

August 14, 2013

ALTUS GROUP REPORTS SECOND QUARTER FINANCIAL RESULTS FOR 2013

ARGUS Software Achieves Outstanding Performance; North America RVA

Delivers Strong Results

TORONTO, ONTARIO (Marketwired – August 14, 2013) - Altus Group Limited ("Altus Group") (TSX: AIF) today announced financial and operating results for the second quarter ended June 30, 2013.

Adjusted EBITDA was \$13.8 million for the three months ended June 30, 2013, up 17.1% from the same period last year. Revenues were \$78.6 million for the quarter, down 0.4% compared to the same period in 2012, and up 3.0% excluding 2012 revenues derived from businesses and offices that were sold or closed. Second quarter Adjusted EBITDA and revenue growth were driven by strong performance in ARGUS Software and North America RVA.

Highlights for the quarter:

- Outstanding performance from ARGUS Software, as Adjusted EBITDA rose 311.9% to \$3.2 million, as compared to the same period last year. Revenues were strong at \$9.6 million, rising 23.9% year over year;
- Strong results from North America RVA, as Adjusted EBITDA rose 87.4% to \$5.5 million, as compared to the same period last year. Revenues were \$19.8 million, rising 19.8% from the same period in 2012;
- Adjusted earnings per share were \$0.27 for the quarter, as compared to \$0.14 in the same period in 2012;
- Acquisition of Complex Property Advisors Corporation ("CPAC"); and,
- Dividends of \$0.15 per common share were declared, consistent with prior quarters.

"Strong results from ARGUS Software and North America RVA reflect healthy global market demand for our offerings, along with the positive execution of our business model. We continue to pursue attractive opportunities to further strengthen our core business units, leverage our high calibre team of professionals and drive value through our differentiated service, software and data solutions," said Robert Courteau, Chief Executive Officer, Altus Group.

The impressive revenue growth from ARGUS Software was driven by strong license momentum from ARGUS Enterprise, the world's leading asset and investment management platform, and higher maintenance and consulting revenues. Significant North America RVA revenue growth was primarily due to new client acquisitions in the US appraisal management business, as well as a higher volume of due diligence engagements.

Revenues were lower in North America Cost as a result of the sale of Altus Capital Planning in 2012 and our intended transition away from lower margin engagements. Similarly, Asia Pacific Cost revenues were impacted by the office closures undertaken in 2012 and fewer low value engagements. North America Tax revenues, excluding billable disbursements related to appeal fees, were in line with prior year results.



Notably, the higher Adjusted EBITDA in Q2 2013, as compared to Q2 2012, was the result of strong revenue performances by both ARGUS Software and North America RVA combined with prudent cost management. Declines in earnings were experienced in North America Realty Tax, North America Cost and Asia Pacific Cost. The reduction in earnings reflected investments in staffing to further expand North America Realty Tax into the US market and North America Cost into Western Canada. Asia Pacific Cost was impacted by lower revenues net of lower compensation costs.

Adjusted earnings per share for the second quarter of 2013 were \$0.27, as compared to \$0.14 in the same period in 2012. Under IFRS accounting, profit (loss) for the quarter ended June 30, 2013 was \$3.2 million or \$0.14 per share, basic, and \$0.13 per share, diluted, as compared to \$3.7 million or \$0.16 per share, basic, and \$(0.03) per share, diluted, in the same quarter in 2012.

On July 1, 2013, Altus Group acquired CPAC for total consideration of approximately \$8.6 million, subject to adjustments. Based in Texas, CPAC is a leading provider of appraisal and specialized property tax consulting services to the healthcare and industrial sectors. The acquisition supports Altus Group's growth strategy into the US, and is expected to be accretive to Adjusted earnings per share within the first twelve months.

During the second quarter of 2013, Altus Group declared dividends of \$0.15 per common share, which are eligible for the DRIP program.

Analyst Call Details

To discuss these results, Altus Group will hold its Q2 analyst conference call at 5:30 p.m. (ET) on Wednesday, August 14, 2013. To access the conference call, please dial one of the following numbers five minutes prior to the scheduled start time: 416-340-2216 (GTA) or 1-866-226-1792 toll-free. A recording of this call will be available August 15 - 22, 2013. To access the recording, please call 905-694-9451 (GTA) or 1-800-408-3053 toll-free (passcode: 9312104). The recording will also be available at www.altusgroup.com.

