TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)

($ thousands)	Note	**March 31 2017**	December 31 2016	March 31 2016
Assets				
Current assets				
Cash		**$ 155,584**	$ 188,735	$ 60,383
Accounts receivable		**271,360**	277,050	214,844
Inventories		**485,575**	435,757	495,646
Income taxes receivable		**3,532**	-	4,874
Derivative financial instruments	7	**389**	1,197	-
Other current assets		**6,497**	5,236	5,499
Total current assets		**922,937**	907,975	781,246
Property, plant and equipment	2	**180,475**	181,827	181,760
Rental equipment	2	**281,696**	272,277	255,005
Other assets	3	**16,031**	15,381	10,447
Deferred tax assets		**5,954**	5,610	9,768
Goodwill and intangible assets		**27,494**	27,501	27,523
Total assets		**$ 1,434,587**	$ 1,410,571	$ 1,265,749
Liabilities				
Current liabilities				
Accounts payable, accrued liabilities and provisions	4	**$ 278,558**	$ 278,309	$ 239,134
Deferred revenues		**62,754**	51,211	48,663
Current portion of long-term debt	5	**1,875**	1,811	1,749
Derivative financial instruments	7	**-**	-	7,313
Income taxes payable		**-**	1,262	-
Total current liabilities		**343,187**	332,593	296,859
Deferred revenues		**19,335**	19,259	14,550
Long-term debt	5	**149,875**	150,717	151,303
Accrued pension liability		**22,572**	22,570	21,106
Shareholders' equity				
Share capital		**316,821**	315,078	304,275
Contributed surplus		**8,720**	8,166	7,530
Retained earnings		**571,369**	559,252	471,121
Accumulated other comprehensive income (loss)		**2,708**	2,936	(995)
Shareholders' equity		**899,618**	885,432	781,931
Total liabilities and shareholders' equity		**$ 1,434,587**	$ 1,410,571	$ 1,265,749

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS
(Unaudited)

($ thousands, except share amounts)	Note	Three months ended March 31 2017	2016
Revenues	13	**$ 412,308**	$ 387,919
Cost of goods sold		**311,903**	295,969
Gross profit		**100,405**	91,950
Selling and administrative expenses		**62,511**	58,474
Operating income		**37,894**	33,476
Interest expense	8	**1,832**	1,834
Interest and investment income	8	**(1,112)**	(1,573)
Income before income taxes		**37,174**	33,215
Income taxes		**10,150**	9,045
Net earnings		**$ 27,024**	$ 24,170
Earnings per share			
Basic	9	**$ 0.34**	$ 0.31
Diluted	9	**$ 0.34**	$ 0.31
Weighted average number of shares outstanding			
Basic	9	**78,433,827**	77,897,536
Diluted	9	**79,221,266**	78,422,700

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

($ thousands)	Three months ended March 31 2017	2016
Net earnings	**$ 27,024**	$ 24,170
Other comprehensive income (loss), net of income tax:		
Items that may be reclassified subsequently to net earnings:		
Foreign currency translation adjustments	**(83)**	(614)
Unrealized loss on derivatives designated as cash flow hedges	**(961)**	(4,933)
Income tax recovery	**250**	1,286
Unrealized loss on cash flow hedges, net of income tax	**(711)**	(3,647)
Realized loss (gain) on derivatives designated as cash flow hedges	**765**	(232)
Income tax (recovery) expense	**(199)**	60
Realized loss (gain) on cash flow hedges, net of income tax	**566**	(172)
Other comprehensive loss	**(228)**	(4,433)
Total comprehensive income	**$ 26,796**	$ 19,737

