

**CEO  
CFO**

**Canlan Ice Sports Corp.  
989 Murray Ross Pkwy  
North York, Ontario, M3J 3M4  
Phone: 416 661-4423**

**Issue:  
December 2, 2011**

**All rights reserved!  
ceocfointerviews.com**

**The Most Powerful Name In Corporate News and Information**

No Longer Just Focused on Hockey and Ice Related Sports, Canlan Ice Sports Corp. is Now Growing their Business by Taking Advantage of the Growing Interest in Turf Related Sports like Soccer and Lacrosse



**Entertainment  
Sports Facilities in North America  
(ICE-TSX)**

**Joey St-Aubin  
President, CEO and Director**

**BIO:** Mr. St-Aubin has a Bachelor's Degree in Social Sciences with a concentration in Management of Public Policy from the University Ottawa. He has 25 years experience in the competitive ranks of the sport of hockey and has been a leader in the ice rink industry since 1997. He began his career with Canlan as the facility General Manager in Oshawa and has grown through various positions to now lead Canlan Ice Sports as the President and CEO.

**Company Profile:**

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 owner and operator of recreational ice sports facilities in North America and currently own and/or manage 21 facilities in Canada and the United States with 64 surfaces including ice rinks and indoor soccer fields.

Our flagship facility is Canlan Ice Sports - Burnaby 8 Rinks in Burnaby, British Columbia, Canada. While

there are numerous ice facilities in North America, Canlan Ice Sports' competitive edge comes from knowing all aspects of the ice sports facility industry and from consistently delivering high quality programming through each of our world-class facilities.

Canlan Ice Sports offers an impressive number of branded programs, which include: youth 3 on 3, Canlan Classic Tournaments, Hockey Academy, Skating Academy, Canlan Sports Camps and much more. One of the premier brands in our portfolio of programs is the Adult Safe-Hockey League, the world's largest adult recreational hockey league, with over 60,000 members.

In addition to full size NHL rinks, most of our facilities provide patrons with well appointed sports bars and restaurants overlooking the ice for a relaxed viewing experience and well-stocked sports stores to meet their equipment and sports clothing needs. From facility design and development to operation and programming, Canlan Ice Sports offers it all.

**Interview: Lynn Fosse, Sr. Editor**

**CEOCFO:** Mr. St-Aubin, you have been with Canlan Ice Sports for some time; how has Canlan changed under your leadership?

**Mr. St-Aubin:** I would have liked to have made more significant changes in the brief period of time that I have been president and CEO. However, just as I stepped into the role we were faced with a significant economic downturn, which caused us to alter our approach. We were planning to grow at a much faster clip, but we had

little choice but to rethink, adjust, focus more attention on cost controls, dealing with things like consumer behavior, and pricing. The most significant changes since taking over have been the restructuring of several areas of the organization to ensure that we were sales and marketing focused as opposed to simply an operationally based/focused company. We have done a lot of phased in restructuring over the last 3 years in order for this to take shape and set ourselves up for significant future growth. We wrote a new three-year strategic plan and that plan is now tied to everything we do throughout the organization. We actually involved team members (employees) at all levels to participate in the development of the plan to ensure that we gathered the appropriate business intelligence and to achieve quick buy-in as to where we were heading. A number of those initiatives that came from that strategic plan have set us up for where we are today and now we are poised to take advantage of the opportunities that exist in our target markets.

**CEOCFO:** Would you tell us about the Canlan Ice Sports facilities?

**Mr. St-Aubin:** Canlan Ice Sports has 21 facilities across Canada and the United States. We are sports and entertainment driven. In the past, our main focus was in the ice related sports, so we have 64 sheets of ice, but we now also have 2 indoor turf fields. In addition, we have beach volleyball ball courts and some ball diamonds. Our focus was always hockey and ice. However, we look at the trends, what is happening in the world with the growth in turf related sports

like soccer and Lacrosse. Because of the experience that we have gained over time at our Burnaby, British Columbia facility as well as our Winnipeg facility and soccer and turf related sports, we are starting to turn our attention to that side of the world. We getting more into multi-sports centers and we believe that we will be in a position to roll them out at a much faster clip than we are with ice sports facilities. One approach does not replace the other; rather it simply compliments and allows us to grow a completely new segment of the business.

**CEOCFO:** What kinds of activities take place at the Canlan facilities?

**Mr. St-Aubin:** We have the world's largest adult recreational hockey league called the Adult Safe-Hockey League. It is made up of all kinds of different people, everything from blue collar to white collar, lawyers, doctors, executives; you name it. Many of the players grew up playing the game, but we also have instructional programs that teach adults to play the game that have never played before. For those who always aspire to be a hockey player, we can teach them how to skate, teach them how to play the game and ultimately get them participating in our adult hockey league. So we have divisions for everybody starting with recreational, thirty plus, forty plus, and fifty plus, we have co-ed divisions, as well as women's divisions. We really have developed a league that caters to everyone. We also offer a full menu of tournaments, instructional programs and leagues for both youth and adult, birthday parties, corporate events and more.

