GREAT CANADIAN GAMING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended
December 31, 2015

(Expressed in millions of Canadian dollars, except for per share information)

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INTRODUCTION

Basis of Discussion and Analysis

This management's discussion and analysis ("MD&A") of the financial highlights, major developments, consolidated results of operations, consolidated quarterly results trend, liquidity and capital resources, and other financial information of Great Canadian Gaming Corporation ("Great Canadian", the "Company", "we", "our") is dated as of March 8, 2016.

This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2015 ("Annual Financial Statements"). The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is expressed in Canadian dollars.

This MD&A is presented on a property or, where appropriate, group of similar properties or consolidated basis as described (and defined) in the "Consolidated Results of Operations" section of this document. Capitalized terms are either defined when they first appear or are defined at the end of this MD&A in the section titled "Other Financial Information - Definitions of Other Terms Used in the MD&A".

Non-IFRS Measures

The following non-IFRS definitions are used in this MD&A because management believes that they provide useful information regarding our ongoing operations. Readers are cautioned that the definitions are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS, and should not be construed to be alternatives to revenues and net earnings determined in accordance with IFRS or as indicators of performance, liquidity or cash flows. Our method of calculating these measures may differ from the method used by other entities and accordingly our measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions.

Except as otherwise noted in this MD&A, Adjusted EBITDA as defined by the Company means Earnings Before Interest and financing costs (net of interest income), Income Taxes, Depreciation and Amortization, share-based compensation, impairment reversal of long-lived assets, restructuring and other, and foreign exchange gain and other. Adjusted EBITDA is derived from the consolidated statements of earnings, and can be computed as revenues less human resources expenses and property, marketing and administration expenses. We believe Adjusted EBITDA is a useful measure because it provides information to management about the operating and financial performance of the Company and its ability to generate operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures. Adjusted EBITDA is also used by the investors and analysts for the purpose of valuing the Company. A reconciliation of Adjusted EBITDA to shareholders' net earnings under IFRS is shown in the "Consolidated Results of Operations" section of this MD&A.

Adjusted shareholders' net earnings, as defined by the Company, means shareholders' net earnings plus or minus items of note that management may reasonably quantify and that it believes will provide the reader with a better understanding of the Company's underlying business performance. Items of note may vary from time to time and in this MD&A include impairment (reversal) of long-lived assets, special share-based award to employees, rebranding and pre-opening costs for Elements Casino (formerly "Fraser Downs Racetrack and Casino"), Hard Rock Casino Vancouver and Chances Maple Ridge, Facility Development Commission ("FDC") revenues previously deferred at Fraser Downs, without prejudice dispute resolution payments received from the Ontario Lottery and Gaming Corporation ("OLG"), restructuring severance costs, uneconomic lease provision due to Kent casino closure, jackpot and marketing fund liabilities reversed due to Kent casino closure, non-recurring payment received for right of way access, other and income taxes on the above items of note. A reconciliation between shareholders' net earnings and adjusted shareholders' net earnings is presented in the "Financial Highlights" section of this MD&A. Adjusted shareholders' net earnings per common share is defined as adjusted shareholders' net earnings divided by the weighted average number of common shares outstanding.

The following non-IFRS measures have common definitions in the gaming industry and provide both investors and management with indications of its business' operating volumes and the volatility inherent in the Company's casino games:

- Table drop means the collective amount of money customers deposit to purchase casino chips to wager on table games, and is commonly computed as the aggregate amount of money counted in the table games' drop boxes. Generally, the table drop is an indicator of our gaming business; however over the short-term, the table drop is subject to shifts in customer behaviour around buying, retaining and cashing-in of casino chips.

- Table hold is calculated as the table drop plus or minus the net change in casino chip inventory.

- Table hold percentage is the ratio of table hold divided by table drop. Table hold percentage fluctuates with the statistical variations or volatility inherent in casino games, as well as with changes in customer behaviour around buying, retaining and cashing-in of casino chips.

- Poker rake is the commission we earn from poker games at our casinos, and is calculated as a fixed percentage of the amount wagered by customers on every hand of poker played.

- Slot coin-in is the aggregate amount of money customers have wagered on slots and other electronic gaming machines.

- Slot win is the slot coin-in less amounts cashed out and prizes won by customers.

- Slot win per machine per day ("Slot Win/Slot/Day") is the average daily slot win earned per slot machine, and is calculated as the slot win divided by the number of days in the period, divided by the average number of slot machines that operated during the period.

- Slot win percentage is the ratio of slot win divided by slot coin-in.

Forward-Looking Information

This MD&A contains certain "forward-looking information" or statements within the meaning of applicable securities legislation. Forward-looking information is based on the Company's current expectations, estimates, projections and assumptions that were made by the Company in light of its historical trends and other factors. All information or statements, other than statements of historical fact, are forward-looking information, including statements that address expectations, estimates or projections about the future, the Company's strategy for growth and objectives (including participation in Ontario's gaming modernization program), expected future expenditures, costs, operating and financial results, expected impact of future commitments, the future ability of the Company to operate the Georgian Downs and Flamboro Downs facilities beyond the terms of the signed Ontario Lease Agreements and Ontario Racing Agreements, the Company's beliefs about the outcome of its notices of objection challenging the Canada Revenue Agency's reassessments and its tax position on its facility development commission prevailing, the terms and expected benefits of the normal course issuer bid, and expectations and implications of changes in legislation and government policies. Forward-looking information may be identified by words such as "anticipate", "believe", "expect", or similar expressions. Such forward-looking information is not a guarantee of future performance and may involve a number of risks and uncertainties.

Although forward-looking information is based on information and assumptions that the Company believes are current, reasonable and complete, they are subject to unknown risks, uncertainties, and a number of factors that could cause actual results to vary materially from those expressed or implied by such forward-looking information. Such factors may include, but are not limited to: terms of operational services agreements with lottery corporations; changes to gaming laws that may impact the operational services agreements; pending, proposed or unanticipated regulatory or policy changes (including those that impact VIP play); the outcome of restructuring of gaming in Ontario; the Company's ability to obtain and renew required business licenses, leases, and operational services agreements; the future of horse racing in Ontario; unanticipated fines, sanctions and suspensions imposed on the Company by its regulators; impact of global liquidity and credit availability; actual and possible reassessments of the Company's prior tax filings by tax authorities; the results of the Company's notices of objection challenging reassessments received by the Canada Revenue Agency; the Company's tax position on its facility development commission prevailing; adverse tourism trends and further decreases in levels of travel, leisure and consumer spending; competition from established competitors and new entrants in the gaming business; dependence on key personnel; the timing and results of collective bargaining negotiations; adverse changes in the Company's labour relations; the Company's ability to manage its capital projects and its expanding operations; the risk that systems, procedures and controls may not be adequate to meet regulatory requirements or to support current and expanding operations; potential undisclosed liabilities and capital expenditures associated with acquisitions; negative connotations linked to the gaming industry; First Nations rights with respect to some land on which we conduct our operations; future or current legal proceedings; construction disruptions; financial covenants associated with credit facilities and long-term debt; credit, liquidity and market risks associated with our financial instruments; interest and exchange rate fluctuations; non-realization of cost reductions and synergies; demand for new products and services; fluctuations in operating results; economic uncertainty and financial market volatility; technology dependence; and privacy breaches or data theft. The Company cautions that this list of factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. These factors and other risks and uncertainties are discussed in the Company's continuous disclosure documents filed with the Canadian securities regulatory authorities from time to time, including in the "Risk Factors" section of the Company's Annual Information Form for fiscal 2015, and as identified in the Company's disclosure record on SEDAR at www.sedar.com.

The forward-looking information in documents incorporated by reference speak only as of the date of those documents. Readers are cautioned not to place undue reliance on the forward-looking information, as there can be no assurance that the plans, intentions, or expectations upon which they are based will occur. The Company undertakes no obligation to revise forward-looking information to reflect subsequent events or circumstances except as required by law. The forward-looking information contained herein is made as of the date hereof, is subject to change after such date, and is expressly qualified in its entirety by cautionary statements in this MD&A.

(Expressed in millions of Canadian dollars, except for per share information)

FINANCIAL HIGHLIGHTS

	Fourth Quarter			Twelve Months of				
	2015	2014	% Chg	**2015**	2014	% Chg	2013	% Chg
Revenues	**$ 121.1**	$ 115.7	5%	**$ 453.8**	$ 446.5	2%	$ 407.3	10%
Adjusted EBITDA [1]	**$ 45.1**	$ 47.0	(4%)	**$ 180.6**	$ 180.1	0%	$ 150.6	20%
Adjusted EBITDA as a % of Revenues	**37.2%**	40.6%		**39.8%**	40.3%		37.0%	
Shareholders' net earnings	**$ 17.6**	$ 21.6	(19%)	**$ 74.6**	$ 78.4	(5%)	$ 63.1	24%
Shareholders' net earnings per common share								
Basic	**$ 0.27**	$ 0.32	(16%)	**$ 1.10**	$ 1.16	(5%)	$ 0.92	26%
Diluted	**$ 0.26**	$ 0.31	(16%)	**$ 1.08**	$ 1.12	(4%)	$ 0.90	24%
Adjusted shareholders' net earnings [1]	**$ 18.1**	$ 22.0	(18%)	**$ 77.8**	$ 75.2	3%	$ 46.9	60%
				December 31, 2015	December 31, 2014	% Chg	December 31, 2013	% Chg
Total assets				**$ 998.1**	$ 1,020.3	(2%)	$ 919.0	11%
Long-term debt				**$ 443.0**	$ 442.0	0%	$ 441.0	0%

[1] Adjusted EBITDA and Adjusted shareholders' net earnings are non-IFRS measures and are defined in the "Introduction - Non-IFRS Measures" section of this MD&A.

Revenues

For the three month period ended December 31, 2015 ("fourth quarter of 2015"), the Company recorded revenues of $121.1, a $5.4 or 5% increase from the fourth quarter of 2014. This was primarily due to the addition of $10.8 revenues attributable to the October 2015 acquisition of Casino New Brunswick as well as increased revenues at most of the Company's properties, most notably Hard Rock Casino Vancouver. These increases were partially offset by a decline in gaming revenues from River Rock Casino Resort ("River Rock"), which, despite increased slot revenues, experienced a 5.3 percentage point decrease in table hold percentage from the prior year fourth quarter's record 25%, as well as a 12% decline in table drop mainly due to decreased high limit table play volume.

For the twelve month period ended December 31, 2015 ("twelve months of 2015"), the Company recorded revenues of $453.8, a $7.3 or 2% increase from the twelve months of 2014. This was primarily due to the additional $10.8 revenues from the acquisition of Casino New Brunswick and an increase in revenues across most of the Company's properties, in particular Great American Casinos which benefited from the higher average value of the U.S. dollar when translating its revenues into Canadian dollars as well as improvements at Hard Rock Casino Vancouver and our Other Vancouver Area Casinos. These increases were partially offset by a decline in table gaming revenues at River Rock that was partly due to reduced VIP table play as well as a 2.3 percentage point decline in table hold from the prior year.

For the twelve month period ended December 31, 2014 ("twelve months of 2014"), the Company recorded revenues of $446.5, a $39.2 or 10% increase from the twelve months of 2013. This increase was primarily due to the strong revenues at River Rock and improvements at Great American Casinos, Hard Rock Casino Vancouver and Other BC Casinos. River Rock and Great American Casinos showed growth in table drop. These increases were partially offset by declines at the Nova Scotia Casinos, Ontario Racetracks and Vancouver Island Casinos.

Adjusted EBITDA

The 4% decrease in Adjusted EBITDA in the fourth quarter of 2015 compared to the fourth quarter of 2014 was primarily due to the previously mentioned decline in table gaming revenues at River Rock. This decrease was partially offset by a $2.0 Adjusted EBITDA improvement at Hard Rock Casino Vancouver, a $1.9 reduction in Corporate costs as well as the additional $3.4 Adjusted EBITDA attributable to the October 1, 2015 acquisition of Casino New Brunswick. Adjusted EBITDA as a percentage of revenues for the fourth quarter of 2015 was 37.2%, a 3.4 percentage point decrease from the fourth quarter of 2014.

Adjusted EBITDA for the twelve months of 2015 was $0.5 higher than the twelve months of 2014, despite that prior year's record second quarter and exceptional fourth quarter results. In addition to the $3.4 of Adjusted EBITDA contributed by Casino New Brunswick in the fourth quarter of 2015, gains in Adjusted EBITDA were made at all properties with the exception of River Rock. The most significant 2015 Adjusted EBITDA increases were the $4.0 improvement at Hard Rock Casino Vancouver and the $2.8 improvement at Great American Casinos as well as a $3.8 reduction in Corporate costs. Adjusted EBITDA as a percentage of revenues for the twelve months of 2015 was 39.8%, a 0.5 percentage point decrease from the twelve months of 2014.

The 20% increase in Adjusted EBITDA in the twelve months of 2014, relative to 2013, was primarily due to the growth at River Rock, Hard Rock Casino Vancouver, Great American Casinos and Other BC Casinos, which was partially offset by Adjusted EBITDA decreases at the Ontario Racetracks and Vancouver Island Casinos and increased Corporate & Other expenses. Adjusted EBITDA as a percentage of revenues for the twelve months of 2014 was 40.3%, a 3.3 percentage point increase from the twelve months of 2013.

Shareholders' net earnings

Great Canadian's shareholders' net earnings for the fourth quarter of 2015 were $17.6. After adjusting for the following items of note in the current and prior periods' shareholders' net earnings, the Company's adjusted shareholders' net earnings of $18.1 decreased by $3.9 or 18% in the fourth quarter of 2015, when compared to the same period in 2014. This decrease was primarily due to the above-mentioned decrease in Adjusted EBITDA, a lower foreign exchange gain and increases in amortization expense and restructuring and other costs that were partially offset by a decrease in share-based compensation.

Great Canadian's shareholders' net earnings for the twelve months of 2015 were $74.6. After adjusting for the following items of note in the current and prior periods' shareholders' net earnings, the Company's adjusted shareholders' net earnings of $77.8 increased by $2.6 or 3% in the twelve months of 2015, when compared to the same period in 2014. This increase was primarily due to the increase in Adjusted EBITDA and foreign exchange gains, along with a decrease in amortization expense, partially offset by an increase in restructuring and other costs that were primarily related to severance and business development expenses.

During the twelve months of 2014, Great Canadian's shareholders' net earnings increased by $15.3, relative to 2013, primarily due to the above-mentioned growth in Adjusted EBITDA, which was partially offset by a $4.7 net non-cash impairment reversal on long-lived assets that was recognized during the twelve months of 2014 compared to a $28.5 non-cash impairment reversal on long-lived assets that was recognized during the twelve months of 2013 as described in the "Major Developments - Ontario" section of this MD&A.

(Expressed in millions of Canadian dollars, except for per share information)

The current and prior periods' shareholders' net earnings included some items of note, which are summarized in the following adjusted shareholders' net earnings table:

	Fourth Quarter			Twelve Months of				
	2015	2014	% Chg	**2015**	2014	% Chg	2013	% Chg
Shareholders' net earnings	**$ 17.6**	$ 21.6	(19%)	**$ 74.6**	$ 78.4	(5%)	$ 63.1	24%
Items of note								
Impairment (reversal) of long-lived assets	**-**	0.5		**-**	(4.7)		(28.5)	
Special share-based award to employees	**-**	-		**-**	-		4.8	
Rebranding and pre-opening costs for Elements Casino, Hard Rock Casino Vancouver and Chances Maple Ridge	**0.5**	-		**0.7**	-		1.7	
FDC revenues previously deferred at Fraser Downs	**-**	-		**-**	(0.2)		(0.7)	
Without prejudice dispute resolution payments received from OLG	**-**	-		**-**	-		(0.7)	
Restructuring severance costs	**-**	-		**3.1**	0.4		1.3	
Uneconomic lease provision due to Kent casino closure (1)	**-**	-		**0.8**	-		-	
Jackpot and marketing fund liabilities reversed due to Kent casino closure (1)	**-**	-		**(0.3)**	-		-	
Non-recurring payment received for right of way access	**-**	-		**(0.5)**	-		-	
Other	**0.2**	-		**0.6**	-		-	
Income taxes on the above items of note	**(0.2)**	(0.1)		**(1.2)**	1.3		5.9	
Adjusted shareholders' net earnings (2)	**$ 18.1**	$ 22.0	(18%)	**$ 77.8**	$ 75.2	3%	$ 46.9	60%
Adjusted shareholders' net earnings per common share (2)								
Basic	**$ 0.28**	$ 0.32		**$ 1.15**	$ 1.11		$ 0.68	
Diluted	**$ 0.27**	$ 0.31		**$ 1.13**	$ 1.08		$ 0.67	
Weighted average shares outstanding								
Basic	**65,553**	68,421		**67,664**	67,864		68,560	
Diluted	**66,553**	70,598		**69,151**	69,789		69,934	

(1) Refer to the description in the "Major Developments - Great American Casinos Kent" section of this MD&A.

(2) Adjusted shareholders' net earnings and Adjusted shareholders' net earnings per common share are non-IFRS measures and are defined in the "Introduction - Non-IFRS Measures" section of this MD&A.

Total assets

Total assets decreased by $22.2 in the twelve months of 2015, when compared to the total assets as at December 31, 2014. This decrease was primarily due to $112.6 cash paid to repurchase common shares in the year, $32.7 of interest payments on long-term debt, and the purchase of Casino New Brunswick and property, plant and equipment, that were offset by $9.7 of cash proceeds received from exercises of incentive share options and cash generated by operations during the year.

Total assets increased by $101.3 in the twelve months of 2014, when compared to the total assets as at December 31, 2013. This increase was primarily due to cash generated by operating activities, which was partially offset by the amortization of long-lived assets and decrease in income taxes receivable.

Long-term debt

Long-term debt was relatively consistent as at December 31, 2015 when compared with the balances as at December 31, 2014 and December 31, 2013.

(Expressed in millions of Canadian dollars, except for per share information)

BUSINESS DESCRIPTION

General

As at December 31, 2015, the Company operates gaming, entertainment, and hospitality facilities in British Columbia, Ontario, New Brunswick, Nova Scotia, and Washington State. The Company's 17 gaming properties consisted of three community gaming centres, four racetracks and ten casinos, including two with a Four Diamond resort hotel. In Canada, the Company operates its casinos both within managed markets that feature high barriers to entry and under agreements as partners with provincial lottery corporations. As at December 31, 2015, the Company had approximately 4,900 employees. As described in the "Major Developments" section of this MD&A, subsequent to year end, on January 11, 2016, the Company acquired two additional casinos in Ontario from OLG and now employs approximately 5,500 employees.

Information on the Canadian and Washington State gaming industries, regulatory environment and the Company's operating agreements in these jurisdictions are included in the Annual Information Form located on the SEDAR website at www.sedar.com or on the Company's website at www.gcgaming.com.

The Company's principal operating entities as at December 31, 2015 and 2014 were:

	Ownership interest at	
Entity	**December 31, 2015**	**December 31, 2014**
Chilliwack Gaming Ltd.	100%	100%
Flamboro Downs Limited	100%	100%
Georgian Downs Limited	100%	100%
Great American Gaming Corporation	100%	100%
Great Canadian Casinos Inc.	100%	100%
Great Canadian Entertainment Centres Ltd.	100%	100%
Hastings Entertainment Inc.	100%	100%
Metropolitan Entertainment Group	100%	100%
Orangeville Raceway Limited	100%	100%
Great Canadian Gaming (New Brunswick) Ltd.(1)	100%	100%
Ontario Gaming East Limited Partnership(2)	50.1%	-
TBC Teletheatre B.C.(3)	50%	50%

(1) The entity was formed during the year ended December 31, 2014 to operate Casino New Brunswick, which was acquired on October 1, 2015, as described in the "Major Developments" section of this MD&A.

