August 6, 2014

# Altus Group Reports Second Quarter Financial Results for 2014

*Sustained Double-Digit Growth: Revenue Increased 15% and Adjusted EBITDA Increased 16%*

**TORONTO, ONTARIO** (Marketwired – August 6, 2014) Altus Group Limited ("Altus Group" or "the Company") (TSX: AIF) today announced financial and operating results for the second quarter ended June 30, 2014.

The Company's organic growth initiatives, acquisitions, and ongoing focus on strengthening operational execution continued to drive double-digit year over year increases in gross revenue and Adjusted EBITDA. On a consolidated basis, gross revenue increased 15% in the second quarter to $90.3 million (compared to $78.6 million for the same period in 2013), and Adjusted EBITDA increased 16% to $16.0 million (from $13.8 million in the same period last year), achieving an Adjusted EBITDA margin of 18%.

"We are pleased to report another quarter of sustained growth and sound financial performance driven by the strong execution of our strategy," said Robert Courteau, Chief Executive Officer, Altus Group. "We continue to perform well across all of our business units, and enjoy robust demand for our advisory services, and software and data solutions. These results reflect the strategic decisions we made late last year to strengthen our operations, and demonstrate our ability to deliver strong operating results on an organic growth platform while continuing to make longer term investments."

<u>Highlights from the quarter</u>:

- Sustained growth from high margin Global Asset and Investment Management ("GAIM") market focused businesses:
    - Rising license sales at ARGUS Software continued to deliver double-digit year over year 23% growth in gross revenues and Adjusted EBITDA; and
    - New client wins and increased diversification of services drove 10% year over year gross revenue growth at North America Research, Valuation and Advisory ("RVA").
- North America Property Tax achieved double-digit year over year growth as organic initiatives and acquisitions in the US drove a 33% increase in gross revenue and 53% increase in Adjusted EBITDA.
- Strong sector performance in Western Canada drove 19% growth in gross revenues and 15% growth in Adjusted EBITDA at Geomatics, which benefitted from expanded market share and service offerings from the acquisition of Maltais Geomatics Inc. ("MGI") during the quarter.
- Adjusted basic earnings per share were $0.28 for the quarter, compared to $0.27 in the second quarter of 2013.
- Generated $20.5 million in cash flow provided by operating activities.
- Declared dividends of $0.15 per common share.
- Subsequent to quarter end:

- Reduced long term debt by $50 million and realized approximately $0.5 million annual savings in net cash distributions through the early redemption of its 5.75% Convertible Debentures ("Debentures") (TSX:AIF.DB); and
- Strengthened RVA Canada's data and market research offering through acquisition of RealNet Canada Inc. ("RealNet"), a prominent Canadian real estate information services company.

<u>Summary of operating and financial performance</u>:

ARGUS Software sustained double-digit year over year growth during the second quarter, benefitting from increasing license sales, growing maintenance fees from high retention rates, and a favourable exchange rate against the Canadian Dollar (which benefitted gross revenues and Adjusted EBITDA by approximately 6.5%). ARGUS Software continues to experience strong adoption of its ARGUS Enterprise ("AE") product both from converting its DCF customers and winning new clients. As a testament to the momentum, ARGUS was awarded the 2014 technology innovation Digie award at the Realcomm industry conference in June, a prominent industry gathering that brings together global executives from the commercial, corporate, institutional and government real estate industry to explore the latest technology innovations impacting the industry. In the second quarter, ARGUS Software's year over year gross revenue grew by 23.2%, or $2.3 million, to $11.9 million (from $9.6 million), and Adjusted EBITDA grew by 22.8%, or $0.7 million, to $3.9 million (from $3.2 million), achieving an Adjusted EBITDA margin of 33%. During the quarter, $0.2 million of costs were capitalized related to the software development of the latest release of AE, which expands functionality for the European market and delivers a world-class property budgeting solution.

