

Altus Group Reports Second Quarter 2016 Financial Results

Performance at Altus Analytics and CRE Consulting Drives Double-Digit Adjusted EBITDA Growth

TORONTO (August 11, 2016) - Altus Group Limited ("Altus Group" or "the Company") (TSX: AIF) a leading provider of independent advisory services, software and data solutions to the global commercial real estate industry, announced today its financial and operating results for the second quarter ended June 30, 2016.

Second Quarter 2016 Highlights:

- Altus Analytics total revenues increased 18.6%, and Adjusted EBITDA increased 24.0%
 - Recurring revenues increased 30.0%
- CRE Consulting total revenues increased 10.0%, and Adjusted EBITDA increased 28.1%
 - Property Tax continued to solidify its market leadership position with revenues increasing 10.6%, and Adjusted EBITDA increased 21.4%
 - Valuation and Cost Advisory revenues increased 9.1%, and Adjusted EBITDA increased 66.3%
- Consolidated revenues increased 5.0% to \$110.0 million
- Consolidated Adjusted EBITDA increased 11.3% to \$18.3 million
- Geomatics impacted overall results with a decline of 39.7% in revenues and 147.8% in Adjusted EBITDA as a result of reduced activity in the oil and gas sector

"Our core business segments, Altus Analytics and CRE Consulting continued to demonstrate robust top-line growth and Adjusted EBITDA margin performance, both contributing to another strong quarter despite the ongoing softness in Geomatics," said Robert Courteau, Chief Executive Officer at Altus Group. "Our best-in-class technology offering continues to gain further traction and momentum with many of the largest players in the CRE marketplace, while our consulting services continue to be market leaders in their respective fields of expertise."

Summary of Operating and Financial Performance:

All amounts are in Canadian dollars and percentages are in comparison to the second quarter and six-month period of 2015

Altus Analytics	Three months ended June 30,			Six months ended June 30,		
<i>In thousands of dollars</i>	2016	2015	% Change	2016	2015	% Change
Revenues						
Recurring - Data & Software Subscriptions, Maintenance	\$ 27,708	\$ 21,314	30.0%	\$ 55,373	\$ 40,602	36.4%
Non-recurring - Licenses and Services	8,611	9,320	(7.6%)	17,630	16,394	7.5%
Revenues	\$ 36,319	\$ 30,634	18.6%	\$ 73,003	\$ 56,996	28.1%
Adjusted EBITDA	\$ 9,777	\$ 7,884	24.0%	\$ 18,584	\$ 13,609	36.6%
Adjusted EBITDA Margin	26.9%	25.7%		25.5%	23.9%	



Commercial Real Estate Consulting	Three months ended June 30,			Six months ended June 30,		
<i>In thousands of dollars</i>	2016	2015	% Change	2016	2015	% Change
Revenues						
Property Tax	\$ 40,247	\$ 36,388	10.6%	\$ 75,993	\$ 67,451	12.7%
Valuation and Cost Advisory	24,066	22,057	9.1%	46,749	44,354	5.4%
Revenues	\$ 64,313	\$ 58,445	10.0%	\$ 122,742	\$ 111,805	9.8%
Adjusted EBITDA						
Property Tax	\$ 13,844	\$ 11,406	21.4%	\$ 21,785	\$ 16,996	28.2%
Valuation and Cost Advisory	3,356	2,018	66.3%	5,842	4,873	19.9%
Adjusted EBITDA	\$ 17,200	\$ 13,424	28.1%	\$ 27,627	\$ 21,869	26.3%
Adjusted EBITDA Margin	26.7%	23.0%		22.5%	19.6%	

Geomatics	Three months ended June 30,			Six months ended June 30,		
<i>In thousands of dollars</i>	2016	2015	% Change	2016	2015	% Change
Revenues	\$ 9,588	\$ 15,890	(39.7%)	\$ 21,415	\$ 34,809	(38.5%)
Adjusted EBITDA	\$ (1,048)	\$ 2,193	(147.8%)	\$ (1,692)	\$ 5,418	(131.2%)
Adjusted EBITDA Margin	(10.9%)	13.8%		(7.9%)	15.6%	

Second Quarter 2016 Review:

Altus Analytics benefitted from an 18.6% increase in revenues driven by a 30.0% increase in recurring revenues for ARGUS Enterprise, Voyanta and data products subscriptions as well as from appraisal management and maintenance revenues. The decline in non-recurring revenues of 7.6% was primarily a result of fewer transactional due diligence assignments. In addition, improvements in the exchange rate against the Canadian dollar benefitted revenues by 3.3%. The improvement to Adjusted EBITDA of 24.0% was the result of higher revenues and cost savings from restructuring activities. Changes in foreign exchange benefitted Adjusted EBITDA by 4.1%.

