



GREAT CANADIAN GAMING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Month Period Ended
March 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 May 4, 2015.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended March 31, 2015 ("Condensed Interim Financial Statements"), our audited consolidated financial statements for the year ended December 31, 2014 ("Annual Financial Statements") and our MD&A for the year ended December 31, 2014. The Condensed Interim Financial Statements are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, ("IAS 34"). Certain information and note disclosures normally included in the Annual Financial Statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. 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.

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. EBITDA is derived from the condensed interim consolidated statements of earnings, and can be computed as revenues less human resources expenses and property, marketing and administration expenses. We believe 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. EBITDA is also used by the investors and analysts for the purpose of valuing the Company. A reconciliation of EBITDA to net earnings under IFRS is shown in the "Consolidated Results of Operations" section of this MD&A.

Adjusted net earnings, as defined by the Company, means 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, Facility Development Commission ("FDC") revenues previously deferred at Fraser Downs, restructuring severance costs, uneconomic lease provision due to Kent casino closure, jackpot and marketing fund liabilities reversed due to Kent casino closure and income taxes on the above items of note. A reconciliation between net earnings and adjusted net earnings is presented in the "Financial Highlights" section of this MD&A.

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Adjusted net earnings per common share is defined as adjusted 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 its objectives, expected future expenditures, costs, operating and financial results and 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 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

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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; 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; possible reassessments of the Company's tax filings by tax authorities; 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 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; privacy breaches and 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 2014, 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.

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FINANCIAL HIGHLIGHTS

	First Quarter		
	2015	2014	% Chg
Revenues	\$ 108.0	\$ 103.8	4%
EBITDA ⁽¹⁾	\$ 41.1	\$ 38.1	8%
EBITDA as a % of Revenues	38.1%	36.7%	
Net earnings	\$ 16.1	\$ 17.0	(5%)
Net earnings per common share			
Basic	\$ 0.23	\$ 0.25	(8%)
Diluted	\$ 0.23	\$ 0.25	(8%)
Adjusted net earnings ⁽¹⁾	\$ 16.9	\$ 13.3	27%
	March 31,	December 31,	
	2015	2014	% Chg
Total assets	\$ 1,025.8	\$ 1,014.1	1%
Long-term debt	\$ 442.3	\$ 442.0	0%

⁽¹⁾ EBITDA and Adjusted 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 March 31, 2015 ("first quarter of 2015"), the Company recorded revenues of \$108.0, a \$4.2 or 4% increase from the first quarter of 2014. This increase was primarily due to the increased revenues at the Company's River Rock Casino Resort ("River Rock") and improvements at Hard Rock Casino Vancouver, Great American Casinos and BC Racinos. River Rock showed higher table drop and slot coin-in but lower than average table hold and slot win percentages. Growth in revenues at the Great American Casinos, BC Racinos and Hard Rock Casino Vancouver is attributable to improvements in their gaming revenues. These increases were partially offset by declines at the Nova Scotia Casinos.

EBITDA

The 8% increase in EBITDA in the first quarter of 2015 was primarily due to the previously mentioned growth in revenues. EBITDA improvements were most noticeable at Hard Rock Casino Vancouver and Great American Casinos as well as from reduced Corporate costs, while the majority of our other properties had positive contributions. EBITDA as a percentage of revenues for the first quarter of 2015 was 38.1%, a 1.4 percentage point increase from the first quarter of 2014.

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Net earnings

Great Canadian's net earnings for the first quarter of 2015 were \$16.1. After adjusting for the following items of note in the current and prior periods' net earnings, the Company's adjusted net earnings increased by \$3.6 or 27% in the first quarter of 2015, when compared to the same period in 2014. This increase was primarily due to the growth in EBITDA and the decrease in amortization expense.

	First Quarter		
	2015	2014	% Chg
Net earnings	\$ 16.1	\$ 17.0	(5%)
Items of note			
Impairment reversal of long-lived assets	-	(5.2)	
FDC revenues previously deferred at Fraser Downs	-	(0.2)	
Restructuring severance costs	0.7	0.2	
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)	-	
Income taxes on the above items of note	(0.4)	1.5	
Adjusted net earnings ⁽²⁾	\$ 16.9	\$ 13.3	27%
Adjusted net earnings per common share ⁽²⁾			
Basic	\$ 0.24	\$ 0.20	
Diluted	\$ 0.24	\$ 0.19	
Weighted average shares outstanding			
Basic	69,010	67,459	
Diluted	70,902	69,127	

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

⁽²⁾ Adjusted net earnings and Adjusted 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 was relatively consistent as at March 31, 2015 when compared with the balance as at December 31, 2014.

Long-term debt

Long-term debt was relatively consistent as at March 31, 2015 when compared with the balance as at December 31, 2014.

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MAJOR DEVELOPMENTS

British Columbia

Hard Rock Casino Vancouver (formerly "Boulevard Casino")

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 first phase of the project was substantially completed on December 20, 2013. 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 the British Columbia Lottery Corporation ("BCLC") and the City of Coquitlam. As at March 31, 2015, the Company has spent approximately \$2.9 of an estimated total of \$50.0 on this second phase of the project.

In the fourth quarter of 2014, the Company began renovating the 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. The newly renovated area opened to the public on February 17, 2015. As at March 31, 2015, the Company has spent approximately \$0.5 on the renovation.

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. As at March 31, 2015, the Company has spent approximately \$2.3 of an estimated total of \$2.5 on the renovation.

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 Fraser Downs Racetrack and Casino ("Fraser Downs"). The BCHRIMC has indicated that this funding arrangement will be in place for the next three years for the Thoroughbred sector and for the next five years 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

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Hastings' and Fraser Downs' 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 54 confirmed Thoroughbred race days at Hastings over a seven-month season (2014 - six) and 62 confirmed Standardbred race days at Fraser Downs over a seven-month season (2014 - eight). The season length at Fraser Downs 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.

Fraser Downs Racetrack and Casino

The Company exercised its renewal option with BCLC to extend the term of the COSA under which the Company operates the casino at Fraser Downs. 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 has completed market research that will be used to determine the scope of a property redevelopment of approximately \$11.0 that is scheduled to complete by the end of 2015. The redevelopment will include gaming, facility layout, food and beverage and entertainment enhancements throughout the property. Exterior changes to the facility will provide more street presence to passing traffic. As at March 31, 2015, the Company has spent approximately \$0.5 on the redevelopment.

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Ontario

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.