The steady performance from North America RVA was strengthened by increased value-added, higher margin engagements in Canada (such as right of way and economic advisory work) and increased due diligence work in the US. Year over year, RVA's gross revenue increased by 9.9%, or $2.0 million, to $21.8 million (from $19.8 million) and Adjusted EBITDA was comparable to the prior year at $5.6 million, as the Company continued to make investments to support future revenue growth. RVA's Adjusted EBITDA margin in the second quarter was 26%.

Following a strong start to the year, the North America Property Tax business unit experienced another robust quarter. Performance was bolstered by organic and acquisitive growth in the US, as well as the favourable tax cycles in Canada. Compared to the same period in 2013, North America Property Tax gross revenue increased by 33.3%, or $4.8 million, to $19.3 million (from $14.5 million) and Adjusted EBITDA increased by 52.8%, or $2.0 million, to $5.9 million (from $3.9 million), representing an Adjusted EBITDA margin of 31%.

The UK Property Tax group also had a strong quarter, benefiting from favourable exchange rates which improved gross revenues by 16.4% and Adjusted EBITDA by 15.2%. Gross revenue grew 14.3%, or $0.8 million, to $7.0 million (from $6.2 million) and Adjusted EBITDA declined by 11.3%, or $0.2 million, to $2.0 million (from $2.2 million], representing an Adjusted EBITDA margin of 28%.

The strong oil and gas and pipeline activity levels in Western Canada continued into the second quarter and supported growth at the Geomatics business unit. Gross revenue increased by 19.2%, or $3.0 million, to $18.9 million (from $15.9 million) and Adjusted EBITDA increased by 14.7% or $0.5 million, to $4.0 million (from $3.5 million) from the same period in 2013, representing an Adjusted EBITDA margin of 21%. MGI, which was acquired during the second quarter, accounted for 17.9% of the gross revenue growth over 2013.

Altus Group continues to see a positive trend in improving earnings at its Cost Consulting and Project Management business unit, both in North America and in Asia Pacific, largely driven by cost savings and the pursuit of higher margin engagements. Compared to the same period in 2013, gross revenue in North America declined by 11.5%, or $0.8 million, to $6.7 million (from $7.5 million) however Adjusted EBITDA improved by 15.3%, or $0.2 million, to $1.7 million (from $1.5 million), representing Adjusted EBITDA margins of 25%.

In Asia Pacific, gross revenue was slightly down year over year by 5.7%, or $0.3 million, to $4.8 million (from $5.1 million) while Adjusted EBITDA grew by 97.1%, or $0.3 million, to $0.5 million (from $0.2 million), representing an Adjusted EBITDA margin of 10%.

Corporate costs were $7.4 million for the three months ended June 30, 2014, up 21.8% or $1.3 million from $6.1 million in the same period in 2013. The increase in corporate costs was mainly due to higher accrual of variable compensation due to improved performance in the businesses, as well as additional professional fees related to various corporate initiatives.

Under IFRS accounting, profit (loss) for the quarter ended June 30, 2014 was $(0.7) million, or $(0.02) per share basic and diluted, compared to $3.2 million, or $0.14 per share basic, and $0.13 per share diluted, in the same period in 2013. The loss for the quarter reflected the accelerated amortization of $3.9 million of deferred financing charges related to the early redemption of the Debentures.

The Company continues to effectively manage its debt facilities. At the end of the second quarter, the Company's bank debt was $69.6 million, representing a funded debt to EBITDA ratio of 1.01 times. As at June 30, 2014, the Company had $13.6 million in cash and $90.1 million available borrowing room under its credit facility. At the end of the quarter, Altus Group's balance sheet remained strong, giving the Company the financial flexibility to pursue its growth strategy.

Due to the strong performance of Altus Group's share price, during the quarter the Company announced its plans to redeem early all of its outstanding 2010 Debentures in accordance with the terms of the Debenture Trust Indenture. On July 28, 2014, the Company redeemed all outstanding 2010 Debentures. Prior to redemption, a total principal amount of $48.2 million was converted into 2,589,295 common shares at the conversion price of $18.60 per common share. The remaining principal amount of $1.8 million was redeemed using available cash on hand.