(2) The entity was formed during the year ended December 31, 2015 to operate casinos in Gaming Bundle 2 (East) in Ontario, which was acquired on January 11, 2016. Subsequent to December 31, 2015, the Company acquired an additional 40.4% interest in Ontario Gaming East Limited Partnership, as described in the "Major Developments" section of this MD&A.

(3) The Company accounts for its ownership interest in TBC using the equity method.

Business Strategy

The Company's vision is to be the leading gaming, entertainment and hospitality company in its chosen markets by providing superior entertainment value and exceptional experiences. To achieve this goal, the Company has adopted the strategies as outlined below.

1. **Discover New Growth Opportunities*.*** Great Canadian is actively seeking opportunities to grow shareholder value. These opportunities may be located within both the Company's existing markets and new jurisdictions, and include property expansions, the implementation of new offerings, the development of new properties or projects, and strategic acquisitions. Depending upon the size, scope, and regulatory requirements associated with these opportunities, the Company may elect to align itself with strategic business partners. As a result, the Company may hold minority positions in new investment vehicles.

2. **Drive Incremental Growth at the Company's Existing Facilities.** The majority of Great Canadian's existing properties operate within mature, highly regulated markets. As a result of this regulation, these markets offer advantages and protection for incumbent operators. This regulation also requires that the Company work alongside its Crown corporation partners when expanding or introducing gaming offerings. These partners also oversee any loyalty programs within the Company's existing markets. In order to increase market share, penetrate new demographics, and drive incremental growth within this environment, the Company seeks to provide its patrons with a superior entertainment experience. In pursuit of this goal, the Company actively reinvests in its properties, supports its gaming offerings with premium non-gaming entertainment and hospitality options, and strives to maintain the highest standards of guest service.

3. **Continually Improve Guest Experiences.** Great Canadian believes guest satisfaction to be the primary driver of patron loyalty, particularly within mature markets. As a result, the Company constantly strives to provide exceptional guest service across its entire property portfolio. The Company pursues this service vision through staff training, performance recognition, and communication, all of which emphasizes the importance of each employee taking personal responsibility to exceed our guests' expectations.

4. **Continuously Improve the Company's Operating Efficiency and Effectiveness.** Great Canadian's ongoing success can be partially attributed to the Company's commitment to operating efficiency, pro-active labour management and disciplined purchasing. This efficiency has been supported by an integrated corporate structure that centralizes major property functions such as accounting, purchasing, and human resources. The Company continually seeks new ways to realize operational synergies, business process improvements and optimal labour utilization.

5. **Pursue and Promote Exceptional Corporate Culture.** Since its founding, Great Canadian has placed great emphasis on the importance of social responsibility and corporate citizenship. These core values are best reflected in the Company's commitment to developing and assisting the communities in which it operates. The Company is also committed to maintaining an inclusive corporate culture that rewards and recognizes exceptional service and teamwork. The Company mandates a respectful workplace that prioritizes regulatory compliance.

(Expressed in millions of Canadian dollars, except for per share information)

Operations

The following table summarizes our Canadian casino operations as at December 31, 2015:

Facility and Location	Year Built/ Renovated	Additional Facilities and Activities	Slot Machines	Table Games	Operational Services Agreements Initial / Renewal Term Expiry Dates
British Columbia [(10)]					
River Rock Casino Resort, Richmond, BC	2012	2 hotels with 395 rooms, 1,000 seat show theatre, 7 dining options, conference facilities, pool/spa, Racebook[(1)], marina, 28 Touch Bet Roulette terminals	1,123	131	June 23, 2024
Hard Rock Casino Vancouver Coquitlam, BC	2013	1,051 seat show theatre convertible to 729 seat cabaret with dance floor, 7 dining options, Racebook[(1)], 22 Touch Bet Roulette terminals	922	47	November 16, 2025[(2)]
View Royal Casino, Victoria, BC	2009	2 dining options, 10 Touch Bet Roulette terminals	555	15	February 28, 2021
Casino Nanaimo, Nanaimo, BC	2013	1 dining option, Racebook[(1)]	384	6	February 28, 2021
Chances Chilliwack, Chilliwack, BC	2012	Bingo, 1 dining option, meeting room, outdoor patio and stage	189	-	October 31, 2022 / October 31, 2032
Chances Maple Ridge, Maple Ridge, BC	2013	Bingo, 1 dining option, 2 meeting rooms, entertainment space, outdoor patio, Racebook[(1)]	187	-	October 31, 2023 / October 31, 2033
Chances Dawson Creek, Dawson Creek, BC	2006	Bingo, 1 dining option, 3 electronic table gaming devices	149	-	June 30, 2026[(3)]
Hastings Racecourse and Slots Facility (Thoroughbred Racing), Vancouver, BC	2008	3 dining options[(4)], concession, Racebook[(1)]	536	-	November 9, 2016[(5)]
Elements Casino (formerly "Fraser Downs Racetrack and Casino") (Standardbred Racing), Surrey, BC	2015	6 dining options, 6 Touch Bet Roulette terminals, Racebook[(1)]	529	29	March 31, 2024
TBC Teletheatre BC[(1)]	various	20 Racebooks[(1)]	-	-	-
Ontario [(11)]					
Georgian Downs (Standardbred Racing)[(6)], Innisfil, Ontario	2009	4 dining options offered by OLG[(7)], concession, meeting rooms, Racebook, 1,000 slot machines owned and operated by OLG	-	-	March 31, 2018
Flamboro Downs (Standardbred Racing)[(6)], Flamborough, Ontario	2001	4 dining options, meeting room, Racebook, 800 slot machines owned and operated by OLG	-	-	March 31, 2018
Nova Scotia					
Casino Nova Scotia Halifax[(8)], Halifax, Nova Scotia	2006	2 dining options, entertainment show room, lounge, meeting facilities	562	32	July 1, 2025
Casino Nova Scotia Sydney[(8)], Sydney, Nova Scotia	2006	1 dining option, lounge	275	11	July 1, 2025
New Brunswick					
Casino New Brunswick[(9)], Moncton, New Brunswick	2010	1 hotel with 126 rooms, 2,500 seat show theatre/conference centre, 2 dining options, pool/spa, gift shop	601	26	December 31, 2030
			6,012	297	

(Expressed in millions of Canadian dollars, except for per share information)

(1) The Company owns or holds an interest in 22 Racebooks in BC. We own and operate two Racebooks; one at each of Hastings Racecourse and Slots Facility and Elements Casino. The remaining 20 Racebooks, including those at River Rock Casino & Resort, Hard Rock Casino Vancouver, Casino Nanaimo and Chances Maple Ridge are operated by TBC. TBC also offers internet and phone racetrack wagering. The Company owns a 50% interest in TBC and the remaining 50% interest is held by two horsemen's associations, the Harness Racing BC Society and the Horsemen's Benevolent and Protective Association."

(2) During 2015, BCLC approved the Company's request to exercise its 10-year extension for Hard Rock Casino Vancouver's COSA.

(3) During 2015, BCLC approved the Company's request to exercise its 10-year extension for Chances Dawson Creek's COSA.

(4) There are up to 5 dining options during the racing season.

(5) In October 2014, the Company and the City of Vancouver reached an agreement to extend the operating lease agreement for Hastings Racecourse until November 9, 2016.

(6) Slot machines are owned and operated by OLG and lease revenues are earned from OLG at these properties.

(7) There are up to 4 dining options during the summer racing season.

(8) Casino Nova Scotia Halifax and Casino Nova Scotia Sydney operate under a single operating agreement.

(9) Casino New Brunswick was acquired on October 1, 2015, as described in the "Major Developments" section of this MD&A.

(10) The Company's Mayfair casino that was previously located in Victoria, BC, has a casino operating agreement that was placed in abeyance by BCLC on February 2002, when that facility closed. The Mayfair casino operating agreement remains in force, pending relocation.

(11) On January 11, 2016, Ontario Gaming East Limited Partnership completed the previously announced acquisition of OLG Casino Thousand Islands and OLG Slots at Kawartha Downs as part of OLG's Modernization Plan. Please refer to the "Major Developments" section of this MD&A for further discussion of the properties and the details of their acquisition.

The following table summarizes the Company's consolidated revenues for the years ended December 31, 2015, 2014, and 2013:

	Twelve Months of		
	2015	2014	2013
Gross Gaming Revenues	**$ 895.3**	$ 894.7	$ 814.9
Facility Development Commission	**36.9**	37.7	34.1
Hospitality, lease and other revenues [1]	**119.9**	108.4	103.2
Racetrack revenues	**14.5**	14.6	14.3
	1,066.6	1,055.4	966.5
Less:			
Provincial / state government portion of Gross Gaming Revenues	**(585.1)**	(586.3)	(540.7)
Promotional allowances	**(27.7)**	(22.6)	(18.5)
Revenues	**$ 453.8**	$ 446.5	$ 407.3

(1) The Company has reclassified its gaming revenues of $6.4 for the twelve months of 2013 that related to its prior Ontario Racetrack site holder agreements as "Hospitality, lease and other revenues". Management believes this presentation improves the comparability with the subsequent years' revenues from OLG for their lease of the slot machine areas at the Ontario Racetracks. The prior site holder agreements were terminated by OLG effective March 31, 2013 and replaced by 5-year lease agreements effective April 1, 2013, as described in the "Major Developments - Ontario" section of this MD&A.

The following table summarizes the Company's racetrack operations and the number of actual live race days in 2015, 2014, and 2013:

		Live Race Days		
Property	**Location**	**2015**	2014	2013
Hastings Racecourse and Slot Facility	Vancouver, BC	**53**	54	63
Elements Casino	Surrey, BC	**62**	68	77
Georgian Downs	Innisfil, ON	**39**	40	29
Flamboro Downs	Flamborough, ON	**131**	143	94

All of our racetrack operations offer simulcast wagering, which allows patrons to place wagers on international and domestic live horse racing events.

British Columbia

Regulatory

In British Columbia, gaming activities are managed and conducted by the British Columbia Lottery Corporation ("BCLC") and regulated by the Gaming Policy and Enforcement Branch ("GPEB"). BCLC in turn engages service providers, such as the Company, to operate the gaming activities pursuant to operational services agreements. The Company earns a commission based upon its casinos' gaming win. A significant portion of gaming net win is retained by BCLC, which in turn provides all of its net income to the Province of British Columbia. The Province of British Columbia provides a share of its gaming net income to the local governments where gaming win is earned ("host local governments"). The Province of British Columbia dedicates the remainder of the funds to many areas. These areas include the consolidated revenue fund for public service programs such as education, the Health Special Account for health care expenditures, and disbursements to charitable organizations. GPEB is a provincial agency established under the *Gaming Control Act* and is responsible for regulating all gaming in British Columbia, licensing charitable gaming events, overseeing the horse racing industry, and investigating allegations of wrongdoing under the *Act*. GPEB also register gaming service providers and gaming workers, and approve and certify gaming equipment and lottery schemes.

Since 1997, when BCLC assumed responsibility for casino gaming and introduced slot machines in the BC marketplace, the casino business has developed into BCLC's largest earnings stream. The Company believes that the current market and regulatory environment favours the province's incumbent gaming operators.

BCLC's strategy is to continue to develop casino properties that provide players with an exceptional entertainment experience, while positioning casino gaming as a potential tourism attraction where market demand allows. BCLC is also working closely with service provider partners to provide players with tournaments and services that provide entertaining gaming experiences. In addition, the FDC component of the operational services agreements encourages service providers such as the Company to receive additional funds from reimbursement of capital improvements invested in their gaming facilities.

According to BCLC's Gambling Service Provider Commissions Report for its fiscal year ended March 31, 2015, the Company's slot machines produced 40% of the province's revenue from slot machines and the Company's table games produced 57% of the province's revenue from table games.

In BC, the strategic direction and business leadership of the local horse racing industry is provided by the B.C. Horse Racing Industry Management Committee ("BCHRIMC"), which also provides a forum for industry participants to cooperate collectively in the development of the industry. The current BCHRIMC members include representatives from both the thoroughbred and standardbred horse associations, the President and Chief Executive Officer of BCLC, representatives from the Government of British Columbia, and the Vice-President of Business Development for the Company. The Agreement provides for mandatory representation on the Committee of a representative of the major racetracks in the province that are owned by the Company.

Under the direction of the BCHRIMC, as described in the "Business of the Company" section of the Company's 2015 Annual Information Form, the Company's BC horse racing operations shared approximately 43% of a consolidated horse racing industry revenue fund in 2015 (2014 - 43%). This fund includes all revenues generated from horse racing and government grants in the province and which has been established and maintained for the purpose of facilitating financial allocations among industry organizations. Also under the direction of the BCHRIMC, TBC Teletheatre B.C. currently operates on a break-even basis whereby it is allocated and permitted to retain a sufficient portion of its revenues to cover its operating expenses, with any surplus of funds being provided to the consolidated horse racing industry revenue fund. Financial allocations from the consolidated horse racing industry revenue fund may be adjusted by resolution of the BCHRIMC. Under the current financial allocations for 2016, the Company's racing industry revenue share percentage is expected to be consistent with 2015.

Seasonality

While the Company's BC casinos operate year-round, its racetracks are subject to seasonal variations due to the timing of their respective live racing seasons. Live racing generally operates from April to October at Hastings Racecourse, and from October to April at Elements Casino (formerly "Fraser Downs Racetrack and Casino"). Gaming offerings and Racebooks at both locations operate year-round.

Metro Vancouver and Vancouver Island, where the majority of the Company's BC facilities are located, occasionally experience extreme winter weather conditions, which can produce a negative impact upon short-term attendance at the Company's BC facilities. River Rock has experienced increased visitation from foreign guests during their holiday seasons.

Ontario

Regulatory

In Ontario, gaming activities are conducted and managed by OLG and regulated by the Alcohol and Gaming Commission of Ontario ("AGCO"). OLG's operations and revenues are organized under five business lines: lotteries, slots and casinos, resort casinos, iGaming and charitable gaming. Prior to April 1, 2013, the Company operated two racetracks, with slot operations owned and operated by OLG pursuant to site holder agreements. The Company earned a site holder payment based upon the win generated from the OLG slot machines, but a substantial portion of that win was retained by OLG. According to OLG's website, it directs gaming proceeds to the host municipalities, Ontario's hospitals, amateur sports, problem gaming prevention, treatment and research, and to charitable organizations and non-profit corporations through the Ontario Trillium Foundation. AGCO is a provincial agency established under the *Alcohol and Gaming Regulation and Public Protection Act, 1996* and is responsible for the administration of the Liquor License Act and the Gaming Control Act, 1992 and complementary legislative amendments. The AGCO regulates the sale, service, and consumption of beverage alcohol and ensures that casino gaming, charitable gaming and lotteries are conducted in the public interest, by people who are socially and financially responsible.

In March 2012, the Government of Ontario decided to end the "Slots at Racetracks Program" for all Ontario racetracks effective March 31, 2013 as part of an overall plan to modernize that province's gaming model. As part of that plan, and as permitted under the related agreements, on March 29, 2012, OLG provided notice that the site holder agreements with the Company's Georgian Downs and Flamboro Downs racetracks would terminate on March 31, 2013. On March 9, 2013, the Company and OLG signed non-binding letters of intent governing the slot machine areas at the Company's Ontario racetracks. On March 26, 2013, the Company and the Government of Ontario signed non-binding letters of intent governing horse racing operations at the Company's Ontario racetracks. On May 24, 2013, the Company signed binding agreements (the "Ontario Racing Agreements") with the Government of Ontario for horse racing transition funding. The funding would provide support to continue horse racing at the Ontario Racetracks for up to two years beyond March 31, 2013 and was conditional upon achievement of specific cost reduction targets. On November 29, 2013, the Company signed definitive lease agreements with OLG whereby OLG leases the slot machine areas at the Company's Ontario racetracks for a five-year term ending on March 31, 2018. The Company earns hospitality and other revenues by providing food and beverage to OLG's guests at Flamboro Downs.

Effective April 1, 2014, the Company signed agreements with five other Ontario racetrack operators and the Ontario Racing Commission ("ORC") in support of a five-year horse racing plan ("Horse Racing Partnership Plan") released by the Government of Ontario. These agreements establish an unprecedented standardbred alliance (the "Standardbred Alliance") amongst a core group of racetracks centered around the concentrated horse supply in Central and South-Western Ontario and provide better stability and clarity for all industry stakeholders.

The Standardbred Alliance members represent a three-tier racing hierarchy, 'Grass Roots' (Clinton Raceway, Hanover Raceway), 'Signature' (Flamboro Downs, Georgian Downs, Grand River Raceway and The Raceway at Western Fair) and 'Premier' (Mohawk Racetrack and Woodbine Racetrack). The Standardbred Alliance has worked closely with government, regulators and industry participants to develop a racing plan that will see a coordinated year-round racing calendar that is attractive to both foreign and domestic customers, provides for consistent purse levels at each track, and enables enhanced operational efficiencies among the tracks.

Under a new horse racing program that is currently administered by the ORC and will soon transition to the administration of OLG, the Company's Georgian Downs and Flamboro Downs racetracks receive provincial funding for their racing purses. In addition, under the terms of the revenue sharing agreements among the Standardbred Alliance members, the racetracks' pari-mutuel revenues are pooled and shared among the tracks. These agreements are not expected to have a material financial impact on the Company's Ontario Racetrack operations and have replaced the horse racing transition funding that was previously received by the Company's Ontario racetracks from the Government of Ontario during the twelve months ended March 31, 2014. During 2015, changes to the regulatory structure for horseracing were announced which will see the ORC merge with the AGCO. As well, these changes will see OLG assuming some additional responsibilities for Horseracing in Ontario, specifically in the management of the provincial funding for horseracing.

Seasonality

In accordance with the Ontario Racing Agreements, Georgian Downs operates live racing from June to August, and Flamboro Downs operates from January to May and from September to December.

Nova Scotia

Regulatory

In Nova Scotia, gaming activities are managed and conducted by the Nova Scotia Provincial Lotteries and Casino Corporation ("NSPLCC") and regulated by the Alcohol, Gaming, Fuel and Tobacco Division of Service Nova Scotia ("AGFTD"). NSPLCC operates two different gaming models: commercial casinos, of which the Company operates the only two within the province, and ticket and video lotteries. Lottery ticket sales are permitted at various locations, whereas video lottery terminals are permitted in licensed liquor establishments, and on First Nations' land. The Company is a service provider to NSPLCC and earns a commission based upon its casinos' revenues, a portion of which are retained by NSPLCC. According to NSPLCC, the revenues that it retains are directed to the provincial government's general revenue account to help pay for programs and services that benefit the province's residents. These programs and services include investments in infrastructure, schools, hospitals, community organizations and problem gambling prevention, education and treatment. AGFTD is a provincial agency established under the *Gaming Control Act*, Chapter 4 of the Acts of 1994-95, and is responsible for the administration of the *Gaming Control Act*, the *Liquor Act* and the *Theatres and Amusements Act*. The AGFTD issues licences and registrations to operators of gaming and liquor activities and theatres in the province of Nova Scotia, is responsible for regular inspections of licensed premises throughout Nova Scotia, including travelling shows, festivals and special occasion licenses.