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	(0.1)	(0.3)	(0.4)	(0.1)	(0.9)	(1.0)
Impairment reversal	-	-	-	1.0	4.2	5.2
Carrying amount at March 31, 2014	\$ 19.3	\$ 22.2	\$ 41.5	\$ 9.0	\$ 18.4	\$ 27.4
Net additions and amortization	(0.2)	(0.8)	(1.0)	(0.7)	(3.4)	(4.1)
Carrying amount at December 31, 2014	\$ 19.1	\$ 21.4	\$ 40.5	\$ 8.3	\$ 15.0	\$ 23.3
Net additions and amortization	(0.1)	(0.3)	(0.4)	(0.2)	(1.2)	(1.4)
Carrying amount at March 31, 2015	\$ 19.0	\$ 21.1	\$ 40.1	\$ 8.1	\$ 13.8	\$ 21.9

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

Request for Gaming Service Providers

In May 2012, the Ontario Lottery and Gaming Corporation ("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 25 Gaming Zones into Gaming Bundles in the Province throughout the procurement process for the modernization of land-based gaming, where each bundle represents 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.

While the RFPQ process is still ongoing, the Company has been notified by OLG on one of its RFPQ submissions – Gaming Bundle 2 (East). The Company is pre-qualified to submit a Request for Proposal ("RFP") for that Gaming Bundle which contains three gaming zones. The first gaming zone includes the City of Peterborough and surrounding areas, and is currently served by OLG Slots at Kawartha Downs. The second gaming zone includes a new build opportunity to service the City of Belleville and the municipality of Quinte West. Lastly, the third gaming zone includes the City of Kingston and surrounding areas, including Gananoque and Leeds and Thousand Islands, and is currently served by OLG Casino Thousand Islands. The Company is bidding on Gaming Bundle 2 (East). OLG has publicly

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stated that they expect to announce a successful proponent for this Gaming Bundle in 2015. The Company has not received a response on its other RFPQ submissions. OLG stated on April 25, 2014 that it will release the RFPs for the remaining Gaming Bundles in the coming months.

It is not certain at this time whether the Company will be successful in being granted an opportunity to bid on more than one bundle or whether it would be a successful bidder on any bundle. While it is one of the entities that has been granted an opportunity to submit an RFP, there is no certainty that the Company will be able to secure an operational services contract(s) to operate a gaming facility in Ontario. Accordingly, the full extent of the impact that the continued modernization of gaming in Ontario may have on the Company is not yet known.

Casino Nova Scotia

In June 2014, the Company exercised its renewal option with the Nova Scotia Provincial Lotteries & Casinos Corporation ("NSPLCC") to extend the term of the second amended and restated operating contract ("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.

Great American Casinos Kent

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 condensed interim 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 will end on February 25, 2016, or earlier if the number of shares sought in the issuer bid has been obtained. 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 first quarter of 2015, the Company did not purchase any common shares under its normal course

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issuer bid.

Senior Unsecured Notes

On April 27, 2015, the Company initiated a consent solicitation with respect to its 6.625% Senior Unsecured Notes due July 2022 to, within certain limits, allow for increased financial flexibility to make payments that would be otherwise restricted under the terms of the related trust indenture. The increased flexibility would allow the Company, amongst other things, greater freedom during the remaining seven-year term of the Notes to repurchase its common shares and make distributions to its shareholders. While it is always evaluating its options, the Company has no immediate plans to repurchase its securities (other than, if market opportunities arise, the amount of common shares permitted under its normal course issuer bid) or make other distributions to its shareholders. The consent solicitation is open for note holders on record at April 24, 2015, until 5:00 p.m. (Eastern Time) on May 8, 2015, unless extended or cancelled by the Company.

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CONSOLIDATED RESULTS OF OPERATIONS

The following table summarizes the consolidated operating results for the three month period ended March 31, 2015 with comparatives for the prior period.

	First Quarter		
	2015	2014	% Chg
Gaming revenues	\$ 74.7	\$ 71.1	5%
Facility Development Commission	9.5	8.8	8%
Hospitality, lease and other revenues	26.6	25.6	4%
Racetrack revenues	3.3	3.3	0%
	114.1	108.8	5%
Less: Promotional allowances	(6.1)	(5.0)	22%
Revenues	108.0	103.8	4%
Human resources	41.5	40.6	2%
Property, marketing and administration	25.4	25.1	1%
	66.9	65.7	2%
EBITDA	41.1	38.1	8%
Human resources as a % of Revenues before Promotional allowances	36.4%	37.3%	
EBITDA as a % of Revenues	38.1%	36.7%	
Amortization	9.4	12.2	
Share-based compensation	2.2	0.4	
Impairment reversal of long-lived assets	-	(5.2)	
Interest and financing costs, net	7.8	8.1	
Restructuring and other	1.6	-	
Foreign exchange gain and other	(1.9)	(0.3)	
Income taxes	5.9	5.9	
Net earnings	\$ 16.1	\$ 17.0	(5%)
Net earnings per common share			
Basic	\$ 0.23	\$ 0.25	
Diluted	\$ 0.23	\$ 0.25	
Weighted average number of common shares (in thousands)			
Basic	69,010	67,459	
Diluted	70,902	69,127	

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Discussion of Results

The Company's operating results are discussed in two sections: (1) EBITDA, consisting of revenues, human resources expenses, property, marketing and administration expenses, which is discussed on a property or, where appropriate, group of similar properties basis, and (2) items excluded from 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 EBITDA

	First Quarter		
	2015	2014	% Chg
REVENUES			
River Rock Casino Resort	\$ 47.4	\$ 46.0	3%
Hard Rock Casino Vancouver	13.4	12.7	6%
Vancouver Island Casinos	9.2	9.2	0%
Other BC Casinos	5.6	5.1	10%
Nova Scotia Casinos	8.3	9.2	(10%)
Great American Casinos	8.4	7.0	20%
BC Racinos	9.3	8.3	12%
Ontario Racetracks	6.4	6.3	2%
Total Revenues	\$ 108.0	\$ 103.8	4%
EBITDA ⁽¹⁾			
River Rock Casino Resort	\$ 25.1	\$ 25.4	(1%)
Hard Rock Casino Vancouver	4.1	2.9	41%
Vancouver Island Casinos	5.0	4.7	6%
Other BC Casinos	2.7	2.4	13%
Nova Scotia Casinos	1.2	2.1	(43%)
Great American Casinos	2.2	1.2	83%
BC Racinos	1.8	1.5	20%
Ontario Racetracks	3.5	3.1	13%
Corporate & Other	(4.5)	(5.2)	13%
Total EBITDA	\$ 41.1	\$ 38.1	8%

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

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Casinos

River Rock Casino Resort

	First Quarter		
	2015	2014	% Chg
Gaming revenues	\$ 33.8	\$ 32.8	3%
Facility Development Commission	4.9	4.7	4%
Hospitality and other revenues	11.3	10.8	5%
Revenues before Promotional allowances	50.0	48.3	4%
Less: Promotional allowances	(2.6)	(2.3)	13%
Revenues	47.4	46.0	3%
Human resources	13.9	12.8	9%
Property, marketing and administration	8.4	7.8	8%
EBITDA	\$ 25.1	\$ 25.4	(1%)
Human resources as a % of Revenues before Promotional allowances	27.8%	26.5%	
EBITDA as a % of Revenues	53.0%	55.2%	