**CEOCFO:** What is the competitive landscape for your leagues?

**Mr. St-Aubin:** There are other competing products and services out there, but we pride ourselves in delivering a best in class product that offers divisional parity, safety, value

and exceptional customer service. Canadian Municipalities that have rinks, which they look to fill and in some cases will operate their own adult recreational hockey leagues. However, there is nobody that has the size, experience, and overall packaged offering that Canlan Ice Sports and the ASHL provides.

**CEOCFO:** Do the people who use your various facilities know that they are Canlan facilities? Are they aware of the brand?

**Mr. St-Aubin:** I think that people do relate to the brand. They know that when they come to a Canlan facility that they can expect a high level of

**When you take a look at this space, the sports and recreation space, Canlan has mastered the facility management and operational side of the business and we are the leaders on the ice programming side. We are now suggesting that with our 10+ years of experience in turf sports management and programming that we are poised to capitalize on the growth that is happening in that space. The opportunities out there for consolidation are ripe. With what has happened in the economy particularly in the US, there are a number of opportunities most of which we are aware of and reviewing. We are looking at how we can capitalize from all of that and how we can take advantage of being a public company markets and going out and acquiring many of the facilities that are not performing to their potential. - Joey St-Aubin**

customer service. From the time they walk in through the doors to the time they drive out of the parking lot, they know what to expect. We staff our facilities in a way that caters to an entire experience, everything from customer service reps to full-service food and beverage operations to retail outlets, to league conveners at rink side, referees, timekeepers and managers on duty. We make sure that the customers' experience is consistent and that it is exceptional each and every time. We even put in our vision statement that we are "Passionately committed to providing exceptional customer experiences, every time."

**CEOCFO:** You mentioned growth; will

be through acquisitions or new facilities, what is the plan for Canlan?

**Mr. St-Aubin:** There is not a lot of private development going on in the ice rink world, so you have to structure the appropriate deal. We recently developed a facility in partnership with a development group in Fort Wayne, Indiana. It is a beautiful 3 surface facility and our most modern and efficient facility to date. That project was completed in a way that satisfied the requirements of the land owners, developers and ours, and made for a very nice partnership. The economics of building new facilities today really don't make a lot of sense so what you are seeing are more and more private, public, partnerships taking

shape. These deals take all sorts of different shapes but typically have it where municipalities own the facility and land, and where provincial, federal, State bonds or grants are involved. The Private, Public Partnership model works and we use it as one of our many approaches to expanding our portfolio of facilities.

We just recently acquired a facility in Romeoville, Illinois that went into receivership. We were in a position to make that acquisition, because we set ourselves up through this recessionary time to put some money aside for these types of things and we are going to

take advantage of more going forward. Aside from 3Ps and straight acquisition, we do offer our management services where we see a good fit and we will lease facilities or establish deals that are lease to own. There is a fair balance to be had between those approaches and it depends on what is available in the various markets that we are targeting.

**CEOCFO:** So Canlan is going to take the opportunities where they exist?

**Mr. St-Aubin:** As long as they meet our criteria, that is correct!

**CEOCFO:** Would you tell us about Canlan's non-hockey facilities?

**Mr. St-Aubin:** The opportunities are much greater there because you can convert existing warehouses into turf sports and court sports. There are a number of markets out there that are under serviced and in some cases we can even leverage our existing infrastructure to either repurpose or expand on existing properties. We are looking at all those angles. We also have the ability to help municipal partners repurpose aging infrastructure. They might have an existing ice facility that is forty to fifty years old that is not running efficiently anymore, and rather than band-aiding it and putting money towards fixing that facility up, they will go ahead with our assistance and build a newer facility. We will assist them in repurposing their older facility to turf and court sports, so a couple of different approaches there as well.

**CEO CFO:** How does Canlan Ice Sports find the opportunities?

**Mr. St-Aubin:** We have a number of partnerships in Canada and the United States through architectural firms, development groups, municipalities, suppliers, partners, the facilities that we currently operate, the relationships that we have in the markets that we serve. Therefore, we have our eyes, ears open out there, and in many cases, they come to us. It is just a matter of taking the time to do the appropriate due diligence and selecting the right projects based on criteria, capacity and timing.

**CEO CFO:** With so many facilities in many different locations how do you maintain the Canlan culture and philosophy?

**Mr. St-Aubin:** As part of our strategic plan we engaged a third-party to assist us and clearly articulating what our future state culture was going to be. We measured through an internal survey, our current state, our current culture, and then as an executive group we formulated and articulated what we wanted our future state culture to look like. We were able to identify gaps through this approach, and we developed initiatives to close those gaps and to move our current culture to our future state culture. As

part of that, we developed our core values and we ultimately built that into our hiring practices, our evaluation processes, even our remuneration programs to ensure that everybody was aligned with where we were going. Most of all, we wanted to make sure that the culture of the organization was tied directly to the strategic plan.