In October 2012, the Company signed the second amended and restated operating contract ("AROC") with NSPLCC, effective October 1, 2012. Under the AROC, the Company is entitled to receive an operator's fee equal to 52.24% of total revenue, plus an additional 47.76% of non-gaming revenues after deduction of the capital reserve contribution ("CRC"). The CRC is the greater of 5% of total revenue and $5.0 (adjusted for inflation in each year since 2010). The Company is also entitled to receive an additional operator's fee equal to the lesser of $1.3 or 10% of leased slot machines revenues. Prior to October 1, 2012, the Company received 55.5% of both gross gaming and non-gaming revenues, after deduction of the CRC, as well as $1.0 per year related to the operation of leased slot machines.

In June 2014, the Company extended the term of the AROC with NSPLCC, effective July 1, 2015. Under the 10-year extension, the Company has committed to make substantial capital investments totalling $10.0, subject to a renovation plan and schedule approved by NSPLCC. The Company is entitled to receive an operator's fee equal to 52.24% of total revenue, plus an additional 47.76% of non-gaming revenues after deduction of the CRC and the marketing fund contribution ("MFC"). The annual CRC is $4.5 (annually adjusted for inflation) and annual MFC is $1.5, which is reduced by any approved gaming promotional allowance greater than $0.9. The Company is also entitled to receive an additional operator's fee equal to the annual MFC if the Company spends more than $6.7 in qualifying marketing initiatives in an operating year or has increased total gaming revenue by $3.0 over the preceding operating year, as well as a growth incentive fee if total gaming revenue exceeds a baseline annual revenue by 5% or more.

Seasonality

Halifax and Sydney, where the Nova Scotia casinos are located, occasionally experience extreme winter weather conditions, which can result in a negative impact on short-term attendance. The gaming industry in Nova Scotia has also historically witnessed a slight increase in business volumes during the summer months, primarily as a result of both tourism and favourable weather conditions.

New Brunswick

Regulatory

In New Brunswick, gaming activities are managed and conducted by the New Brunswick Lotteries and Gaming Corporation ("NBLGC") and regulated by the Gaming Control Branch ("GCB"). NBLGC's three lines of business are video lottery, traditional (or ticket) lottery and casino gaming. Casino New Brunswick, which is the only destination casino in New Brunswick, conducts its activities pursuant to a Casino Service Provider Agreement with NBLGC. The Company is a service provider to NBLGC and earns a commission based on the gaming revenues it generates for NBLGC, the remainder of which are retained by NBLGC. According to NBLGC, the revenues that it receives are immediately credited to the consolidated revenue fund and subsequently used to help fund important provincial programs such as health care and education programs as well as problem gambling education, awareness, research and treatment. GCB is a provincial agency established under the *Gaming Control Act* and is a branch of the Department of Public Safety. GCB is responsible for the regulation and control of provincial gaming as well as the regulation, control and licensing of charitable gaming in New Brunswick.

Seasonality

Moncton, where Casino New Brunswick is located, occasionally experiences extreme winter weather conditions, which can result in a negative impact on short-term attendance. The gaming industry in New Brunswick has also historically witnessed a modest increase in business volumes during the summer months, primarily as a result of both tourism and favourable weather conditions.

Washington State

The following table summarizes our Washington gaming operations as at December 31, 2015:

Name	Location	Table Games
Great American Casino Everett	Everett, WA	15
Great American Casino Lakewood	Lakewood, WA	15
Great American Casino Tukwila	Tukwila, WA	15
		45

Regulatory

In Washington State, gaming operations are regulated by the Washington State Gambling Commission ("WSGC") and fall into three categories: charitable, commercial and tribal. The Company operates three commercial card rooms in the Greater Seattle area.

While the commercial gaming environment in Washington State is highly regulated, it does not feature the significant barriers to entry associated with the Company's Canadian operations. Individual cities or counties within Washington State may choose to restrict card room operations within their jurisdiction, which could result in the closure of certain locations. Washington State card room operations are conducted pursuant to house banked card room licenses that limit the number of table games to fifteen per location. These card room licenses must be renewed annually with WSGC, and the Company's renewals have historically been granted automatically.

MAJOR DEVELOPMENTS

British Columbia

Elements Casino (formerly "Fraser Downs Racetrack and Casino")

In September 2014, the Company exercised its renewal option with BCLC to extend the term of the Casino Operational Service Agreement ("COSA") under which the Company operates the casino at Elements Casino. Under the terms of the contract extension, the Company will have an additional 10 years of term certainty until March 31, 2024. As part of the requirements of the renewal, the Company renovated and rebranded the property to "Elements Casino" on December 17, 2015. The redevelopment included gaming, facility layout, food and beverage and entertainment enhancements throughout the property, including a buffet and entertainment lounge. Exterior changes to the facility provide more street presence to passing traffic. As at December 31, 2015, the Company had spent approximately $7.8 on the redevelopment.

Hard Rock Casino Vancouver

Throughout 2013, the Company renovated and rebranded its wholly owned and operated Boulevard Casino, located in Coquitlam, British Columbia, as "Hard Rock Casino Vancouver" under a trademark license from Hard Rock Hotel & Casino HRHH IP, LLC ("HRHH"). The initial term of the license agreement is for a period of 10 years and will renew for additional two periods of five years provided Hard Rock Casino Vancouver achieves specified increased revenue targets. The renovation and rebranding of the project was substantially completed in December 2013 and cost approximately $13.3.

The Company continues to assess its plans for the second phase of the property's redevelopment. It is contemplated that this second phase will feature a hotel, conference facilities, additional dining options, and further integration of Hard Rock Casino Vancouver's existing entertainment and dining amenities. Prior to the rebranding to Hard Rock Casino Vancouver, the property's performance experienced substantial erosion and the local marketplace has not recovered the way the Company had expected when plans were initially made for this second phase of development. After more than one year following the redevelopment, despite continued confidence in the brand, the Company still needs to gain greater certainty of the business's recovery before proceeding with the second phase investments. The timeline for the second phase will be announced at a later date. The related property redevelopments and modifications remain subject to approvals from BCLC and the City of Coquitlam. As at December 31, 2015, the Company had spent $3.0 of an estimated total of $50.0 on this second phase of the project.

On February 17, 2015, the Company opened the newly renovated VIP gaming area at the Hard Rock Casino Vancouver to capitalize on the high-end baccarat play that is continuing to grow in the marketplace. The layout of the facility was changed to better position the VIP gaming area. An enhanced high-limit table area was added, with two new private VIP gaming rooms. As at December 31, 2015, the Company had spent a total of $0.6 on the renovation.

As a part of the Company's efforts to increase traffic and improve results at the Hard Rock Casino Vancouver, the Company initiated plans to improve the food and beverage offerings by building a value-priced buffet option for guests. This project was completed ahead of schedule during the third quarter of 2015 and the Buffet at Unlisted opened on September 16, 2015 for a total cost of $0.3.

The Company exercised its renewal option with BCLC to extend the term of the COSA under which the Company operates Hard Rock Casino Vancouver. Under the terms of the contract extension, the Company will have an additional 10 years of term certainty until November 16, 2025.

River Rock Casino Resort

In the fourth quarter of 2014, the Company began renovating the Salon Privé VIP gaming area at River Rock. An expansion of the VIP gaming area provided over 3,500 square feet of additional VIP gaming space, including one new private gaming room and two semi private rooms. Ten additional baccarat tables have been added to this new gaming area and five additional tables have been added to the Phoenix Room, for a total of fifteen additional VIP baccarat tables. On the main gaming floor, twelve stand-up baccarat tables have been replaced with sit-down tables to better service the mid-level premium mass market. The newly renovated area opened to the public on February 12, 2015. In 2015, the Company had spent $2.4 on the renovation.

In the third quarter of 2015, the Company began a $0.4 project to expand River Rock's premium slot gaming area to provide players with a more private gaming space. As at December 31, 2015, the Company had spent $0.2 on the expansion, which reached substantial completion in November 2015.

Chances Dawson Creek

During 2015, the Company exercised its renewal option with BCLC to extend the term of the Community Gaming Centre Operational Service Agreement under which the Company operates Chances Dawson Creek. Under the terms of the contract extension, the Company has an additional 10 years of term certainty until June 30, 2026.

BC Horse Racing

On February 14, 2014, the BC Horse Racing Industry Management Committee ("BCHRIMC") finalized a multi-year industry funding arrangement amongst both the province's Thoroughbred sector and the Standardbred sector and their respective track operators, Hastings Racecourse and Slots Facility ("Hastings") and Elements Casino. The BCHRIMC has indicated that this funding arrangement will be in place through to 2016 for the Thoroughbred sector and through to 2018 for Standardbreds.

The funding model is an extension of the arrangements in place since 2012 whereby pooled income from all the industry's revenue sources is allocated to the industry stakeholders. For 2015, the total of both Hastings' and Elements Casino's racing industry revenue share percentage is expected to be consistent with the prior year. The BCHRIMC also approved race days and season lengths for 2015, which have been ratified by the provincial Gaming Policy and Enforcement Branch. These days include 53 confirmed Thoroughbred race days at Hastings over a six-month season (2014 - six) and 61 confirmed Standardbred race days at Elements Casino over a seven-month season (2014 - eight). The season length at Elements Casino will move to six months in 2016.

The Company continues to collaborate with industry stakeholders to achieve greater sustainability and certainty for the industry.

Hastings Racecourse and Slots Facility

In October 2014, the Company and the City of Vancouver reached an agreement to extend the operating lease agreement for Hastings Racecourse until November 9, 2016. Both the Company and the City of Vancouver are committed to working together towards a longer-term arrangement at Hastings Racecourse that achieves greater sustainability for all parties.

Union Drives at River Rock Casino Resort, Elements Casino and Hard Rock Casino Vancouver

In recent months, the BC Labour Relations Board ("BCLRB") certified a unit of employees at River Rock Casino Resort to be represented by the BC Government and Service Employees' Union ("BCGEU"). Since certification, the union has being attempting to increase the number of employees that it represents at the property. The number of hourly staff at River Rock that could potentially be represented by the aggregated bargaining unit currently proposed by BCGEU would comprise approximately 60% of the total 1,288 hourly employees at the property and represents approximately 48% of the property's 2015 annual human resources costs of $54.0.

In February 2016, the Casino Employees Association was certified as one bargaining unit to represent approximately 32% of the total 325 hourly employees at Elements Casino. The unit also represents approximately 21% of the property's 2015 annual human resources costs of $10.9.

Subsequent to the fourth quarter end, two votes were held involving employees of Hard Rock Casino Vancouver applying for union certification with representation by BCGEU. Ballot boxes have been sealed on both of these votes until the BCLRB can review the Company's objections to the appropriateness of the bargaining units. As such, the outcome of the votes may not be known for several months. The number of hourly employees at Hard Rock Casino Vancouver that could potentially be represented by these units is approximately 65% of the total 566 hourly employees at the property. The proposed units also represent approximately 53% of the property's 2015 annual human resources costs of $22.9.

As at December 31, 2015, Great Canadian had approximately 600 unionized employees across its entire property portfolio out of a total of approximately 4,900 employees. Accounting for the acquisition of the Shorelines Casino Thousand Islands and Shorelines Slots at Kawartha Downs, and the unionization activity in early 2016, as at February 29, 2016, Great Canadian had approximately 1,600 unionized employees across its entire property portfolio out of a total of approximately 5,500 employees. As collective bargaining with River Rock's respective unit(s), Elements Casino's unit and Hard Rock Casino Vancouver's potential unit(s) have not commenced, the financial outcome of such efforts is not determinable at this time.

BCLC Introduced Additional Conditions for Certain VIP Players in British Columbia

Late in the third quarter, BCLC introduced additional conditions for certain VIP players in British Columbia that include a requirement to demonstrate source of funds used to purchase chips. The effect of these conditions is not currently known, but management believes they have caused and will likely lead to a certain amount of reduced play, and therefore revenues, at all BC casinos that have significant VIP play.

Ontario

Request for Gaming Service Providers

In May 2012, OLG issued a request for information ("RFI") to obtain input from potential industry participants regarding the modernization of gaming in Ontario. OLG stated that as a result of the feedback from the RFI, and to enable OLG to more effectively manage the gaming market in Ontario, OLG has grouped all of the 28 Gaming Zones into a maximum of nine Gaming Bundles in the Province of Ontario, of which 25 Gaming Zones have been grouped into the seven Gaming Bundles which are currently undergoing a procurement process for the modernization of land-based gaming, with each of such five bundles representing a separate bidding opportunity. Potential relocation of the existing Gaming Sites in Gaming Zones to other locations within such Gaming Zones are subject to municipal, OLG and Ontario Government approvals. In November 2012, OLG initiated the request for pre-qualifications ("RFPQ") process to pre-qualify service providers for eligibility to participate in the request for proposals process for the Gaming Bundles. The Company is seeking to participate in future opportunities that have arisen from the intention to modernize gaming in Ontario. To that end, the Company (alone and with proposed partners) has submitted several RFPQs to OLG.

On September 9, 2015, the Company announced that Ontario Gaming East Limited Partnership ("Ontario Gaming East LP" or "the Partnership"), a partnership in which the Company now owns a 90.5% interest, was selected as the successful proponent by OLG to operate gaming facilities in OLG's Gaming Bundle 2 (East) (the "East Gaming Bundle"). Ontario Gaming East LP signed a business transition and asset purchase agreement with OLG on September 8, 2015 and signed a 20-year casino operating and services agreement on January 11, 2016. Under the business transition and asset purchase agreement, Ontario Gaming East LP acquired certain of OLG's gaming assets in the East Gaming Bundle, including OLG Casino Thousand Islands, the slot operations within leased space at Kawartha Downs near the City of Peterborough and a new build opportunity to service the City of Belleville and the municipality of Quinte West. The purchase price for such assets was $51.3 of cash consideration, including working capital of approximately $12.2 (subject to customary post-close adjustments) and applicable taxes arising from the transaction. On acquisition, the Company rebranded the Kawartha Downs facility and Casino Thousand Islands to Shorelines Slots at Kawartha Downs and Shorelines Casino Thousand Islands, respectively. A third, new Shorelines Casino is being developed in Belleville with a targeted completion by the end of the first quarter of 2017.

On completion of the acquisition from OLG, Ontario Gaming East LP had approximately $32.0 in partner capital contributions and a $60.0 revolving credit facility arranged on a non-recourse basis to Great Canadian and the minority partner's parent company. The acquisition was funded with $16.3 of cash from partners' capital and $35.0 of debt borrowed on the revolving credit facility. The Partnership also issued a $15.0 letter of credit to OLG to secure performance under the COSA, which further reduced the available borrowing capacity on the Partnership's revolving credit facility.

Great Canadian will manage the property developments and operations of the Partnership through a development services agreement and a management services agreement. The Company will earn associated fees for providing these services.

The Company's Ontario Gaming East Limited Partnership subsidiary has commenced a comprehensive development plan for the East Gaming Bundle, including a new full service casino and entertainment facility located in Belleville, Ontario to service that city and the neighboring municipality of Quinte West. Subsequent to December 31, 2015, the Company's OGELP subsidiary acquired land for $2.9 in Belleville, Ontario. The estimated total cost of this development, including the related land, gaming equipment and construction, is up to $41.0 and is targeted to reach completion by the end of the first quarter of 2017. Ontario Gaming East LP expects to spend up to $49.0 by the end of the third quarter of 2017 on a development to either replace the gaming facility at Kawartha Downs with a new facility at a new location or to redevelop the existing site. The Partnership expects to spend up to $13.0 by the end of the first quarter of 2018 for the renovation of Casino Thousand Islands. In addition to the cash from initial partner capital contributions remaining subsequent to the acquisition and the last $10.0 of liquidity under the Partnership's revolving credit facility, as well as cash generated by the acquired operations, the partners expect to increase their capital contributions as the Partnership completes its development plans at each of its East Gaming Bundle properties.

The Company has been notified by OLG during the fourth quarter of 2015 that it is pre-qualified to submit a Request for Proposal in respect of two more of its RFPQ submissions - Gaming Bundle 4 (Southwest) (the "Southwest Gaming Bundle") and Gaming Bundle 5 (GTA) (the "Greater Toronto Area Gaming Bundle"). The Southwest Gaming Bundle includes six gaming zones covering the following municipalities: Zone SW3 – City of Woodstock and Oxford County, currently serviced by OLG Slots at Woodstock Raceway; Zone SW4 – City of London and surrounding areas, currently serviced by OLG Slots at Western Fair District; Zone SW5 – Huron County, currently serviced by OLG Slots at Clinton Raceway; Zone SW6 – Chatham-Kent, currently serviced by OLG Slots at Dresden Raceway; Zone SW7 – Bruce County and Grey County, currently serviced by OLG Slots at Hanover Raceway; and Zone SW8 – Point Edward and Sarnia, currently serviced by OLG Casino Point Edward.

The Greater Toronto Area Gaming Bundle is comprised of two gaming zones that cover the following municipalities: Zone C2 – the Rexdale area located west of the City of Toronto, currently serviced by OLG Slots at Woodbine Racetrack and Zone C3 – Ajax, Pickering and Whitby and surrounding areas, currently serviced by OLG Slots at Ajax Downs. The RFP for the Greater Toronto Area Gaming Bundle considers a future potential opportunity being, following a consultation process, the possible addition to the Greater Toronto Area Gaming Bundle of Zone C8 – Territory of Mississaugas of Scugog Island First Nation, currently serviced by Great Blue Heron Charity Casino. Second, a right of first opportunity for a new greenfield build to better service the Greater Toronto Area – subject to the appropriate government approvals and OLG's ability to secure a willing host municipality.

The Company is currently evaluating these RFP opportunities to determine its plans to bid on these gaming bundles with partners. For the Southwest Gaming Bundle, the Company intends to be the majority partner. For the Greater Toronto Area Gaming Bundle, the Company will be an equity partner. For both of these gaming bundles, the Company will enter into management and development services agreements with its respective partners to oversee the property development activities and operations of each zone. The OLG has publicly stated that they expect to announce a successful proponent for the Southwest Gaming Bundle by Winter 2016/2017 and for the Greater Toronto Area Gaming Bundle by late Summer 2017.

It is not certain at this time whether the Company or any proponent team of which it is a member will be a successful bidder on any other gaming bundles. While a partnership in which the Company holds a majority interest has been selected as the successful proponent for the East Gaming Bundle, the full extent of the impact that the continued modernization of gaming in Ontario will have on the Company is not yet known.

Long-lived assets impairment and impairment reversal

In April 2014, as a result of signing the Standardbred Alliance agreements with five other Ontario racetrack operators and the Ontario Racing Commission, the Company secured racing funding for its Georgian Downs and Flamboro Downs racetracks for up to five years and will work with the Standardbred Alliance to realize racing operating cost efficiencies. As a result, at March 31, 2014, Flamboro Downs reversed $5.2 of impairment of long-lived assets previously recorded at March 31, 2012.

(Expressed in millions of Canadian dollars, except for per share information)

The following table summarizes the impairment reversal during 2014 by property and by asset class:

	Georgian Downs			Flamboro Downs		
	Property, plant and equipment	**Intangible assets**	**Total**	**Property, plant and equipment**	**Intangible assets**	**Total**
Carrying amount at January 1, 2014	$ 19.4	$ 22.5	$ 41.9	$ 8.1	$ 15.1	$ 23.2
Net additions and amortization	(0.3)	(1.1)	(1.4)	(0.8)	(4.3)	(5.1)
Impairment reversal	-	-	-	1.0	4.2	5.2
Carrying amount at December 31, 2014	**$ 19.1**	**$ 21.4**	**$ 40.5**	**$ 8.3**	**$ 15.0**	**$ 23.3**

There were no indicators of impairment or reversal of impairment at December 31, 2015.

