Management’s Discussion and Analysis (MD&A)

GDI INTEGRATED FACILITY SERVICES INC.

For the three-month and six-month periods ended June 30, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2016**

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of GDI Integrated Facility Services Inc. and its subsidiaries ("GDI" or the "Company"), covers the three-month and six-month periods ended June 30, 2016. This report should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the three-month and six-month periods ended June 30, 2016 (the "June 30, 2016 financial statements"). Readers should also refer to the most recent Company's audited consolidated financial statements and MD&A for the year ended December 31, 2015. All amounts are stated in Canadian dollars unless otherwise indicated. All financial information references to quarterly relate to GDI's Fiscal quarters. All information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A was prepared on August 12, 2016 with the information available at that date.

Financial measures, such as EBITDA, Adjusted EBITDA and Adjusted EBITDA margin, used in this MD&A do not have any standardized meaning under IFRS. Therefore, they may not be comparable to similar measures presented by other companies. The Company uses these non-IFRS measures ("Non-IFRS Measures") to assess its operating performance. For a reconciliation of these Non-IFRS Measures, consult the "Non-IFRS Financial Measures" section below.

General Matters

To facilitate the reading of this report, the terms "Company", "Group", "we", "our" and "us" all refer to GDI and all of its subsidiaries and references to "management" mean the executive officers of GDI. Any statements in this MD&A made by or on behalf of management are made in such persons' capacities as officers of GDI and not in their personal capacities. "U.S." refers to the United States of America and "North America" refers to both Canada and the U.S. collectively, but excludes Mexico. All references in this MD&A to "Fiscal 2015" are to the year ended December 31, 2015 and to "Fiscal 2016" are to the year ending December 31, 2016.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to GDI's future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee" "ensure" or other similar expressions concerning matters that are not historical facts. In particular, statements regarding GDI's future operating results and economic performance and its objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities, which GDI believes are reasonable as of the current date. While management considers these assumptions to be reasonable based on information currently available to the Company, they may prove to be incorrect. It is impossible for GDI to predict with certainty the impact that the current economic uncertainties may have on future results. Forward-looking information is also subject to certain factors, including risks and uncertainties (described in the "Risk factors" section) that could cause actual results to differ materially from what GDI currently expects. These factors include namely risks pertaining to unsuccessful implementation of the business strategy, inherent operating risks of acquisition activity, slowdown in acquisition activity, failure to integrate, decline in commercial real estate occupancy levels, deterioration in general economic conditions, increase in competition, influence of the principal shareholders, increase in costs which cannot be passed to customers, loss of key or long-term customers, financial difficulties or bankruptcy suffered by customers, tax matters, public procurement laws and regulations, legal proceedings, reputational damage, delays and reductions in government appropriations, labour disputes, adverse credit and financial market events and conditions, availability of liquidity, reduction or revocation of available credit and interest rate increases, dependence on access to cash to operate and pay debt obligations, goodwill and long-lived assets impairment charges, labour shortages, dependence on key employees, change in worker's compensation rates, participation in multi-employer pension plans, the U.S. federal health care reform legislation, insurance coverage, legislation or other governmental action, the technological environment to support growth, disruption in information technology systems, exchange rate fluctuations, disputes with franchises, public perception of environmental footprint, conflicts of interests, cost of regulatory requirements, many of which are beyond the Company's control. Therefore, future events and results may vary significantly from what management currently foresees. The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While management may elect to, the Company is under no obligation and does not undertake to update or alter this information at any particular time, except as may be required by law.

1 Profile and Business Strategy

GDI is a company incorporated under the Canada Business Corporations Act and domiciled in Lasalle, Québec, Canada. All issued and outstanding Subordinated Voting Shares ("SVS") of the Company are listed on the Toronto Stock Exchange under the symbol "GDI".

1.1 Key Business Strategy

GDI's principal financial objectives are to increase profitability and create shareholder value. To achieve these objectives, GDI has developed a strategy to grow both organically and through acquisitions, while achieving operating efficiencies across all of our business segments. GDI has become one of the largest outsourced janitorial service providers in North America and the largest in Canada, as determined by management based on the IBIS World Industry Reports ("Janitorial Services in the US — December 2015" and "Janitorial Services in Canada — January 2016") and on information publicly available from its competitors. GDI is also one of the largest providers of repair and maintenance services for HVAC-R, mechanical and electrical systems in Canada.