	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Average
Table Drop	\$ 293.6	\$ 286.7	\$ 326.9	\$ 338.5	\$ 266.9	\$ 241.4	\$ 283.0	\$ 221.4	\$ 227.6	
Table Hold	\$ 59.6	\$ 71.8	\$ 64.9	\$ 72.0	\$ 59.1	\$ 48.7	\$ 49.7	\$ 44.6	\$ 53.8	
Table Hold %	20.3%	25.0%	19.9%	21.3%	22.2%	20.2%	17.6%	20.2%	23.7%	21.1%
Poker Rake	\$ 1.1	\$ 0.9	\$ 1.0	\$ 1.1	\$ 1.0	\$ 1.1	\$ 1.0	\$ 0.9	\$ 1.0	
Slot Coin-In	\$ 580.0	\$ 588.2	\$ 583.8	\$ 578.6	\$ 498.1	\$ 525.2	\$ 536.0	\$ 511.5	\$ 545.4	
Slot Win	\$ 37.3	\$ 37.7	\$ 39.3	\$ 38.3	\$ 34.5	\$ 35.5	\$ 37.0	\$ 35.3	\$ 35.2	
Slot Win/Slot/Day ⁽¹⁾	\$ 378	\$ 372	\$ 389	\$ 383	\$ 350	\$ 351	\$ 364	\$ 352	\$ 355	
Slot Win %	6.4%	6.4%	6.7%	6.6%	6.9%	6.8%	6.9%	6.9%	6.5%	6.7%

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

Revenues

Gaming revenues at River Rock increased by 3% in the first quarter of 2015 when compared to the first quarter of 2014. This growth was primarily due to the 8% increase in slot win that was due to a 16% increase in slot coin-in, partially offset by a 0.5 percentage point decrease in slot win percentage. The 10% increase in table drop was partially offset by a 1.9 percentage point decline in table hold percentage, resulting in a 1% increase in table hold. The increase in table drop was partially attributed to the expansion of the VIP gaming area and additional tables added to the Phoenix room in the first quarter of 2015.

Hospitality and other revenues increased by 5% in the first quarter of 2015, when compared to the same period in 2014. This increase was primarily due to the growth in food and beverage 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 \$102 dollars in the first quarter of 2015, compared to \$104 dollars in the first quarter of 2014. This decrease was due to a four percentage point decrease in the average hotel occupancy rate to 65%, which was partially offset by a 5% increase in the average daily room rate ("ADR") to \$157 dollars for the first quarter of 2015.

Expenses

Human resources and property, marketing and administration expenses increased by 9% and 8%,

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respectively, in the first quarter of 2015, when compared to the same period in 2014. These increases were primarily due to increased staffing costs to serve the higher gaming volumes, additional promotional activities, and increased costs associated with higher food and beverage volumes.

EBITDA

EBITDA in the first quarter of 2015 was relatively consistent with the same period in 2014.

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Hard Rock Casino Vancouver

	First Quarter		
	2015	2014	% Chg
Gaming revenues	\$ 10.0	\$ 9.2	9%
Facility Development Commission	1.6	1.5	7%
Hospitality and other revenues	2.6	2.7	(4%)
Revenues before Promotional allowances	14.2	13.4	6%
Less: Promotional allowances	(0.8)	(0.7)	14%
Revenues	13.4	12.7	6%
Human resources	5.8	6.2	(6%)
Property, marketing and administration	3.5	3.6	(3%)
EBITDA	\$ 4.1	\$ 2.9	41%
Human resources as a % of Revenues before Promotional allowances	40.8%	46.3%	
EBITDA as a % of Revenues	30.6%	22.8%	

	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Average
Table Drop	\$ 44.0	\$ 38.9	\$ 38.5	\$ 40.6	\$ 51.3	\$ 38.9	\$ 32.7	\$ 36.2	\$ 37.9	
Table Hold	\$ 8.8	\$ 7.3	\$ 7.3	\$ 7.5	\$ 7.1	\$ 7.6	\$ 6.6	\$ 7.3	\$ 7.8	
Table Hold %	20.0%	18.8%	19.0%	18.6%	13.8%	19.4%	20.2%	20.2%	20.6%	18.7%
Poker Rake	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.4	\$ 1.2	\$ 1.1	\$ 0.8	\$ 0.6	\$ 0.7	
Slot Coin-In	\$ 311.8	\$ 324.3	\$ 319.3	\$ 321.1	\$ 318.9	\$ 306.0	\$ 304.0	\$ 313.8	\$ 353.3	
Slot Win	\$ 22.9	\$ 23.4	\$ 23.1	\$ 23.4	\$ 23.2	\$ 23.0	\$ 22.6	\$ 23.9	\$ 24.8	
Slot Win/Slot/Day ^(1,2)	\$ 291	\$ 275	\$ 265	\$ 275	\$ 270	\$ 271	\$ 300	\$ 326	\$ 310	
Slot Win %	7.3%	7.2%	7.2%	7.3%	7.3%	7.5%	7.4%	7.6%	7.0%	7.3%

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

⁽²⁾ During the twelve months of 2013, the Company removed 41 slot machines at Hard Rock Casino Vancouver resulting in 949 slot machines as at December 31, 2013. During December 2014, the Company removed 99 slot machines resulting in 850 slot machines at December 31, 2014. 75 slot machines were reinstalled in February 2015, resulting in 925 slot machines.

Revenues

Gaming revenues increased by 9% in the first quarter of 2015, when compared to the same period in 2014, mainly due to a 6.2 percentage point increase in table hold percentage, which was partially offset by a 14% decrease in table drop. The decrease in table drop resulted primarily from some significant high limit table play that was attributable to a relatively small number of guests in the first couple months of 2014 after the property was rebranded and repositioned in December 2013 as Hard Rock Casino Vancouver. Similarly, slot win decreased 1% in the first quarter of 2015 as a result of a 2% decrease in slot coin-in.

Expenses

Human resources expenses decreased by 6% in the first quarter of 2015, when compared to the same period in 2014, primarily due to the reduction of staffing levels that were made in order to run the business more effectively.

Property, marketing and administration expenses in the first quarter of 2015 were relatively consistent with the first quarter of 2014.

EBITDA

EBITDA increased by 41% in the first quarter of 2015, when compared to the same period of 2014. This increase was due primarily to the improvement in gaming revenues and the decrease in expenses.