About Altus Group

Altus leads the global real estate industry in offering professional real estate advisory services, data solutions and intelligence about an organization's assets, generating a wealth of knowledge and insight. Altus has over 1,700 employees in multiple offices around the world, including Canada, the United Kingdom, the United States, Australia and China. We operate five interrelated Business Units, bringing years of experience and a broad range of expertise together into one comprehensive platform: Research, Valuation and Advisory; Cost Consulting and Project Management; Property Tax, Geomatics and ARGUS Software. Altus' clients include banks, financial institutions, governments, pension funds, asset and fund managers, developers and landlords and companies engaged in the oil and gas industry.

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. 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 includes, but is not limited to, information that relates to Altus Group's objectives, strategies and intentions, and future financial and operating performance and prospects. 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 Altus Group 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 Altus Group identified and were applied by Altus Group 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 its 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 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 Altus Group's 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; competition in the industry; ability to attract and retain professionals; integration of acquisitions; dependence on oil and gas sector; dependence on Canadian multi-residential market; customer concentration; currency risk; interest rate risk; 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; 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; appraisal mandates; 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 well as those described in Altus Group's publicly filed documents, including the Annual Information Form (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 Altus Group's and management's current expectations and beliefs regarding future events and operating performance and is based on information currently available to management. Although Altus Group has 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, Altus Group does not undertake to update or revise it to reflect new events or circumstances. Additionally, Altus Group undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, its financial or operating results, or its securities.



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 shares of Altus Group 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 associate, unrealized foreign exchange gains (losses), gains (losses) on sale of property, plant and equipment, gains (losses) on sale of business assets, impairment charges, Executive Compensation Plan costs, gains (losses) on hedging transactions and other expenses 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 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, distributions related to amounts payable to unitholders, acquisition-related expenses (income), restructuring costs, share of profit or loss of associate, 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, gain (loss) on settlement of US convertible debentures, impairment charges, Executive Compensation Plan costs, gains (losses) on hedging transactions and other expenses or income of a non-operating and/or non-recurring nature. All of the adjustments are made net of tax.

FOR FURTHER INFORMATION PLEASE CONTACT:

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SELECTED FINANCIAL INFORMATION

In Thousands of Canadian Dollars, except for per share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Operations				
Revenues	\$ 78,572	\$ 78,908	\$ 154,726	\$ 165,086
Adjusted EBITDA	13,828	11,809	26,081	25,672
Operating profit (loss)	7,822	5,026	19,546	13,717
Profit (loss)	3,207	3,678	10,050	6,546
Earnings (loss) per share:				
Basic	\$0.14	\$0.16	\$0.44	\$0.28
Diluted	\$0.13	\$(0.03)	\$0.39	\$0.03
Adjusted	\$0.27	\$0.14	\$0.52	\$0.40
Dividends declared per share	\$0.15	\$0.15	\$0.30	\$0.30

SEGMENTED INFORMATION
Revenues

In Thousands of Canadian Dollars	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	% Change	2013	2012	% Change
North America RVA	\$ 19,839	\$ 16,554	19.8%	\$ 38,503	\$ 34,009	13.2%
North America Realty Tax	14,469	13,545	6.8%	29,642	27,992	5.9%
North America Cost	7,534	10,836	(30.5%)	15,222	26,155	(41.8%)
North America Geomatics	15,886	16,324	(2.7%)	31,680	34,695	(8.7%)
ARGUS Software	9,645	7,783	23.9%	18,250	14,893	22.5%
UK	6,157	6,184	(0.4%)	11,394	11,199	1.7%
Asia Pacific Cost	5,131	8,338	(38.5%)	10,185	16,883	(39.7%)
Eliminations	(89)	(656)	86.4%	(150)	(740)	79.7%
Total	\$ 78,572	\$ 78,908	(0.4%)	\$ 154,726	\$ 165,086	(6.3%)



