Parkland FUEL CORPORATION

Nine months ended September 30, 2015

Report to Shareholders

Management's Discussion and Analysis **Q3 2015**

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This Management's Discussion and Analysis ("**MD&A**") dated November 5, 2015 should be read in conjunction with Parkland Fuel Corporation's ("**Parkland**", the "**Corporation**", "**we**", "**our**" or "**us**") September 30, 2015 unaudited interim condensed consolidated financial statements (the "**Interim Condensed Consolidated Financial Statements**"), Parkland's audited consolidated financial statements for the year ended December 31, 2014 (the "**Annual Consolidated Financial Statements**") and the 2014 annual MD&A (the "**Annual MD&A**"). Information contained within the Annual MD&A is not discussed if it remains substantially unchanged. Additional information about Parkland filed with Canadian securities regulatory authorities, including quarterly and annual reports, and the annual information form for the fiscal year ended December 31, 2014 dated March 24, 2015 ("**Annual Information Form**") is available online at www.sedar.com and our website, www.parkland.ca. Information contained in or otherwise accessible through our website does not form a part of this MD&A, and is not incorporated into this MD&A by reference.

Basis of presentation

Unless otherwise noted, all financial information has been prepared in accordance with Canadian generally accepted accounting principles ("**GAAP**") as contained within Part I of the Chartered Professional Accountants of Canada Handbook, specifically International Accounting Standard ("**IAS**") 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("**IASB**"), which is within the framework of Reporting International Financial Reporting Standards ("**IFRS**"). All financial information is reported in Canadian dollars.

Non-GAAP financial measures

This MD&A contains references to certain financial measures, including some that do not have any standardized meaning prescribed by IFRS or GAAP and may not be comparable to similar measures presented by other corporations or entities. These measures provide additional information that management believes is meaningful regarding Parkland's operating performance, liquidity and capacity to fund dividends, capital expenditures and other investing activities. These financial measures include "EBITDA", "Adjusted EBITDA", "Adjusted Gross Profit", "Adjusted Marketing, General and Administrative", "Credit Facility EBITDA", "Distributable Cash Flow", "Senior Funded Debt", "Total Funded Debt", "Senior Funded Debt to Credit Facility EBITDA ratio", "Total Funded Debt to Credit Facility EBITDA ratio", "Credit Facility Fixed Charge Coverage ratio", "maintenance capital expenditures", "growth capital expenditures", and information disclosed on a cents per litre ("**cpl**") basis.

Management uses certain of these and other non-GAAP financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing consolidated and segment underlying operating performance, as the excluded items are not necessarily reflective of the Corporation's underlying operating performance and make comparisons between periods difficult. From time to time, the Corporation may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring. See "Non-GAAP financial measures, reconciliations and advisories", "Maintenance capital expenditures and growth capital expenditures" and "Distributable cash flow" sections of this MD&A on the Corporation's non-GAAP financial measures.

Pioneer Energy

Parkland successfully completed the acquisition of substantially all the assets and select liabilities comprising the Pioneer Energy business ("**Pioneer Energy**"), domiciled in Ontario, Canada (the "**Pioneer Acquisition**") on June 25, 2015. Certain of the assets acquired by Parkland pursuant to the Pioneer Acquisition remain subject to the Interim Order (as defined herein) and certain economic interests of Parkland are subject to the Commercial Assets Agreement (as defined herein). The Hold Separate Assets (as defined herein), including the results of operations thereof, are included in the interim consolidated financial statements. Further, as Parkland does not control the Pioneer Commercial Assets (as defined herein), only Parkland's indirect economic interest in such assets is reflected in the interim consolidated financial statements. The fuel and petroleum product volume of the Pioneer Commercial Assets are not included in the Corporation's volume disclosures. See "Risk Factors - Risks related to the Pioneer" section of this MD&A.

Risks and forward looking information

Parkland's financial and operational performance is potentially affected by a number of factors, including, but not limited to, the factors described in the "Risk Factors" section of the Corporation's Annual MD&A and the Corporation's Annual Information Form at www.sedar.com. The Corporation reports on its risk factors annually. In addition, on a quarterly basis, management reviews the risk factors; as at the date of this MD&A, there have been no material changes except as described in the "Risk Factors" section of this MD&A.

This MD&A contains forward-looking information based on Parkland's current expectations, estimates, projections and assumptions. This information is subject to a number of risks and uncertainties, including those discussed in this MD&A and Parkland's other disclosure documents, many of which are beyond Parkland's control. Users of this information are cautioned that actual results may differ materially from those anticipated in such forward-looking statements. Such statements reflect Parkland's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties including without limitation, changes in market competition, governmental or regulatory developments, changes in tax legislation, general economic conditions and other factors set out in Parkland's public disclosure documents.

Financial outlook information contained in this MD&A about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this MD&A should not be used for the purposes other than for which it is disclosed herein.

See "Non-GAAP Financial Measures, Reconciliations and Advisories – Forward-Looking Information" section of this MD&A for information on the material risk factors and assumptions underlying Parkland's forward-looking information.

1. Financial and operating summary

Financial Summary

	Three months ended September 30,			Nine months ended September 30,		
(in millions of Canadian dollars and shares)	**2015**	2014	2013	**2015**	2014	2013
Sales and operating revenues	**1,862.2**	1,898.7	1,509.0	**4,643.8**	5,789.2	4,064.6
Adjusted gross profit[(1)]	**167.0**	117.8	105.4	**445.2**	399.3	358.1
Net earnings	**14.6**	10.4	19.1	**23.8**	39.7	69.9
Per share - basic	**0.16**	0.14	0.27	**0.28**	0.53	1.00
Per share - diluted	**0.16**	0.14	0.27	**0.28**	0.53	0.99
Adjusted EBITDA[(1)]	**59.1**	35.2	37.8	**150.3**	132.1	156.9
Dividends	**25.4**	20.0	18.4	**72.2**	58.9	54.3
Dividends declared per share	**0.28**	0.26	0.26	**0.80**	0.77	0.76
Distributable cash flow[(2)]	**29.2**	17.1	23.2	**74.5**	83.9	110.4
Per share - outstanding[(2)]	**0.32**	0.22	0.33	**0.82**	1.10	1.55
Dividend payout ratio[(2)]	**87%**	117%	79%	**97%**	70%	49%
Total assets	**1,836.9**	1,426.8	1,255.2	**1,836.9**	1,426.8	1,255.2
Total long-term liabilities	**598.4**	464.0	360.3	**598.4**	464.0	360.3
Total funded debt[(1)]	**455.2**	278.3	230.6	**455.2**	278.3	230.6
Shares outstanding	**90.8**	76.1	71.0	**90.8**	76.1	71.0

(1) Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations and advisories" section of this MD&A.

(2) Non-GAAP financial measure. See the "Distributable cash flow" section of this MD&A for reconciliation and calculation.

Operating Summary

	Three months ended September 30,			Nine months ended September 30,		
	2015	2014	2013	**2015**	2014	2013
Fuel volume (millions of litres)	**2,731**	2,333	1,762	**7,000**	6,527	4,742
Fuel and petroleum product adjusted gross profit[(1)] (cpl):						
Retail Fuels	**5.63**	5.28	4.99	**5.34**	4.89	4.76
Commercial Fuels	**8.89**	8.57	7.94	**11.33**	10.07	9.82
SPF Energy	**3.34**	3.13	-	**3.36**	3.05	-
Operating costs (cpl)	**2.71**	3.13	2.50	**2.87**	2.80	2.74
Adjusted marketing, general and administrative[(1)] (cpl)	**1.26**	1.10	1.35	**1.37**	1.32	1.54

(1) Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations and advisories" section of this MD&A.

Who we are

Parkland is one of North America's fastest growing distributors and marketers of fuels and lubricants. 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. We maintain a portfolio of supply relationships, storage infrastructure and third-party rail and highway carriers to ensure security of supply to our customers. 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. For a description of Parkland's business segments, refer to the "Segment Results" section of this MD&A.

Parkland's strategy

Parkland is committed to delivering competitive and sustainable returns to shareholders by being the partner of choice to both our suppliers and our customers. To be the partner of choice for our suppliers, we work hard to reliably and consistently purchase large volumes of "balanced barrel" product (the full range of products manufactured from a barrel of crude) in the geographic markets in which we operate. To be the partner of choice to our customers, we focus on operating safely and delivering a differentiated service experience.

Given our purchase of the full range of refined products from suppliers, we have a variety of "owned" marketing channels through which we sell these products including: retail gas stations; commercial diesel card-locks; commercial fuel and lubricant delivery branches and propane delivery branches. We also use our wholesale and trading activities to optimize the value of the other excess "balanced barrel" products that are not sold through our "owned" marketing channels.

As the fuel distribution market remains significantly fragmented in North America, we believe we are well placed to be a leader in its consolidation given our potential supply and cost synergies on acquisitions and experience across all fuel marketing channels. Further, we believe our focus on safety and customer service enables us to grow organically in all fuel marketing channels. We believe that our combination of acquisitive and organic growth enables us to earn a competitive return for our shareholders and creates synergies on acquisitions.

Q3 2015 highlights

- Parkland achieved a remarkable 68% growth in Adjusted EBITDA as compared to the same quarter in the prior year. Adjusted EBITDA was $59.1 million during the third quarter of 2015, compared to $35.2 million during the third quarter of 2014. The growth in Adjusted EBITDA was driven by Parkland's growth in the Retail Fuels segment following the successful acquisition of Pioneer Energy and 11 Chevron-branded service stations in British Columbia in the second quarter of 2015. Furthermore, Parkland's Wholesale, Supply and Distribution segment delivered outstanding results as a result of increased business, favourable supply costs and lower distribution costs.
- Parkland achieved 17% growth in volume, delivering 2.7 billion litres of fuel and petroleum products during the third quarter of 2015, compared to 2.3 billion litres of fuel and petroleum products during the third quarter of 2014. The increase in volume is primarily driven by growth in Parkland's Retail Fuels segment.
- Sales and operating revenues were $1.9 billion in the third quarter of 2015, compared to $1.9 billion in the third quarter of 2014, despite increase in volumes. The increased volumes were primarily offset by the global decline of crude oil and petroleum prices.
- Parkland grew its net earnings to $14.6 million during the third quarter of 2015, compared to $10.4 million in the third quarter of 2014. The growth in Adjusted EBITDA was substantially offset by higher depreciation and amortization costs and acquisition, integration and other costs as a result of recent acquisition activities.
- As at September 30, 2015, Parkland supports a network of 1,088 service stations across Canada through its dealer-operated and retailer operated models, an increase from 682 service stations as at December 31, 2014.
- At Parkland's investor day on October 6, 2015, Parkland reconfirmed its Adjusted EBITDA guidance for 2015 and presented Adjusted EBITDA guidance for 2016. A press release announcing the 2016 Adjusted EBITDA guidance was issued on October 5, 2015 and is available by accessing Parkland's profile on

SEDAR at www.sedar.com. No events or circumstances have occurred during the period ended September 30, 2015 that are reasonably likely to cause actual results to differ materially from such guidance.

Q3 2015 vs. Q3 2014 overall performance

Net Earnings

Parkland's net earnings for the third quarter of 2015 were $14.6 million, compared to net earnings of $10.4 million in the third quarter of 2014.

- Finance costs in the third quarter of 2015 increased to $8.4 million compared to $6.3 million in the third quarter of 2014. The increase in finance costs was primarily attributable to a $3.2 million increase in interest on long-term debt primarily due to the issuance of the Senior Unsecured Notes (as defined herein) in the second and fourth quarters of 2014. This was partially offset by a $1.9 million decrease in interest and accretion on convertible debentures as fewer convertible debentures remained outstanding in 2015 as compared to 2014.
- Income tax expense increased in the third quarter of 2015 to $5.1 million, compared to $4.9 million in the third quarter of 2014 primarily due to an increase in earnings.
- The loss on risk management activities in the third quarter of 2015 was $0.3 million, compared to a gain of $7.3 million in the same period in 2014. The loss or gain on these financial contracts is calculated by comparison to their market valuation at end of each reporting period. These contracts form part of Parkland's risk management strategy, as contracts are used to lock-in margins with customers on commodities to be physically delivered in the future.
- In the third quarter of 2015, acquisition, integration and other costs included within marketing, general and administrative expenses, increased by $2.2 million to $5.5 million, compared to $3.3 million in the third quarter of 2014. Acquisition, integration and other costs for the third quarter of 2015 were comprised of acquisition costs of $4.4 million and integration costs of $1.1 million.
- Depreciation and amortization expense in the third quarter of 2015 was $26.6 million, compared to $18.6 million in the third quarter of 2014. The higher depreciation in 2015 is primarily attributable to an increased property, plant and equipment and intangible assets as a result of the Pioneer Acquisition in June 2015, which contributed to approximately $6.8 million of depreciation and amortization during the quarter.
- Adjusted EBITDA in the third quarter of 2015 was $59.1 million, compared to $35.2 million in the third quarter of 2014.