Organic growth is achieved by increasing its customer base as well as from increasing the amount of services provided to its existing customers ("Organic Growth"). In addition, GDI anticipates that the highly fragmented nature of the outsourced janitorial services industry in North America will continue to offer opportunities for further growth through acquisition.

A detailed explanation on achievements realized during the reported period is presented below in the sections "Operating and Financial Results" as well as "Business Acquisitions".

2 Operating and financial results

2.1 Financial Highlights

Three-month period ended June 30, 2016 compared to Fiscal 2015 corresponding period:

- Revenues reached $218.5 million, an increase of 25.4% of which 5.8% was generated by Organic Growth, 18.5% resulted from the acquisitions in the year ended December 31, 2015 of OSS Services, LLC and OSS Management, LLC ("OSS"), Produits Sany inc. ("Sany"), Asbury Building Services Inc. ("Asbury") and Ainsworth inc. ("Ainsworth") (collectively the "2015 Acquisitions") and 1.1% resulted from the appreciation of the U.S. dollar over the Canadian dollar ("F/X Appreciation") in the reported period of Fiscal 2016 against the comparable period in Fiscal 2015;
- Adjusted EBITDA amounted to $10.5 million compared to $8.7 million for the corresponding period of Fiscal 2015, an increase of 21.2%;
- Net income reached $2.5 million, an increase of $3.8 million compared to the net loss of $1.3 million for the corresponding period of Fiscal 2015;

Six-month period ended June 30, 2016 compared to Fiscal 2015 corresponding period:

- Revenues reached $427.3 million, an increase of 26.3% of which 3.7% was generated by Organic Growth, 20.8% resulted from the "2015 Acquisitions" and 1.8% resulted from the F/X Appreciation in the reported period of Fiscal 2016 against the comparable period in Fiscal 2015;
- Adjusted EBITDA amounted to $18.0 million compared to $17.7 million for the corresponding period of Fiscal 2015, an increase of 1.8%;
- Net income reached $1.6 million, an increase of $12.3 million compared to the net loss of $10.7 million for the corresponding period of Fiscal 2015;
- Net cash flow generated by operating activities amounted to $27.6 million, compared to a usage of $1.0 million for the corresponding period of Fiscal 2015; and
- On March 31, 2016, the Company amended its Senior Secured Credit Agreement (''Revolving Credit Facility'') to extend its maturity for an additional year.

2.2 Operating and financial results

Consolidated Results of Operations

The following table sets forth the major components of the Company's consolidated statements of comprehensive income (loss) for the three-month and six-month periods ended June 30, 2016 and 2015:

	Three-month period ended June 30,			Six-month period ended June 30,		
	2016	2015	Change	**2016**	2015	Change
(in thousands of Canadian dollars)	**$**	$	%	**$**	$	%
Revenues						
Janitorial Canada	**118,564**	114,445	3.6	**234,729**	227,667	3.1
Janitorial USA	**46,902**	41,352	13.4	**96,229**	79,768	20.6
Technical Services	**35,097**	4,393	699.0	**67,281**	8,495	692.1
Complementary Services	**24,262**	16,571	46.4	**40,081**	27,456	46.0
Inter-segment	**(6,283)**	(2,468)	154.6	**(10,992)**	(4,909)	123.9
Total revenues	**218,542**	174,293	25.4	**427,328**	338,477	26.3
Cost of services	**178,074**	144,489	23.2	**348,941**	280,259	24.5
Selling and administrative expenses	**30,218**	21,539	40.3	**60,792**	41,937	45.0
Transaction, reorganization and other costs	**418**	2,090	(80.0)	**2,539**	2,652	(4.3)

Revenues

Consolidated revenues for the second quarter of Fiscal 2016 increased by $44.2 million or 25.4%, to reach $218.5 million. Revenues increased as a result of the 2015 Acquisitions which contributed an amount of $32.3 million or 18.5%, Organic Growth contributed $10.0 million or 5.8% and F/X Appreciation contributed an amount of $1.9 million or 1.1%. For the six-month period ended June 30, 2016, consolidated revenues amounted to $427.3 million, an increase of $88.9 million or 26.3% compared to $338.5 million for the corresponding period in Fiscal 2015. Revenues increased as a result of the 2015 Acquisitions which contributed an amount of $70.2 million or 20.8%, Organic Growth which contributed for an amount of $12.6 million or 3.7% and F/X Appreciation which contributed an amount of $6.1 million or 1.8%.