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Vancouver Island Casinos (View Royal Casino and Casino Nanaimo)

	First Quarter		
	2015	2014	% Chg
Gaming revenues	\$ 7.4	\$ 7.3	1%
Facility Development Commission	1.2	1.1	9%
Hospitality and other revenues	1.1	1.2	(8%)
Revenues before Promotional allowances	9.7	9.6	1%
Less: Promotional allowances	(0.5)	(0.4)	25%
Revenues	9.2	9.2	0%
Human resources	3.0	3.1	(3%)
Property, marketing and administration	1.2	1.4	(14%)
EBITDA	\$ 5.0	\$ 4.7	6%
Human resources as a % of Revenues before Promotional allowances	30.9%	32.3%	
EBITDA as a % of Revenues	54.3%	51.1%	

	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Average
Table Drop	\$ 12.9	\$ 12.6	\$ 11.3	\$ 11.9	\$ 11.4	\$ 10.8	\$ 12.2	\$ 12.6	\$ 12.4	
Table Hold	\$ 3.1	\$ 2.9	\$ 2.7	\$ 2.7	\$ 2.8	\$ 2.7	\$ 2.6	\$ 2.8	\$ 2.9	
Table Hold %	24.5%	23.0%	23.9%	22.7%	24.8%	25.0%	21.1%	22.0%	23.4%	23.3%
Slot Coin-In	\$ 364.9	\$ 353.5	\$ 367.2	\$ 364.1	\$ 365.9	\$ 359.8	\$ 382.0	\$ 392.0	\$ 372.6	
Slot Win	\$ 25.4	\$ 25.7	\$ 25.9	\$ 26.6	\$ 25.2	\$ 25.9	\$ 27.6	\$ 28.0	\$ 26.7	
Slot Win/Slot/Day ⁽¹⁾	\$ 302	\$ 298	\$ 302	\$ 313	\$ 306	\$ 287	\$ 305	\$ 314	\$ 294	
Slot Win %	7.0%	7.3%	7.0%	7.3%	6.9%	7.2%	7.2%	7.2%	7.2%	7.1%

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

Revenues

Revenues at the Vancouver Island Casinos were relatively consistent in the first quarter of 2015, when compared to the same period in 2014.

Expenses

Human resource expenses in the first quarter of 2015 were relatively consistent with the first quarter of 2014.

Property, marketing and administration expenses in the first quarter of 2015 decreased by 14%, when compared with the same period in 2014, primarily due to the timing of operating expenditures as well as the realization of operating efficiencies across several cost categories including advertising, repairs and maintenance, janitorial and equipment rentals.

EBITDA

EBITDA at the Vancouver Island Casinos increased by 6% in the first quarter of 2015, when compared with the same period in 2014, primarily due to the decrease in expenses.

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

	First Quarter		
	2015	2014	% Chg
Gaming revenues	\$ 3.9	\$ 3.6	8%
Facility Development Commission	0.8	0.7	14%
Hospitality and other revenues	1.1	1.0	10%
Revenues before Promotional allowances	5.8	5.3	9%
Less: Promotional allowances	(0.2)	(0.2)	0%
Revenues	5.6	5.1	10%
Human resources	1.7	1.7	0%
Property, marketing and administration	1.2	1.0	20%
EBITDA	\$ 2.7	\$ 2.4	13%
Human resources as a % of Revenues before Promotional allowances	29.3%	32.1%	
EBITDA as a % of Revenues	48.2%	47.1%	

	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Average
Slot Coin-In	\$ 207.1	\$ 208.2	\$ 201.1	\$ 200.1	\$ 196.3	\$ 196.5	\$ 180.6	\$ 189.6	\$ 191.2	
Slot Win	\$ 14.6	\$ 14.3	\$ 14.1	\$ 13.9	\$ 13.3	\$ 13.2	\$ 12.4	\$ 13.2	\$ 12.6	
Slot Win/Slot/Day ^(1,2)	\$ 307	\$ 295	\$ 291	\$ 291	\$ 281	\$ 286	\$ 308	\$ 331	\$ 321	
Slot Win %	7.0%	6.9%	7.0%	7.0%	6.8%	6.7%	6.9%	7.0%	6.6%	6.9%

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

⁽²⁾ During the third quarter of 2013, the Company added 73 slot machines at Chances Maple Ridge, resulting in 493 slot machines at the Other BC Casinos since October 23, 2013. During the twelve months of 2014, 18 slot machines were added, resulting in 511 slot machines at December 31, 2014.

Revenues

Revenues at the Other BC Casinos increased by 10% in the first quarter of 2015, when compared to the same period in 2014. This increase was mainly due to the growth in gaming revenues, which was attributable to the increase in slot coin-in and slot win percentage.

Expenses

Human resources expenses were consistent in the first quarter of 2015, when compared to the same period in 2014.

Property, marketing and administration expenses increased by 20% in the first quarter of 2015, when compared to the same period in 2014, primarily due to increased business volumes.

EBITDA

EBITDA increased by 13% in the first quarter of 2015, when compared with the same period in 2014. The increase was attributable to the increase in revenues.

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Nova Scotia Casinos (Casino Nova Scotia Halifax and Casino Nova Scotia Sydney)

	First Quarter		
	2015	2014	% Chg
Gaming revenues	\$ 7.4	\$ 8.1	(9%)
Hospitality and other revenues	1.6	1.5	7%
Revenues before Promotional allowances	9.0	9.6	(6%)
Less: Promotional allowances	(0.7)	(0.4)	75%
Revenues	8.3	9.2	(10%)
Human resources	4.0	3.8	5%
Property, marketing and administration	3.1	3.3	(6%)
EBITDA	\$ 1.2	\$ 2.1	(43%)
Human resources as a % of Revenues before Promotional allowances	44.4%	39.6%	
EBITDA as a % of Revenues	14.5%	22.8%	

	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Average
Table Drop	\$ 10.8	\$ 11.5	\$ 11.7	\$ 10.0	\$ 9.8	\$ 10.0	\$ 11.9	\$ 11.3	\$ 9.6	
Table Hold	\$ 1.9	\$ 2.0	\$ 2.3	\$ 2.0	\$ 2.2	\$ 2.4	\$ 2.2	\$ 2.0	\$ 2.4	
Table Hold %	17.6%	17.4%	19.7%	19.7%	21.9%	24.0%	18.8%	17.7%	25.0%	20.1%
Poker Rake	\$ 0.4	\$ 0.5	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.6	
Slot Coin-In	\$ 158.5	\$ 194.0	\$ 226.7	\$ 197.3	\$ 179.2	\$ 182.0	\$ 222.5	\$ 202.6	\$ 174.4	
Slot Win	\$ 12.1	\$ 14.7	\$ 16.6	\$ 14.9	\$ 13.5	\$ 14.0	\$ 17.6	\$ 15.8	\$ 13.6	
Slot Win/Slot/Day ⁽¹⁾	\$ 164	\$ 199	\$ 219	\$ 204	\$ 184	\$ 186	\$ 228	\$ 208	\$ 184	
Slot Win %	7.6%	7.6%	7.3%	7.6%	7.6%	7.7%	7.9%	7.8%	7.8%	7.6%

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

Recent Developments

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 Nova Scotia Casinos decreased by 10% in the first quarter of 2015, when compared to the same period in 2014. The decrease was primarily due to a significant decline in visitation resulting in lower slot coin-in and slot win. Visitation was affected by prolonged unprecedented severe winter snow storm weather, primarily on weekends, during February and March of 2015. The increase in table drop was primarily from January of 2015, prior to the storms, and was partly associated with the extension of the operating hours of the high limit table area since the summer of 2014 as well as increases in associated guest service levels. This increase was offset by a lower-than-average table hold percentage. The increase in promotional allowances was offset by a corresponding decrease in marketing costs reflected in property, marketing and administration expenses, mainly as the result of the reclassification of certain promotional expenses.