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

($ thousands)	Note	Three months ended March 31 2017	2016
Operating activities			
Net earnings		**$ 27,024**	$ 24,170
Items not requiring cash:			
Depreciation and amortization		**18,951**	18,291
Stock-based compensation		**861**	838
Accrued pension liability		**2**	10
Deferred income taxes		**(293)**	(317)
Gain on sale of rental equipment and property, plant and equipment		**(7,178)**	(5,382)
		39,367	37,610
Net change in non-cash working capital and other	12	**(39,117)**	(9,746)
Additions to rental equipment	2	**(27,608)**	(26,978)
Proceeds on disposal of rental equipment	2	**11,368**	10,683
Cash (used in) provided by operating activities		**(15,990)**	11,569
Investing activities			
Additions to property, plant and equipment	2	**(4,235)**	(3,901)
Proceeds on disposal of property, plant and equipment	2	**722**	223
Increase in other assets		**(54)**	(54)
Cash used in investing activities		**(3,567)**	(3,732)
Financing activities			
Repayment of senior debentures		**(890)**	(830)
Dividends	6	**(14,111)**	(13,253)
Shares purchased for cancellation		**-**	(2,574)
Cash received on exercise of stock options		**1,436**	2,662
Cash used in financing activities		**(13,565)**	(13,995)
Effect of currency translation on cash balances		**(29)**	(139)
Decrease in cash		**(33,151)**	(6,297)
Cash, at beginning of period		**188,735**	66,680
Cash, at end of period		**$ 155,584**	$ 60,383

Supplemental cash flow information (note 12)

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	Share Capital				Accumulated other comprehensive loss			
($ thousands)	Number	Amount	Contributed surplus	Retained earnings	Foreign currency translation adjustments	Cash flow hedges	Total	Total
At January 1, 2017	**78,398,456**	**$ 315,078**	**$ 8,166**	**$ 559,252**	**$ 2,627**	**$ 309**	**$ 2,936**	**$ 885,432**
Net earnings	-	-	-	27,024	-	-	-	27,024
Other comprehensive loss	-	-	-	-	(83)	(145)	(228)	(228)
Total comprehensive income	-	-	-	27,024	(83)	(145)	(228)	26,796
Exercise of stock options	71,625	1,743	-	-	-	-	-	1,743
Stock-based compensation expense	-	-	861	-	-	-	-	861
Stock options exercised	-	-	(307)	-	-	-	-	(307)
Effect of stock compensation plans	71,625	1,743	554	-	-	-	-	2,297
Dividends	-	-	-	(14,907)	-	-	-	(14,907)
At March 31, 2017	**78,470,081**	**$ 316,821**	**$ 8,720**	**$ 571,369**	**$ 2,544**	**$ 164**	**$ 2,708**	**$ 899,618**

	Share Capital				Accumulated other comprehensive loss			
($ thousands)	Number	Amount	Contributed surplus	Retained earnings	Foreign currency translation adjustments	Cash flow hedges	Total	Total
At January 1, 2016	**77,905,821**	**$ 301,413**	**$ 7,236**	**$ 463,194**	**$ 2,904**	**$ 534**	**$ 3,438**	**$ 775,281**
Net earnings	-	-	-	24,170	-	-	-	24,170
Other comprehensive loss	-	-	-	-	(614)	(3,819)	(4,433)	(4,433)
Total comprehensive income	-	-	-	24,170	(614)	(3,819)	(4,433)	19,737
Exercise of stock options	136,940	3,206	-	-	-	-	-	3,206
Stock-based compensation expense	-	-	838	-	-	-	-	838
Stock options exercised	-	-	(544)	-	-	-	-	(544)
Effect of stock compensation plans	136,940	3,206	294	-	-	-	-	3,500
Shares purchased for cancellation	(89,244)	(344)	-	(2,230)	-	-	-	(2,574)
Dividends	-	-	-	(14,013)	-	-	-	(14,013)
At March 31, 2016	**77,953,517**	**$ 304,275**	**$ 7,530**	**$ 471,121**	**$ 2,290**	**$ (3,285)**	**$ (995)**	**$ 781,931**

See accompanying notes

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the three months ended March 31, 2017
(Unaudited)
($ thousands, except where otherwise indicated)

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Toromont Industries Ltd. (the “Company” or “Toromont”) is a limited company incorporated and domiciled in Canada whose shares are publicly traded on the Toronto Stock Exchange under the symbol TIH. The registered office is located at 3131 Highway 7 West, Concord, Ontario, Canada.