Fiscal 2016 second quarter Janitorial Canada segment revenues increased by 3.6% or $4.1 million to reach $118.6 million. Revenue growth stemmed mainly from Organic Growth which contributed an amount of $2.4 million or 2.1% and the Asbury acquisition for an amount of $1.7 million or 1.5%. For the six-month period ended June 30, 2016, revenues amounted to $234.7 million, an increase of $7.1 million or 3.1% compared to $227.7 million for the same period in Fiscal 2015. Revenue growth stemmed mainly from the result of Organic Growth which contributed an amount of $2.7 million or 1.2% and the Asbury acquisition for an amount of $4.4 million or 1.9%.

Fiscal 2016 second quarter Janitorial USA segment revenues increased by 13.4% or $5.6 million to reach $46.9 million (US$36.4 million). Revenue growth stemmed from of Organic Growth which contributed an amount of $3.7 million or 8.9% and F/X Appreciation which contributed an amount of $1.9 million or 4.5%. For the six-month period ended June 30, 2016, revenues amounted to $96.2 million (US$72.3 million), an increase of $16.5 million, or 20.6% compared to $79.8 million (US$64.6 million) for the same period in Fiscal 2015. Revenue growth stemmed from Organic Growth which contributed an amount of $7.4 million or 9.2%, F/X Appreciation which contributed an amount of $6.1 million or 7.6% and the OSS acquisition for an amount of $3.0 million or 3.8%.

Fiscal 2016 second quarter Technical Services segment revenues increased by $30.7 million to reach $35.1 million. Revenue growth stemmed primarily from the Ainsworth acquisition which contributed an amount of $30.6 million and Organic Growth which contributed an amount of $0.1 million or 3.3%. For the six-month period ended June 30, 2016, revenues amounted to $67.3 million, an increase of $58.8 million compared to $8.5 million for the same period in Fiscal 2015. Revenue growth stemmed from the Ainsworth acquisition which contributed an amount of $58.3 million and Organic Growth which contributed an amount of $0.5 million or 5.4%.

Fiscal 2016 second quarter Complementary Services segment revenues increased by $7.7 million or 46.4% from Organic Growth, including equipment sales to new franchisees and in support of new contracts, to reach $24.3 million. For the six-month period ended June 30, 2016, revenues amounted to $40.1 million, an increase of $12.6 million, or 46.0% compared to $27.5 million for the same period in Fiscal 2015. Revenue growth stemmed from the Sany acquisition which contributed an amount of $4.5 million or 16.3% and Organic Growth which contributed an amount of $8.1 million or 29.7%, including equipment sales to new franchisees and in support of new contracts. Excluding inter-segment sales, the Fiscal 2016 second quarter Complementary Services segment Organic Growth is 28.2% and 9.1% for the three-month and six-month periods. During Fiscal 2015, Modern Cleaning Concept Inc. converted existing service contracts into franchisee agreements from which royalty revenues are recognized in Fiscal 2016 compare to services revenues recognized in Fiscal 2015 for the same contracts. This conversion resulted in a net decline on revenues of $0.7 million and $1.5 million for the three-month and six-month periods.

Inter-segment revenues reached $6.3 million and $11.0 million for the three-month and the six-month periods ended June 30, 2016 respectively, an increase of $3.8 million or 154.6% and $6.1 million or 123.9% compared to the same periods in Fiscal 2015. This increase was primarily the result of providing incremental supplies and equipment to fulfill contractual obligations by the Complementary Services to the Janitorial Canada segment.

Cost of services

Fiscal 2016 second quarter consolidated cost of services increased by 23.2% to $178.1 million from $144.5 million for the same period of Fiscal 2015. For the six-month period ended June 30, 2016, the consolidated cost of services increased by $68.7 million or 24.5 % to reach $348.9 million compared to the same period of Fiscal 2015. The increase is primarily due to costs related to the full year impact of the 2015 Acquisitions, as well as salary increases and costs related to one extra working day in Fiscal 2016 first quarter ("Extra Day") for an amount of $1.8 million. As a percentage of revenues, cost of services decreased from 82.9% to 81.5% for the three-month period ended June 30, 2016 and decreased from 82.8% to 81.7% for the six-month period ended June 30, 2016 when compared to the same periods of Fiscal 2015. The decrease in the costs of services as a percentage of revenues is mainly due to the Technical Services segment operations requiring a lower level of cost of services.