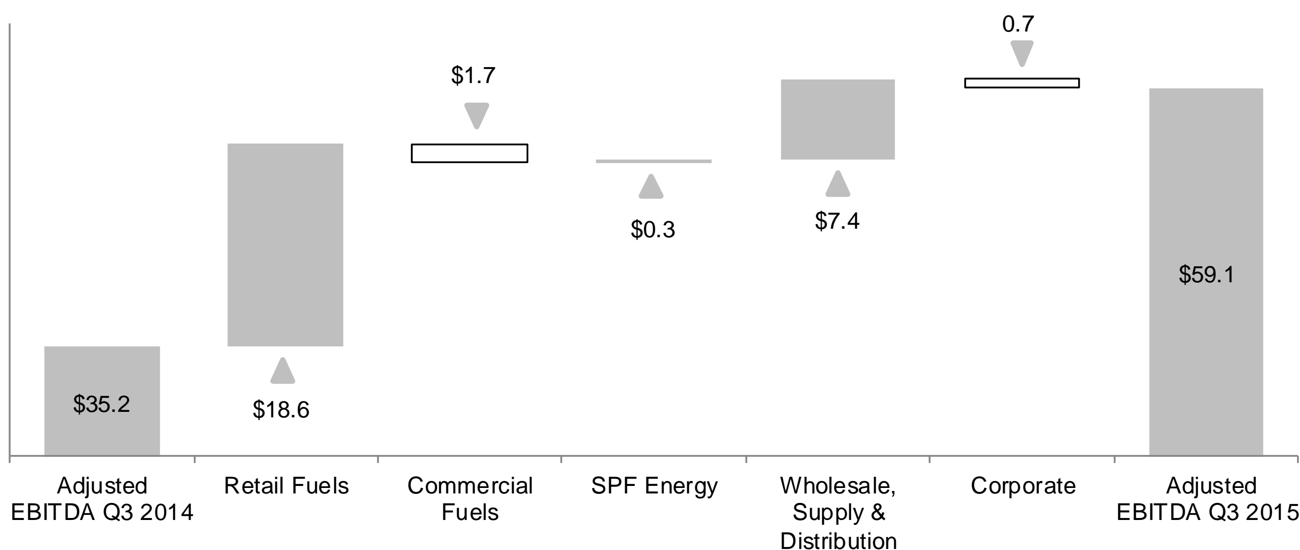
Adjusted EBITDA

(in 000's of Canadian dollars)	Three months ended September 30, 2015	2014
Net earnings	**14,567**	10,420
Finance costs	**8,361**	6,295
(Gain) loss on disposal of property, plant and equipment	**57**	(89)
Income tax expense	**5,088**	4,894
Unrealized loss (gain) from the change in fair value commodities swaps and forward contracts, US dollar forward exchange contracts and future contracts	**57**	(7,054)
Unrealized loss on foreign exchange	**(1,161)**	(1,103)
Acquisition, integration and other costs	**5,473**	3,261
Depreciation and amortization	**26,630**	18,612
Adjusted EBITDA[1]	**59,072**	35,236

[1] Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations and advisories" section of this MD&A.

Parkland's Adjusted EBITDA in the third quarter of 2015 was $59.1 million, compared to $35.2 million in the third quarter of 2014. The growth in Adjusted EBITDA was primarily attributable to increased performance in the Retail Fuels segment as a result of the acquisition of Pioneer Energy and Chevron-branded service stations, and increased performance in the Wholesale, Supply and Distribution segment as a result of improved fuel supplier discounts, lower fuel surcharge costs, combined with strong butane, propane, crude and biodiesel product margins. The growth was partially offset by modest declines in the Commercial Fuels segment and higher costs in the Corporate segment.

Adjusted EBITDA[1] movements by segment ($ millions)



[1] Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliations, and Advisories section of this MD&A.

Retail Fuels

- Retail Fuels Adjusted EBITDA grew by $18.6 million in the third quarter of 2015 as compared to the same period in 2014. The growth in Retail Fuels Adjusted EBITDA was primarily attributable to the acquisitions of Pioneer Energy and Chevron-branded service stations. The acquisition of Pioneer Energy and Chevron-branded service stations contributed to approximately $18.6 million of Adjusted EBITDA during the third quarter of 2015.

Commercial Fuels

- Commercial Fuels Adjusted EBITDA declined by $1.7 million as compared to the same period in 2014. The decline in Commercial Fuels Adjusted EBITDA was primarily driven by decline in fuel volume in Western Canada as a result of reduced economic activity, partially offset by stronger commercial diesel margins, cost reductions and efficiencies achieved in operating costs.

SPF Energy

- SPF Energy Adjusted EBITDA in the third quarter of 2015 remained relatively consistent as compared to the same period of 2014. The $0.3 million increase in SPF Energy Adjusted EBITDA was primarily was mainly due to the impact of a stronger US dollar, partially offset by lower wholesale volumes due to lower economic activity.

Wholesale, Supply and Distribution

- Wholesale, Supply and Distribution Adjusted EBITDA increased by $7.4 million in the third quarter of 2015 as compared to the same period in 2014. The increase in Wholesale, Supply and Distribution EBITDA was primarily driven by a decrease in the cost of fuel supply as a result of increased company-wide volumes, lower third party carrier costs, combined with strong butane, propane, crude and biodiesel product margins, partially offset by declines in diesel margins, increased rail car lease and employee costs.

Corporate

- The Corporate segment, which provides centralized administrative services for Parkland, incurred an additional $0.7 million of growth-focused expenses in the third quarter of 2015 as compared to the same period of 2014. The increased expenses to support Parkland's expansion primarily consist of employee costs, non-cash share incentive compensation, training and recruitment expenses.

Q3 2015 YTD vs. Q3 2014 YTD overall performance

Net Earnings

Parkland's net earnings for the first nine months of 2015 were $23.8 million, compared to $39.7 million in the first nine months of 2014.

- Finance costs increased by $6.5 million to $25.8 million for the first nine months of 2015 from $19.3 million for the first nine months of 2014. The increase in finance costs was primarily attributable to interest on long-term debt, which increased by $10.6 million primarily due to the issuance of $400.0 million aggregate principal amount of Senior Unsecured Notes in the second and fourth quarters of 2014. This was offset by a decrease on interest and accretion on convertible debentures of $5.7 million as fewer convertible debentures remained outstanding in 2015 as compared to 2014.
- Income tax expense decreased in the first nine months of 2015 to $14.1 million, compared to $16.6 million in the first nine months of 2014 primarily due to a decrease in net earnings year over year.
- The loss on risk management activities in the first nine months of 2015 was $5.3 million, compared to a gain of $1.3 million in the same period in 2014. The loss or gain on these financial contracts is calculated by comparison to their market valuation at end of each reporting period.
- In the first nine months of 2015, acquisition, integration and other costs included within marketing, general and administrative expenses, increased by $13.2 million to $21.1 million, compared to $7.9 million in 2014. Acquisition, integration and other costs for the nine months ended September 30, 2015 were $21.1 million and were comprised of acquisition costs of $12.0 million, a refinery billing adjustment of $3.2 million, integration costs of $4.2 million and other one-time costs.

- Depreciation and amortization expense in the first nine months of 2015 was $63.9 million, compared to $57.5 million in the first nine months of 2014. The higher depreciation in 2015 is primarily attributable to an increased property, plant and equipment and intangible assets as a result of the Pioneer Acquisition in the June 2015, which contributed to approximately $6.8 million of depreciation and amortization during the first nine months of 2015.
- Adjusted EBITDA in the first nine months of 2015 was $150.3 million, compared to $132.1 million in the first nine months of 2014.

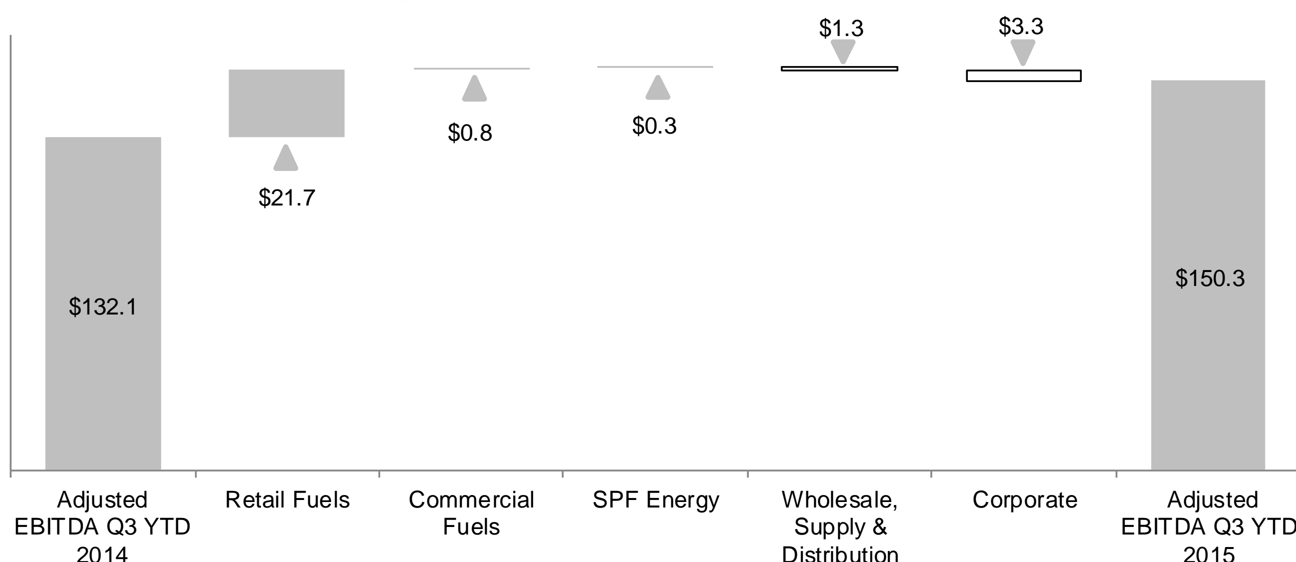
Adjusted EBITDA

	Nine months ended September 30,	
(in 000's of Canadian dollars)	**2015**	2014
Net earnings	**23,821**	39,653
Finance costs	**25,832**	19,258
Loss on disposal of property, plant and equipment	**188**	1,088
Income tax expense	**14,096**	16,578
Unrealized loss (gain) from the change in fair value commodities swaps and forward contracts, US dollar forward exchange contracts and future contracts	**2,242**	(8,143)
Unrealized loss (gain) on foreign exchange	**(937)**	(1,683)
Acquisition, integration and other costs	**21,091**	7,897
Depreciation and amortization	**63,927**	57,494
Adjusted EBITDA[1]	**150,260**	132,142

[1] Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations and advisories" section of this MD&A.

Parkland achieved $150.3 million in Adjusted EBITDA in the first nine months of 2015, compared to $132.1 million for the same period of 2014. The growth in Adjusted EBITDA was primarily attributable to increased performance in the Retail Fuels segment as a result of the acquisition of Pioneer Energy and Chevron-branded service stations, and increased performance in the Commercial Fuels segment which experienced stronger residential fuel and propane margins. The growth was offset by increased expenses in the Corporate segment and decreased propane margins in the first quarter of 2015 in the Wholesale, Supply and Distribution segment.

Adjusted EBITDA[1] movements by segment ($ millions)



[1] Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliations, and Advisories section of this MD&A.

Retail Fuels

- Retail Fuels Adjusted EBITDA grew by $21.7 million in the first nine months of 2015 as compared to the same period of 2014. The increase in Adjusted EBITDA was primarily attributable to the acquisitions of Pioneer Energy and Chevron-branded service stations which contributed $20.4 million of Adjusted EBITDA in 2015.

Commercial Fuels

- Commercial Fuels Adjusted EBITDA grew by $0.8 million in the first nine months of 2015 as compared to the same period of 2014. The increase in Adjusted EBITDA in the first nine months of 2015 was primarily driven by the strengthening of residential fuel and propane margins as well as cost reductions and efficiencies achieved in operating costs and marketing, general and administrative expenses.

SPF Energy

- SPF Energy Adjusted EBITDA increased by $0.3 million in the first nine months of 2015 as compared to the same period of 2014. The increase in Adjusted EBITDA was primarily due the impact of a stronger US dollar offset by lower wholesale volumes due to lower economic activity in the regions of the US where SPF Energy operates.

Wholesale, Supply and Distribution

- Wholesale, Supply and Distribution Adjusted EBITDA decreased $1.3 million primarily due to decreased propane margins in the first quarter of 2015, as the first quarter of 2014 experienced record propane market conditions not repeated this year. This was partially offset by strong butane, biodiesel and condensate margins resulting from favourable geographical arbitrage opportunities, improved negotiated cost of supply and lower distribution costs experienced primarily in the third quarter of 2015.

Corporate

- The Corporate segment incurred an additional $3.3 million of growth-focused expenses in the first nine months of 2015 as compared to the same period of 2014. The increased expenses to support Parkland's expansion primarily consists of employee costs, non-cash share incentive compensation, training and recruitment expenses.

2. Segment results

Refer to Note 19 of the Interim Condensed Consolidated Financial Statements for segment information.

