Parkland FUEL CORPORATION

Six months ended June 30, 2015

Report to Shareholders

Management's Discussion and Analysis **Q2 2015**

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This Management's Discussion and Analysis ("**MD&A**") dated August 6, 2015 should be read in conjunction with Parkland Fuel Corporation's ("**Parkland**", the "**Corporation**", "**we**", "**our**" or "**us**") June 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” and “Credit Facility Fixed Charge Coverage ratio” and information disclosed on a cents per litre ("**cpl**") basis. See "Non-GAAP Financial Measures, Reconciliations and Advisories" and "Distributable Cash Flow” sections 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

(in millions of Canadian dollars and shares)	Three months ended June 30, **2015**	2014	2013	Six months ended June 30, **2015**	2014	2013
Sales and operating revenues	**1,389.9**	1,873.1	1,342.7	**2,781.5**	3,890.5	2,555.5
Adjusted gross profit(1)	**123.0**	121.4	125.8	**278.2**	281.4	252.7
Net earnings	**(10.5)**	6.9	20.3	**9.3**	29.2	50.9
Per share - basic	**(0.13)**	0.09	0.29	**0.11**	0.40	0.73
Per share - diluted	**(0.13)**	0.09	0.28	**0.11**	0.40	0.72
Adjusted EBITDA(1)	**34.1**	35.7	58.1	**91.2**	96.9	119.1
Dividends	**23.3**	19.7	18.2	**46.8**	38.9	35.9
Dividends declared per share	**0.26**	0.26	0.26	**0.52**	0.52	0.51
Distributable cash flow(2)	**9.1**	22.7	42.3	**45.4**	66.9	87.5
Per share - outstanding(2)	**0.10**	0.30	0.60	**0.50**	0.89	1.25
Dividend payout ratio(2)	**257%**	87%	43%	**103%**	58%	41%
Total assets	**1,819.6**	1,478.1	1,090.4	**1,819.6**	1,478.1	1,090.4
Total long-term liabilities	**590.7**	451.9	310.4	**590.7**	451.9	310.4
Total Funded Debt(1)	**467.3**	311.4	166.9	**467.3**	311.4	166.9
Shares outstanding	**89.9**	74.8	70.2	**89.9**	74.8	70.2

(1) Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliations and Advisories section of this MD&A for reconciliation.

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

Operating Summary

	Three months ended June 30, **2015**	2014	2013	Six months ended June 30, **2015**	2014	2013
Fuel volume (millions of litres)	**2,031**	1,922	1,580	**4,269**	4,195	2,980
Fuel and petroleum product adjusted gross profit(1) (cpl):						
Retail Fuels	**5.09**	4.94	4.73	**4.99**	4.66	4.63
Commercial Fuels	**10.46**	9.60	9.33	**12.34**	10.67	10.71
SPF Energy	**3.33**	2.78	-	**3.37**	3.01	-
Operating costs (cpl)	**2.97**	3.13	2.74	**2.97**	2.99	2.88
Adjusted marketing, general and administrative(1) (cpl)	**1.44**	1.38	1.61	**1.44**	1.45	1.64

(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. As a result of this combination of acquisitive and organic growth, we believe this enables us to earn a competitive return for our shareholders and creates synergies on acquisitions.

Q2 2015 Highlights

- On June 25, 2015, Parkland completed the acquisition of substantially all of the assets and select liabilities comprising the Pioneer Energy business (“**Pioneer Energy**”), domiciled in Ontario, Canada (the "**Pioneer Acquisition**"). Pioneer Energy’s network consists of 397 retailer and dealer operated service stations in Ontario and Manitoba, which includes 152 Pioneer-branded and 230 Esso-branded service stations. During the second quarter of 2015, Pioneer Energy contributed to approximately $33.0 million of revenue and $1.3 million of Adjusted EBITDA. The acquisition is expected to add approximately 2 billion litres in annual fuel sales, $55 million in annualized Adjusted EBITDA and $0.26 per share in distributable cash flow per year.
- With the closing of the acquisition of Pioneer Energy on June 25, 2015, Parkland revised the 2015 Adjusted EBITDA guidance range that it previously issued on December 22, 2014. The 2015 Adjusted EBITDA guidance range was revised from $235 million – $265 million to $200 million – $230 million. The Adjusted EBITDA guidance range was updated primarily due to a lower in-year contribution from Pioneer Energy due to the timing of closing of the acquisition. Please refer to Parkland’s press release dated June 25, 2015 for further discussion.
- During the second quarter of 2015, Parkland also successfully completed the acquisition of five service stations in North Dakota and 11 Chevron-branded service stations in British Columbia. These acquisitions are expected to support Parkland’s growing retail presence in both regions.
- As a result of the acquisitions Parkland currently supports a network of 1,084 service stations across Canada, an increase from 682 service stations as at December 31, 2014.
- Parkland’s Adjusted EBITDA in the second quarter of 2015 was $34.1 million, compared to $35.7 million in the second quarter of 2014. Retail fuels experienced Adjusted EBITDA growth of $1.8 million due to the acquisitions of Pioneer Energy and 11 Chevron-branded service stations. This was offset by higher growth-related costs in Wholesale, Supply and Distribution and Corporate.
- Sales and operating revenues were $1.4 billion in the second quarter of 2015, compared to $1.9 billion in the second quarter of 2014, primarily due to the global decline of crude oil and petroleum prices. Fuel and petroleum product volumes remained strong at 2.0 billion litres in the second quarter of 2015 as compared to 1.9 billion litres in the second quarter of 2014.
- Parkland experienced a net loss of $10.5 million in the second quarter of 2015 compared to net earnings of $6.9 million in the second quarter of 2014. The net loss experienced during the quarter was primarily due to $10.5 million in higher acquisition, integration and other costs included within marketing, general and administration costs, compared to the second quarter of 2014. Acquisition, integration and other costs for the three months ended June 30, 2015 were $13.0 million and were comprised of acquisition costs of $5.0 million, a refinery billing adjustment of $3.2 million, integration costs of $3.1 million and other

one-time costs. Finance costs increased $4.0 million compared to the second quarter of 2014. The increase in finance costs was primarily attributable to a $3.3 million increase in the non-cash loss from the change in fair value of Redemption Options as a result of fluctuations in market conditions and government yield curves on the $400.0 million aggregate principal amount of Senior Unsecured Notes (see “Capital Resources” section of this MD&A).

Q2 2015 vs. Q2 2014 Overall Performance

Net Earnings

Parkland’s net loss for the second quarter of 2015 was $10.5 million, compared to net earnings of $6.9 million in the second quarter of 2014.