Toromont operates through two reportable segments: the Equipment Group and CIMCO. The Equipment Group includes one of the larger Caterpillar dealerships by revenue and geographic territory, industry-leading rental operations and an expanding agricultural dealership in Manitoba. CIMCO is a market leader in the design, engineering, fabrication and installation of industrial and recreational refrigeration systems. Both segments offer comprehensive product support capabilities. Toromont employs over 3,600 people in more than 100 locations.

Basis of Preparation

These interim condensed consolidated financial statements were prepared in accordance with International Accounting Standard (“IAS”) 34 - *Interim Financial Reporting*. Accordingly, these interim condensed consolidated financial statements do not include all disclosures required for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2016.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements were the same as those that applied to the Company’s consolidated financial statements as at and for the year ended December 31, 2016.

The interim condensed consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest thousands, except where otherwise indicated.

These interim condensed consolidated financial statements were authorized for issue by the Audit Committee of the Board of the Directors on April 26, 2017.

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended December 31, 2016. Certain balances in the comparative interim condensed consolidated income statement have been reclassified from statements previously presented to conform to the presentation of the 2017 interim condensed consolidated income statement.

Amendments to Standards Adopted in 2017

Certain amendments to standards that were adopted on January 1, 2017 are noted below.

a) Statement of Cash flows

Amendments to IAS 7 - *Statement of Cash Flows,* require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities; including both changes arising from cash flows and non-cash flows. The amendments must be applied prospectively with no requirement to provide comparative information for preceding periods and no additional information in the interim financial statements.

Standards Issued But Not Yet Effective

A number of new standards and amendments to standards have been issued but are not yet effective for the financial year ended December 31, 2017, and accordingly, have not been applied in preparing these consolidated financial statements.

a) Share-based Payment

In June 2016, the IASB issued final amendments to IFRS 2 – *Share-based payment*, which clarifies how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: (i) the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and (iii) a modification to the terms and conditions of a share-based payment that changes the classifications of the transaction from cash-settled to equity-settled.

The amendments are effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of adopting these amendments on its consolidated financial statements.

b) Revenue Recognition

In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers*, which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Entities choose either a full retrospective approach with some limited relief provided or a modified retrospective approach for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

The Company's transition project consists of three phases: diagnostic assessment, solutions development and implementation. Investments in training and other support resources will be made throughout the transition period.

The Company is completing the diagnostic phase and has begun solutions development in core areas.

While work is well underway and on plan, continued progress is necessary before the Company can prudently increase the specificity of the impact of adopting this standard.

c) Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 – *Financial Instruments,* which replaces all phases of the financial instruments project, IAS 39 – *Financial Instruments: Recognition and Measurement,* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting.

The new standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of adopting this new standard on its consolidated financial statements.

d) Leases

In January 2016, the IASB issued IFRS 16 - *Leases*, which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 - *Leases*.

The new standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted provided the new revenue standard, IFRS 15, has been applied, or is applied at the same date. The Company is currently assessing the impact of adopting this new standard on its consolidated financial statements.

2. PROPERTY, PLANT AND EQUIPMENT AND RENTAL EQUIPMENT

Activity within property, plant and equipment and rental equipment included:

	Three months ended March 31	
	2017	2016
Additions		
Rental equipment	**$ 27,608**	$ 26,978
Property, plant and equipment	**4,235**	3,901
Total Additions	**$ 31,843**	$ 30,879
Disposals - NBV		
Rental equipment	**$ 4,765**	$ 5,346
Property, plant and equipment	**147**	178
Total Disposals - NBV	**$ 4,912**	$ 5,524
Net gain on disposal	**$ 7,178**	$ 5,382
Depreciation		
Cost of goods sold	**17,148**	$ 16,582
Selling and administrative expenses	**1,684**	1,588
Total Depreciation	**$ 18,832**	$ 18,170

3. OTHER ASSETS

	March 31 2017	December 31 2016	March 31 2016
Equipment sold with guaranteed residual values	**$ 13,744**	$ 13,147	$ 8,367
Other	**2,287**	2,234	2,080
	$ 16,031	$ 15,381	$ 10,447