Subsequent to quarter end, the Company completed the acquisition of RealNet Canada Inc. ("RealNet"). The acquisition broadens Altus Group's Canadian full service offering, enhances its data and market research revenue stream, and furthers the Company's strategy of building out its data solutions. The transaction was valued at $20 million and was funded through bank debt. Once fully integrated into Altus Group's existing product offerings, management expects that the acquisition synergies will drive improved financial performance. The acquisition is expected to be immediately accretive to Adjusted Basic EPS (earnings per share).

| **Conference Call and Webcast Details** | |
|---|---|
| Date: | Wednesday, August 6, 2014 |
| Time: | 5:00 p.m. ET |
| Webcast: | www.altusgroup.com (under Investor Relations) |
| Live Call: | 1-866-226-1792 (toll-free) or 416-340-2216 (GTA & International) |
| Replay: | 1-800-408-3053 or 905-694-9451 (passcode: 7481879) |

## About Altus Group Limited

Altus Group is a leading provider of independent commercial real estate consulting and advisory services, software and data solutions. We operate five Business Units, bringing together years of experience and a broad range of expertise into one comprehensive platform: Research, Valuation and Advisory; ARGUS Software; Property Tax Consulting; Cost Consulting and Project Management; and Geomatics. Our suite of services and software enables clients to analyze, gain insight and recognize value on their real estate investments.

Altus Group has approximately 2,200 employees in multiple offices around the world, including Canada, the United States, the United Kingdom, Australia and Asia Pacific. Altus Group's clients include financial institutions, private and public investment funds, insurance companies, accounting firms, public real estate organizations, real estate investment trusts, healthcare institutions, industrial companies, foreign and domestic private investors, real estate developers, governmental institutions and firms in the oil and gas sector.

### *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 associates, 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, 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.*

*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, 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, 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 information that relates to, among other things, objectives, strategies and intentions, and future financial and operating performance and prospects. 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, the discussion of Altus Group's business and operating initiatives; its expectations of future performance for its various business units and its consolidated financial results; and its expectations with respect to cash flows and its level of liquidity.*

*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 were 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 Altus Group's business strategies; consistent and stable economic conditions or conditions in the financial markets; consistent and stable legislation in the various countries in which Altus Group operates; no disruptive changes in the technology environment; the opportunity to acquire accretive businesses; the successful integration of Altus Group's 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; commercial real estate market; integration of acquisitions; oil and gas sector; 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; 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 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 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.*

FOR FURTHER INFORMATION PLEASE CONTACT:

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| **Selected Financial Information** | **For the three months ended June 30,** | | **For the six months ended June 30,** | |
|---|---|---|---|---|
| *In thousands of Canadian Dollars, except for per share amounts* | 2014 | 2013 | 2014 | 2013 |
| **Operations** | | | | |
| Gross revenues | $ 90,348 | $ 78,572 | $ 177,039 | $ 154,726 |
| Adjusted EBITDA | 16,038 | 13,828 | 30,920 | 26,081 |
| Operating profit (loss) | 9,318 | 7,822 | 19,429 | 19,546 |
| Profit (loss) | (673) | 3,207 | 4,210 | 10,050 |
| Earnings (loss) per share: | | | | |
| Basic | $(0.02) | $0.14 | $0.15 | $0.44 |
| Diluted | $(0.02) | $0.13 | $0.14 | $0.39 |
| Adjusted basic | $0.28 | $0.27 | $0.54 | $0.52 |
| Dividends declared per share | $0.15 | $0.15 | $0.30 | $0.30 |