Expenses

Human resources expenses increased by 5% in the first quarter of 2015, when compared to the same period in 2014. This increase was attributable to a number of factors including increased hourly labour that was associated with the increased table gaming volumes in the high limit room in January 2015.

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Property, marketing and administration expenses decreased by 6% in the first quarter of 2015, respectively, when compared to the same period in 2014. This decrease was mainly attributable to the reclassification of certain marketing costs reflected as promotional allowances in the first quarter of 2015 and decreases in equipment lease costs.

EBITDA

EBITDA decreased by \$0.9 in the first quarter of 2015, when compared to the same period in 2014. This decrease was primarily due to the decrease in gaming revenues.

Labour Relations

A collective agreement with Service Employees International Union (SEIU), Local 902, with a term covering February 1, 2012 through January 31, 2015, is applicable to employees (excluding security) at Casino Nova Scotia Halifax. Notice to commence collective bargaining was served on November 28, 2014, and negotiations commenced on January 19, 2015 and are ongoing.

A collective agreement with Service Employees International Union (SEIU), Local 902, with a term covering February 1, 2012 through January 31, 2015, is applicable to only security employees at Casino Nova Scotia Halifax. Notice to commence collective bargaining was served on November 28, 2014, and negotiations are anticipated to commence later in 2015.

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Great American Casinos

Results in U.S. Dollars (in millions)

	First Quarter		
	2015	2014	% Chg
Gaming revenues	\$ 5.6	\$ 5.2	8%
Hospitality and other revenues	1.8	1.8	0%
Revenues before Promotional allowances	7.4	7.0	6%
Less: Promotional allowances	(0.7)	(0.7)	0%
Revenues	6.7	6.3	6%
Human resources	3.4	3.5	(3%)
Property, marketing and administration	1.6	1.8	(11%)
EBITDA	\$ 1.7	\$ 1.0	70%
Human resources as a % of Revenues before Promotional allowances	45.9%	50.0%	
EBITDA as a % of Revenues	25.4%	15.9%	

	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Average
Table Drop	\$ 36.0	\$ 36.5	\$ 35.3	\$ 36.5	\$ 36.6	\$ 35.4	\$ 34.7	\$ 34.1	\$ 33.9	
Table Hold	\$ 6.3	\$ 6.7	\$ 5.7	\$ 6.2	\$ 5.9	\$ 5.7	\$ 5.6	\$ 5.9	\$ 5.5	
Table Hold %	17.5%	18.4%	16.1%	16.9%	16.1%	16.0%	16.1%	17.3%	16.2%	16.7%

Results in Canadian Dollars

	First Quarter		
	2015	2014	% Chg
Revenues	\$ 8.4	\$ 7.0	20%
EBITDA	\$ 2.2	\$ 1.2	83%

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 13% in the first quarter of 2015, when compared to the same period 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 EBITDA associated with the Kent casino in the first quarter of 2015 were \$0.7 (2014 - \$0.7) and \$0.2 (2014 - \$(0.1)), respectively.

Revenues

Revenues at Great American Casinos increased by 6% in the first quarter of 2015, when compared to the same period in 2014. This increase was mainly due to the improvement in table hold percentage as well as a \$0.1 progressive jackpot fund liability reversal related to the closure of the casino in Kent, which were partially offset by a 2% decrease in table drop.

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Expenses

Human resources expenses were relatively consistent in the first quarter of 2015, when compared to the same period in 2014.

Property, marketing and administration expenses decreased by 11% in the first quarter of 2015, when compared to the first quarter of 2014. This decrease was mainly due to a \$0.2 marketing fund liability reversal related to the closure of the casino in Kent.

EBITDA

Great American Casinos' EBITDA increased by 70% in the first quarter of 2015, when compared to the same period in 2014. This improvement was attributable to the increase in gaming revenues and decreases in operating expenses, which included non-recurring reversals of jackpot and marketing fund liabilities of \$0.3 resulting from the closure of the Kent casino.

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BC Racinos (Fraser Downs Racetrack and Casino, and Hastings Racecourse and Slots Facility)

	First Quarter		
	2015	2014	% Chg
Gaming revenues	\$ 5.2	\$ 4.4	18%
Facility Development Commission	1.0	0.8	25%
Racetrack revenues	2.1	2.1	0%
Hospitality and other revenues	1.4	1.3	8%
Revenues before Promotional allowances	9.7	8.6	13%
Less: Promotional allowances	(0.4)	(0.3)	33%
Revenues	9.3	8.3	12%
Human resources	4.3	4.1	5%
Property, marketing and administration	3.2	2.7	19%
EBITDA	\$ 1.8	\$ 1.5	20%
Human resources as a % of Revenues before Promotional allowances	44.3%	47.7%	
EBITDA as a % of Revenues	19.4%	18.1%	

	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Average
Table Drop	\$ 6.6	\$ 5.9	\$ 5.9	\$ 6.0	\$ 5.7	\$ 5.5	\$ 5.6	\$ 6.0	\$ 7.0	
Table Hold	\$ 1.6	\$ 1.5	\$ 1.4	\$ 1.5	\$ 1.4	\$ 1.5	\$ 1.4	\$ 1.4	\$ 1.7	
Table Hold %	24.2%	25.4%	23.7%	24.7%	25.3%	26.8%	24.6%	23.3%	24.3%	24.8%
Poker Rake	\$ 0.5	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.3	\$ 0.2	\$ 0.1	\$ 0.2	\$ 0.3	
Slot Coin-In	\$ 227.9	\$ 223.7	\$ 228.1	\$ 225.2	\$ 209.5	\$ 196.9	\$ 207.3	\$ 225.8	\$ 218.5	
Slot Win	\$ 16.9	\$ 16.2	\$ 17.2	\$ 17.3	\$ 15.3	\$ 15.4	\$ 16.1	\$ 17.7	\$ 16.1	
Slot Win/Slot/Day ⁽¹⁾	\$ 183	\$ 167	\$ 177	\$ 180	\$ 160	\$ 161	\$ 167	\$ 184	\$ 170	
Slot Win %	7.4%	7.2%	7.5%	7.7%	7.3%	7.8%	7.8%	7.8%	7.4%	7.6%

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

Live race days	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Fraser Downs	27	27	8	8	25	26	13	12	26
Hastings	-	8	27	19	-	6	30	27	-

Revenues

Gaming revenues at the BC Racinos increased by 18% in the first quarter of 2015, when compared to the first quarter of 2014. This increase was primarily due to a 9% increase in slot coin-in, a 16% increase in table drop, and a \$0.2 increase in poker rake.

