Altus Group Reports First Quarter Financial Results for 2015

Altus Group Delivers 14% Revenue Growth, Including 43% Increase in Recurring Revenues from GAIM Businesses

TORONTO, ONTARIO (May 7, 2015) - Altus Group Limited ("Altus Group" or "the Company") (TSX: AIF), a leading provider of commercial real estate services, software and data solutions, announced today its financial and operating results for the first quarter ended March 31, 2015. On a consolidated basis, gross revenues increased 13.6% to $98.5 million (compared to $86.7 million for the same period in 2014). Adjusted EBITDA declined 18.1% to $12.2 million (from $14.9 million in the same period last year), impacted by continued growth investments and lower organic revenues from the Geomatics business. In the first quarter of 2015, adjusted basic earnings per share ("Adjusted Basic EPS") were $0.16, down 38.5% from $0.26 in the same period in 2014.

Highlights

- Maintained double-digit revenue growth for the 6th consecutive quarter.
- Grew recurring revenues from global asset and investment management ("GAIM") businesses by 43%.
- Pursued investments to further long-term growth strategy.
- Furthered GAIM product roadmap with the launch of ARGUS Developer 7.0, a beta version of ARGUS Express, and a beta version of the Research, Valuation and Advisory ("RVA") attribution data platform.
- Returned $4.9 million to shareholders through quarterly declared dividends of $0.15 per common share.
- Subsequent to quarter end, strengthened the Company's financial flexibility with an amended credit facility.

"We made great strides growing our recurring revenues from our GAIM businesses in the first quarter, delivering 57% growth in RVA's Data Solutions and 25% growth in ARGUS Software's Maintenance and Subscription revenues," said Robert Courteau, Chief Executive Officer at Altus Group. "With a global growth opportunity ahead of us, we are committed to hiring the right people and developing the best technology offerings to drive increased differentiation and boost future growth with higher recurring revenues. These investments in high-growth areas have paid off in the US, and we're making great progress against our strategy."

Summary of Operating and Financial Performance:

	Gross Revenues			Adjusted EBITDA		
$ In thousands of dollars	**Q1 2015**	Q1 2014	% Change	**Q1 2015**	Q1 2014	% Change
RVA	23,964	20,259	18.3%	4,167	4,357	(4.4%)
ARGUS Software	13,134	11,551	13.7%	2,720	3,659	(25.7%)
Property Tax	31,063	24,794	25.3%	5,590	6,552	(14.7%)
Cost	11,561	11,207	3.2%	1,693	1,755	(3.5%)
Geomatics	18,919	19,095	(0.9%)	3,225	4,327	(25.5%)
Intercompany eliminations	(176)	(215)	18.1%			
Corporate				(5,207)	(5,768)	9.7%
Total	**$98,465**	**$86,691**	**13.6%**	**$12,188**	**$14,882**	**(18.1%)**

In the first quarter, the steady performance from RVA was strengthened by organic and acquisitive growth. RVA's revenues from Data Solutions increased by 56.8% year-over-year to $12.2 million, and declined by 5.7% to $11.8 million from its Valuations and Advisory Services. The 2014 acquisitions of RealNet Canada Inc. ("RealNet") and Voyanta Limited ("Voyanta") were strong contributors to the solid growth in Data Solutions, along with the addition of new clients and assets to RVA's appraisal management platform in the US and Europe. Valuations and Advisory Services was impacted by lower revenues from the Company's right of way work but showed improvement in valuations work and due diligence assignments. Adjusted EBITDA declined due to lower revenues in Valuations and Advisory Services and was impacted by investments in Data Solutions, including with respect to Voyanta and RVA's European expansion.

During the quarter, RVA in partnership with the National Council of Real Estate Investment Fiduciaries ("NCREIF"), launched a beta version of its new attribution data product tailored to the asset and investment management industry. The web-based application combines performance and appraisal based data not previously available, giving portfolio managers and investors the ability to benchmark against indices and their competitive set.