| **Segmented Information: Gross Revenues** | **Three months ended June 30,** | | | **Six months ended June 30,** | | |
|---|---|---|---|---|---|---|
| *In thousands of Canadian Dollars* | 2014 | 2013 | % Change | 2014 | 2013 | % Change |
| Property Tax: | | | | | | |
| North America Property Tax | $ 19,281 | $ 14,469 | 33.3% | $ 37,892 | $ 29,642 | 27.8% |
| UK | 7,039 | 6,157 | 14.3% | 13,222 | 11,394 | 16.0% |
| Global Asset and Investment Management: | | | | | | |
| North America RVA | 21,804 | 19,839 | 9.9% | 42,063 | 38,503 | 9.2% |
| ARGUS Software | 11,884 | 9,645 | 23.2% | 23,435 | 18,250 | 28.4% |
| North America Geomatics | 18,940 | 15,886 | 19.2% | 38,035 | 31,680 | 20.1% |
| Cost Consulting and Project Management: | | | | | | |
| North America Cost | 6,669 | 7,534 | (11.5%) | 13,619 | 15,222 | (10.5%) |
| Asia Pacific Cost | 4,837 | 5,131 | (5.7%) | 9,094 | 10,185 | (10.7%) |
| Eliminations | (106) | (89) | (19.1%) | (321) | (150) | (114.0%) |
| **Gross Revenues** | $ 90,348 | $ 78,572 | 15.0% | $ 177,039 | $ 154,726 | 14.4% |

| **Segmented Information: Adjusted EBITDA** | **Three months ended June 30,** | | | **Six months ended June 30,** | | |
|---|---|---|---|---|---|---|
| *In thousands of Canadian Dollars* | 2014 | 2013 | % Change | 2014 | 2013 | % Change |
| Property Tax: | | | | | | |
| North America Property Tax | $ 5,947 | $ 3,893 | 52.8% | $ 10,983 | $ 7,191 | 52.7% |
| UK | 1,966 | 2,217 | (11.3%) | 3,482 | 3,508 | (0.7%) |
| Global Asset and Investment Management: | | | | | | |
| North America RVA | 5,553 | 5,499 | 1.0% | 9,910 | 10,531 | (5.9%) |
| ARGUS Software | 3,875 | 3,155 | 22.8% | 7,534 | 5,260 | 43.2% |
| North America Geomatics | 3,968 | 3,458 | 14.7% | 8,295 | 6,601 | 25.7% |
| Cost Consulting and Project Management: | | | | | | |
| North America Cost | 1,696 | 1,471 | 15.3% | 3,528 | 2,891 | 22.0% |
| Asia Pacific Cost | 469 | 238 | 97.1% | 392 | 363 | 8.0% |
| Corporate | (7,436) | (6,103) | (21.8%) | (13,204) | (10,264) | (28.6%) |
| Adjusted EBITDA | $ 16,038 | $ 13,828 | 16.0% | $ 30,920 | $ 26,081 | 18.6% |

| **Reconciliation of Adjusted EBITDA to Profit (Loss)** | **Three months ended June 30,** | | **Six months ended June 30,** | |
|---|---|---|---|---|
| *In thousands of Canadian Dollars* | 2014 | 2013 | 2014 | 2013 |
| **Adjusted EBITDA** | $ 16,038 | $ 13,828 | $ 30,920 | $ 26,081 |
| Depreciation and amortization | (5,189) | (4,542) | (9,739) | (9,191) |
| Acquisition related (expenses) income | (37) | (45) | (196) | (255) |
| Share of profit (loss) of associate | (410) | 21 | (813) | (57) |
| Unrealized foreign exchange gain (loss) | (935) | (442) | (434) | (71) |
| Gain (loss) on sale of property, plant and equipment | (111) | (186) | (86) | (192) |
| Gain (loss) on sale of certain business assets | - | (59) | - | 5,219 |
| Executive Compensation Plan costs | (208) | (116) | (329) | (218) |
| Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged | 123 | - | 54 | - |
| Restructuring costs | (8) | (17) | (30) | (1,150) |
| Other non-operating and/or non-recurring income (costs) | 55 | (620) | 82 | (620) |
| **Operating profit (loss)** | 9,318 | 7,822 | 19,429 | 19,546 |
| Finance (costs) income, net | (8,774) | (3,547) | (12,535) | (7,490) |
| **Profit (loss) before income tax** | 544 | 4,275 | 6,894 | 12,056 |
| Income tax recovery (expense) | (1,217) | (1,068) | (2,684) | (2,006) |
| **Profit (loss) for the period** | $ (673) | $ 3,207 | $ 4,210 | $ 10,050 |

## Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
## For the Three and Six Months Ended June 30, 2014 and 2013
## (Unaudited)
**(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)**

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2013 |
| **Revenues** | | | | |
| Gross revenues | **$ 90,348** | $ 78,572 | **$ 177,039** | $ 154,726 |
| Less: disbursements | **6,481** | 6,139 | **14,489** | 13,436 |
| Net revenue | **83,867** | 72,433 | **162,550** | 141,290 |
| **Expenses** | | | | |
| Employee compensation | **54,316** | 47,475 | **106,634** | 93,218 |
| Occupancy | **3,559** | 3,448 | **7,133** | 6,988 |
| Office and other operating | **11,030** | 9,046 | **18,576** | 16,104 |
| Amortization of intangibles | **3,827** | 3,374 | **7,219** | 6,895 |
| Depreciation of property, plant and equipment | **1,362** | 1,168 | **2,520** | 2,296 |
| Acquisition related expenses (income) | **37** | 45 | **196** | 255 |
| Share of (profit) loss of associates | **410** | (21) | **813** | 57 |
| Restructuring costs | **8** | 17 | **30** | 1,150 |
| (Gain) loss on sale of certain business assets | **-** | 59 | **-** | (5,219) |
| **Operating profit (loss)** | **9,318** | 7,822 | **19,429** | 19,546 |
| Finance costs (income), net | **8,774** | 3,547 | **12,535** | 7,490 |
| **Profit (loss) before income tax** | **544** | 4,275 | **6,894** | 12,056 |
| Income tax expense (recovery) | **1,217** | 1,068 | **2,684** | 2,006 |
| **Profit (loss) for the period attributable to equity holders** | **$ (673)** | $ 3,207 | **$ 4,210** | $ 10,050 |
| **Other comprehensive income (loss):** | | | | |
| Items that may be reclassified to profit or loss in subsequent periods: | | | | |
| Cash flow hedges | **198** | 531 | **359** | 582 |
| Currency translation differences | **(4,326)** | 4,643 | **1,217** | 5,942 |
| Share of other comprehensive income (loss) of associates | **(28)** | - | **34** | - |
| **Other comprehensive income (loss), net of tax** | **(4,156)** | 5,174 | **1,610** | 6,524 |
| **Total comprehensive income (loss) for the period, net of tax, attributable to equity holders** | **$ (4,829)** | $ 8,381 | **$ 5,820** | $ 16,574 |

| | | | | |
|---|---|---|---|---|
| **Earnings (loss) per share attributable to the equity holders of the Company during the period** | | | | |
| Basic earnings (loss) per share | **$(0.02)** | $0.14 | **$0.15** | $0.44 |
| Diluted earnings (loss) per share | **$(0.02)** | $0.13 | **$0.14** | $0.39 |

# Interim Condensed Consolidated Balance Sheets
## As at June 30, 2014 and 2013
## (Unaudited)
**(Expressed in Thousands of Canadian Dollars)**

| | | June 30, 2014 | | December 31, 2013 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | **$** | **13,609** | $ | 16,664 |
| Trade and other receivables | | **112,214** | | 109,589 |
| Income taxes recoverable | | **1,470** | | 1,294 |
| | | **127,293** | | 127,547 |
| **Non-current assets** | | | | |
| Trade and other receivables | | **365** | | 304 |
| Derivative financial instruments | | **738** | | - |
| Investment in associates | | **16,454** | | 14,130 |
| Deferred income taxes | | **12,434** | | 13,018 |
| Property, plant and equipment | | **20,391** | | 18,213 |
| Intangibles | | **81,296** | | 76,964 |
| Goodwill | | **195,598** | | 192,262 |
| | | **327,276** | | 314,891 |
| **Total Assets** | **$** | **454,569** | $ | 442,438 |
| **Liabilities** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | **$** | **61,844** | $ | 59,851 |
| Income taxes payable | | **1,295** | | 678 |
| Borrowings | | **50,596** | | 1,441 |
| Provisions | | **444** | | 1,738 |
| | | **114,179** | | 63,708 |
| **Non-current liabilities** | | | | |
| Trade and other payables | | **11,784** | | 10,981 |
| Borrowings | | **112,877** | | 155,420 |
| Derivative financial instruments | | **1,151** | | 1,637 |
| Provisions | | **104** | | 141 |
| Deferred income taxes | | **3,538** | | 2,692 |
| Amounts payable to unitholders | | **7,039** | | 5,646 |
| | | **136,493** | | 176,517 |
| **Total Liabilities** | | **250,672** | | 240,225 |
| **Shareholders' Equity** | | | | |
| Share capital | | **344,423** | | 340,445 |
| Equity component of convertible debentures | | **6,298** | | 6,338 |
| Contributed surplus | | **6,722** | | 6,130 |
| Accumulated other comprehensive income (loss) | | **11,050** | | 9,440 |
| Deficit | | **(164,596)** | | (160,140) |
| **Total Shareholders' Equity** | | **203,897** | | 202,213 |
| **Total Liabilities and Shareholders' Equity** | **$** | **454,569** | $ | 442,438 |