Retail Fuels results and operations

Brands

Parkland Retail Fuels supplies and supports a network of 1,088 retail gas stations in Canada. It owns three proprietary brands, Fas Gas Plus, Race Trac and Pioneer and is a branded wholesaler for Esso and Chevron. Parkland's multi-brand strategy, as described below, provides a robust offering to satisfy many fuel market niches:

- **Chevron –** The Chevron-branded wholesaler agreement provides Parkland with the opportunity to offer Chevron's premium brand to Parkland's own or leased network and to independent dealers.
- **Esso –** The Esso-branded wholesaler agreement provides Parkland with the opportunity to offer Esso's nationally recognized brand to Parkland's own or leased network and to independent dealers.
- **Fas Gas Plus –** Fas Gas Plus is a community focused independent brand that brings consumers an urban offering into non-urban markets through a large, well-merchandised convenience store, a strong loyalty program and knowledgeable and friendly retailer operators and dealers. Parkland's strategy is to continue to maximize penetration of this brand throughout its traditional non-urban markets by acquiring new sites and modernizing and maintaining existing sites to the highest of Parkland's standards.
- **Race Trac –** Race Trac is designed for the dealer who wants to operate independently in the marketplace and not be restricted by the standards of Parkland's other brand offerings. Parkland has focused on enhancing the brand value of Race Trac. This brand is positioned for locations or markets where the Fas Gas Plus, Chevron or Esso brands are not well-suited and is a complementary offering within Parkland's brand portfolio.
- **Pioneer –** Pioneer is a dynamic, low-cost brand in Ontario that offers a wide variety of services including Snack Express and Verve branded convenience stores and Clean Express branded car washes.
- **Other –** In most cases, "Other" represents brands that are being migrated to Parkland's primary brand offerings over time.

Business models

Parkland Retail Fuels operates under the following two main business models:

- **Company owned, retailer operated** – These sites are either owned or leased by Parkland and operated and managed on its behalf by independent entrepreneurs (retailers). Parkland owns the fuel inventory and maintains control of the retail selling price at the pumps; the retailer owns the convenience store inventory. Parkland pays the retailer a cpl commission on the fuel sales and collects from the retailer a fixed rent for the facilities plus a percentage rent on the convenience store sales.
- **Dealer owned, dealer operated** – These sites are either owned or leased by a dealer. Parkland secures a long-term fuel supply contract with the dealer, usually five years or longer. Over the term of the agreement, Parkland supplies fuel to the dealer based on independently published rack prices that can fluctuate daily. The dealer owns the fuel inventory and has control of the retail selling price at the pumps.

Site counts by brand and business models

The following tables provide site counts by brand and business models within the Retail Fuels segment:

	Fas Gas Plus	Race Trac	Esso	Chevron	Pioneer	Other	Total
Retailer Operated	**97**	**2**	**57**	**29**	**122**	**1**	**308**
Dealer Operated	**87**	**79**	**534**	**12**	**30**	**38**	**780**
Total sites, at September 30, 2015	**184**	**81**	**591**	**41**	**152**	**39**	**1,088**
Retailer Operated	97	3	25	17	-	1	143
Dealer Operated	89	86	331	4	-	29	539
Total sites, at December 31, 2014	186	89	356	21	-	30	682

The increase in retail sites was primarily attributable to the Pioneer Acquisition on June 25, 2015. The Pioneer Acquisition added 397 retailer and dealer operated service stations in Ontario and Manitoba, which includes 152 Pioneer-branded and 230 Esso-branded service stations.

Retail Fuels performance highlights

Retail Fuels Adjusted EBITDA for the third quarter of 2015 was $39.0 million, compared to $20.4 million for the third quarter of 2014. Retail Fuels Adjusted EBITDA for the first nine months of 2015 was $70.8 million, compared to $49.1 million for the first nine months of 2014. The acquisitions of Pioneer Energy and Chevron-branded service stations provided significant contributions to the 91% growth of Retail Fuels Adjusted EBITDA in the third quarter of 2015 and 44% growth in the first nine months of 2015.

	Three months ended September 30,		Nine months ended September 30,	
(in 000's of Canadian dollars)	**2015**	2014	**2015**	2014
Fuel and petroleum product volume[(1)] (000's of litres)	**996,746**	477,379	**1,840,260**	1,307,003
Sales and operating revenue	**833,682**	474,619	**1,478,619**	1,315,024
Fuel and petroleum product adjusted gross profit[(2)]	**56,109**	25,225	**98,207**	63,853
Non-fuel adjusted gross profit[(2)]	**12,908**	5,061	**23,569**	14,393
Adjusted gross profit[(2)]	**69,017**	30,286	**121,776**	78,246
Operating costs	**23,820**	6,709	**37,893**	19,443
Marketing, general and administrative	**6,236**	3,195	**13,102**	9,667
Adjusted EBITDA[(2)]	**39,018**	20,382	**70,837**	49,136
Metrics (cpl):				
Fuel and petroleum product adjusted gross profit[(2)]	**5.63**	5.28	**5.34**	4.89
Operating costs	**2.39**	1.41	**2.06**	1.49
Marketing, general and administrative	**0.63**	0.67	**0.71**	0.74
Adjusted EBITDA[(2)]	**3.91**	4.27	**3.85**	3.76

[(1)] Includes diesel, gasoline and propane volumes.

[(2)] Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations & advisories" section of this MD&A.

Q3 2015 vs. Q3 2014

In the third quarter of 2015, fuel volume increased by 109% or 519 million litres compared to the same period in 2014, primarily driven by the acquisitions of Pioneer Energy and Chevron-branded service stations, adding 527 million litres and 12 million litres of volume respectively. The increase from the acquisitions was partially offset by a 20 million litre decrease of volume in Parkland’s existing business, due to general softening of volumes in

Western Canada, reflective of the slowdown in economic activity due to the decline in oil prices. The reduction in volumes in Western Canada was partially offset by increased volumes in Eastern Canada.

Sales and operating revenue increased by 76% or $359.1 million to $833.7 million in the third quarter of 2015 compared to $474.6 million in the same period in 2014. The increase in sales and operating revenue was driven by the acquisitions of Pioneer Energy and Chevron-branded service stations, adding $449.6 million and $11.8 million respectively. The increase in sales and operating revenue from the acquisitions were partially offset by $102.3 million decline in sales and operating revenue of existing business driven by reduced global crude oil and petroleum prices.

In the third quarter of 2015, the Adjusted Gross Profit increased by 128% or $38.7 million to $69.0 million compared to $30.3 million in the third quarter of 2014, primarily due to the full quarter contributions from the acquisitions of Pioneer Energy and Chevron-branded service stations and higher percentage rents collected through convenience store sales.

Operating costs are expenses incurred primarily at company owned, retailer operated sites. Operating costs include retailer fuel commissions, bonuses and costs associated with owning and maintaining the property, building and equipment, such as rents, repairs and maintenance, environmental, utilities, insurance and property tax costs. Operating costs increased by 255% or $17.1 million in the third quarter of 2015 compared to the same period in 2014, primarily due to increased operating costs from the additional service stations acquired from Pioneer Energy, Chevron-branded service stations and other businesses.

Marketing, general and administrative expenses in Retail Fuels are typically fixed in nature and do not vary with volume. Departments included in this category are marketing, real estate, finance, operations, credit, network development and infrastructure. Marketing, general and administrative expenses for the third quarter of 2015 increased by 95% or $3.0 million compared to the same period in 2014 due to increased expenses and activities resulting from the acquisition of Pioneer Energy.

Metrics

Fuel and Petroleum Adjusted Gross Profit on a cpl basis increased by 7% or 0.35 cpl as compared to the same quarter of 2014, mainly due to stronger company fuel margins and an increased proportion of higher fuel margin company owned, retailer operated sites acquired through Pioneer Energy.

Operating costs on a cpl basis increased by 70% or 0.98 cpl as compared to the same quarter of 2014, mainly due to operating costs incurred relating to the acquisitions of Pioneer Energy and the Chevron-branded service stations and higher operating costs for company owned, retailer operated sites.

Marketing, general and administrative expenses on a cpl basis decreased by 6% or 0.04 cpl as compared to the same quarter of 2014, primarily due to added overall fuel volumes as a result of the acquisitions of Pioneer Energy and the Chevron-branded service stations.

Q3 2015 YTD vs. Q3 2014 YTD

In the first nine months of 2015, fuel volume increased by 40.8% or 533 million litres compared to the same period in 2014, primarily driven by the acquisitions of Pioneer Energy and Chevron-branded service stations, adding 562 million litres and 19 million litres of volume respectively. The increase from the acquisitions was partially offset by a 48 million litre decrease of volume in Parkland's existing business, due to general softening of volumes in Western Canada, reflective of the slowdown in economic activity due to the decline in oil prices. The reduction in volumes in Western Canada was partially offset by increased volumes in Eastern Canada.

Sales and operating revenue increased by 12.4% or $163.6 million to $1,478.6 million in the first nine months of 2015 compared to $1,315.0 million in the same period in 2014. The increase in sales and operating revenue was driven by the acquisition of Pioneer Energy and Chevron-branded service stations, adding $482.6 million and $19.4 million respectively. The increase in sales and operating revenue from the acquisitions was partially offset by $338.4 million decline in sales and operating revenue of existing business driven by reduced global crude oil and petroleum prices.

In the first nine months of 2015, Adjusted Gross Profit increased by 56% or $43.6 million to $121.8 million compared to $78.2 million in the third quarter of 2014, primarily due a combination of stronger company fuel margins, higher percentage rents collected through convenience store sales and the contribution from the acquisitions of Pioneer Energy and Chevron-branded service stations.

Operating costs increased by 95% or $18.5 million in the first nine months of 2015 compared to the same period in 2014, primarily due to the costs of operating additional service stations resulting from the acquisitions of Pioneer Energy, Chevron-branded service stations and other businesses.

Marketing, general and administrative expenses for the first nine months of 2015 increased by 36% or $3.4 million compared to the same period in 2014 due to increased expenses and activities resulting from the acquisitions of Pioneer Energy and increased labour costs associated with building capacity to focus on organic growth.

Metrics

Fuel and petroleum Adjusted Gross Profit on a cpl basis increased by 9% or 0.45 cpl as compared to the same period of 2014, mainly due to stronger company fuel margins.

Operating costs on a cpl basis increased by 38% or 0.57 cpl as compared to the same period of 2014, mainly due to costs incurred relating to the acquisitions of Pioneer Energy and the Chevron-branded service stations with higher operating costs for company owned, retailer operated sites.

Marketing, general and administrative expenses on a cpl basis decreased by 4% or 0.03 cpl as compared to the same period of 2014, primarily due to added overall fuel volumes, partially offset by increased expenses from the acquisition of Pioneer Energy.

Commercial Fuels results and operations

Parkland Commercial Fuels delivers bulk fuel, propane, heating oil, lubricants, agricultural inputs and other related products and services to commercial, industrial and residential customers in Canada through an extensive delivery network. The family of brands in this segment includes Bluewave Energy, Columbia Fuels, Sparlings Propane and Island Petroleum. Parkland Commercial Fuels' customer base is diverse, operating across a broad cross-section of industries and geographies across Canada including: oil and gas, residential propane and heating fuel, construction, mining, forestry and fishing, as well as local and inter-regional transportation.

Commercial Fuels segment performance highlights

Commercial Fuels Adjusted EBITDA was $5.9 million in the third quarter of 2015, compared to $7.6 million in the third quarter of 2014. Adjusted EBITDA for the first nine months of 2015 was $46.0 million compared to $45.2 million for the same period in 2014. The 22% decrease in Adjusted EBITDA for the third quarter of 2015 was primarily driven by a decline in fuel volume as a result of reduced economic activity, which also negatively impacted cartage revenues as well as lubricants volumes and margins. These were partially offset by stronger diesel and propane margins and improvements in operations such as the implementation of a centralized fleet

management program and truck idling reduction initiatives. On a year-to-date basis, Adjusted EBITDA increased by 2% as compared to the same period in 2014, with the weaker results experienced in the third quarter of 2015 offset by a stronger first quarter driven by strengthened residential fuel and propane margins.

	Three months ended September 30,		Nine months ended September 30,	
(in 000's of Canadian dollars)	**2015**	2014	**2015**	2014
Fuel and petroleum product volume[1] (000's of litres)	**312,176**	328,686	**1,063,218**	1,164,976
Sales and operating revenue	**268,523**	360,515	**929,501**	1,320,876
Fuel and petroleum product adjusted gross profit[2]	**27,765**	28,177	**120,465**	117,368
Non-fuel adjusted gross profit[2]	**11,949**	14,568	**37,566**	46,192
Adjusted gross profit[2]	**39,714**	42,745	**158,031**	163,560
Operating costs	**28,401**	29,854	**95,590**	101,091
Marketing, general and administrative	**5,742**	5,694	**17,454**	18,915
Adjusted EBITDA[2]	**5,912**	7,594	**46,003**	45,175
Metrics (cpl):				
Fuel and petroleum product adjusted gross profit	**8.89**	8.57	**11.33**	10.07
Operating costs	**9.10**	9.08	**8.99**	8.68
Marketing, general and administration	**1.84**	1.73	**1.64**	1.62
Adjusted EBITDA	**1.89**	2.31	**4.33**	3.88

[1] Includes diesel, gasoline, and propane volumes.

[2] Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations & advisories" section of this MD&A.