4. PAYABLES, ACCRUALS AND PROVISIONS

	March 31 2017	December 31 2016	March 31 2016
Accounts payable and accrued liabilities	**$ 249,198**	$ 248,104	$ 207,998
Dividends payable	**14,907**	14,111	14,013
Provisions	**14,453**	16,094	17,123
	$ 278,558	$ 278,309	$ 239,134

5. LONG-TERM DEBT

	March 31 2017	December 31 2016	March 31 2016
3.71%, $150.0 million, due September 30, 2025[1]	**$ 150,000**	$ 150,000	$ 150,000
7.06%, $15.0 million, due March 29, 2019[2]	**3,884**	4,774	5,634
Senior debentures	**153,884**	154,774	155,634
Debt issuance costs, net of amortization	**(2,134)**	(2,246)	(2,582)
Total long-term debt	**$ 151,750**	$ 152,528	$ 153,052
Less: current portion of long-term debt	**(1,875)**	(1,811)	(1,749)
Non-current portion of long-term debt	**$ 149,875**	$ 150,717	$ 151,303

(1) Interest payable semi-annually, principal due on maturity.

(2) Blended principal and interest payments payable semi-annually through to maturity.

All debt is unsecured.

The Company maintains a $250.0 million committed credit facility which matures in September 2020. Debt under the facility is unsecured and ranks pari passu with debt outstanding under Toromont's existing debentures. Interest is based on a floating rate, primarily bankers' acceptances and prime, plus applicable margins and fees based on the terms of the credit facility.

No amounts were drawn on the facility at March 31, 2017, December 31, 2016 or March 31, 2016. Letters of credit utilized $22.9 million of the facility (December 31, 2016 - $21.7 million and March 31, 2016 - $21.1 million).

6. SHARE CAPITAL

Normal Course Issuer Bid ("NCIB")

During the three months ended March 31, 2017, no shares were purchased and cancelled under the NCIB program. For the three months ended March 31, 2016, the Company purchased and cancelled 89,244 common shares for $2.6 million (average cost of $28.84 per share, including transaction costs).

Dividends

During the three months ended March 31, 2017, the Company paid dividends of $14.1 million or $0.18 per share (2016 - $13.3 million or $0.17 per share).

The quarterly dividend was increased on February 6, 2017, to $0.19 per share effective with the dividend paid on April 3, 2017.

7. FINANCIAL INSTRUMENTS

Financial Assets and Liabilities – Classification and Measurement

Financial assets and financial liabilities are measured on an ongoing basis at cost, fair value or amortized cost, depending on the classification. The following table highlights the carrying amounts and classifications of certain financial assets and liabilities:

	March 31 2017	December 31 2016	March 31 2016
Other financial liabilities:			
Current portion of long-term debt	**$ 1,875**	$ 1,811	$ 1,749
Long-term debt	**149,875**	150,717	151,303
Derivative instruments - cash flow hedges:			
Foreign exchange forward contracts	**$ 389**	$ 1,197	$ (7,313)

Fair Value of Financial Instruments

The fair value of derivative financial instruments is measured using the discounted value of the difference between the contract's value at maturity based on the contracted foreign exchange rate and the contract's value at maturity based on the comparable foreign exchange rate at period end under the same conditions. The financial institution's credit risk is also taken into consideration in determining fair value. The valuation is determined using Level 2 inputs which are observable inputs or inputs which can be corroborated by observable market data for substantially the full term of the asset or liability, most significantly foreign exchange spot and forward rates.

The fair value and carrying value of long-term debt is as follows:

Long-term debt	**March 31 2017**	December 31 2016	March 31 2016
Fair value	**$ 155,099**	$ 154,929	$ 159,497
Carrying value	**153,884**	154,774	155,634

The fair value was determined using the discounted cash flow method, a generally accepted valuation technique. The discounted factor is based on market rates for debt with similar terms and remaining maturities and based on Toromont's credit risk. The Company has no plans to prepay these instruments prior to maturity. The valuation is determined using Level 2 inputs which are observable inputs or inputs which can be corroborated by observable market data for substantially the full term of asset or liability.

