Quarter ended September 30, 2014

Report to Shareholders

Management's Discussion and Analysis Q3 2014

Management's Discussion and Analysis ("MD&A") provides a comparison of the performance of Parkland Fuel Corporation ("Parkland" or the "Corporation") for the three and nine month period ended September 30, 2014 with the three and nine month period ended September 30, 2013. This discussion should be read in conjunction with the audited financial statements and accompanying notes for the year ended December 31, 2013, dated March 4, 2014 and the Corporation's Annual Information Form dated March 26, 2014. This MD&A includes discussion of Parkland's affairs up to November 6, 2014. All amounts disclosed are in Canadian dollars, unless otherwise noted.

Prospective data, comments and analyses are also provided wherever appropriate to assist existing and new investors to see the business from a corporate management point of view. Such disclosure is subject to reasonable constraints of maintaining the confidentiality of certain information that, if published, would potentially have an adverse impact on the competitive position of Parkland.

Additional information relating to Parkland can be found at www.parkland.ca. The Corporation's continuous disclosure materials, including its annual and quarterly MD&A, audited annual and unaudited interim financial statements, its 2013 Annual Information Form, Management Information Circular and Proxy, Material Change Reports and the various news releases issued by the Corporation are also available on its website or directly through the SEDAR system at www.sedar.com.

Investors are also encouraged to enrol in Parkland's investor information services to receive the monthly Business Driver newsletter and news alerts. To sign up please go to http://bit.ly/PKI-Alert or visit www.parkland.ca.

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Caution Regarding Forward-Looking Statements

Certain information included herein is forward-looking. Forward-looking statements include, without limitation, statements regarding, Parkland's expectation of its future financial position, business and growth strategies, including the manner in which such strategies will be implemented, budgets, projected costs, sources of growth, capital expenditures, financial results, future acquisitions and the efficiencies to be derived therefrom and plans and objectives of or involving Parkland. Many of these statements can be identified by looking for words such as "believe", "expects", "expected", "will", "intends", "projects", "projected", "anticipates", "estimates", "continues", or similar words and include, but are not limited to, statements regarding the accretive effects of acquisitions and the anticipated benefits of acquisitions. Parkland believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties some of which are described in Parkland's Annual Information Form and other continuous disclosure documents. Such forward-looking statements necessarily involve known and unknown risks and uncertainties and other factors, which may cause Parkland's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Such factors include, but are not limited to: failure to meet financial, operational and strategic objectives and plans; general economic, market and business conditions; industry capacity; competitive action by other companies; refining and marketing margins; the ability of suppliers to meet commitments; actions by governmental authorities including increases in taxes; changes in environmental and other regulations; and other factors, many of which are beyond the control of Parkland. Any forward-looking statements are made as of the date hereof and Parkland does not undertake any obligation, except as required under applicable law, to publicly update or revise such statements to reflect new information, subsequent or otherwise.

Parkland wishes to caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made. Readers should also refer to the **Business Risks and Risks Related to the Business and the Industry** sections at the end of this MD&A and in the 2013 Annual Information Form for additional information on risk factors and other events that are not within Parkland's control. Parkland's future financial and operating results may fluctuate as a result of these and other risk factors.

Executive Summary

Parkland delivered $35.2 million in Adjusted EBITDA(1) for the three months ended September 30, 2014. Continued strong performance of recent acquisitions, strong results from the company's retailer operated gas station network and growth in Parkland's commercial propane business, were offset by the end of refiner's margins, competitive margin compression in certain Canadian wholesale fuel markets, a decrease in volume from Parkland's dealer operated gas station network and lower commercial diesel volume.

(1) Please refer to the non-GAAP measure section in the MD&A for definitions.

2014 Third Quarter Operational Highlights:

Grow

- On September 17, 2014, Parkland entered an agreement to acquire the business of Pioneer Energy domiciled in Ontario, Canada ("Pioneer Energy"). The acquisition is expected to add 2.2 billion litres in fuel sales, $55 million in Adjusted EBITDA, and $0.26 per share in distributable cash flow in 2015. Synergies are expected to add an incremental $10 million in Adjusted EBITDA by 2017;
- With the Pioneer Energy acquisition Parkland expects to achieve Adjusted EBITDA of $250 million in 2015, thereby accomplishing the Parkland Penny Plan, the Corporation's five year growth strategy, a full year earlier than expected; and
- Organic volume growth (volume prior to acquisitions) was 239 million litres year-to-date primarily due to a 285 million litre increase in Elbow River Marketing volume, and a 10 million litre increase in Commercial volume, partially offset by an eight million litre reduction in Retail volume and a 48 million litre decrease in Wholesale volume.

Supply

- The acquisition of Pioneer Energy will add scale and diversity to Parkland's central Canadian supply portfolio, which is expected to generate supply synergies;
- SPF Energy Inc. continues to benefit from additional supply from Elbow River Marketing; and
- The addition of SPF Energy Inc. and the benefits from new supply contracts partially offset the reduction in refiner margin earnings related to the end of the Suncor contract in December 2013 and competitive margin compression in certain Canadian wholesale fuel markets during the quarter.

Operate

- Retail continues to deliver superior operational performance. Net unit operating costs, also referred to as "pumping costs", decreased 7.4% to 1.13 cents per litre ("cpl") year-to-date, compared with 1.22 cpl year-to-date in 2013. Total average throughput per site year-to-date in both the dealer and retailer operated networks increased 1.4% year-over-year to 1.89 million litres, compared with 1.86 million litres in 2013. Same store fuel sales year-to-date in the Canadian retailer operated gas station network increased by 2.3% year-over-year to 2.78 million litres per site, compared with 2.71 million litres per site in 2013. Same store merchandise sales year-to-date in the Canadian retailer operated gas station network increased by 9.1% year-over-year. Parkland's weighting to the retail business is poised to increase significantly once the Pioneer Energy acquisition is completed;
- Operating costs on a cpl basis for the quarter improved by 2%, or 0.04 cpl, to 2.46 cpl compared with 2.50 cpl during the same period in 2013;
- Marketing, General and Administrative ("MG&A") expenses on a cpl basis for the quarter improved by 12%, or 0.17 cpl, to 1.24 cpl compared with 1.41 cpl during the same period in 2013; and
- Subsequent to the quarter, Parkland's Drive to Zero program, which aims to achieve zero injuries and zero serious incidents, completed enhanced safety leadership training for all senior leaders across the organization.

Correction of Prior Period Error

In the second quarter of 2014, a comprehensive and disciplined review of fuel tax transactions dated from 2010 onwards was completed by Parkland. This review was required to complete provincial fuel tax reporting. Upon the completion of the fuel tax transactions review, a shortfall of $9.6 million from the reviewed fuel tax transactions receivable to the recorded fuel tax receivable was identified.

As a result of the review conducted on transactions and the high degree of accuracy of the transactions in that period, Parkland has concluded that current controls in place are functioning as intended. Therefore, Parkland has concluded the shortfall from the reviewed fuel tax transactions dates prior to the reporting period and that no further prior period corrections are required to any individual prior year financial statements. This error was corrected and revised retroactively in the interim consolidated financial statements for the three and six months ended June 30, 2014.

Note 2 in the Notes to the Condensed Interim Consolidated Financial Statements for the three and nine months ended September 30, 2014 discusses the correction of the prior period error.

Consolidated Highlights

(in millions of Canadian dollars, except volume and per share amounts)	Three months ended September 30, 2014	2013	% Change	Nine months ended September 30, 2014	2013	% Change
Income Statement Summary:						
Sales and operating revenues	**1,905.8**	1,509.0	26	**5,809.3**	4,064.6	43
Gross profit	**117.0**	112.8	4	**405.3**	369.3	10
Operating costs	**57.3**	44.1	(30)	**182.7**	130.0	(41)
Marketing, general and administrative	**29.0**	24.9	(16)	**94.3**	77.1	(22)
Depreciation and amortization expense	**18.6**	13.6	(37)	**57.5**	41.4	(39)
	12.1	30.2	(60)	**70.8**	120.8	(41)
Customer finance income	**(0.5)**	(0.6)	17	**(2.0)**	(1.8)	11
Finance costs	**6.3**	4.8	(31)	**19.3**	15.0	(28)
Foreign exchange (gain) loss	**(1.7)**	0.9	289	**(2.6)**	(0.8)	(225)
(Gain) loss on disposal of property, plant and equipment	**(0.1)**	1.2	108	**1.1**	1.6	32
(Gain) loss on risk management activities	**(7.3)**	(2.5)	(192)	**(1.2)**	11.5	111
Earnings before income taxes	**15.4**	26.4	(42)	**56.2**	95.3	(41)
Income tax expense	**4.9**	7.1	31	**16.6**	25.3	34
Net earnings	**10.5**	19.3	(46)	**39.7**	70.0	(43)
Net (loss) earnings per share						
- Basic	**0.14**	0.27	(48)	**0.53**	1.00	(47)
- Diluted [1]	**0.14**	0.27	(48)	**0.53**	0.99	(46)
Non-GAAP Financial Measures:						
Adjusted EBITDA [2][3]	**35.2**	37.8	(7)	**132.1**	156.9	(16)
Distributable cash flow [2][4]	**17.0**	23.2	(27)	**83.9**	110.4	(24)
Distributable cash flow per share [2][4]	**0.22**	0.33	(33)	**1.10**	1.55	(29)
Dividends	**20.0**	18.4	9	**58.9**	54.3	9
Dividend to distributable cash flow payout ratio [2][4]	**117%**	79%		**70%**	49%	
Key Metrics:						
Fuel volume (millions of litres)	**2,333**	1,762	32	**6,527**	4,742	38
Return on capital employed (ROCE)[2][5][8]	**12.8%**	21.3%				
Employees	**1,687**	1,323	28			
Fuel Key Metrics - Cents per Litre:						
Retail fuel and petroleum product adjusted gross profit [6]	**5.51**	4.99	10	**5.09**	4.76	7
Commercial fuel and petroluem product adjusted gross profit [6]	**8.57**	7.94	8	**10.07**	9.82	(3)
Operating costs	**2.46**	2.50	2	**2.80**	2.74	(2)
Marketing, general and administrative	**1.24**	1.41	12	**1.45**	1.63	11
Depreciation and amortization expense	**0.80**	0.78	(2)	**0.88**	0.87	(1)
Liquidity and bank ratios:						
Net debt:adjusted EBITDA [2][7]	**2.11**	1.51				
Senior debt:adjusted EBITDA [2][7]	**1.44**	0.86				
Interest coverage [2][7]	**4.59**	7.34				

[1] Diluted earnings (loss) per share can be impacted by an anti-dilutive impact of conversion of the debentures. Quarterly diluted earnings (loss) per share may therefore not accumulate to the same per share value as the year-to-date calculation.

[2] Please refer to the Non-GAAP Measures section in the MD&A for definitions.

[3] Please see Adjusted EBITDA discussion in the MD&A.

[4] Please see Distributable Cash Flow reconciliation table in the MD&A.

[5] Please see ROCE discussion in the MD&A.

[6] Please see Segmented Results discussion in the MD&A.

[7] Please refer to the Non-GAAP Measures section in the MD&A for reconciliations.

[8] Revised, please see correction of prior period error discussion in the MD&A

Who We Are

Parkland Fuel Corporation is North America's fastest growing independent marketer of fuel and petroleum products and our vision is to become the largest independent petroleum marketer in the markets we serve. We deliver gasoline, diesel, propane, lubricants, heating oil and other high quality petroleum products to motorists, businesses, consumers and wholesale customers in Canada and the United States. Our mission is to be the partner of choice for our customers and suppliers, and we do this by building lasting relationships through outstanding service, reliability, safety and professionalism.

We are unique in our ability to provide customers with dependable access to fuel and petroleum products, utilizing a portfolio of supply relationships, storage infrastructure and third party rail and highway carriers to protect our customers from supply disruptions.

Parkland endeavours to realize its vision and mission everyday by:

- Fuelling communities through local operators who make it their priority to build lasting relationships with their customers; and

- Delivering measurably superior customer service by being responsive, accurate and accountable to customers every day.

Parkland delivers value to communities and customers by ensuring they have dependable access to high quality fuel and petroleum products at a fair price. This is important for communities that depend on fuels for their heat and their everyday lives.

Parkland delivers value to refiners by assisting them in managing their downstream marketing channels, simplifying their billing and collections through a consolidated customer base, growing their business and promoting their brands.

Parkland connects refiners to communities, and communities to the petroleum products they need to heat their homes, fuel their industries and drive their economies.

Parkland's Values

- Working **safely** and respecting the **environment**
- Demonstrating **integrity** in all that we do
- Supporting our **people** to succeed and achieve
- Winning by providing exceptional **customer service**
- Delivering results through **teamwork**
- Taking **initiative** to continuously improve
- Being **owners** and giving back to our **communities**
- Fostering a **fun** and **respectful** work environment

Parkland Retail Fuels

Parkland Retail Fuels supplies and supports a network of approximately 842 retail gas stations in Canada and the United States.

Parkland owns two proprietary brands in Canada: Fas Gas Plus and Race Trac. Parkland is also a retail branded distributor for Esso in British Columbia, Alberta, Saskatchewan, Ontario and the Northwest Territories and a retail branded distributor for Chevron in British Columbia.

SPF Energy Inc., operated from Minot, North Dakota, maintains the Superpumper brand in the Northern United States.

Parkland recently announced an agreement to acquire Pioneer Energy, which will add more than 350 stations once the transaction is completed. Pioneer Energy markets fuel through the Pioneer brand and is also a retail branded distributor for Esso in Ontario and Manitoba.

Parkland Commercial Fuels

Parkland Commercial Fuels delivers bulk fuel, propane, heating oil, lubricants, agricultural inputs, oilfield fluids and other related products and services to commercial, industrial and residential customers in Canada and the United States through an extensive delivery network.

The family of successful brands in this division includes: Bluewave Energy, Columbia Fuels, Sparlings Propane Co. Ltd., Island Petroleum and Farstad Oil/SPF Energy Inc. in the United States. SPF Energy Inc.'s lubricant sales are included in Parkland's Commercial Fuels segmented results.

Parkland Wholesale, Supply and Distribution

Wholesale, Supply and Distribution is responsible for managing Parkland's fuel supply contracts, purchasing fuel from suppliers, providing distribution through third party rail and highway carriers as well as serving wholesale and reseller customers.

This division also includes Elbow River Marketing, the assets acquired from TransMontaigne Marketing Canada Inc. and SPF Energy Inc. wholesale volume.

Fuel supply contracts with multiple oil refiners and non-refiner suppliers allow Parkland to obtain fuel at competitive prices while ensuring that Parkland and its customers have multiple supply options in the event of a supply disruption. This approach enhances the overall security of Parkland's fuel supply and is a key competitive advantage.

The supply team is focused on enhancing profits through management of the supply portfolio. This area includes negotiating and enhancing supply contracts, management of the supply portfolio to take advantage of long-term and short-term opportunities and achieving operational excellence in logistics and supply processes.

In 2012 Parkland completed the conversion of its Bowden, Alberta refinery into a flexible, finished products terminal with 220,000 barrels of storage capacity. In addition to enhancing Parkland's internal supply options, the terminal provides industry participants with a flexible Central Alberta fuel terminal which can reduce transportation costs and wait times for Southern Alberta operations compared to supply points in Edmonton.

In 2013, Parkland added additional product terminal capacity in the Eastern Canadian supply orbit by contracting 120,000 barrels of storage capacity in Montreal and 165,000 barrels of terminal storage capacity in Quebec City. The acquisition of SPF Energy Inc. added another 40,000 barrels of terminal storage capacity in Minot, North Dakota.

Wholesale, Supply and Distribution manages the storage infrastructure portfolio to enhance Parkland's supply security and by extension the supply security of Parkland's customers.

Investing in Parkland

Clear growth strategy Parkland is actively consolidating the downstream petroleum industry through accretive acquisitions. By allocating capital to growth opportunities that leverage or further enhance the Corporation's strong supply position, Parkland's objective is to realize economies of scale and produce returns that no other independent fuel marketer can attain.

Dividend yield Parkland's Board of Directors remains committed to returning capital to shareholders, distributing excess profit to shareholders through an annual dividend of approximately $1.06 per share.

History of success	As at the period ended September 30, 2014	Trailing 1 year	Trailing 3 years	Trailing 5 years
	Total shareholder return [1]	31%	215%	276%
	Compound annual total shareholder return [1]	31%	47%	30%
	Trailing twelve months growth in fuel volume	45%		
	Dividend yield at September 30, 2014	5.0%		
	Price to earnings multiple at September 30, 2014	25.7		

[1] Please refer to the Non-GAAP Measures section in the MD&A for definitions.

The Parkland Penny Plan

Parkland's Five Year Growth Strategy

Five Year Strategy Accomplished Early

In 2012, Parkland introduced the Parkland Penny Plan which aspired to double 2011 normalized Adjusted EBITDA of $125 million through acquisitions and efficiencies by the end of 2016 (Parkland's 2011 normalized Adjusted EBITDA ignored one-time costs and irregular profits to reflect the economics that were anticipated for Parkland in 2014).

With the Acquisition of Pioneer Energy, Parkland now expects to deliver $250 million in Adjusted EBITDA by 2015, a year earlier than contemplated by the plan. A new five year strategic plan will be launched in 2015.

Grow

Consolidating North America's Fragmented Fuel Distribution Market

Parkland's aspirations to grow from 4.2 billion litres in annual fuel sales in 2011 to more than 10 billion litres by 2016, through a combination of organic growth and acquisitions, will be accomplished a year earlier than anticipated with the acquisition of Pioneer Energy.

The opportunity to grow organically and through acquisition continues. There remain three primary sources of potential growth for Parkland:

1) **Acquisition of independent fuel marketers** – Independent fuel marketers are defined as those that do not have refining capacity of their own. Parkland's 2010 acquisition of Bluewave Energy, 2011 acquisition of Cango, 2013 acquisitions of Elbow River Marketing, the TransMontaigne Marketing Canada Inc. assets and Sparlings Propane, the 2014 acquisition of SPF Energy and the recently announced agreement to acquire Pioneer Energy fall into this category.

2) **Acquisition of business from major Canadian refiners** – Petroleum refiners in North America are, in many cases, actively divesting parts of their downstream marketing businesses. The 2014 agreement with Chevron Canada to purchase twelve Chevron-branded service stations in Northern British Columbia falls into this category.

3) **Organic growth** – Organic growth is defined as increased sales volume through Parkland's existing operations which can be achieved through successful sales efforts, retail gas station upgrades, acquiring new retail dealers, building new retail and commercial outlets and the purchase of small tuck-in assets. Organic growth is typically between 2% and 3% annually.

Parkland's ability to integrate newly acquired companies is also a part of how the Corporation achieves returns for investors.

Supply

Maintaining a Material Supply Advantage

At the end of 2013, a supply contract that allowed Parkland to participate in refiner's margins, which made a significant contribution to the Corporation's past earnings, came to an end. Parkland has successfully executed a plan to replace the supply volume and the normalized economic benefit of this contract.

Parkland's dedicated Wholesale, Supply and Distribution team is working to further improve supply and distribution profits by:

1) Negotiating supply contracts that reflect Parkland's total sales portfolio, scope of operations and ability to sell an equal mix of diesel and gasoline;
2) Maintaining a portfolio of contracts and other supply options to ensure Parkland's customers have a secure and reliable source of supply even when supply disruptions occur;
3) Achieving the lowest overall purchase price across all of Parkland's markets on a daily and hourly basis; and
4) Investing in supply infrastructure that enhances supply security and optionality, such as the Bowden terminal.

Operate

Safety and Superior Customer Service

Operating effectively in the fuel marketing industry means operating in a safe, prudent and responsible manner. In 2014, Parkland launched its Drive to Zero Program to achieve zero injuries and zero serious incidents. As part of this program, Parkland recently completed enhanced safety leadership training for senior leaders across the organization. The transportation, delivery and handling of petroleum products involve health, safety and environmental risks. We closely measure our performance managing these risks and promote a culture of safety across all of our operations.

2014 – 2015 Forecast Guidance

While the acquisition of Pioneer is expected to boost Parkland's 2015 Adjusted EBITDA expectations to $250 million, it is not expected to contribute to Parkland's 2014 earnings. Parkland's expected case forecast for 2014 of $200 million in Adjusted EBITDA included $12 million in acquisitions. As timing for the completion of the Pioneer Energy acquisition is expected to be later than originally anticipated, Parkland's expected case for 2014 has been reduced by $12 million (acquired EBITDA assumption) to $188 million and the low and high cases have also been adjusted down by the corresponding assumption for acquired EBITDA ($7 million and $15 million respectively).

Adjusted EBITDA Forecast ($millions)	**2014**	**2015**
Expected Case	188	250
Low Case	178	235
High Case	194	265

The expected seasonal contribution of Adjusted EBITDA for 2014 is shown in the schedule below:

	Q1	Q2	Q3	Q4	Total
Seasonality of EBITDA **(2014 only)**	29%	20%	22%	29%	**100%**

These forecast amounts assume that Parkland maintains its current business mix and is able to achieve 2-4% organic growth annually including tuck-in acquisitions. All other major assumptions in the previously announced guidance have not changed.

With the acquisition of Pioneer Energy, Parkland expects less seasonal variation in its operational results in 2015.

Core Capabilities

Parkland Fuel Corporation is an independent marketer of petroleum products in North America, empowered by a continent-wide logistics, supply and trading platform. While the Corporation's reach is continent-wide, the service is local. Parkland has evolved over more than fifty years to become a corporation focused solely on downstream fuel marketing. Through constant learning, improvement and evolution, Parkland is continually striving to be the best downstream fuel marketing business in Canada and the United States.