ARGUS Software ("ARGUS") delivered mixed results in the first quarter. On a Canadian dollar basis, revenues from license sales were flat year-over-year at $3.8 million. However, maintenance and subscription revenues delivered 25.1% year-over-year growth to $7.2 million, and revenues from services increased by 5.9% to $2.1 million. Strengthening of the exchange rate against the Canadian Dollar improved overall revenues and Adjusted EBITDA by 10.1%. Softness in license sales was impacted by a transition in sales leadership and a focus on multi-year subscription contracts. ARGUS will continue to pursue up-front license sales, but will offer clients an alternative with subscription pricing to meet market demand and to achieve a greater mix of recurring revenues. Adjusted EBITDA for the quarter declined as investments continued in new product development, expansion of the sales team and operational capacity to support future growth. In addition, in the first quarter of last year, the Company capitalized $0.5 million of software development costs, which did not re-occur this quarter.

During the quarter, ARGUS launched an enhanced version of its Developer product, Developer 7.0, which combines the project modelling and finance structuring capabilities of ARGUS Developer with the budgeting functionality of Developer Budget. Developer 7.0 enables users to model, forecast, manage, analyze and report on development project cost and cash flows from the initial feasibility study through delivery. Additionally, ARGUS launched a beta version of ARGUS Express, a SaaS-based web application that enables users requiring quick turnaround times (such as investment or mortgage brokers) to perform efficient analysis to price an investment, loan or acquisition.

In the first quarter, the global Property Tax business unit delivered solid revenue growth, with a 29.0% year-over-year increase in North America, and a 14.0% increase in the UK. The increase in revenues was driven primarily by the acquisition of SC&H State and Local Tax ("SC&H SALT") in late 2014 and organic growth in the US. Compared to a particularly strong first quarter in 2014, revenues from Canadian operations declined on a year-over-year basis, primarily due to timing of contingency settlements. Adjusted EBITDA was impacted by a 28.5% decrease in North America caused by lower revenues in the Canadian operations and continued investment in the US practice, offset by acquisitive earnings from SC&H SALT, and a 31.3% improvement in the UK.

The Cost Consulting and Project Management business unit delivered steady performance in the first quarter, benefitting from an increased volume in infrastructure assignments in North America, stable performance in Australia and a slight increase in Asia. Adjusted EBITDA was slightly down in North America and increased in Asia Pacific on higher revenues.

At Geomatics, following a strong first quarter in 2014, the financial performance reflected the anticipated challenges associated with the slowdown in capital spending in Western Canada. Financial results were affected by both reduced activity in the oil and gas sector, and overall rate reductions. Acquisitive growth from Maltais Geomatics Inc. ("MGI") compensated for some of the year-over-year decline, and helped mitigate some of the challenges through industry diversification.

On a consolidated basis, favourable exchange rates against the Canadian Dollar benefitted revenues by 2.8% and Adjusted EBITDA by 4.0%.

Management estimates that growth investments impacted Adjusted EBITDA in the quarter by approximately $3.0 million, of which a great portion was aimed at growing recurring revenues from the Company's GAIM businesses, including continued investments at RVA's European expansion, Voyanta and ARGUS.

In the first quarter, corporate costs were $5.2 million, compared to $5.8 million in the same period in 2014. The decrease in corporate costs was mainly due to lower accrual of variable compensation on lower performance in the businesses.

Under IFRS accounting, profit (loss) for the first quarter was $0.7 million or $0.02 per share basic and diluted, compared to $4.9 million or $0.17 per share basic and diluted in the same period in 2014.

At the end of the first quarter, Altus Group's balance sheet remained strong, giving the Company the financial flexibility to pursue its growth strategy. The Company's bank debt was $134.5 million, representing a funded debt to EBITDA leverage ratio of 1.92 times. Subsequent to quarter end, the Company amended its bank credit facility, further strengthening its financial flexibility. The amendments include a five year extension, an increased maximum funded debt to EBITDA ratio from 2.75:1 to 3.00:1, lower bank margins and additional borrowing flexibility.

Q1 2015 Results Conference Call & Webcast

Date:	Thursday, May 7, 2015
Time:	5:00 p.m. (ET)
Webcast:	www.altusgroup.com (under Investor Relations)
Live Call:	1- 866-225-0198 (toll-free) or 416-340-2218 (GTA & International)
Replay:	1- 800-408-3053 or 905-694-9451 (passcode: 9288033)

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. All of our five core practices – Research, Valuation and Advisory, ARGUS Software, Property Tax Consulting, Cost Consulting and Project Management, and Geomatics – embody and reflect decades of experience, a broad range of expertise, and leading edge technology. Our offerings empower clients to analyze, gain 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, spread across a broad variety of sectors.