Q3 2015 vs. Q3 2014

Commercial Fuels' fuel volume decreased by 5% or 17 million litres to 312 million litres in the third quarter of 2015 compared to 329 million litres in the same period of 2014. The decline in fuel volume was primarily attributable to decreased fuel volume as a result of reduced economic activity in 2015.

Sales and operating revenue decreased by 26% or $92.0 million to $268.5 million in the third quarter of 2015 compared to $360.5 million in the same period of 2014, primarily due to the reduced volumes and declining fuel prices resulting from lower crude oil prices.

Adjusted Gross Profit decreased by 7% or $3.0 million to $39.7 million in the third quarter of 2015 compared to $42.7 million in the same period in 2014 due to decreased volumes and lower cartage revenues driven by lower economic activity, combined with lower lubricant volumes and margins. The decrease in Adjusted Gross Profit was partially offset by strong commercial diesel margins.

Operating costs include driver and administrative labour, fleet maintenance and operating costs, third party delivery expense as well as the costs associated with owning and maintaining land, building and equipment such as rent, repairs and maintenance, environmental, utilities, insurance and property tax costs. Operating costs decreased by 5% or $1.5 million in the third quarter of 2015 compared to the same period in 2014, primarily as a result of decreased fleet and labour costs driven by operating efficiencies.

Marketing, general and administrative expenses in the Commercial Fuels business are typically fixed in nature and do not vary with volume. Departments included in this category are sales, marketing, real estate, finance,

operations, credit, network development and infrastructure. Marketing, general and administrative expenses have remained consistent in the third quarter of 2015 compared to the same period in 2014.

Metrics

Fuel and petroleum product Adjusted Gross Profit on a cpl basis increased 4% or 0.32 cpl as compared to the same quarter in 2014. The increase was mainly due to a strengthening of propane cpl margins.

Operating costs on a cpl basis remained consistent as compared to the same quarter in 2014.

Marketing, general and administrative expenses on a cpl basis increased by 6% or 0.11 cpl as compared to the same quarter in 2014, primarily due to decreased volumes.

Q3 2015 YTD vs. Q3 2014 YTD

Commercial Fuels' fuel volume decreased by 9% or 102 million litres to 1,063 million litres for the first nine months of 2015 compared to 1,165 million litres for the same period in 2014. The decline in fuel volume was primarily attributable to reduced economic activity.

Sales and operating revenue decreased by 30% or $391.4 million to $929.5 million for the first nine months of 2015 compared to $1,320.9 million in the same period in 2014, primarily due to the reduced volumes and declining fuel prices resulting from lower crude oil prices.

Adjusted Gross Profit decreased by 3% or $5.6 million to $158.0 million for the first nine months of 2015 compared to $163.6 million in the same period in 2014 due to decreased volumes and lower cartage revenues driven by lower economic activity, combined with lower lubricant volumes and margins. The decrease in Adjusted Gross Profit was partially offset by strong residential fuel and propane margins.

Operating costs decreased by 5% or $5.5 million for the first nine months of 2015 compared to the same period in 2014 primarily as a result of operating efficiencies achieved and decreased activities, driven by lower fleet, labour and payment processing costs.

Business efficiencies have improved marketing, general and administrative expenses by 8% or $1.5 million for the first nine months of 2015 compared to the same period in 2014. The decrease in costs was primarily driven by decreased labour and contracted services.

Metrics

Fuel and petroleum product Adjusted Gross Profit on a cpl basis increased 13% or 1.26 cpl as compared to the same period in 2014. The increase was mainly due to a strengthening of residential fuel and propane cpl margins.

Operating costs on a cpl basis increased by 4% or 0.31 cpl as compared to the same period in 2014, as fuel volumes decreased marginally more than operating costs.

Marketing, general and administrative expenses on a cpl basis decreased by 1% or 0.02 cpl as compared to the same period in 2014, primarily due to the implementation of operating efficiencies partially offset by decreasing fuel volumes.

SPF Energy results and operations

SPF Energy is an independent fuel marketer headquartered in Minot, North Dakota. SPF Energy supplies and distributes refined petroleum products throughout North Dakota, Montana, Minnesota, South Dakota and Wyoming. SPF Energy is an expandable platform for growth in the Northwest United States and provides Parkland with export opportunities of excess refined product in Western Canada by leveraging Parkland's rail assets.

SPF Energy operates and generates profits from the following divisions:

- **Wholesale** – responsible for managing SPF Energy's fuel supply contracts, purchasing fuel from suppliers, distribution through third party rail and highway carriers as well as serving wholesale customers. SPF Energy has 40,000 barrels of terminal storage capacity in Minot, North Dakota and supplies fuel to retailers, small resellers and commercial operators. SPF Energy owns a fleet of approximately 75 trucks which deliver wholesale fuels and commercial lubricants to its customers.

- **Retail** – operates and services a network of retail service stations. SPF Energy owns and operates "Superpumper", a proprietary convenience store brand. SPF Energy is also a branded wholesaler for Cenex, Conoco, Exxon, Shell, Sinclair and Tesoro within the United States. SPF Energy operates service stations under the following business models:
    - Dealer owned, dealer operated: Dealers own or lease their own sites and enter into a contract with SPF Energy 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. This division supplies a number of multi-site dealer chains including approximately 60 direct customers under the dealer operated model.
    - Company owned, company operated: SPF Energy owns 21 Superpumper sites and operates these sites directly by SPF Energy employees, often co-branded with a major refinery brand in the forecourt.

- **Lubricants** – SPF Energy delivers lubricants to commercial, industrial and wholesale customers through an extensive delivery network.

SPF Energy performance highlights

SPF Energy's Adjusted EBITDA was $6.3 million in the third quarter of 2015, compared to $6.1 million in the same period of 2014. The increase of 3% or $0.2 million was primarily due to the incremental Adjusted EBITDA from the appreciation of the US dollar against the Canadian dollar and an additional contribution from the acquisition of five service stations in North Dakota, partially offset by lower wholesale volumes and margins in the wholesale business due to lower economic activity in the Bakken region.

SPF Energy's Adjusted EBITDA increased 1.9% or $0.3 million to $16.0 million for the first nine months of 2015, compared to Adjusted EBITDA of $15.7 million for the same period in 2014, primarily due to the same reasons described for the third quarter of 2015.

(in 000's of Canadian dollars)	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
Fuel and petroleum product volume[1] (000's of litres)	**288,982**	307,561	**819,687**	875,578
Sales and operating revenue	**210,226**	285,313	**584,956**	837,544
Fuel and petroleum product adjusted gross profit[2]	**9,640**	9,622	**27,521**	26,699
Non-fuel adjusted gross profit[2]	**8,269**	7,368	**22,615**	20,638
Adjusted gross profit[2]	**17,909**	16,990	**50,136**	47,337
Operating costs	**9,933**	9,160	**28,835**	26,783
Marketing, general and administrative	**1,710**	1,842	**5,500**	5,085
Adjusted EBITDA[2]	**6,318**	6,050	**15,951**	15,672
Metrics (cpl):				
Fuel and petroleum product adjusted gross profit	**3.34**	3.13	**3.36**	3.05
Operating costs	**3.44**	2.98	**3.52**	3.06
Marketing, general and administration	**0.59**	0.60	**0.67**	0.58
Adjusted EBITDA	**2.19**	1.97	**1.95**	1.79

[1] Includes diesel, gasoline, and propane volumes.

[2] Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations & advisories" section of this MD&A.

Q3 2015 vs. Q3 2014

SPF Energy's fuel volume decreased by 6% or 19 million litres to 289 million litres in the third quarter of 2015 compared to 308 million litres in the third quarter of 2014. The decline in fuel volume was mainly attributable to decreased wholesale volumes as a result of reduced economic activity from the decline in oil prices, offset partially by increased retail volumes from the acquisition of five service stations in North Dakota.

Sales and operating revenue decreased by 26% or $75.1 million to $210.2 million in the third quarter of 2015 compared to $285.3 million in the same period in 2014 primarily due to declines in global crude oil prices, partially offset by the appreciation of the US dollar against Canadian dollar.

Adjusted Gross Profit increased by 5% or $0.9 million to $17.9 million in the third quarter of 2015 compared to $17.0 million in the same period in 2014 driven primarily by the appreciation of the US dollar against the Canadian dollar. The gains from the appreciation of the US dollar offset the decline in margins experienced in wholesale fuel and lubricants as a result of lower economic activity in the Bakken region.

Operating costs are incurred at company owned wholesale or lubricant branches and the 21 Superpumper retail sites. Expenses in this category include wages and benefits for employees, along with the costs associated with owning and maintaining the land, building and equipment such as rents, repairs and maintenance, environmental, utilities, insurance and property tax costs. Operating costs increased by 8% or $0.8 million in the third quarter of 2015 as compared to the same period in 2014 primarily due to the strengthening of the US dollar against the Canadian dollar despite decreased volumes and expense reduction efforts.

Marketing, general and administrative expenses are typically fixed in nature and do not vary with volume. Departments included in this category are marketing, real estate, finance, operations, credit, network development and infrastructure. Marketing, general and administrative expenses for the third quarter of 2015

decreased by 7% or $0.1 million compared to the same period in 2014 primarily due to cost reduction initiatives, which was partially offset by an increase caused by the strengthening of the US dollar.

Metrics

Fuel and petroleum product Adjusted Gross Profit on a cpl basis increased 7% or 0.21 cpl as compared to the same period in 2014. The increase was mainly due to a strengthening of the US dollar against the Canadian dollar. Removing the impact from the appreciation of the US dollar, fuel and petroleum product Adjusted Gross Profit declined due to a decline in sales margin as a result of lower economic activity in the Bakken region.

Operating costs on a cpl basis increased by 15% or 0.46 cpl as compared to the same period in 2014, primarily due to decreased fuel and petroleum product volumes and the strengthening of the US dollar against the Canadian dollar.

Q3 2015 YTD vs. Q3 2014 YTD

SPF Energy's fuel volume decreased by 6% or 56 million litres to 820 million litres for the first nine months of 2015 compared to 876 million litres for the same period of 2014. The decline in fuel volume was mainly attributable to softened wholesale demand as a result of unseasonably warmer weather and reduced economic activity from the decline in oil prices, partially offset by added volumes from the acquisition of five service stations in North Dakota.

Sales and operating revenue decreased by 30% or $252.5 million to $585.0 million for the first nine months of 2015 compared to $837.5 million for the same period in 2014 primarily due to lower sales prices as a result of declines in global crude oil prices.

SPF Energy's Adjusted Gross Profit increased by 6% or $2.8 million to $50.1 million for the first nine months of 2015 compared to $47.3 million for the same period in 2014. The increase in Adjusted Gross Profit was mainly attributable to the strengthening of the US dollar against the Canadian dollar, combined with the acquisition of five service stations in North Dakota. These gains partially offset by the decline in margins experienced in the wholesale business and decreased lubricant volumes as a result of lower economic activity in the Bakken region.

Operating costs decreased on a US dollar basis due to achieved efficiencies and lower activities driven by softened demand in the wholesale business. However, after foreign exchange translations, operating costs increased by 8% or $2.1 million for the first nine months of 2015 as compared to the same period in 2014, primarily due to the strengthening of the US dollar in despite of continuous cost reduction initiatives.

Marketing, general and administrative expenses increased by 8% or $0.4 million for the first nine months of 2015 compared to the same period in 2014 primarily due to the strengthening of the US dollar, partially offset by cost reduction efforts.

Metrics

Fuel and petroleum product Adjusted Gross Profit on a cpl basis increased 10% or 0.31 cpl as compared to the same period in 2014. The increase was mainly due to a strengthening of the US dollar against the Canadian dollar. Removing the impact from the appreciation of the US dollar, fuel and petroleum product Adjusted Gross Profit declined due to a decline in sales margin as a result of lower economic activity in the Bakken region.

Operating costs and marketing, general and administrative expenses on a cpl basis increased by 15% or 0.46 cpl and by 16% or 0.09 cpl, respectively, as compared to the same period in 2014, primarily due to decreased fuel and petroleum product volumes and the strengthening of the US dollar against the Canadian dollar.

Wholesale, Supply and Distribution results and operations

Parkland's Wholesale, Supply and Distribution division manages fuel supply by contracting and purchasing fuel from refiners and other suppliers, distributing through third party rail and highway carriers, storing fuel in owned and leased facilities and serving wholesale and reseller customers in Canada and in the United States. Wholesale, Supply and Distribution products are marketed via the "Parkland", "Les Pétroles Parkland" and "Elbow River Marketing" brands.

Contracts – Parkland maintains fuel supply contracts with multiple oil refiners and wholesale suppliers. This diversity of supply, plus the availability of storage in the prairies and Eastern Canada, allows the Corporation to obtain fuel at competitive prices and enhances fuel supply security for Parkland owned sites and for all Parkland customers.

Purchases – Parkland Supply sources fuel from third party suppliers and sells to Parkland's selling segments, Retail, Commercial, Wholesale and SPF Energy, at an arm's length transfer price. Distribution provides transportation services to the Retail and Commercial divisions at an arm's length transfer price. Parkland utilizes its rail car fleet of approximately 2,000 rail cars and leverages its network of North American relationships with a view to match purchase and sales contracts and execute on its strategy of geographic arbitrage.