- Finance costs in the second quarter of 2015 increased to $11.1 million compared to $7.1 million in the second quarter of 2014. The increase in finance costs was primarily attributable to a $3.3 million increase in the non-cash loss from the change in fair value of Redemption Options as a result of fluctuations in market conditions and government yield curves on the $400.0 million aggregate principal amount of Senior Unsecured Notes. Interest on long-term debt increased $3.3 million primarily due to the issuance of the Senior Unsecured Notes 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 less convertible debentures remained outstanding in 2015 as compared to 2014.
- Income tax expense decreased in the second quarter of 2015 to $1.3 million, compared to $2.0 million in the second quarter of 2014 due to a decrease in earnings partially offset by adjustments in respect of prior years.
- The loss on risk management activities in the second quarter of 2015 was $2.4 million, compared to a gain of $3.4 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 second quarter of 2015, acquisition, integration and other costs included within marketing, general and administration costs, increased by $10.5 million to $13.0 million, compared to $2.5 million in the second quarter of 2014. Acquisition, integration and other costs for the three months ended June 30, 2015 were $13.0 million and were comprised of acquisition costs of $5.0 million, a refinery billing adjustment of $3.2 million, integration costs of $3.1 million and other one-time costs.
- Depreciation and amortization expense in the second quarter of 2015 was $17.6 million, compared to $20.4 million in the second quarter of 2014. The higher depreciation in 2014 is primarily attributable to increased asset retirement obligation expenses recognized during the second quarter of 2014. Included in depreciation and amortization expense in the second quarter of 2015 is $6.0 million of amortization of intangible assets compared to $6.2 million in the second quarter of 2014.
- Adjusted EBITDA in the second quarter of 2015 was $34.1 million, compared to $35.7 million in the second quarter of 2014.

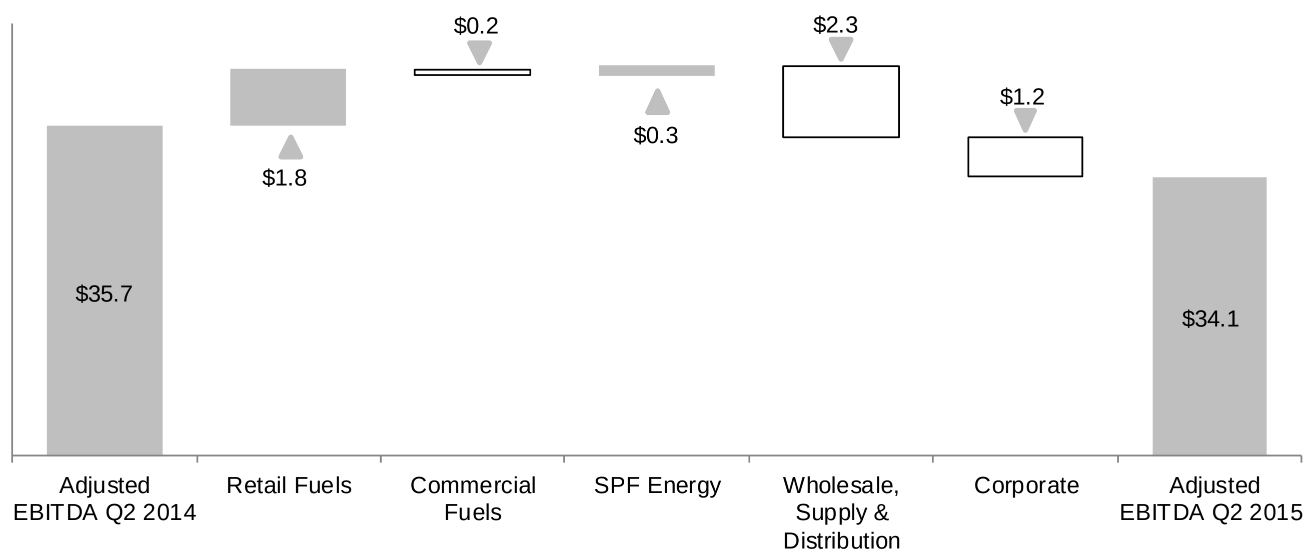
Adjusted EBITDA

(in 000's of Canadian dollars)	Three months ended June 30, 2015	2014
Net (loss) earnings	**(10,524)**	6,924
Finance costs	**11,074**	7,113
(Gain) loss on disposal of property, plant and equipment	**(225)**	27
Income tax expense	**1,317**	2,006
Unrealized loss (gain) from the change in fair value commodities swaps and forward contracts, US dollar forward exchange contracts and future contracts	**1,165**	(3,645)
Unrealized loss on foreign exchange	**702**	436
Acquisition, integration and other costs	**12,956**	2,424
Depreciation and amortization	**17,590**	20,407
Adjusted EBITDA(1)	**34,055**	35,692

(1) Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliation and Advisories section of this MD&A.

Parkland's second quarter 2015 Adjusted EBITDA was $34.1 million, compared to $35.7 million in the second quarter of 2014. The decrease in Adjusted EBITDA was primarily attributable to higher growth-related costs in Wholesale, Supply and Distribution and Corporate, partially offset by higher earnings in Retail Fuels and SPF Energy.

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 contributed additional Adjusted EBITDA of $1.8 million in the second quarter of 2015 as compared to the same period in 2014. The increase 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 $1.8 million of Adjusted EBITDA during the second quarter of 2015.

Commercial Fuels

- Commercial Fuels Adjusted EBITDA in the second quarter of 2015 was comparable to Adjusted EBITDA in the same period of 2014. The $0.2 million 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 efficiencies achieved in operating costs and marketing, general and administrative expenses.

SPF Energy

- SPF Energy Adjusted EBITDA in the second quarter of 2015 was relatively consistent with Adjusted EBITDA in 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 and retail volumes due to lower economic activity in the Bakken.

Wholesale, Supply and Distribution

- Wholesale, Supply and Distribution Adjusted EBITDA decreased $2.3 million in the second quarter of 2015 as compared to the same period in 2014. While adjusted gross profit increased by $0.9 million in the same period, there were greater operating costs and marketing, general and administration costs due to increased employee costs as part of the segment's growth activities and higher rail and terminal leasing costs, which offset the increase.

Corporate

- The Corporate segment, which provides centralized administrative services for Parkland, incurred an additional $1.2 million of growth-focused expenses in the second quarter 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.

Q2 2015 YTD vs. Q2 2014 YTD Overall Performance

Net Earnings

Parkland's net earnings for the first six months of 2015 were $9.3 million, compared to $29.2 million in the first six months of 2014.

- Finance costs for the first six months of 2015 increased to $17.5 million compared to $13.0 million in the first six months of 2014. Interest on long-term debt increased by $7.3 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 $3.8 million as less convertible debentures remained outstanding in 2015 as compared to 2014. The Corporation also recognized a non-cash loss from change in fair value of Redemption Options of $2.1 million in 2015 as a result of fluctuations in market conditions and government yield curves on the Senior Unsecured Notes.
- Income tax expense decreased in the first six months of 2015 to $9.0 million, compared to $11.7 million in the first six months of 2014 due to a decrease in net earnings for the period and adjustments in respect of prior years.
- The loss on risk management activities in the first six months of 2015 was $4.9 million, compared to a loss of $6.1 million in the same period in 2014.
- In the first six months of 2015, acquisition, integration and other costs included within marketing, general and administration costs increased by $11.0 million to $15.6 million, compared to $4.6 million in 2014. Acquisition, integration and other costs for the six months ended June 30, 2015 were $15.6 million and were comprised of acquisition costs of $7.6 million, a refinery billing adjustment of $3.2 million, integration costs of $3.1 million and other one-time costs.

