



For Immediate Release: Wednesday August 9, 2006.

## CANLAN REPORTS SECOND QUARTER RESULTS

Burnaby, B.C., August 9, 2006 – Canlan Ice Sports Corp. today reported results for the six months ended June 30, 2006

### Second Quarter Results (in thousands of dollars)

	Three months ended June 30		Six months ended June 30	
	2006	2005	2006	2005
<b>Revenue:</b>				
Ice rinks	<b>\$11,319</b>	\$ 10,671	<b>\$26,374</b>	\$ 24,909
<b>Expenses:</b>				
Ice rinks	<b>10,225</b>	9,366	<b>20,558</b>	19,026
Earnings from operations	<b>1,094</b>	1,305	<b>5,816</b>	5,883
General and administration expenses	<b>704</b>	819	<b>1,377</b>	1,503
<b>Earnings before the undernoted</b>	<b>390</b>	486	<b>4,439</b>	4,380
<b>Other expenses:</b>				
Interest	<b>888</b>	799	<b>1,727</b>	1,580
Loss on foreign exchange	<b>363</b>	8	<b>363</b>	14
Amortization	<b>925</b>	883	<b>1,852</b>	1,796
Gain on sale of capital assets	<b>(16)</b>	-	<b>(16)</b>	-
	<b>2,160</b>	1,690	<b>3,926</b>	3,390
Earnings (loss) before taxes	<b>(1,770)</b>	(1,204)	<b>513</b>	990
Income tax (expense) recovery:				
Current	<b>53</b>	(57)	-	(115)
Future	<b>370</b>	278	<b>(193)</b>	(215)
	<b>423</b>	221	<b>(193)</b>	330
<b>Net earnings (loss)</b>	<b>\$(1,347)</b>	\$(983)	<b>\$320</b>	\$660
Basic earnings (loss) per share	<b>\$ (0.01)</b>	\$ 0.00	<b>\$ 0.00</b>	\$ 0.00
Fully diluted earnings (loss) per share	<b>\$ (0.01)</b>	\$ 0.00	<b>\$ 0.00</b>	\$ 0.00

**Second quarter results** (three months ended June 30, 2006 compared with three months ended June 30, 2005):

- Revenues of \$11.3 million increased by \$648,000 or 6.1%.
- Improvement in ice sales principally due to strong growth in Canlan's branded youth programs, 3-on-3 leagues, in-house tournaments and spot ice rentals.
- In addition, food and beverage sales increased by \$50,000 or 2% compared to 2005
- Sports store sales grew by \$55,000 or 11.8%.
  
- Ice rink operating costs of \$10.2 million increased by \$859,000 or 9.0%.
- Expenses increased mainly due to costs required to service increased customer demand from higher ice and retail sales, increased utility costs resulting from higher market prices for electricity and gas, and increased repairs and maintenance expenses required to ensure facilities and equipment are well maintained.
  
- Corporate general and administration expense of \$704,000 decreased by \$115,000 or 14% mainly due to lower compensation costs.
- Earnings before interest, taxes and amortization (EBITA) was \$390,000 compared to \$486,000 in the prior year, which translates into a gross margin of 3.5% compared to 4.6% in 2005.
- After interest, foreign exchange loss, amortization and taxes, net loss was \$1.3 million, compared to \$983,000 in the previous year.
- During the quarter, the Company sold a one-pad ice arena it owned in Kansas City, which resulted in a foreign exchange loss of \$378,000.

**Year-to-date results** (six months ended June 30, 2006 compared with six months ended June 30, 2005):

- Revenues of \$26.4 million increased by \$1.5 million or 5.9% compared to 2005.
- Strong growth experienced in adult hockey leagues, youth 3-on-3 leagues, and Canlan branded adult and youth recreation programs.
- Food and beverage and proshop sales were up \$302,000 as these operations capitalized on increased facility traffic and effective promotional marketing.
  
- Ice rink operating costs of \$20.6 million increased by \$1.5 million or 8.1% due to increased utility, repairs and maintenance, programs service, and administration expenses.
- Corporate general and administration expenses of \$1.4 million decreased by \$100,000.
  
- EBITA for the period of \$4.4 million remained steady compared to 2005.
- Overall, after interest, amortization, foreign exchange loss and future income tax, net income totaled \$320,000 compared to \$660,000 a year ago.

Grant Ballantyne, President and CEO said that overall operating results were in line with management's expectations for the first half of the year. The strong revenue growth is evidence that Canlan's branded hockey leagues and recreational programs continue to be popular and are appropriately marketed. The key for the second half of the year will be to continue to

aggressively grow revenues in all areas, focus on the operations of new management contracts and newly acquired assets, and closely monitor costs.

On August 1, 2006, Canlan acquired the Ice Gardens at York University from PriceWaterhouseCoopers Inc. The facility contains six pads of ice and significant restaurant, fitness and retail space and will provide added growth to Canlan's revenue base for the Fall/Winter season and beyond.

Canlan Ice Sports Corp. is the largest private sector operator of recreational ice facilities in North America with 67 playing surfaces at 23 facilities in Canada and the United States. Through the Adult Safe Hockey League, Canlan operates the largest adult recreational hockey league in North America with more than 45,000 players and offers a variety of other programs including youth leagues, hockey and figure skating schools and tournaments.

The Company will be filing its June 30, 2006 unaudited consolidated financial statements and Management Discussion & Analysis with SEDAR on or before August 14, 2006.

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

- 30 -

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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