Parkland's core capabilities include:

- A reach and scope that encompasses North America which allows it to see opportunities between markets that other independents can't see;
- A diverse portfolio of regional markets and products that protect it against the risk of competitive, operational and environmental disruptions in any one market;
- The scale to have a dedicated supply team that allows Parkland to secure economic benefit from its supply portfolio;
- Strategic storage and rail infrastructure combined with logistical expertise in moving fuel and other commodities between markets in North America;
- Supply security through a portfolio of contracts with multiple refiners and other suppliers; and
- Distribution channels with a balanced sales portfolio of gasoline and diesel which provide a competitive supply advantage.

Key Performance Drivers

Volume

Volume, not revenue, is the "top line" number to watch in Parkland's results. Costs and margins are driven on a per litre basis. Fuel revenue, assuming volume is static, is driven by the price of crude and by extension the wholesale price for fuel charged by suppliers.

It is possible for fuel volume to grow and for profit to increase, even as revenue diminishes.

Profit margins on a cents per litre basis

Margins in the fuel marketing divisions are provided on a cents per litre or "cpl" basis. Margins expand and contract based on competitive conditions, seasonality, demand and supply availability. Margins on a cents per litre basis determine the profitability of Parkland's business.

Supply cost

Supply cost is managed by the Wholesale, Supply and Distribution division. Achieving lower cost of supply results in increased profit in this division as Parkland charges its marketing divisions a standard transfer price.

Operating costs on a cents per litre basis

Parkland manages two types of costs: Marketing, General and Administrative ("MG&A") and Operating Costs ("Opex"). Monitoring these costs on a cents per litre basis provides investors with information about the progress

Parkland is making on achieving transactional efficiency. However, investors should be aware that as Parkland's business mix changes, both as a result of acquisitions and through regular seasonal fluctuations, the Corporation's MG&A and Opex on a cents per litre basis will also fluctuate.

Parkland Penny Plan Scorecard

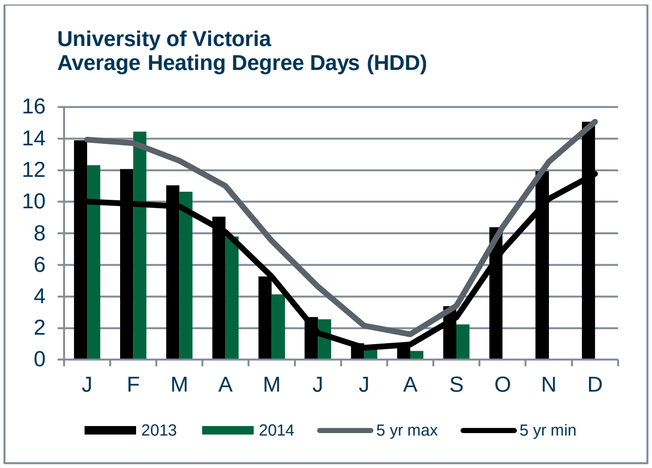
Area	Commitment	Analysis	2016 Target	Q3 2014	2013
Grow	Organic growth	**Elbow River Drives Growth in Third Quarter** YTD gains in Commercial (+10ML) and Elbow River (+285ML) partially offset by decreases in legacy Wholesale (-48ML) and Retail (-8ML).	Add 100 million litres per year	**239** million litres YTD	**11.2** million litres (full year)
	Major acquisitions	**Pioneer Expected to Add 2.2 BL on Close** The acquisition of Pioneer Energy is expected to add 2.2 billion litres in annualized volume. SPF Energy Inc. continues to perform in line with expectations. The mergers and acquisitions environment remains very active.	Add 6.0 billion litres by 2016	**3.4**[(2)] billion litres in annualized volume	**2.7** billion litres (full year)
Supply	Supply margin	**Headwinds in Wholesale** Q3 2014 results were impacted by the loss of refiner's margins and competitive margin compression in wholesale, partially offset by the acquisition of SPF Energy Inc., year-over-year volume growth from Elbow River Marketing and new supply contracts.	100% Normalized profit plus 1/3 cent	**On Track**	**On Track**
Operate	Operating costs	**Opex Costs Down per Litre** Increased costs from SPF Energy Inc. and Elbow River Marketing were offset by increased volume.	2.48 cpl	**2.46** cpl Q3 **2.80** cpl YTD	**2.50** cpl Q3 **2.74** cpl YTD
	Marketing, General and Administrative expenses ("MG&A")	**MG&A Costs Decrease with Scale**[(1)] Increased MG&A costs from SPF Energy Inc. were offset by increased volume.	1.52 cpl	**1.10** cpl Q3 **1.32** cpl YTD	**1.37** cpl Q3 **1.54** cpl YTD
	Total Recordable Injury Frequency ("TRIF")	**TRIF Lower on Year-over-Year Basis** Renewed focus in Health, Safety and Environment aims to enhance performance in all areas.	Less than 2.00	**2.80** TTM	**3.95** TTM

(1) excluding acquisition costs
(2) once the Pioneer Energy acquisition is completed
Note: 2016 cost targets will be updated in the event of a significant change to Parkland's business mix.
Abbreviations: CPL = Cents per litre
YTD = Year to date
TTM = Trailing twelve months

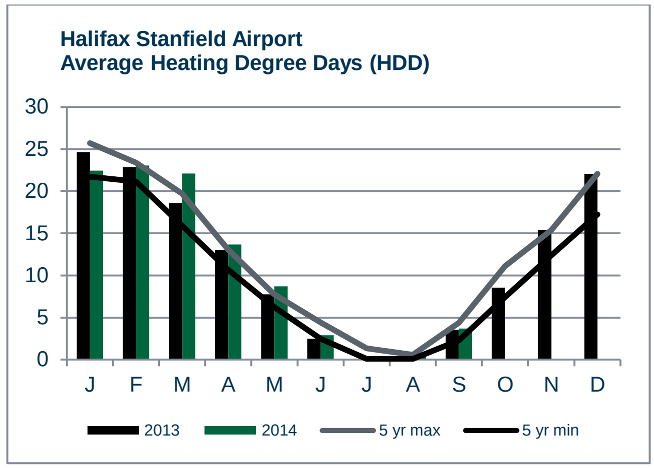
Economic Developments and Outlook

World Economy:
The Canadian fuel marketing industry is relatively unaffected by the world economy, and is driven primarily by population, weather and Canada's resource extraction industries.

Weather:
During the winter, cold weather drives the sale of heating oil and drives greater consumption of fuel in Parkland's other lines of business. Heating degree days ("HDD"), which are a measure of heating requirements, have generally been higher in 2014 than in 2013 on the east coast. On the west coast, with the exception of February, HDDs have been lower in 2014 than during the previous year. Data is current as of October 1, 2014.



Victoria, BC - Heating Degree Days



Halifax, NS - Heating Degree Days

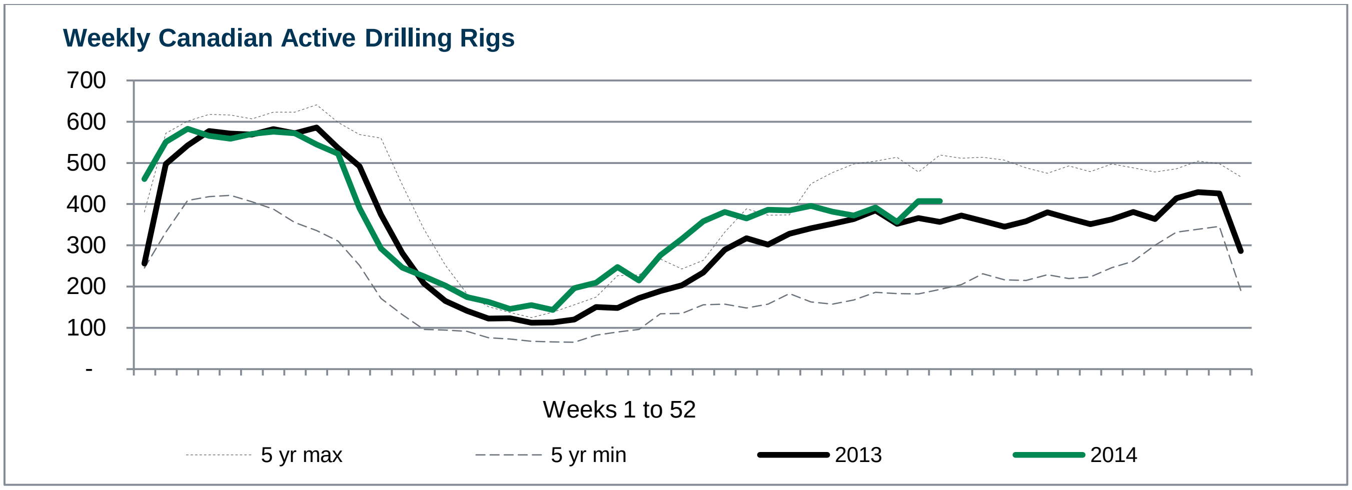
Heating Degree Days - Definition
Heating degree days (HDD) correlate to the demand for energy needed to heat homes or businesses. The heating requirements for a given structure at a specific location are considered to be directly proportional to the number of HDD at that location. Heating degree-days for a given day are the number of Celsius degrees that the mean temperature is below 18°C. If the temperature is equal to or greater than 18°C, then the number will be zero. For example, a day with a mean temperature of 15.5°C has 2.5 heating degree-days; a day with a mean temperature of 20.5°C has zero degree-days. Heating degree-days are used primarily to estimate the heating requirements of buildings.

Heating degree day data for Victoria and Halifax is shown in the graphs above. Heating degree day data is available for all Canadian markets at: http://www.climate.weatheroffice.gc.ca/climateData/canada_e.html. Please note that the Halifax station has now moved to Environment Canada's new NAV system, and that information from this station for the month of January 2013 appears to be incomplete. Monthly and seasonal forecasts are available through Environment Canada at: http://www.weatheroffice.gc.ca/saisons/index_e.html

Resource Industry:
For the three months ended September 30, 2014, the Canadian Association of Oilwell Drilling Contractors ("CAODC") reported an average monthly drilling rig count of 376, a 9% increase compared with 346 per month for the same period in 2013.

Year-to-date, the CAODC reported an average of 360 active drilling rigs during the first 38 weeks of 2014, a 10.4% increase compared with an average of 326 active rigs for the same period in 2013. The CAODC average weekly rig count data is current as of September 29, 2014.

Parkland's Commercial activity is geared towards natural gas well drilling. Drilling activity for natural gas continues to be soft across the Western Canadian Sedimentary Basin.



Crude Pricing:

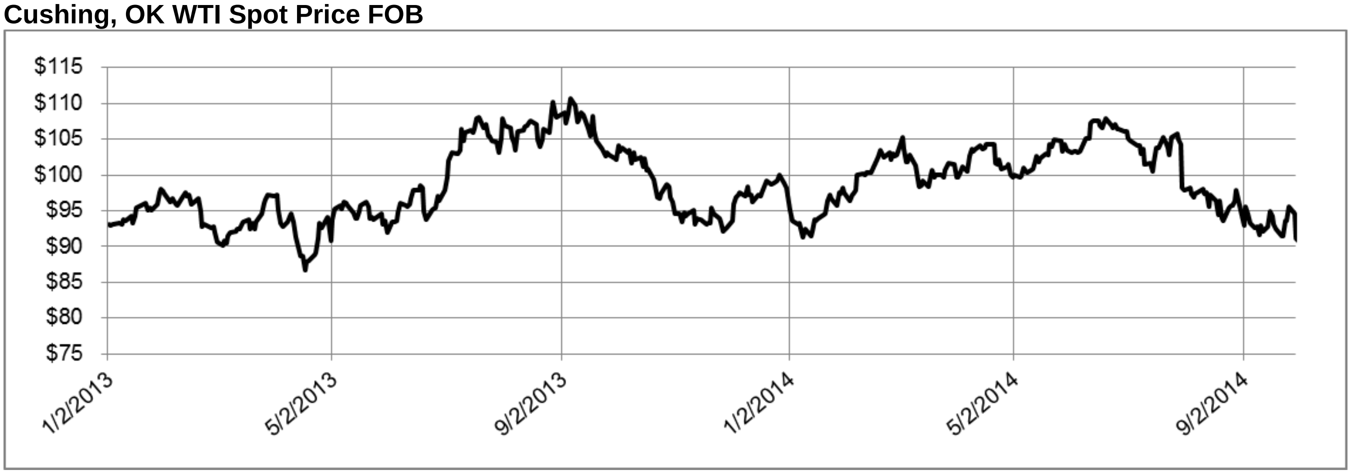
Crude pricing impacts Parkland's working capital requirements including the value of its accounts receivable, inventories and accounts payable. Additionally, net earnings can be impacted by gains or losses on inventories held. Generally, crude and refined product inventories realize a gain in a rising crude pricing environment, or a loss in a falling crude pricing environment.

Fuel product pricing is directly correlated with crude pricing. Therefore, as crude prices increase or decrease, so too does Parkland's working capital requirement. This, in turn, impacts Parkland's Return on Capital Employed ("ROCE").

In Parkland's Retail Fuels division, a rising crude price increases fuel product pricing which puts increased pressure on the wholesale to retail marketing margin, as increases in the price "on the street" usually lag increases in wholesale price. Therefore, Parkland's Retail Fuels division benefits from stable or declining crude pricing.

Parkland's Commercial Fuels division, on the other hand, benefits from rising crude prices which tend to encourage oil and gas exploration and production activity, an important industry to Parkland's Western Canadian Commercial operations.

Cushing, OK WTI Spot Price FOB



Crude Pricing – West Texas Intermediate (USD/bbl)

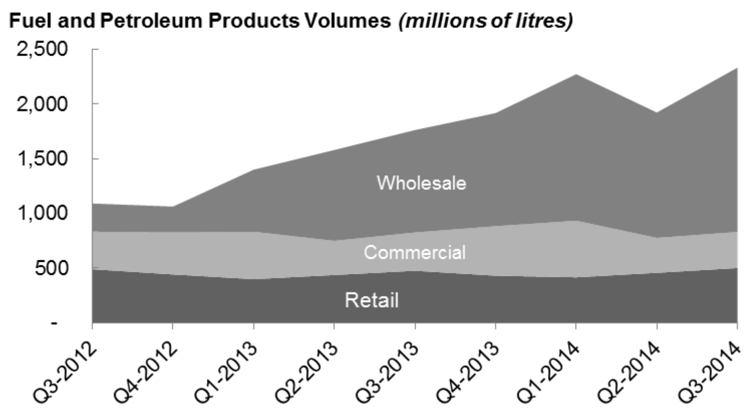
Movements in crude pricing impact Parkland's Commercial and Retail divisions in different and often opposing ways. (EIA website: http://www.eia.gov/dnav/pet/pet_pri_spt_s1_d.htm)

Consolidated Financial Review

Fuel and Petroleum Product Volume

Q3 2014 vs. Q3 2013

Fuel and petroleum product volume increased 571 million litres or 32% to 2.3 billion litres for the three months ended September 30, 2014 compared with 1.8 billion litres for the same period in 2013. This increase was primarily due to the rapid growth of fuel and refined product volume at Elbow River Marketing and the acquisition of SPF Energy Inc. on January 8, 2014, which added 282 million litres and 308 million litres of volume respectively.



Fuel and Petroleum Product Volume

Parkland Wholesale volume increased primarily due to the acquisition of SPF Energy Inc. and organic volume growth at Elbow River Marketing. Parkland Commercial Fuels experiences larger volume in the first and fourth quarters due to greater demand for heating oil, diesel and propane during the winter months. Retail Fuels experiences larger volume in the second and third quarters during the summer driving season.

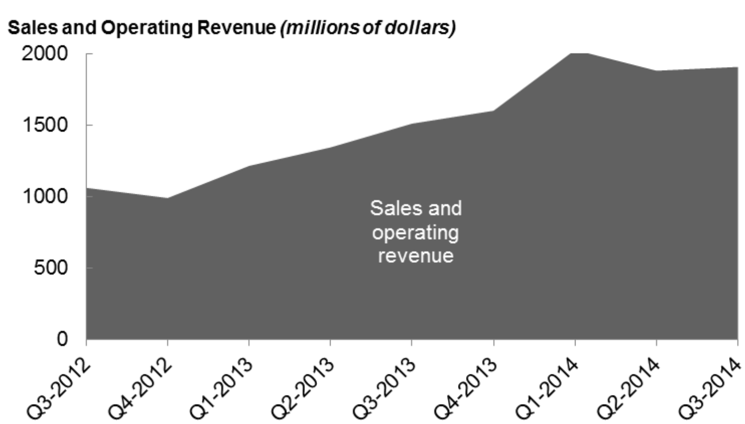
YTD 2014 vs. 2013

Fuel and petroleum product volume increased 1.8 billion litres or 38% to 6.5 billion litres for the nine months ended September 30, 2014 compared with 4.7 billion litres for the same period in 2013. This increase was primarily due to 612 million litres in organic volume growth at Elbow River Marketing and the acquisition of SPF Energy Inc. on January 8, 2014 which added 876 million litres of volume. The assets of TransMontaigne Marketing Canada Inc., which were acquired on May 13, 2013, added 251 million litres year-to-date.

Sales and Operating Revenue

Q3 2014 vs. Q3 2013

Sales and operating revenue for the three month period ended September 30, 2014 increased $0.4 billion or 26% to $1.9 billion, compared with $1.5 billion for the same period in 2013. The increase in revenue was primarily due to the acquisition of SPF Energy Inc. and an increase in revenue from Elbow River Marketing, which added $292.5 million and $128.6 million in revenue during the period, respectively. The increase in revenue at Elbow River Marketing is primarily due to increased propane and diesel sales.



Sales and Operating Revenue

Sales and operating revenue has seen a steady increase over the last eight quarters due to a combination of organic growth from existing business and growth from new acquisitions.

YTD 2014 vs. 2013

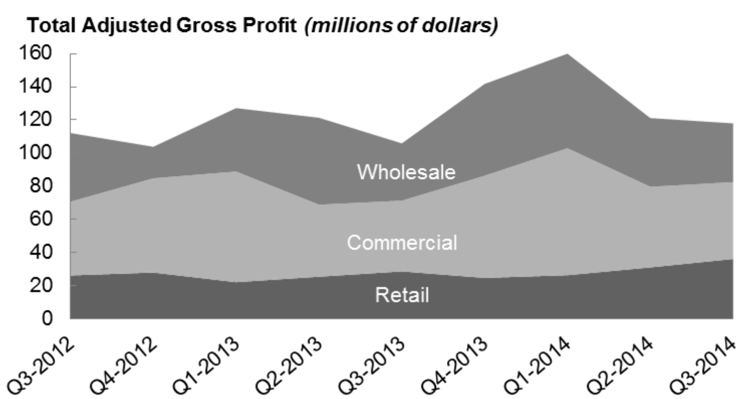
Sales and operating revenue for the nine months ended September 30, 2014 increased $1.7 billion or 43% to $5.8 billion, compared with $4.1 billion for the same period in 2013. The increase in revenue was primarily attributable to the acquisition of SPF Energy Inc. and an increase in revenue from Elbow River Marketing, which contributed $857.8 million and $494.9 million in additional revenue during the period respectively. The increase in revenue in Elbow River Marketing is primarily attributable to increased propane and diesel sales. The remaining increase is due to increased sales in Parkland's other businesses.

Adjusted Gross Profit

Q3 2014 vs. Q3 2013

Adjusted gross profit for the three months ended September 30, 2014 increased $12.4 million or 12% to $117.8 million compared with $105.4 million for the same period in 2013. On a product basis:

- Fuel and petroleum product adjusted gross profit for the three months ended September 30, 2014 stayed level at $84.1 million compared with $84.1 million for the same period in 2013. A $4.3 million decrease in adjusted gross profit in Parkland Wholesale, Supply and Distribution, due primarily to the termination of the Suncor contract in December 2013 and the resulting loss of refiner's margins, was offset by a $3.9 million increase in adjusted gross profit from Parkland Retail Fuels due to increased sales from the acquisition of SPF Energy Inc. as well as Chevron service stations and a $0.4 million increase in adjusted gross profit from Parkland Commercial Fuels.
- Non-fuel adjusted gross profit for the three months ended September 30, 2014 increased 58% or $12.4 million to $33.7 million compared with $21.3 million for the same period in 2013. The increase is primarily attributable to $10.1 million of gross profit generated from non-fuel sales at SPF Energy Inc. (lubricants, convenience store sales and freight) and a year-over-year increase of $1.7 million from Elbow River Marketing.



Adjusted Gross Profit

Parkland's gross profit is driven by the type of fuel product sold, as gross margins vary by product significantly. During the third quarter 2014, adjusted gross profit decreased due to the termination of the Suncor contract in December 2013 and the resulting loss of refiner's margins, partially offset by the acquisition of SPF Energy Inc. Commercial Fuels adjusted gross profit is highest during the first and fourth quarters of each year while Retail Fuels is highest during the second and third quarters of each year.