Storage – Parkland has approximately 227,000 barrels of storage capacity in its Bowden, Alberta refinery. Parkland also has approximately 282,000 barrels of storage capacity in Quebec and approximately 610,000 barrels of additional storage capacity throughout North America.

Wholesale, Supply and Distribution performance highlights

Wholesale, Supply and Distribution Adjusted EBITDA for the third quarter of 2015 was $17.8 million, compared to $10.4 million in the third quarter of 2014, primarily driven by improved negotiated cost of supply driven partly by increased company-wide volumes and lower truck carrier costs, combined with strong butane, propane, crude and biodiesel product margins. These increases were partially offset by lower diesel margins and increased rail car lease costs, higher storage and tank car cleaning costs, combined with increased employee costs as part of the segment's growth activities.

Wholesale, Supply and Distribution Adjusted EBITDA for the first nine months of 2015 was $49.4 million compared to $50.8 million for the same period in 2014. The decrease of $1.4 million was primarily attributable to decreased propane margins in the first quarter of 2015 as the first quarter of 2014 experienced record propane market conditions which were not repeated this year. This decrease was partially offset by strong butane, biodiesel and condensate margins resulting from favourable geographical arbitrage opportunities, improved negotiated fuel supply costs and improved distribution costs experienced primarily in the third quarter of 2015.

(in 000's of Canadian dollars)	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
Fuel and petroleum product volume[1] (000's of litres)	**1,132,663**	1,219,021	**3,276,335**	3,179,778
Sales and operating revenue	**549,663**	778,143	**1,650,346**	2,315,434
Fuel and petroleum product adjusted gross profit[2]	**35,167**	23,789	**103,624**	98,131
Non-fuel adjusted gross profit[2]	**5,126**	4,142	**11,601**	11,838
Adjusted gross profit[2]	**40,293**	27,931	**115,225**	109,969
Operating costs	**11,817**	11,603	**38,524**	35,379
Marketing, general and administrative	**10,718**	5,936	**27,384**	23,912
Adjusted EBITDA[2]	**17,791**	10,373	**49,435**	50,750

(1) Includes diesel, gasoline, propane, natural gas, natural gas mix, crude oil, asphalt, and other volumes.

(2) Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations & advisories" section of this MD&A.

Q3 2015 vs. Q3 2014

Fuel volume decreased by 7% or 86 million litres to 1,133 million litres (net of inter-segment sales) in the third quarter of 2015 compared to 1,219 million litres in the same period in 2014, primarily due to decreased crude oil volume of 50 million litres.

Sales and operating revenue decreased by 29% or $228.4 million to $549.7 million in the third quarter of 2015 compared to $778.1 million in the same period in 2014, primarily due to lower commodity prices and decreased fuel and petroleum product volumes.

Adjusted Gross Profit increased by 44% or $12.4 million to $40.3 million in the third quarter of 2015 compared to $27.9 million in the third quarter of 2014. The increase was primarily due to strong butane, propane, crude and biodiesel product margins resulting from favourable geographical arbitrage opportunities, improved negotiated fuel supply costs as a result of increased company-wide volumes, and third party carrier costs, partially offset by decreased diesel margins.

Operating costs in the third quarter of 2015 increased by 2% or $0.2 million to $11.8 million compared to $11.6 million in the third quarter of 2014, primarily due to increased rail car lease costs, higher storage and tank car cleaning costs.

Marketing, general and administrative expenses in the third quarter of 2015 increased by 81% or $4.8 million to $10.7 million compared to $5.9 million in the third quarter of 2014 due to increased employee variable compensation costs due to higher earnings.

Q3 2015 YTD vs. Q3 2014 YTD

Fuel volume increased by 3% or 96 million litres to 3,276 million litres (net of inter-segment sales) for the first nine months of 2015 compared to 3,180 million litres in the same period in 2014, primarily due to increased propane, butane and condensate volumes of 225 million litres, gasoline and diesel volume of 44 million litres and biodiesel volume of 30 million litres, partially offset by decreased crude oil volume of 201 million litres. The change in product mix is primarily driven by changing geographical arbitrage opportunities.

Sales and operating revenue decreased by 29% or $665.1 million to $1,650.3 million in the first nine months of 2015 compared to $2,315.4 million in the same period in 2014, primarily due to lower commodity prices, partially offset by the overall increased fuel and petroleum product volumes.

Adjusted Gross Profit increased by 5% or $5.2 million to $115.2 million for the first nine months of 2015 compared to $110.0 million in the same period of 2014. The increase was primarily due to strong butane, biodiesel and condensate margins resulting from favourable geographical arbitrage opportunities, improved cost of fuel supply and lower third party carrier costs experienced primarily in the third quarter of 2015, partially offset by decreased propane margins in the first quarter of 2015.

Operating costs for the first nine months of 2015 increased by 9% or $3.1 million to $38.5 million compared to $35.4 million in the same period of 2014, primarily due to increased rail car lease costs, higher storage and tank car cleaning costs throughout the year.

Marketing, general and administrative expenses for the first nine months of 2015 increased by 15% or $3.5 million to $27.4 million compared to $23.9 million for the same period of 2014, primarily due to increased employee costs as part of the growth activities in the refined products business.

Corporate

The Corporate segment includes centralized administrative services and expenses, incurred to support operations, but which are not specifically allocated to Parkland's businesses.

	Three months ended September 30,		**Nine months ended September 30,**	
(in 000's of Canadian dollars)	**2015**	2014	**2015**	2014
Adjusted EBITDA[1]	**(9,967)**	(9,163)	**(31,966)**	(28,591)

[1] Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations & advisories" section of this MD&A.

Q3 2015 vs. Q3 2014

The Corporate segment incurred corporate expenses of $10.0 million for the third quarter of 2015 as compared to $9.2 million for the same period in 2014. Expenses increased to support Parkland's expansion with increases in employee costs, non-cash share incentive compensation, training and recruitment expenses.

Q3 2015 YTD vs. Q3 2014 YTD

The Corporate segment incurred corporate expenses of $32.0 million for the first nine months of 2015 compared to $28.6 million for the same period in 2014. The increased expenses included employee costs, non-cash share incentive compensation, training and recruitment expenses.

3. Quarterly financial data

Financial Summary

(in 000's of Canadian dollars) For the three months ended,	2015 **Sep 30**	 Jun 30	 Mar 31	2014 Dec 31	 Sep 30	 Jun 30	 Mar 31	2013 Dec 31
Sales and operating revenues	**1,862,234**	1,389,910	1,391,626	1,738,479	1,898,690	1,873,109	2,017,360	1,598,861
Adjusted gross profit[1]	**166,958**	123,040	155,165	141,507	117,819	121,442	159,995	141,906
Net earnings	**14,567**	(10,524)	19,778	10,222	10,420	6,924	22,309	22,037
Per share - basic	**0.16**	(0.13)	0.24	0.13	0.14	0.09	0.30	0.31
Per share - diluted	**0.16**	(0.13)	0.24	0.13	0.14	0.09	0.30	0.30
Adjusted EBITDA[1]	**59,072**	34,055	57,133	51,065	35,236	35,692	61,214	50,562
Dividends	**25,423**	23,312	23,478	26,948	19,974	19,710	19,233	18,603
Dividends declared per share	**0.28**	0.26	0.28	0.26	0.26	0.26	0.26	0.26
Distributable cash flow[2]	**29,174**	9,077	36,293	23,107	17,035	22,651	44,649	26,100
Per share - outstanding[2]	**0.32**	0.10	0.44	0.28	0.22	0.30	0.61	0.36
Dividend payout ratio[2]	**87%**	257%	65%	117%	117%	87%	43%	71%
Total assets	**1,836,944**	1,819,555	1,514,174	1,531,791	1,426,792	1,418,130	1,461,718	1,255,224
Total long-term liabilities	**598,372**	590,725	549,919	551,065	463,986	451,917	449,448	339,007
Total funded debt[1]	**455,214**	467,288	167,953	245,519	278,270	311,357	367,907	259,766
Shares outstanding (000's of shares)	**90,782**	89,928	82,913	82,114	76,057	74,765	73,759	71,795

[1] Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations and advisories" section of this MD&A.
[2] Non-GAAP financial measure. See the "Distributable cash flow" section of this MD&A.

Operating Summary

For the three months ended,	2015 **Sep 30**	 Jun 30	 Mar 31	2014 Dec 31	 Sep 30	 Jun 30	 Mar 31	2013 Dec 31
Fuel volume (millions of litres)	**2,731**	2,031	2,238	2,328	2,333	1,922	2,272	1,917
Fuel and petroleum product adjusted gross profit[1]								
Retail Fuels (cpl)	**5.63**	5.09	4.87	5.37	5.28	4.94	4.34	4.63
Commercial Fuels (cpl)	**8.89**	10.46	13.56	11.63	8.57	9.60	11.32	10.18
SPF Energy (cpl)	**3.34**	3.33	3.41	3.72	3.13	2.78	3.25	-
Operating costs (cpl)	**2.71**	2.97	2.97	2.58	2.46	3.13	2.87	3.15
Adjusted marketing, general and administrative[1] (cpl)	**1.26**	1.44	1.43	1.32	1.10	1.38	1.50	1.66

[1] Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations and advisories" section of this MD&A.

During the last eight quarters Parkland's quarterly results were primarily impacted by growth through acquisitions, and fluctuations due to the variability of crude oil prices and the seasonality of the business. Specifically, the following items have had a significant impact on the Corporation's financial results:

- 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.
- Acquisitions have contributed to increased fuel volume over the last eight quarters. Parkland acquired SPF Energy Inc. on January 8, 2014, twelve Chevron-branded service stations on April 2, 2014, eleven Chevron-branded service station on April 7, 2015, five service stations in North Dakota in April 2015, and Pioneer Energy on June 25, 2015. The largest increase in fuel volume in the last two years has come from the acquisition of Pioneer Energy.
- Operating costs over the last eight quarters have generally increased due to increased volume and activities from the acquired businesses, with exception to the third quarter of 2015 which saw a decrease primarily due to a higher increase in consolidated fuel and petroleum product volumes driven by growth in the Retail Fuels segment.
- Adjusted Marketing, General and Administrative expenses over the last eight quarters have generally increased due to increased activities from the acquired businesses except for the second and third quarter of 2014 which decreased due to lower activity in Wholesale, Supply and Distribution.

4. 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. Parkland believes that maintenance capital expenditures should be funded by cash flow from operating activities and, therefore, deducted in determining distributable cash flow. The distributable cash flow measure is provided to assist management and investors in determining the amount of cash available to be distributed to shareholders as dividends. Distributable cash flow is a non-GAAP measure which is not a standard measure under IFRS and, therefore, may not be comparable to similar measures reported by other entities. Other issuers may calculate this non-GAAP measure differently.

(in 000's of Canadian dollars and shares, except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
Adjusted EBITDA[1]	**59,072**	35,236	**150,260**	132,142
Finance costs	**(8,361)**	(6,295)	**(25,832)**	(19,258)
Unrealized (loss) gain on foreign exchange	**1,161**	1,103	**937**	1,683
Unrealized (loss) gain from the change in fair value of commodities swaps and forward contracts, US dollar forward exchange contracts and future contracts	**(57)**	7,054	**(2,242)**	8,143
Change in risk management activities	**56**	(7,053)	**2,242**	(8,430)
Current income tax expense	**(7,455)**	(5,284)	**(19,624)**	(20,759)
Acquisition, integration and other costs	**(5,473)**	(3,261)	**(21,091)**	(7,897)
Share incentive compensation	**987**	645	**5,504**	3,816
Refinery and terminal remediation accrual	**127**	128	**376**	369
Accretion expense on asset retirement obligation	**939**	517	**1,904**	1,497
Accretion on convertible debentures	**90**	583	**277**	1,729
Amortization of deferred financing costs and debt premium	**218**	263	**652**	1,183
Change in fair value of Redemption Option	**(260)**	(800)	**1,840**	(720)
Cash expenditures on asset retirement obligation	**(1,133)**	(20)	**(1,816)**	(602)
Change in other long term liabilities[2]	**(342)**	(1,479)	**1,564**	(241)
Net changes in non-cash working capital[2]	**(3,747)**	30,794	**79,989**	18,910
Cash flow from operating activities	**35,822**	52,131	**174,940**	111,565
Maintenance capital expenditures	**(11,024)**	(6,245)	**(20,410)**	(10,148)
Proceeds on sale of property, plant, and equipment and intangible assets	**288**	489	**1,568**	1,165
Change in other long-term liabilities[2]	**342**	1,479	**(1,564)**	241
Net changes in non-cash working capital[2]	**3,747**	(30,794)	**(79,989)**	(18,910)
Distributable cash flow	**29,175**	17,060	**74,545**	83,913
Distributable cash flow per share on shares outstanding	**0.32**	0.22	**0.82**	1.10
Dividends	**25,423**	19,974	**72,213**	58,917
Dividend payout ratio [3]	**87%**	117%	**97%**	70%
Shares outstanding	**90,782**	76,057	**90,782**	76,057

[1] Non-GAAP financial measure. See "Non-GAAP financial measures, reconciliations and advisories" section of this MD&A for reconciliation.

[2] Included in cash flow from (used in) operating activities and excluded from distributable cash flow.