# Interim Condensed Consolidated Statements of Cash Flows
# For the Six Months Ended June 30, 2014 and 2013
# (Unaudited)
## (Expressed in Thousands of Canadian Dollars)

| | Six months ended June 30 | |
|---|---|---|
| | **2014** | 2013 |
| **Cash flows from operating activities** | | |
| Profit (loss) before income tax | **$ 6,894** | $ 12,056 |
| Adjustments for: | | |
| Amortization of intangibles | **7,219** | 6,895 |
| Depreciation of property, plant and equipment | **2,520** | 2,296 |
| Amortization of lease inducements | **47** | 53 |
| Amortization of deferred software development costs | **41** | - |
| Tax credits recorded through employee compensation | **-** | (521) |
| Finance costs (income), net | **12,535** | 7,490 |
| Share-based compensation | **814** | 325 |
| Unrealized foreign exchange (gain) loss | **434** | 71 |
| (Gain) loss on sale of certain business assets | **-** | (5,278) |
| (Gain) loss on disposal of property, plant and equipment | **86** | 192 |
| (Gain) loss on equity derivative instruments recorded through employee compensation | **(738)** | - |
| Share of (profit) loss of associates | **813** | 57 |
| Net changes in operating working capital | **(3,991)** | (1,997) |
| Net cash generated by (used in) operations | **26,674** | 21,639 |
| Less: interest paid | **(4,867)** | (3,182) |
| Less: income taxes paid | **(1,471)** | (1,613) |
| Add: income taxes received | **117** | 174 |
| Net cash provided by (used in) operating activities | **20,453** | 17,018 |
| **Cash flows from financing activities** | | |
| Proceeds from exercise of options | **2,846** | 713 |
| Redemption of Altus UK LLP Class B and D limited liability partnership units | **-** | (170) |
| Proceeds from borrowings | **11,000** | 817 |
| Repayment of borrowings | **(9,338)** | (5,016) |
| Dividends paid | **(6,877)** | (6,894) |
| Treasury shares purchased under Restricted Share Plan | **(3,086)** | (2,277) |
| Interest paid to other unitholders | **(97)** | (106) |
| Net cash provided by (used in) financing activities | **(5,552)** | (12,933) |
| **Cash flows from investing activities** | | |
| Purchase of investment in associates | **(3,004)** | - |
| Purchase of intangibles | **(1,263)** | (473) |
| Purchase of property, plant and equipment | **(3,047)** | (1,621) |
| Proceeds from disposal of property, plant and equipment | **94** | 43 |
| Acquisitions | **(10,934)** | - |
| Net cash provided by (used in) investing activities | **(18,154)** | (2,051) |
| **Effect of foreign currency translation** | **198** | (4) |
| **Net increase (decrease) in cash and cash equivalents** | **(3,055)** | 2,030 |
| **Cash and cash equivalents** | | |
| **Beginning of period** | **16,664** | 4,703 |
| **End of period** | **$ 13,609** | $ 6,733 |