- Depreciation and amortization expense in the first six months of 2015 was $37.3 million, compared to $38.9 million in the first six months of 2014. Included in depreciation and amortization expense for the first six months of 2015 is $12.1 million of amortization of intangible assets compared to $14.0 million for the same period in 2014.
- Adjusted EBITDA in the first six months of 2015 was $91.2 million, compared to $96.9 million in the first six months of 2014.

Adjusted EBITDA

	Six months ended June 30,	
(in 000's of Canadian dollars)	**2015**	2014
Net earnings	**9,254**	29,233
Finance costs	**17,471**	12,963
Loss on disposal of property, plant and equipment	**131**	1,177
Income tax expense	**9,008**	11,684
Unrealized loss (gain) from the change in fair value commodities swaps and forward contracts, US dollar forward exchange contracts and future contracts	**2,185**	(1,089)
Unrealized loss (gain) on foreign exchange	**224**	(580)
Acquisition, integration and other costs	**15,618**	4,636
Depreciation and amortization	**37,297**	38,882
Adjusted EBITDA[(1)]	**91,188**	96,906

(1) Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliation and Advisories section of this MD&A.

Parkland achieved $91.2 million in Adjusted EBITDA in the first six months of 2015, compared to $96.9 million for the same period of 2014. The decrease in Adjusted EBITDA was primarily attributable to decreased propane margins in the first quarter of 2015 in Wholesale, Supply and Distribution, partially offset by acquisitions and higher company margins in Retail Fuel and stronger Commercial Fuels residential fuel and propane margins in the first quarter 2015.

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 contributed additional Adjusted EBITDA of $3.1 million in the first six months of 2015 as compared to the same period of 2014. The increase in Adjusted EBITDA was primarily attributable to strong company fuel margins and increased volume resulting from the acquisitions of Pioneer Energy and Chevron-branded service stations which contributed $1.8 million of Adjusted EBITDA in 2015.

Commercial Fuels

- Commercial Fuels contributed additional Adjusted EBITDA of $2.5 million in the first six months of 2015 as compared to the same period of 2014. The increase in Adjusted EBITDA in the first six months of 2015 was primarily driven by the strengthening of residential fuel and propane margins as well as efficiencies achieved in operating costs and marketing, general and administrative expenses.

SPF Energy

- SPF Energy Adjusted EBITDA in the first six months of 2015 of $9.6 million was unchanged from the same period of 2014. Declines from lower wholesale volumes due to lower economic activity in the Bakken were generally offset by the impact of a stronger US dollar.

Wholesale, Supply and Distribution

- Wholesale, Supply and Distribution Adjusted EBITDA decreased $8.7 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. The segment also experienced higher operating costs and marketing, general and administration costs in the second quarter of 2015 due to increased employee costs as part of the segment's growth in rail of refined products and increased rail and terminal leasing costs.

Corporate

- The Corporate segment incurred an additional $2.6 million of growth-focused expenses in the first six 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. Segmented Results

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

Retail Fuels Results and Operations

Brands

Parkland Retail Fuels supplies and supports a network of 1,084 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 standards.
- **Race Trac –** Race Trac is designed for the dealer who wants to operate independently in the marketplace but not to 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	**96**	**2**	**57**	**29**	**122**	**1**	**307**
Dealer Operated	**87**	**80**	**531**	**10**	**30**	**39**	**777**
Total sites, at June 30, 2015	**183**	**82**	**588**	**39**	**152**	**40**	**1,084**
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 second quarter of 2015 was $18.1 million, compared to $16.3 million for the second quarter of 2014. Retail Fuels Adjusted EBITDA for the first six months of 2015 was $31.8 million, compared to $28.8 million for the first six months of 2014. The 11% increase in the second quarter of 2015 and first six months of 2015 was driven by the contribution from the acquisitions of Pioneer Energy and Chevron-branded service stations.

	Three months ended June 30,		Six months ended June 30,	
(in 000's of Canadian dollars)	**2015**	2014	**2015**	2014
Fuel and petroleum product volume(1) (000's of litres)	**463,094**	434,368	**843,514**	829,624
Sales and operating revenue	**374,417**	454,822	**644,937**	840,405
Fuel and petroleum product adjusted gross profit(2)	**23,589**	21,456	**42,098**	38,628
Non-fuel adjusted gross profit(2)	**5,894**	4,799	**10,661**	9,332
Adjusted gross profit(2)	**29,483**	26,255	**52,759**	47,960
Operating costs	**7,983**	6,702	**14,073**	12,734
Marketing, general and administrative	**3,407**	3,305	**6,866**	6,472
Adjusted EBITDA(2)	**18,091**	16,248	**31,819**	28,754
Per litre analysis (cpl):				
Fuel and petroleum product adjusted gross profit	**5.09**	4.94	**4.99**	4.66
Operating costs	**1.72**	1.54	**1.67**	1.53
Marketing, general and administration	**0.74**	0.76	**0.81**	0.78
Adjusted EBITDA	**3.91**	3.74	**3.77**	3.47

(1) Includes Diesel, Gasoline, and Propane volumes.

(2) Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliations & Advisories section in this MD&A

Q2 2015 vs. Q2 2014

In the second quarter of 2015, fuel volume increased by 7% or 29 million litres compared to the same period in 2014, primarily driven by the acquisition of Pioneer Energy and Chevron-branded service stations, adding 35 million litres and 8 million litres of volume respectively. The increase from acquisitions was offset by a 14 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 decreased by 18% or $80.4 million to $374.4 million in the second quarter of 2015 compared to $454.8 million in the same period in 2014. The decrease in sales and operating revenue was driven by a reduction in global crude oil and petroleum prices. The decrease was offset partially by the acquisitions of Pioneer Energy and Chevron-branded service stations, which contributed to $33.0 million and $7.6 million of revenue respectively.

In the second quarter of 2015, adjusted gross profit increased by 12% or $3.2 million to $29.5 million compared to $26.3 million in the second quarter of 2014, primarily due to the contribution from the acquisitions of Pioneer Energy and Chevron-branded service stations.

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 19% or $1.3 million in the second quarter of 2015 compared to the same period in 2014 due primarily to the additional costs of operating additional service stations resulting from the acquisitions of Pioneer Energy and Chevron-branded service stations. These costs were partially offset by lower fuel volume based variable costs, including retailer commissions and lower-sales based expenses such as credit card fees.

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 second quarter of 2015 increased by 3% or $0.1 million compared to the same period in 2014 due to increased expenses and activities resulting from the acquisition of Pioneer Energy.

Metrics

Adjusted fuel gross profit on a cpl basis increased by 3% or 0.15 cpl as compared to the same quarter of 2014, mainly due to stronger company fuel margins.

Operating costs on a cpl basis increased by 12% or 0.18 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.

Marketing, general and administrative expenses on a cpl basis decreased by 3% or 0.02 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.

Q2 2015 YTD vs. Q2 2014 YTD

In the first six months of 2015, fuel volume increased by 1.7% or 14 million litres compared to the same period in 2014, primarily driven by the acquisitions of Pioneer Energy and Chevron-branded service stations, adding 35 million litres and 8 million litres of volume respectively. The increase from acquisitions was offset by a 29 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 decreased by 23% or $195.5 million to $644.9 million in the first six months of 2015 compared to $840.4 million in the same period in 2014. The decrease in sales and operating revenue was driven by a reduction in global crude oil and petroleum prices. The decrease was offset partially by the acquisitions of Pioneer Energy and Chevron-branded service stations, which contributed to $33.0 million and $7.6 million of revenue respectively.