[3] Calculated by dividing dividends by distributable cash flow.

Distributable cash flow

Q3 2015 vs. Q3 2014

Distributable cash flow increased to $29.2 million for the third quarter of 2015 from $17.1 million for the same period of 2014, primarily due to $23.9 million of higher Adjusted EBITDA offset by $2.2 million of higher acquisition, integration and other costs, $4.8 million of higher maintenance capital expenditures, $2.2 million of higher current income taxes and $2.1 million of higher finance costs. Acquisition, integration and other costs and are included within marketing, general and administrative expenses and are dependent on acquisition activity. Maintenance capital expenditures increased by $4.8 million during the quarter primarily attributable to increased construction and upgrades in the Retail Fuels segment and increased fleet expenditures in Commercial Fuels.

Q3 YTD 2015 vs. Q3 YTD 2014

Distributable cash flow decreased to $74.5 million for the first nine months of 2015 from $83.9 million for the same period of 2014 primarily due to $13.2 million of higher acquisition, integration and other costs, $10.3 million of higher maintenance capital expenditures and $6.6 million of higher finance costs offset by $18.1 million of higher adjusted EBITDA of during the period. Acquisition, integration and other costs and are included within marketing, general and administrative expenses and are dependent on acquisition activity. Acquisition, integration and other costs for the nine months ended September 30, 2015 was $21.1 million and was comprised of acquisition costs of $12.0 million, a refinery billing adjustment of $3.2 million, integration costs of $4.2 million and other one-time costs. Maintenance capital expenditures increased by $10.3 million during the period primarily attributable to increased construction and upgrades in the Retail Fuels segment and increased fleet expenditures in Commercial Fuels.

Dividends

Dividends increased to $25.4 million for the third quarter of 2015 as compared to $20.0 million for the same period of 2014. Dividends increased to $72.2 million for the first nine months of 2015 as compared to $58.9 million for the same period of 2014. Dividends increased primarily due to the increase number of shares outstanding to 90.8 million shares as at September 30, 2015 from 76.1 million shares as at September 30, 2014. During the trailing twelve months ended September 30, 2015, Parkland issued 5.8 million shares on the acquisition of Pioneer Energy, 5.5 million shares upon the conversion of convertible debentures, 2.9 million shares under the dividend reinvestment plan, 0.5 million shares under the restricted share units and share option plan.

Dividend payout ratio

Q3 2015 vs. Q3 2014

In the third quarter of 2015, the dividend payout ratio was 87%, a decrease from 117% in the third quarter of 2014. The dividend payout ratio decreased as distributable cash flow increased by $12.1 million and dividends increased $5.5 million in the third quarter of 2015 compared to the third quarter of 2014.

Q3 YTD 2015 vs. Q3 YTD 2014

For the first nine months of 2015, the dividend payout ratio was 97%, an increase from 70% for the same period of 2014. The dividend payout ratio increased as distributable cash flow decreased by $9.4 million and dividends increased $13.3 million in the first nine months of 2015 compared to the same period of 2014.

5. Liquidity

(in 000's of Canadian dollars)	Three months ended September 30, 2015	2014	2013	Nine months ended September 30, 2015	2014	2013
Cash generated from operating activities	**35,822**	52,131	(39,140)	**174,940**	111,565	141,294
Cash used in investing activities	**(17,982)**	(13,218)	(9,819)	**(327,763)**	(128,675)	(156,366)
Net cash generated (used) before financing activities	**17,840**	38,913	(48,959)	**(152,823)**	(17,110)	(15,072)
Cash (used in) generated from financing activities	**(5,658)**	(3,542)	44,367	**(17,530)**	53,177	(2,788)
Increase (decrease) in net cash	**12,182**	35,371	(4,592)	**(170,353)**	36,067	(17,860)
Net foreign exchange difference	**251**	427	-	**1,137**	127	-
Net cash, beginning of period	**17,479**	8,676	1,408	**199,128**	8,280	14,676
Net cash, end of period	**29,912**	44,474	(3,184)	**29,912**	44,474	(3,184)

Operating activities

Cash flow from operations is used to fund maintenance capital, interest, income taxes and dividends. Parkland anticipates meeting payment obligations as they come due.

Q3 2015 vs. Q3 2014

Cash generated from operating activities was $16.3 million lower in the three months ended September 30, 2015 compared to the same period in 2014 primarily as a result of a $34.5 million lower cash flow generated from changes in non-cash working capital. The decrease in cash flow was primarily as a result of increasing accounts receivable balances experienced during the third quarter of 2015 in contrast to decreasing accounts receivable balanced experienced during the same period in the 2014. This was partially offset by increased cash flow activity generated by the operations subsequent to the acquisition of Pioneer Energy.

Q3 2015 YTD vs. Q3 2014 YTD

Cash generated from operating activities was $63.4 million higher in the nine months ended September 30, 2015 as compared to the same period in 2014 primarily as a result of larger decreases in inventory and accounts receivable balances during the first nine months of 2015 as compared to the same period in 2014, primarily attributable to improved management of customer credit and falling commodity prices.

Investing activities

Parkland's investing activities primary consists of acquisitions of businesses and additions of property, plant and equipment and intangible assets, including maintenance capital expenditures and growth capital expenditures.

Q3 2015 vs. Q3 2014

During the third quarter of 2015, investing activities used $18.0 million of cash as compared to $13.2 million in cash in the prior year. The increase in cash used in investing activities is primarily attributable to an increase in additions of property, plant and equipment driven by higher capital expenditures in the Retail Fuels segment consisting primarily of station construction and upgrades.

Q3 2015 YTD vs. Q3 2014 YTD

During the first nine months of 2015, investing activities used $327.8 million of cash as compared to $128.7 million of cash in the prior year. The increase in cash used in investing activities is primarily attributable to larger acquisition activities and additions of property, plant and equipment. During the first nine months of 2015, cash used in investing activities included $247.5 million for Pioneer Energy, $17.6 million for North Dakota service stations, $18.3 million for Chevron-branded service stations and $1.0 million for other businesses. During the

same period of 2014, cash used in investing activities included $84.5 million for SPF Energy Inc. and $16.4 million for Chevron-branded service stations. The increase in additions of property, plant and equipment driven were by higher capital expenditures in the Retail Fuels segment consisting primarily of station construction and upgrades.

Financing activities

Parkland has a disciplined approach to capital investment decisions and prioritizes the use of cash flow first to committed capital investment, then allocating capital to growth opportunities while paying a meaningful dividend to shareholders.

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 reviews dividends 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. The declaration and payment of dividends is at the discretion of Parkland's Board of Directors.

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. See "Premium Dividend™ and dividend reinvestment plan" section of this MD&A.

Q3 2015 vs. Q3 2014

During the third quarter of 2015, Parkland paid a monthly dividend of $0.090 per share (2014 - $0.088 per share). Total dividend payments, net of dividend reinvestment plan for the period were $7.5 million (2014 - $6.7 million).

Cash used in financing activities during the third quarter of 2015 increased by $2.1 million as compared to the third quarter of 2014. This increase was driven by a decline in proceeds received from shares issued for cash in the third quarter of 2015 as compared to the third quarter of 2014. Shares issued for cash are primarily driven by exercises of stock options.

Q3 2015 YTD vs. Q3 2014 YTD

During the first nine months of 2015, Parkland paid a monthly dividend ranging from $0.088 to $0.090 per share (2014 - $0.087 to $0.088 per share). Total dividend payments, net of dividend reinvestment plan for the period were $20.1 million (2014 - $18.4 million).

Cash used in financing activities during the first nine months of 2015 was $17.5 million primarily driven by dividends paid to shareholders, net of dividend reinvestment plan of $20.1 million. During the first nine months of 2014, cash generated from financing activities was $53.1 million, primarily due to the excess of cash generated from proceeds received from long-term debt of $550.6 million offset by long-term debt repayments of $483.3 million.

Available sources of liquidity

Parkland's sources of liquidity as at September 30, 2015 are cash and cash equivalents and available funds under its revolving credit facility ("**Credit Facility**"). While it is typical for Parkland's cash flow to have seasonal fluctuations, such fluctuations do not materially impact Parkland's liquidity and 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 future acquisitions will be

funded by cash from operations and issuance of new debt or shares. Any additional debt incurred will be serviced by the 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.

Parkland has contracted obligations under various debt agreements, capital expenditures relating to property, plant and equipment, as well as under operating and capital leases. Parkland has included these items in the "Liquidity" section of its Annual MD&A. During the nine months ended September 30, 2015, including the acquisition of Pioneer Energy, the Corporation increased its commitments by $107.7 million primarily related to increases of accounts payable, obligations under operating leases, and commitments for property plant and equipment expenditures.

The following table provides a summary of available cash and unused credit facilities:

(in 000's of Canadian dollars)	**September 30, 2015**	December 31, 2014
Cash and cash equivalents	**29,628**	203,264
Bank indebtedness	**(37)**	(5,969)
Unused credit facilities	**283,268**	317,935
	312,859	515,230

6. Capital resources

Credit facility

A revolving extendible 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 2.75% 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. The Credit Facility is secured by 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.

Senior Unsecured Notes

On May 29, 2014 and November 21, 2014, the Corporation completed private placements of senior unsecured notes due May 28, 2021 and November 21, 2022, respectively, each with an aggregate principal amount of $200 million (the "**Senior Unsecured Notes**"). Refer to Note 11 of the Interim Condensed Consolidated Financial Statements for additional information on the Senior Unsecured Notes.

Premium Dividend™ and dividend reinvestment plan

Parkland's Premium Dividend and dividend reinvestment plans are 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 $0.0900 per share, the Premium Dividend and dividend reinvestment plans provide Canadian shareholders with the following options:

- Premium Dividend™ – this provides eligible shareholders with a 2% cash premium in addition to their regular cash dividend. Participants in this option will receive $0.0918 per share on the dividend payment date.

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

The declaration of dividends is at the sole discretion of the Board of Directors and the amount of dividends declared by Parkland and the frequency of payment thereof, if any, may vary from time to time as a consequence of a number of factors including, without limitation, retail pricing and margins, availability and pricing of petroleum product supply, volatility of crude oil prices, capital expenditure requirements, operating costs and compliance with any restrictions on the declaration and payment of dividends contained in any agreement to which Parkland is a party from time to time (including, without limitation, the Credit Facility) and the satisfaction of the liquidity and solvency tests imposed by the *Business Corporations Act* (Alberta) for the declaration and payment of dividends.

Maintenance capital expenditures and growth capital expenditures

Maintenance capital expenditure is a non-GAAP measure that the Corporation uses to calculate the investment needed to sustain the current level of economic activity and to maintain its future cash flow from operating activities at a constant level of productive capacity. Parkland considers the volume of fuel and propane sales, volume of convenience store sales, volume of lubricants sales, agricultural inputs and delivery to be productive capacity. Growth capital expenditure is a non-GAAP measure that the Corporation uses to calculate the investment needed to increase the current level of economic activity. The classification of capital as growth or maintenance is subject to judgment, as many of the Corporation's capital projects have components of both. There is no directly comparable IFRS measure for maintenance capital expenditures or growth capital expenditures. Other issuers may calculate these non-GAAP measures differently.

Examples of capital expenditures classified as maintenance capital expenditures include:

- Upgrades of service stations, including primarily aesthetic major renovations (also known as "refreshes") conducted on retail service stations.
- Rebrand or refresh of service stations, including the securing of a supply agreement with a new independent retailer.
- Upgrade or replacement of trucking fleets.

Examples of capital expenditures classified as growth capital expenditures include:

- Construction of a new building on an existing site.
- Addition of new trucks and trailers to increase the size of the fleet.

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.

The following table provides a summary of maintenance capital expenditures and growth capital expenditures:

(in 000's of Canadian dollars)	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
Growth Capital Expenditures				
Retail Fuels	**6,744**	3,440	**14,215**	4,728
Commercial Fuels	**1,233**	2,497	**2,371**	9,131
SPF Energy	**1,098**	93	**2,200**	247
Wholesale, Supply and Distribution	**866**	38	**2,814**	1,303
Corporate	**182**	757	**295**	2,262
Growth Capital Expenditures	**10,123**	6,825	**21,895**	17,671
Maintenance Capital Expenditures				
Retail Fuels	**3,500**	1,302	**5,955**	2,092
Commercial Fuels	**4,101**	2,298	**8,380**	3,685
SPF Energy	**1,566**	1,806	**2,420**	2,784
Wholesale, Supply and Distribution	**789**	527	**1,681**	914
Corporate	**1,068**	312	**1,974**	673
Maintenance Capital Expenditures	**11,024**	6,245	**20,410**	10,148
Additions of property, plant and equipment and intangible assets	**21,147**	13,070	**42,305**	27,819

During the third quarter of 2015 and the first nine months of 2015, the Corporation's total growth capital expenditures and maintenance capital expenditures increased by $8.1 million and $14.5 million, respectively, as compared to the same periods in 2014. The majority of increase in capital expenditures is attributable to increased construction and upgrade activities in the Retail Fuels segment.