(Expressed in millions of Canadian dollars, except for per share information)

Casino Nova Scotia

In June 2014, the Company exercised its renewal option with NSPLCC to extend the term of the second AROC, effective July 1, 2015. Under the terms of the contract option extension, the Company will have a minimum of 10 years of term certainty as the casino operator of the Nova Scotia casinos and has committed to make capital investments totalling $10.0 to the casino business, subject to a revitalization plan and schedule approved by NSPLCC. The Company has plans to incur $1.0 of the capital cost commitments on renovation projects that are expected to be completed by the end of the second quarter of 2016.

Casino New Brunswick

On October 1, 2015, the Company, through a wholly owned subsidiary, completed the acquisition of 100% of the assets and operations of Casino New Brunswick ("CNB") for a cash purchase price of $97.3. CNB is located in Moncton, New Brunswick, and operates a casino with a hotel and a multi-use theatre and convention space under a Casino Service Provider Agreement with the New Brunswick Lotteries and Gaming Corporation which expires on December 31, 2030.

The fair value of the identifiable assets acquired and liabilities assumed as at October 1, 2015 were as follows:

Assets acquired		
Cash	$	3.7
Prepaids, deposits and other assets		1.4
Property, plant and equipment		75.0
Intangible asset		20.7
Total assets acquired	$	100.8
Liabilities assumed		
Accounts payable and accrued liabilities	$	3.5
Total liabililities assumed	$	3.5
Net assets acquired	$	97.3

The initial accounting for the acquisition of CNB has only been provisionally determined at the end of the reporting period. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the fair value of the identifiable assets acquired and liabilities assumed, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Great American Casinos

On March 14, 2015, the Company closed its Great American Casino located in Kent, Washington due to prolonged declining operating results. In connection with the closure, the Company incurred during the first quarter of 2015 restructuring costs of $1.0, which were primarily attributed to an uneconomic lease agreement and employee severance costs.

Normal Course Issuer Bid

In January 2014, the Company commenced a normal course issuer bid that authorized the Company to purchase up to 4,231,075 of its common shares. During the twelve months ended December 31, 2014, the Company purchased and cancelled 800 common shares under this normal course issuer bid at a volume weighted-average price per share of $14.02.

All shares purchased by the Company were cancelled. The Company's share capital was reduced by an amount equal to the carrying value of the shares repurchased and the remainder was recorded as a reduction to retained earnings on the consolidated statements of changes in equity.

In February 2015, the Company received approval from the TSX to commence another normal course issuer bid for up to 5,033,078 of its common shares, representing approximately 10% of the Company's common shares in the public float. The bid commenced on February 26, 2015 and ended on February 25, 2016. Pursuant to TSX policies, daily purchases made by the Company will not exceed 34,220 common shares or 25% of the prior six-month average daily trading volume of 136,878 common shares on the TSX. Purchases will be by way of open market purchases through the facilities of the TSX, and other Canadian market places, and payment for the shares will be in accordance with the TSX's by-laws and rules. All shares purchased by the Company will be subsequently cancelled.

During the twelve months of 2015, the Company purchased for cancellation 2,148,985 common shares at a weighted-average price per share of $16.22 under its normal course issuer bid.

Share Repurchase

On June 29, 2015, after receiving the required gaming and securities regulatory approvals, Great Canadian purchased 3,400,000 of the Company's common shares (the "Estate Shares") from a company controlled by the Estate of Ross J. McLeod, a former director and officer of the Company who passed away in 2011. The purchase price for the Estate Shares was, in compliance with applicable rules, based on the 20 day average price. The purchase price was $77.7, or $22.8545 dollars per share. The purchased Estate Shares represented approximately 4.87% of the number of outstanding common shares on that date and were subsequently cancelled.

Amended and Extended Credit Agreement

On May 25, 2015, the Company amended and extended its Credit and Guarantee Agreement ("Credit Agreement") which covers the terms of its $350.0 Revolving Credit Facility. The Credit Agreement will mature on May 25, 2020.

Income Tax Treatment of Facility Development Commission

In British Columbia, through the FDC program, BCLC pre-approves and subsequently approves and reimburses "Approved Amounts" (a defined term in the Company's and its subsidiaries' Casino Operation Services Agreements and Community Gaming Centre Operational Services Agreements) of qualified, gaming-related expenditures, primarily capital in nature, that have been incurred by the Company and its subsidiaries. The Canada Revenue Agency ("CRA") has conducted audits of the Company's and its subsidiaries' FDC filing positions of its B.C. operations for the 2009 and 2010 years, and is conducting audits of subsequent years.

For accounting purposes, FDC is recorded as part of revenues on the consolidated statements of earnings when received, subject to having sufficient BCLC Approved Amounts remaining to be reimbursed. For income tax purposes, based on the underlying operating agreements with BCLC and the BCLC FDC policy, management believes that FDC received from BCLC is appropriately characterized under the relevant income tax laws as a reimbursement and a reduction of the cost of either the related long-lived asset (primarily buildings) or the operating expenses being reimbursed. The BCLC FDC Policy requires the Company and its subsidiaries to a) submit to BCLC a business plan for a proposed gaming-related investment; b) receive from BCLC approval of such plan; c) incur the related expenditures from the BCLC-approved business plan; d) submit to BCLC a request for reimbursement of such expenditures including evidence, such as invoices and quantity surveyor reports, verifying the investments were completed; and e) receive approval for reimbursement from BCLC.

As part of their audit, CRA has taken the view that FDC was received as service fee income and should be included in taxable income when received. For income tax purposes, the Company and its subsidiaries treat the reimbursement of the BCLC-approved gaming related property, plant and equipment costs as a reduction in the capital cost of the asset. CRA's current position is inconsistent with the results of CRA's findings in their previous audits of the Company's Great Canadian Casinos Inc. subsidiary for the 2000 and 2001 taxation years.

If CRA's more recent view prevails, it would accelerate the timing of when the Company and its subsidiaries recognize taxable income, but would also increase the tax depreciation deduction (capital cost allowance) that they could recognize in prior and future years. On a net basis, an increase in current income taxes that may arise from CRA notices of reassessment would be mostly offset by decreases in deferred income tax liabilities associated with the increased undepreciated capital cost of the related property, plant and equipment for income tax purposes. As a result, the current effect on the Company's consolidated net earnings would be largely mitigated, with the exception of any non-deductible interest and penalties that CRA may levy as part of their reassessments.

From January 1, 2009 to the end of the Company's most recent year ended December 31, 2015, the Company and its B.C. subsidiaries have received from BCLC reimbursements of FDC Approved Amounts totaling $235.4, of which approximately $221.3 related to long-lived assets and the remaining amount related to operating expenses. During this period, the combined B.C. and federal income tax rates applicable to the Company's operations ranged from a high of 30% in 2009 to a low of 25% in 2012, as compared to the current 26% rate that has been applicable since 2014. Based on the FDC received from BCLC between January 1, 2009 to December 31, 2015, if CRA's most recent view of FDC prevailed, preliminary estimates indicate the Company's consolidated current tax expense would increase $50.7, deferred tax expense would decrease $47.8, and interest and financing costs would increase $8.0, resulting in a one-time $10.9 decrease in net earnings and a corresponding decrease to basic net earnings per share of approximately $0.16/share. If CRA's most recent view of FDC prevails, the Company expects that the effect of the estimated $8.0 annual increase in current income taxes that would arise from applying the combined federal and provincial income tax rate on future FDC reimbursements assuming they were consistent with those received in the last 12 months ended December 31, 2015, would be substantially offset by a decrease in deferred income taxes and would consequently have no material effect on net earnings or net earnings per common share going forward.

During 2015, the Company received notices of reassessment for itself and three of its subsidiaries from CRA related to the income tax treatment of FDC received from BCLC in 2009 and 2010. The Company strongly disagrees with the CRA's current view of FDC and CRA's adjustments to the taxable income of it and its subsidiaries in respect of FDC. Management believes that the Company's and its subsidiaries' tax filing positions with respect to FDC will prevail and consequently the Company and its subsidiaries have not accrued for additional income tax liabilities, income tax expenses, and interest as a result of the reassessments received from CRA. The Company and its subsidiaries intend to vigorously defend their tax filing positions and the three subsidiaries that have received notices of reassessment from CRA have filed notices of objection with CRA's Appeals Division. Should the Company or its subsidiaries receive additional notices of reassessment from CRA, the Company and its subsidiaries plan to file notices of objection to CRA's Appeals Division to each notice of reassessment received, as appropriate. In order to file a notice of objection, the Company and its subsidiaries are required to pay at least 50% of the amounts reassessed and will record a corresponding income tax receivable from CRA until the dispute is resolved. These payments, plus interest, will be refunded if the Company and its subsidiaries are successful in challenging the reassessments. If the Company and its subsidiaries are unsuccessful, any remaining taxes payable plus interest will have to be remitted to CRA. The Company and its subsidiaries have deposited a net amount of $20.2 to CRA, which represents 100% of the amounts reassessed from all notices of reassessment to date. This amount is reflected in "cash on deposit with Canada Revenue Agency" on the consolidated statements of financial position as at December 31, 2015 (December 31, 2014 - $nil). The Company and/or its subsidiaries also have the right to appeal directly to the Tax Court of Canada 91 days after the date of filing of a notice of objection. The Company is unable to determine how long the appeal process and court process (if necessary) would take at this time.

MARKET UPDATE

British Columbia

Competition

One of the Company's direct competitors, Paragon Gaming LLC, operates the Edgewater Casino in downtown Vancouver, BC. In December 2013, the City of Vancouver conditionally approved the relocation of Edgewater Casino to a new complex across the street from the existing location. On January 20, 2015, the City of Vancouver approved the development for the new facility, which is restricted to maintain its current gaming capacity. The new complex is expected to include two hotel towers, restaurants and commercial space with completion in the fourth quarter of 2016. Management is closely monitoring the development as it may impact our facilities.

On October 1, 2015, BCLC solicited an expression of interest for prospective host local governments for a new casino or community gaming facility. The prospective host local governments that were solicited were: Victoria, Esquimalt, Saanich, Oak Bay, and the Esquimalt and Songhess First Nations. The prospective host local governments are within the geographic proximity of the Company's Mayfair casino which was located in Victoria, BC. The Company's Mayfair casino has a casino operating agreement that was placed in abeyance by BCLC in February 2002, when that facility closed. BCLC, the Province of British Columbia and the Company are party to a casino relocation agreement regarding the Mayfair casino operating agreement pursuant to which the Mayfair casino operating agreement would be relocated, subject to the BCLC relocation policy. The Mayfair casino operating agreement remains in force, pending such relocation. Should it be determined that a new casino or community gaming facility will move forward in any of these communities, the Company will follow the steps described in BCLC's relocation policies and procedures to relocate the Mayfair casino operating agreement. BCLC has indicated that they will review responses and select which local governments to contact, however such actions would not constitute a commitment by BCLC to develop a gaming facility in any given community. BCLC has not confirmed the Company's position that the casino relocation agreement regarding Mayfair casino operating agreement would apply to the potential new casino or community gaming facility in the solicited host local government jurisdictions. The new development or relocation of a casino or community gaming facility in any community is a complex process with many stakeholders to consider and many approvals required to be obtained. As a result, despite the Company's best efforts to relocate the Mayfair casino operating agreement, it is possible that a relocation may not occur if a new gaming facility is not established in one of the solicited host local government jurisdictions.

(Expressed in millions of Canadian dollars, except for per share information)

CONSOLIDATED RESULTS OF OPERATIONS

The following table summarizes the consolidated operating results for the three month and twelve month periods ended December 31, 2015 with comparatives for the prior periods.

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 82.0**	$ 79.9	3%	**$ 310.2**	$ 308.4	1%
Facility Development Commission	**8.9**	9.7	(8%)	**36.9**	37.7	(2%)
Hospitality, lease and other revenues	**35.2**	28.6	23%	**119.9**	108.4	11%
Racetrack revenues	**3.5**	3.6	(3%)	**14.5**	14.6	(1%)
	129.6	121.8	6%	**481.5**	469.1	3%
Less: Promotional allowances	**(8.5)**	(6.1)	39%	**(27.7)**	(22.6)	23%
Revenues	**121.1**	115.7	5%	**453.8**	446.5	2%
Human resources	**43.3**	42.3	2%	**165.0**	164.8	0%
Property, marketing and administration	**32.7**	26.4	24%	**108.2**	101.6	6%
	76.0	68.7	11%	**273.2**	266.4	3%
Adjusted EBITDA	**45.1**	47.0	(4%)	**180.6**	180.1	0%
Human resources as a % of Revenues before Promotional allowances	**33.4%**	34.7%		**34.3%**	35.1%	
Adjusted EBITDA as a % of Revenues	**37.2%**	40.6%		**39.8%**	40.3%	
Amortization	**11.2**	10.3		**40.1**	45.3	
Share-based compensation	**0.6**	1.4		**4.3**	4.8	
Impairment (reversal) of long-lived assets	**-**	0.5		**-**	(4.7)	
Interest and financing costs, net	**7.8**	7.7		**31.6**	31.6	
Restructuring and other	**2.1**	0.2		**6.9**	0.8	
Other expenses	**(0.8)**	(1.5)		**(4.7)**	(2.4)	
Income taxes	**6.6**	6.8		**27.8**	26.3	
Shareholders' net earnings	**$ 17.6**	$ 21.6	(19%)	**$ 74.6**	$ 78.4	(5%)
Shareholders' net earnings per common share						
Basic	**$ 0.27**	$ 0.32		**$ 1.10**	$ 1.16	
Diluted	**$ 0.26**	$ 0.31		**$ 1.08**	$ 1.12	

(Expressed in millions of Canadian dollars, except for per share information)

Discussion of Results

The Company's operating results are discussed in two sections: (1) Adjusted EBITDA, consisting of revenues, human resources expenses and property, marketing and administration expenses, which is discussed on a property or, where appropriate, group of similar properties basis, and (2) items excluded from Adjusted EBITDA, which are discussed on a consolidated basis. The following table reconciles the property results to the consolidated results of operations on the previous page.

REVENUES and ADJUSTED EBITDA

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
REVENUES						
River Rock Casino Resort	**$ 45.3**	$ 54.3	(17%)	**$ 190.8**	$ 205.0	(7%)
Hard Rock Casino Vancouver	**15.7**	13.3	18%	**56.2**	52.4	7%
Other Vancouver Area Casinos	**9.3**	9.0	3%	**38.8**	37.4	4%
Vancouver Island Casinos	**9.6**	9.3	3%	**37.7**	37.0	2%
Other BC Casinos	**5.4**	5.5	(2%)	**21.7**	21.2	2%
Atlantic Casinos	**20.9**	9.7	115%	**50.3**	39.5	27%
Great American Casinos	**8.5**	8.2	4%	**32.9**	28.9	14%
Ontario Racetracks	**6.4**	6.4	0%	**25.4**	25.1	1%
Total Revenues	**$ 121.1**	$ 115.7	5%	**$ 453.8**	$ 446.5	2%
Adjusted EBITDA [(1)]						
River Rock Casino Resort	**$ 22.3**	$ 31.3	(29%)	**$ 103.2**	$ 119.0	(13%)
Hard Rock Casino Vancouver	**5.9**	3.9	51%	**19.0**	15.0	27%
Other Vancouver Area Casinos	**1.1**	1.6	(31%)	**7.7**	7.2	7%
Vancouver Island Casinos	**5.3**	4.8	10%	**20.9**	19.7	6%
Other BC Casinos	**2.4**	2.7	(11%)	**10.3**	10.3	0%
Atlantic Casinos	**5.9**	2.5	136%	**14.1**	10.7	32%
Great American Casinos	**2.2**	2.1	5%	**8.4**	5.6	50%
Ontario Racetracks	**3.3**	3.3	0%	**13.5**	12.9	5%
Corporate & Other	**(3.3)**	(5.2)	37%	**(16.5)**	(20.3)	19%
Total Adjusted EBITDA	**$ 45.1**	$ 47.0	(4%)	**$ 180.6**	$ 180.1	0%

(1) Adjusted EBITDA is a non-GAAP measure defined in the "Introduction - Non-GAAP Measures" section of this MD&A.

(Expressed in millions of Canadian dollars, except for per share information)

Casinos

River Rock Casino Resort

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 30.4**	$ 38.7	(21%)	**$ 130.6**	$ 146.7	(11%)
Facility Development Commission	**4.4**	5.4	(19%)	**18.8**	20.8	(10%)
Hospitality and other revenues	**13.2**	12.7	4%	**51.4**	47.5	8%
Revenues before Promotional allowances	**48.0**	56.8	(15%)	**200.8**	215.0	(7%)
Less: Promotional allowances	**(2.7)**	(2.5)	8%	**(10.0)**	(10.0)	0%
Revenues	**45.3**	54.3	(17%)	**190.8**	205.0	(7%)
Human resources	**13.6**	14.1	(4%)	**54.0**	53.3	1%
Property, marketing and administration	**9.4**	8.9	6%	**33.6**	32.7	3%
Adjusted EBITDA	**$ 22.3**	$ 31.3	(29%)	**$ 103.2**	$ 119.0	(13%)
Human resources as a % of Revenues before Promotional allowances	**28.3%**	24.8%		**26.9%**	24.8%	
Adjusted EBITDA as a % of Revenues	**49.2%**	57.6%		**54.1%**	58.0%	

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Average
Table Drop	$ 251.5	$ 309.9	$ 282.0	$ 293.6	$ 286.7	$ 326.9	$ 338.5	$ 266.9	$ 241.4	
Table Hold	$ 49.5	$ 57.3	$ 57.0	$ 59.6	$ 71.8	$ 64.9	$ 72.0	$ 59.1	$ 48.7	
Table Hold %	19.7%	18.5%	20.2%	20.3%	25.0%	19.9%	21.3%	22.2%	20.2%	20.8%
Poker Rake	$ 1.0	$ 1.1	$ 0.9	$ 1.1	$ 0.9	$ 1.0	$ 1.1	$ 1.0	$ 1.1	
Slot Coin-In	$ 592.4	$ 629.6	$ 607.2	$ 580.0	$ 588.2	$ 583.8	$ 578.6	$ 498.1	$ 525.2	
Slot Win	$ 40.0	$ 41.0	$ 38.9	$ 37.3	$ 37.7	$ 39.3	$ 38.3	$ 34.5	$ 35.5	
Slot Win/Slot/Day(1)	$ 398	$ 405	$ 389	$ 378	$ 372	$ 389	$ 383	$ 350	$ 351	
Slot Win %	6.8%	6.5%	6.4%	6.4%	6.4%	6.7%	6.6%	6.9%	6.8%	6.6%

(1) Slot Win/Slot/Day is an average, presented in dollars.

Recent Developments

As discussed in the "Major Developments – British Columbia" section of this MD&A, late in the third quarter of 2015, BCLC introduced additional conditions for certain VIP players in British Columbia that include a requirement to demonstrate source of funds used to purchase chips. The effect of these conditions is not currently known, but management believes they have caused and will likely lead to a certain amount of reduced play, and therefore revenues, at River Rock. The estimated portion of River Rock's revenues generated from the VIP players affected by these additional conditions over the 12 months ended September 30, 2015 was approximately $20.0. While table drop levels in a period may be affected by changes in player behaviour, such as frequency and duration of visits to the property and changed levels of wagering during such visits, management believes that a significant portion of the decline in River Rock's table drop and gaming revenues during the fourth quarter of 2015 was attributed to these additional conditions required for certain VIP players. In addition, a portion of the decline in gaming revenues in the fourth quarter was due to volatility inherent in table games as evidenced by the 5.3 percentage point decrease in table hold percentage in this year's fourth quarter when compared to the prior year's fourth quarter record 25.0% table hold percentage.