In the first six months of 2015, the adjusted gross profit increased by 10% or $4.8 million to $52.8 million compared to $48.0 million in the second quarter of 2014, primarily due a combination of stronger company fuel margins and the contribution from the acquisitions of Pioneer Energy and Chevron-branded service stations. Continued development and enhancement of Parkland’s convenience store offering helped increase convenience store sales volume on a same store basis.

Operating costs increased by 11% or $1.3 million in the first six months of 2015 compared to the same period in 2014 due primarily to the costs of operating additional service stations resulting from the acquisitions of Pioneer Energy and Chevron-branded service stations. These costs were partially offset by lower fuel volume based variable costs, including retailer commissions and lower-sales based expenses such as credit card fees.

Marketing, general and administrative expenses for the first six months of 2015 increased by 6% or $0.4 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

Adjusted fuel gross profit on a cpl basis increased by 7% or 0.33 cpl as compared to the same period of 2014, mainly due to stronger company fuel margins.

Operating costs on a cpl basis increased by 9% or 0.14 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.

Marketing, general and administrative expenses on a cpl basis increased by 4% or 0.03 cpl as compared to the same period of 2014, mainly due to increased expenses from the acquisitions of Pioneer Energy and the Chevron-branded service stations and increased labour costs associated with building capacity to focus on organic growth.

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, fishing, as well as local and inter-regional transportation.

Commercial Fuels Segment Performance Highlights

Commercial Fuels Adjusted EBITDA was $8.5 million in the second quarter of 2015, compared to $8.7 million in the second quarter of 2014. Adjusted EBITDA for the first six months of 2015 was $40.1 million compared to $37.6 million for the same period in 2014. The 2% decline in Adjusted EBITDA for the second quarter of 2015 was primarily driven by a decline in fuel volume as a result of reduced economic activity, partially offset by efficiencies achieved in operating costs and marketing, general and administrative expenses. The 7% increase in Adjusted EBITDA for the first six months of 2015 was driven primarily by the strengthening of residential fuel and propane margins as well as efficiencies achieved in operating costs and marketing, general and administrative expenses.

	Three months ended June 30,		Six months ended June 30,	
(in 000's of Canadian dollars)	**2015**	2014	**2015**	2014
Fuel and petroleum product volume(1) (000's of litres)	**294,500**	319,332	**751,042**	836,290
Sales and operating revenue	**279,416**	378,827	**660,978**	960,361
Fuel and petroleum product adjusted gross profit(2)	**30,799**	30,647	**92,700**	89,191
Non-fuel adjusted gross profit(2)	**12,430**	16,168	**25,617**	31,624
Adjusted gross profit(2)	**43,229**	46,815	**118,317**	120,815
Operating costs	**29,387**	32,143	**67,189**	71,237
Marketing, general and administrative	**5,692**	6,601	**11,712**	13,221
Adjusted EBITDA(2)	**8,481**	8,695	**40,091**	37,581
Per litre analysis (cpl):				
Fuel and petroleum product adjusted gross profit	**10.46**	9.60	**12.34**	10.67
Operating costs	**9.98**	10.07	**8.95**	8.52
Marketing, general and administration	**1.93**	2.07	**1.56**	1.58
Adjusted EBITDA	**2.88**	2.72	**5.34**	4.49

(1) Includes Diesel, Gasoline, and Propane volumes.

(2) Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliations and Advisories sectionin this MD&A

Q2 2015 vs. Q2 2014

Commercial Fuels' fuel volume decreased by 8% or 24 million litres to 295 million litres in the second quarter of 2015 compared to 319 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 $99.4 million to $279.4 million in the second quarter of 2015 compared to $378.8 million in the same period of 2014 due primarily to the reduced volumes and declining fuel prices resulting from lower crude oil prices.

Adjusted gross profit decreased by 8% or $3.6 million to $43.2 million in the second quarter of 2015 compared to $46.8 million in the same period in 2014 due to the decreased in volumes and lower cartage revenues driven by lower economic activity, partially offset by strong residential fuel and propane 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 9% or $2.8 million in the second quarter of 2015 compared to the same period in 2014 primarily as a result of operating efficiencies achieved and decreased activities.

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. Operating efficiencies have improved marketing, general and administrative expenses by 14% or $0.9 million in the second quarter of 2015 compared to the same period in 2014.

Metrics

Adjusted fuel gross profit on a cpl basis increased 9% or 0.86 cpl as compared to the same quarter in 2014. The increase was mainly due to a strengthening of residential fuel and propane cpl margins.

Operating costs on a cpl basis decreased by 1% or 0.09 cpl as compared to the same quarter in 2014, primarily as a result of operating efficiencies achieved.

Marketing, general and administrative expenses on a cpl basis decreased by 7% or 0.14 cpl as compared to the same quarter in 2014, primarily as a result of operating efficiencies achieved.

Q2 2015 YTD vs. Q2 2014 YTD

Commercial Fuels' fuel volume decreased by 10% or 85 million litres to 751 million litres for the first six months of 2015 compared to 836 million litres for the same period in 2014. The decline in fuel volume was primarily attributable to decreased fuel volume as a result of reduced economic activity.

Sales and operating revenue decreased by 31% or $299.4 million to $661.0 million for the first six months of 2015 compared to $960.4 million in the same period in 2014 due primarily to the reduced volumes and declining fuel prices resulting from lower crude oil prices.

Adjusted gross profit decreased by 2% or $2.5 million to $118.3 million for the first six months of 2015 compared to $120.8 million in the same period in 2014 due to the decreased volumes and lower cartage revenues driven by lower economic activity, partially offset by strong residential fuel and propane margins.

Operating costs decreased by 6% or $4.0 million for the first six months of 2015 compared to the same period in 2014 primarily as a result of operating efficiencies achieved and decreased activities.

Business efficiencies have improved marketing, general and administrative expenses by 11% or $1.5 million for the first six months of 2015 compared to the same period in 2014.

Metrics

Adjusted fuel gross profit on a cpl basis increased 16% or 1.67 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 5% or 0.43 cpl as compared to the same period in 2014, primarily as a result of a greater decrease in fuel volumes relative to the decrease in 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 was acquired by Parkland on January 8, 2014. 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. With the addition of SPF Energy, Parkland has an expandable platform for growth in the Northwest United States and export opportunities for excess refined product in Western Canada. Additionally, this acquisition enhances the supply capabilities 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/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.
    - SPF Energy Owned/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 $4.9 million in the second quarter of 2015, compared to $4.6 million in the same period of 2014. The increase of 7% or $0.3 million was primarily due to the incremental Adjusted EBITDA from the acquisition of five service stations in North Dakota combined with the appreciation of the US dollar against the Canadian dollar, partially offset by lower wholesale and retail volumes due to lower economic activity.

SPF Energy's Adjusted EBITDA of $9.6 million for the first six months of 2015 was unchanged from Adjusted EBITDA of $9.6 million for the same period in 2014, primarily due to the same impacts described for the second quarter of 2015.