YTD 2014 vs. 2013

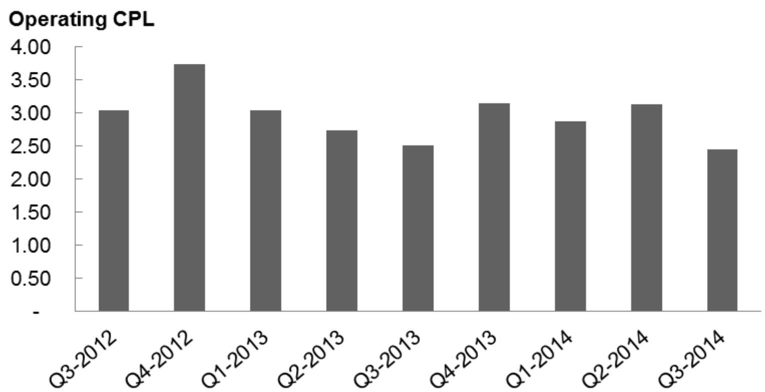
Adjusted gross profit for the nine months ended September 30, 2014 increased $41.2 million or 12% to $399.3 million compared with $358.1 million for the same period in 2013. On a product basis:

- Fuel and petroleum product adjusted gross profit for the nine months ended September 30, 2014 was $298.5 million, an increase of $4.2 million or 1% compared with $294.3 million for the same period in 2013. The increase is primarily attributable to a $24.8 million increase in adjusted gross profit at Elbow River Marketing, the addition of $19.1 million from SPF Energy Inc. and growth in other areas of the business, offset by the loss of refiner's margins following the termination of the contract with Suncor in December 2013.
- Non-fuel adjusted gross profit for the nine months ended September 30, 2014 was $100.8 million, an increase of $37.0 million or 58% compared with $63.8 million for the same period in 2013. The increase is primarily attributable to $28.4 million of additional gross profit generated by non-fuel sales of SPF Energy Inc., $4.0 million of additional gross profit generated by growth in Parkland Wholesale, Supply and Distribution and $2.1 million of additional gross profit generated by Elbow River Marketing.

Operating Costs

Q3 2014 vs. Q3 2013

Operating costs for the three months ended September 30, 2014 increased $13.2 million or 30% to $57.3 million compared with $44.1 million for the same period in 2013. The increase in operating costs is primarily attributable to the acquisition of SPF Energy Inc, which added $9.2 million in operating costs, as well as a $3.5 million increase in operating expenses at Elbow River Marketing due to the expansion of the business. Operating costs on a cent per litre ("cpl") basis for the three months ended September 30, 2014 were 2.46 cpl, a decrease of 0.04 cpl compared with 2.50 cpl for the same period in 2013.



Operating Costs on a CPL Basis:
The acquisitions of SPF Energy Inc. (acquired January 8, 2014), the assets acquired from TransMontaigne Marketing Canada Inc. (acquired May 13, 2013), Elbow River Marketing (acquired February 15, 2013) and Sparlings Propane (acquired April 2, 2013) have changed the mix of Parkland's business. In general, the higher volume wholesale and trading businesses have driven costs down on a cents per litre basis.

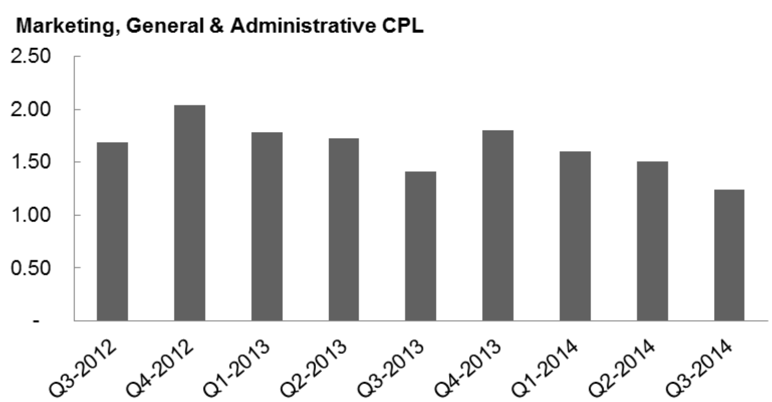
YTD 2014 vs. 2013

Operating costs for the nine months ended September 30, 2014 increased $52.7 million or 41% to $182.7 million compared with $130.0 million for the same period in 2013. The increase in operating costs are primarily attributable to the acquisition of SPF Energy Inc. which added $26.8 million in operating costs, and business growth at Elbow River Marketing and Sparlings Propane, which contributed $14.5 million and $4.8 million of additional operating costs, respectively. Operating costs on a cpl basis for the nine months ended September 30, 2014 were 2.80 cpl, an increase of 0.06 cpl compared with 2.74 cpl for the same period in 2013.

Marketing, General and Administrative Expenses

Q3 2014 vs. Q3 2013

MG&A expenses for the three months ended September 30, 2014 increased $4.1 million or 16% to $29.0 million compared with $24.9 million for the same period in 2013. The increase in MG&A expenses is primarily attributable to the acquisition of SPF Energy Inc, which added $1.8 million in MG&A expenses. The remainder of the increase is primarily attributable to increased corporate development and acquisition costs driven by the pending acquisition of Pioneer Energy. MG&A expenses on a cpl basis for the three months ended September 30, 2014 were 1.24 cpl, a decrease of 0.17 cpl compared with 1.41 cpl for the same period in 2013.



MG&A Expenses on a CPL Basis:
In the third quarter of 2014 compared to the third quarter of 2013 MG&A expenses on a cpl basis decreased due to an increase in Parkland's volume as a result of acquisitions. In general, the higher volume wholesale and trading businesses have driven costs down on a cents per litre basis.

YTD 2014 vs. 2013
MG&A expenses for the nine months ended September 30, 2014 increased $17.2 million or 22% to $94.3 million compared with $77.1 million for the same period in 2013. The increase in MG&A expenses is primarily attributable to the acquisition of SPF Energy Inc. ($5.1 million in MG&A expenses), expanded activities at Elbow River Marketing ($6.1 million in MG&A expenses) and increased corporate development and acquisition costs driven by the pending acquisition of Pioneer Energy.

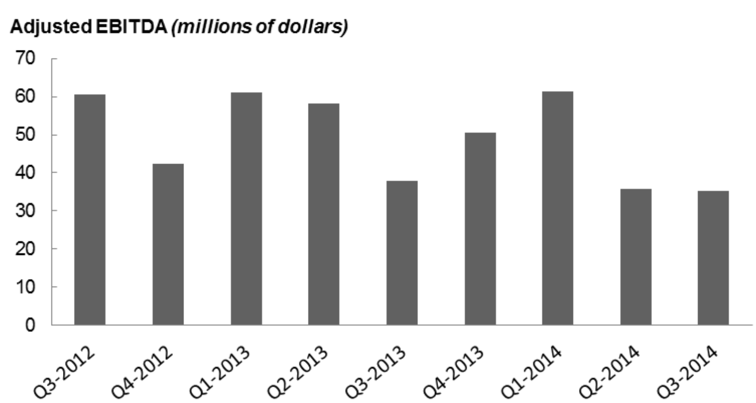
Adjusted Earnings Before Interest, Tax, Depreciation and Amortization ("Adjusted EBITDA")

	Three months ended September 30,		Nine months ended September 30,	
(in thousands of Canadian dollars)	**2014**	2013	**2014**	2013
Net earnings	**10,420**	19,061	**39,653**	69,920
Decreciation and amortization	**18,612**	13,710	**57,494**	41,391
Finance costs (1)	**6,295**	4,791	**19,258**	15,028
Unrealized (gain) loss on foreign exchange	**(1,103)**	597	**(1,683)**	159
(Gain) loss on disposal of property, plant and equipment	**(89)**	1,217	**1,088**	1,617
Unrealized gain from the change in fair value of commodities forward contracts and US dollar forward exchange contracts	**(7,053)**	(9,521)	**(8,143)**	(661)
Income tax expense	**4,894**	7,130	**16,578**	25,325
Acquisition costs	**3,261**	768	**7,897**	4,088
Adjusted EBITDA (2)(3)	**35,237**	37,753	**132,142**	156,867

(1) Includes realized and unrealized (gain) loss on the interest rate swap.
(2) Includes realized and unrealized (gain) loss on call options.
(3) Please refer to the Non-GAAP Measures section in the MD&A for definitions.

Q3 2014 vs. Q3 2013
Adjusted EBITDA for the three months ended September 30, 2014 was $35.2 million, a decrease of $2.6 million or 7% compared with $37.8 million for the same period in 2013. The decrease is primarily attributable to the termination of the Suncor contract in December 2013 and subsequent loss of refiner's margins, partially offset by earnings from acquisitions and improvements in the base business.

YTD 2014 vs. 2013
Adjusted EBITDA for the nine months ended September 30, 2014 was $132.1 million, a decrease of $24.8 million or 15.8% compared with $156.9 million for the same period in 2013. The decrease is primarily attributable to the termination of the Suncor contract in December 2013 and subsequent loss of refiner's margins, partially offset by earnings from acquisitions and improvements in the base businesses.

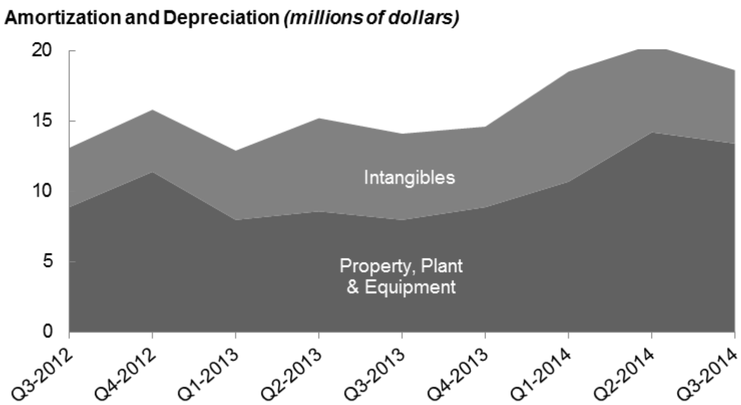


Adjusted EBITDA:
Adjusted EBITDA decreased in 2014 due to the termination of the Suncor contract in December 2013 and subsequent loss of refiner's margins partially offset by earnings from acquisitions and improvements in the base business.

Depreciation and Amortization

Q3 2014 vs. Q3 2013

Depreciation and amortization expenses for the three months ended September 30, 2014 were $18.6 million, an increase of $4.9 million or 36% compared with $13.7 million for the same period in 2013. The increase in depreciation and amortization expenses is primarily attributable to the acquisition of SPF Energy Inc., which added $2.0 million of additional depreciation and amortization expenses. The remainder of the increase is primarily due to increased remediation costs amortized and a higher balance of property, plant and equipment throughout Parkland from capital expenditures.



Amortization and Depreciation:
The amortization and depreciation expenses attributable to intangible assets are significant due to the acquisitions made by Parkland. Depreciation of property, plant and equipment increased after the acquisition of SPF Energy Inc in January 2014.

YTD 2014 vs. 2013

Depreciation and amortization expenses for the nine months ended September 30, 2014 were $57.5 million, an increase of $16.1 million or 39% compared with $41.4 million for the same period in 2013. The increase in depreciation and amortization expenses is primarily attributable to the acquisition of SPF Energy Inc., with $8.9 million of additional depreciation and amortization expenses. The remainder of the increase is primarily due to additional depreciation and amortization expenses from Elbow River Marketing with a full period of ownership in 2014, increased remediation costs amortized and a higher balance of property, plant and equipment throughout Parkland from capital expenditures.

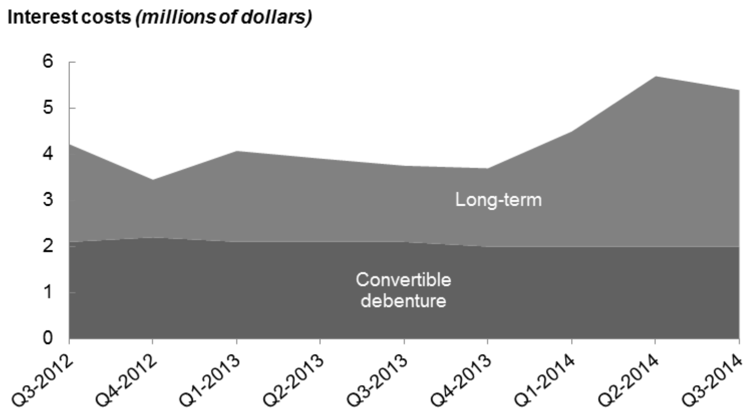
Finance Costs

Q3 2014 vs. Q3 2013

Finance costs are comprised of interest on long-term debt, interest and accretion on convertible debentures, amortization of deferred financing costs, accretion on refinery remediation, accretion on asset retirement obligations, change in fair value of the redemption option on the senior unsecured notes (“Redemption Option”), amortization of debt premium arising from the Redemption Option, and loss (gain) on interest rate swaps.

Finance costs for the three months ended September 30, 2014 were $6.3 million, an increase of $1.5 million or 31% compared with $4.8 million for the same period in 2013. The increase in finance costs is primarily attributable to the increase on interest on long-term debt and accretion on asset retirement obligations, which added $1.9 million and $0.4 million in finance costs respectively. This was partially offset by a gain on the change in fair value of the Redemption Option, which reduced finance costs by $0.8 million.

Interest on long-term debt for the three months ended September 30, 2014 was $3.6 million, an increase of $1.9 million or 112% compared with $1.7 million for the same period in 2013. Long-term debt, including the current portion was $308.5 million as at September 30, 2014, an increase of $138.0 million or 81%, compared with $170.5 million as at September 30, 2013. The increased interest on long-term debt and long-term debt balance is primarily due to the acquisition of SPF Energy Inc. and the private placement of the senior unsecured notes on May 29, 2014.



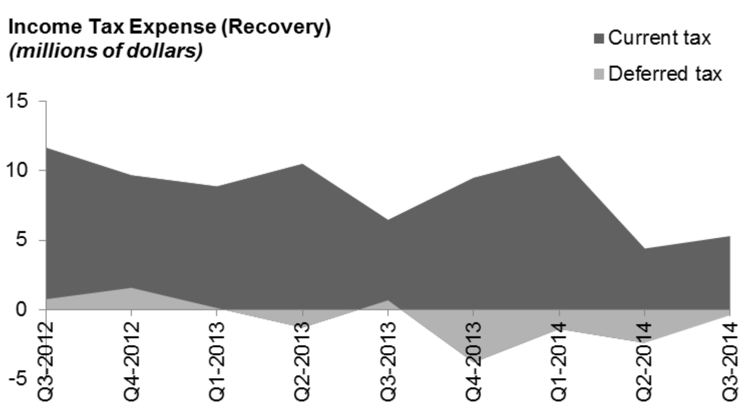
Interest Costs:
Interest costs on long-term debt include credit facility interest, senior unsecured notes interest, capital lease interest and collateralized notes interest. Interest on long-term debt was higher in 2014 compared with 2013 primarily due to the acquisition of SPF Energy Inc. and the private placement of the senior unsecured notes on May 29, 2014. Interest on convertible debentures was lower in 2014 compared with 2013 primarily due to the decrease in convertible debenture balances.

YTD 2014 vs. YTD 2013
Finance costs for the nine months ended September 30, 2014 were $19.3 million, an increase of $4.3 million or 28% compared with $15.0 million for the same period in 2013. The increase in finance costs is primarily attributable to the increase on interest on long-term debt and accretion on asset retirement obligations, with an additional $4.1 million and $1.3 million of finance costs respectively. This was partially offset by a gain on change in fair value of the Redemption Option, which reduced finance costs by $0.7 million.

Interest on long-term debt for the nine months ended September 30, 2014 was $9.5 million, an increase of $4.1 million or 76% compared with $5.4 million for the same period in 2013. Long-term debt, including the current portion was $308.5 million as at September 30, 2014, an increase of $84.2 million or 38% compared with $224.3 million as at December 31, 2013. The increased interest on long-term debt and long-term debt balance is primarily due to the acquisition of SPF Energy Inc. and the private placement of the senior unsecured notes on May 29, 2014.

Income Tax Expense

Q3 2014 vs. Q3 2013
Income tax expense (recovery) for the three months ended September 30, 2014 was $4.9 million, a decrease of $2.2 million or 31% compared with $7.1 million for the same period in 2013. The decreased income tax expense is primarily due to the decline in pre-tax earnings. The decrease in income tax expense (recovery) as a percentage of earnings before income taxes is due to permanent tax differences, adjustments with respect to prior years and changes to income allocations between North American tax jurisdictions.



Income Tax Expense (Recovery)
Income tax expense (recovery) has declined in the last nine quarters primarily due to the decline in pre-tax earnings.

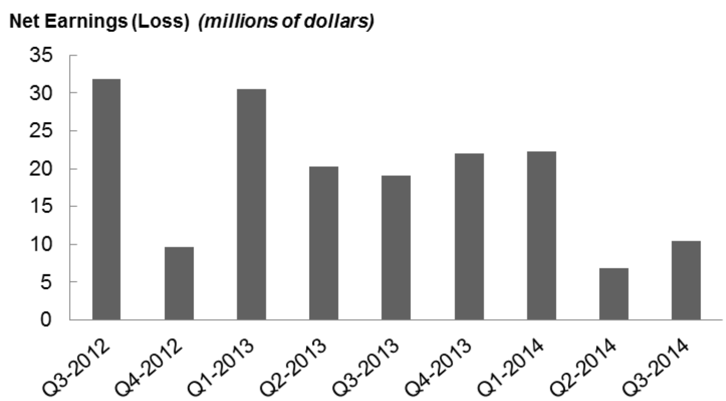
YTD 2014 vs. 2013
Income tax expense (recovery) for the nine months ended September 30, 2014 was $16.6 million, a decrease of $8.7 million or 34% compared with $25.3 million for the same period in 2013. The decreased income tax expense is primarily due to the decline in pre-tax earnings. The decrease in income tax expense (recovery) as a

percentage of earnings before income taxes is due to permanent tax differences, adjustments with respect to prior years and changes to income allocations between North American tax jurisdictions.

Net Earnings

Q3 2014 vs. Q3 2013

Net earnings for the three months ended September 30, 2014 were $10.4 million, a decrease of $8.7 million or 46% compared with $19.1 million for the same period in 2013. The decrease in net earnings was primarily attributable to a decrease of $2.5 million in Adjusted EBITDA, increased depreciation and amortization expenses of $4.9 million and increased acquisition costs of $2.5 million, partially offset by decreased income tax expense of $2.2 million.



Net Earnings:
Net earnings during the most recent quarters have been impacted by refiner's margins. Parkland no longer benefits from refiner's margins with the end of the Suncor contract in December 2013. Recent acquisitions have contributed earnings.

YTD 2014 vs. 2013

Net earnings for the nine months ended September 30, 2014 were $39.7 million, a decrease of $30.2 million or 43% compared with $69.9 million for the same period in 2013. The decrease in net earnings was primarily attributable to a decrease of $24.8 million in Adjusted EBITDA, increased depreciation and amortization expenses of $16.1 million, increased finance costs of $4.3 million and increased acquisition costs of $3.8 million, partially offset by $8.7 million of decreased income tax expense, $7.5 million from the increased unrealized gain from the change in fair value of commodities forward contracts and US dollar forward exchange contracts and $1.8 million from the increase in unrealized gain of foreign exchange.

Reconcilation of Distributable Cash Flow

	Three months ended September 30,		Nine months ended September 30,	
(in thousands of Canadian dollars except per share amounts)	**2014**	2013	**2014**	2013
Adjusted EBITDA [(1)]	**35,237**	37,753	**132,142**	156,867
Finance costs [(2)]	**(6,295)**	(4,791)	**(19,258)**	(15,028)
Unrealized gain (loss) on foreign exchange	**1,103**	(597)	**1,683**	(159)
Unrealized gain from the change in fair value of commodities forward contracts and US dollar forward exchange contracts	**7,053**	9,521	**8,143**	661
Income tax expense	**(4,894)**	(7,130)	**(16,578)**	(25,325)
Acquisition costs	**(3,261)**	(768)	**(7,897)**	(4,088)
Share incentive compensation	**645**	994	**3,816**	3,449
Refinery and terminal remediation accural	**128**	136	**369**	408
Accretion expense on asset retirement obligation	**517**	89	**1,497**	239
Change in risk management activities	**(7,053)**	(9,611)	**(8,430)**	1,367
Change in other long term liabilities	**(1,479)**	-	**(241)**	2,385
Accretion on convertible debentures	**583**	580	**1,729**	1,727
Amortization of deferred financing costs and debt premium	**263**	366	**1,183**	1,019
Change in fair value Redemption Option	**(800)**	-	**(720)**	-
Deferred taxes	**(390)**	671	**(4,181)**	(485)
Cash expenditures on asset retirement obligation	**(20)**	(522)	**(602)**	(1,105)
Net changes in non-cash working capital [(3)]	**30,794**	(65,831)	**18,910**	19,362
Cash flow from operating activities	**52,131**	(39,140)	**111,565**	141,294
Less: Growth capital expenditures in intangibles [(3)]	**(6,835)**	(5,097)	**(17,671)**	(14,376)
Less: Maintenance capital expenditures and intangibles	**(6,284)**	(4,821)	**(10,148)**	(11,880)
Standardized distributable cash flow	**39,012**	(49,058)	**83,746**	115,038
Add back (deduct):				
Growth capital expenditures and intangibles [(3)]	**6,835**	5,097	**17,671**	14,376
Proceeds on sale of property, plant, and equipment and intangible assets	**503**	1,287	**1,165**	2,734
Change in other long-term liabilities	**1,479**	-	**241**	(2,385)
Change in non-cash working capital [(3)]	**(30,794)**	65,831	**(18,910)**	(19,362)
Distributable cash flow [(4)]	**17,035**	23,157	**83,913**	110,401
Shares outstanding	**76,057**	71,020	**76,057**	71,020
Distributable cash flow per share [(4)]	**0.22**	0.33	**1.10**	1.55
Dividends	**19,974**	18,396	**58,917**	54,298
Dividend payout ratio [(4)]	**117%**	79%	**70%**	49%

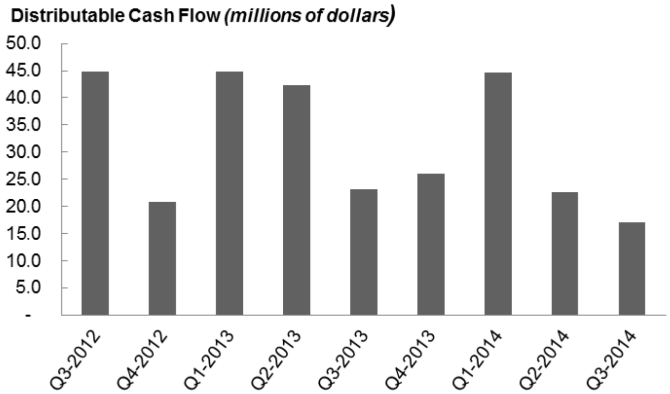
(1) Please refer to the Non-GAAP Measures section for definitions and Adjusted EBITDA discussion in the MD&A

(2) Includes realized and unrealized (gain) loss on the interest rate swap

(3) Included in standardized distributable cash flow and excluded from distributable cash flow

(4) Please refer to the Non-GAAP Measures section in the MD&A for definitions.