Selling and administrative expenses

Consolidated selling and administrative expenses increased by $8.7 million or 40.3% to $30.2 million in the second quarter of Fiscal 2016. For the six-month period ended June 30, 2016, consolidated selling and administrative expenses amounted to $60.8 million compared to $41.9 million for the same period of Fiscal 2015, an increase of 45.0%. This increase is primarily explained by the higher level of selling and administrative expenses from the 2015 Acquisitions, including Ainsworth which requires a higher level of selling and administrative expenses relative to revenues, and to support Organic Growth. As a percentage of revenues, selling and administrative expenses increased from 12.4% to 13.8% for the three-month period ended June 30, 2016 and increased from 12.4% to 14.2% for the six-month period ended June 30, 2016 when compared to the same periods of Fiscal 2015, mainly due to Technical Services segment operations requiring a higher level of selling and administrative expenses.

Transaction, reorganization and other costs

Transaction, reorganization and other costs for the three-month period ended June 30, 2016 amounted to $0.4 million, which include $0.2 million of severance costs for ongoing restructuring mainly in the Technical Services segment in order to streamline its operations. Transaction, reorganization and other costs for the six-month period ended June 30, 2016 amounted to $2.5 million, which include $2.1 million of severance costs for ongoing restructuring mainly in the Technical Services segment in order to streamline its operations.

For the three-month and six-month periods of Fiscal 2015, the Company incurred costs to complete the 2015 Acquisitions ($1.0 million and $1.6 million, respectively), as well as $1.1 million of costs related to become a public company and other reorganization costs in the Fiscal 2015 second quarter .

Adjusted EBITDA and Adjusted EBITDA Margin

(in thousands of Canadian dollars)	Three-month period ended June 30, 2016 $	2015 $	Change %	Six-month period ended June 30, 2016 $	2015 $	Change %
Adjusted EBITDA [(1)]						
Janitorial Canada	**7,183**	6,118	17.4	**12,871**	13,065	(1.5)
Janitorial USA	**2,843**	3,828	(25.7)	**6,522**	6,855	(4.9)
Technical Services	**1,171**	168	597.0	**596**	426	39.9
Complementary services	**1,581**	925	70.9	**2,563**	1,396	83.6
Corporate and other	**(2,267)**	(2,363)	4.1	**(4,507)**	(4,017)	(12.2)
Adjusted EBITDA [(1)]	**10,511**	8,676	21.2	**18,045**	17,725	1.8
Adjusted EBITDA Margin [(1)]	**4.8%**	5.0%		**4.2%**	5.2%	

(1) The indicated terms do not have standardized definitions prescribed by the IFRS and therefore, may not be comparable to similar measures presented by other companies. For more details, consult the "Non-IFRS financial measures" section of the MD&A.

Adjusted EBITDA is defined as operating income before depreciation and amortization, goodwill impairment, transaction, reorganization and other costs, capital appreciation plan expense and share-based compensation. The Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by revenues. Adjusted EBITDA and Adjusted EBITDA Margin are reconciled in the section "Non-IFRS financial measures".

Consolidated Adjusted EBITDA

Consolidated Adjusted EBITDA increased by 21.2% to $10.5 million in Fiscal 2016 second quarter and by 1.8% to $18.0 million in the six-month period ended June 30, 2016, when compared to the same periods in Fiscal 2015. Adjusted EBITDA Margin was 4.8% and 4.2% for the three-month and six-month periods ended June 30, 2016 compared to 5.0% and 5.2% for the corresponding periods of Fiscal 2015, respectively. The increase of the Adjusted EBITDA for the three-month period is mainly due to Organic Growth, a stronger performance, 2015 Acquisitions and F/X Appreciation, offset by the Janitorial USA segment softer performance.

The increase for the six-month period is mainly due to Organic Growth and 2015 Acquisitions, offset by softer economic conditions impacting the Technical Services segment, the Extra Day which added $1.8 million to costs and additional costs as a public company. Without the costs related to the Extra Day, the Adjusted EBITDA for Fiscal 2016 six-month period would have been $19.8 million or an Adjusted EBITDA Margin of 4.6% compared to $ 17.7 million or an Adjusted EBITDA Margin of 5.2% for the same period of Fiscal 2015.