Revenues

Gaming revenues at River Rock decreased by 21% in the fourth quarter of 2015 when compared to the fourth quarter of 2014. This decline was primarily due to the 12% decrease in table drop and the 5.3 percentage point decrease in table hold percentage to a below-average 19.7% from the prior year's fourth quarter record level of 25.0%, resulting in a 31% decrease in table hold. The decrease in table drop was mainly attributed to a decrease in high limit table play volume. These decreases were partially offset by the 6% increase in slot win, due to a 1% increase in slot coin-in and 0.4 percentage point increase in slot win percentage.

Gaming revenues at River Rock decreased by 11% in the twelve months of 2015 when compared to the twelve months of 2014. This decline was primarily due to the 7% decrease in table drop, primarily related to VIP play, and a 2.3 percentage point decline in table hold percentage primarily due to the prior year's strong table hold level that was partly offset by the 7% increase in slot coin-in.

Hospitality and other revenues increased by 4% and 8% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014. These increases were primarily due to growth in both food and beverage and hotel revenues.

River Rock's hotel capacity includes the "River Rock Casino Resort Suites", which has 202 rooms, and "The Hotel at River Rock" with 193 rooms offered at a lower price point. On a combined basis, including the effect of interdepartmental sales to the casino that are deducted as promotional allowances to arrive at facility revenues, River Rock's average daily hotel revenue per available room ("REVPAR") was $118 dollars in the fourth quarter of 2015, compared to $109 dollars in the fourth quarter of 2014. This increase was due to a five percentage point increase in the average hotel occupancy rate to 70% and an increase in the average daily room rate ("ADR") from $168 to $169 dollars for the fourth quarter of 2015.

Expenses

Human resources expenses decreased by 4% in the fourth quarter of 2015, when compared to the same period in 2014. This decrease was primarily due to a $0.1 release of bonus accruals and a reduction in table game staffing. Human resources expenses were relatively consistent in the twelve months of 2015 when compared to the same period in 2014.

Property, marketing and administration expenses increased by 6% and 3% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014. These increases were due to increased promotional activities.

Adjusted EBITDA

Adjusted EBITDA decreased by 29% and 13% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014. These declines were primarily attributed to the previously noted decreases in gaming revenues, partially offset by increases in hospitality and other revenues.

Labour Relations

Refer to the "Major Developments" section of this MD&A for the status of a recent union certification at River Rock.

(Expressed in millions of Canadian dollars, except for per share information)

Hard Rock Casino Vancouver

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 11.3**	$ 9.6	18%	**$ 41.9**	$ 38.3	9%
Facility Development Commission	**1.8**	1.6	13%	**6.7**	6.2	8%
Hospitality and other revenues	**3.5**	3.0	17%	**11.0**	10.6	4%
Revenues before Promotional allowances	**16.6**	14.2	17%	**59.6**	55.1	8%
Less: Promotional allowances	**(0.9)**	(0.9)	0%	**(3.4)**	(2.7)	26%
Revenues	**15.7**	13.3	18%	**56.2**	52.4	7%
Human resources	**5.8**	5.8	0%	**22.9**	23.5	(3%)
Property, marketing and administration	**4.0**	3.6	11%	**14.3**	13.9	3%
Adjusted EBITDA	**$ 5.9**	$ 3.9	51%	**$ 19.0**	$ 15.0	27%
Human resources as a % of Revenues before Promotional allowances	**34.9%**	40.8%		**38.4%**	42.6%	
Adjusted EBITDA as a % of Revenues	**37.6%**	29.3%		**33.8%**	28.6%	

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Average
Table Drop	$ 54.6	$ 51.1	$ 44.3	$ 44.0	$ 38.9	$ 38.5	$ 40.6	$ 51.3	$ 38.9	
Table Hold	$ 10.1	$ 8.7	$ 8.9	$ 8.8	$ 7.3	$ 7.3	$ 7.5	$ 7.1	$ 7.6	
Table Hold %	18.5%	17.0%	20.0%	20.0%	18.8%	19.0%	18.6%	13.8%	19.4%	18.3%
Poker Rake	$ 1.0	$ 1.1	$ 0.9	$ 1.0	$ 1.0	$ 1.0	$ 1.4	$ 1.2	$ 1.1	
Slot Coin-In	$ 365.4	$ 331.1	$ 315.5	$ 311.8	$ 324.3	$ 319.3	$ 321.1	$ 318.9	$ 306.0	
Slot Win	$ 25.9	$ 24.2	$ 23.9	$ 22.9	$ 23.4	$ 23.1	$ 23.4	$ 23.2	$ 23.0	
Slot Win/Slot/Day[1,2]	$ 310	$ 287	$ 288	$ 291	$ 275	$ 265	$ 275	$ 270	$ 271	
Slot Win %	7.1%	7.3%	7.6%	7.3%	7.2%	7.2%	7.3%	7.3%	7.5%	7.3%

(1) Slot Win/Slot/Day is an average, presented in dollars.
(2) During December 2014, the Company removed 99 slot machines resulting in 850 slot machines at December 31, 2014.
During December 2015, the Company added 72 slot machines resulting in 922 slot machines at December 31, 2015.

Revenues
Gaming revenues increased by 18% in the fourth quarter of 2015 when compared to the same period in 2014. The growth was primarily due to the 40% increase in table drop, partially offset by 0.3 percentage point decrease in table hold percentage, resulting in a 38% increase in table hold. Slot win increased by 11% due primarily to a 13% increase in slot coin-in. Gaming revenues increased by 9% in the twelve months of 2015 when compared to the same period in 2014. This growth was mainly due to the 25% increase in table hold that was mainly attributed to increased play in the VIP gaming area that was opened in February 2015.

Hospitality and other revenues increased by 17% and 4% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014. These increases were primarily due to the opening of the new "Buffet at Unlisted" in September 2015 and increased business volumes.

Expenses
Human resources expenses in the fourth quarter of 2015 were relatively consistent with the fourth quarter of 2014. Human resources expenses decreased by 3% in the twelve months of 2015 when compared to the same period in 2014, primarily due to the reduction of staffing levels that were made since the first quarter of 2015 in order to run the business more effectively.

Property, marketing and administration expenses increased 11% and 3% in the fourth quarter and twelve months of 2015, respectively, when compared to the prior year periods, primarily due to increased additional costs associated with food and beverage service and expenses related to the opening of the new "Buffet at Unlisted" in September 2015.

Adjusted EBITDA
Adjusted EBITDA increased by 51% and 27% in the fourth quarter and twelve months of 2015, when compared to the same periods of 2014. These increases were primarily due to the improvement in gaming revenues.

Labour Relations
Refer to the "Major Developments" section of this MD&A for the status of a recent union drive at Hard Rock Casino Vancouver.

(Expressed in millions of Canadian dollars, except for per share information)

Other Vancouver Area Casinos (Elements Casino (formerly "Fraser Downs Racetrack and Casino") and Hastings Racecourse and Slots Facility)

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 5.2**	$ 4.9	6%	**$ 20.7**	$ 19.4	7%
Facility Development Commission	**0.8**	0.7	14%	**3.6**	3.1	16%
Racetrack revenues	**2.3**	2.4	(4%)	**9.8**	9.9	(1%)
Hospitality and other revenues	**1.6**	1.5	7%	**6.9**	6.8	1%
Revenues before Promotional allowances	**9.9**	9.5	4%	**41.0**	39.2	5%
Less: Promotional allowances	**(0.6)**	(0.5)	20%	**(2.2)**	(1.8)	22%
Revenues	**9.3**	9.0	3%	**38.8**	37.4	4%
Human resources	**4.5**	4.3	5%	**18.1**	17.9	1%
Property, marketing and administration	**3.7**	3.1	19%	**13.0**	12.3	6%
Adjusted EBITDA	**$ 1.1**	$ 1.6	(31%)	**$ 7.7**	$ 7.2	7%
Human resources as a % of Revenues before Promotional allowances	**45.5%**	45.3%		**44.1%**	45.7%	
Adjusted EBITDA as a % of Revenues	**11.8%**	17.8%		**19.8%**	19.3%	

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Average
Table Drop	$ 7.7	$ 7.4	$ 6.7	$ 6.6	$ 5.9	$ 5.9	$ 6.0	$ 5.7	$ 5.5	
Table Hold	$ 1.8	$ 1.6	$ 1.4	$ 1.6	$ 1.5	$ 1.4	$ 1.5	$ 1.4	$ 1.5	
Table Hold %	23.8%	21.7%	20.9%	24.2%	25.4%	23.7%	24.7%	25.3%	26.8%	23.9%
Poker Rake	$ 0.2	$ 0.4	$ 0.3	$ 0.5	$ 0.4	$ 0.4	$ 0.4	$ 0.3	$ 0.2	
Slot Coin-In	$ 241.0	$ 232.2	$ 231.4	$ 227.9	$ 223.7	$ 228.1	$ 225.2	$ 209.5	$ 196.9	
Slot Win	$ 18.2	$ 17.6	$ 17.0	$ 16.9	$ 16.2	$ 17.2	$ 17.3	$ 15.3	$ 15.4	
Slot Win/Slot/Day(1)	$ 214	$ 191	$ 187	$ 183	$ 167	$ 177	$ 180	$ 160	$ 161	
Slot Win %	7.4%	7.5%	7.3%	7.4%	7.2%	7.5%	7.7%	7.3%	7.8%	7.5%

(1) Slot Win/Slot/Day is an average, presented in dollars.

Live race days	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Elements Casino	28	-	7	27	27	8	8	25	26
Hastings	7	26	20	-	8	27	19	-	6

Recent Developments

As described in the "Major Developments" section of this MD&A, the Company completed the renovation and rebranding of Fraser Downs with its rebranding as Elements Casino on December 17, 2015.

Revenues

Revenues at the Other Vancouver Area Casinos increased by 3% and 4% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014. These increases were primarily due to the rebranding of the Fraser Downs as Elements Casino on December 17, 2015 as well as increases in both the table drop and slot coin-in during the quarter.

Expenses

Human resources expenses were relatively consistent in the fourth quarter and twelve months of 2015, when compared to the same periods in 2014, despite the $0.1 and $0.2 one-time pre-opening training costs incurred in the fourth quarter and twelve months of 2015, respectively, associated with the renovation and rebranding of Elements Casino.

Property, marketing and administration expenses increased 19% and 6% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014, due to \$0.4 and \$0.5 of rebranding and pre-opening costs incurred in the fourth quarter and twelve months of 2015, respectively.

Adjusted EBITDA
Adjusted EBITDA at the Other Vancouver Area Casinos decreased by 31% in the fourth quarter of 2015, when compared with the same period of 2014. This decrease was primarily due to \$0.5 increase in expenses attributed to the property rebranding, partially offset by the increase in revenues. Adjusted EBITDA at the Other Vancouver Area Casinos increased by 7% in the twelve months of 2015, when compared with the same period of 2014. This increase was primarily due to the increase in revenues. Excluding \$0.7 of Elements' pre-opening costs, Adjusted EBITDA for the fourth quarter and twelve months of 2015 were \$1.6 and \$8.4, respectively.

Labour Relations
A collective agreement with MoveUp (formerly known as Canadian Office and Professional Employees Union, Local 378) with a term covering August 1, 2012 through December 31, 2014, is applicable to employees of Hastings Racecourse, excluding food and beverage workers. Notice to commence collective bargaining has not been initiated, but by virtue of that fact that the parties are deemed to have given notice to commence bargaining pursuant to s. 46(4) of the BC Labour Relations Code, proposed dates should be forthcoming in early 2016.

Refer to the "Major Developments" section of this MD&A for the status of a recent union certification at Elements Casino.

(Expressed in millions of Canadian dollars, except for per share information)

Vancouver Island Casinos (View Royal Casino and Casino Nanaimo)

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 7.8**	$ 7.4	5%	**$ 30.2**	$ 29.6	2%
Facility Development Commission	**1.2**	1.2	0%	**4.8**	4.7	2%
Hospitality and other revenues	**1.2**	1.1	9%	**4.7**	4.4	7%
Revenues before Promotional allowances	**10.2**	9.7	5%	**39.7**	38.7	3%
Less: Promotional allowances	**(0.6)**	(0.4)	50%	**(2.0)**	(1.7)	18%
Revenues	**9.6**	9.3	3%	**37.7**	37.0	2%
Human resources	**2.7**	3.1	(13%)	**11.2**	12.0	(7%)
Property, marketing and administration	**1.6**	1.4	14%	**5.6**	5.3	6%
Adjusted EBITDA	**$ 5.3**	$ 4.8	10%	**$ 20.9**	$ 19.7	6%
Human resources as a % of Revenues before Promotional allowances	**26.5%**	32.0%		**28.2%**	31.0%	
Adjusted EBITDA as a % of Revenues	**55.2%**	51.6%		**55.4%**	53.2%	

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Average
Table Drop	$ 12.3	$ 12.5	$ 12.3	$ 12.9	$ 12.6	$ 11.3	$ 11.9	$ 11.4	$ 10.8	
Table Hold	$ 3.0	$ 2.6	$ 2.8	$ 3.1	$ 2.9	$ 2.7	$ 2.7	$ 2.8	$ 2.7	
Table Hold %	24.8%	21.4%	22.8%	24.5%	23.0%	23.9%	22.7%	24.8%	25.0%	23.5%
Slot Coin-In	$ 380.6	$ 383.5	$ 354.8	$ 364.9	$ 353.5	$ 367.2	$ 364.1	$ 365.9	$ 359.8	
Slot Win	$ 27.1	$ 26.8	$ 25.7	$ 25.4	$ 25.7	$ 25.9	$ 26.6	$ 25.2	$ 25.9	
Slot Win/Slot/Day(1)	$ 315	$ 311	$ 302	$ 302	$ 298	$ 302	$ 313	$ 306	$ 287	
Slot Win %	7.0%	6.9%	7.2%	7.0%	7.3%	7.0%	7.3%	6.9%	7.2%	7.1%

(1) Slot Win/Slot/Day is an average, presented in dollars.

Revenues
Revenues at the Vancouver Island Casinos increased by 3% and 2% in the fourth quarter and twelve months of 2015, when compared to the same periods in 2014. These increases were mainly attributable to the increase in slot coin-in and food and beverage revenues, partially offset by an increase in promotional allowances.

Expenses
Human resource expenses decreased by 13% and 7% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods of 2014, mainly due to the realization of operating efficiencies.

Property, marketing and administration expenses increased by 14% and 6% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods of 2014, mainly due to an increase in promotions expenses.

Adjusted EBITDA
Adjusted EBITDA at the Vancouver Island Casinos increased by 10% and 6% in the fourth quarter and twelve months of 2015, when compared to the same periods of 2014. These increases were primarily due to the improvement in gaming revenues and reduction of human resource expenses.

(Expressed in millions of Canadian dollars, except for per share information)

Other BC Casinos (Chances Dawson Creek, Chances Maple Ridge and Chances Chilliwack)

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 3.8**	$ 3.9	(3%)	**$ 15.5**	$ 15.1	3%
Facility Development Commission	**0.7**	0.8	(13%)	**3.0**	2.9	3%
Hospitality and other revenues	**1.2**	1.1	9%	**4.4**	4.1	7%
Revenues before Promotional allowances	**5.7**	5.8	(2%)	**22.9**	22.1	4%
Less: Promotional allowances	**(0.3)**	(0.3)	0%	**(1.2)**	(0.9)	33%
Revenues	**5.4**	5.5	(2%)	**21.7**	21.2	2%
Human resources	**1.7**	1.6	6%	**6.7**	6.6	2%
Property, marketing and administration	**1.3**	1.2	8%	**4.7**	4.3	9%
Adjusted EBITDA	**$ 2.4**	$ 2.7	(11%)	**$ 10.3**	$ 10.3	0%
Human resources as a % of Revenues before Promotional allowances	**29.8%**	27.6%		**29.3%**	29.9%	
Adjusted EBITDA as a % of Revenues	**44.4%**	49.1%		**47.5%**	48.6%	

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Average
Slot Coin-In	$ 205.8	$ 199.3	$ 198.4	$ 207.1	$ 208.2	$ 201.1	$ 200.1	$ 196.3	$ 196.5	
Slot Win	$ 14.1	$ 14.7	$ 14.2	$ 14.6	$ 14.3	$ 14.1	$ 13.9	$ 13.3	$ 13.2	
Slot Win/Slot/Day(1,2)	$ 286	$ 298	$ 292	$ 307	$ 295	$ 291	$ 291	$ 281	$ 286	
Slot Win %	7.0%	7.5%	7.2%	7.0%	6.9%	7.0%	7.0%	6.8%	6.7%	7.0%

(1) Slot Win/Slot/Day is an average, presented in dollars.
(2) During the twelve months of 2014, the Company added 18 slot machines at Chances Maple Ridge, resulting in 511 slot machines at the Other BC Casinos at December 31, 2014. During the twelve months of 2015, 14 slot machines were added, resulting in 525 slot machines at December 31, 2015.

Revenues, Expenses and Adjusted EBITDA

Adjusted EBITDA at the Other BC Casinos decreased by 11% in the fourth quarter of 2015, when compared to the same period of 2014. This decrease was due mainly to a decrease in revenues at Chances Dawson Creek attributable primarily to a weakened local economy affected by lower oil and natural gas activity, which was mainly offset by improved revenues at the other two properties in the group, as well as an increase in expenses incurred by the other two properties.

Revenues, Expenses and Adjusted EBITDA at the Other BC Casinos were relatively consistent in the twelve months of 2015, when compared to the same period of 2014.

(Expressed in millions of Canadian dollars, except for per share information)

Atlantic Casinos (Casino Nova Scotia Halifax, Casino Nova Scotia Sydney and Casino New Brunswick)

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 16.4**	$ 8.6	91%	**$ 43.7**	$ 35.3	24%
Hospitality and other revenues	**6.9**	1.8	283%	**11.7**	6.6	77%
Revenues before Promotional allowances	**23.3**	10.4	124%	**55.4**	41.9	32%
Less: Promotional allowances	**(2.4)**	(0.7)	243%	**(5.1)**	(2.4)	113%
Revenues	**20.9**	9.7	115%	**50.3**	39.5	27%
Human resources	**7.4**	4.2	76%	**19.1**	16.0	19%
Property, marketing and administration	**7.6**	3.0	153%	**17.1**	12.8	34%
Adjusted EBITDA	**$ 5.9**	$ 2.5	136%	**$ 14.1**	$ 10.7	32%
Human resources as a % of Revenues before Promotional allowances	**31.8%**	40.4%		**34.5%**	38.2%	
Adjusted EBITDA as a % of Revenues	**28.2%**	25.8%		**28.0%**	27.1%	

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Average
Table Drop	$ 21.4	$ 13.0	$ 11.9	$ 10.8	$ 11.5	$ 11.7	$ 10.0	$ 9.8	$ 10.0	
Table Hold	$ 4.9	$ 3.1	$ 2.4	$ 1.9	$ 2.0	$ 2.3	$ 2.0	$ 2.2	$ 2.4	
Table Hold %	22.7%	23.4%	20.2%	17.6%	17.4%	19.7%	19.7%	21.9%	24.0%	21.0%
Poker Rake	$ 0.6	$ 0.4	$ 0.4	$ 0.4	$ 0.5	$ 0.4	$ 0.4	$ 0.5	$ 0.4	
Slot Coin-In	$ 320.0	$ 213.9	$ 197.3	$ 158.5	$ 194.0	$ 226.7	$ 197.3	$ 179.2	$ 182.0	
Slot Win	$ 26.0	$ 16.6	$ 14.5	$ 12.1	$ 14.7	$ 16.6	$ 14.9	$ 13.5	$ 14.0	
Slot Win/Slot/Day(1)	$ 403	$ 218	$ 191	$ 164	$ 199	$ 219	$ 204	$ 184	$ 186	
Slot Win %	8.1%	7.8%	7.3%	7.6%	7.6%	7.3%	7.6%	7.6%	7.7%	7.6%

(1) Slot Win/Slot/Day is an average, presented in dollars.