Distributable Cash Flow ***(millions of dollars)***



Distributable Cash Flow:
Distributable cash flow decreased in 2014 compared with 2012 and 2013 due to the elimination of refiner's margins with the end of the contract with Suncor in December 2013, partially offset by earnings from acquisitions and improvements in the base business. Seasonality of Parkland's business also impacts distributable cash flow.

Dividend Payout Ratio

Q3 2014 vs. Q3 2013

In the third quarter of 2014, the dividend payout ratio was 117%, an increase from 79% in the third quarter of 2013. The dividend payout ratio increased due to a $1.6 million increase in dividends and a $6.1 million decrease in distributable cash flow. The decrease in distributable cash flow was primarily due to the decrease in Adjusted EBITDA of $2.5 million, increase in finance costs of $1.5 million, increase in acquisition costs of $2.5 million, and a $1.5 million decrease in other long term liabilities, partially offset by an increase in unrealized gain (loss) on foreign exchange of $1.7 million.

YTD 2014 vs. 2013

In the nine months ended September 30, 2014, the dividend payout ratio was 70%, an increase from 49% in 2013. The dividend payout ratio increased due to a $4.6 million increase in dividends and a $26.5 million decrease in distributable cash flow. The decrease in distributable cash flow was primarily due to the decrease in Adjusted EBITDA of $24.8 million, increase in finance costs of $4.2 million, increase in acquisition costs of $3.8 million, and a $3.7 million increase in deferred taxes, partially offset by a decrease in income tax expense of $8.7 million.

Dividends

The following table sets forth the record date, payment date, amount per share, and total dividends paid during the year:

Record Date	Payment Date	Amount Per Share	Total Dividends (*$000's*)
January 22, 2014	February 14, 2014	0.087	6,349
February 24, 2014	March 14, 2014	0.087	6,371
March 21, 2014	April 15, 2014	0.088	6,513
April 23, 2014	May 15, 2014	0.088	6,533
May 23, 2014	June 13, 2014	0.088	6,576
June 20, 2014	July 15, 2014	0.088	6,602
July 22, 2014	August 15, 2014	0.088	6,624
August 22, 2014	September 15, 2014	0.088	6,651
September 22, 2014	October 15, 2014	0.088	6,698
October 22, 2014	November 14, 2014	0.088	6,744
Total dividends declared to shareholders in 2014		0.879	65,661

2014 Dividend Plan

Parkland intends to continue to pay dividends on a monthly basis of $0.0883 per share, equivalent to approximately $1.06 per share annually. Parkland's business has grown significantly over the past several years and a similar growth trajectory is anticipated as the fuel industry continues to consolidate. This dividend level has been set to allow Parkland to continue to execute growth plans through a combination of internally generated funds, external debt and equity capital. At the discretion of Parkland's Board of Directors, Parkland will determine the amount of any future dividends payable. From time to time this amount may vary depending on a number of factors.

Premium Dividend™ and Discount Dividend Reinvestment Plan

In January 2011, Parkland launched the Premium Dividend™ and discount Dividend Reinvestment Plan ("DRIP") as a means to incrementally raise equity capital for growth and other corporate purposes at a low cost.
In addition to the option of receiving a monthly cash dividend of $0.0883 per share, the Premium Dividend™ and enhanced Dividend Reinvestment Plan provide Canadian shareholders with the following options:

- The Premium Dividend™ – this provides eligible shareholders with a 2% cash premium in addition to their regular cash dividend. Participants in this option will receive $0.0901 per share on the dividend payment date.

- Dividend Reinvestment – this allows shareholders to purchase shares with their dividend at a 5% discount to the volume weighted average price as defined by the plan.

Those shareholders who do not elect to participate in the Premium Dividend™ or Dividend Reinvestment Plans will still receive their regular monthly dividend of $0.0883 per share.

Dividends Analysis

The following table provides a comparison of dividends with cash flow from operating activities, net earnings and Adjusted EBITDA. Net earnings include significant non-cash charges such as depreciation and amortization and accretion. These non-cash charges do not impact Parkland's distributable cash flow.

	Three months ended September 30,		Nine months ended September 30,	
(in thousands of Canadian dollars except per share amounts)	**2014**	2013	**2014**	2013
Cash flow from operating activities	**52,131**	(39,140)	**111,565**	141,294
Dividends	**(19,974)**	(18,396)	**(58,917)**	(54,298)
Excess (shortage) of cash flow from operating activities relative to dividends	**32,157**	(57,536)	**52,648**	86,996
Net earnings	**10,420**	19,061	**39,653**	69,920
Dividends	**(19,974)**	(18,396)	**(58,917)**	(54,298)
(Shortage) excess of cash flow from net earnings relative to dividends	**(9,554)**	665	**(19,264)**	15,622
Adjusted EBITDA(1)	**35,237**	37,753	**132,142**	156,867
Dividends	**(19,974)**	(18,396)	**(58,917)**	(54,298)
Excess of cash flow from Adjusted EBITDA relative to dividends	**15,263**	19,357	**73,225**	102,569

(1) Please refer to the Non-GAAP Measures section in the MD&A for definitions.

Please refer to the Capability to Deliver Results section for a discussion and analysis of changes in cash flow from operating activities, and the Consolidated Financial Review section for a discussion and analysis of changes in net earnings and adjusted EBITDA.

Return on Capital Employed ("ROCE")

(In thousands of Canadian dollars)	**September 30, 2014**	September 30, 2013
Four quarter average		
Bank indebtedness	**11,084**	3,139
Long-term debt (including current portion)	**286,621**	162,474
Convertible debentures (including current portion)	**125,556**	129,239
Shareholders' equity [4]	**464,453**	384,625
	887,714	679,477
Less:		
Cash and cash equivalents	**(19,404)**	(11,982)
Restricted cash	**(1,833)**	-
Capital Employed	**866,477**	667,495
Net earnings (trailing twelve months, or "TTM")	**61,690**	79,502
Add/(Deduct)		
Finance costs [1]	**24,114**	19,367
Unrealized (gain) loss on Foreign Exchange	**(1,250)**	169
Loss on disposal of property, plant and equipment	**1,911**	1,850
Unrealized gain from the change in fair value of commodities forward contracts and US dollar forward exchange contracts	**(8,789)**	(662)
Income tax expense	**22,262**	36,575
Acquisition costs	**10,662**	5,353
TTM Adjusted EBIT [2][3]	**110,600**	142,154
Return on Capital Employed[1]	**12.8%**	21.3%

(1) Includes realized and unrealized (gain) loss on the interest rate swap.

(2) Includes the realized and unrealized (gain) loss on call options.

(3) Please refer to the Non-GAAP Measures section in the MD&A for definitions.

(4) Revised, please see correction of prior period error discussion in the MD&A.

Average capital employed has increased by $199.0 million from $667.5 million as at September 30, 2013 to $866.5 million as at September 30, 2014 primarily due to the acquisitions of Elbow River Marketing, the TransMontaigne Marketing Canada Inc. assets, SPF Energy Inc. and Sparlings Propane. In the consolidated balance sheet, the increase is primarily in accounts receivable of $128.2 million, an increase in goodwill and intangibles of $70.2 million, an increase in inventory $35.3 million and an increase in property, plant and equipment of $67.7 million, partially offset by an increase in accounts payable of $81.3 million. Adjusted earnings before interest and taxes ("Adjusted EBIT") decreased by $31.6 million from 2013 as a result of a decrease in Adjusted EBITDA of $16.6 million and the increase in depreciation and amortization of $14.9 million. Return on capital employed ("ROCE"), as measured by trailing twelve months Adjusted EBIT divided by average capital employed, decreased from 21.3% at September, 2013 to 12.8% at September 30, 2014.

Segmented Results

The following tables detail sales and operating revenue, cost of sales and adjusted gross profit for Parkland's business segments for the three and nine months ended September 30, 2014

	Parkland Retail Fuels		Parkland Commercial Fuels		Parkland Wholesale, Supply and Distribution		Corporate		Consolidated	
For the three months ended September 30,	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Fuel and petroleum product volume (millions of litres)	502,492	477,447	328,686	348,509	1,501,469	936,017	-	-	2,332,647	1,761,973
Sales and operating revenue - external and intersegmental										
Fuel and petroleum product revenue	496,345	461,400	304,239	319,438	2,076,314	1,756,202	-	-	2,876,898	2,537,040
Non-fuel revenue	14,028	4,694	87,230	65,377	15,064	15,435	266	90	116,588	85,596
Total sales and operating revenue - external and intersegmental	510,373	466,094	391,469	384,815	2,091,378	1,771,637	266	90	2,993,486	2,622,636
Less: intersegment revenues	-	-	(8,036)	(7,798)	(1,079,604)	(1,105,798)	-	-	(1,087,640)	(1,113,596)
Sales and operating revenue	510,373	466,094	383,433	377,017	1,011,774	665,839	266	90	1,905,846	1,509,040
Cost of sales, excluding depreciation										
Fuel and petroleum product cost of sales	468,656	437,609	276,062	291,776	2,048,876	1,716,202	-	-	2,793,594	2,445,587
Non-fuel costs of sales	5,691	-	69,016	50,334	7,757	13,413	215	(79)	82,679	63,668
Total cost of sales, excluding depreciation	474,347	437,609	345,078	342,110	2,056,633	1,729,615	215	(79)	2,876,273	2,509,255
Less: intersegment cost of sales	-	-	(8,036)	(7,798)	(1,079,604)	(1,105,798)	209	621	(1,087,431)	(1,112,975)
Net cost of sales	474,347	437,609	337,042	334,312	977,029	623,817	424	542	1,788,842	1,396,280
Adjusted gross profit										
Fuel and petroleum product adjusted gross profit (before risk management)	27,689	23,791	28,177	27,662	27,438	40,000	-	-	83,304	91,453
Realized gain (loss) on risk management activities	-	-	-	-	226	(7,075)	-	-	226	(7,075)
Realized gain (loss) on foreign exchange	-	-	-	-	588	(302)	5	20	593	(282)
Fuel and petroleum product adjusted gross profit	27,689	23,791	28,177	27,662	28,252	32,623	5	20	84,123	84,096
Non-fuel adjusted gross profit	8,337	4,694	18,214	15,043	7,307	2,022	(158)	(452)	33,700	21,307
Total adjusted gross profit	36,026	28,485	46,391	42,705	35,559	34,645	(153)	(432)	117,823	105,403
Customer finance income	-	-	(590)	(655)	160	5	(69)	61	(499)	(589)
Operating costs	9,888	6,715	32,108	29,978	15,410	8,045	(83)	(609)	57,323	44,129
Marketing, general and administration	3,851	3,128	5,688	6,211	3,648	6,009	15,836	9,574	29,023	24,922
Realized loss (gain) on risk management activities	-	-	-	-	-	(44)	-	-	-	(44)
Less: acquisition costs	-	-	-	-	-	-	(3,261)	(768)	(3,261)	(768)
Adjusted EBITDA	22,287	18,642	9,185	7,171	16,341	20,630	(12,576)	(8,690)	35,237	37,753

For the nine months ended September 30,	Parkland Retail Fuels 2014	Parkland Retail Fuels 2013	Parkland Commercial Fuels 2014	Parkland Commercial Fuels 2013	Parkland Wholesale, Supply and Distribution 2014	Parkland Wholesale, Supply and Distribution 2013	Corporate 2014	Corporate 2013	Consolidated 2014	Consolidated 2013
Fuel and petroleum product volume (millions of litres)	1,377,017	1,315,314	1,164,976	1,092,891	3,985,342	2,334,262	-	-	6,527,335	4,742,467
Sales and operating revenue - external and inter-segmental										
Fuel and petroleum product revenue	1,376,081	1,248,977	1,138,319	1,002,642	6,180,257	3,674,248	-	-	8,694,657	5,925,867
Non-fuel revenue	38,359	13,198	256,523	209,618	59,418	41,734	854	293	355,154	264,843
Total sales and operating revenue - external and intersegmental	1,414,440	1,262,175	1,394,842	1,212,260	6,239,675	3,715,982	854	293	9,049,811	6,190,710
Less: Inter-segment revenues	-	-	(24,520)	(21,418)	(3,216,028)	(2,104,731)	-	-	(3,240,548)	(2,126,149)
Sales and operating revenue	1,414,440	1,262,175	1,370,322	1,190,842	3,023,647	1,611,251	854	293	5,809,263	4,064,561
Cost of sales, excluding depreciation										
Fuel and petroleum product cost of sales	1,305,973	1,186,371	1,020,951	895,290	6,063,257	3,538,696	-	-	8,390,181	5,620,357
Non-fuel costs of sales	15,331	2	202,096	163,632	36,273	36,408	119	(130)	253,819	199,912
Total cost of sales, excluding depreciation	1,321,304	1,186,373	1,223,047	1,058,922	6,099,530	3,575,104	119	(130)	8,644,000	5,820,269
Less: inter-segment cost of sales	-	-	(24,520)	(21,418)	(3,216,028)	(2,104,731)	548	1,179	(3,240,000)	(2,124,970)
Net costs of sales	1,321,304	1,186,373	1,198,527	1,037,504	2,883,502	1,470,373	667	1,049	5,404,000	3,695,299
Adjusted gross profit										
Fuel and petroleum product adjusted gross profit (before risk management)	70,108	62,606	117,368	107,352	117,000	135,552	-	-	304,476	305,510
Realized (loss) gain on risk management activities	-	-	-	-	(6,926)	(12,135)	-	-	(6,926)	(12,135)
Realized gain (loss) on foreign exchange	-	-	-	-	913	947	6	1	919	948
Fuel and petroluem product adjusted gross profit	70,108	62,606	117,368	107,352	110,987	124,364	6	1	298,469	294,323
Non-fuel adjusted gross profit	23,028	13,196	54,427	45,986	23,145	5,326	187	(756)	100,787	63,752
Total adjusted gross profit	93,136	75,802	171,795	153,338	134,132	129,690	193	(755)	399,256	358,075
Customer finance income	-	(4)	(1,814)	(1,676)	(72)	(18)	(109)	(91)	(1,995)	(1,789)
Operating costs	28,689	19,637	106,284	94,565	48,151	16,959	(428)	(1,157)	182,696	130,004
Marketing, general and administration	11,036	9,665	18,915	19,507	23,959	17,950	40,410	29,942	94,320	77,064
Gain (loss) on risk management activities	-	-	-	-	-	17	(10)	-	(10)	17
Less: acquisition costs	-	-	-	-	-	-	(7,897)	(4,088)	(7,897)	(4,088)
Adjusted EBITDA	53,411	46,504	48,410	40,942	62,094	94,782	(31,773)	(25,361)	132,142	156,867

Parkland Retail Fuels

Parkland Retail Fuels operates and services a network of retail service stations that serve motorists in Canada and the United States.

Parkland owns two proprietary brands in Canada: Fas Gas Plus and Race Trac. Parkland is also a retail branded distributor for Esso in British Columbia, Alberta, Saskatchewan, Ontario and the Northwest Territories and a retail branded distributor for Chevron in British Columbia. In addition, SPF Energy Inc. owns and operates the Superpumper brand in the northern United States.

Business Models

Canada

In Canada, Parkland Retail Fuels operates service stations under the following business models:

Dealer Operated – Dealers own or lease their own sites and enter into a contract with Parkland for fuel supply, the rights to a brand offering and a point-of-sale system. These relationships are normally long-term wholesale agreements with relatively stable margins.

Retailer Operated – Sites that are either owned or leased by Parkland and operated and managed on its behalf by independent entrepreneurs ("retailers") who provide and manage staff in exchange for a commission on fuel volume sold and non-fuel (convenience) sales. Retailers pay a contracted rent to Parkland based on a percentage of non-fuel sales revenue from the convenience store.

United States

In the United States, SPF Energy Inc. supplies a number of multi-site dealer chains and approximately 60 direct customers under the dealer operated model.

In addition to these sites, SPF Energy Inc. operates under the following business model:

Company Operated – the 16 Superpumper sites owned by SPF Energy Inc. are operated directly by SPF employees.

While SPF Energy Inc. supplies fuel to between 150 and 200 locations at any time, most of these are supplied on a wholesale basis and contribute to Parkland's wholesale segment. Only the 16 stations that are company operated are included in Parkland's retail segment.

Industry and Seasonality

The retail fuel business is highly competitive, with margins ultimately dependent on wholesale fuel costs and retail fuel prices.

The retail business is seasonal, reflecting increased travel during the summer months. In general, the second and third quarters are the strongest periods for Parkland Retail Fuels.

Historically, Parkland Retail Fuel's Adjusted EBITDA fluctuates seasonally according to the following approximate schedule:

	Q1	Q2	Q3	Q4	Total
Retail Adjusted EBITDA	19%	27%	32%	22%	100%

Parkland Retail Fuels Segment Performance

	Three months ended September 30,			Nine months ended September 30,		
	2014	2013	% Variance	2014	2013	% Variance
Fuel and petroleum product volume (000's of litres)	502,492	477,447	5.2%	1,377,017	1,315,314	4.7%
Sales and operating revenue ($ 000's)						
Sales and operating revenue	510,373	466,094	9.5%	1,414,440	1,262,175	12.1%
Adjusted gross profit						
Fuel and petroluem product adjusted gross profit	27,689	23,791	16.4%	70,108	62,606	12.0%
Non-fuel adjusted gross profit	8,337	4,694	77.6%	23,028	13,196	74.5%
Total adjusted gross profit	36,026	28,485	26.5%	93,136	75,802	22.9%
Customer finance income	-	-	-	-	(4)	(100.0%)
Operating costs	9,888	6,715	(47.3%)	28,689	19,637	(46.1%)
Marketing, general and administrative	3,851	3,128	(23.1%)	11,036	9,665	(14.2%)
Adjusted EBITDA	22,287	18,642	19.6%	53,411	46,504	14.9%
Per litre analysis:						
Adjusted fuel gross profit (cents per litre)	5.51	4.99	10.4%	5.09	4.76	6.9%
Operating costs (cents per litre)	1.97	1.41	(39.7%)	2.08	1.49	(39.6%)
Marketing, general and administration (cents per litre)	0.77	0.66	(16.7%)	0.80	0.73	(9.6%)
Adjusted EBITDA (cents per litre)	4.44	3.90	13.8%	3.88	3.54	9.6%

Parkland Retail Fuels Operational Review

Volume

Q3 2014 vs. Q3 2013

For the three months ended September 30, 2014, Parkland Retail Fuels' volume increased 5.2% to 502 million litres compared with 477 million litres in 2013. The 25 million litre increase was due to the addition of 25.1 million litres from SPF Energy Inc.'s retail operations, partially offset by a 0.1 million litre decrease in Canadian volume.

YTD 2014 vs. YTD 2013

For the nine months ended September 30, 2014, Parkland Retail Fuels' volume increased 4.7% to 1,377 million litres compared with 1,315 million litres in 2013. The 62 million litre increase was due to the addition of 70.0 million litres from SPF Energy Inc.'s retail operations, partially offset by an 8.3 million litre decrease in Parkland's Canadian dealer business. Although dealer site volume declined, same store fuel sales have increased 2.3% year-to-date in Parkland's Canadian retailer operated sites.

Adjusted Gross Profit

Q3 2014 vs. Q3 2013

For the three months ended September 30, 2014, retail fuel and petroleum product adjusted gross profit increased 16.4% to $27.7 million, compared with $23.8 million in 2013, due to the addition of $2.5 million from SPF Energy Inc., and a $1.4 million increase from Parkland's Canadian operations year-over-year. The increase in the Canadian operations was due to the addition of 12 retailer operated Chevron gas station sites and increased same store sales.

Average adjusted fuel gross profit on a cpl basis was higher year-over-year during the third quarter of 2014 due to an increase in volume from retailer operated sites, a decrease in volume from dealer operated sites, the addition of higher margin company operated sites from SPF Energy Inc., and the decrease in the price of crude during the quarter.

Non-fuel gross profit increased 77.6% in the third quarter to $8.3 million, compared with $4.7 million in 2013, due to the addition of $3.3 million from SPF Energy Inc. and an increase in non-fuel gross profit year-over-year in Parkland's Canadian retailer network.

Non-fuel gross profit in Parkland's Canadian retail operations increased by $1.2 million year-over-year during the third quarter due to strong convenience store sales which drove increased variable rents and volume rebates. Increased motor vehicle traffic and conversion of fuel customers to in-store purchases was driven by the continued development and enhancement of Parkland's c-store offering coupled with strong promotion programs. The recent acquisition of 12 Chevron branded retailer operated sites is also contributing to this increase.

YTD 2014 vs. YTD 2013
For the nine months ended September 30, 2014, retail fuel and petroleum product adjusted gross profit increased 12.0% to $70.1 million, compared with $62.6 million in 2013, due to the addition of $6.3 million from SPF Energy Inc. and a $1.2 million increase year-over-year from Parkland's Canadian retail operations.

Average adjusted fuel gross profit on a cpl basis was higher year-over-year due to a shift in mix from dealer operated sites to company and retailer operated sites with the addition of 12 Chevron sites and the acquisition of SPF Energy Inc.'s Superpumper sites.