Committed Capital Expenditures

At September 30, 2015, Parkland had $27.7 million (December 31, 2014 - $8.4 million) of committed capital expenditures relating to property, plant and equipment. The increase in commitments primarily related to projects to expand facilities, increase fleet, build new and upgrade existing retail service stations. These commitments will be funded through cash and cash equivalents, cash flow from operations, proceeds from the Premium Dividend, Dividend Reinvestment Plan and by the Credit Facility.

Financial covenants and metrics

At September 30, 2015, Parkland was in compliance with all debt covenants. Debt covenant ratios are tested on trailing four quarter Credit Facility EBITDA.

Refer to the "Non-GAAP financial measures, reconciliation and advisories" section of this MD&A for the listing and the calculation of Parkland's debt covenants.

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.

7. Accounting policies and critical accounting estimates

Changes in accounting policies and standards issued but not yet effective

Refer to Note 4 and Note 5 of the Interim Condensed Consolidated Financial Statements for information pertaining to accounting changes effective in 2015 and information on standards issued but not yet effective, respectively.

Critical accounting estimates

The discussion and analysis of Parkland's financial condition and results of operations are based upon the Annual Consolidated Financial Statements which have been prepared in accordance with IFRS. Parkland's significant accounting policies and accounting estimates are contained in the Annual Consolidated Financial Statements (see Note 5 of the Annual Consolidated Financial Statements for the description of policies or references to notes where such policies are contained) and the Interim Condensed Consolidated Financial Statements (see Note 3 of the Interim Condensed Consolidated Financial Statements for the description of policies or references to notes where such policies are contained). The critical accounting estimates are amortization of property, plant and equipment and intangibles, asset retirement obligations accrual, 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, deferred share units and restricted share units, and fair value of assets acquired and liabilities assumed in a business combination, because they require Parkland to make assumptions about matters that are highly uncertain at the time the accounting estimate is made and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions.

8. Risk factors

Parkland is exposed to a number of risks through the pursuit of our strategic objectives. Some of these risks impact the industry as a whole and others are unique to our operations. Actively managing these risks improves our ability to effectively execute our business strategy. Parkland's exposure to the risks identified in the risk factors described in the Annual MD&A and Annual Information Form has not changed substantially since December 31, 2014, except for as set forth below.

Risks relating to the Pioneer Acquisition

(1) Competition Act matters

On April 30, 2015, the Commissioner of Competition (the "**Commissioner**") served Parkland with a notice of application to challenge Parkland's acquisition of the Pioneer Business in 14 communities in Ontario and Manitoba under section 92 of the *Competition Act*. The Commissioner also served Parkland with an application under Section 104 of the *Competition Act*, which sought an interim order from the Competition Tribunal (the "**Tribunal**").

On May 29, 2015, the Tribunal issued an interim order (the "**Interim Order**") in respect of the application under section 104 of the *Competition Act* that permitted Parkland to close the Pioneer Acquisition, which closed effective June 25, 2015. Notwithstanding that closing of the Pioneer Acquisition has occurred, the Interim Order requires that; (i) the Pioneer Energy supply agreements with independent dealers and Pioneer owned corporate sites in six local communities are to be held separate from Parkland's other assets and operations and be managed by an independent third party manager (the "**Hold Separate Assets**"), and (ii) Parkland maintain the economic viability, marketability and competitiveness of the Parkland supply agreements with independent dealers and Parkland

owned corporate sites in six local communities. The Interim Order will continue in effect until the Commissioner's application challenging Parkland's acquisition of Pioneer Energy's assets in 14 communities is resolved or until there is an agreement with the Commissioner in respect of these six communities subject to the Interim Order. Parkland is consulting with its advisers to assess its approach to resolving the Commissioner's concerns in each of 14 communities (including the six communities subject to the Interim Order). Parkland will continue to vigorously contest the Commissioner's application before the Tribunal in the communities where there is no resolution of the dispute. Parkland continues to believe that the Pioneer Acquisition will be beneficial to consumers and will result in additional efficiencies in the marketplace. It is not known at this time when the principal application will be heard before the Tribunal.

In connection with or as a result of the principal application filed by the Commissioner, Parkland may determine to, or may be required to, divest certain of its assets or assets that comprise a portion of the Pioneer Business or be subject to another remedy (including a behavioral remedy) which in any case may adversely affect Parkland's ability to achieve the anticipated benefits of the Pioneer Acquisition and financial projections related thereto.

Parkland may also incur significant costs in connection with its defense of the application by the Commissioner.

(2) Failure to realize the anticipated benefits of the Pioneer Acquisition

Achieving the benefits of the Pioneer Acquisition depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the ability to realize the anticipated growth opportunities and synergies, including operating expense reductions. The integration of the Pioneer Business requires the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may also result in the loss of key employees and the disruption of ongoing business, supplier, customer and employee relationships. Furthermore, as mentioned above, the Pioneer Acquisition is subject to a challenge by the Commissioner, which may result in an obligation to divest certain of Parkland's assets or assets of the Pioneer Business or Parkland being subject to another remedy. See "Competition Act Matters". These factors may adversely affect Parkland's ability to achieve the anticipated benefits of the Pioneer Acquisition and financial projections related thereto.

(3) Operation of Pioneer Commercial Assets

In connection with the Pioneer Acquisition, the Corporation has entered into an agreement (the "**Commercial Assets Agreement**") with the vendor providing that Parkland will not, directly or indirectly, in any capacity, own, operate, control or otherwise be involved with the commercial assets of Pioneer or the operations thereof in Ontario, New Brunswick, and Nova Scotia (collectively, the "**Pioneer Commercial Assets**"). The Pioneer Commercial Assets will continue to be owned, operated and controlled solely by the vendor and its employees and the vendor has commenced a strategic review and evaluation of opportunities for the vendor to sell the Pioneer Commercial Assets to a third party in one or more transactions. The vendor has retained a third party to administer and conduct any sale process involving the Pioneer Commercial Assets. Under the Commercial Assets Agreement, Parkland will have an indirect economic interest in the Pioneer Commercial Assets and the proceeds of any disposition thereof.

Although Parkland has an indirect economic interest in the Pioneer Commercial Assets and the proceeds of any disposition thereof, it is dependent on Pioneer or a third-party operator, as applicable, in order to realize any economic benefit from the operation or disposition of the Pioneer Commercial Assets. Further, the timing for the disposition of the Pioneer Commercial Assets is out of Parkland's control and there can be no guarantee that such disposition will occur in a timely fashion or at all, or on terms that will result in an economic benefit to Parkland as currently contemplated.

Note 17 – Business Combinations of the Interim Condensed Consolidated Financial Statements provides a description of the acquisition of Pioneer Energy.

A detailed discussion of additional risk factors relating to Parkland and its business is presented in the Annual MD&A and the Annual Information Form which is available on SEDAR.

9. Other

Controls environment

As part of the requirements mandated by the Canadian securities regulatory authorities under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"), Parkland's Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") have evaluated the design and operation of the Corporation's disclosure controls and procedures ("**DC&P**"), as such term is defined in NI 52-109, as at September 30, 2015. The CEO and CFO are also responsible for establishing and maintaining internal controls over financial reporting ("**ICFR**"), as such term is defined in NI 52-109. In making its assessment, management used the Internal Control – Integrated Framework published by The Committee of Sponsoring Organizations of the Treadway Commission to evaluate the design and effectiveness of ICFR. These controls are designed to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and compliance with IFRS. The Corporation's CEO and CFO have evaluated, or caused to be evaluated under their supervision, the design and operational effectiveness of such controls as at September 30, 2015.

In accordance with the provisions of NI 52-109, management, including the CEO and CFO, have limited the scope of their design of the Corporation's DC&P and ICFR to exclude controls, policies and procedures of Pioneer Energy, as permitted by NI 52-109 since Parkland acquired Pioneer Energy on June 25, 2015 (not more than 365 days before September 30, 2015). The scope limitation is primarily due to the time required for the Corporation's management to assess Pioneer Energy's DC&P and ICFR in a manner consistent with the Corporation's other operations.

The following is a summary of certain financial information related to Pioneer Energy effective from the date of acquisition:

(000's of Canadian dollars)	**Nine months ended September 30, 2015**
Revenue	**482,587**
Net income	**11,845**

(000's of Canadian dollars)	**As at September 30, 2015**
Current assets	**68,876**
Non-current assets	**483,457**
Current liabilities	**(101,524)**
Non-current liabilities	**(42,124)**

Based on the evaluation of the design and operating effectiveness of the Corporation's DC&P and ICFR, the CEO and the CFO concluded that Parkland's DC&P and ICFR were effective as at September 30, 2015. There have been no changes in ICFR that occurred during the period beginning July 1, 2015 and ended on September 30, 2015 that has materially affected or is reasonably likely to materially affect Parkland's ICFR.

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. Also,

projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Financial instruments

Information on Parkland's financial instruments can be found in Note 7 of the Interim Condensed Consolidated Financial Statements and Note 10 of the Annual Consolidated Financial Statements.

Off-balance sheet arrangements

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

Related party transactions

Parkland receives legal services from Bennett Jones LLP, of which one of its partners is a director of Parkland. The fees expensed for the first nine months ended September 30, 2015 were $3.4 million (year ended December 31, 2014 – $4.2 million), and $0.1 million was payable as at September 30, 2015 (December 31, 2014 – $1.8 million).

Parkland has a receivable balance from the vendor of the Pioneer Acquisition and Pioneer Fuels Inc. where their President and CEO is a director of Parkland. As at September 30, 2015, outstanding amounts related to a promissory note receivable to fund the operational cash requirements of the Pioneer Commercial Assets was $5.0 million (December 31, 2014 – nil).

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.

Shares outstanding

As of November 6, 2015, Parkland had approximately 91 million shares, 2.7 million share options and 0.8 million restricted share units outstanding. The share options consist of approximately 1.0 million share options that are currently exercisable into shares.

Health and safety

Parkland is committed to ensuring a safe working environment that protects our employees, customers, and the environment. We comply with all applicable federal, provincial and local health, safety and environmental requirements in communities in which we operate. Parkland is committed to reducing injuries and incidents in our workplaces and at customer sites, actively involving our workers in enhancing our performance, tracking and measuring our performance, and training our workers to ensure they have the knowledge and skills necessary to perform their work safely.

Lost time injury frequency ("LTIF") is an industry measure of health and safety and provides the number of lost time incidents occurring within a given period, relative to a standardized number of hours worked. It is calculated by multiplying the number of lost time incidents by 200,000, divided by the total number of employee hours worked. A lost time incident is one in which the employee sustained a job-related injury and illness and were not able to work their next full shift. The LTIF metric represents the number of people for every 100 employees who have been injured to an extent that they cannot perform any work for a minimum of one day, post-injury. Parkland has seen significant reductions in LTIF in line with our commitment to the health and safety of our employees.
The table below presents Parkland's LTIF calculated on a trailing twelve months basis:

	Trailing twelve months ended September 30, 2015	Year ended December 31, 2014	Year ended December 31, 2013
Lost time injury frequency ("LTIF")	0.07	0.30	0.94

10. Non-GAAP financial measures, reconciliations and advisories

Certain financial measures in this MD&A and discussed below, are not prescribed by GAAP and as such they are unlikely to be comparable to similar measures presented by other issuers. These non-GAAP financial measures are included because management uses the information to analyse operating performance, leverage and liquidity. Other issuers may calculate these non-GAAP measures differently.

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

Parkland believes the presentation of Adjusted EBITDA provides useful information to investors and shareholders as it provides increased transparency and predictive value. Management views Adjusted EBITDA as the measure or the underlying core operating performance of business segments or base business activities at an operational level. Adjusted EBITDA is used by management to set targets for the Corporation, and is one metric that can be used to determine Parkland's ability to service its debt, finance capital expenditures and provide for the payment of dividends to shareholders. Adjusted EBITDA excludes costs that are considered to be not representative of the Corporation's underlying core operating performance, including include direct and indirect costs related to potential and completed acquisitions and business integrations. Commencing in the second quarter of 2015, the Corporation incurred integration and other costs that do not represent the core business performance of the Corporation. Therefore, "Acquisition costs" has been renamed to "Acquisition, integration and other costs" in the Interim Condensed Consolidated Financial Statements. Adjusted EBITDA is calculated as net earnings added by 1) finance costs, 2) loss (gain) on disposal of property, plant and equipment, 3) income tax expense, 4) unrealized loss (gain) from the change in fair value of commodities swaps and forward contracts, US dollar forward exchange contracts and future contracts, 5) unrealized loss (gain) on foreign exchange, 6) acquisition, integration and other costs, and 7) depreciation and amortization. Other issuers may calculate Adjusted EBITDA differently.

The following table reconciles net earnings to Adjusted EBITDA for the period:

	Three months ended September 30,		Nine months ended September 30,	
(in 000's of Canadian dollars)	**2015**	2014	**2015**	2014
Net earnings	**14,567**	10,420	**23,821**	39,653
Finance costs	**8,361**	6,295	**25,832**	19,258
Loss (gain) on disposal of property, plant and equipment	**57**	(89)	**188**	1,088
Income tax expense	**5,088**	4,894	**14,096**	16,578
Unrealized loss (gain) from the change in fair value of commodities swaps and forward contracts, US dollar forward exchange contracts and future contracts	**57**	(7,054)	**2,242**	(8,143)
Unrealized gain on foreign exchange	**(1,161)**	(1,103)	**(937)**	(1,683)
Acquisition, integration and other costs[2]	**5,473**	3,261	**21,091**	7,897
Depreciation and amortization	**26,630**	18,612	**63,927**	57,494
Adjusted EBITDA[1]	**59,072**	35,236	**150,260**	132,142

[1] Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations and advisories" section of this MD&A.