Recent Developments

On October 1, 2015, the Company acquired the assets and operations of Casino New Brunswick, as described in the "Major Developments" section of this MD&A.

In June 2014, the Company exercised its renewal option with NSPLCC to extend the term of the AROC, effective July 1, 2015. Under the terms of the contract option extension, the Company will have a minimum of 10 years certainty as the casino operator of the Nova Scotia casinos and has committed to make capital investments totalling $10.0 to the casino business, subject to a revitalization plan and schedule approved by NSPLCC.

Revenues

Revenues at the Atlantic Casinos increased by 115% in the fourth quarter of 2015, when compared to the same period in 2014, primarily due to the acquisition of Casino New Brunswick on October 1, 2015.

Excluding the effect of the $10.8 of revenues from Casino New Brunswick, revenues at the Atlantic Casinos increased by 4% in the twelve months of 2015 when compared to the same period in 2014.

The $1.7 and $2.7 increase in promotional allowances in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014, was primarily due to the acquisition of Casino New Brunswick as well as increased efforts on targeted marketing with the use of slot free play vouchers.

Expenses

Human resources expenses increased by 76% and 19% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014 primarily due to the acquisition of Casino New Brunswick.

Property, marketing and administration expenses increased by 153% and 34% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014. These increases were primarily due to the acquisition of Casino New Brunswick and an increase in promotions expenses at the Nova Scotia Casinos.

Adjusted EBITDA
Adjusted EBITDA increased by $3.4 in both the fourth quarter and twelve months of 2015, when compared to the same period in 2014 due to the acquisition of Casino New Brunswick at the start of the fourth quarter of 2015.

Labour Relations
A collective agreement with Service Employees International Union (SEIU), Local 902, with a term covering February 1, 2012 through January 31, 2015, was applicable to employees (excluding security) at Casino Nova Scotia Halifax. A new collective agreement, with a term covering February 1, 2015 through January 31, 2018, was ratified on June 26, 2015.

A collective agreement with Service Employees International Union (SEIU), Local 902, with a term covering February 1, 2012 through January 31, 2015, was applicable to only security employees at Casino Nova Scotia Halifax. A new collective agreement, with a term covering February 1, 2015 through January 31, 2018, was ratified on July 10, 2015.

Great American Casinos

Results in U.S. Dollars (in millions)

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Gaming revenues	**$ 5.4**	$ 6.0	(10%)	**$ 21.6**	$ 21.7	0%
Hospitality and other revenues	**1.8**	2.0	(10%)	**7.0**	7.3	(4%)
Revenues before Promotional allowances	**7.2**	8.0	(10%)	**28.6**	29.0	(1%)
Less: Promotional allowances	**(0.8)**	(0.7)	14%	**(2.9)**	(2.8)	4%
Revenues	**6.4**	7.3	(12%)	**25.7**	26.2	(2%)
Human resources	**3.0**	3.5	(14%)	**12.5**	13.8	(9%)
Property, marketing and administration	**1.7**	1.9	(11%)	**6.6**	7.3	(10%)
Adjusted EBITDA	**$ 1.7**	$ 1.9	(11%)	**$ 6.6**	$ 5.1	29%
Human resources as a % of Revenues before Promotional allowances	**41.7%**	43.8%		**43.7%**	47.6%	
Adjusted EBITDA as a % of Revenues	**26.6%**	26.0%		**25.7%**	19.5%	

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Average
Table Drop	$ 37.1	$ 35.6	$ 36.0	$ 36.0	$ 36.5	$ 35.3	$ 36.5	$ 36.6	$ 35.4	
Table Hold	$ 6.0	$ 5.9	$ 6.1	$ 6.3	$ 6.7	$ 5.7	$ 6.2	$ 5.9	$ 5.7	
Table Hold %	16.2%	16.4%	16.9%	17.5%	18.4%	16.1%	16.9%	16.1%	16.0%	16.7%

Results in Canadian Dollars

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Revenues	**$ 8.5**	$ 8.2	4%	**$ 32.9**	$ 28.9	14%
Adjusted EBITDA	**$ 2.2**	$ 2.1	5%	**$ 8.4**	$ 5.6	50%

Discussion in U.S. Dollars

Recent Developments

The value of the Great American Casinos' functional currency, the U.S. dollar, in comparison to the Company's reporting currency, the Canadian dollar, affects the reported results of the Great American Casinos. The average value of the U.S. dollar increased by 18% and 16% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014. An increase in the average value of the U.S. dollar results in an increase in the Canadian dollar translation of the operating results.

On March 14, 2015, the Company closed its Great American Casino located in Kent, as described in the "Major Developments" section of this MD&A. Revenues and Adjusted EBITDA associated with the Kent casino in 2015 and 2014 were as follows:

	Fourth Quarter	Twelve Months of	
	2014	**2015**	2014
Revenues	$ 1.0	**$ 0.7**	$ 3.1
Adjusted EBITDA	$ 0.2	**$ 0.2**	$ -

Revenues

Revenues at Great American Casinos decreased by 12% and 2% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014. The decline in revenues resulting from the closure of the Kent casino was more than offset by improvements at the remaining three casino locations. Excluding the results of the Kent casino closed in March 2015 from the current and prior year's results, revenues at the Great American Casinos increased by 2% over the prior year fourth quarter and by 8% over the twelve months of 2014.

Expenses
Human resources expenses decreased by 14% and 9% in the fourth quarter and twelve months of 2015, respectively when compared to the same periods in 2014, primarily due to the closure of the Kent casino in the first quarter of 2015.

Property, marketing and administration expenses decreased by 11% and 10% in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014. This decrease was mainly due to the closure of the Kent casino in the first quarter of 2015. Although property, marketing and administration expenses in the twelve months of 2015 included a $0.2 marketing fund liability reversal related to the closure of the Kent casino in the first quarter of 2015, these expenses were relatively consistent when compared to the same period in 2014 due to increased costs associated with the higher gaming revenues from the remaining casinos in 2015.

Adjusted EBITDA
Great American Casinos' Adjusted EBITDA decreased by 11% in the fourth quarter of 2015, when compared to the same period in 2014, mainly due to the closure of Kent. Great American Casinos' Adjusted EBITDA increased by 29% in the twelve months of 2015, when compared to the same period in 2014. Excluding the results of the Kent casino from the current and prior year's results, Adjusted EBITDA at the Great American Casinos in 2015 was consistent with the prior year's fourth quarter and increased by 25% over the twelve months of 2014.

(Expressed in millions of Canadian dollars, except for per share information)

Ontario Racetracks (Georgian Downs and Flamboro Downs)

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Racetrack revenues	**$ 1.2**	$ 1.2	0%	**$ 4.7**	$ 4.7	0%
Hospitality, lease and other revenues	**5.2**	5.2	0%	**20.8**	20.4	2%
Revenues before Promotional allowances	**6.4**	6.4	0%	**25.5**	25.1	2%
Less: Promotional allowances	**-**	-		**(0.1)**	-	
Revenues	**6.4**	6.4	0%	**25.4**	25.1	1%
Human resources	**1.3**	1.4	(7%)	**5.4**	5.3	2%
Property, marketing and administration	**1.8**	1.7	6%	**6.5**	6.9	(6%)
Adjusted EBITDA	**$ 3.3**	$ 3.3	0%	**$ 13.5**	$ 12.9	5%
Human resources as a % of Revenues before Promotional allowances	**20.3%**	21.9%		**21.2%**	21.1%	
Adjusted EBITDA as a % of Revenues	**51.6%**	51.6%		**53.1%**	51.4%	

Live race days	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Georgian	-	26	13	-	-	27	13	-	-
Flamboro	50	17	27	37	52	17	26	48	29

Revenues
Revenues at the Ontario Racetracks were relatively consistent in the fourth quarter and twelve months of 2015, when compared to the same periods of 2014.

Expenses
Human resources expenses were relatively consistent in the fourth quarter and twelve months of 2015, when compared to the same periods of 2014.

Property, marketing and administration expenses were relatively consistent in the fourth quarter, when compared to the same period in 2014. Property, marketing and administration expenses decreased by 6% in the twelve months of 2015, when compared to the same period in 2014, primarily due to operating efficiencies realized from forming the Standardbred Alliance in April 2014, as described in the "Major Developments - Ontario" section of this MD&A.

Adjusted EBITDA
Adjusted EBITDA was consistent in the fourth quarter, when compared to the same period in 2014. Adjusted EBITDA increased by 5% in the twelve months of 2015, when compared to the same period in 2014, mainly as a result of the decrease in expenses.

Labour Relations
A collective agreement with Public Service Alliance of Canada, Local 00500, with a term covering September 18, 2013 through September 17, 2015, is applicable to employees at Georgian Downs. Notice to commence collective bargaining was served and received on August 28, 2015 and negotiations commenced on October 27, 2015. Collective bargaining concluded on February 18, 2016 and the collective agreement was ratified on March 2, 2016. The term of the new collective agreement is September 18, 2015 through December 31, 2017.

A collective agreement with Service Employees International Union ("SEIU"), Local 2, with a term covering January 1, 2015 through December 31, 2016, is applicable to employees of Flamboro Downs.

(Expressed in millions of Canadian dollars, except for per share information)

Corporate & Other

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Human resources	**$ 2.3**	$ 3.8	(39%)	**$ 11.6**	$ 15.0	(23%)
Property, marketing and administration	**1.0**	1.4	(29%)	**4.9**	5.3	(8%)
Adjusted EBITDA	**$ (3.3)**	$ (5.2)	37%	**$ (16.5)**	$ (20.3)	19%

Recent Developments
In June 2015, the Company moved its corporate office resources to its property locations in order to improve operational efficiency and achieve greater effectiveness in supporting operations.

Adjusted EBITDA
Corporate and other costs decreased by 37% in the fourth quarter of 2015, when compared to the same period in 2014. The decrease in human resources expenses was primarily due to a $0.9 reduction in bonus accruals and a $0.6 reduction in salaries cost due to the placement of some of our key team members into property focused roles and the elimination of certain redundant corporate positions. The decrease in property, marketing and administration expenses was primarily due to decreased property lease and other expenditures.

Corporate and other costs decreased by 19% in the twelve months of 2015, when compared to the same period in 2014. The decrease in human resources expenses was primarily due to a $1.5 reduction in bonus accruals, a $1.4 reduction in salaries cost due to the placement of some of our key team members into property focused roles and the elimination of certain redundant positions and a $0.4 reduction in external consulting activities which, in the prior year period, included costs associated with the implementation of the Company's information technology business recovery plans. The decrease in property, marketing and administration expenses was primarily due to a $0.2 decrease in property lease costs due to the office relocation in June 2015 and the reduction of various other expenditures.

Discussion of Items Excluded from Adjusted EBITDA

Amortization

Amortization increased by 9% in the fourth quarter of 2015, when compared to the same period of 2014, primarily due to the acquisition of Casino New Brunswick on October 1, 2015. Amortization decreased by $5.2 in the twelve months of 2015, when compared to the same period in 2014, mainly due to $2.8 reduced amortization of long-lived assets at the Company's Nova Scotia Casinos for the twelve months of 2015 as a result of the casino operating agreement extension completed in July 2014 (see "Major Developments" section of this MD&A). This decrease was partially offset by increased amortization associated with recent property, plant and equipment additions and in particular those associated with Casino New Brunswick, which will increase amortization by approximately $4.9 per year.

Share-Based Compensation

The share-based compensation of $0.6 (2014 - $1.4) in the fourth quarter of 2015 comprises equity-settled share-based compensation expense of $1.3 (2014 - $0.7) and a recovery in cash-settled share-based compensation of $0.7 (2014 - expense of $0.7). The increase in equity-settled share-based compensation was due to a higher average number of unvested stock options outstanding compared to the prior year as a result of the granting of share options in the fourth quarter of 2015 that were historically granted in the first quarter of the following year. Awarding options to eligible employees in December 2015 in respect of 2016 was predicated on possible changes to the tax treatment of stock options, which the Government of Canada indicated on November 20, 2015 would only take effect once such changes were formally announced and that stock options issued before that time would be grandfathered. Due to the uncertainty on the timing and effective date of the tax changes, in advance of the new government reconvening at the House of Commons on December 3, 2015, the Board approved a December 2, 2015 grant to preserve the existing tax treatment at the time of the grant for eligible employees. The decrease in cash-settled share-based compensation in the fourth quarter of 2015, when compared to the same period in 2014, was due to the effect of a decrease in the market price of the Company's underlying common shares and its impact on the fair value of the Company's outstanding Deferred Share Units and Restricted Share Units.

Share-based compensation of $4.3 (2014 - $4.8) in the twelve months of 2015 comprises equity-settled share-based compensation expense of $5.0 (2014 - $2.4) and a recovery in cash-settled share-based compensation of $0.7 (2014 - expense of $2.4). The increase in equity-settled share-based compensation was due to a higher average number of unvested stock options outstanding compared to the prior year as a result of the granting of share options in the fourth quarter of 2015 that were historically granted in the first quarter of the following year, as described above. The decrease in cash-settled share-based compensation in the twelve months of 2015, when compared to the same period in the prior year, was due to the effect of a decrease in the Company's underlying common share price on the fair values of the Company's outstanding Deferred Share Units and Restricted Share Units during the respective periods.

Impairment Reversal of Long-Lived Assets

During the first quarter of 2014, the Company recorded non-cash impairment reversal of long-lived assets of $5.2 in connection with signing the Standardbred Alliance agreements in April 2014 with respect to the Company's Ontario Racetracks as described in the "Major Developments" section of this MD&A. There was no impairment reversal recorded in the twelve months of 2015.

Interest and Financing Costs, net

Interest and financing costs, net of interest income was consistent in the fourth quarter and twelve months of 2015, when compared to the same periods in 2014, as the amount of long-term debt was also consistent during these periods.

Restructuring and other
Restructuring and other expenses in the fourth quarter of 2015 included $1.0 increase in the provision for contingent future trailing payments and $1.1 of business development and other costs, of which $0.9 relates to the recent business expansion in Ontario.

Restructuring and other expenses in the twelve months of 2015 included $0.8 attributed to an uneconomic lease agreement and $0.2 employee severance costs both associated with the closure of Great American Casino in Kent, $3.1 of other staff severance costs and $2.0 of business development and other costs, which includes $0.4 for costs associated with the relocation of the Company's corporate office resources to its property locations.

Other expenses (includes "foreign exchange gain and other" and "non-controlling interests")

Other expenses decreased by $0.7 in the fourth quarter of 2015, when compared to the same period in 2014. Other expenses increased by $2.3 in the twelve months of 2015, when compared to the same period in 2014. These balances include non-controlling interests of $0.1 for the fourth quarter and twelve months of 2015. The increase for the twelve months of 2015 was primarily due to the revaluation of net assets denominated in U.S. dollars, the value of which increased during 2015, as well as a one-time payment of $0.5 received in the third quarter of 2015 for the right of way access granted to a third party on a portion of vacant land that is expected to have no significant impact on the Company's future operations.

Income Taxes
Income taxes decreased by $0.2 and increased by $1.5 in the fourth quarter and twelve months of 2015, respectively, when compared to the same periods in 2014. These changes were due to respective lower and higher earnings before income taxes in 2015, compared to the same periods in 2014.

(Expressed in millions of Canadian dollars, except for per share information)

CONSOLIDATED QUARTERLY RESULTS TREND

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Revenues	$ 121.1	$ 113.8	$ 110.9	$ 108.0	$ 115.7	$ 112.3	$ 114.7	$ 103.8
Adjusted EBITDA	$ 45.1	$ 47.5	$ 46.9	$ 41.1	$ 47.0	$ 45.5	$ 49.5	$ 38.1
Adjusted EBITDA as a % of Revenues	37.2%	41.7%	42.3%	38.1%	40.6%	40.5%	43.2%	36.7%
Shareholders' net earnings	$ 17.6	$ 21.8	$ 19.1	$ 16.1	$ 21.6	$ 19.9	$ 19.9	$ 17.0
Shareholders' net earnings per common share								
Basic	$ 0.27	$ 0.33	$ 0.27	$ 0.23	$ 0.32	$ 0.29	$ 0.29	$ 0.25
Diluted	$ 0.26	$ 0.32	$ 0.27	$ 0.23	$ 0.31	$ 0.28	$ 0.29	$ 0.25

Revenues over the past eight quarters have generally trended positively during 2015 and over the prior year comparable periods. The increase in revenues in the fourth quarter of 2015 compared to the third quarter of 2015 was primarily due to the additional revenues contributed by Casino New Brunswick that was acquired on October 1, 2015. This increase was partly offset by lower table gaming revenues at River Rock, which management believes was significantly due to a decline in table drop during the fourth quarter of 2015, as a result of additional conditions that BCLC introduced late in the third quarter of 2015 for certain VIP players (refer to the "Major Developments - British Columbia" section of this MD&A). The revenue increase in the third quarter of 2015 compared to the second quarter of 2015 was primarily due to the growth in gaming revenues across most of the Company's properties. The revenue decline in the second quarter of 2015 compared to the first quarter of 2015 was mainly a result of decreased gaming revenues at River Rock, which was partially offset by the revenue increase from Great American Casinos which benefited from an increase in the value of the U.S. dollar when translating its revenues into Canadian dollars. The revenue decline in the first quarter of 2015 compared to the fourth quarter of 2014 was mainly a result of both the exceptional 25.0% table hold percentage at River Rock in the fourth quarter of 2014 and revenue declines at the Nova Scotia Casinos in the first quarter of 2015 due in part to inclement weather in that period. The significant revenue growth in the second quarter of 2014 was mainly attributable to gaming revenues at River Rock which remained elevated relative to prior year levels during the remainder of 2014. The opening of the new Chances Maple Ridge and Hard Rock Casino Vancouver in October 2013 and December 2013, respectively, contributed to the increases in hospitality, lease and other revenues since the first quarter of 2014.

Changes in Adjusted EBITDA over the past eight quarters were mainly attributable to changes in revenues, as discussed above, as well as decreased expenses as a result of the Company's continued focus on operating efficiencies. Adjusted EBITDA in the fourth quarter of 2015 was affected by the pre-opening costs totaling $0.5 for Elements Casino.

The shareholders' net earnings trend reflects the items noted above, as well as reversals of impairment charges, share-based compensation expense, business development expenses, restructuring expenses and the related income tax effects of these items.

LIQUIDITY AND CAPITAL RESOURCES

The Company manages liquidity risks by closely monitoring its capital structure and operating costs, regularly monitoring forecast and actual cash flows, taking a conservative approach to capital investment, managing the maturity profiles of financial assets and financial liabilities and maintaining credit capacity within its Revolving Credit Facility.

As at December 31, 2015, the Company had:

- Relatively low levels of receivables of which the majority are due from: sales tax rebates from the federal government, racetrack operators, other provincial gaming corporations, and financial institutions;
- Low exposure to foreign currency exchange rate movements and low exposure to floating interest rate changes since it has relatively low levels of foreign denominated assets and liabilities and has fixed interest rates with its Canadian dollar denominated Senior Unsecured Notes;
- $322.6 of available credit on its Revolving Credit Facility, subject to compliance with the related financial covenants; and
- Counterparties to its existing debt and credit facilities that are primarily major financial institutions that have minimum grade "A" credit ratings.