Non-fuel gross profit increased 74.5% to $23 million for the nine months ended September 30, 2014, compared with $13.2 million in 2013, due to the addition of $8.6 million from SPF Energy Inc. and a 9.1% increase in same store convenience store sales year-to-date in Parkland's Canadian retailer operated network. Same store sales increases were driven by increased motor vehicle traffic and conversion of fuel customers to in-store purchases.

Operating Costs

Q3 2014 vs. Q3 2013
Retail operating costs for the third quarter of 2014 increased 47.3% to $9.8 million (1.97 cpl), compared with $6.7 million (1.41 cpl) during the same period in 2013, due to the addition of $3.2 million in costs from SPF Energy Inc., partially offset by $0.1 million in savings within the Canadian retail operations. While operating costs on a cpl basis in the Canadian retail operations are down modestly year-over-year, the addition of SPF Energy Inc.'s company operated Superpumper sites led to higher operating costs on a cpl basis due to overhead related to the company operated business model. However, this increase was offset by a corresponding increase in gross profit from convenience store merchandise and fuel sales.

YTD 2014 vs. YTD 2013
Retail operating costs for the nine months ended September 30, 2014 increased 46.1% to $28.7 million (2.08 cpl), compared with $19.6 million (1.49 cpl) during the same period in 2013, due to the addition of $9.2 million in costs from SPF Energy Inc. partially offset by $0.1 million in savings within the Canadian retail operations. As explained above, the increase on a cpl basis is related to costs associated with the company operated business model at Superpumper sites and is offset by a corresponding increase in gross profit.

Marketing, General and Administrative Expenses

Q3 2014 vs. Q3 2013
MG&A expenses for the three months ended September 30, 2014 increased 23.1% to $3.9 million (0.77 cpl), compared with $3.1 million (0.66 cpl) during the same period in 2013, due to the addition of $0.7 million from SPF Energy Inc. and a modest increase in advertising costs in Parkland's Canadian retail operations which drove the year-over-year increase in same store sales described above.

YTD 2014 vs. YTD 2013
MG&A expenses for the nine months ended September 30, 2014 increased 14.2% to $11.0 million (0.80 cpl), compared with $9.7 million (0.73 cpl) during the same period in 2013, primarily due to the addition of $1.4 million from SPF Energy Inc.

Adjusted EBITDA

Q3 2014 vs. Q3 2013

For the three months ended September 30, 2014, Parkland Retail Fuels' Adjusted EBITDA increased 19.6% to $22.3 million, compared with $18.6 million in 2013, primarily due to the addition of $1.9 million from SPF Energy Inc. and a $1.8 million increase from Parkland's Canadian retail operations.

YTD 2014 vs. YTD 2013

For the nine months ended September 30, 2014, Parkland Retail Fuels' Adjusted EBITDA increased 14.9% to $53.4 million, compared with $46.5 million in 2013, primarily due to the addition of $4.3 million from SPF Energy Inc. and a $2.6 million increase from Parkland's Canadian retail operations.

Divisional Outlook

The retail operations of SPF Energy Inc. continue to deliver on plan and the Chevron integration has gone very well. Further growth opportunities are anticipated for the Chevron brand in the British Columbia market. Parkland expects that it will see continued lift in the retail segment through the strategy of containing operating and administrative costs while driving continued success within Parkland's Canadian network of retailer operated sites.

Canadian Markets

Province	Retailer Operated	Dealer Operated	Total
Alberta	70	194	264
Bristish Columbia	29	85	114
Manitoba	12	11	23
New Brunswick	-	3	3
Nova Scotia	-	2	2
Northwest Territories	-	3	3
Ontario	2	148	150
Prince Edward Island	-	4	4
Saskatchwan	31	93	124
Yukon	-	5	5
Total	144	548	692

Canadian Brands

Parkland's multi-brand strategy allows the Corporation to provide an offering that targets different segments of the fuel market.

Operating Model	Fas Gas Plus	Race Trac	Esso	Chevron	Cdn Tire	Other	Total
Dealer operated	88	90	337	4	-	29	548
Retailer operated	88	2	25	17	1	11	144
Total	176	92	362	21	1	40	692

- **Fas Gas Plus –** Fas Gas Plus is a community-focused independent brand that brings consumers an urban offering in non-urban markets through a large, well merchandised convenience store, a strong loyalty program and friendly operators. Parkland's strategy is to continue to maximize penetration of its Fas Gas Plus brand throughout its traditional non-urban markets by investing in the Fas Gas Plus station upgrade and conversion program and acquiring new sites.
- **Esso –** The Esso retail branded distributor agreement provides Parkland with the opportunity to offer Esso's nationally recognized brand to independent operators or within the Corporation's owned network in Alberta, Saskatchewan, British Columbia, Ontario and the Northwest Territories.

- **Chevron** – The Chevron retail branded distributor agreement provides Parkland with the opportunity to deliver Chevron's premium brand through independent operators and Parkland's owned network in British Columbia.
- **Race Trac –** Race Trac is designed for the independent dealer that might not be able to meet the brand standards required by Parkland's other brand offerings, but who wants to get into the market. Parkland has focused on increasing the brand value of Race Trac to the operators. The Race Trac brand is positioned for locations or markets where the Fas Gas Plus, Chevron, or Esso brands are not suited and is an important part of Parkland's brand portfolio.
- **Other** – In most cases "Other" represents brands that are being migrated to Parkland's primary brand offerings over time.

Parkland Commercial Fuels

Parkland Commercial Fuels delivers bulk fuel, propane, heating oil, lubricants, agricultural inputs, oilfield fluids and other related products and services to commercial, industrial and residential customers in Canada and the United States through an extensive delivery network.

The family of successful brands in this division includes: Bluewave Energy, Columbia Fuels, Sparlings Propane and Island Petroleum. SPF Energy Inc.'s lubricant sales are included in Commercial's segmented results.

Parkland's commercial brands are committed to locally delivered, premium customer service, supported by a supply platform which ensures customers can obtain quality petroleum products when and where they are needed.

Parkland's commercial customer base is diverse, operating across a broad cross-section of industries and geographies with no single customer accounting for more than 5% of consolidated revenue. This customer base includes:

- Oil and gas industry participants;
- Residential propane and heating fuel customers;
- Construction companies;
- Mining operators;
- Forestry operators;
- Agricultural operators; and
- Other industrial operators.

Industry and Seasonality

The business of Parkland Commercial Fuels is seasonal, reflecting fluctuations in heating requirements and industrial activities that are more active in the winter than in the summer. In general, the first and fourth quarters are the busiest periods for Commercial Fuels.

Parkland Commercial Fuels Adjusted EBITDA has historically fluctuated on a seasonal basis in the following proportions:

	Q1	Q2	Q3	Q4	Total
Commercial Adjusted EBITDA	39%	16%	11%	34%	100%

Parkland Commercial Fuels Segment Performance

	Three months ended September 30,			Nine months ended September 30,		
	2014	**2013**	**% Variance**	**2014**	**2013**	**% Variance**
Fuel and petroleum product volume (000's of litres)	328,686	348,509	(5.7%)	1,164,976	1,092,891	6.6%
Sales and operating revenue ($ 000's)						
Sales and operating revenue	383,433	377,017	1.7%	1,370,322	1,190,842	15.1%
Adjusted gross profit						
Fuel and petroluem product adjusted gross profit	28,177	27,662	1.9%	117,368	107,352	9.3%
Non-fuel adjusted gross profit	18,214	15,043	21.1%	54,427	45,986	18.4%
Total adjusted gross profit	46,391	42,705	8.6%	171,795	153,338	12.0%
Customer finance income	(590)	(655)	(9.9%)	(1,814)	(1,676)	8.2%
Operating costs	32,108	29,978	(7.1%)	106,284	94,565	(12.4%)
Marketing, general and administrative	5,688	6,211	8.4%	18,915	19,507	3.0%
Adjusted EBITDA	9,185	7,171	28.1%	48,410	40,942	18.2%
Per litre analysis:						
Adjusted fuel gross profit (cents per litre)	8.57	7.94	7.9%	10.07	9.82	2.5%
Operating costs (cents per litre)	9.77	8.60	(13.6%)	9.12	8.65	(5.4%)
Marketing, general and administration (cents per litre)	1.73	1.78	2.8%	1.62	1.78	9.0%
Adjusted EBITDA (cents per litre)	2.79	2.06	35.4%	4.16	3.75	10.9%

Parkland Commercial Fuels Operational Review

Volume

Q3 2014 vs. Q3 2013

For the three months ended September 30, 2014, Parkland Commercial Fuels' volume decreased 5.7% to 329 million litres compared with 349 million litres in 2013. The 20 million litre decrease reflects a 23 million litre decrease in commercial fuel volume due to softening economic conditions in certain areas, increased competition, elimination of low-margin and poor credit customers, and cardlock closures in select areas. The decreased fuel volume was partially offset by a 2.7 million litre increase in propane sales year-over-year.

SPF Energy Inc. currently only contributes lubricant sales to Commercial Fuel results, which are not included in fuel volume but are included in non-fuel adjusted gross profit.

YTD 2014 vs. YTD 2013

For the nine months ended September 30, 2014, Parkland Commercial Fuels' volume increased 6.6% to 1,165 million litres compared with 1,093 million litres in 2013. The 72 million litre year-to-date increase includes 60 million litres of incremental propane sales from Sparlings Propane in the first quarter and 1.2% volume growth in the base business.

Adjusted Gross Profit

Q3 2014 vs. Q3 2013

For the three months ended September 30, 2014, commercial fuel and petroleum product adjusted gross profit increased 1.9% to $28.2 million compared with $27.7 million in 2013.

Average adjusted fuel gross profit on a cpl basis for the third quarter of 2014 increased compared with the third quarter of 2013, due to a decrease in low margin designated volume and an increase in propane volume.

Non-fuel gross profit increased 21.1% in the third quarter of 2014 to $18.2 million, compared with $15.0 million in the third quarter of 2013, primarily due to $3.7 million in additional lubricant profit from SPF Energy Inc. which was partially offset by lower lubricant volume and margin in Canada.

YTD 2014 vs. YTD 2013
For the nine months ended September 30, 2014, commercial fuel and petroleum product adjusted gross profit increased 9.3% to $117.4 million, compared with $107.4 million in 2013, due to higher volume and the modest increase in fuel margin outlined above. Sparlings Propane added $8.3 million in fuel adjusted gross profit in the first quarter of 2014.

Average adjusted fuel gross profit on a cpl basis increased 2.5% year-over-year for the nine months ended September 30, 2014 due to a change in volume mix away from low margin designated volume and additional propane volume.

Non-fuel gross profit increased 18.4% for the nine months ended September 30, 2014 to $54.4 million compared with $46.0 million in the same period in 2013, mainly due to $7.9 million in additional lubricant profit from SPF Energy Inc. and better Canadian agriculture and cartage margin in 2014 compared with 2013.

Operating Costs

Q3 2014 vs. Q3 2013
Parkland Commercial Fuels' operating costs for the third quarter of 2014 increased 7.1% to $32.1 million (9.77 cpl), compared with $30.0 million (8.60 cpl) during the third quarter of 2013, primarily due to an incremental $2.1 million from the SPF Energy Inc. acquisition and increased labour costs at Sparlings to manage increased volume.

YTD 2014 vs. YTD 2013
Parkland Commercial Fuels' operating costs for the nine months ended September 30, 2014 increased 12.4% to $106.3 million (9.12 cpl), compared with $94.6 million (8.65 cpl) during the same period in 2013, due to the addition of Sparlings Propane, a $4.7 million increase from SPF Energy Inc., increased fleet costs and an increase in labor costs related to additional volume.

Marketing, General and Administrative Expenses

Q3 2014 vs. Q3 2013
MG&A expenses for the third quarter of 2014 decreased 8.4% to $5.7 million (1.73 cpl), compared with $6.2 million (1.78 cpl) during the same period in 2013, due to cost savings in the base business.

YTD 2014 vs. YTD 2013
MG&A expenses for the nine months ended September 30, 2014 decreased 3.0% to $18.9 million (1.62 cpl), compared with $19.5 million (1.78 cpl) during the same period in 2013, due to cost savings in the base business that drove lower costs on an absolute and cpl basis, partially offset by addition of Sparlings Propane to the first quarter results.

Adjusted EBITDA

Q3 2014 vs. Q3 2013
For the three months ended September 30, 2014, Parkland Commercial Fuels' Adjusted EBITDA increased 28.1% to $9.2 million compared with $7.2 million in 2013.

YTD 2014 vs. YTD 2013
For the nine months ended September 30, 2014, Parkland Commercial Fuels' Adjusted EBITDA increased 18.2% to $48.4 million compared with $40.9 million in 2013.

Divisional Outlook

Parkland Commercial Fuels' Canadian operations are tracking slightly above last year's performance as the division continues to see success in growing its propane business. The ability to offer propane to heating oil customers looking for an alternative has been an effective way to retain customers in regions experiencing heating oil attrition.

New facilities in Dawson Creek, BC are expected to increase Parkland's ability to serve the northern regions of British Columbia. Parkland has also embarked on the aggressive adoption of in-truck monitoring, dispatch and tank sensor technologies that is expected to drastically reduce the number of deliveries while maintaining and enhancing service levels.

For the three months ended September 30, 2014, the Canadian Association of Oilwell Drilling Contractors ("CAODC") reported an average monthly drilling rig count of 377, a 12% increase compared with 338 per month for the same period in 2013.

Canadian Markets

On September 30, 2014, Parkland Commercial Fuels had 117 locations:

Province	Cardlock	Branch	Branch & Cardlock	Lube Distribution Centre	Grand Total
Alberta	12	8	9	2	31
Bristish Columbia	14	7	9	1	31
Manitoba	-	-	-	1	1
New Brunswick	-	-	1	-	1
Nova Scotia	3	9	4	1	17
Northwest Territories	-	-	2	-	2
Ontario	1	11	7	-	19
Prince Edward Island	10	2	-	-	12
Saskatchwan	-	1	1	-	2
Yukon	-	-	1	-	1
Total	40	38	34	5	117

There are three types of locations in Parkland's Canadian commercial network: branches which are manned sales and administration offices; cardlocks which are unmanned fueling stations that are accessed through a card or a code (similar to a retail gas station but unmanned and without a convenience store) and lube distribution centres, which are manned warehouses for receiving, repackaging and re-distributing lubricants.

In the United States, Parkland Commercial Fuels has 3 lube distribution centres in which 2 were located in North Dakota and 1 was located in Montana.

Parkland Wholesale, Supply and Distribution

Parkland Wholesale, Supply and Distribution is responsible for managing Parkland's fuel supply contracts, purchasing fuel from suppliers, distribution through third party rail and highway carriers as well as serving wholesale and reseller customers. This division includes profits from:

- Elbow River Marketing, acquired on February 15, 2013;
- The assets acquired from TransMontaigne Marketing Canada Inc. acquired on May 13, 2013;
- SPF Energy Inc. wholesale volume, acquired on January 8, 2014;
- Supply management activities; and
- Wholesale fuel sales.

Refinery Contracts - Fuel supply contracts are maintained with multiple oil refiners as well as wholesale and trading suppliers. Multiple supply relationships ensure that Parkland can:

1) Dependably deliver fuel to customers even during supply disruptions; and
2) Obtain fuel at competitive prices.

Terminals - In 2012 Parkland completed the conversion of its Bowden, Alberta refinery into a flexible, finished products terminal with 220,000 barrels of storage capacity. In addition to enhancing Parkland's internal supply options, the terminal provides industry participants with a flexible Central Alberta fuel terminal which can reduce transportation costs and wait times for Southern Alberta operations compared to supply points in Edmonton.

In 2013, Parkland added additional product terminal capacity in the eastern Canadian supply orbit by contracting 120,000 barrels of storage capacity in Montreal and 165,000 barrels of terminal storage in Quebec City. The acquisition of SPF Energy Inc. added another 40,000 barrels of terminal storage capacity in Minot, North Dakota.

Parkland Wholesale, Supply and Distribution manages the storage infrastructure portfolio to enhance Parkland's supply security and, by extension, the supply security of Parkland's customers.

Parkland Wholesale, Supply and Distribution Segment Performance

	Three months ended September 30,			Nine months ended September 30,		
	2014	**2013**	**% Variance**	**2014**	**2013**	**% Variance**
Fuel and petroleum product volume (000's of litres)	1,501,469	936,017	60.4%	3,985,342	2,334,262	70.7%
Sales and operating revenue ($ 000's)						
Sales and operating revenue	1,011,774	665,839	52.0%	3,023,647	1,611,251	87.7%
Adjusted gross profit						
Fuel and petroluem product adjusted gross profit	28,252	32,623	(13.4%)	110,987	124,364	(10.8%)
Non-fuel adjusted gross profit	7,307	2,022	261.4%	23,145	5,326	334.6%
Total adjusted gross profit	35,559	34,645	2.6%	134,132	129,690	3.4%
Customer finance income	160	5	3,100.0%	(72)	(18)	300.0%
Operating costs	15,410	8,045	(91.5%)	48,151	16,959	(183.9%)
Marketing, general and administrative	3,648	6,009	39.3%	23,959	17,950	(33.5%)
Loss on risk management activities	-	(44)	100.0%	-	17	100.0%
Adjusted EBITDA	16,341	20,630	(20.8%)	62,094	94,782	(34.5%)
Per litre analysis:						
Adjusted fuel gross profit (cents per litre)	1.88	3.49	(46.1%)	2.78	5.33	(47.8%)
Operating costs (cents per litre)	1.03	0.86	(19.8%)	1.21	0.73	(65.8%)
Marketing, general and administration (cents per litre)	0.24	0.64	62.5%	0.60	0.77	22.1%
Adjusted EBITDA (cents per litre)	1.09	2.20	(50.5%)	1.56	4.06	(61.6%)

Parkland Wholesale, Supply and Distribution Operational Review

Volume

Q3 2014 vs. Q3 2013

For the three months ended September 30, 2014 Parkland Wholesale, Supply and Distribution fuel volume increased 60.4% or 565 million litres to 1,501 million litres, compared with 936 million litres for the same period in 2013, primarily due to the addition of 282 million litres from SPF Energy Inc., a year-over-year increase of 282 million litres from Elbow River Marketing, and a 7.6 million litre increase in wholesale fuel volume. This was partially offset by the end of a supply exchange contract which resulted in a decrease of 6.6 million litres.

SPF Energy Inc. volume, which was 282 million litres in the quarter, is on track to plan and 3% higher than the same period in 2013 (prior to the acquisition). Elbow River Marketing volume increased 282 million litres due to growth in refined petroleum, liquid petroleum gas and other crude products.

The 7.6 million litre year-over-year increase in Parkland's Canadian wholesale fuel marketing business was achieved despite increased competition and supply allocations in Quebec, Ontario, and Western Canada. Increased year-over-year sales are attributed to the growing traction of Parkland's customer value proposition of quality service, competitive pricing and supply security.

YTD 2014 vs. YTD 2013

For the nine months ended September 30, 2014, Parkland Wholesale, Supply and Distribution fuel volume increased 70.7% or 1.7 billion litres to 4.0 billion litres, compared with 2.3 billion litres for the same period in 2013, primarily due to the addition of 806 million litres from SPF Energy Inc., a year-over-year increase of 612 million litres from Elbow River Marketing, and a 251 million litre increase from the balance of the Canadian operations (mainly from the assets acquired from TransMontaigne Marketing Canada Inc. on May 13, 2013).

Adjusted Gross Profit

Q3 2014 vs. Q3 2013

For the three months ended September 30, 2014, fuel and petroleum product adjusted gross profit decreased 13.4% to $28.3 million, compared with $32.6 million in 2013, due to the end of the Suncor contract in 2013, partially offset by the acquisition SPF Energy Inc. and a $1.1 million year-over-year increase from Elbow River Marketing.

Average adjusted fuel gross profit on a cpl basis in the third quarter of 2014 was 1.88 cpl, a decrease of 46.1% compared with 3.49 cpl in the third quarter of 2013 when unusually strong refiner's margins increased the margin on a cpl basis. This was partially offset by acquisitions and through Parkland's improved supply base.

The competitive margin compression in certain Canadian wholesale fuel markets that started in the second quarter continued in the third quarter due to excess refiner product that was aggressively marketed through domestic wholesale channels.

Non-fuel gross profit increased 261% in the third quarter of 2014 to $7.3 million, compared with $2.0 million in the third quarter of 2013, as a result of the addition of $3.0 million in non-fuel gross profit from SPF Energy Inc. (lubricants, convenience store sales and freight) and a year-over-year increase in freight charges to customers of Elbow River Marketing.

YTD 2014 vs. YTD 2013

For the nine months ended September 30, 2014, fuel and petroleum product adjusted gross profit decreased 10.8% to $111.0 million, compared with $124.4 million in 2013, due to the end of the Suncor refiner's margin contract in 2013, partially offset by improved supply costs in other contracts, the acquisition of SPF Energy Inc. and year-over-year growth in Elbow River Marketing.

Average adjusted fuel gross profit on a cpl basis for the nine months ended September 30, 2014 was 2.78 cpl, a decrease of 47.8% compared with 5.33 cpl in the same period of 2013 when unusually strong refiner's margins increased the margin on a cpl basis. This was partially offset by strong performance from Elbow River Marketing, the acquisition of SPF Energy Inc. (acquired January 8, 2014), the assets acquired from TransMontaigne Marketing Canada Inc (acquired May 13, 2013), and the success of Parkland's supply initiatives through the first nine months of 2014.

Non-fuel gross profit increased 334.6% in the first nine months of 2014 to $23.1 million, compared with $5.3 million in the third quarter of 2013, as a result of the addition of $11.3 million in non-fuel gross profit from SPF Energy Inc., a $2.0 million year-over-year increase from Elbow River Marketing, and a $4.5 million year-over-year increase in Parkland's Canadian operations.