[2] Acquisition, integration and other costs for the three months ended September 30, 2015 were comprised of acquisition costs of $4.4 million and integration costs of $1.1 million (three months ended September 30, 2014 - acquisition costs of $3.3 million). Acquisition, integration and other costs for the nine months ended September 30, 2015 were comprised of acquisition costs of $12.0 million, a refinery billing adjustment of $3.2 million, integration costs of $4.2 million and other one-time costs (nine months ended September 30, 2014 - acquisition costs of $7.9 million).

Adjusted Marketing, General and Administrative expense

Adjusted Marketing, General and Administrative expense are calculated by reducing marketing, general and administrative expenses by acquisition, integration and other costs. Parkland believes the presentation of Adjusted Marketing, General and Administrative expense provides useful information to investors and shareholders as it provides increased transparency and predictive value on core expenses of the Corporation. Management uses Adjusted Marketing, General and Administrative expense to set targets and assess expenses of the Corporation. Adjusted Marketing, General and Administrative expense is one metric that can be used to determine Parkland's non-operating core business expenses. Adjusted Marketing, General and Administrative excludes acquisition, integration and other costs which are considered to be not representative of the Corporation's underlying core operating performance.

	Three months ended September 30,		**Nine months ended September 30,**	
(in 000's of Canadian dollars)	**2015**	2014	**2015**	2014
Marketing, general and administrative	**39,872**	29,023	**116,806**	94,320
Less: Acquisition, integration and other costs	**(5,473)**	(3,261)	**(21,091)**	(7,897)
Adjusted marketing, general and administrative[1]	**34,399**	25,762	**95,715**	86,423

[1] Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations and advisories" section of this MD&A.

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

The Credit Facility agreement defines Credit Facility EBITDA which is used in the calculation of debt covenants, as discussed in the "Capital Resources – Financial Covenants and Metrics" section of this MD&A. Credit Facility EBITDA also allows management to monitor the Corporation's ability to service its debt and to meet its current and future commitments. Additional cash requirements can be met through the adjustment of capital spending, adjustment of dividends paid to shareholders, issuance of new debt or issuance of new shares. Refer to the "Third Amended and Restated Credit Agreement" available on SEDAR at www.sedar.com for a copy of the Credit Facility and the definition of the Credit Facility EBITDA.

The following table provides the calculation of Credit Facility EBITDA for the trailing twelve months:

	Three months ended				**Trailing twelve months ended**
	December 31, 2014	**March 31, 2015**	**June 30, 2015**	**September 30, 2015**	**September 30,**
Adjusted EBITDA	51,065	57,133	34,055	59,072	**201,325**
Share incentive compensation	918	2,122	2,395	987	**6,422**
Acquisition, integration and other costs	(7,802)	(2,662)	(12,956)	(5,473)	**(28,893)**
	44,181	56,593	23,494	54,586	**178,854**
Acquisition pro-forma adjustment [1]					**38,000**
Credit Facility EBITDA [1]					**216,854**

[1] Amounts for trailing twelve months ended September 30, 2015 include Pioneer Energy pro-forma pre-acquisition estimates as if the Pioneer Acquisition had occurred on July 1, 2014, pursuant to the terms of the Credit Facility and for debt covenant calculation purposes only.

	Three months ended				Trailing twelve months ended
	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	December 31, 2014
Adjusted EBITDA	61,214	35,692	35,236	51,065	183,207
Share incentive compensation	2,027	1,144	645	918	4,734
Acquisition, integration and other costs	(2,212)	(2,424)	(3,261)	(7,802)	(15,699)
Credit Facility EBITDA	61,029	34,412	32,620	44,181	172,242

Gross Profit and Adjusted Gross Profit

Gross Profit and Adjusted Gross Profit are non-GAAP measures which management uses when analyzing gross profit after considering the effects of realized risk management activities. Parkland's management use Gross Profit and Adjusted Gross Profit to indicate the realized gross profit on sale and purchase transactions. It is also one metric that is used to evaluate Parkland's performance between reporting periods.

	Three months ended September 30,		Nine months ended September 30,	
(in 000's of Canadian dollars)	**2015**	2014	**2015**	2014
Sales and operating revenue	**1,862,234**	1,898,690	**4,643,770**	5,789,159
Cost of sales	**1,694,734**	1,781,686	**4,198,150**	5,383,896
Gross profit	**167,500**	117,004	**445,620**	405,263
Realized (loss) gain on risk management activities	**(283)**	222	**(3,028)**	(6,926)
Realized (loss) gain on foreign exchange	**(259)**	593	**2,571**	919
Adjusted gross profit[(1)]	**166,958**	117,819	**445,163**	399,256
Fuel and petroleum product adjusted gross profit	**128,563**	86,819	**349,337**	306,057
Non-fuel adjusted gross profit	**38,395**	31,000	**95,826**	93,199
Adjusted gross profit[(1)]	**166,958**	117,819	**445,163**	399,256

[(1)] Non-GAAP financial measure. See the "Non-GAAP financial measures, reconciliations and advisories" section of this MD&A.

Senior Funded Debt and Total Funded Debt to Credit Facility EBITDA ratio

Senior Funded Debt is defined in accordance with the terms of the Credit Facility. Senior Funded Debt indicates the Corporation's ability to fund its long-term commitments, including growth capital and acquisitions. To manage its financing requirements, Parkland may adjust its capital spending, adjust dividends paid to shareholders, issue new shares or issue new debt.

Debt covenant ratios are tested on trailing twelve months Credit Facility EBITDA. Parkland believes that in addition to demonstrating compliance with debt covenants, the Senior Funded Debt to Credit Facility EBITDA ratio and the Total Funded Debt to Credit Facility EBITDA ratio provide users with an indication of the Corporation's ability to repay its debt. These metrics are also used to monitor and guide the Corporation's overall financial strength and flexibility of its capital structure.

(in 000's of Canadian dollars)	**September 30, 2015**	December 31, 2014
Senior Funded Debt:		
Long-term debt - current portion	**3,785**	2,448
Bank indebtedness	**37**	5,969
Long-term debt - non-current portion (excluding Senior Unsecured Notes)	**40,996**	36,198
Letters of credit and surety bonds	**41,421**	7,145
Cash and cash equivalents and restricted cash	**(29,949)**	(205,097)
Senior Funded Debt	**56,290**	(153,337)
Senior Unsecured Notes	**398,924**	398,856
Total Funded Debt	**455,214**	245,519
Credit Facility EBITDA [(1)]	**216,854**	172,242
Senior Funded Debt to Credit Facility EBITDA Ratio	**0.26**	-
Total Funded Debt to Credit Facility EBITDA Ratio	**2.10**	1.43

[(1)] Amounts for trailing twelve months ended September 30, 2015 include Pioneer Energy pro-forma pre-acquisition estimates as if the Pioneer Acquisition had occurred on July 1, 2014, pursuant to the terms of the Credit Facility and for debt covenant calculation purposes only.

Credit Facility Fixed Charge Coverage Ratio

The Credit Facility defines the Fixed Charge Coverage Ratio which is used in the calculation of debt covenants. Parkland believes that in addition to demonstrating compliance with debt covenants this ratio provides users with an indication of the Corporation's ability to pay interest on the outstanding debt.

	Trailing twelve months ended	
(in 000's of Canadian dollars)	**September 30, 2015**	December 31, 2014
Credit Facility EBITDA [(1)]	**216,854**	172,242
Less:		
Maintenance capital expenditures [(1)]	**35,613**	18,530
Taxes paid [(1)]	**30,736**	25,011
Adjusted Credit Facility EBITDA	**150,505**	128,701
Fixed Charges		
Interest [(1)]	**31,730**	20,615
Distributions	**26,209**	24,473
Total Fixed Charges	**57,939**	45,088
Credit Facility Fixed Charge Coverage Ratio	**2.60**	2.85

[(1)] Amounts for trailing twelve months ended September 30, 2015 include Pioneer Energy pro-forma pre-acquisition estimates as if the Pioneer Acquisition had occurred on July 1, 2014, pursuant to the terms of the Credit Facility and for debt covenant calculation purposes only.

At September 30, 2015, Parkland was in compliance with all debt covenants. The financial covenants under the Credit Facility are as follows:

1. Ratio of Senior Funded Debt to Credit Facility EBITDA 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 to Credit Facility EBITDA 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. Credit Facility Fixed Charge Coverage Ratio at each quarter shall not be less than 1.15 to 1.00.

Forward-looking Information

Certain information included herein is forward-looking. Many of these statements can be identified by words such as "believe", "expects", "expected", "will", "intends", "projects", "projected", "anticipates", "estimates", "continues", or similar words. In particular, forward-looking statements included in this document include, without limitation, statements regarding Parkland's:

- commitment to delivering competitive and sustainable returns to shareholders by being the partner of choice for our customers and suppliers, and how we plan to accomplish this mission;
- goal to purchase large volumes of "balanced barrel" products and sell them using its various marketing channels
- goal of being a leader in consolidating North America's fragmented fuel distribution market through its potential synergies on acquisitions and experience across all fuel marketing channels;
- strategies to continue to maximize penetration of its brands by acquiring new sites and modernizing and maintaining existing sites;
- expectations regarding the accretive effects of the Pioneer Acquisition and the anticipated benefits and synergies of such acquisition, including the addition to the Corporation's fuel sales, Adjusted EBITDA and distributable cash flow;
- business and growth strategies, including the manner in which such strategies will be implemented;
- platform for growth in the Northwest United States and Western Canada;

- expectations regarding the effects of seasonality on demand for products offered by its Commercial Fuels and Retail Fuels business segments;
- ability to meet payment obligations as they come due;
- capital investment philosophy;
- intention in respect of dividend payments;
- anticipated sources of liquidity to fund maintenance capital, interest, income taxes, targeted dividends and other committed capital expenditures;
- expected sources for growth capital expenditures, future acquisitions and debt servicing payments;
- ability to adjust capital spending and adjusting dividends paid to shareholders;
- indirect economic interest in the Pioneer Commercial Assets;
- expectations regarding the proposed disposition of the Pioneer Commercial Assets;
- ability to resolve the Commissioner's concerns in respect of the Pioneer Acquisition;
- continued defense of the Commissioner's application and the costs associated therewith;
- expectations for the timing in which the Commissioner's application will be heard before the Tribunal;
- expectations regarding the Hold Separate Assets and the final outcome of the Commissioner's application, including the impact thereof;
- effects of the Pioneer Acquisition and the acquisition of five service stations in North Dakota and eleven Chevron-branded service stations British Columbia;
- expectations regarding the benefits, including benefits to consumers and marketplace efficiencies, and financial projections of the Pioneer Acquisition.

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. The forward-looking statements contained in this MD&A are based upon a number of material factors and assumptions which include, without limitation:

- the regulatory framework that governs the operation of Parkland's business;
- Parkland's ability to successfully integrate the business of Pioneer Energy into its operations;
- commodity prices for gasoline, diesel, propane, lubricants, heating oil and other high quality petroleum products;
- financial market conditions, including interest rates and exchange rates;
- Parkland's future debt levels;
- Parkland's ability to generate sufficient cash flows from operations to meet its current and future obligations;
- future capital expenditures to be made by Parkland;
- access to, and terms of, future sources of funding for Parkland's capital program;
- Parkland's ability to continue to compete in a competitive landscape,

as well as the additional factors referenced in the Annual Information Form.

Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties some of which are described in the 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 risks associated with:

- the integration of businesses into Parkland's operations;
- retail pricing and margin erosion;
- volatility in crude oil prices and in wholesale petroleum pricing and supply;

- competitive action by other companies;
- actions by governmental authorities including increases in taxes and changes in environmental and other regulations;
- information technology management;
- the ability of suppliers to meet commitments;
- safety and environmental incidents;
- failure to meet financial, operational and strategic objectives and plans;
- general economic, market and business conditions;
- industry capacity;
- the operations of Parkland's assets, including the Hold Separate Assets, in accordance with the Interim Order;
- the operation of the Pioneer Commercial Assets by Pioneer in accordance with the Commercial Assets Agreement;
- the impact or nature of any order or remedy imposed by or negotiated with the Commissioner in respect of the applications under the *Competition Act*;
- failure to successfully defend, in whole or in part, the application under the *Competition Act*;
- failure to achieve the anticipated benefits (including benefits to consumers and marketplace efficiencies) of the Pioneer Acquisition;
- failure to achieve economic benefits from the indirect economic interest in the Pioneer Commercial Assets and their operation and/or disposition;
- failure to resolve the Commissioner's concerns in respect of the Pioneer Acquisition or to achieve a final outcome to the application under the *Competition Act* on terms and conditions acceptable to Parkland;
- actions by governmental authorities, including the Commissioner and the Competition Tribunal and other regulators;

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 "Risk Factors" section included in the Corporation's Annual MD&A and in the 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.