Racetrack and hospitality and other revenues were relatively consistent in the first quarter of 2015, when compared to the same period in 2014.

Expenses

Human resources expenses and property, marketing and administration expenses increased by 5% and 19%, respectively, in the first quarter of 2015, when compared to the same period in 2014. These increases were primarily due to higher gaming volumes and incremental staff training and management costs associated with the repositioning and rebranding of the Fraser Downs property planned for later this year as described in the "Major Developments" section of this MD&A.

EBITDA

EBITDA at the BC Racinos increased by 20% in the first quarter of 2015, when compared with the first

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quarter of 2014. This increase was primarily due to the increase in revenues.

Labour Relations

A collective agreement with Canadian Office and Professional Employees Union (COPE), 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.

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Ontario Racetracks (Georgian Downs and Flamboro Downs)

	First Quarter		
	2015	2014	% Chg
Racetrack revenues	\$ 1.2	\$ 1.2	0%
Hospitality, lease and other revenues	5.2	5.1	2%
Revenues	6.4	6.3	2%
Human resources	1.3	1.3	0%
Property, marketing and administration	1.6	1.9	(16%)
EBITDA	\$ 3.5	\$ 3.1	13%
Human resources as a % of Revenues before Promotional allowances	20.3%	20.6%	
EBITDA as a % of Revenues	54.7%	49.2%	

Live race days	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Georgian	-	-	27	13	-	-	18	7	4
Flamboro	37	52	17	26	48	29	-	16	49

Revenues

Revenues at the Ontario Racetracks were relatively consistent in the first quarter of 2015, when compared to the first quarter of 2014.

Expenses

Human resources expenses were relatively consistent in the first quarter of 2015, when compared to the first quarter of 2014. Despite savings from the reduced number of live race days at Flamboro in the first quarter of 2015, additional labour was required to serve increased food and beverage sales at the property.

Property, marketing and administration expenses decreased by 16% in the first quarter of 2015, when compared to the same period in 2014, primarily due to the decrease in live race days and operating efficiencies realized from forming the Standardbred Alliance in April 2014, as described in the "Major Developments - Ontario" section of this MD&A.

EBITDA

EBITDA grew by 13% in the first quarter 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 has not been initiated.

A collective agreement with Service Employees International Union ("SEIU"), Local 2, with a term covering January 1, 2011 through December 31, 2014, is applicable to employees of Flamboro Downs. Notice to commence collective bargaining was served and received on November 26, 2014, and negotiations commenced on January 28, 2015. Collective bargaining was concluded on March 10, 2015, and the collective agreement was ratified on March 11, 2015. The duration of the new collective agreement is January 1, 2015 through December 31, 2016.

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Corporate & Other

	First Quarter		
	2015	2014	% Chg
Human resources	\$ 3.3	\$ 3.8	(13%)
Property, marketing and administration	1.2	1.4	(14%)
EBITDA	\$ (4.5)	\$ (5.2)	13%

EBITDA

Corporate and other costs decreased by 13% in the first quarter of 2015, when compared to the same period in 2014. The decrease in human resources expenses was primarily due to the release of \$0.3 unused bonus accruals and a reduction in external consulting activities which in the prior year included costs associated with the implementation of the Company's information technology business recovery plans. Property, marketing and administration expenses decreased primarily due to operating efficiencies implemented.

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Discussion of Items Excluded from EBITDA

Amortization

Amortization decreased by \$2.8 in the first quarter of 2015, when compared to the same period in 2014, primarily due to \$1.6 reduced amortization of long-lived assets for the first quarter of 2015 at the Company's Nova Scotia Casinos as a result of the AROC extension (see "Major Developments" section of this MD&A). These decreases were partially offset by increased amortization associated with recent property, plant and equipment additions.

Share-Based Compensation

Share-based compensation of \$2.2 (2014 - \$0.4) in the first quarter of 2015 comprises equity-settled share-based compensation of \$1.4 (2014 - \$0.4) and cash-settled share-based compensation of \$0.8 (2014 - \$nil). The increase in equity-settled share-based compensation was mainly attributable to a higher average number of unvested stock options outstanding and a higher option award value for options granted during the first quarter of 2015, when compared to the first quarter of 2014. The increase in cash-settled share-based compensation in the first quarter of 2015, when compared to the same period in 2014, was mainly due to the increase in the Company's share price.

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 first quarter of 2015.

Interest and Financing Costs, net

Interest and financing costs, net of interest income was relatively consistent in the first quarter of 2015, when compared to the same period in 2014.

Restructuring and other

Restructuring and other expenses 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, \$0.5 of non-recurring staff severance costs and \$0.1 of business development costs.

Foreign Exchange Gain and Other

Foreign exchange gain and other increased in the first quarter of 2015, when compared to the same period in 2014. The increase was primarily due to the revaluation of net assets denominated in U.S. dollar, the value of which increased during 2015.

Income Taxes

Income taxes was relatively consistent in the first quarter of 2015, when compared to the same period in 2014.

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CONSOLIDATED QUARTERLY RESULTS TREND

	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Revenues	\$ 108.0	\$ 115.7	\$ 112.3	\$ 114.7	\$ 103.8	\$ 101.6	\$ 103.1	\$ 102.1
EBITDA	\$ 41.1	\$ 47.0	\$ 45.5	\$ 49.5	\$ 38.1	\$ 35.2	\$ 39.1	\$ 38.0
EBITDA as a % of Revenues	38.1%	40.6%	40.5%	43.2%	36.7%	34.6%	37.9%	37.2%
Net earnings	\$ 16.1	\$ 21.6	\$ 19.9	\$ 19.9	\$ 17.0	\$ 7.2	\$ 13.3	\$ 11.3
Net earnings per common share								
Basic	\$ 0.23	\$ 0.32	\$ 0.29	\$ 0.29	\$ 0.25	\$ 0.11	\$ 0.20	\$ 0.17
Diluted	\$ 0.23	\$ 0.31	\$ 0.28	\$ 0.29	\$ 0.25	\$ 0.10	\$ 0.19	\$ 0.16

For the past eight quarters, revenues have trended positively. Revenues during 2013 were affected by intermittent weekday and multiple weekend evening road closures that affected access to the former Boulevard Casino. This disruption continued to have a negative impact on the property's performance throughout 2013, which was offset by positive revenue trends at River Rock and Great American Casinos. During the fourth quarter of 2013, inclement weather conditions in Nova Scotia and Vancouver Island contributed to declines in revenues at these properties. Since the opening of the new Chances Maple Ridge and Hard Rock Casino Vancouver in October 2013 and December 2013, respectively, growth in food and beverage revenues contributed to the increases in hospitality, lease and other revenues. 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 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.