Janitorial Canada Adjusted EBITDA

Fiscal 2016 second quarter Adjusted EBITDA of the Janitorial Canada segment increased by 17.4% to $7.2 million from $6.1 million for the same period in Fiscal 2015. Second quarter 2016 Adjusted EBITDA Margin increased to 6.1% from 5.3% compared to the corresponding period of Fiscal 2015. The growth mainly stemmed from the acquisition of Asbury in Fiscal 2015 and Organic Growth.

For the six-month period ended June 30, 2016, Adjusted EBITDA decreased by 1.5% to $12.9 million compared to $13.1 million for the same period in Fiscal 2015. The Adjusted EBITDA Margin for the six-month period ended June 30, 2016 decreased to 5.5% from 5.7% compared to the corresponding period of Fiscal 2015. Adjusted EBITDA Margin for the six-month period was impacted by the Extra Day which added $1.4 million to costs. Without the costs related to the Extra Day, the Adjusted EBITDA for Fiscal 2016 six-month period would have been $14.3 million or an Adjusted EBITDA Margin of 6.1%.

Janitorial USA Adjusted EBITDA

Fiscal 2016 second quarter Adjusted EBITDA of the Janitorial USA segment decreased by 25.7%, to $2.8 million (US$2.3 million) from $3.8 million (US$3.2 million) for the same period in Fiscal 2015 and the Adjusted EBITDA Margin decreased to 6.1% in the second quarter 2016 from 9.3% for the corresponding period of Fiscal 2015. This decrease is primarily due to one-time costs related to the renewal of a large contract, higher compensation expenses and higher insurance expenses in the amount of US$0.5 million, as well as minimum wage increases in certain markets, partially offset by F/X Appreciation.

For the six-month period ended June 30, 2016, Adjusted EBITDA decreased by 4.9% to $6.5 million (US$5.0 million) compared to $6.9 million (US$5.4 million) for the corresponding period of Fiscal 2015 and the Adjusted EBITDA Margin decreased to 6.8% for the six-month period ended June 30, 2016 compared to 8.6% for the corresponding period of Fiscal 2015. This decrease is primarily due to one-time costs related to the higher compensation expenses in the amount of US$0.3 million, as well as costs related to the renewal of a large contract, higher insurance expenses and minimum wage increases in certain markets, partially offset by Organic Growth, the acquisition of OSS and F/X Appreciation. Adjusted EBITDA Margin for the six-month period was also impacted by the Extra Day which added $0.4 million to costs. Without the costs related to the Extra Day, the Adjusted EBITDA for Fiscal 2016 six-month period would have been $6.9 million or an Adjusted EBITDA Margin of 7.2%.

Technical Services Adjusted EBITDA

Fiscal 2016 second quarter Adjusted EBITDA of the Technical Services segment increased to $1.2 million from $0.2 million for the same period in Fiscal 2015. For the six-month period ended June 30, 2016, Adjusted EBITDA increased by 39.9%, to $0.6 million from $0.4 million for the same period in Fiscal 2015. The growth mainly stemmed from the acquisition of Ainsworth in Fiscal 2015. The Adjusted EBITDA Margin decreased to 3.3% in the second quarter 2016 from 3.8% for the corresponding period of Fiscal 2015 and to 0.9% for the six-month period ended June 30, 2016 compared to 5.0% for the corresponding period of Fiscal 2015. The decrease in Adjusted EBITDA Margin is mainly due to Ainsworth being affected by general softer economic conditions as well as the impact of a lower price of oil and the forest fire evacuation of Fort McMurray which adversely impacted the economy in Western Canada. However, an improvement in sales orders experienced at the start of Fiscal 2016 second quarter and the streamlining of operations (as discussed in the section Transaction, reorganization and other costs) contributed to the Fiscal 2016 second quarter results and should continue to contribute to future results.