Operating Costs

Q3 2014 vs. Q3 2013

Operating costs in the third quarter of 2014 increased to $15.4 million (1.03 cpl), compared with $8.0 million (0.86 cpl) during the same period in 2013, due to a $3.5 million increase related to Elbow River Marketing's increased rail activity and the addition of $3.8 million from SPF Energy Inc.

YTD 2014 vs. YTD 2013

Operating costs for the nine months ended September 30, 2014 increased to $48.2 million (1.21 cpl) compared with $17.0 million (0.73 cpl) during the same period in 2013 due to acquisitions. The year-over-year increase on a cpl basis is primarily due to short term rail car leases that were entered into in the second quarter of 2014 to support increased rail activity, and terminal leasing costs related to the assets acquired from TransMontaigne Marketing Canada Inc. on May 13, 2013.

Marketing, General and Administrative Expenses

Q3 2014 vs. Q3 2013

MG&A expenses for the third quarter of 2014 decreased to $3.6 million (0.24 cpl), compared with $6.0 million (0.64 cpl) during the same period in 2013 due to a $2.3 million reallocation of costs to the Corporate segment.

YTD 2014 vs. YTD 2013

MG&A expenses for the nine months ended September 30, 2014 increased to $24.0 million (0.60 cpl) compared with $18.0 million (0.77 cpl) during the same period in 2013 due to acquisitions. The decrease in MG&A costs on a cpl basis is the result of operational efficiencies coupled with increased volume.

Adjusted EBITDA

Q3 2014 vs. Q3 2013

For the three months ended September 30, 2014, Parkland Wholesale, Supply and Distribution's Adjusted EBITDA decreased 20.8% to $16.3 million (1.09 cpl) compared with $20.6 million (2.20 cpl) in 2013. The decrease is primarily due to the elimination of refiner's margins with the termination of the Suncor contract in December 2013, partially offset by the addition of SPF Energy Inc. and other supply contract earnings.

YTD 2014 vs. YTD 2013

For the nine months ended September 30, 2014, Parkland Wholesale, Supply and Distribution's Adjusted EBITDA decreased 34.5% to $62.1 million (1.56 cpl) compared with $94.8 million (4.06 cpl) in 2013. The decrease is primarily related to the elimination of refiner's margins due to the termination of the Suncor contract in December 2013, partially offset by improved supply contracts, the addition of SPF Energy Inc. and higher Adjusted EBITDA from Elbow River Marketing.

Divisional Outlook

Parkland's wholesale fuel strategy continues to be the independent fuel marketer of choice in wholesale markets across the country. Parkland expects that excess refiner product will continue to be aggressively marketed through domestic wholesale channels in the short to medium term.

Review of the Eight Most Recent Quarters

A Summary of the Eight Most Recently Completed Consolidated Quarterly Results

	2014			2013				2012
($000's except volume, ratio and per share amounts)								
For the three months ended,	Sep-30	Jun-30	Mar-31	Dec-31	Sep-30	Jun-30	Mar-31	Dec-31
Sales and operating revenue	1,905,846	1,879,153	2,024,264	1,598,861	1,509,040	1,342,697	1,212,824	998,407
Cost of sales	1,788,842	1,755,871	1,859,287	1,448,141	1,396,280	1,213,840	1,085,179	894,409
Gross profit	117,004	123,282	164,977	150,720	112,760	128,857	127,645	103,998
Expenses								
Operating costs	57,323	60,135	65,238	60,274	44,134	43,363	42,507	39,796
Marketing, general and administrative	29,023	28,913	36,384	34,528	24,917	27,228	24,919	21,682
Depreciation and amortization	18,612	20,407	18,475	14,612	13,710	14,757	12,924	15,805
	12,046	13,827	44,881	41,306	29,999	43,509	47,295	26,715
Customer finance income	(499)	(867)	(629)	(696)	(589)	(732)	(468)	(1,009)
Finance cost	6,295	7,113	5,850	4,856	4,791	4,674	5,563	4,339
Net Finance costs	5,796	6,246	5,221	4,160	4,202	3,942	5,095	3,330
(Gain) loss on disposal of property, plant and equipment	(89)	27	1,150	823	1,217	125	275	233
Foreign exchange (gain) loss	(1,696)	2,006	(2,912)	(151)	879	(1,371)	(297)	18
(Gain) loss on risk management activities	(7,279)	(3,382)	9,434	8,752	(2,490)	11,268	2,713	2,302
Earnings before income taxes	15,314	8,930	31,987	27,721	26,191	29,545	39,509	20,832
Income tax expense (recovery)								
Current	5,284	4,420	11,055	9,493	6,459	10,477	8,874	9,680
Deferred	(390)	(2,414)	(1,377)	(3,808)	671	(1,266)	110	1,570
	4,894	2,006	9,678	5,685	7,130	9,211	8,984	11,250
Net earnings	10,420	6,924	22,309	22,037	19,061	20,334	30,525	9,582
Net earnings per share								
- Basic	0.14	0.09	0.30	0.31	0.27	0.29	0.44	0.14
- Diluted[1]	0.14	0.09	0.30	0.30	0.27	0.28	0.42	0.14
Shares outstanding	76,057	74,765	73,759	71,795	71,020	70,227	69,445	67,973
Non GAAP Financial Measures								
Adjusted EBITDA [2][3]	35,237	35,693	61,214	50,562	37,753	58,114	61,000	42,484
Distributable cash flow [2][4]	17,035	22,651	44,649	26,100	23,157	42,278	44,917	20,755
Distributable cash flow per share[2][4]	0.22	0.30	0.61	0.36	0.33	0.60	0.65	0.31
Dividends	19,974	19,710	19,233	18,603	18,396	18,200	17,702	17,268
Dividends to distributable cash flow payout ratio[2][4]	117%	87%	43%	71%	79%	43%	39%	83%
Key Metrics:								
Fuel volume (millions of litres)	2,333	1,922	2,272	1,917	1,762	1,580	1,400	1,062
Return on capital employed (ROCE) [2][5][7]	12.8%	14.3%	19.1%	21.5%	21.3%	26.5%	27.2%	25.8%
Employees	1,687	1,705	1,713	1,370	1,323	1,313	1,167	1,179
Key Metrics - Cents per Litre:								
Retail fuel and petroleum product adjusted gross profit [6]	5.51	5.09	4.59	4.63	4.99	4.73	4.53	5.35
Commercial fuel and petroleum product adjusted gross profit [6]	8.57	9.60	11.32	10.18	7.94	9.33	11.70	10.43
Operating costs	2.46	3.13	2.87	3.14	2.50	2.74	3.04	3.75
Marketing, general and administrative	1.24	1.50	1.60	1.80	1.41	1.72	1.78	2.04
Depreciation and amortization expense	0.80	1.06	0.81	0.76	0.78	0.93	0.92	1.49

(1) Diluted earnings (loss) per share can be impacted by an anti-dilutive impact of conversion of the debentures. Quarterly diluted earnings (loss) per share may therefore not accumulate to the same per share value as the year-to-date calculation.

(2) Please refer to the Non-GAAP Measures section in the MD&A for definitions.

(3) Please see Adjusted EBITDA discussion in the MD&A.

(4) Please see Distributable Cash Flow reconciliation table in the MD&A.

(5) Please see ROCE discussion in the MD&A.

(6) Please see Segmented Results discussion in the MD&A.

(7) Revised, please see correction of prior period error discussion in the MD&A.

During the last eight quarters, the following items have had a significant impact on the Corporation's financial results:

- Fuel volume have fluctuated over the last eight quarters due to acquisitions and seasonality of the business. Commercial Fuels generally experiences higher volume throughout winter months, during the first and fourth quarters, due to higher demand for heating oil and propane. Retail Fuels generally experiences higher volume in the second and third quarters, during the summer driving season. Changes in volume impact Parkland's net earnings, Adjusted EBITDA, distributable cash flow and ROCE.
- Acquisitions have contributed to increased fuel volume over the last eight quarters. Parkland acquired Elbow River Marketing on February 15, 2013, Sparlings Propane on April 2, 2013, the assets from TransMontaigne Canada Inc. on May 13, 2013, SPF Energy Inc. on January 8, 2014 and Chevron-branded service stations on April 2, 2014. The largest increase in fuel volume has come from the acquisitions of Elbow River Marketing and SPF Energy Inc. In the nine months ended September 30, 2014, Elbow River Marketing and SPF Energy Inc. contributed an additional 612 million litres and 875 million litres of fuel volume respectively compared with the same period in 2013.
- Operating costs over the last eight quarters have generally increased due to increased volume from the acquired businesses except for the second quarter and third quarter of 2014 which decreased due to the seasonal reduction in Parkland Commercial Fuels.
- Marketing, general and administrative expenses over the last eight quarters have generally increased due to increased volume from the acquired businesses except for the second and third quarter of 2014 which decreased due to the seasonal reduction in Elbow River Marketing's sales.
- Fluctuations in crude oil prices have impacted the Corporation's net earnings, Adjusted EBITDA, distributable cash flow and ROCE.
- Parkland participated in refiner's margins for a portion of its supply volume. During the six quarters ending December 31, 2013, the Corporation's net earnings, Adjusted EBITDA, distributable cash flow and ROCE had been positively affected by the refiner's margins based contract. These margins contracted over the third quarter of 2013 to below the historical five year average, negatively impacting Parkland's adjusted gross profit compared to prior quarters. During the fourth quarter of 2013, Parkland experienced stronger refiner's margins which had a positive impact on Parkland's adjusted gross profit. Refiner's margins ended with the termination of the contract with Suncor in December 2013.

Capability to Deliver Results

Liquidity

Cash Balances and Cash Flow Activity

Q3 2014 vs. Q3 2013

Parkland's cash position, as represented by the net of cash and cash equivalents, restricted cash and bank indebtedness, increased by $35.4 million during the three months ended September 30, 2014 compared with a decrease of $4.6 million during the same period in 2013.

During the three months ended September 30, 2014, operating activities generated $52.1 million of cash compared with $39.1 million of cash used during the same period in 2013. Net changes in non-cash working capital generated $30.8 million of cash for the three months ended September 30, 2014, compared with $65.8 million of cash used for the same period in 2013. Net changes in non-cash working capital during the three months ended September 30, 2014 generated $30.8 million of cash primarily due to a $38.3 million decrease in accounts receivable, a $0.6 million decrease in inventories and $6.1 million decrease in income tax receivable, partially offset by a $2.4 million increase in prepaid expenses and other, an $11.0 million decrease in accounts payable and accrued liabilities and a $0.8 million decrease in deferred revenue. In comparison, net changes in non-cash working capital during the three months ended September 30, 2013 used $65.8 million of cash primarily due to a $15.9 million increase in accounts receivable, $13.7 million increase in inventories, $0.7 million increase in income tax receivable, $4.5 million increase in prepaid expenses and other, $25.5 million decrease in accounts payable and accrued liabilities, $4.0 million decrease in income tax payable and $1.6 million decrease in deferred revenue.

During the three months ended September 30, 2014, financing activities used $3.5 million of cash, of which $6.7 million was used in dividends paid to shareholders. This was partially offset by $3.1 million generated from shares issued for cash. For the same period in 2013, financing activities generated $44.4 million of cash, of which $173.0 million was generated from proceeds from long-term debt. This was partially offset by $123.1 million used in long-term debt repayments and $5.5 million used in dividends paid to shareholders.

During the three months ended September 30, 2014, investing activities used $13.2 million of cash, of which $13.1 million was used in additions of property, plant and equipment. For the same period in 2013, investing activities used $9.8 million of cash, of which $9.9 million was used in additions of property, plant and equipment, partially offset by proceeds from sale on property, plant and equipment and intangible assets of $1.3 million.

YTD 2014 vs. 2013

Parkland's cash position, as represented by the net of cash and cash equivalents, restricted cash and bank indebtedness, increased by $36.1 million during the nine months ended September 30, 2014 compared with a decrease of $17.9 million during the same period in 2013.

During the nine months ended September 30, 2014, operating activities generated $111.6 million of cash compared with $141.3 million of cash generated during the same period in 2013. Net changes in non-cash working capital generated $18.9 million of cash for the nine months ended September 30, 2014, compared with $19.4 million of cash generated for the same period in 2013. Net changes in non-cash working capital during the nine months ended September 30, 2014 generated $18.9 million of cash primarily due to a $63.3 million decrease in accounts receivable and a $6.8 million decrease in inventories, partially offset by a $38.1 million decrease in accounts payable and accrued liabilities, $4.4 increase in income tax receivable, $5.5 million decrease in deferred revenue and a $3.1 increase in prepaid expenses and other. In comparison, net changes in non-cash working capital during the nine months ended September 30, 2013 generated $19.4 million of cash primarily due to a $46.1 million decrease in accounts receivable and $5.3 million increase in accounts payable and accrued liabilities, partially offset by a $20.8 million decrease in income tax payable, $3.2 increase in inventories, $0.7 million increase in income tax receivable and a $8.3 million decrease in deferred revenue.

During the nine months ended September 30, 2014, financing activities generated $53.2 million of cash, of which $550.6 million was generated from proceeds from long-term debt, partially offset by $483.3 million used in long-term debt repayments and $18.4 million used in dividends paid to shareholders. For the same period in 2013, financing activities used $2.8 million of cash, of which $396.8 million was used in long-term debt repayments and $16.9 million was used in dividends paid to shareholders partially offset by $410.6 million generated from proceeds from long-term debt.

During the nine months ended September 30, 2014, investing activities used $128.7 million of cash, of which $84.5 million was used for the acquisition of SPF Energy Inc., $16.5 million was used for the acquisition of Chevron-branded service stations and $27.8 million was used in additions of property, plant and equipment. For the same period in 2013, investing activities used $156.4 million of cash, of which $84.6 million was used for the acquisition of Elbow River Marketing, $32.4 million was used for the acquisition of Sparlings Propane, $11.1 million was used for the acquisition of the assets from TransMontaigne Marketing Canada Inc, $2.4 million was used for the acquisition of Scotsburn and R-Gas and $26.3 million was used for the additions of property, plant and equipment.

Maintenance Capital Expenditures and Growth Capital Expenditures

For accounting purposes, amounts expended on maintenance and growth capital are treated as purchases of capital assets. The classification of capital as growth or maintenance is subject to judgment, as many of the Corporation's capital projects have components of both. It is the Corporation's policy to classify all capital assets related to service station upgrades or the replacement and upgrading of its trucking fleet as maintenance capital. The construction of a new building on an existing site or the addition of new trucks and trailers to increase the size of the fleet is considered growth capital.

Q3 2014 vs. Q3 2013

During the three months ended September 30, 2014, the Corporation's total additions of property, plant and equipment and intangible assets excluding additions due to acquisitions, consisting of maintenance capital and growth capital, were $13.1 million compared with $9.9 million for the same period in 2013. Maintenance capital for the three months ended September 30, 2014 was $6.2 million, compared with $4.8 million for the same period in 2013. Growth capital for the three months ended September 30, 2014 was $6.9 million, compared with $5.1 million for the same period in 2013.

YTD 2014 vs. 2013

During the nine months ended September 30, 2014, the Corporation's total additions of property, plant and equipment and intangible assets excluding additions due to acquisitions, consisting of maintenance capital and growth capital, were $27.8 million compared with $26.3 million for the same period in 2013. Maintenance capital for the nine months ended September 30, 2014 was $10.0 million, compared with $11.9 million for the same period in 2013. Growth capital for the nine months ended September 30, 2014 was $17.8 million, compared with $14.4 million for the same period in 2013.

Capital Resources

A revolving extendible credit facility (the "Credit Facility") agreement was last amended on June 30, 2014 to extend the maturity to June 30, 2018. The facility is extendible each year for a rolling four-year period at the option of Parkland. If the Credit Facility is not extended past the maturity date of June 30, 2018, all amounts outstanding are repayable on the maturity date.

The Credit Facility is for a maximum amount of $320 million and US$30 million with interest only payable at the banks' Canadian and US prime lending rates plus 0.50% to 1.75% per annum. The Credit Facility includes the value of letters of credit issued to a maximum facility of $100 million and US$10 million. The Credit Facility also includes a $200 million accordion feature that could potentially increase the total lending capacity to $520 million and US$30 million. Security on the Credit Facility is the assignment of insurance and a floating charge demand debenture for $900 million, thus creating a first floating charge over all of the undertaking, property and assets of Parkland.

At September 30, 2014, Parkland had $306.5 million in long-term debt (excluding $2.0 million of the current portion of long-term debt, the $77.3 million remaining amount of series 1 convertible unsecured subordinated debentures outstanding and the $44.1 million remaining amount of series 2 convertible unsecured subordinated debentures outstanding), compared with $223.0 million at December 31, 2013 (excluding $1.4 million of the current portion of long-term, $83.2 million remaining amount of series 1 convertible unsecured subordinated debentures outstanding and the $44.2 million remaining amount of series 2 convertible unsecured subordinated debentures outstanding). At September 30, 2014, Parkland had $47.6 million of cash and cash equivalents, $1.8 million of restricted cash and $5.0 million of bank indebtedness at various banks, compared to $9.0 million of cash and cash equivalents, $1.8 million of restricted cash and $2.5 million of bank indebtedness at December 31, 2013.

Based on the balance of Parkland's seasonal business, management believes that cash flow from operations will be adequate to fund maintenance capital, interest, income taxes and targeted dividends. Growth capital expenditures in the next twelve months will be funded by cash flow from operations, proceeds from the Premium Dividend™ and Dividend Reinvestment Plan, and by the Credit Facility. Any additional debt incurred will be serviced by anticipated increases in cash flow and will only be borrowed within Parkland's debt covenant limits.

Parkland manages its capital structure and makes adjustments according to market conditions to maintain flexibility while achieving the objectives stated above. To manage the capital structure, Parkland may adjust capital spending, adjust dividends paid to shareholders, issue new shares, issue new debt or repay existing debt.

At September 30, 2014, Parkland was in compliance with all debt covenants. Debt covenant ratios are tested on a trailing four quarter EBITDA (as defined under the terms of the Credit Facility) including acquisition related costs basis. The financial covenants under the Credit Facility are as follows:

1. Ratio of senior funded debt (which excludes the convertible debentures and unsecured subordinated senior debt (if any) but includes issued letters of credit) to EBITDA (as defined under the terms of the Credit Facility) including acquisition related costs shall not exceed 3.00 to 1.00 during the second and third quarters and shall not exceed 3.50 to 1.00 during the first and fourth quarters of Parkland's fiscal year;
2. Ratio of total funded debt (which excludes the convertible debentures but includes issued letters of credit) to EBITDA (as defined under the terms of the Credit Facility) including acquisition related costs shall not exceed 4.00 to 1.00 during the second and third quarters and shall not exceed 4.50 to 1.00 during the first and fourth quarters of Parkland's fiscal year; and
3. Fixed charge coverage ratio (as defined under the terms of the Credit Facility) at each quarter shall not be less than 1.15 to 1.00;

Liquidity risk is the risk that Parkland will encounter difficulties in meeting its financial liability obligations. Parkland manages its liquidity risk through cash and debt management. In managing liquidity risk, Parkland has access to various credit products at competitive rates.

Parkland believes it has sufficient funding through the use of these facilities to meet foreseeable borrowing requirements.

Labour Force

Parkland had approximately 1,687 employees at September 30, 2014, including 163 employees in its Red Deer, Alberta, head office and 108 employees in its Calgary, Alberta offices.

Parkland's employees are also owners of the Corporation, investing in Parkland regularly through Parkland's employee share purchase plan. Employees are also rewarded through an annual incentive plan that is linked to a minimum targeted return on capital employed to drive corporate performance.

Parkland's ability to deliver on its strategy is contingent on retaining and attracting employees with the proper skill sets to drive the key initiatives forward. As such, there is a focus on recruiting and retaining key employees. To date, Parkland has been successful at filling critical positions as needed.

Systems and Processes

Parkland utilizes a number of information technology systems that assist and support the administration and control of its operations. Technology initiatives are primarily implemented using in-house resources with additional assistance from outside consultants when required.

Parkland's technology initiatives include:

- Upgrading point-of-sale systems at convenience store and service station sites;
- Implementing business intelligence technologies to improve budgeting, analytics and reporting;
- Implementing web portal technology to enhance the customer experience;
- Implementing technologies to improve back office efficiency through automation; and
- Continued maintenance and security related to overall network administration and emergency response processes.

Safety and Environment

Parkland is committed to ensuring a safe working environment that protects its employees, customers and the environment. As part of this commitment, Parkland has an established Health, Safety & Environment ("HSE") program that includes comprehensive policies and procedures designed to manage and mitigate HSE risks. Additionally, employees have the opportunity to actively engage in safety initiatives through numerous HSE committees representing all areas of Parkland's business.

In 2014, Parkland launched its Drive to Zero Program to achieve zero injuries and zero serious incidents. As part of this program, Parkland recently completed enhanced safety leadership training for senior leaders across the organization.

Parkland's primary business of selling and transporting fuel products and other dangerous goods has an inherent degree of risk. As such, Parkland provides training to all staff as required to mitigate these risks and has operations and response procedures to deal with emergency situations.

Parkland maintains a Certificate of Recognition ("COR") in three provinces, and is a proud participant in Alberta WCB's "Partnerships in Injury Reduction" program.

Non-GAAP Measures

This MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS"). However, in this document there are references to the following non-GAAP measures which do not have any standardized meaning under IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. Readers of this MD&A are cautioned that these non-GAAP measures should not be construed as an alternative to measures of performance prepared in accordance with GAAP.

Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT")

Adjusted EBIT represents net earnings before finance costs (which includes interest on long-term debt, interest and accretion on convertible debentures, amortization of deferred financing costs, interest and accretion on refinery remediation, accretion on asset retirement obligation, change in fair value of Redemption Option, amortization of debt premium arising from Redemption Option, and loss (gain) on interest rate swaps), unrealized gain (loss) on foreign exchange, loss on disposal of property, plant and equipment, unrealized loss (gain) from the change in fair value of commodities forward contracts and US dollar forward exchange contracts included in risk management activities, income tax (recovery) expense and acquisition costs. Acquisition costs include direct and indirect costs related to acquisition targets. Parkland believes the presentation of Adjusted EBIT provides useful information to investors and shareholders as it provides increased transparency and predictive value. Management uses Adjusted EBIT to set targets and assess performance of the Corporation.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")

Adjusted EBITDA is defined as Adjusted EBIT before depreciation and amortization. Parkland believes the presentation of Adjusted EBITDA provides useful information to investors and shareholders as it provides increased transparency and predictive value. Management uses Adjusted EBITDA to set targets and assess performance of the Corporation. See the Adjusted EBITDA discussion of the MD&A for a reconciliation of Adjusted EBITDA.

	Three months ended September 30,		Nine months ended September 30,	
(in thousands of Canadian dollars)	**2014**	2013	**2014**	2013
Net earnings (2)	**10,420**	19,061	**39,653**	69,920
Finance costs (1)	**6,295**	4,791	**19,258**	15,028
Unrealized (gain) loss on foreign exchange	**(1,103)**	597	**(1,683)**	159
(Gain) loss on disposal of property, plant and equipment	**(89)**	1,217	**1,088**	1,617
Unrealized gain from the change in fair value of commodities forward contracts and US dollar forward exchange contracts	**(7,053)**	(9,521)	**(8,143)**	(661)
Income tax expense	**4,894**	7,130	**16,578**	25,325
Acquisition costs	**3,261**	768	**7,897**	4,088
Adjusted EBIT (2)	**16,625**	24,043	**74,648**	115,476
Depreciation and amortization	**18,612**	13,710	**57,494**	41,391
Adjusted EBITDA	**35,237**	37,753	**132,142**	156,867

(1) Includes realized and unrealized (gain) loss on the interest rate swap.
(2) Includes the realized and unrealized (gain) loss on call options.

Gross Profit and Adjusted Gross Profit

Gross Profit is defined as sales and operating revenue less cost of sales, excluding depreciation. Adjusted Gross Profit is defined as Gross Profit including the realized gain (loss) on the change in fair value of commodities forward contracts, futures and US dollar forward exchange contracts and realized gain (loss) on foreign exchange. Adjusted Gross Profit is provided to assist management and investors in determining gross profit considering the effects of realized risk management activities.

Senior Debt, Senior Debt to Adjusted EBITDA ratio, Net Debt, and Net Debt to Adjusted EBITDA ratio

Senior Debt is defined as the summation of bank indebtedness, credit facility (net of deferred financing costs), senior unsecured notes (net of deferred financing costs and redemption option), collateralized notes and other loans, less cash and cash equivalents and restricted cash. Net Debt is defined as the summation of Senior Debt, convertible debentures (including current portion) and capital lease obligation.

The Senior Debt to Adjusted EBITDA ratio is calculated as Senior Debt divided by Adjusted EBITDA (trailing twelve months). The Net Debt to Adjusted EBITDA ratio is calculated as Net Debt divided by Adjusted EBITDA (trailing twelve months). Parkland believes that Senior Debt to Adjusted EBITDA ratio and the Net Debt to Adjusted EBITDA ratio provide users with an indication of the Corporation's ability to repay its debt.

	As at September 30,	
(in thousands of Canadian dollars)	**2014**	2013
Bank indebtedness	**4,994**	9,647
Credit Facility (net of deferred financing costs)	**101,479**	168,416
Senior Unsecured Notes (net of deferred financing costs and redemption option)	**198,461**	-
Collateralized notes and other loans	**6,881**	190
Less:		
Cash and cash equivalents	**(47,635)**	(6,463)
Restricted cash	**(1,833)**	-
Senior Debt	**262,347**	171,790
Convertible debentures (including current portion)	**121,369**	127,190
Capital lease obligation	**1,636**	1,927
Net Debt	**385,352**	300,907
Adjusted EBITDA (trailing twelve months)	**182,706**	199,351
Senior Debt to Adjusted EBITDA	**1.44**	0.86
Net Debt to Adjusted EBITDA	**2.11**	1.51

Interest Coverage Ratio

The interest coverage ratio refers to Adjusted EBIT divided by finance costs. Parkland believes that the interest coverage ratio provides users with an indication on the Corporation's ability to pay interest on the outstanding debt.

	TTM Ended September 30,	
(in thousands of Canadian dollars)	**2014**	2013
Adjusted EBIT	**110,600**	142,155
Finance costs	**24,114**	19,367
Interest coverage ratio	**4.59**	7.34

Distributable Cash Flow

Distributable cash flow means cash flows from operating activities that are adjusted for but are not limited to the impact of the seasonality of Parkland's business by removing non-cash working capital items, thereby eliminating the impact of the timing between the recognition and collection/payment of Parkland's revenue and expenses, which can differ significantly from quarter to quarter. Parkland's calculation also distinguishes between capital expenditures that are maintenance related and those that are growth related including expenditures on intangible assets, in addition to allowing for the proceeds received from the sale of capital items. The distributable cash flow measure is provided to assist management and investors in determining the amount of cash available to be distributed to shareholders in the form of the dividends. Please see the distributable cash flow reconciliation in the Financial Review section of the MD&A.

Distributable Cash Flow Per Share

Distributable cash flow per share consists of the distributable cash flow calculation mentioned above divided by the number of outstanding shares.

Dividend Payout Ratio

Dividend payout ratio refers to dividends as a percentage of the distributable cash flow.

Return on Capital Employed ("ROCE")

ROCE is calculated as trailing twelve months Adjusted EBIT divided by capital employed. Capital employed consists of bank indebtedness, long-term debt (including current portion), convertible debentures, and shareholders' equity less cash and cash equivalents and restricted cash. ROCE is provided to assist management and investors in determining the efficiency and profitability of the Corporation's capital investment. See the ROCE reconciliation in the Financial Review section of the MD&A.

Total Shareholder Return ("TSR") and Compound Annual Total Shareholder Return ("Compounded Annual TSR")

TSR combines the change in share price and dividends declared over the given period of time (assuming that dividends are re-invested on the day of payment at the closing price on the day of payment), divided by the share price at the beginning of the period. Parkland believes that TSR is a relevant measure to management and investors as it provides an indication of the total return earned by shareholders on their investment.

Compounded Annual TSR annualizes the total shareholder return when total shareholder return is calculated for a period longer than one year.

	1 Year	3 Year	5 Year
Opening market value of one share	**18.21**	8.96	9.80
Closing value of originally invested share (including dividend reinvestment)	**23.78**	28.20	36.84
TSR	**31%**	215%	276%
Compounded annual TSR	**31%**	47%	30%

Maintenance Capital
Maintenance capital is the amount of capital required in a period for the Corporation to maintain its future cash flow from operating activities at a constant level of productive capacity. Parkland defines its productive capacity as the volume of fuel and propane sold, volume of convenience store sales, volume of lubricants sales, agricultural inputs as well as delivery capacity. The adjustment for maintenance capital in the calculation of standardized distributable cash flow is capital expenditures during the period, excluding the cost of any growth capital or proceeds of any asset dispositions. Parkland believes that the current capital programs, based on the current view of its assets and opportunities and the outlook for fuel supply and demand and industry conditions, should be sufficient to maintain productive capacity in the medium term. Due to the risks inherent in the industry, particularly the reliance on external parties for supply of fuel and propane and general economic conditions and weather that affects customer demand, there can be no assurance that capital programs, whether limited to the excess of cash flow over dividends or not, will be sufficient to maintain or increase production levels or cash flow from operating activities.

Distributable Cash
Parkland's calculation of distributable cash has no adjustment for long-term unfunded contractual obligations. Parkland believes that the only significant long-term unfunded contractual obligations at this time are asset retirement obligations and refinery and terminal remediation accrual, both of which are expected to be deferred for an extended period of time.

Although it is typical for Parkland's cash flow to have seasonal fluctuations, the current intention of Parkland's Board of Directors is to pay consistent regular monthly dividends throughout the year based on estimated annual cash flow. Parkland's Board of Directors review dividends quarterly giving consideration to current performance, historical and future trends in the business, expected sustainability of those trends, as well as capital betterment requirements to sustain performance.

Distributable cash is not assured, and the actual amount received by shareholders will depend on, among other things, the Corporation's financial performance, debt covenants and obligations, working capital requirements, future capital requirements and the deductibility of items for income tax purposes, all of which are susceptible to a number of risks, as described in Parkland's public filings available on SEDAR at www.sedar.com.

Critical Accounting Estimates
The preparation of the unaudited condensed interim consolidated financial statements necessarily involves the use of estimates and approximations. Should the underlying assumptions change, the actual amounts could differ from those estimated.

Estimates are used when appropriate for accounting purposes. These estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material. The carrying values of assets and liabilities that are affected by these estimates are disclosed in the related sections of these notes to the consolidated financial statements.

Estimates are used when accounting for items such as: amortization of property, plant and equipment; asset retirement obligations; the refinery and terminal remediation accrual; value in use calculations for impairment of intangible assets and goodwill; impairment and valuation allowances for accounts receivable and inventory; contingent liabilities including matters in litigation; fair value of financial instruments; income taxes; grants of options and restricted share units; and calculation of fair values for the debentures. These estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material.

Changes in accounting estimates may affect any or all of Parkland's operating segments, including: i) Parkland Retail Fuels; ii) Parkland Wholesale, Supply and Distribution; iii) Parkland Commercial Fuels; and iv) Corporate.

Depreciation and Amortization
Depreciation and amortization of Parkland's capital assets and intangible assets incorporate estimates of useful lives and residual values. These estimates may change as more experience is obtained or as general market conditions change impacting the operation of Parkland's capital assets.

Land is not depreciated. Depreciation on the other assets is provided for on a straight-line basis over the estimated useful lives of assets as follows:

Land improvements	25 years
Buildings	20 years
Equipment	5 - 30 years
Assets under capital lease	5 - 10 years (Shorter of useful life or lease term)

Effective April 1, 2013, the amortization period for tanks included in property, plant and equipment changed. Previous to the start of the second quarter of 2013, Parkland amortized all tanks over a range of a five to thirty year period. With this change in estimate, effective April 1, 2013 onwards, tanks are prospectively amortized over a thirty year period. The impact commencing April 1, 2013 is to decrease depreciation and amortization expense by approximately $1.5 million a quarter or $ 6.0 million a year.

The intangible assets are stated at cost less accumulated amortization, and include customer relationships, trade names, non-compete agreements and software systems with finite useful lives. Amortization of intangible assets is provided for on a straight-line basis over the estimated useful lives of assets as follows:

Customer relationships and trade names	5 - 13 years
Non-compete agreements	Term of the agreement
Software systems	10 years

Changes in the assumptions of useful lives and residual values could affect the reported value of property, plant and equipment, intangible assets, and depreciation and amortization.

Asset retirement obligations and refinery and terminal remediation accrual

Asset retirement obligation and refinery and terminal remediation accrual represents the present value estimate of Parkland's cost to remediate the sites. Asset retirement obligations are measured at the present value of the expenditures expected to be required to settle the obligations using a pre-tax credit adjusted discount rate that reflects current market assessments of the time value of money and the risks specific to the obligations.

The future retirement costs are estimated in consultation with Parkland’s environmental technicians and based on industry standards and could be subject to change as more experience is obtained and as conditions change.

Changes in the assumptions used to estimate asset retirement obligations and refinery and termination remediation accrual could affect the reported value of the asset retirement obligations accrual, the refinery and terminal remediation accrual, depreciation and amortization, accretion on refinery remediation, and accretion on asset retirement obligation.

Impairment of long-lived assets

Parkland performs impairment tests of long-lived assets with determinable useful lives when indications of impairment exist. Application of judgement is required in determining whether an impairment test is warranted. When indicators support the asset is no longer impaired, Parkland will reverse impairment losses. Similar to the impairment, application of judgement is required to determine whether a reversal should be considered.

Impairment exists when the carrying value of an asset or Cash Generating Unit (“CGU”) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. The expected cash flows are derived from budgets and do not include restructuring activities that the Corporation is not yet committed to or significant future investments that will enhance the asset’s performance of the CGU being tested. Qualitative factors, including market presence and trends, strength of customer relationships, strength of local management, and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. A change in any of the significant assumptions or estimates used to evaluate goodwill and other non-financial assets could result in a material change to the results of operations. The Corporation tests whether goodwill has suffered any impairment on an annual basis. Other non-financial assets are tested for impairment when indicators of impairment arise.

Changes in the assumptions used to perform impairment tests or in determining the fair value of an asset or CGU could affect reported value of property, plant and equipment, impairment loss, and depreciation and amortization.

Goodwill and Intangible Assets

Goodwill is tested annually on December 31 for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Impairment is assessed at the CGU level. Intangible assets, other than goodwill, that suffered a previous impairment are reviewed for possible reversal of the impairment at each reporting date.

Changes in the assumptions used to perform impairment tests or in determining the fair value of an asset or CGU could affect reported value of goodwill and intangible assets.

Accounts Receivable

Parkland regularly performs a review of outstanding accounts receivable balances greater than 90 days past due to determine eventual collectability. If an account is deemed uncollectable, a provision for bad debt is recorded. Parkland also analyzes the bad debt provision regularly to determine if any of the accounts provided for should be written off. These accounts which are deemed uncollectible could materially change as a result of changes in a customer's financial situation.

Inventory

Parkland's inventory is comprised mainly of products purchased for resale including crude oil, refined fuels, lubricants, agricultural and convenience store products. The products are valued at the lesser of cost or net realizable value. The determination of the net realizable value includes certain estimates and judgements which could affect the ending inventory valuations.

Income taxes

Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income before the deductions expire. The assessment is based upon existing tax laws and estimates of future taxable income. Parkland maintains provisions for uncertain tax positions using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Parkland reviews the adequacy of these provisions at each reporting period.

Changes in the assumptions used to derive the future income tax rate could have an impact on the future income tax expense or recovery incurred in the period.

Share incentive compensation

Compensation expense for options under the Share Option Plan and Restricted Share Unit Plan are estimated based on various assumptions at grant date, such as volatility and expected life using the Black-Scholes methodology to produce an estimate of the fair value of such compensation and are re-measured at the end of each reporting period. Compensation expense for options under Deferred Share Unit Plan is estimated based on Parkland's trading price of the shares on the Toronto Stock Exchange at the end of the reporting period.

Changes in the assumptions used for share incentive compensation could have an impact on contributed surplus, accounts payable and accrued liabilities, and marketing, general and administrative expenses.

Convertible debentures
The conversion feature in the convertible debentures is valued by binomial method using various assumptions for volatility, market price and dividend yield.

Fair value of financial instruments
Parkland's recurring measurements of the put and call option contracts, commodities forward contracts, futures contracts, US dollar forward exchange contracts, interest rate swaps and Redemption Option were at fair value based on Level 2 inputs.

Parkland used the following techniques to value financial instruments categorized in Level 2:

- The fair value of the outstanding NYMEX New York harbour WTI to heating oil, gasoline and refined products put and call option contracts are determined using external counterparty information, which is compared to observable data.
- The fair value of commodities forward contracts, futures contracts and US dollar forward exchange contracts are determined using independent price publications, third party pricing services, market exchanges and investment dealer quotes.
- Parkland used interest rate swaps to limit its credit risk by executing counterparty risk procedures which include transacting only with financial institutions within Parkland's Credit Facility. The fair value of the interest rate swap was determined using external counterparty information, which is compared to observable data. The interest rate swaps expired on June 30, 2014.
- The fair value of the Redemption Option is determined using a valuation model based on inputs from observable market data, including independent price publications, third party pricing services, and market exchanges.

The fair value of the outstanding NYMEX New York harbour WTI to heating oil, gasoline and refined products put and call option contracts, commodities forward contracts, future contracts, US dollar forward exchange contracts, interest rate swaps and Redemption Option are reflected on the consolidated balance sheets with the changes in fair value during the period recorded in the consolidated statements of income within loss on risk management activities and finance costs.

Changes in assumptions and the Level 2 inputs used could affect the reported fair value of financial instruments, loss (gain) on risk management activities and finance costs.

Other Provisions
The determination of other provisions, including, but not limited to, provisions for legal and litigation obligations, is a complex process that involves judgments about the outcomes of future events, the interpretation of laws and regulations, and estimates on timing and amount of expected future cash flows and discount rates.

The uncertainty involved with the timing and amount at which a contingency will be settled may have an impact on the consolidated financial statements of future periods to the extent that the amount provided for differs from the actual outcome.

Financial Instruments and Related Risks

Credit and Market Risk
A substantial portion of Parkland's trade accounts receivable and long-term receivable balances are with retail dealers and customers in the oil and gas, mining and forestry industries and is subject to normal industry credit risks. The credit risk is minimized by Parkland's broad customer and geographic base. Parkland manages its exposure to credit risk through rigorous credit granting procedures, typically short payment terms and security interests where applicable. Parkland attempts to closely monitor the financial conditions of its customers and the industries in which they operate. Parkland performs ongoing credit evaluations of its customers and outstanding debts are regularly monitored and when deemed uncollectible a provision is established.

At September 30, 2014, Parkland's trade accounts receivable balance was $383.9 million, down $25.2 million from the December 31, 2013 balance of $409.1 million. The decrease in accounts receivable was primarily due to the seasonality of Commercial Fuels and improved collection of balances owing.

Accounts receivable outstanding (net of allowance of doubtful accounts) for more than 90 days past terms has increased by $7.9 million from $9.0 million at December 31, 2013 to $16.9 million at September 30, 2014. At September 30, 2014, the provision for credit losses was $12.7 million (December 31, 2013 - $12.2 million). Parkland considers the total reserve to be adequate.

Commodity Price Risk

Parkland is exposed to commodity price risk. The Corporation enters into derivative instruments from time to time to mitigate commodity price risk volatility. These financial instruments are subject to financial controls, risk management and monitoring procedures. The Corporation does not use derivative contracts for speculative purposes.

Interest Rate Risk

Parkland is exposed to market risk from changes in the Canadian prime interest rate, Bankers' Acceptance rate and LIBOR rate which can impact its borrowing costs. Parkland analyzes the interest rate risk on a regular basis and mitigates that risk by considering refinancing, renewal of existing credit line, hedging options and issuing long-term debt at the fixed rate. A 1% change in these interest rates, with all other variables assumed constant, would have caused an increase or decrease to consolidated net earnings for the three and nine month period ended September 30, 2014 of $0.1 million and $0.4 million respectively ($0.2 million and $0.5 million for the three and nine month period ended September 30, 2013, respectively).

On March 15, 2012, Parkland entered into interest rate swaps covering $150 million of borrowings under its Credit Facility. The swaps required Parkland to pay a fixed interest rate of 1.69% plus 2.0%. The interest rate swaps expired on June 30, 2014. On May 29, 2014, the Corporation completed a private placement of senior unsecured notes with the aggregate principle amount of $200 million at the fixed rate of 5.5% per annum.

US Dollar Currency Rate Risk

Parkland's Canadian operations purchase and sell certain products in US dollars. As a result, fluctuations in the value of the Canadian dollar to the US dollar can result in foreign exchange gains and losses. The Corporation enters into US dollar forward exchange contracts to mitigate its currency risk.

The Corporation's net investment in SPF Energy Inc., whose functional currency is US dollars, presents a foreign exchange risk to the Corporation, whose functional currency is Canadian dollars. Parkland is using a net investment hedge to mitigate this risk. The Corporation has designated US$91.5 million of borrowings under the revolving operating loan of the Credit Facility as a hedge of the first US$91.5 million of net investment in SPF Energy Inc. This designation has the effect of mitigating volatility on other comprehensive income by offsetting long-term foreign exchange gains and losses on US dollar denominated long-term debt and gains and losses on the US dollar investment in SPF Energy Inc.

Off-Balance Sheet Arrangements

Parkland has not engaged in any off-balance sheet arrangements.

Business Risks

A detailed discussion of additional risk factors is presented in Parkland's 2013 Annual Information Form on SEDAR.

Risks Related to the Business and the Industry

Retail Pricing and Margin Erosion

Retail pricing for motor fuels is very competitive, with major oil companies and newer entrants such as grocery chains and large retailers active in the marketplace. From time to time, factors such as competitive pricing, seasonal over supply, and lack of responsiveness of retail pricing to changes in crude oil costs can lead to lower margins in Parkland's business. This is normally limited to seasonal time frames or limited market areas but could occur more extensively. Furthermore, difficult fuel market conditions may also adversely affect Parkland's major customers and create increased credit risk. These risks are partially mitigated by Parkland's other sources of revenue, conservative credit policies, geographic diversification and the wholesale business, which typically would only share in a portion of any market erosion. There can be no assurances that such mitigation efforts will be adequate, in whole or in part.

Competition

Parkland competes with major integrated oil companies, other commercial fuel and propane marketers, convenience store chains, independent convenience stores, gas station operators, large and small food retailers, discount stores and mass merchants, many of which are well-established companies. In recent years, several non-traditional retailers have entered the motor fuel retail business, including supermarkets, club stores and mass merchants. These non-traditional motor fuel retailers have obtained a significant share of the motor fuel market and could grow. In some of Parkland's markets, competitors have been in existence longer and have greater financial, marketing and other resources than Parkland does. Parkland may not be able to compete successfully against current and future competitors, and competitive pressures faced by Parkland could materially and adversely affect Parkland's business, results of operations and financial condition.