Changes in EBITDA 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. EBITDA in the fourth quarter of 2013 was affected by the pre-opening costs totalling \$1.1 for both Hard Rock Casino Vancouver and Chances Maple Ridge.

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

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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 March 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;
- \$322.0 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.

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Financial Position

	March 31, 2015	December 31, 2014	% Chg
Cash and cash equivalents	\$ 339.5	\$ 324.4	5%
Other current assets	13.1	13.7	(4%)
Property, plant and equipment	572.3	574.0	(0%)
Other long-term assets	100.9	102.0	(1%)
Total Assets	\$ 1,025.8	\$ 1,014.1	1%
Current liabilities	\$ 55.6	\$ 70.1	(21%)
Long-term debt	442.3	442.0	0%
Other long-term liabilities	101.9	101.7	0%
Total Liabilities	599.8	613.8	(2%)
Shareholders' equity	426.0	400.3	6%
Total Liabilities and Shareholders' equity	\$ 1,025.8	\$ 1,014.1	1%

Total Assets

Total assets increased by \$11.7 in the first quarter of 2015, when compared to the total assets as at December 31, 2014. This increase was primarily due to cash generated by operating activities, which was partially offset by the effect of amortization on long-lived assets.

Total Liabilities

Total liabilities decreased by \$14.0 in the first quarter of 2015, when compared to the total liabilities as at December 31, 2014. This decrease was primarily due to the decreases in income tax payable and accounts payable and accrued liabilities.

Shareholders' equity

Shareholders' equity increased by \$25.7 in the first quarter of 2015, when compared to shareholders' equity as at December 31, 2014. This increase was primarily due to the net earnings of \$16.1, share options exercised of \$7.3 and equity-settled share-based compensation of \$1.4.

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Cash Flows

	First Quarter		
	2015	2014	% Chg
Cash generated by operating activities	\$ 25.6	\$ 31.0	(17%)
Cash used in investing activities	(3.5)	(5.7)	39%
Cash used in financing activities	(8.4)	(13.7)	39%
Effect of foreign exchange on cash and cash equivalents	1.4	0.5	180%
Cash inflow	\$ 15.1	\$ 12.1	25%

Cash generated by operating activities was lower in the first quarter of 2015, when compared to the same period in 2014. This was primarily due to higher income taxes paid during the first quarter of 2015.

Cash used in investing activities was lower in the first quarter of 2015, when compared to the same period in 2014. This was mainly attributable to the decrease in purchases of property, plant and equipment.

The cash used in financing activities in the first quarter of 2015 was mainly attributable to interest paid, partially offset by higher proceeds from the exercise of stock options during the first quarter of 2015, when compared to the same period in 2014.

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Capital Resources

Long-Term Debt and Equity

	March 31, 2015	December 31, 2014
Senior Unsecured Notes, net of unamortized transaction costs of \$7.7 (2014 - \$8.0)	\$ 442.3	\$ 442.0

As at March 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	2.43
Senior Secured Debt to Adjusted EBITDA ratio ⁽¹⁾	≤ 3.50	0.00
Interest Coverage ratio ⁽¹⁾	≥ 2.25	5.84
Fixed Charge Coverage ratio ⁽²⁾	≥ 2.00	5.85

⁽¹⁾ Calculated on a trailing twelve month basis and defined in the Credit Agreement, as amended on July 24, 2012.

⁽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 March 31, 2015 as follows:

	Moody's	Standard & Poor's
Corporate	Ba3 Stable	BB+ Stable
Revolving Credit Facility	Ba1	BBB
Senior Unsecured Notes	B1	BB+

Outstanding Share Data

As at March 31, 2015 there were 69,713,905 common shares issued and outstanding compared to 68,813,683 as at December 31, 2014. This increase was primarily due to the exercise of employee stock options during the three months of 2015.

As at March 31, 2015, there were 4,691,279 share options outstanding at a weighted-average exercise price of \$13.68.

As at May 4, 2015, there were 69,781,830 common shares outstanding and 4,602,687 share options outstanding.

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Capital Spending and Development

The majority of the Company's capital expenditures on gaming operations in British Columbia and Nova Scotia are eligible for reimbursement by the provincial gaming authorities. In British Columbia, through the FDC program, BCLC reimburses Approved Amounts (a term defined in the Company's operating services agreements with BCLC) of qualified, primarily capital, gaming-related expenditures 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. 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.

Reimbursement of the Approved Amounts under the terms of BCLC's FDC policy requires that the Company's operating agreements with BCLC remain in good standing and that sufficient Gross Gaming Revenues are generated. Provided these conditions are met, the Company would continue to receive FDC until the related FDC Approved Amounts are recovered. Approved Amounts have not been recorded in the condensed interim consolidated statements of financial position. For accounting purposes, FDC is recorded as part of revenues on the condensed interim consolidated statements of earnings when received and subject to having sufficient BCLC Approved Amounts remaining to be reimbursed. For income tax purposes, management believes that FDC received from BCLC is appropriately characterized under the relevant income tax regulations as a reduction of the cost of either the related long-lived asset (primarily buildings) or the operating expenses being reimbursed.

Canada Revenue Agency ("CRA") is conducting an audit of the Company's FDC filing position for 2009. As part of their audit, CRA has taken the view that FDC should be included in taxable income when received. That position does not align with the results of CRA's findings in their previous audits of the Company's Great Canadian Casinos Inc. subsidiary in 2000 and 2001. If CRA's more recent view prevails, it would accelerate the timing of when the Company recognizes taxable income. The Company strongly disagrees with the CRA's current view of FDC and in the event that CRA issues one or more notices of reassessment for material amounts of taxes, interest or penalties for 2009 or subsequent years, the Company is prepared to vigorously defend its position.

BCLC has permitted the Company and certain of its BC subsidiaries to be considered a group for the FDC purposes. That group includes Company subsidiaries that operate the River Rock Casino Resort, Hard Rock Casino Vancouver, Vancouver Island Casinos and Other BC Casinos. As a result, FDC that would normally be available to reimburse expenditures of one gaming facility can be received as a reimbursement of expenditures made by any gaming facility in the group. For the 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 as opposed to revenues of the gaming facility that incurred the Approved Amounts being reimbursed.

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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:

	Three months ended March 31,	
	2015	2014
Opening Approved Amounts	\$ 346.5	\$ 380.9
Additional Approved Amounts	0.5	1.6
FDC receipts	(9.5)	(8.8)
Closing Approved Amounts	\$ 337.5	\$ 373.7

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.