Complementary Services Adjusted EBITDA

Fiscal 2016 second quarter Adjusted EBITDA of the Complementary Services segment increased by 70.9% to $1.6 million from $0.9 million for the same period in Fiscal 2015. For the six-month period ended June 30, 2016, Adjusted EBITDA increased by 83.6% to $2.6 million from $1.4 million for the same period in Fiscal 2015. The Adjusted EBITDA Margin increased to 6.5% in the second quarter 2016 from 5.6% for the corresponding period of Fiscal 2015 and to 6.4% for the six-month period ended June 30, 2016 compared to 5.1% for the corresponding period of Fiscal 2015. The growth mainly stemmed from the acquisition of Sany in Fiscal 2015, as well as an improvement in the manufacturing and distribution operations in Oakville, Ontario and Organic Growth mainly driven by equipment sales to new franchisees and to support new contracts.

For the three-month and six-month periods ended June 30, 2016, the Adjusted EBITDA of the Corporate and other segment remained similar when compared to the same period in Fiscal 2015.

Fixed charges

	Three-month period ended June 30,			Six-month period ended June 30,		
	2016	2015	Change	**2016**	2015	Change
(in thousands of Canadian dollars)	**$**	$	%	**$**	$	%
Depreciation and amortization	**4,892**	3,968	23.3	**10,091**	7,650	31.9
Net finance expense	**1,362**	2,533	(46.2)	**2,330**	15,320	(84.8)

Depreciation and Amortization

Depreciation and amortization increased by 23.3% to $4.9 million in the second quarter of Fiscal 2016 and by 31.9% to $10.1 million for the six-month period ended June 30, 2016. This increase stemmed from the depreciation of property, plant and equipment and the amortization of intangible assets from the 2015 Acquisitions.

Net Finance Expense

Net finance expense decreased by 46.2% to $1.4 million in the second quarter of Fiscal 2016 from $2.5 million for the corresponding period in Fiscal 2015, mainly as a result of the decreased accretion expense on convertible and puttable shares and the special units capital appreciation plan and interest on due to shareholders for an amount of $3.0 million, as those instruments were terminated on May 14, 2015, offset by a gain on foreign exchange of $0.9 million in Fiscal 2015 second quarter which did not reoccur in Fiscal 2016 second quarter and a unfavourable variation in the change in the fair value of contingent consideration of $0.8 million.

Net finance expense decreased by 84.8% to $2.3 million in the six-month period ended June 30, 2016 from $15.3 million for the corresponding period in Fiscal 2015, mainly as a result of the decreased accretion expense on convertible and puttable shares and the special units capital appreciation plan and interest on due to shareholders for an amount of $15.4 million. In addition, a change in fair value of the derivative financial instrument of $0.9 million occurred, offset by a gain on foreign exchange of $3.0 million in Fiscal 2015 six-month period which did not reoccur in Fiscal 2016 six-month period.

Income Tax Expense

	Three-month period ended June 30,			Six-month period ended June 30,		
	2016	2015	Change	**2016**	2015	Change
(in thousands of Canadian dollars)	**$**	$	%	**$**	$	%
Income tax expense	**1,057**	950	11.3	**1,070**	1,349	(20.7)

Income tax expenses increased by 11.3% to $1.1 million in the three-month period ended June 30, 2016 compared to the same period of Fiscal 2015 and decreased by 20.7% to $1.1 million in the six-month period ended June 30, 2016 compared to the same period of Fiscal 2015. Income tax expense reflected the private company corporate tax structure until May 14, 2015 for which a portion of the taxable income of the limited partnership structure was attributable to limited partners other than the Company. The current and deferred income taxes attributable to such other limited partners were not recorded in the consolidated financial statements of the Company until May 14, 2015, which resulted in an income tax expense of $11.3 million, offset by the recognition of $11.8 million for the Medwell non-capital losses acquired in the reverse acquisition in Fiscal 2015. Fiscal 2015 second quarter and six-month period income tax expense is also explained by the non-deductible expenses related to the accretion of puttable and convertible shares and special units of the capital appreciation plan.

Net Income (loss) and Earnings (loss) per Share

	Three-month period ended June 30,			Six-month period ended June 30,		
	2016	2015	Change	**2016**	2015	Change
(in thousands of Canadian dollars, except per share data)	**$**	$	%	**$**	$	%
Net income (loss)	**2,521**	(1,276)	297.6	**1,565**	(10,690)	114.6
Earnings (loss) per share:						
Basic and diluted (1)	**0.12**	(0.04)		**0.08**	(1.16)	

(1) Per Multiple and Subordinate Voting Share – To calculate the loss per share, the weighted average number of shares have been adjusted to reflect the equivalent number of shares issued upon the reverse acquisition. This effect was accounted retrospectively for all periods presented of Fiscal 2015.