SEGMENTED INFORMATION						
Adjusted EBITDA						
In Thousands of Canadian Dollars	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	% Change	2013	2012	% Change
North America RVA	\$ 5,499	\$ 2,934	87.4%	\$ 10,531	\$ 6,676	57.7%
North America Realty Tax	3,893	4,530	(14.1%)	7,191	8,562	(16.0%)
North America Cost	1,471	2,169	(32.2%)	2,891	4,523	(36.1%)
North America Geomatics	3,458	3,686	(6.2%)	6,601	9,535	(30.8%)
ARGUS Software	3,155	766	311.9%	5,260	1,543	240.9%
UK	2,217	2,324	(4.6%)	3,508	3,497	0.3%
Asia Pacific Cost	238	1,198	(80.1%)	363	1,826	(80.1%)
Corporate	(6,103)	(5,201)	(17.3%)	(10,264)	(9,855)	(4.2%)
Eliminations	-	(597)	100.0%	-	(635)	100.0%
Total	\$ 13,828	\$ 11,809	17.1%	\$ 26,081	\$ 25,672	1.6%

RECONCILIATION OF ADJUSTED EBITDA TO PROFIT (LOSS)				
In Thousands of Canadian Dollars	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Adjusted EBITDA	\$ 13,828	\$ 11,809	\$ 26,081	\$ 25,672
Depreciation and amortization	(4,542)	(5,932)	(9,191)	(11,539)
Acquisition related (expenses) income	(45)	-	(255)	-
Share of profit (loss) of associate	21	(119)	(57)	(519)
Unrealized foreign exchange gain (loss)	(442)	727	(71)	2,137
Gain (loss) on sale of property, plant and equipment	(186)	(73)	(192)	1,378
Gain (loss) on hedging transactions	-	(590)	-	(400)
Gain (loss) on sale of certain business assets	(59)	494	5,219	494
Executive Compensation Plan costs	(116)	(89)	(218)	(144)
Restructuring costs	(17)	(1,313)	(1,150)	(3,099)
Other non-operating and/or non-recurring costs	(620)	112	(620)	(263)
Operating profit	7,822	5,026	19,546	13,717
Finance (costs) income, net	(3,547)	1,519	(7,490)	(3,711)
Profit (loss) before income tax	4,275	6,545	12,056	10,006
Income tax recovery (expense)	(1,068)	(2,867)	(2,006)	(3,460)
Profit (loss)	\$ 3,207	\$ 3,678	\$ 10,050	\$ 6,546



Interim Condensed Consolidated Statements of Comprehensive Income (Loss) For the Three and Six Months Ended June 30, 2013 and 2012

(Unaudited)

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

	Three months ended June 30		Six months ended June 30	
	2013	2012	2013	2012
Revenues				
Revenues	\$ 78,572	\$ 78,908	\$ 154,726	\$ 165,086
Less: disbursements	6,139	7,969	13,436	20,607
Net revenue	72,433	70,939	141,290	144,479
Expenses				
Employee compensation	47,475	46,286	93,218	94,055
Occupancy	3,448	3,444	6,988	6,662
Office and other operating	9,046	9,313	16,104	15,382
Amortization of intangibles	3,374	4,644	6,895	9,080
Depreciation of property, plant and equipment	1,168	1,288	2,296	2,459
Acquisition related expenses (income)	45	-	255	-
Share of (profit) loss of associate	(21)	119	57	519
Restructuring costs	17	1,313	1,150	3,099
(Gain) loss on sale of certain business assets	59	(494)	(5,219)	(494)
Operating profit (loss)	7,822	5,026	19,546	13,717
Finance costs (income), net	3,547	(1,519)	7,490	3,711
Profit (loss) before income tax	4,275	6,545	12,056	10,066
Income tax expense (recovery)	1,068	2,867	2,006	3,460
Profit (loss) for the period attributable to equity holders	\$ 3,207	\$ 3,678	\$ 10,050	\$ 6,546
Other comprehensive income (loss):				
Items that may be reclassified to profit or loss in subsequent periods:				
Cash flow hedges	531	(239)	582	680
Currency translation differences	4,643	2,556	5,942	(718)
Other comprehensive income (loss), net of tax	5,174	2,317	6,524	(38)
Total comprehensive income (loss) for the period, net of tax, attributable to equity holders	\$ 8,381	\$ 5,995	\$ 16,574	\$ 6,508
Earnings (loss) per share attributable to the equity holders of the Company during the period				
Basic earnings (loss) per share	\$0.14	\$0.16	\$0.44	\$0.28
Diluted earnings (loss) per share	\$0.13	\$(0.03)	\$0.39	\$0.03