(in 000's of Canadian dollars)	Three months ended June 30, **2015**	2014	Six months ended June 30, **2015**	2014
Fuel and petroleum product volume[1] (000's of litres)	**264,287**	290,765	**530,705**	568,017
Sales and operating revenue	**192,607**	282,243	**374,730**	552,231
Fuel and petroleum product adjusted gross profit[2]	**8,808**	8,075	**17,881**	17,077
Non-fuel adjusted gross profit[2]	**7,369**	6,944	**14,346**	13,270
Adjusted gross profit[2]	**16,177**	15,019	**32,227**	30,347
Operating costs	**9,403**	8,956	**18,902**	17,623
Marketing, general and administrative	**1,887**	1,523	**3,790**	3,243
Adjusted EBITDA[2]	**4,938**	4,610	**9,633**	9,622
Per litre analysis (cpl):				
Fuel and petroleum product adjusted gross profit	**3.33**	2.78	**3.37**	3.01
Operating costs	**3.56**	3.08	**3.56**	3.10
Marketing, general and administration	**0.71**	0.52	**0.71**	0.57
Adjusted EBITDA	**1.87**	1.59	**1.82**	1.69

[1] Includes Diesel, Gasoline, and Propane volumes.

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

Q2 2015 vs. Q2 2014

SPF Energy's fuel volume decreased by 9% or 27 million litres to 264 million litres in the second quarter of 2015 compared to 291 million litres in the second 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, partially offset by increased retail volumes from the acquisition of five service stations in North Dakota.

Sales and operating revenue decreased by 32% or $89.6 million to $192.6 million in the second quarter of 2015 compared to $282.2 million in the same period in 2014 primarily due to decreased global crude oil prices and lower economic activity.

Adjusted gross profit increased by 8% or $1.2 million to $16.2 million in the second quarter of 2015 compared to $15.0 million in the same period in 2014 driven primarily by the appreciation of the US dollar against the Canadian dollar.

Operating costs are incurred at company owned wholesale/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 5% or $0.4 million in the second 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 second quarter of 2015 increased by 24% or $0.4 million compared to the same period in 2014 primarily due to the strengthening of the US dollar and increased payroll and benefit expenses.

Q2 2015 YTD vs. Q2 2014 YTD
SPF Energy's fuel volume decreased by 7% or 37 million litres to 531 million litres for the first six months of 2015 compared to 568 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.

Sales and operating revenue decreased by 32% or $177.5 million to $374.7 million for the first six months of 2015 compared to $552.2 million for the same period in 2014 primarily due to decrease in global crude oil prices and decreased economic activity in the Bakken.

SPF Energy adjusted gross profit increased by 6% or $1.9 million to $32.2 million for the first six months of 2015 compared to $30.3 million for the same period in 2014. The increase in adjusted gross profit was mainly attributable to the acquisition of five service stations in North Dakota and the strengthening of the US dollar.

Operating costs decreased due to achieved efficiencies and softened demand. However, operating costs increased by 7% or $1.3 million for the first six months of 2015 as compared to the same period in 2014, primarily due to the strengthening of the US dollar.

Marketing, general and administrative expenses for the first six months of 2015 increased by 17% or $0.5 million compared to the same period in 2014 primarily due to the strengthening of the US dollar and an increase in payroll and benefit related expenses.

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 second quarter of 2015 was $13.5 million, compared to $15.9 million in the second quarter of 2014, primarily driven by lower crude margin with reduced volumes and increased rail car lease costs, higher storage and tank car cleaning costs and increased employee costs as part of the segment's growth activities, partially offset by strong butane and biodiesel products performance.

Wholesale, Supply and Distribution Adjusted EBITDA for the first six months of 2015 was $31.6 million compared to $40.3 million for the same period in 2014. The decrease of $8.7 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 not repeated this year. Lower crude profitability due to lower crude margins and volume, combined with higher expenses in the second quarter of 2015 also negatively impacted Adjusted EBITDA for the first six months of 2015.

	Three months ended June 30,		**Six months ended June 30,**	
(in 000's of Canadian dollars)	**2015**	2014	**2015**	2014
Fuel and petroleum product volume[1] (000's of litres)	**1,009,071**	877,980	**2,143,672**	1,960,757
Sales and operating revenue	**543,356**	757,146	**1,100,683**	1,537,291
Fuel and petroleum product adjusted gross profit[2]	**29,781**	29,461	**68,457**	74,342
Non-fuel adjusted gross profit[2]	**4,200**	3,655	**6,475**	7,696
Adjusted gross profit[2]	**33,981**	33,116	**74,932**	82,038
Operating costs	**13,604**	12,331	**26,707**	23,776
Marketing, general and administrative	**6,880**	5,068	**16,666**	17,976
Adjusted EBITDA	**13,545**	15,850	**31,644**	40,377

(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 and Advisories section in this MD&A

Q2 2015 vs. Q2 2014

Fuel volume increased by 15% or 131 million litres to 1,009 million litres (net of inter-segment sales) in the second quarter of 2015 compared to 878 million litres in the same period in 2014, primarily due to increased propane, butane and condensate volumes of 241 million litres and biodiesel volume of 24 million litres, partially offset by decreased crude oil volume of 129 million litres. The change in product mix is primarily driven by changes in geographical arbitrage opportunities.

Sales and operating revenue decreased by 28% or $213.7 million to $543.4 million in the second quarter of 2015 compared to $757.1 million in the same period in 2014, primarily due to lower commodity prices, partially offset by overall increased fuel and petroleum product volumes.

Adjusted gross profit increased by 3% or $0.9 million to $34.0 million in the second quarter of 2015 compared to $33.1 million in the second quarter of 2014. The increase was primarily due to increased rail car subleasing revenue from third parties and strong butane and biodiesel volumes and margins, partially offset by declines in crude volumes and margins compared to the same period in 2014.

Operating costs in the second quarter of 2015 increased by 10% or $1.3 million to $13.6 million compared to $12.3 million in the second 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 second quarter of 2015 increased by 35% or $1.8 million to $6.9 million compared to $5.1 million in the second quarter of 2014 due to increased employee costs as part of Parkland's growth activities in the refined products business.

Q2 2015 YTD vs. Q2 2014 YTD

Fuel volume increased by 9% or 183 million litres to 2,144 million litres (net of inter-segment sales) for the first six months of 2015 compared to 1,961 million litres in the same period in 2014, primarily due to increased propane, butane and condensate volumes of 306 million litres and biodiesel volume of 31 million litres, partially offset by decreased crude oil volume of 151 million litres. The change in product mix is primarily driven by changing geographical arbitrage opportunities.

Sales and operating revenue decreased by 28% or $436.6 million to $1,100.7 million in the first six months of 2015 compared to $1,537.3 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 decreased by 9% or $7.1 million to $74.9 million for the first six months of 2015 compared to $82.0 million in the same period of 2014 was primarily due to decreased propane margins in the first quarter of 2015. Exceptional propane market conditions in the first quarter of 2014 were not repeated this year. In addition, lower crude volume and margin in the first six months of 2015 negatively impacted the adjusted gross profit, partially offset by strong biodiesel and drilling fluids volumes.