During the three month period ended March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

Derivative Financial Instruments and Hedge Accounting

Foreign exchange contracts and options are transacted with financial institutions to hedge foreign currency denominated obligations related to purchases of inventory and sales of products. As at March 31, 2017, the Company was committed to USD purchase contracts with a notional amount of $152.1 million at an average exchange rate of $1.3285, maturing between April 2017 and December 2017.

Management estimates that a gain of $389 (December 31, 2016 – gain of $1,197; March 31, 2016 – loss of $7,313) would be realized if the contracts were terminated on March 31, 2017. Certain of these forward contracts are designated as cash flow hedges, and accordingly, an unrealized gain of $218 (December 31, 2016 – gain of $414; March 31, 2016 – loss of $4,447) has been included in other comprehensive income. These gains are not expected to affect net income as the gains will be reclassified to net income within the next twelve months and will offset losses recorded on the underlying hedged items, namely foreign-denominated accounts payable. Certain of those forward contracts are not designated as cash flow hedges but are entered into for periods consistent with foreign currency exposure of the underlying transactions. A gain of $171 (December 31, 2016 – gain of $783; March 31, 2016 – loss of $2,866) on forward contracts not designated as hedges is included in net income which offsets losses recorded on the foreign-denominated items, namely accounts payable.

8. INTEREST INCOME AND EXPENSE

The components of interest expense were as follows:

	Three months ended March 31	
	2017	2016
Term loan facility	**$ 253**	$ 212
Senior debentures	**1,579**	1,622
	$ 1,832	$ 1,834

The components of interest and investment income were as follows:

	Three months ended March 31	
	2017	2016
Interest income on rental conversions	**$ 456**	$ 1,342
Other	**656**	231
	$ 1,112	$ 1,573

9. EARNINGS PER SHARE

	Three months ended March 31 2017	2016
Net earnings available to common shareholders	**$ 27,024**	$ 24,170
Weighted average common shares outstanding	**78,433,827**	77,897,536
Dilutive effect of stock option conversion	**787,439**	525,164
Diluted weighted average common shares outstanding	**79,221,266**	78,422,700
Earnings per share:		
Basic	**$ 0.34**	$ 0.31
Diluted	**$ 0.34**	$ 0.31

For the three months ended March 31, 2017, no share options were considered anti-dilutive (exercise price in excess of market price). For the three months ended March 31, 2016, 520,700 outstanding share options with an exercise price of $36.65 were considered anti-dilutive and as such were excluded from the calculation.

10. STOCK BASED COMPENSATION

A reconciliation of the outstanding options was as follows:

	Three months ended March 31, 2017		Three months ended March 31, 2016	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	**2,430,871**	**$ 29.25**	2,512,250	$ 24.91
Exercised [(1)]	**(71,625)**	**20.05**	(136,940)	19.44
Forfeited	**(15,500)**	**31.63**	(5,080)	20.12
Options outstanding, end of period	**2,343,746**	**$ 29.51**	2,370,230	$ 25.23
Options exercisable, end of period	**859,431**	**$ 23.38**	861,270	$ 20.41

[(1)] The weighted average share price at date of exercise for the year ended March 31, 2017, was $45.47 (2016 - $32.17).

The following table summarizes stock options outstanding and exercisable as at March 31, 2017.

	Options Outstanding			**Options Exercisable**	
Range of Exercise Prices	**Number**	**Weighted Average Remaining Life (years)**	**Weighted Average Exercise Price**	**Number**	**Weighted Average Exercise Price**
$16.76 - $23.40	882,806	3.9	$ 21.11	602,651	$ 20.50
$23.41 - $26.79	454,940	7.3	$ 26.52	165,440	$ 26.52
$36.65	495,500	8.3	$ 36.65	91,340	$ 36.65
$39.79	510,500	9.3	$ 39.79	-	$ -
	2,343,746	**6.7**	**$ 29.51**	**859,431**	**$ 23.38**

Deferred Share Unit Plan

A reconciliation of the DSU plan was as follows:

	Three months ended March 31, 2017			Three months ended March 31, 2016		
	Number of DSUs		**Value**	Number of DSUs		Value
Outstanding, beginning of period	**407,731**	**$**	**17,265**	377,311	$	12,000
Units taken or taken in lieu and dividends	**15,060**		**661**	20,717		632
Redemptions	**(17,389)**		**(778)**	-		-
Fair market value adjustment	**-**		**1,528**	-		675
Outstanding, end of period	**405,402**	**$**	**18,676**	398,028	$	13,307

The liability for deferred share units is recorded in accounts payable and accrued liabilities.