We are focused on creating sustainable shareholder value that generates long-term returns by targeting organic and accretive growth while providing quarterly dividend payments of $0.15 per share. 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 effect of amortization of intangibles, depreciation of property, plant and equipment, acquisition-related expenses (income), restructuring costs, share of profit or loss of associates, unrealized foreign exchange gains (losses), gains (losses) on sale of property, plant and equipment, gains (losses) on sale of 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 expenses or income of a non-operating and/or non-recurring nature.

Adjusted Basic Earnings (Loss) per Share, ("Adjusted Basic EPS"), represents basic earnings per share adjusted for the effect of amortization of intangibles acquired as part of business acquisitions, non-cash finance costs (income) related to the revaluation of amounts payable to unitholders, net of changes in fair value of related equity derivatives, distributions related to amounts payable to unitholders, acquisition-related expenses (income), restructuring costs, share of profit or loss of associates, unrealized foreign exchange gains (losses), gains (losses) on sale of property, plant and equipment, gains (losses) on sale of business assets, interest accretion on vendor 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 expenses 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; commercial real estate market; competition in the industry; ability to attract and retain professionals; oil and gas sector; currency risk; integration of acquisitions; appraisal and appraisal management mandates; 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; Canadian multi-residential market; customer concentration; interest rate risk; ability to maintain profitability and manage growth; revenue and cash flow volatility; credit risk; protection of intellectual property or defending against claims of intellectual property rights of others; weather; fixed-price and contingency engagements; operating risks; performance of obligations/maintenance of client satisfaction; information technology governance and security; legislative and regulatory changes; risk of future legal proceedings; insurance limits; income tax matters; 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 described in Altus Group's publicly filed documents, including the Annual Information Form for the year ended December 31, 2014 (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:

Altus Group Limited
Camilla Bartosiewicz
Vice President, Investor Relations
(416) 641 – 9773
camilla.bartosiewicz@altusgroup.com
www.altusgroup.com

Selected Financial Information

In thousands of dollars, except for per share amounts		For the quarter ended March 31, 2015		2014
Gross revenues	$	98,465	$	86,691
Canada		56%		65%
US		28%		20%
Europe		11%		10%
Asia Pacific		5%		5%
Adjusted EBITDA		12,188		14,882
Adjusted EBITDA margin		12.4%		17.2%
Profit (loss)		716		4,883
Earnings (loss) per share:				
Basic		$0.02		$0.17
Diluted		$0.02		$0.17
Adjusted Basic		$0.16		$0.26
Dividends declared per share		$0.15		$0.15

Reconciliation of Adjusted EBITDA to Profit (Loss)

In thousands of dollars		Quarter ended March 31, 2015		2014
Adjusted EBITDA	$	12,188	$	14,882
Depreciation and amortization		(9,688)		(4,550)
Acquisition related (expenses) income		-		(159)
Share of profit (loss) of associates		(34)		(403)
Unrealized foreign exchange gain (loss)		1,117		501
Gain (loss) on sale of property, plant and equipment		(17)		25
Non-cash Executive Compensation Plan costs		(700)		(121)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged		(53)		(69)
Restructuring costs		-		(22)
Other non-operating and/or non-recurring income (costs)		433		27
Operating profit (loss)		3,246		10,111
Finance (costs) income, net		(2,657)		(3,761)
Profit (loss) before income taxes		589		6,350
Income tax recovery (expense)		127		(1,467)
Profit (loss) for the period	$	716	$	4,883

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
For the Three Months Ended March 31, 2015 and 2014
(Unaudited)

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

	Three months ended March 31	
	2015	2014
Revenues		
Gross revenues	**$ 98,465**	$ 86,691
Less: disbursements	**7,417**	8,008
Net revenue	**91,048**	78,683
Expenses		
Employee compensation	**64,303**	52,318
Occupancy	**4,265**	3,574
Office and other operating	**9,512**	7,546
Amortization of intangibles	**8,180**	3,392
Depreciation of property, plant and equipment	**1,508**	1,158
Acquisition related expenses (income)	**-**	159
Share of (profit) loss of associates	**34**	403
Restructuring costs	**-**	22
Operating profit (loss)	**3,246**	10,111
Finance costs (income), net	**2,657**	3,761
Profit (loss) before income taxes	**589**	6,350
Income tax expense (recovery)	**(127)**	1,467
Profit (loss) for the period attributable to equity holders	**716**	4,883
Other comprehensive income (loss):		
Items that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges	**92**	161
Currency translation differences	**16,927**	5,543
Share of other comprehensive income (loss) of associates	**342**	62
Other comprehensive income (loss), net of tax	**17,361**	5,766
Total comprehensive income (loss) for the period, net of tax, attributable to equity holders	**$ 18,077**	$ 10,649
Earnings (loss) per share attributable to the equity holders of the Company during the period		
Basic earnings (loss) per share	**$0.02**	$0.17
Diluted earnings (loss) per share	**$0.02**	$0.17