Interim Condensed Consolidated Balance Sheets

As at June 30, 2013 and 2012

(Unaudited)

(Expressed in Thousands of Canadian Dollars)

	June 30, 2013	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	\$ 6,733	\$ 4,703
Trade and other receivables	102,004	105,746
Current income taxes recoverable	1,133	637
	109,870	111,086
Non-current assets		
Trade and other receivables	291	3,320
Investment in associate	14,523	6,380
Deferred income taxes	12,633	12,429
Property, plant and equipment	17,982	18,663
Intangibles	77,162	80,022
Goodwill	188,634	186,139
	311,225	306,953
Total Assets	\$ 421,095	\$ 418,039
Liabilities		
Current liabilities		
Trade and other payables	\$ 65,340	\$ 69,599
Current income taxes payable	656	997
Borrowings	1,295	1,361
Provisions	1,400	2,098
	68,691	74,055
Non-current liabilities		
Trade and other payables	6,861	6,120
Borrowings	202,809	205,449
Derivative financial instruments	2,635	3,783
Provisions	181	102
Deferred income taxes	1,873	1,084
Amounts payable to unitholders	2,800	3,052
	217,159	219,590
Total Liabilities	285,850	293,645
Shareholders' Equity		
Share capital	278,473	279,227
Equity component of convertible debentures	6,356	6,356
Contributed surplus	5,544	3,598
Accumulated other comprehensive income (loss)	5,557	(967)
Deficit	(160,685)	(163,820)
Total Shareholders' Equity	135,245	124,394
Total Liabilities and Shareholders' Equity	\$ 421,095	\$ 418,039



Interim Condensed Consolidated Statements of Cash Flows For the Six Months Ended June 30, 2013 and 2012

(Unaudited)

(Expressed in Thousands of Canadian Dollars)

	Six months ended June 30	
	2013	2012
Cash flows from operating activities		
Profit (loss) before income tax	\$ 12,056	\$ 10,006
Adjustments for:		
Amortization of intangibles	6,895	9,080
Depreciation of property, plant and equipment	2,296	2,459
Amortization of lease inducements	53	93
Tax credits recorded through employee compensation	(521)	-
Finance costs (income), net	7,490	3,711
Share-based compensation	325	144
Unrealized foreign exchange (gain) loss	71	(2,137)
(Gain) loss on sale of certain business assets	(5,278)	(494)
(Gain) loss on disposal of property, plant and equipment	192	(1,378)
Share of (profit) loss of associate	57	519
Net changes in operating working capital	(1,997)	(9,907)
	21,639	12,096
Less: interest paid	(3,182)	(5,452)
Less: income tax paid	(1,613)	(360)
Add: income tax received	174	664
Net cash provided by (used in) operating activities	17,018	6,948
Cash flows from financing activities		
Proceeds from exercise of options	713	-
Redemption of Altus UK LLP Class B and D limited liability partnership units	(170)	(78)
Financing fees paid	-	(2,155)
Proceeds from borrowings	817	48,000
Repayment of borrowings	(5,016)	(55,031)
Dividends paid	(6,894)	(6,912)
Treasury shares purchased under Restricted Share Plan	(2,277)	-
Interest paid to other unitholders	(106)	(122)
Net cash provided by (used in) financing activities	(12,933)	(16,298)
Cash flows from investing activities		
Purchase of intangibles	(473)	(1,538)
Purchase of property, plant and equipment	(1,621)	(2,752)
Proceeds from disposal of property, plant and equipment	43	5,296
Proceeds on disposal of certain business assets	-	6,251
Net cash provided by (used in) investing activities	(2,051)	7,257
Effect of foreign currency translation	(4)	66
Net increase (decrease) in cash and cash equivalents	2,030	(2,027)
Cash and cash equivalents		
Beginning of period	4,703	6,590
End of period	\$ 6,733	\$ 4,563