11. EMPLOYEE FUTURE BENEFITS

The net pension expense included the following components:

	Three months ended March 31			
		2017		2016
Defined benefit plans	**$**	**495**	$	465
Defined contribution plans		**3,042**		2,658
401(k) matched savings plans		**71**		61
Net pension expense	**$**	**3,608**	$	3,184

12. SUPPLEMENTAL CASH FLOW INFORMATION

		2017		2016
Net change in non-cash working capital and other				
Accounts receivable	**$**	**5,690**	$	47,679
Inventories		**(49,818)**		(32,436)
Accounts payable, accrued liabilities and provisions		**(547)**		(15,082)
Deferred revenues		**11,619**		(6,211)
Income taxes receivable		**(4,794)**		(7,926)
Other		**(1,267)**		4,230
	$	**(39,117)**	$	(9,746)
Cash paid during the period for:				
Interest	**$**	**3,135**	$	3,068
Income taxes	**$**	**15,232**	$	17,312
Cash received during the period for:				
Interest	**$**	**962**	$	1,465

13. SEGMENTED INFORMATION

The Company has two reportable segments: the Equipment Group and CIMCO, each supported by the corporate office. These segments are strategic business units that offer different products and services, and each is managed separately. The corporate office provides finance, treasury, legal, human resources and other administrative support to the segments. The accounting policies of each of the reportable segments are the same as the significant accounting policies described in note 1.

The operating segments are being reported based on the financial information provided to the Chief Executive Officer and Chief Financial Officer, who have been identified as the Chief Operating Decision Makers ("CODMs") in monitoring segment performance and allocating resources between segments. The CODMs assess segment performance based on segment operating income, which is measured differently than income from operations in the interim condensed consolidated financial statements. Corporate overheads are allocated to the segments based on revenue. Income taxes, interest expense, interest and investment income are managed at a consolidated level and are not allocated to the reportable operating segments. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to the segments as they are also managed on a consolidated level.

The aggregation of the reportable segments is based on the economic characteristics of the business units. These business units are considered to have similar economic characteristics including nature of products and services, class of customers and markets served and similar distribution models.

The following table sets forth information by segment for the three month period ended March 31, 2017 and 2016:

	Equipment Group		CIMCO		Consolidated	
Three months ended March 31	**2017**	2016	**2017**	2016	**2017**	2016
Equipment/package sales	**$ 159,724**	$ 151,654	**$ 23,315**	$ 22,955	**$ 183,039**	$ 174,609
Rentals	**45,434**	38,364	**-**	-	**45,434**	38,364
Product support	**151,476**	144,896	**29,229**	27,117	**180,705**	172,013
Power generation	**3,130**	2,933	**-**	-	**3,130**	2,933
Total revenues	**$ 359,764**	$ 337,847	**$ 52,544**	$ 50,072	**$ 412,308**	$ 387,919
Operating income	**$ 35,076**	$ 31,874	**$ 2,818**	$ 1,602	**$ 37,894**	$ 33,476
Interest expense					**1,832**	1,834
Interest and investment income					**(1,112)**	(1,573)
Income taxes					**10,150**	9,045
Net earnings					**$ 27,024**	$ 24,170

For the three months ended March 31, 2017, operating loss from rentals was $1.4 million (2016 – $1.7 million).

14. SEASONALITY OF BUSINESS

Interim period revenues and earnings historically reflect seasonality. For the Equipment Group, the first quarter is typically the weakest due to winter shutdowns in the construction industry while the fourth quarter has consistently been the strongest quarter due to higher conversions at the Caterpillar dealership of equipment on rent with a purchase option. For CIMCO, the fourth quarter tends to be the strongest due to higher activity in recreational markets in advance of the winter recreational season.