Interim Condensed Consolidated Balance Sheets
As at March 31, 2015 and December 31, 2014
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	March 31, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	$ 22,097	$ 17,452
Trade and other receivables	121,571	130,670
Income taxes recoverable	1,638	1,425
	145,306	149,547
Non-current assets		
Trade and other receivables	481	379
Derivative financial instruments	96	328
Investment in associates	14,307	13,948
Deferred income taxes	16,817	14,145
Property, plant and equipment	23,857	22,872
Intangibles	133,774	132,934
Goodwill	225,089	215,573
	414,421	400,179
Total Assets	$ 559,727	$ 549,726
Liabilities		
Current liabilities		
Trade and other payables	$ 67,855	$ 77,702
Income taxes payable	1,483	4,631
Borrowings	135,148	128,073
Derivative financial instruments	509	634
Provisions	338	252
	205,333	211,292
Non-current liabilities		
Trade and other payables	10,173	10,110
Borrowings	43,714	43,150
Derivative financial instruments	144	-
Provisions	49	125
Deferred income taxes	8,840	9,040
Amounts payable to unitholders	2,731	2,905
	65,651	65,330
Total Liabilities	270,984	276,622
Shareholders' Equity		
Share capital	406,703	405,443
Equity component of convertible debentures	1,561	1,567
Contributed surplus	10,172	9,008
Accumulated other comprehensive income (loss)	39,721	22,360
Deficit	(169,414)	(165,274)
Total Shareholders' Equity	288,743	273,104
Total Liabilities and Shareholders' Equity	$ 559,727	$ 549,726

Interim Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2015 and 2014
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Three months ended March 31	
	2015	2014
Cash flows from operating activities		
Profit (loss) before income taxes	**$ 589**	$ 6,350
Adjustments for:		
Amortization of intangibles	**8,180**	3,392
Depreciation of property, plant and equipment	**1,508**	1,158
Amortization of lease inducements	**147**	4
Amortization of deferred software development costs	**128**	-
Finance costs (income), net	**2,657**	3,761
Share-based compensation	**1,179**	324
Unrealized foreign exchange (gain) loss	**(1,117)**	(501)
(Gain) loss on disposal of property, plant and equipment	**17**	(25)
(Gain) loss on equity derivative instruments	**376**	114
Share of (profit) loss of associates	**34**	403
Net changes in operating working capital	**(4,371)**	(13,204)
Net cash generated by (used in) operations	**9,327**	1,776
Less: interest paid	**(1,360)**	(931)
Less: income taxes paid	**(5,338)**	(800)
Add: income taxes received	**185**	117
Net cash provided by (used in) operating activities	**2,814**	162
Cash flows from financing activities		
Proceeds from exercise of options	**212**	816
Financing fees paid	**(10)**	-
Proceeds from borrowings	**8,000**	-
Repayment of borrowings	**(1,584)**	(497)
Dividends paid	**(3,984)**	(3,432)
Interest paid to other unitholders	**(21)**	(50)
Net cash provided by (used in) financing activities	**2,613**	(3,163)
Cash flows from investing activities		
Purchase of investment in associates	**-**	(3,004)
Purchase of intangibles	**(154)**	(984)
Purchase of property, plant and equipment	**(1,263)**	(1,533)
Proceeds from disposal of property, plant and equipment	**9**	41
Acquisitions	**-**	(184)
Net cash provided by (used in) investing activities	**(1,408)**	(5,664)
Effect of foreign currency translation	**626**	344
Net increase (decrease) in cash and cash equivalents	**4,645**	(8,321)
Cash and cash equivalents		
Beginning of period	**17,452**	16,664
End of period	**$ 22,097**	$ 8,343

The accompanying notes are an integral part of these interim condensed consolidated financial statements.