Approved expenditures incurred to improve or maintain the two Nova Scotia casinos are reimbursed by NSPLCC from a Capital Reserve Account ("CR"). The Company is required to make contributions to the CR equal to \$5.0 per year, adjusted for inflation since April 2010. If the CR is in a deficit balance, the amount owed to the Company accrues interest at a rate of prime plus 2% per annum (prime less 0.5% per annum effective July 1, 2015).

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

	First Quarter	
	2015	2014
Maintenance capital expenditures net of related accounts payable	\$ 1.6	\$ 1.0
Development capital expenditures net of related accounts payable	2.4	5.0
Total capital expenditures net of related accounts payable	\$ 4.0	\$ 6.0

Maintenance capital expenditures were primarily related to various property and infrastructure upgrades. Development capital expenditures during the first quarter 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 redevelopment of the casino at Fraser Downs. For the upcoming nine months of 2015, the Company estimates that development capital expenditures and maintenance capital expenditures net of related accounts payable will total approximately \$10.4 and \$3.8, 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 \$28.0 as at March 31, 2015 (December 31, 2014 - \$28.0).

Litigation

The Company is subject to legal proceedings, claims and investigations in the ordinary course of

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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 was not entitled to collect the marketing contributions and alleges the total of such amounts collected from it to December 31, 2014, is \$18 million. The Company is seeking damages from BCLC in an amount equal to the total of such marketing contributions collected by BCLC to the date of judgement.

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

There were no material changes outside of the Company's ordinary course of business that affected the Company's contractual obligations for the first quarter of 2015.

Future Cash Requirements

Management believes that the Company's current operational requirements and major development 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.

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OTHER FINANCIAL INFORMATION

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 condensed interim 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 operation 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. The Company does not anticipate early adoption of these standards at this time and they are not expected to have a material impact on the Company's condensed interim 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. It is effective for annual periods beginning on or after January 1, 2016.
- *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

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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 July 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 condensed interim financial statements. It is effective for annual periods beginning on or after July 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 July 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 July 1, 2016.

The IASB issued the following new and revised accounting pronouncements. The Company does not anticipate early adoption of these standards at this time and their impact on the Company's condensed interim consolidated financial statements is not yet known.

- *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, 2017.
- *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.

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 Condensed Interim Financial Statements. The Company's Annual Financial Statements contain a summary of the Company's significant accounting policies and accounting estimates. The Company's Condensed Interim Financial Statements highlight additional new significant accounting policies and estimates, if any, that are not already described in the Annual Financial Statements. 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 critical accounting estimates and judgments that are the most judgmental or material to the Company's Annual Financial Statements are those relating to the impairment of long-lived assets and goodwill,

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estimated useful lives of long-lived assets, equity-settled and cash-settled share-based compensation, income taxes, contingencies, determination of CGUs and segment reporting. The Company's critical accounting estimates and judgments are further detailed in Note 3 of the Company's Annual Financial Statements.

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.

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 the gross gaming revenues, plus an additional 47.76% of non-gaming revenues after deduction of the capital reserve contribution ("CRC"). The CRC is \$5.0 (adjusted for inflation in each year since 2010). The Company is also entitled to receive additional Operator Fees equal to the lesser of \$1.3, or 10% of leased slot machine revenues.

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- Facility Development Commission ("FDC") – BCLC reimburses Approved Amounts (a term defined in the Company's operating services agreements with BCLC) of qualified, primarily capital, gaming-related expenditures 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. 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.
- 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 Condensed Interim Financial Statements, 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.

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SUPPLEMENTAL FINANCIAL INFORMATION

Consolidated Quarterly Results Trend

	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Gaming Revenues					
River Rock Casino Resort	\$ 33.8	\$ 38.7	\$ 36.4	\$ 38.8	\$ 32.8
Hard Rock Casino Vancouver	10.0	9.6	9.5	10.0	9.2
Vancouver Island Casinos	7.4	7.4	7.4	7.5	7.3
Other BC Casinos	3.9	3.9	3.8	3.8	3.6
Nova Scotia Casinos	7.4	8.6	9.8	8.8	8.1
Great American Casinos	7.0	6.8	5.6	5.9	5.7
BC Racinos	5.2	4.9	5.0	5.1	4.4
	74.7	79.9	77.5	79.9	71.1
Facility Development Commission					
River Rock Casino Resort	4.9	5.4	5.2	5.5	4.7
Hard Rock Casino Vancouver	1.6	1.6	1.5	1.6	1.5
Vancouver Island Casinos	1.2	1.2	1.2	1.2	1.1
Other BC Casinos	0.8	0.8	0.7	0.7	0.7
BC Racinos	1.0	0.7	0.9	0.7	0.8
	9.5	9.7	9.5	9.7	8.8
Hospitality, Lease and Other Revenues					
River Rock Casino Resort	11.3	12.7	11.9	12.1	10.8
Hard Rock Casino Vancouver	2.6	3.0	2.4	2.6	2.7
Vancouver Island Casinos	1.1	1.1	1.0	1.2	1.2
Other BC Casinos	1.1	1.1	0.9	1.0	1.0
Nova Scotia Casinos	1.6	1.8	1.8	1.5	1.5
Great American Casinos	2.3	2.2	1.9	1.9	2.0
BC Racinos	1.4	1.5	2.1	1.8	1.3
Ontario Racetracks	5.2	5.2	5.1	5.0	5.1
	26.6	28.6	27.1	27.1	25.6
Racetrack Revenues					
BC Racinos	2.1	2.4	2.7	2.7	2.1
Ontario Racetracks	1.2	1.2	1.2	1.2	1.2
	3.3	3.6	3.9	3.9	3.3
Promotional Allowances	(6.1)	(6.1)	(5.7)	(5.9)	(5.0)
Revenues	\$ 108.0	\$ 115.7	\$ 112.3	\$ 114.7	\$ 103.8
EBITDA					
River Rock Casino Resort	\$ 25.1	\$ 31.3	\$ 29.4	\$ 32.7	\$ 25.4
Hard Rock Casino Vancouver	4.1	3.9	3.8	4.5	2.9
Vancouver Island Casinos	5.0	4.8	5.0	5.2	4.7
Other BC Casinos	2.7	2.7	2.6	2.5	2.4
Nova Scotia Casinos	1.2	2.5	3.5	2.6	2.1
Great American Casinos	2.2	2.1	0.9	1.4	1.2
BC Racinos	1.8	1.6	2.0	2.2	1.5
Ontario Racetracks	3.5	3.4	3.4	3.2	3.1
Corporate & Other	(4.5)	(5.2)	(5.1)	(4.8)	(5.2)
	\$ 41.1	\$ 47.1	\$ 45.5	\$ 49.5	\$ 38.1