Operating costs for the first six months of 2015 increased by 12% or $2.9 million to $26.7 million compared to $23.8 million in the same period of 2014, primarily due to increased rail car lease costs, higher storage and tank car cleaning costs in the second quarter of 2015.

Marketing, general and administrative expenses for the first six months of 2015 decreased by 7% or $1.3 million to $16.7 million compared to $18.0 million for the same period of 2014 due primarily to lower variable compensation expenses as a result of decreased year over year operating results, partially offset by increased employee costs in the second quarter of 2015 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 June 30,		Six months ended June 30,	
(in 000's of Canadian dollars)	**2015**	2014	**2015**	2014
Adjusted EBITDA (1)	**(11,000)**	(9,711)	**(21,999)**	(19,428)

(1) Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliations and Advisories section in this MD&A

Q2 2015 vs. Q2 2014

The Corporate segment incurred corporate expenses of $11.0 million for the second quarter of 2015 as compared to $9.7 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.

Q2 2015 YTD vs. Q2 2014 YTD

The Corporate segment incurred corporate expenses of $22.0 million for the first six months of 2015 compared to $19.4 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 Jun 30	2015 Mar 31	2014 Dec 31	2014 Sep 30	2014 Jun 30	2014 Mar 31	2013 Dec 31	2013 Sep 30
Sales and operating revenues	**1,389,910**	1,391,626	1,738,479	1,898,690	1,873,109	2,017,360	1,598,861	1,509,040
Adjusted gross profit(1)	**123,040**	155,165	141,507	117,819	121,442	159,995	141,906	105,403
Net earnings	**(10,524)**	19,778	10,222	10,420	6,924	22,309	22,037	19,061
Per share - basic	**(0.13)**	0.24	0.13	0.14	0.09	0.30	0.31	0.27
Per share - diluted	**(0.13)**	0.24	0.13	0.14	0.09	0.30	0.30	0.27
Adjusted EBITDA(1)	**34,055**	57,133	51,065	35,236	35,692	61,214	50,562	37,753
Dividends	**23,312**	23,478	26,948	19,974	19,710	19,233	18,603	18,396
Dividends declared per share	**0.26**	0.28	0.26	0.26	0.26	0.26	0.26	0.26
Distributable cash flow(2)	**9,077**	36,293	23,107	17,035	22,651	44,649	26,100	23,157
Per share - outstanding(2)	**0.10**	0.44	0.28	0.22	0.30	0.61	0.36	0.33
Dividend payout ratio(2)	**257%**	65%	117%	117%	87%	43%	71%	79%
Total assets	**1,819,555**	1,514,174	1,531,791	1,426,792	1,418,130	1,461,718	1,255,224	1,125,013
Total long-term liabilities	**590,725**	549,919	551,065	463,986	451,917	449,448	339,007	360,278
Total Funded Debt(1)	**467,288**	167,953	245,519	278,270	311,357	367,907	259,766	230,590
Shares Outstanding (000's of shares)	**89,928**	82,913	82,114	76,057	74,765	73,759	71,795	71,020

(1) Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliations and Advisories section of this MD&A for reconciliation.
(2) Non-GAAP financial measure. See the Distributable Cash Flow section of this MD&A for reconciliation and calculation.

Operating Summary

For the three months ended,	2015 Jun 30	2015 Mar 31	2014 Dec 31	2014 Sep 30	2014 Jun 30	2014 Mar 31	2013 Dec 31	2013 Sep 30
Fuel volume (millions of litres)	**2,031**	2,238	2,328	2,333	1,922	2,272	1,917	1,762
Fuel and petroleum product adjusted gross profit(1)								
Retail Fuels (cpl)	**5.09**	4.87	5.37	5.28	4.94	4.34	4.63	4.98
Commercial Fuels (cpl)	**10.46**	13.56	11.63	8.57	9.60	11.32	10.18	7.94
SPF Energy (cpl)	**3.33**	3.41	3.72	3.13	2.78	3.25	-	-
Operating costs (cpl)	**2.97**	2.97	2.58	2.46	3.13	2.87	3.15	2.50
Adjusted marketing, general and administrative(1) (cpl)	**1.44**	1.43	1.32	1.10	1.38	1.50	1.66	1.37

(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 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 SPF Energy.
- Operating costs over the last eight quarters have generally increased due to increased volume and activities from the acquired businesses.
- Marketing, general and administrative expenses over the last eight quarters have generally increased due to increased volume from the acquired businesses except for the second and third quarter of 2014 which decreased due to 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. 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.

	Three months ended June 30,		Six months ended June 30,	
(in 000's of Canadian dollars and shares, except per share amounts)	**2015**	2014	**2015**	2014
Adjusted EBITDA[1]	**34,055**	35,692	**91,188**	96,906
Finance costs	**(11,074)**	(7,113)	**(17,471)**	(12,963)
Unrealized (loss) gain on foreign exchange	**(702)**	(436)	**(224)**	580
Unrealized (loss) gain from the change in fair value of commodities swaps and forward contracts, US dollar forward exchange contracts and future contracts	**(1,165)**	3,645	**(2,185)**	1,089
Change in risk management activities	**1,166**	(3,791)	**2,186**	(1,377)
Current income tax expense	**(2,307)**	(4,420)	**(12,169)**	(15,475)
Acquisition, integration and other costs	**(12,956)**	(2,424)	**(15,618)**	(4,636)
Share incentive compensation	**2,395**	1,144	**4,517**	3,171
Refinery and terminal remediation accrual	**123**	128	**249**	241
Accretion expense on asset retirement obligation	**486**	558	**965**	980
Accretion on convertible debentures	**91**	576	**187**	1,146
Amortization of deferred financing costs and debt premium	**321**	502	**434**	920
Change in fair value of Redemption Option	**3,320**	80	**2,100**	80
Cash expenditures on asset retirement obligation	**(516)**	(361)	**(683)**	(582)
Change in other long term liabilities [2]	**439**	14	**1,906**	1,238
Net changes in non-cash working capital [2]	**30,610**	42,316	**83,736**	(11,884)
Cash flow from operating activities	**44,286**	66,110	**139,118**	59,434
Maintenance capital expenditures	**(5,240)**	(1,577)	**(9,386)**	(3,903)
Proceeds on sale of property, plant, and equipment and intangible assets	**1,080**	420	**1,280**	676
Change in other long-term liabilities [2]	**(439)**	(14)	**(1,906)**	(1,238)
Net changes in non-cash working capital [2]	**(30,610)**	(42,316)	**(83,736)**	11,884
Distributable cash flow	**9,077**	22,623	**45,370**	66,853
Distributable cash flow per share on shares outstanding	**0.10**	0.30	**0.50**	0.89
Dividends	**23,312**	19,710	**46,790**	38,943
Dividend payout ratio [3]	**257%**	87%	**103%**	58%
Shares outstanding	**89,928**	74,765	**89,928**	74,765

[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

Q2 2015 vs. Q2 2014

Distributable cash flow decreased to $9.1 million for the second quarter of 2015 from $22.6 million for the same period of 2014 primarily due to $10.5 million higher acquisition, integration and other costs and $3.7 million higher maintenance capital expenditures during the period. Acquisition, integration and other costs and are included within marketing, general and administration costs and are dependent on acquisition activity. Acquisition, integration and other costs for the three months ended June 30, 2015 were $13.0 million and were comprised of acquisition costs of $5.0 million, a refinery billing adjustment of $3.2 million, integration costs of $3.1 million and other one-time costs. Maintenance capital expenditures increased by $3.7 million during the quarter, primarily attributable to increased work on retail stations, increased fleet expenditures in Commercial Fuels and IT information projects undertaken by Parkland during the period.