(Expressed in millions of Canadian dollars, except for per share information)

Financial Position

	December 31, 2015	December 31, 2014	% Chg	December 31, 2013	% Chg
Cash and cash equivalents	**$ 207.5**	$ 330.6	(37%)	$ 195.9	69%
Other current assets	**15.8**	13.7	15%	18.9	(28%)
Property, plant and equipment	**638.2**	574.0	11%	596.3	(4%)
Cash on deposit with Canada Revenue Agency	**20.2**	-		-	
Other long-term assets	**116.4**	102.0	14%	107.9	(5%)
Total Assets	**$ 998.1**	$ 1,020.3	(2%)	$ 919.0	11%
Current liabilities	**$ 69.5**	$ 76.3	(9%)	$ 73.8	3%
Long-term debt	**443.0**	442.0	0%	441.0	0%
Other long-term liabilities	**106.0**	101.7	4%	96.7	5%
Total Liabilities	**618.5**	620.0	(0%)	611.5	1%
Equity attributable to shareholders of the company	**379.2**	400.3	(5%)	307.5	30%
Non-controlling interests	**0.4**	-		-	
Total Equity	**379.6**	400.3	(5%)	280.3	43%
Total Liabilities and Equity	**$ 998.1**	$ 1,020.3	(2%)	$ 919.0	11%

Total Assets

Total assets decreased by $22.2 in the twelve months of 2015, when compared with the balances as at December 31, 2014, mainly due to $112.6 cash paid to repurchase common shares during the year, $32.7 of interest payments on long-term debt, and the purchase of Casino New Brunswick and property, plant and equipment, that were offset by $9.7 of cash proceeds received from exercises of incentive share options and partially offset by cash generated by operations during the year.

Total Liabilities

Total liabilities was relatively consistent as at December 31, 2015 when compared with the balances as at December 31, 2014

Equity

Total equity decreased by $20.7 in the twelve months of 2015, when compared to the total equity as at December 31, 2014. This decrease was primarily due to the $112.6 purchase and subsequent cancellation of 5.5 million common shares in the twelve months of 2015, which was partially offset by shareholders' net earnings of $74.6, share options exercised of $9.7, equity-settled share-based compensation of $5.0 and $0.4 of non-controlling interests associated with the Company's Ontario Gaming East LP subsidiary as described in the "Major Developments - Ontario" section of this MD&A.

(Expressed in millions of Canadian dollars, except for per share information)

Cash Flows

	Fourth Quarter			Twelve Months of		
	2015	2014	% Chg	**2015**	2014	% Chg
Cash generated by operating activities	**$ 35.6**	$ 50.0	(29%)	**$ 136.1**	$ 166.0	(18%)
Cash used in investing activities	**(94.8)**	(2.3)	(4022%)	**(126.4)**	(12.0)	(953%)
Cash (used in) generated by financing activities	**(30.8)**	5.7		**(136.1)**	(20.9)	(551%)
Effect of foreign exchange on cash and cash equivalents	**0.7**	0.5	40%	**3.3**	1.6	106%
Cash (outflow) inflow	**$ (89.3)**	$ 53.9		**$ (123.1)**	$ 134.7	

Cash generated by operating activities was lower in the fourth quarter and twelve months of 2015, when compared to the same periods in 2014. Income taxes paid were higher than in the prior year periods due in part to higher earnings before income taxes in the 2014 periods (relative to 2013) which resulted in higher income tax instalments required in 2015.

Cash used in investing activities was higher in the fourth quarter and twelve months of 2015, when compared to the same periods in 2014. This was primarily due to the $93.4 cash paid during the fourth quarter of 2015 for the acquisition of Casino New Brunswick, which was completed on October 1, 2015. In addition, the Company deposited a net amount of $20.2 for income taxes reassessed by CRA while it appeals such reassessments as described in the "Major Developments" section of this MD&A.

The cash used in financing activities in the fourth quarter and twelve months of 2015 was mainly attributable to the repurchase of common shares for $31.0 and $112.6, respectively.

(Expressed in millions of Canadian dollars, except for per share information)

Capital Resources

Long-Term Debt and Equity

	December 31, 2015	December 31, 2014
Senior Unsecured Notes, net of unamortized transaction costs of $7.0 (2014 - $8.0)	**$ 443.0**	$ 442.0

As at December 31, 2015 and December 31, 2014, the Company's long-term debt facilities consisted of $450.0 Senior Unsecured Notes ("Senior Unsecured Notes") and a $350.0 Senior Secured Revolving Credit Facility (the "Revolving Credit Facility").

a) Senior Unsecured Notes

On July 24, 2012, the Company completed a long-term debt refinancing and issued $450.0 of 6.625% Senior Unsecured Notes due on July 25, 2022. The net proceeds were $439.5 after transaction costs of $10.5. The use of proceeds included repayment of the US$161.1 Senior Secured Term Loan B ("Term Loan B"), repurchase or redemption of the US$170.0 Senior Subordinated Notes ("Subordinated Notes"), settlement of the derivative liabilities associated with the related cross-currency interest rate and principal swaps, and the remainder was retained for general corporate purposes.

The Senior Unsecured Notes are guaranteed by the Company's material restricted subsidiaries as defined in the long-term debt agreement covering the Trust Indenture. Interest on the Senior Unsecured Notes is payable semi-annually in arrears on January 25 and July 25 of each year. There are customary provisions for early redemptions of the Senior Unsecured Notes during defined periods prior to maturity with payment of defined premiums.

Transaction costs of approximately $10.5 associated with the issuance of the Senior Unsecured Notes were primarily related to underwriting fees, legal fees, and other expenses, and are amortized through the "interest and financing costs, net" line of the consolidated statements of earnings over the term of the Senior Unsecured Notes using the effective interest method.

b) Revolving Credit Facility

On May 25, 2015, the Company extended the maturity of its Credit and Guarantee Agreement ("Credit Agreement"), which covers the terms of its $350.0 Revolving Credit Facility by five years to May 25, 2020. The interest rate on advanced amounts and the commitment fee on the unused facility are based on the Company's Total Debt to Adjusted EBITDA ratio (for all calculations relating to the Revolving Credit Facility, Adjusted EBITDA is determined as defined in the underlying Credit Agreement), which is calculated quarterly on a trailing twelve month basis.

Transaction costs associated with the past extensions of the Revolving Credit Facility totalling $1.5 are included in the "other assets" line of the consolidated statements of financial position and are amortized through the "interest and financing costs, net" line of the consolidated statements of earnings over the term of the Revolving Credit Facility using the straight-line method.

The Revolving Credit Facility is guaranteed and secured by substantially all of the assets of the Company and its subsidiaries. The Revolving Credit Facility requires the Company to comply with certain operational and financial covenants (which are defined in the underlying agreement). The financial covenants which are calculated quarterly on a trailing twelve month basis are: Total Debt to Adjusted EBITDA ratio of 5.00 or less, Senior Secured Debt to Adjusted EBITDA ratio of 3.50 or less, and Interest

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Coverage ratio of 2.25 or more.

Subsequent to December 31, 2015, an additional $60.0 revolving credit facility was arranged on a non-recourse basis to Great Canadian Gaming Corporation for the acquisition of the assets and operations in Ontario by a partnership in which the Company owns 90.5% of the units as described in the "Major Developments" section of this MD&A.

As at December 31, 2015, the Company was in compliance with its financial covenants as shown below:

Covenant test	**Required ratio**	**Actual ratio**
Total Debt to Adjusted EBITDA ratio [1]	≤ 5.00	2.05
Senior Secured Debt to Adjusted EBITDA ratio [1]	≤ 3.50	0.00
Interest Coverage ratio [1]	≥ 2.25	6.18
Fixed Charge Coverage ratio [2]	≥ 2.00	6.21

[1] Calculated on a trailing twelve month basis and defined in the Credit Agreement, as amended on May 25, 2015.

[2] Calculated on a trailing twelve month basis and tested on specified events as defined in the long-term debt agreement covering the Trust Indenture dated July 24, 2012.

The Company and its debt facilities had independent credit ratings as at December 31, 2015 as follows:

	Moody's	**Standard & Poor's**
Corporate	Ba3 Stable	BB+ Stable
Revolving Credit Facility	Baa3	BBB
Senior Unsecured Notes	B1	BB+

Outstanding Share Data

As at December 31, 2015 there were 64,413,374 common shares issued and outstanding compared to 68,813,683 as at December 31, 2014. This decrease was primarily due to the repurchase and cancellation of 5.5 million common shares in 2015 as described in the "Major Developments" section of this MD&A and was partially offset by the exercise of employee stock options during the twelve months of 2015.

As at December 31, 2015, there were 5,712,763 share options outstanding at a weighted-average exercise price of $14.38.

As at March 8, 2016, there were 64,438,467 common shares outstanding and 5,427,094 share options outstanding.

Capital Spending and Development

The majority of the Company's capital expenditures on gaming operations in Nova Scotia and in British Columbia are eligible for reimbursement by the provincial gaming authorities.

In Nova Scotia, under the terms of the casino operating agreement with NSPLCC, the Company deposits to a Capital Reserve Account ("CR Account") $4.5 annually (adjusted for inflation annually). Prior to April 1, 2015, the Company deposited to the CR Account the greater of 5% of total revenues generated by the Nova Scotia Casinos and $5.0 annually (adjusted for inflation since 2010). When the Company undertakes qualifying capital expenditures, refurbishments, maintenance, upgrades and enhancements to the Casino Nova Scotia Halifax and Casino Nova Scotia Sydney, the provincial gaming authority approves the Company's reimbursement of such expenditures from the CR Account. For accounting purposes, the purchases made using funds from the CR Account are considered to be on behalf of the NSPLCC since on the eventual termination of the casino operating agreement, the NSPLCC has the right to repurchase for nominal consideration all of the equipment, land and buildings that were purchased using funds from the CR Account. Similarly NSPLCC records such CR Account purchases as long-lived fixed assets on its statement of financial position. If there are insufficient funds in the CR Account to reimburse the Company for a qualifying expenditure, the Company records a receivable from NSPLCC and earns interest income on that balance at the Canadian bank prime lending rate less 0.5% per annum until it is reimbursed.

In British Columbia, through the FDC program, BCLC pre-approves and subsequently approves and reimburses "Approved Amounts" (a term defined in the Company's and its subsidiaries' operating services agreements with BCLC) of qualified, gaming-related expenditures, primarily capital in nature, that have been incurred by the Company and its subsidiaries. Reimbursement of the Approved Amounts under the terms of BCLC's FDC policy requires that the Company and its subsidiaries' operating agreements with BCLC remain in good standing and that sufficient Gross Gaming Revenues are generated. The FDC amounts that BCLC reimburses for Approved Amounts are calculated as a fixed percentage of Gross Gaming Revenues generated by the Company's and its subsidiaries' B.C. properties. The FDC reimbursement percentage that BCLC provides is currently 3% of the Gross Gaming Revenues from gaming activities. BCLC provides for an additional accelerated FDC reimbursement equal to 2% of the Gross Gaming Revenues that is intended to be a one-time reimbursement of the timely development or redevelopment of gaming facilities and additional entertainment amenities of significant value which may be completed through phases. BCLC considers accelerated FDC submissions for approval on a project-by-project basis.

BCLC has permitted the Company and certain of its BC subsidiaries to be considered a group for FDC purposes. That FDC group includes the Company and its subsidiaries that operate the River Rock Casino Resort, Hard Rock Casino Vancouver, Vancouver Island Casinos and Other BC Casinos. As a result, when one facility has been fully reimbursed for its BCLC approved, FDC eligible expenditures ("Approved Amounts"), the FDC received from BCLC that would have previously been applied to reimburse Approved Amounts of that gaming facility is instead applied as a reimbursement of Approved Amounts incurred by another gaming facility in the FDC group. BCLC accomplishes this in its records by transferring Approved Amounts from one facility to another within the BCLC approved FDC group. The Company, however, does not transfer these Approved Amounts between its facilities. For the financial reporting presentation of the property's or, where appropriate, groups of similar properties' results in the "Discussion of Results" section of this MD&A, the FDC received from BCLC is reflected as a component of revenues at the gaming facility that generated the Gross Gaming Revenues on which the FDC reimbursement percentage was applied.

(Expressed in millions of Canadian dollars, except for per share information)

The following table summarizes the changes in the Company's Approved Amounts (a term defined in the Company's operating services agreements with BCLC) to be recovered by future FDC receipts from BCLC:

	Year ended December 31,	
	2015	2014
Opening Approved Amounts	**$ 346.5**	$ 380.9
Additional Approved Amounts	**32.5**	3.3
FDC receipts	**(36.9)**	(37.7)
Closing Approved Amounts	**$ 342.1**	$ 346.5

The difference between the FDC Additional Approved Amounts indicated above and the additions to property, plant and equipment during the same periods is partly due to the Company's non-gaming related (and therefore non-FDC qualified) expenditures as well as the timing differences between when an FDC eligible expenditure is incurred, when the related invoices are received, and when they are submitted to BCLC for approval.

The following table summarizes the Company's consolidated maintenance and development capital expenditures net of accounts payable for the fourth quarter and twelve months of 2015:

	Fourth Quarter		Twelve Months of	
	2015	2014	**2015**	2014
Maintenance capital expenditures net of related accounts payable	**$ 0.6**	$ 1.7	**$ 4.0**	$ 3.5
Development capital expenditures net of related accounts payable	**3.4**	1.5	**11.0**	11.4
Total capital expenditures net of related accounts payable	**$ 4.0**	$ 3.2	**$ 15.0**	$ 14.9

Maintenance capital expenditures were primarily related to various property and infrastructure upgrades. Development capital expenditures during the fourth quarter and twelve months of 2015 were primarily related to the renovation of the high limit baccarat areas at River Rock and Hard Rock Casino Vancouver as well as the renovation and rebranding of the casino at Elements Casino. Development capital expenditures for the fourth quarter and twelve months of 2014 were primarily related to River Rock, Hard Rock Casino Vancouver and Chances Maple Ridge. For the upcoming twelve months of 2016, the Company estimates that maintenance capital expenditures and development capital expenditures net of related accounts payable will total approximately $5.0 and $49.6, respectively.

Contingencies

The Company has issued letters of credit to guarantee performance primarily under gaming cash floats, construction contracts, and provincial gaming corporation payables in the aggregate amount of $27.4 as at December 31, 2015 (2014 - $28.0).

Litigation

The Company is subject to legal proceedings, claims and investigations in the ordinary course of business. Liabilities related to such matters are recorded when it is both probable that a liability has been incurred and the amount of the liability can be reasonably estimated. All legal costs associated with litigation are expensed as incurred.

On March 26, 2015, the Company commenced a legal action against BCLC in relation to a dispute over the collection of marketing contributions by BCLC from the Company since 2010. The Company takes the position that BCLC is not entitled to collect the marketing contributions and alleges the total of such amounts collected from it to December 31, 2014, is $18.0 (at December 31, 2015: $22.0). The Company is seeking for an order that BCLC stop collecting such marketing contributions as well as damages from BCLC in an amount equal to the total of such marketing contributions collected by BCLC up to the date of judgment.

(Expressed in millions of Canadian dollars, except for per share information)

Guarantees and Indemnifications

The Company may provide guarantees and indemnifications in conjunction with transactions in the normal course of operations. These are recorded as liabilities when reasonable estimates of the obligations can be made. Guarantees and indemnifications that the Company has provided include obligations to indemnify:

- directors and officers of the Company and its subsidiaries for potential liability while acting as a director or officer of the Company, together with various expenses associated with defending and settling such suits or actions due to association with the Company, the risk of which is mitigated by the Company's directors' and officers' liability insurance;
- certain vendors of acquired companies or properties for obligations that may or may not have been known at the date of the transaction;
- certain financial institutions for costs that they may incur as a result of representations made in our debt and equity offering documents; and
- lessors of leased properties for personal injury claims that may arise at the facilities we operate.

Commitments

The Company expects the following maturities of its financial liabilities (including interest), operating leases and other contractual commitments:

	Expected payments by period as at December 31, 2015				
	Within 1 year	2 - 3 years	4 - 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	$ 66.6	$ -	$ -	$ -	$ 66.6
Senior Unsecured Notes	29.8	59.6	59.6	509.6	658.6
Provisions	2.0	2.1	1.2	7.6	12.9
Operating leases	4.0	5.5	5.7	12.0	27.2
Other contractual commitments	13.7	13.6	8.2	11.9	47.4
Total	$ 116.1	$ 80.8	$ 74.7	$ 541.1	$ 812.7

(1) Operating leases include a ground lease with the City of Surrey, BC for Elements Casino, an operating agreement with the City of Vancouver, BC for Hastings Racecourse and Slots Facility, property leases for the Company's head office, and a ground lease with the City of Sydney, NS for Casino Nova Scotia Sydney.

(2) Other contractual commitments include the acquisition of property, plant and equipment of $2.9 (2014 - $2.0), various service contracts of $18.4 (2014 - $13.6), and amounts committed to NSPLCC to fund responsible gaming programs over the remaining 10.5-year term of the AROC of $16.1 (2014 - $17.1). Under the terms of the contract option extension with NSPLCC, the Company has committed

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to make capital investments totalling $10.0 in the Nova Scotia casino properties, subject to a renovation plan and schedule approved by NSPLCC. This capital commitment is not eligible for reimbursement from the CR Account.

Expected payments related to facility development projects are not reflected in this table unless they are contractually committed.

Future Cash Requirements

Management believes that the Company's current operational requirements, major development and business acquisition plans can be funded from existing cash and cash equivalents, cash generated from operations, and existing capacity on our Revolving Credit Facility. If future circumstances dictate an increased cash requirement and we elect not to delay, limit, or eliminate some of our plans, we may raise additional funds through the refinancing of existing debt, the issuance of additional debt that fits within the limitations established by the covenants on our existing credit and debt facilities, the issuance of hybrid debt-equity securities, or additional equity securities. If the Company needs to access the capital markets for additional financial resources, we believe we will be able to do so at prevailing market rates.

In January 2016, the Company's Ontario Gaming East Limited Partnership subsidiary obtained a $60.0 revolving credit facility on a non-recourse basis to the Company or its operating subsidiaries. Subsequent to the acquisition of the East Gaming Bundle assets by the Ontario East Gaming Bundle Limited Partnership as described in the "Major Developments" section of this MD&A, the remaining capacity on this credit facility, as well as cash generated by the acquired operations and increased capital contributions from its partners, will be used by the Ontario Gaming East Limited Partnership to finance the planned property developments of the East Gaming Bundle Assets as described in the "Major Developments" section of this MD&A.

OTHER FINANCIAL INFORMATION

Related Party Transactions

As defined under International Accounting Standards ("IAS") 24, *Related Party Disclosures*, key management personnel comprise the Company's Board of Directors and executive officers. Key management compensation was as follows:

	Year ended December 31, 2015	2014
Human resources [1]	**$ 1.9**	$ 2.3
Share-based compensation [2]	**1.2**	2.6
Total	**$ 3.1**	$ 4.9

[1] Human resources includes salaries and other short-term employee benefits.

[2] Share-based compensation includes equity and cash-settled share-based compensation.

As at December 31, 2015, the liabilities of the Company included amounts due to key management personnel of $1.1 (2014 - $0.9) in "accounts payable and accrued liabilities" and $3.7 (2014 - $4.7) in "deferred credits, provisions and other liabilities" in the consolidated statements of financial position.