**CEO CFO:** Would you tell us about the Canlan agreement with Hockey Canada?

**Mr. St-Aubin:** A number of years ago we had discussions with Hockey Canada when they first chose to focus on adult recreational hockey. We have an aging population in Canada and where we are seeing significant growth in hockey is in the adult segment. We both have a lot in common and we both want to keep adults playing hockey for as long as possible. From Hockey Canada's perspective it is making sure that adult players were staying connected with the game at all levels, as participants, spectators, coaches, officials and volunteers to help promote the game of hockey. They want Canadians to stay connected with the game. So if adults remain connected with the game, their kids will play and the game will remain vibrant and continue to grow for years to come. At Canlan, adult recreational hockey is a big part of what we do and a big part of our financial model and revenue stream. Therefore, Hockey Canada knows that we take this segment of the population and part of the game seriously. While we had been talking off and on for several years, nothing really got serious until early this year when we established an outreach program as part of our long-term growth strategy. This time we got together and established a relationship that was good for the state of game and for our collective corporate objectives. We buckled down and got a deal done. Hockey Canada has a substantial participant base and membership base with their youth members, their junior members, and their adult recreational members and as part of that, they offer a very extensive and comprehensive insurance program. Canlan has demonstrated over the course of time that

we are the leaders on the executional side of adult recreational hockey and we have proven ourselves as leaders on the facility management and operational side of the business. So you take the brand of Hockey Canada, you take the brand of Canlan Ice Sports both of which stand for quality and excellence and you put them together, it really does form a very strong partnership. We came to the conclusion that for the future state of adult recreational hockey and for the future state of hockey in general, that a partnership and strategic alliance between our two groups was better than having us working apart.

**CEO CFO:** What is the financial picture like for Canlan Ice Sports today?

**Mr. St-Aubin:** Back in 2000 things were a little rocky, as we went through a financial restructuring and divested ourselves of many of our real estate properties. Canlan started back in 50's as a mortgage based company that turned into a real estate development company. First, we acquired these recreational properties as Real Estate plays just like any other commercial real estate investment. We quickly found out that we had to work these properties in order for them to effectively cash flow and return what they were meant to on a price per square foot. Therefore, in 2000 we got ourselves out from underneath a number of real estate properties and focused our attention solely on Ice Sports; thus the change in name to Canlan Ice Sports Corp. and today we are on a very solid financial footing. We still have the seasonality of the business, where the largest portions of our money are taken in the 4<sup>th</sup> Quarter. Our strongest quarters are the first and the fourth because of the seasonality of the business. Our costs are fairly fixed as utilities and labor remains relatively static throughout the year while demand and pricing changes during the Spring & Summer seasons. It is not that our traffic flow is reduced; it is strictly that the price points change because of supply and demand in the market place. There is a lot more supply and a lot less demand in the spring and summer than there is in the fall or winter. We have gotten ourselves out from under the

financial dependency on our majority shareholder and now even that of seasonal lines of credit. We have gotten ourselves to the point now where we are able to be self-sufficient all year round. We sold our Regina property recently and we acquired our Romeoville facility, so we are in pretty good shape. We just landed a new financial partner in the U.S. for our lending and we have a great working relationship with our lenders here in Canada, so I would say that our financial health is better than it has ever been.

**CEOCFO:** In closing, why should potential investors be paying attention to Canlan Ice Sports today?

**Mr. St-Aubin:** When you take a look at this space, the sports and recreation space, Canlan has mastered the facility management and operational side of the business and we are the

leaders on the ice programming side. We are now suggesting that with our 10+ years of experience in turf sports management and programming that we are poised to capitalize on the growth that is happening in that space. The opportunities out there for consolidation are ripe. With what has happened in the economy particularly in the US, there are a number of opportunities most of which we are aware of and reviewing. We are looking at how we can capitalize from all of that and how we can take advantage of being a public company markets and going out and acquiring many of the facilities that are not performing to their potential. Investors should consider our strategic partnerships like the one just formed with Hockey Canada and the others that we already have in place. There is a reason that they companies and groups are working and want to work with Canlan. In addition, we believe that Canlan is way undervalued. We believe that we are the leader in ice

related sports and entertainment in North America and soon to be in turf and court related sports. We are going to prove that to the market. For a shareholder, Canlan is a story that is easy to understand. You simply need to walk into our facilities or participate in our programs to experience it for yourself to see why you might want to own a piece of the action. We have a great management team and we have been around for a long time. I have been with the company heading into my 15th year, our CFO has been with the company heading into his 16th year and most of our senior management has been around for more than 10 years. We know this business, we are passionate about the business, we are looking out for our investors and we are going to make this a huge success.



**Canlan Ice Sports Corp.  
989 Murray Ross Pkwy  
North York, Ontario, M3J 3M4  
Phone: 416 661-4423**