Commercial Real Estate (“CRE”) Consulting revenues increased 10.0% to \$64.3 million when compared to the second quarter of 2015. CRE Consulting generated broad-based growth with Property Tax revenues up 10.6% while Valuation and Cost Advisory revenues increased 9.1%. The increase in Property Tax revenues was driven by strong organic growth in Canada and the U.S. Our Valuation and Cost Advisory practices continued to benefit from revenue diversification in key geographical markets. Exchange rates benefitted revenues by 0.8%. Adjusted EBITDA increased 28.1% to \$17.2 million, as a result of strong revenue growth across CRE Consulting practices.

Geomatics continued to be adversely impacted by the low price of oil and reduced activity in the oil and gas sector resulting in revenues decreasing by 39.7% to \$9.6 million. Adjusted EBITDA was a loss of \$1.0 million, down 147.8%, as compared to the same period in 2015, driven by reduced revenues. In addition, during the quarter forest fires in the Fort McMurray area and heightened attention to forest fire hazards across northern Alberta shut down a number of work areas for several weeks.



Corporate Costs (Recovery) were \$7.7 million for the quarter ended June 30, 2016, as compared to \$7.1 million in the same period in 2015. The increase in corporate costs was due to higher variable compensation.

During the second quarter of 2016, on a consolidated basis, favourable exchange rates against the Canadian dollar benefitted consolidated revenues by 1.4%.

Under IFRS accounting, profit (loss) for the second quarter of 2016, was \$12.7 million and \$0.34 per share basic and diluted, compared to \$2.7 million and \$0.08 per share basic and diluted during the same period in 2015.

At the end of the second quarter, Altus Group's balance sheet remained strong, with bank debt at \$120.0 million, representing a funded debt to EBITDA leverage ratio of 1.78 times.

Q2 2016 Results Conference Call & Webcast

Date: Thursday, August 11, 2016

Time: 5:00 p.m. (ET)

Webcast: altusgroup.com (under the Investors tab)

Live Call: 1- 866-223-7781 (toll-free) or 416-340-2216 (Toronto area)

Replay: A replay of the call will be available via the webcast at altusgroup.com

About Altus Group Limited

Altus Group Limited is a leading provider of independent advisory services, software and data solutions to the global commercial real estate industry. Our businesses, Altus Analytics and Expert Services, reflect decades of experience, a range of expertise, and technology-enabled capabilities. Our solutions empower clients to analyze, gain market insight and recognize value on their real estate investments. Headquartered in Canada, we have approximately 2,300 employees around the world, with operations in North America, Europe and Asia Pacific. Our clients include some of the world's largest real estate industry participants across a variety of sectors. Altus Group pays a quarterly dividend of \$0.15 per share and our securities are traded on the TSX under the symbols AIF and AIF.DB.A.

For more information on Altus Group, please visit: www.altusgroup.com.

Non-IFRS Measures

Altus Group uses certain non-IFRS measures as indicators of financial performance. Readers are cautioned that they are not defined performance measures under IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to financial measures as reported by those entities. We believe that these measures are useful supplemental measures that may assist investors in assessing an investment in our shares and provide more insight into our performance.

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization, ("Adjusted EBITDA"), represents operating profit (loss) adjusted for the effects of amortization of intangibles, depreciation of property, plant and equipment, acquisition-related expenses (income), restructuring costs, share of profit (loss) of associates, unrealized foreign exchange gains (losses), gains (losses) on disposal of property, plant and equipment, gains (losses) on sale of certain business assets, impairment charges, non-cash Executive Compensation Plan costs,



gains (losses) on hedging transactions, gains (losses) on equity derivatives net of mark-to-market adjustments on related restricted share units (“RSUs”) and deferred share units (“DSUs”) being hedged and other costs or income of a non-operating and/or non-recurring nature.

Adjusted Earnings (Loss) per Share, (“Adjusted EPS”), represents basic earnings per share adjusted for the effects of amortization of intangibles acquired as part of business acquisitions, non-cash finance costs (income) related to the revaluation of amounts payable to UK unitholders, net of changes in fair value of related equity derivatives, distributions related to amounts payable to UK unitholders, acquisition-related expenses (income), restructuring costs, share of profit (loss) of associates, unrealized foreign exchange gains (losses), gains (losses) on disposal of property, plant and equipment, gains (losses) on sale of certain business assets, interest accretion on contingent consideration payables, impairment charges, non-cash Executive Compensation Plan costs, gains (losses) on hedging transactions, gains (losses) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged and other costs or income of a non-operating and/or non-recurring nature. All of the adjustments are made net of tax.