Volatility in Crude Oil Prices and in Wholesale Petroleum Pricing and Supply

Parkland's fuel and petroleum product revenue are a significant component of total revenue. Domestic wholesale petroleum, crude oil, natural gas liquids markets display significant volatility. Parkland is susceptible to interruptions in supply and changes in relative market pricing of crude oil and natural gas liquids that drive customer demand. General political conditions and instability in oil producing regions, particularly in the Middle East, Africa and South America, could significantly and adversely affect crude oil supplies and wholesale production costs. Local supply interruptions may also occur. Volatility in fuel and petroleum product supply and costs could result in significant changes in the retail price of petroleum products and in lower fuel gross margin per litre. Higher supply and product costs can also result in increased working capital and corresponding financing requirements. In addition, changes in the retail price of petroleum products could dampen consumer demand for motor fuel. These factors could materially influence Parkland's fuel and petroleum product volume, adjusted gross profit and overall customer traffic which, in turn, could have a material adverse effect on the Corporation's operating results and financial condition. The development of the oil sands in northern Alberta, together with upgraders producing a distillate stream, has the potential to add significant supply volume in the diesel market over time. Production at these facilities is subject to production interruptions which can periodically disrupt the availability of refined product in the region. Elbow River Marketing sales and volume are driven by the opportunity to market variations in pricing of crude oil and natural gas liquids between geographical regions and markets. Changes in pricing and relative pricing of crude oil and natural gas liquids impact the net earnings of Elbow River Marketing. Pipeline availability in various markets will impact the ability of Elbow River Marketing to profitably serve customers in those markets.

Safety and Environmental

The operation of service stations, storage terminals and petroleum, propane and anhydrous ammonia transport trucks and rail cars and commercial facilities carry an element of safety and environmental risk. To prevent environmental incidents from occurring, Parkland has extensive safety and environmental procedures and monitoring programs at all of its facilities. To mitigate the impact of a major accident, Parkland has emergency response programs in place and provides its employees with extensive training in operational responsibilities in the event of an environmental incident. Parkland is insured for all major environmental risk areas. There can be no assurance that such insurance will be adequate to cover all potential losses or that Parkland's mitigation efforts will be effective, in whole or in part.

Dependence on Key Suppliers

Parkland's business depends to a large extent on a small number of fuel suppliers, a number of which are parties to long-term supply agreements with Parkland. An interruption or reduction in the supply of products and services by such suppliers could adversely affect Parkland's revenue and dividends in the future. Furthermore, if any of the long-term supply agreements are terminated or end in accordance with their terms, Parkland may experience disruptions in its ability to supply customers with products until a new source of supply can be secured, if at all. Such a disruption may have a material negative impact on Parkland's revenue, dividends and its reputation. Additionally, Parkland cannot ensure that it will be able to renegotiate such agreements or negotiate new agreements on terms favourable to Parkland.

Parkland attempts to mitigate this risk by maintaining a diverse supply portfolio to include substantial volume from each of its major suppliers and growing to a level of annual sales volume that will offer potential suppliers a compelling share of the fuel supply business in the Corporation's regional market. However, there can be no assurances that such mitigation efforts will be adequate, in whole or in part.

Refiner's Margin Contract

Parkland's supply contract with Suncor, a major Canadian refiner, wherein the Corporation participated in refiner's margins, terminated on December 31, 2013 and as a result, Parkland faces the following of risks associated with that contract:

(a) **Volume Risk**: This supply contract represented one billion litres in annual fuel volume which is less than one quarter of Parkland's fuel supply. Parkland does not presently anticipate any issues with replacing this fuel volume in 2014. However, there can be no assurance that Parkland will be able to negotiate agreements to replace such fuel volume, or that Parkland will be able to negotiate such agreements on favourable terms, which, in either case, could negatively impact Parkland's operations.

(b) **Economic Benefit**: Refiner's margins in the first half of 2013 were very high compared to historic levels, in the third quarter of 2013 refiner's margins decreased to below the five year average and improved in the fourth quarter of 2013. As disclosed in the Parkland Penny Plan which was released on May 15, 2012, and subsequent to that event, the level of refiner's margins experienced between 2011 and 2013 are not anticipated to be entirely replaced in 2014. While Parkland has disclosed normalized 2011 Adjusted EBITDA of $125 million (compared to reported Adjusted EBITDA of $151 million for the same period), which ignores one-time costs and irregular profits to reflect the economics that are presently anticipated for Parkland by 2014, there can be no assurance that such expectations will be met or will be sustainable in 2014 or beyond.

Economic Conditions

Demand for fuel and petroleum products fluctuates to a certain extent with economic conditions. In a general economic slowdown there is less recreational and industrial travel and, consequently, less demand for fuel products, which may adversely affect Parkland's revenue, profitability and ability to pay dividends.

The oil and gas exploration sector is subject to changes in commodity prices and access to capital which impacts the drilling budgets of Parkland's customers. This largely affects oilfield fluids, propane and bulk fuel (mostly diesel) sales directly as well as impacts communities in primary exploration regions in Alberta and northern British Columbia.

The oil production sector is more stable but is impacted by long-term trends in exploration activity. Parkland provides propane and related product sales to this sector.

Mining is susceptible to variations in commodity prices. Parkland's fuel customers include several mines producing different metals and their demand for fuel may decline.

Forestry has seen reduced activity over the past several years and future activity is dependent upon trends in construction activity.

Parkland serves the farm trade. This sector is subject to weather variation and commodity price fluctuation.

Weather

Parkland's sales volume and profitability are subject to weather influences, especially winter temperatures. Parkland's heating oil and propane sales are greatest in the winter months but can be lower than normal if winter temperatures are warmer. Parkland has propane and heating oil operations in Atlantic Canada, Ontario, Alberta, British Columbia and the Yukon Territory which all experience different weather patterns which can mitigate the impacts of regional winter temperature differences. In the spring and fall seasons, weather can negatively influence agricultural product sales in the Parkland Commercial Fuels division.

Dependence on Key Personnel

Parkland's success is substantially dependent on the continued services of senior management, many of whom are relatively new to their positions at Parkland. The loss of the services of one or more members of senior management could adversely affect Parkland's operating results. In addition, Parkland's continued growth depends on the ability of Parkland and its subsidiaries to attract and retain skilled operating managers and employees, and the ability of its key personnel to manage Parkland's growth and consolidate and integrate its operations. There can be no assurance that Parkland will be successful in attracting and retaining such managers, employees and other personnel.

Alternate Fuels & Hybrid Vehicles

The auto industry continues to develop technologies to improve the efficiency of internal combustion engines and produce economically viable alternate fuels.

Although hybrid vehicles, and to a lesser extent electric vehicles, have entered the market, the non-urban nature of Parkland's market niche is expected to provide some insulation from the impact of these vehicles on fuel sales volume. Non-urban markets are expected to be late adopters of these technologies due to the realities of driving outside of Canada's large urban centres.

The federal government and certain provinces have developed or are developing legislation requiring the inclusion of ethanol in gasoline and use of biodiesel which may negatively affect the overall demand for fossil fuel products. Parkland has already adopted biodiesel and ethanol blended gasoline in certain markets to align with these emerging policies.

To date no economically viable alternative to the transportation fuels Parkland markets is widely available. Should such an alternative become widely available, it may negatively affect the demand for Parkland's products.

Climate Change

Parkland does not operate any industrial sites and is not a major emitter of greenhouse gases. The federal and provincial governments in Canada are formulating laws and regulations designed to limit greenhouse gas emissions which would be expected to result in a decline of consumption of petroleum products over time.

Technology

At the operational level, Parkland relies on electronic systems for recording of sales and accumulation of financial data. A major breakdown of computer systems would disrupt the flow of information and could cause a loss of records. This is mitigated by redundancies, emergency response plans and back-up procedures. However, there can be no assurances that such mitigation efforts will be successful in any circumstance and the conversion and upgrade of electronic systems could result in lost or corrupt data which could impact the accuracy of financial reporting and management information.

Parkland is continuing to enhance and mature business processes and technology to support growth with the following objectives:

- Introduce best business practices, consistency and uniformity to its core business operations, controls and accounting processes including for example inventory management; and
- Complete the integration of the acquired companies by merging systems, processes, controls and operations.

Insurance

Although Parkland has a comprehensive insurance program in effect, there can be no assurance that potential liabilities will not exceed the applicable coverage limits under Parkland's insurance policies. Consistent with industry practice, not all risk factors are covered by insurance and no assurance can be given that insurance will be consistently available or will be consistently available on an economically feasible basis. The Corporation maintains insurance coverage for most environmental risk areas, excluding underground tanks at service stations. Although not insured, these risks are managed through ongoing monitoring, inventory reconciliations and tank replacement programs.

Government Legislation

Transportation fuel sales are taxed by the federal, provincial, state and, in some cases, municipal governments. Increases in taxes or changes in tax legislation are possible and could negatively affect profitability of the Corporation. Parkland operates in highly regulated jurisdictions with complex taxation environments. Failure to appropriately operate within each regulatory jurisdiction could lead to fines, penalties and unfavourable tax assessments.

Refinery Operating Permit

The Bowden refinery has operated as a toll-based petrochemical processing site and fuel storage site. Parkland obtained a new permit in 2007 to allow for continued use or for alternative uses of the facility. The new permit expires in 2017.

Parkland continues to operate the Bowden tank farm and terminal. If operations at the tank farm and terminal are not continued, Parkland may incur significant remediation costs. An estimate of the potential future remediation cost has been accrued and provided for in Parkland’s financial statements.

Regional Economic Conditions

Parkland’s revenue may be negatively influenced by changes in regional or local economic variables and consumer confidence. External factors that affect economic variables and consumer confidence, over which Parkland exercises no influence, include unemployment rates, levels of personal disposable income, and regional or economic conditions. Changes in economic conditions could adversely affect consumer spending patterns, travel and tourism in certain of Parkland’s market areas. Some of Parkland’s sites are located in markets which are more severely affected by weak economic conditions. With the acquisition of Bluewave Energy, Parkland added the risk of economic exposure to Atlantic Canada while at the same time Parkland diversified overall Canadian exposure that was previously heavily weighted to Western Canadian variables. Parkland, through Elbow River Marketing and SPF Energy Inc., is actively involved in US markets. Elbow River Marketing and SPF Energy Inc’s. significant reliance on these markets means that they are subject to downturns in the US economy, weather patterns in the US, actions by US legislators and other political developments, all of which could have an adverse impact on Parkland's financial results.

Cash Dividends Are Not Guaranteed and Will Fluctuate with Performance of the Business

Although Parkland intends to distribute a significant portion of the income earned by the Corporation, less expenses, capital additions, income taxes and amounts, if any, paid by the Corporation in connection with the redemption of shares, there can be no assurance regarding the amount of income generated by the business. Parkland’s Board of Directors will, at their discretion, determine the amount of any future dividends payable. The actual dividend will depend upon numerous factors, including profitability, fluctuations in working capital, the sustainability of margins and capital expenditure programs.

Capital Investment

The timing and amount of expenditures for business acquisitions, additions of property, plant and equipment and intangibles will directly affect the amount of cash available for distribution to shareholders. Dividends may be substantially reduced at times when significant capital or other expenditures are made.

Integration of Businesses into Parkland's Operations

A substantial part of Parkland's growth has been through acquisitions. The integration of businesses acquired may result in significant challenges and depend, in part, upon timely, efficient and successful execution of post-acquisition strategies. Parkland may be unable to accomplish integrations smoothly or successfully or without significant expenditures. There can be no assurance that Parkland will be able to integrate the operations of each of the acquired businesses successfully. Any limitation of Parkland to successfully integrate the operations of the acquisitions, including, but not limited to, information technology and financial reporting systems, could have a material adverse effect on Parkland's business and financial condition and/or interfere with operations and reduce operating margins.

Restrictions on Potential Growth

The payout by Parkland of substantially all of its operating cash flow will make additional capital and operating expenditures dependent on increased cash flow or additional financing in the future. A lack of those funds could limit the future growth of Parkland and its cash flow. Parkland's growth plans also largely depend on the ability to acquire other fuel marketing companies at a reasonable value.

Legal Proceedings

The Corporation is subject to various legal proceedings and claims that arise in the ordinary course of business operations. The Corporation believes that the amount of liability, if any, from these actions would not have a material effect on the Corporation's financial position or results of operations.

Controls Environment

Management is responsible for the preparation and fair presentation of the consolidated financial statements. Parkland has established disclosure controls and procedures ("DC&P"), internal controls over financial reporting ("ICFR"), and corporate-wide policies to provide that Parkland's consolidated financial condition, financial results and cash flows are presented fairly. Parkland's DC&P are designed to ensure timely disclosure and communication of all material information required by regulators.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, these systems provide reasonable, but not absolute assurance, that financial information is accurate and complete. Due to the inherent limitations in all control systems, ICFR can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements.

Parkland, under the supervision and participation of management, including the Chief Executive Officer and Vice President, Finance, has designed DC&P and ICFR to provide reasonable assurance that information required is recorded, processed, summarized and reported within the time periods specified by the applicable Canadian securities regulators and include controls and procedures designed to provide reasonable assurances that information required to be disclosed in reports filed or submitted under applicable Canadian securities regulations is accumulated and communicated to Parkland's management, including Parkland's Chief Executive Officer and Vice President, Finance, as appropriate, to allow timely decisions regarding required disclosure. In addition, these controls have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

Parkland has a Disclosure Committee, consisting of five senior management members, that approves all items for public disclosure and also considers whether all items required to be made public are disclosed.

Management, including the Chief Executive Officer and Vice President, Finance, has evaluated the design of the Corporation's DC&P and ICFR pursuant to National Instrument 52-109 *"Certification of Disclosure in Issuers' Annual and Interim Filling"*. Based on their evaluation, the Chief Executive Officer and Vice President, Finance concluded that both ICFR and DC&P were effective as at September 30, 2014. There have been no changes to ICFR during the quarter ended September 30, 2014 that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

Changes in Accounting Policies

Except as described below, the accounting policies adopted by Parkland in these unaudited condensed interim consolidated financial statements are the same as those applied by Parkland in its audited consolidated financial statements for the year ended December 31, 2013. Parkland had adopted the following new standards (a) to (e) effective January 1, 2014 and (f) effective July 1, 2014. These changes were made in accordance with the applicable transitional provisions.

(a) Amendments to IAS 32 – *Financial Instruments: Presentation* ("IAS 32") – Offsetting Financial Assets and Financial Liabilities

Effective January 1, 2014, Parkland adopted retrospectively the amendment to IAS 32. The amendment provides clarification for offsetting financial assets and financial liabilities. The amendment clarifies that the right to offset must be available on the current date and cannot be contingent on the future events. The adoption of this amendment has no impact on Parkland.

(b) Amendments to IAS 36 – *Impairment of Assets* ("IAS 36") – Recoverable Amount Disclosures for Non-Financial Assets

Effective January 1, 2014, Parkland adopted retrospectively the amendment to IAS 36. These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognized or reversed during the period. The adoption of this amendment has no impact on Parkland.

(c) IFRIC 21 – *Levies* ("IFRIC 21")

Effective January 1, 2014, Parkland adopted retrospectively IFRIC 21. It is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., IAS 12 – *Income Taxes*) and fines or other penalties for breaches of legislation.

The interpretation clarifies that an entity recognizes a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements. The adoption of IFRIC 21 has no impact on Parkland.

(d) Amendments to IAS 39 – *Financial Instrument: Recognition and Measurement* ("IAS 39") – Novation of Derivatives and Continuation of Hedge Accounting

Effective January 1, 2014, Parkland adopted retrospectively the amendment to IAS 39. The amendment relates to hedge accounting and novation of derivatives. It provides relief from discontinuing hedge accounting when novation of a derivative designated as a hedge instrument meets certain criteria. The adoption of this standard has no impact on Parkland.

(e) Amendments to IFRS 10 – *Consolidated Financial Statements* ("IFRS 10"), IFRS 12 – *Disclosure of interests in other entities* ("IFRS 12"), and IAS 27 – *Separate Financial Statements* ("IAS 27") – Investment Entities

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 – Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on Parkland.

(f) Amendments to IFRS 3 – *Business Combinations* ("IFRS 3") – Accounting for contingent consideration in a business combination

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity. In addition, the standard clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognized in profit and loss. This amendment has no impact on Parkland.

Parkland has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Recently Announced Accounting Pronouncements

The Corporation is in the process of evaluating the impact of the following new requirements:

(a) IFRS 9 – *Financial Instruments* ("IFRS 9")
In July 2014, the International Accounting Standards Board (IASB) issued the final version of IFRS 9 – Financial Instruments, which replaces IAS 39 – Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The new standard introduces requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and the fair value of an entity's own debt. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. Parkland has not yet determined the impact of this standard on the Corporation's consolidated financial statements and has not decided whether to early adopt this standard.

(b) IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15")
In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers. IFRS 15 provides a single, principles-based five-step model to be applied to all contracts with customers and applies to annual reporting periods beginning on or after January 1, 2017. IFRS 15 specifies how and when to recognize revenue as well as requiring entities to provide users of financial statements with more relevant disclosures. The standard supersedes IAS 18 – Revenue, IAS 11 – Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and early adoption is permitted. Parkland has not yet determined the impact of this standard on the Corporation's consolidated financial statements and has not decided whether to early adopt this standard.

(c) Amendments to IFRS 13 – *Fair value measurements* ("IFRS 13") – Short-term receivables and payables
The IASB clarified in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment is applicable for annual periods beginning on or after July 1, 2014. This amendment has no impact on Parkland.

(d) Amendments to IFRS 8 – *Operating Segments* ("IFRS 8") – Aggregation of operating segments and reconciliation of total of the reportable segments' assets to the entity's assets
Amendments to IFRS 8 requires 1) disclosure of the economic characteristics used to assess whether the segments are similar, where operating segments are combined or aggregated, and 2) disclosure of reconciliation of segment assets to total assets of the reconciliation is reported to the chief operating decision maker. The amendment is applicable for annual periods beginning on or after July 1, 2014.

(e) Amendments to IFRS 10 – *Consolidated Financial Statements* ("IFRS 10") and IAS 28 – *Investments in Associates and Joint Ventures* ("IAS 28")
These amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be effective from annual periods commencing on or after 1 January 2016.

(f) Annual Improvements to IFRSs 2012 – 2014 Cycle: Amendments to IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* ("IFRS 5"), IFRS 7 – *Financial Instruments: Disclosures* ("IFRS 7"), IAS 19 – *Employee Benefits* ("IAS 19") and IAS 34 – *Interim Financial Reporting* ("IAS 34")
The Annual Improvements to IFRSs 2012 – 2014 Cycle are a series of amendments to IFRSs in response to issues raised during the 2012 to 2014 cycle for annual improvements. The amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34 have an effective date of January 1, 2016.

Based on Parkland's preliminary assessment, items (d) to (f) are not expected to have a significant effect on the consolidated financial statements of the Corporation.

Related Party Transactions

Parkland receives legal services from Bennett Jones LLP where a director of the Corporation is a partner. The amounts related to fees expensed for the nine months ended September 30, 2014 was $1.9 million (September 30, 2013 – $2.0 million), and the amounts payable as at September 30, 2014 was $0.2 million (September 30, 2013 – $0.1 million).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Contractual Obligations and Commitments

Parkland has contracted obligations under various debt agreements as well as under operating and capital leases. Undiscounted cash outflows ($000's) relating to financial liabilities are summarized below:

As at September 30, 2014	**2014**	**2015**	**2016**	**2017**	**2018**	**Thereafter**	**Total**
Bank indebtedness	**4,994**	**-**	**-**	**-**	**-**	**-**	**4,994**
Accounts payable and accrued liabilities	**372,477**	**-**	**-**	**-**	**-**	**-**	**372,477**
Dividends declared and payable	**6,698**	**-**	**-**	**-**	**-**	**-**	**6,698**
Long-term debt, including capital lease obligations [(1)]	**4,612**	**14,711**	**15,942**	**13,856**	**116,364**	**227,688**	**393,173**
Convertible debentures [(1)]	**79,053**	**47,191**	**-**	**-**	**-**	**-**	**126,244**

(1) Principal and interest, including current portion

As at December 31, 2013	2014	2015	2016	2017	2018	Thereafter	Total
Bank indebtedness	2,539	-	-	-	-	-	2,539
Accounts payable and accrued liabilities	375,799	-	-	-	-	-	375,799
Dividends declared and payable	6,225	-	-	-	-	-	6,225
Long-term debt, including capital lease obligations [(1)]	8,437	7,144	7,095	227,680	66	450	250,872
Convertible debentures [(1)]	92,630	47,553	-	-	-	-	140,183

(1) Principal and interest, including current portion

The series 1 convertible unsecured subordinated debentures are convertible into common shares at the option of the holder at any time up to the maturity on November 30, 2014 at a conversion price of $14.60 per share. The series 2 convertible unsecured subordinated debentures are convertible into shares at the option of the holder at any time up to the maturity on December 31, 2015 at a conversion price of $18.00 per share.

Parkland has operating leases primarily for buildings, offices, rail tank cars, warehouses, equipment and land. These operating leases expire at various dates over the next 32 years. The minimum payments required ($000's) under these commitments are as follows:

	2014	**2015**	**2016**	**2017**	**2018**	**Thereafter**	**Total**
Obligations under operating leases	16,936	32,989	28,007	15,665	21,126	32,187	146,909

Shares Outstanding

As at November 6, 2014, Parkland had approximately 76.0 million shares outstanding and 2.2 million share options outstanding consisting of 0.7 million share options that are currently exercisable into shares. In addition, Parkland also had 0.6 million restricted share units outstanding.

Investor Services and Resources

Parkland provides a number of services for investors, including e-mail news alerts as well as the Business Driver newsletter, a monthly publication that aggregates publicly available data about what drives Parkland's results.

To subscribe to news alerts go to:

http://bit.ly/PKI-Alert

To review Parkland's investor dashboard go to:

http://bit.ly/PKI-IR

For investor inquiries please contact Tom McMillan, Director, Corporate Communications at Tom.McMillan@parkland.ca or 1-800-662-7177 ext. 2533.