



FOR IMMEDIATE RELEASE

March 12, 2015

Red Deer, Alberta, March 12, 2015 – Gamehost Inc. (TSX: GH)

## **GAMEHOST ANNOUNCES FOURTH QUARTER 2014 FINANCIAL RESULTS AND REGULAR MONTHLY DIVIDEND**

Management and Directors of Gamehost Inc. (the "Company") are pleased to present results for the three months ended December 31, 2014 (the "Quarter") and the twelve months ended December 31, 2014 (the "Year").

### **Big Bang Theory**

The Year finished with a bang. Total operating revenues for the Quarter rose \$2.2 million or 11.1% to \$22.0 million from \$19.8 million in the same quarter of 2013. Earnings before interest, taxes, depreciation and amortization ("EBITDA") that is attributable to shareholders of the Company ("EBITDA to Shareholders") climbed \$1.3 million or 15.9% to \$9.5 million versus \$8.2 in the same quarter one year earlier. EBITDA to Shareholders margin was higher by 210 basis points to 45.5% in year over year comparison. High limit table revenues made the most significant contribution to improved overall results compared to Q4 2013. Solid growth in activity and above average Hold percentages of 22.3% were in stark contrast to those realized in the comparable quarter of the prior year. Growth in outer space may continue uninterrupted and infinitely, but with the recent dip in the commodity cycle we are reminded that, on earth, growth comes in fits and starts.

### **Grand(e) Indeed!**

Grande Prairie's contribution to the positive quarterly results cannot be understated. After lagging for a lengthy period of time following the 2008 financial crisis, Grande Prairie properties have performed well all Year and for the Quarter posted a combined 15.8% top line growth and 28.1% growth rate in EBITDA to Shareholders. At time of writing, Grande Prairie activity remains robust. The Company believes that energy related activities in the region will slow following spring breakup. We will manage operations accordingly if and when a slowing materializes.

### **Fickle Winter**

Year over year quarterly results were buoyed by a largely absent winter in December. During last year's December, much of Alberta was digging out from a number of record snowfalls which kept vehicles home in their driveway instead of in our parking lots. This was especially true in Calgary where, this Quarter, the property posted year over year top line growth of 13.7% and EBITDA to shareholder growth of 25.1%. We will take it, thank you very much.

### **Playing Hot Potato**

The Company was busy buying back shares when opportunities presented. 210,300 Shares were repurchased during the Quarter at an average price of \$14.80/Share. Total repurchases for the Year totaled 533,700 Shares for \$7.9 million or an average price of \$14.72/Share. Shares repurchased closely offset the 570,195 Shares issued on debenture conversions for Year. We believe Gamehost shares are worth holding onto, currently hot or not.

## Debenture Deadline

The Company's 6.25% subordinated convertible debentures will mature on July 31, 2015. At the end of the February there are \$12.5 million of the original \$55.0 million debentures outstanding. If the conversion privilege is exercised on all outstanding debentures an additional 1.2 million Shares of the Company will be issued. The Company is taking steps to ensure adequate debt facilities are in place in the unlikely event debentures do not convert to Shares.

## Reassuring Ratios

At the end of the Year the Company's payout ratio, normalized by the removal of Share repurchases and non-financed capex, equates to 91.2%. The Company does not set a target for the payout ratio. At the end of the Year the Company's Debt to EBITDA ratio is a low 1.0: 1. The Company's cash flow coverage ratio of 3.7: 1 for the Year is well above the 1.25: 1 minimum required in covenants made to our lender. The Company will continue to reduce debt through 2015.

## ~~Happy~~ New Year

Sometimes traditional and commonly used salutations just don't seem appropriate. Given our energy centred reality here in Alberta it has not been a Happy New Year thus far. That doesn't mean we can't remain optimistic. Out west, we're used to the rise and fall of oil. We'll do what we always do and accept the current year for what it is, new, and get on with riding things out and positioning ourselves to be stronger when it gets happy again.