Q2 YTD 2015 vs. Q2 YTD 2014

Distributable cash flow decreased to $45.4 million for the first six months of 2015 from $66.9 million for the same period of 2014 primarily due to $11.0 million higher acquisition, integration and other costs and $5.5 million higher maintenance capital expenditures during the period.

Dividends

Dividends increased to $23.3 million for the second quarter of 2015 as compared to $19.7 million for the same period of 2014. Dividends increased to $46.8 million for the first six months of 2015 as compared to $38.9 million for the same period of 2014. Dividends increased primarily due to the increase number of shares outstanding to 89.9 million shares as at June 30, 2015 from 74.8 million shares as at June 30, 2014. During the twelve months ended June 30, 2015, Parkland issued 5.9 million shares upon the conversion of convertible debentures, 2.8 million shares under the Premium Dividend and Dividend Reinvestment plans and 5.8 million shares were issued on the acquisition of Pioneer Energy.

Dividend Payout Ratio

Q2 2015 vs. Q2 2014

In the second quarter of 2015, the dividend payout ratio was 257%, an increase from 87% in the second quarter of 2014. The dividend payout ratio increased as distributable cash flow decreased $13.5 million and dividends increased $3.6 million in the second quarter of 2015 compared to the second quarter of 2014.

Q2 YTD 2015 vs. Q2 YTD 2014

For the first six months of 2015, the dividend payout ratio was 103%, an increase from 58% for the same period of 2014. The dividend payout ratio increased as distributable cash flow decreased $21.5 million and dividends increased $7.8 million in the first six months of 2015 compared to 2014.

5. Liquidity

(in 000's of Canadian dollars)	Three months ended June 30, 2015	2014	2013	Six months ended June 30, 2015	2014	2013
Net cash generated from (used In)						
Operating activities	**44,286**	66,110	124,061	**139,118**	59,434	180,434
Investing activities	**(300,226)**	(23,651)	(54,129)	**(309,781)**	(115,457)	(146,547)
Net cash generated (used) before financing activities	**(255,940)**	42,459	69,932	**(170,663)**	(56,023)	33,887
Financing activities	**(5,750)**	(12,834)	(90,995)	**(11,872)**	56,719	(47,155)
Foreign exchange gain (loss) on net cash held in foreign currency	**(651)**	(130)	-	**886**	(300)	-
Increase (decrease) in net cash	**(262,341)**	29,495	(21,063)	**(181,649)**	396	(13,268)

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.

Q2 2015 vs. Q2 2014

Cash generated from operating activities was $21.8 million lower in the three months ended June 30, 2015 compared to the same period in 2014 primarily as a result of $10.5 million higher acquisition, integration and other costs and $11.7 million in lower cash flow generated from non-cash working capital.

Q2 2015 YTD vs. Q2 2014 YTD

Cash from operating activities was $79.7 million higher in the six months ended June 30, 2015 compared to the same period in 2014 primarily as a result of the impact of lower commodity prices and improved accounts receivable collections reducing Parkland's working capital requirements.

Investing Activities

Parkland's primary investing activities are acquisitions and property, plant and equipment additions.

Q2 2015 vs. Q2 2014

During the three months ended June 30, 2015, investing activities used $300.2 million of cash primarily due to the $254.1 million acquisition of Pioneer Energy, the $35.9 million acquisitions of Chevron-branded and North Dakota service stations and $11.6 million of additions to property, plant and equipment and intangible assets.

Q2 2015 YTD vs. Q2 2014 YTD

During the six months ended June 30, 2015, investing activities used $309.8 million of cash primarily due to acquisitions of Pioneer Energy and the North Dakota and Chevron-branded service stations and $21.1 million of additions to property, plant and equipment and intangible assets. During the six months ended June 30, 2014, investing activities used $115.5 million of cash with $84.5 million for the acquisition of SPF Energy Inc., $16.4 million for the acquisition of Chevron-branded services stations and $14.7 million of additions to property, plant and equipment and intangible assets.

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" sections of this MD&A.

Q2 2015 vs. Q2 2014

During the three months ended June 30, 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 $6.6 million (2014 - $6.1 million).

During the three months ended June 30, 2015, cash used in financing activities in 2015 decreased $7.1 million from 2014 primarily due to $7.4 million in lower long-term debt repayments net of proceeds from long-term debt.

Q2 2015 YTD vs. Q2 2014 YTD

During the six months ended June 30, 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 $12.6 million (2014 - $11.7 million).

During the six months ended June 30, 2015, cash used in financing activities in 2015 increased $68.6 million from 2014 primarily due to $67.9 million in higher long-term debt repayments net of proceeds from long-term debt.

Available Sources of Liquidity

Parkland's sources of liquidity as at June 30, 2015 are cash and cash equivalents and available funds under its revolving credit facility ("**Credit Facility**"). 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 six months ended June 30, 2015, including the acquisition of Pioneer Energy, the Corporation increased its commitments by $114.9 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)	**June 30, 2015**	December 31, 2014
Cash and cash equivalents	**30,940**	203,264
Bank indebtedness	**(15,294)**	(5,969)
Unused credit facilities	**279,681**	317,935
	295,327	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. Security on the Credit Facility is the assignment of insurance and a floating charge demand debenture for $900 million, thus creating a first floating charge over all of the undertaking, property and assets of Parkland.

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:

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

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

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

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

Maintenance capital is the amount of capital required in a period for the Corporation to maintain its future cash flow from operating activities at a constant level of productive capacity. Parkland defines its productive capacity as the volume of fuel and propane sold, volume of convenience store sales, volume of lubricants sales, agricultural inputs as well as delivery capacity. 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.

Q2 2015 vs. Q2 2014

During the three months ended June 30, 2015, the Corporation's total additions of property, plant and equipment and intangible assets excluding additions due to acquisitions, consisting of maintenance capital and growth capital, were $11.6 million compared with $7.4 million for the same period in 2014. Maintenance capital for the three months ended June 30, 2015 was $5.2 million, compared with $1.6 million for the same period in 2014. Growth capital for the three months ended June 30, 2015 was $6.4 million, compared with $5.8 million for the same period in 2014.

Q2 2015 YTD vs. Q2 2015 YTD

During the six months ended June 30, 2015, the Corporation's total additions of property, plant and equipment and intangible assets excluding additions due to acquisitions, consisting of maintenance capital and growth capital, were $21.2 million compared with $14.7 million for the same period in 2014. Maintenance capital for the six months ended June 30, 2015 was $9.3 million, compared with $3.9 million for the same period in 2014. Growth capital for the six months ended June 30, 2015 was $11.9 million, compared with $10.8 million for the same period in 2014.

