Plan as a result of the appreciation of Canlan's share price.

Earnings before income taxes and amortization (EBITA) for Q1 2010 was \$4.7 million, down 7% from \$5.0 million for Q1 2009. The decline was due to higher operating costs, including higher wages.

Canlan generated earnings before taxes for Q1 2010 of \$2.8 million, down 8% from \$3 million for Q1 2009. Net earnings for Q1 2010 were \$2.0 million, or \$0.15 per fully diluted share, which compares to \$2 million in net earnings and \$0.15 per fully diluted share for Q1 2009.

At March 31, 2010, the Company held cash and cash equivalents of \$5.7 million and interest bearing debt totaling \$48.2 million. This compares to \$4.2 million and \$50.2 million, respectively, for Q1 of 2009.

## **Outlook**

"Our efforts for the balance of the year will centre on several key areas," Mr. St-Aubin also said. "Most notably, we will focus on growing the Adult Safe Hockey Network, adding teams and members to the ASHL, ASHL satellite leagues, tournament-qualifying series and affiliate leagues. Supported by our recent agreement with Molson Coors Canada, we expect growth of the ASHN will drive increased utilization of facilities. Equally significant, we will leverage our recent U.S.-based experience to identify select markets where we can continue our expansion strategy. Finally, we will continue to implement cost-cutting measures designed to reduce energy consumption. Over the longer term, these efforts will result in improved performance along each of our key financial metrics."

Canlan's financial statements and Management Discussion & Analysis for the period ended March 31, 2009 are available via SEDAR and through the Company's website, [www.icesports.com](http://www.icesports.com).

**About Canlan**

Canlan Ice Sports Corp is the North American leader in the development, operations and ownership of multi-purpose recreation and entertainment facilities. We are the largest private sector owner and operator of recreational ice sports facilities in North America and currently own and/or manage 22 facilities in Canada and the United States with 65 surfaces including ice rinks and indoor soccer fields.

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

**Caution concerning forward-looking statements**

This document contains forward-looking statements, which may be identified by words like "expects", "anticipates", "plans", "intends", "indicates" or similar expressions. These statements are not a guarantee of future performance and are inherently subject to risks and uncertainties. The Company's actual results could differ materially from those currently anticipated due to a number of factors set forth in reports and other documents filed by the Company with Canadian securities regulatory authorities from time to time.

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