## Consolidated statements of comprehensive income

*In Canadian dollars (millions  
except*

*per share figures)*

	<i>(audited)</i>		<i>(unaudited)</i>	
	twelve months ended December 31		three months ended December 31	
	2014	2013	2014	2013
Operating revenue	\$ 83.7	\$ 77.6	\$ 22.0	\$ 19.8
Cost of sales				
Other	(42.0)	(39.4)	(11.0)	(10.5)
Depreciation	(2.2)	(2.1)	(0.6)	(0.6)
	(44.2)	(41.5)	(11.6)	(11.1)
<b>Gross profit</b>	39.5	36.1	10.4	8.7
Other income	0.2	0.2	-	0.1
Administrative expenses				
Other	(3.5)	(2.9)	(1.0)	(0.8)

Depreciation	(1.8)	(2.0)	(0.4)	(0.5)
	(5.3)	(4.9)	(1.4)	(1.3)
<b>Profit from operating activities</b>	<b>34.4</b>	<b>31.4</b>	<b>9.0</b>	<b>7.5</b>
Other (losses) gains	(0.1)	-	(0.1)	-
Finance income	0.1	0.1	-	-
Finance costs	(2.3)	(3.3)	(0.1)	-
<b>Profit before income taxes</b>	<b>32.1</b>	<b>28.2</b>	<b>8.8</b>	<b>7.5</b>
Income tax expense	(8.2)	(6.7)	(1.2)	(2.1)
<b>Profit</b>	<b>23.9</b>	<b>21.5</b>	<b>7.6</b>	<b>5.4</b>
<b>Profit attributable to:</b>				
Shareholders of the Company	22.4	20.1	7.2	5.1
Non-controlling interest	1.5	1.4	0.4	0.3
	<b>23.9</b>	<b>21.5</b>	<b>7.6</b>	<b>5.4</b>
<b>Earnings per share</b>				
Basic	\$ 0.95	\$ 0.87	\$ 0.30	\$ 0.22
Fully diluted	\$ 0.95	\$ 0.87	\$ 0.29	\$ 0.19
<b>Weighted average number of common shares outstanding</b>				
Basic	23.6	23.1	23.7	23.5
Fully diluted	24.8	24.9	24.9	25.3
<b>EBITDA to Shareholders</b>	\$ 36.7	\$ 34.1	\$ 9.5	\$ 8.2
<b>EBITDA to Shareholders %</b>	46.0%	46.1%	45.5%	43.4%

Gamehost has also declared a cash dividend for the month of March 2015 of \$0.0733 per common share. The dividend will be paid on April 15, 2015 to shareholders of record on March 31, 2015. The ex-dividend date is March 27, 2015.

This dividend is considered an "Eligible Dividend" and therefore, eligible for the enhanced gross-up and dividend tax credit available to shareholders.

This press release may contain forward-looking statements. Forward-looking statements may contain words such as "anticipates", "believes", "could", "expects", "indicates", "plans" or other similar expressions that suggest future outcomes or events. Use of these statements reflect reasonable assumptions made on the basis of management's current beliefs with information known by management at the time of writing. Many factors could cause actual results to differ from the results discussed in forward-looking statements. Actual results may not be consistent with these forward-looking statements.

Gamehost is a corporation established under the laws of the Province of Alberta. The Company's operations are all located in the Province of Alberta, Canada. Operations of the Company include the

Boomtown Casino in Ft. McMurray, the Great Northern Casino, Service Plus Inns & Suites hotel and a strip mall all located in Grande Prairie. The Company also holds a 91% ownership position in Deerfoot Inn & Casino Inc. in Calgary.

This interim consolidated financial results announcement includes the accounts of Gamehost Inc. and its subsidiaries; however, it does not include all disclosures normally provided in interim or annual consolidated financial statements and should be read in conjunction with the 2014 annual consolidated financial statements and the 2013 annual consolidated financial statements. Further, while the financial figures included in this results announcement have been computed in accordance with IFRS applicable to annual periods, this announcement does not contain sufficient information to constitute an annual financial report. The company has prepared an annual financial report for the period ended December 31, 2014. This report, along with historical financial reports can be found on the Company's website at [www.gamehost.ca](http://www.gamehost.ca) and will be filed in its entirety along with the Company's other continuous disclosure documents, when they are available, on SEDAR at [www.sedar.com](http://www.sedar.com).

Gamehost common shares and convertible debentures trade on the Toronto Stock Exchange (TSX) under the symbols GH and GH.DB respectively.

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