Committed Capital Expenditures

At June 30, 2015, Parkland had $30,469 (December 31, 2014 - $8,361) of committed capital expenditures relating to property, plant and equipment. The increase in commitments was primarily related to Parkland's projects to expand facilities, increase fleet, build new retail service stations and upgrade existing retail service stations over the summer months. 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 June 30, 2015, Parkland was in compliance with all debt covenants. Debt covenant ratios are tested on trailing four quarter EBITDA ("**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 Competition 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 June 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 June 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 June 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)	Six months ended June 30, 2015
Revenue	**32,981**
Net income	**1,343**

(000's of Canadian dollars)	As at June 30, 2015
Current assets	**65,229**
Non-current assets	**484,480**
Current liabilities	**(104,010)**
Non-current liabilities	**(48,209)**

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 June 30, 2015. There have been no changes in ICFR that occurred during the period beginning April 1, 2015 and ended on June 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 six months ended June 30, 2015 were $2.1 million (year ended December 31, 2014 – $4.2 million), and no amount was payable as at June 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 June 30, 2015, outstanding amounts related to a promissory note receivable to fund the cash needs of the Pioneer Commercial Assets and a preliminary working capital adjustment receivable was $5.0 million and $8.1 million, respectively (December 31, 2014 – nil and 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 August 6, 2015, Parkland had approximately 90 million shares, 2.7 million share options and 0.8 million restricted share units outstanding. The share options consist of 1.0 million share options that are currently exercisable into shares.

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.

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 uses Adjusted EBITDA to set targets and assess performance of the Corporation. Adjusted EBITDA 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 non-reoccurring in nature, including include direct and indirect costs related to potential and completed acquisitions. In the second quarter of 2015, the Corporation incurred integration and other costs which are also non-reoccurring in nature. Therefore, "Acquisition costs" has been renamed to "Acquisition, integration and other costs" in the Interim Condensed Consolidated Financial Statements.

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

	Three months ended June 30,		Six months ended June 30,	
(in 000's of Canadian dollars)	**2015**	2014	**2015**	2014
Net (loss) earnings	**(10,524)**	6,924	**9,254**	29,233
Finance costs	**11,074**	7,113	**17,471**	12,963
(Gain) loss on disposal of property, plant and equipment	**(225)**	27	**131**	1,177
Income tax expense	**1,317**	2,006	**9,008**	11,684
Unrealized loss (gain) from the change in fair value of commodities swaps and forward contracts, US dollar forward exchange contracts and future contracts	**1,165**	(3,645)	**2,185**	(1,089)
Unrealized loss on foreign exchange	**702**	436	**224**	(580)
Acquisition, integration and other costs[(2)]	**12,956**	2,424	**15,618**	4,636
Depreciation and amortization	**17,590**	20,407	**37,297**	38,882
Adjusted EBITDA[(1)]	**34,055**	35,692	**91,188**	96,906

(1) Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliation and Advisories section of this MD&A.

(2) Acquisition, integration and other costs for the three months ended June 30, 2015 were comprised of acquisition costs of $5.0 million, a refinery billing adjustment of $3.2 million, integration costs of $3.1 million and other one-time costs (three months ended June 30, 2014 - acquisition costs of $2.4 million). Acquisition, integration and other costs for the six months ended June 30, 2015 were comprised of acquisition costs of $7.6 million, a refinery billing adjustment of $3.2 million, integration costs of $3.1 million and other one-time costs (six months ended June 30, 2014 - acquisition costs of $4.6 million).

Adjusted marketing, general and administrative expenses

Adjusted marketing, general and administrative expenses 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 expenses 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 expenses to set targets and assess expenses of the Corporation. Adjusted marketing, general and administrative expenses 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 non-reoccurring in nature.

(in 000's of Canadian dollars)	Three months ended June 30, **2015**	2014	Six months ended June 30, **2015**	2014
Marketing, general and administrative	**42,230**	28,913	**76,934**	65,297
Less: Acquisition, integration and other costs	**(12,956)**	(2,424)	**(15,618)**	(4,636)
Adjusted marketing, general and administrative[1]	**29,274**	26,489	**61,316**	60,661

[1] Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliation 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**
	September 30, 2014	**December 31, 2014**	**March 31, 2015**	**June 30, 2015**	**months ended June 30, 2015**
Adjusted EBITDA	35,236	51,065	57,133	34,055	**177,489**
Share incentive compensation	645	918	2,122	2,395	**6,080**
Acquisition, integration and other costs	(3,261)	(7,802)	(2,662)	(12,956)	**(26,681)**
	32,620	44,181	56,593	23,494	**156,888**
Acquisition pro-forma adjustment [1]					**55,000**
Credit Facility EBITDA [1]					**211,888**

[1] Amounts for trailing twelve months ended June 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
	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	months ended 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

Adjusted Gross Profit is a non-GAAP measure which management uses when analysing gross profit after considering the effects of realized risk management activities. Parkland's management use 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.

(in 000's of Canadian dollars)	Three months ended June 30, 2015	2014	Six months ended June 30, 2015	2014
Sales and operating revenue	**1,389,910**	1,873,109	**2,781,536**	3,890,469
Cost of sales	**1,265,767**	1,749,827	**2,503,416**	3,602,210
Gross profit	**124,143**	123,282	**278,120**	288,259
Realized loss on risk management activities	**(1,240)**	(270)	**(2,745)**	(7,148)
Realized gain (loss) on foreign exchange	**137**	(1,570)	**2,830**	326
Adjusted Gross Profit[(1)]	**123,040**	121,442	**278,205**	281,437
Fuel and petroleum product adjusted gross profit	**93,038**	89,682	**220,774**	219,238
Non-fuel adjusted gross profit	**30,002**	31,760	**57,431**	62,199
Adjusted Gross Profit[(1)]	**123,040**	121,442	**278,205**	281,437

[(1)] Non-GAAP financial measure. See the Non-GAAP Financial Measures, Reconciliation 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)	June 30, 2015	December 31, 2014
Senior Funded Debt:		
Long-term debt - current portion	**3,591**	2,448
Bank indebtedness	**15,294**	5,969
Long-term debt - non-current portion (excluding Senior Unsecured Notes)	**37,582**	36,198
Letters of credit and surety bonds	**44,684**	7,145
Cash and cash equivalents and restricted cash	**(32,773)**	(205,097)
Senior Funded Debt	**68,378**	(153,337)
Senior Unsecured Notes	**398,910**	398,856
Total Funded Debt	**467,288**	245,519
Credit Facility EBITDA [(1)]	**211,888**	172,242
Senior Funded Debt to Credit Facility EBITDA Ratio	**0.32**	-
Total Funded Debt to Credit Facility EBITDA Ratio	**2.21**	1.43

[(1)] Amounts for trailing twelve months ended June 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)	**June 30, 2015**	December 31, 2014
Credit Facility EBITDA [(1)]	**211,888**	172,242
Less:		
Maintenance capital expenditures [(1)]	**33,036**	18,530
Taxes paid [(1)]	**28,363**	25,011
Adjusted Credit Facility EBITDA	**150,489**	128,701
Fixed Charges		
Interest [(1)]	**30,842**	20,615
Distributions	**25,376**	24,473
Total Fixed Charges	**56,218**	45,088
Credit Facility Fixed Charge Coverage Ratio	**2.68**	2.85

[(1)] Amounts for trailing twelve months ended June 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 June 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.