Forward-Looking Information

Certain information in this press release may constitute “forward-looking information” within the meaning of applicable securities legislation. All information contained in this press release, other than statements of current and historical fact, is forward-looking information. Forward-looking information includes, but is not limited to, the discussion of our business and operating initiatives, focuses and strategies, our expectations of future performance for our various business units and our consolidated financial results, and our expectations with respect to cash flows and liquidity. Generally, forward-looking information can be identified by use of words such as “may”, “will”, “expect”, “believe”, “plan”, “would”, “could” and other similar terminology. All of the forward-looking information in this press release is qualified by this cautionary statement.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that we identified and were applied by us in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to: the successful execution of our business strategies; consistent and stable economic conditions or conditions in the financial markets; consistent and stable legislation in the various countries in which we operate; no disruptive changes in the technology environment; the opportunity to acquire accretive businesses; the successful integration of acquired businesses; and the continued availability of qualified professionals.

Inherent in the forward-looking information are known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking information. Those risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information include, but are not limited to: general state of the economy; currency risk; oil and gas sector; ability to maintain profitability and manage growth; commercial real estate market; competition in the industry; ability to attract and retain professionals; information from multiple sources; reliance on larger software transactions with longer and less predictable sales cycles; success of new product introductions; ability to respond to technological change and develop products on a timely basis; protection of intellectual property or defending against claims of intellectual property rights of others; information technology governance and security; integration of acquisitions; fixed-price and contingency engagements; appraisal and appraisal management mandates; Canadian multi-residential market; weather; legislative and regulatory changes; customer concentration; interest rate risk; credit risk; income tax matters; revenue and cash flow volatility; operating risks; performance of obligations/maintenance of client satisfaction; risk of future legal proceedings; insurance limits; ability to meet solvency requirements to pay dividends; leverage and restrictive covenants; unpredictability and volatility of common share price; capital investment; and issuance of additional common shares diluting existing shareholders’ interests, as well as those described in Altus Group’s publicly filed documents, including the Annual Information Form for the year ended December 31, 2015 (which are available on SEDAR at www.sedar.com).

Given these risks, uncertainties and other factors, investors should not place undue reliance on forward-looking information as a prediction of actual results. The forward-looking information reflects management’s current expectations and beliefs regarding future events and operating performance and is based on information currently available to management. Although we have attempted to identify important



factors that could cause actual results to differ materially from the forward-looking information contained herein, there are other factors that could cause results not to be as anticipated, estimated or intended. The forward-looking information contained herein is current as of the date of this press release and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, our financial or operating results, or our securities.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Interim Condensed Consolidated Statements of Comprehensive Income (Loss) For the Three and Six Months Ended June 30, 2016 and 2015

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Revenues	\$ 109,970	\$ 104,753	\$ 216,658	\$ 203,218
Expenses				
Employee compensation	67,869	66,245	138,782	130,548
Occupancy	4,944	4,217	10,160	8,482
Office and other operating	20,704	18,919	40,961	35,848
Amortization of intangibles	6,585	8,796	13,730	16,976
Depreciation of property, plant and equipment	1,735	1,716	3,502	3,224
Acquisition related expenses (income)	(395)	324	(234)	324
Share of (profit) loss of associates	174	790	1,286	824
Restructuring costs	1,371	1,200	3,081	1,200
(Gain) loss on sale of certain business assets	(9,935)	(3,483)	(9,935)	(3,483)
Operating profit (loss)	16,918	6,029	15,325	9,275
Finance costs (income), net	1,205	3,473	2,930	6,130
Profit (loss) before income taxes	15,713	2,556	12,395	3,145
Income tax expense (recovery)	3,054	(138)	1,948	(265)
Profit (loss) for the period attributable to equity holders	\$ 12,659	\$ 2,694	\$ 10,447	\$ 3,410
Other comprehensive income (loss):				
Items that may be reclassified to profit or loss in subsequent periods:				
Cash flow hedges	-	228	-	320
Currency translation differences	(2,142)	(2,219)	(17,832)	14,708
Share of other comprehensive income (loss) of associates	(339)	658	(1,048)	1,000
Other comprehensive income (loss), net of tax	(2,481)	(1,333)	(18,880)	16,028
Total comprehensive income (loss) for the period, net of tax, attributable to equity holders	\$ 10,178	\$ 1,361	\$ (8,433)	\$ 19,438
Earnings (loss) per share attributable to the equity holders of the Company during the period				
Basic earnings (loss) per share	\$0.34	\$0.08	\$0.28	\$0.11
Diluted earnings (loss) per share	\$0.34	\$0.08	\$0.28	\$0.10