Anti-money laundering in the gaming sector

Certain industries in Canada, like the gaming sector, are subject to the federal *Proceeds of Crime (Money*

Laundering) and Terrorist Financing Act ("PCMLTFA"). Other sectors regulated under the PCMLTFA include banks, credit unions, securities dealers, accountants, real estate brokers, dealers in precious metals and stones, and money service businesses. The PCMLTFA provides for the creation of the federal Financial Transactions and Reports Analysis Centre of Canada ("FinTRAC"), which fulfills the role of Canada's financial intelligence unit. FinTRAC is given responsibility for regulating those sectors of the economy subject to the PCMLTFA and in particular for making sure regulated entities have appropriate and effective anti-money laundering regimes in place.

Similar to banks and other regulated entities, casinos in Canada operate under and are required to meet the strict anti-money laundering, customer identification and reporting requirements set out in the PCMLTFA. FinTRAC has designated the provincial lottery corporations as the reporting entities for the casinos in each province the Company operates. In accordance with the terms of its casino operating agreements, the Company assists the provincial lottery corporations with their FinTRAC reporting obligations. Pursuant to the PCMLTFA, all cash transactions of $10,000 (ten thousand dollars) or more and suspicious transactions in any amount at the Company's facilities are reported to FinTRAC along with the identity of the individuals involved in those transactions. Moreover, transactions of this type are reported to provincial gaming regulators and police agencies which have the authority and responsibility for the investigation of money laundering and other related criminal offences.

The Company's anti-money laundering efforts are subject to independent external review through audits completed by FinTRAC, provincial gaming regulators and the Crown Agents responsible for the conduct and management of gaming in a province (typically a provincial lottery corporation). The combination of a strong anti-money laundering program and verification of compliance with anti-money laundering laws through independent auditing help to ensure the Company's operations are protected from being used to launder illicit funds and help to protect the communities in which the Company operates.

For more information on anti-money laundering, the PCMLTFA and FinTRAC see: http://www.fintrac-canafe.gc.ca

Accounting standards, amendments and interpretations effective and applied

Effective January 1, 2015, the Company adopted the following revised IASs and IFRSs issued by the International Accounting Standards Board ("IASB"). These revised standards and interpretation did not have a material impact on the Company's consolidated financial statements.

- *IFRS 8, Operating Segments* – amended to require the disclosure of the judgments made by management in applying the aggregation criteria to operating segments and to clarify that the reconciliation of the segment assets is required if they are regularly provided to the chief operating decision-maker. It is effective for annual periods beginning on or after July 1, 2014.

- *IFRS 13, Fair Value Measurement ("IFRS 13")* – the Basis of Conclusions was amended to clarify that issuing IFRS 13 and amending IFRS 9, *Financial Instruments* ("IFRS 9") and IAS 39, *Financial Instruments: Recognition and measurement* ("IAS 39") did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis. IFRS 13 was also amended to clarify the scope of the portfolio exception. It is effective for annual periods beginning on or after July 1, 2014.

- *IAS 16, Property, Plant and Equipment ("IAS 16") and IAS 38, Intangible assets ("IAS 38")* – amended to clarify that, under the revaluation method, the gross amount of property, plant and equipment and intangible asset is adjusted in a manner consistent with the revaluation of the carrying amount of the asset. Accumulated amortization is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses as a result of the revaluation. It is effective for annual periods beginning on or after July 1, 2014.

- *IAS 24, Related Party Disclosures* – amended to clarify how payments to entities providing management services to the Company are to be disclosed. It is effective for annual periods beginning on or after July 1, 2014.

Accounting standards, amendments and interpretations not yet effective and not applied

The IASB issued the following new and revised accounting pronouncements, which the Company does not plan to early adopt. With the exception of the ones regarding IFRS 15, IFRS 9 and IFRS 16 for which the Company is still assessing the impact, the remaining pronouncements are not expected to have a material effect on the Company's consolidated financial statements.

- *IFRS 10, Consolidated Financial Statements ("IFRS 10") and IAS 28, Investment in Associates and Joint Ventures ("IAS 28")* – amended to require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business and to require partial recognition of gains and losses where the assets do not constitute a business. The effective date has been deferred indefinitely.

- *IFRS 10, IFRS 12, Disclosure of Interests in Other Entities, and IAS 28* – amended to address issues that have arisen in the context of applying the consolidation exception for investment entities. It is effective for annual periods beginning on or after January 1, 2016.

- *IAS 1, Presentation of Financial Statements ("IAS 1")* – amended to clarify IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. It is effective for annual periods beginning on or after January 1, 2016.

- *IFRS 5, Non-current Assets Held for Sale and Discontinued Operations* – amended to add specific guidance for cases in which an entity reclassifies an asset from held for sale to held for distribution to its owners, or vice versa, and cases in which held-for-distribution accounting is discontinued. It is effective for annual periods beginning on or after January 1, 2016.

- *IFRS 7, Financial Instruments - Disclosure* – amended to clarify whether a servicing contract is continuing involvement in a transferred asset and to clarify offsetting disclosure requirements in financial statements. It is effective for annual periods beginning on or after January 1, 2016.

- *IAS 19, Employee Benefits* – amended to clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. It is effective for annual periods beginning on or after January 1, 2016.

- *IAS 34, Interim Financial Reporting* – amended to clarify the meaning of "elsewhere in the interim report" and require a cross-reference. It is effective for annual periods beginning on or after January 1, 2016.

- *IAS 12, Income Taxes* – amended to clarify the recognition of deferred tax assets for unrealized losses on debt instruments. It is effective for annual periods beginning on or after January 1, 2017.

- *IFRS 15, Revenue from Contracts with Customers* – provides a single, principles based five-step model to be applied to all contracts with customers. Guidance is provided on the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various other matters. New disclosures about revenue are also introduced. It is effective for annual periods beginning on or after January 1, 2018.

- *IFRS 9* – replaces IAS 39. IFRS 9 introduces limited amendments to classification and measurement for financial assets, a new expected loss impairment model and a new hedge accounting model. It is effective for annual periods beginning on or after January 1, 2018.

- *IFRS 16, Leases* – specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with lessor accounting substantially unchanged from its predecessor, *IAS 17, Leases*. It is effective for annual periods beginning on or after January 1, 2019.

Critical Accounting Estimates and Judgments

The Company's reported financial position and results of operations are dependent on the selection of accounting policies that are based on IFRS and accounting estimates that underlie the preparation of the Company's Annual Financial Statements. The Company's Annual Financial Statements contain a summary of the Company's significant accounting policies and accounting estimates. The Company's Annual Financial Statements highlight additional new significant accounting policies and estimates. Estimates by their nature are subject to risks, uncertainties and assumptions, which could cause the Company's financial position and operating results to differ materially from those presented in the Company's Annual Financial Statements. Future changes in accounting estimates will be applied on a prospective basis.

The estimates used in determining the recorded amounts in the Company's Annual Financial Statements include the following:

- *Impairment (reversal) of long-lived assets and impairment of goodwill, net*

  The determination of a long-lived asset or goodwill impairment requires significant estimates and assumptions to determine the recoverable amount of an asset and/or CGU, wherein the recoverable amount is the higher of fair value less costs to sell and value in use. The value in use method involves estimating the net present value of future cash flows derived from the use of the asset and/or CGU, discounted at an appropriate rate.

  The estimates of future cash flows require a number of key assumptions about future business performance. These assumptions and estimates are primarily based on the relevant business' historical experience, economic trends, and consider past communications with relevant stakeholders of the Company. These key assumptions include the future revenue levels and human resources and property, marketing and administration expenses. The assumptions are subject to a number of factors and it is possible that actual results could vary materially from management's estimates. Significant changes in the key assumptions utilized in the estimate of future cash flows could result in an impairment loss or reversal of an impairment loss.

- *Estimated useful lives of long-lived assets*

  Judgment is used to estimate each component of an asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, this could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries.

- *Fair value of net assets acquired in business combinations*

  The cost of an acquired business ("purchase price") is assigned to the identifiable tangible and intangible assets purchased and liabilities assumed on the basis of their fair values at the date of acquisition. The identification of assets purchased and liabilities assumed and the valuation thereof is specialized and judgmental. Where appropriate, the Company engages business valuators to assist in the valuation of tangible and intangible assets acquired. Any excess of purchase price over the fair value of the identifiable tangible and intangible assets purchased and liabilities assumed is allocated to goodwill.

  When a business combination involves contingent consideration, an amount equal to the fair value of the contingent consideration is recorded as a liability at the time of acquisition. The key assumptions utilized in determining fair value may include probabilities associated with the occurrence of specified future events, financial projections of the acquired business, the timing of future cash flows, and the appropriate discount rate.

- *Equity-settled share-based compensation*

  The Company estimates the cost of equity-settled share-based compensation using the Black-Scholes option pricing model. The model takes into account an estimate of the expected life of the option, the current price of the underlying common share, the expected volatility, an estimate of future dividends on the underlying common share, the risk-free rate of return expected for an instrument with a term equal to the expected life of the option, and the expected forfeiture rate.

- *Cash-settled share-based compensation*

  The cost of cash-settled share-based compensation provided to employees incorporates an expected forfeiture rate based on historic employee retention to estimate the expected number of cash-settled securities that will vest. If the actual employee retention rate differs from the estimated rate, the amount of cash settled could be higher or lower than the accrued liability and the change would be reflected in cash-settled share-based compensation expense.

- *Income taxes*

  Deferred tax assets and liabilities are due to temporary differences between the carrying amount for accounting purposes and the tax basis of certain assets and liabilities, as well as undeducted tax losses. Estimation is required for the timing of the reversal of these temporary differences and the tax rate applied. The carrying amounts of assets and liabilities are based on amounts recorded in the financial statements and are subject to the accounting estimates inherent in those balances. The tax basis of assets and liabilities and the amount of undeducted tax losses are based on the applicable income tax legislation, regulations and interpretations. The timing of the reversal of the temporary differences and the timing of deduction of tax losses are based on estimations of the Company's future financial results.

Changes in the expected operating results, enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation will result in adjustments to the expectations of future timing difference reversals and may require material deferred tax adjustments.

The Company's operations are conducted in countries with complex tax laws and regulations that can require significant interpretation. As such, the Company and the tax authorities could disagree on tax filing positions and any reassessment of the Company's tax filings could result in material adjustments to tax expense, taxes payable and deferred income taxes.

- *Contingencies*

  Provisions are accrued for liabilities with uncertain timing or amounts, if, in the opinion of management, it is both likely that a future event will confirm that a liability had been incurred at the date of the financial statements and the amount can be reasonably estimated. In cases where it is not possible to determine whether such a liability has occurred, or to reasonably estimate the amount of loss until the performance of some future event, no accrual is made until that time. In the ordinary course of business, the Company may be party to legal proceedings which include claims for monetary damages asserted against the Company and its subsidiaries. The adequacy of provisions is regularly assessed as new information becomes available.

  The Company does not record contingent assets.

The judgments used in applying the Company's significant accounting policies include the following:

- *Determination of CGUs*

  The Company's assets are grouped into CGUs based on their ability to generate separate identifiable cash flows. The determination of CGUs involves an assessment regarding the interdependency of cash inflows, and the Company's organizational structure.
- *Segment Reporting*

  The Company has aggregated its operating segments into one reportable segment based on an assessment that each operating segment has similar economic characteristics, types of customers, types of services and products provided, regulatory environments and management and reporting structures.

Financial Instruments and Other Instruments

The Company's risk management strategy is to minimize exposure to currencies other than the Canadian dollar and, with the exception of revolving lines of credit, to fix substantially all of its floating interest rate debt. The financial instrument that gives rise or may give rise to the most significant exposure to floating interest rate risk is the Revolving Credit Facility.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

The Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal controls over financial reporting to provide reasonable assurance a) that material information about the Company and its subsidiaries would have been made known to them and b) regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

The Chief Executive Officer and Chief Financial Officer have evaluated and concluded that the Company's disclosure controls and procedures are adequately designed and effective for providing reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would have been made known to them as of the end of the fiscal year ended December 31, 2015.

As well, as of the end of the fiscal year ended December 31, 2015, the Chief Executive Officer and Chief Financial Officer have evaluated and concluded that the Company's internal controls over financial reporting, designed under the Committee of Sponsoring Organizations of the Treadway Commission's 2013 Internal Control Integrated Framework, are adequately designed and effective for providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

During 2015, there was no change in the Company's internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Definitions of Other Terms Used in the MD&A

Gross Gaming Revenues – the amounts wagered on gaming activities, less the payout or prizes to winning customers.

Racebook – an off-racetrack betting facility for pari-mutuel wagering on live horse races displayed by television broadcasts operated by the Company or TBC.

Revenues – the sum of the following:

- Casino gaming in BC – gaming revenues are net of amounts paid to BCLC (provincial government portion is 60% of the win on most table games and 75% of the slot machine win) and are net of accruals for anticipated payouts of progressive slot machine jackpots and progressive table game payouts.

- Bingo and slots at a community gaming centre in BC – gaming revenues are net of amounts paid to BCLC (provincial government portion is 75% of the win on slots, and 40% to 75% of the weekly bingo win) and are net of prizes.

- Horse racing in BC – racetrack revenues represent the Company's share of total wagering less amounts returned as winning wagers, provincial and federal taxes, and includes the host track share of wagering on the Company's races simulcast to other associations.

- Horse racing in Ontario – effective April 1, 2014, racetrack revenues includes the Company's share of pari-mutuel wagering revenue as a result of signing the Standardbred Alliance agreements. From April 1, 2013 to March 31, 2014, racetrack revenues included transition funding for horse racing received from the Government of Ontario.

- Casino gaming in Washington – gaming revenues are net of county gaming taxes at various rates ranging from 10% to 11% for card and progressive jackpot games, 5% on pull-tabs and 2% on amusement games.

- Casino gaming in Nova Scotia – gaming revenues are approximately equal to 52.24% of total revenues, plus an additional 47.76% of non-gaming revenues after deduction of the capital reserve contribution ("CRC"). The CRC is $4.5 per year and was $5.0 per year prior to April 1, 2015 (adjusted for inflation in each year since 2010). In addition, the Company is entitled to receive additional Operator Fees equal to the lesser of $1.3, or 10% of leased slot machine revenues. Effective April 1, 2015, the Company is also entitled to receive additional Operator's Fee equal to an annual Marketing Fund Contribution provided the Company satisfies certain criteria related to its marketing spend or revenues growth.

- Casino gaming in New Brunswick – gaming revenues are equal to 50% of the first $50.0 of gross gaming revenues, an additional 35% of the next $10.0 in gross gaming revenues and an additional 25% of gross gaming revenues in excess of $60.0, adjusted for inflation annually since 2010.

- Facility Development Commission ("FDC") – BCLC reimburses Approved Amounts (a term defined in the Company's operating services agreements with BCLC) of qualified gaming-related expenditures, primarily capital in nature, that have been incurred by the Company. The FDC amounts that BCLC reimburses for Approved Amounts are calculated as a fixed percentage of Gross Gaming Revenues generated by the BC properties. The FDC reimbursement percentage is currently 3% of the Gross Gaming Revenues from gaming activities. Subject to approval, BCLC may also provide for an additional accelerated FDC reimbursement equal to 2% of the Gross Gaming Revenues that is intended to be a one-time reimbursement of the timely development or redevelopment of gaming facilities and additional entertainment amenities of significant value which may be completed through phases. BCLC considers accelerated FDC submissions for approval on a project-by-project basis

- Hospitality, lease and other revenues – food and beverage revenues, hotel revenues, and other revenues such as: ATM commissions, lease revenues and other income from ancillary services.

- Promotional allowances – the retail value of promotional allowances furnished to guests without charge, which have been included in gaming revenues or hospitality, lease and other revenues, are deducted.

Additional Information

Additional information relating to the Company, including the Company's latest Annual Financial Statements and Annual Information Form, can be located on the SEDAR website at www.sedar.com or on the Company's website at www.gcgaming.com.

Shareholders of the Company may obtain a copy of the Company's TSX Form 12 Notice of Intention to Make a Normal Course Issuer Bid as filed with and as accepted by the TSX, at no charge, by contacting the Company.

(Expressed in millions of Canadian dollars, except for per share information)

SUPPLEMENTAL FINANCIAL INFORMATION

Consolidated Quarterly Results Trend

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Gaming Revenues					
River Rock Casino Resort	$ 30.4	$ 33.7	$ 32.9	$ 33.8	$ 38.7
Hard Rock Casino Vancouver	11.3	10.4	10.2	10.0	9.6
Other Vancouver Area Casinos	5.2	5.2	5.0	5.2	4.9
Vancouver Island Casinos	7.8	7.6	7.4	7.4	7.4
Other BC Casinos	3.8	4.0	3.8	3.9	3.9
Atlantic Casinos	16.4	10.6	9.3	7.4	8.6
Great American Casinos	7.1	6.9	6.6	7.0	6.8
	82.0	**78.4**	**75.2**	**74.7**	**79.9**
Facility Development Commission					
River Rock Casino Resort	4.4	4.8	4.8	4.9	5.4
Hard Rock Casino Vancouver	1.8	1.7	1.6	1.6	1.6
Other Vancouver Area Casinos	0.8	0.9	0.9	1.0	0.7
Vancouver Island Casinos	1.2	1.2	1.2	1.2	1.2
Other BC Casinos	0.7	0.8	0.7	0.8	0.8
	8.9	**9.4**	**9.2**	**9.5**	**9.7**
Hospitality, Lease and Other Revenues					
River Rock Casino Resort	13.2	13.6	13.2	11.3	12.7
Hard Rock Casino Vancouver	3.5	2.2	2.6	2.6	3.0
Other Vancouver Area Casinos	1.6	2.1	1.8	1.4	1.5
Vancouver Island Casinos	1.2	1.2	1.1	1.1	1.1
Other BC Casinos	1.2	1.1	1.1	1.1	1.1
Atlantic Casinos	6.9	1.8	1.6	1.6	1.8
Great American Casinos	2.4	2.2	2.1	2.3	2.2
Ontario Racetracks	5.2	5.2	5.1	5.2	5.2
	35.2	**29.4**	**28.6**	**26.6**	**28.6**
Racetrack Revenues					
Other Vancouver Area Casinos	2.3	2.6	2.6	2.1	2.4
Ontario Racetracks	1.2	1.2	1.2	1.2	1.2
	3.5	**3.8**	**3.8**	**3.3**	**3.6**
Promotional Allowances	(8.5)	(7.2)	(5.9)	(6.1)	(6.1)
Revenues	**$ 121.1**	**$ 113.8**	**$ 110.9**	**$ 108.0**	**$ 115.7**
Adjusted EBITDA					
River Rock Casino Resort	$ 22.3	$ 27.4	$ 28.2	$ 25.1	$ 31.3
Hard Rock Casino Vancouver	5.9	4.1	4.8	4.1	3.9
Other Vancouver Area Casinos	1.1	2.5	2.2	1.8	1.6
Vancouver Island Casinos	5.3	5.4	5.2	5.0	4.8
Other BC Casinos	2.4	2.7	2.5	2.7	2.7
Atlantic Casinos	5.9	4.1	2.9	1.2	2.5
Great American Casinos	2.2	1.9	2.1	2.2	2.1
Ontario Racetracks	3.3	3.4	3.5	3.5	3.3
Corporate & Other	(3.3)	(4.0)	(4.5)	(4.5)	(5.2)
	$ 45.1	**$ 47.5**	**$ 46.9**	**$ 41.1**	**$ 47.0**