Interim Condensed Consolidated Balance Sheets
As at June 30, 2016 and December 31, 2015
(Unaudited)

(Expressed in Thousands of Canadian Dollars)

	June 30, 2016	December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	\$ 27,123	\$ 19,604
Trade receivables and other	125,882	134,501
Income taxes recoverable	2,078	794
Derivative financial instruments	182	33
	155,265	154,932
Non-current assets		
Trade receivables and other	594	594
Derivative financial instruments	841	43
Investment in associates	24,892	17,447
Deferred income taxes	20,401	19,712
Property, plant and equipment	27,352	30,778
Intangibles	114,302	134,872
Goodwill	230,180	239,346
	418,562	442,792
Total Assets	\$ 573,827	\$ 597,724
Liabilities		
Current liabilities		
Trade payables and other	\$ 76,602	\$ 81,282
Income taxes payable	2,156	1,015
Borrowings	8,840	2,129
Amounts payable to unitholders	648	-
	88,246	84,426
Non-current liabilities		
Trade payables and other	19,009	13,890
Borrowings	120,173	134,302
Derivative financial instruments	1,573	1,398
Deferred income taxes	10,187	10,586
Amounts payable to unitholders	-	2,527
	150,942	162,703
Total Liabilities	239,188	247,129
Shareholders' Equity		
Share capital	454,889	452,472
Equity component of convertible debentures	293	312
Contributed surplus	15,280	14,084
Accumulated other comprehensive income (loss)	41,678	60,558
Deficit	(177,501)	(176,831)
Total Shareholders' Equity	334,639	350,595
Total Liabilities and Shareholders' Equity	\$ 573,827	\$ 597,724



Interim Condensed Consolidated Statements of Cash Flows For the Six Months Ended June 30, 2016 and 2015 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

	Six months ended June 30	
	2016	2015
Cash flows from operating activities		
Profit (loss) before income taxes	\$ 12,395	\$ 3,145
Adjustments for:		
Amortization of intangibles	13,730	16,976
Depreciation of property, plant and equipment	3,502	3,224
Amortization of lease inducements	(138)	432
Amortization of capitalized software development costs	267	255
Finance costs (income), net	2,930	6,130
Share-based compensation	3,751	2,703
Unrealized foreign exchange (gain) loss	1,655	(472)
(Gain) loss on sale of certain business assets	(9,935)	(3,483)
(Gain) loss on disposal of property, plant and equipment	161	46
(Gain) loss on equity derivatives	(947)	642
Share of (profit) loss of associates	1,286	824
Net changes in operating working capital	8,819	(2,742)
Net cash generated by (used in) operations	37,476	27,680
Less: interest paid	(2,185)	(4,232)
Less: income taxes paid	(3,613)	(6,279)
Add: income taxes received	597	412
Net cash provided by (used in) operating activities	32,275	17,581
Cash flows from financing activities		
Proceeds from exercise of options	863	1,225
Redemption of Altus UK LLP Class B and D units	(2,027)	(106)
Financing fees paid	(66)	(1,037)
Proceeds from borrowings	4,000	10,000
Repayment of borrowings	(11,370)	(4,224)
Dividends paid	(9,191)	(7,851)
Treasury shares purchased under the Restricted Share Plan	(3,514)	(2,919)
Interest paid to Altus UK LLP Class B and D unitholders	(32)	(41)
Net cash provided by (used in) financing activities	(21,337)	(4,953)
Cash flows from investing activities		
Purchase of intangibles	(719)	(370)
Purchase of property, plant and equipment	(1,115)	(2,721)
Proceeds from disposal of property, plant and equipment	148	6
Acquisitions	(76)	(3,812)
Net cash provided by (used in) investing activities	(1,762)	(6,897)
Effect of foreign currency translation	(1,657)	879
Net increase (decrease) in cash and cash equivalents	7,519	6,610
Cash and cash equivalents		
Beginning of period	19,604	17,452
End of period	\$ 27,123	\$ 24,062