Net income amounted to $2.5 million or $0.12 earnings per share in three-month period ended June 30, 2016 compared to a net loss of $1.3 million or $0.04 loss per share in Fiscal 2015 comparative period. Net income increased by $3.8 million which is mainly due to the increase in operating income of $2.7 million and the decrease in net finance expense of $1.2 million.

Net income amounted to $1.6 million or $0.08 earnings per share in six-month period ended June 30, 2016 compared to a net loss of $10.7 million or $1.16 loss per share in Fiscal 2015 comparative period. Net income increased by $12.3 million which is mainly due to the decrease in net finance expense of $13.0 million, offset by an operating income decline of $1.0 million.

Earnings per share is also impacted by the significant increase in the number of shares outstanding issued upon the reverse acquisition on May 14, 2015.

2.3 Cash-flow analysis

(in thousands of Canadian dollars)	Six-month period ended June 30, 2016 $	2015 $	Change %
Cash flows from (used in) operating activities	**27,568**	(1,005)	2,843.1
Cash flows (used in) from financing activities	**(13,301)**	13,635	(197.6)
Cash flows used in investing activities	**(3,148)**	(20,819)	(84.9)
Foreign exchange (loss) gain on cash held in foreign operations	**(300)**	179	(267.6)
Net change in cash and cash equivalents	**10,819**	(8,010)	(235.1)
Cash and cash equivalent, net of bank indebtedness, beginning of period	**4,017**	12,772	(68.6)
Cash and cash equivalent, net of bank indebtedness, end of period	**14,836**	4,762	211.6

The Company's sources of cash include cash generated from operating activities and available borrowings under the Revolving Credit Facility. The Company's primary uses of cash are to fund the operations working capital requirements, capital expenditures and business acquisitions, as the case may be.

Operating activities

For the six-month period ended June 30, 2016, cash flow from operating activities reached $27.6 million compared to a usage of $1.0 million for the same period in Fiscal 2015, an increase of $28.6 million. The increase is primarily the result of the increase of the net change in operating assets and liabilities of $25.1 million mainly from an increase in trade and other payables of $25.8 million. The change further reflects the settlement of the capital appreciation plan for $3.4 million in Fiscal 2015 that is not recurring, offset by the reduction of the operating income of $1.0 million.

Financing activities

Net cash used in financing activities was $13.3 million for the six-month period ended June 30, 2016 compared to an inflow of $13.6 million for the same period in Fiscal 2015. This decrease in cash inflows from financing activities is mainly due to the completion, in Fiscal 2015, of the arrangement to become a public company, for a net amount of $29.6 million, which included the issuance of SVS, repayment of due to shareholders, the redemption or acquisition of previous shares and share issuance costs, offset by the payment of contingent considerations of $2.6 million in Fiscal 2015. During the six-month period ended June 30, 2016, the Company has repaid a net amount of $7.0 million of the Revolving Credit Facility.

Investing activities

The net cash used by investing activities for the six-month period ended June 30, 2016 was an amount of $3.1 million compared to an outflow of $20.8 million, a decrease of $17.7 million of usage compared to the same period in 2015. The decrease arised essentially from the decrease in the amounts invested for business acquisitions of $16.9 million, the collection of a contingent consideration for $3.0 million, offset by an increase in purchase of property, plant and equipment and intangibles of $1.8 million during the six-month period ended June 30, 2016 due to 2015 Acquisitions and amounts spent to buy equipment in support of new contracts.

2.4 Consolidated Financial Position

(in thousands of Canadian dollars)	**June 30, 2016** **$**	December 31 2015 $	Variance from December 31, 2015 $	%
Cash and cash equivalents	**14,836**	4,017	10,819	269.3
Trade and other receivables	**144,265**	148,102	(3,837)	(2.6)
Net current tax assets	**1,073**	326	749	426.0
Inventories	**11,626**	11,774	(148)	(1.3)
Prepaid expenses and other	**5,186**	8,599	(3,413)	(39.7)
Loans receivable and other	**12,367**	5,410	6,957	128.6
Property, plant and equipment	**40,811**	39,140	1,671	4.3
Intangible assets	**90,066**	95,485	(5,419)	(5.7)
Goodwill	**142,695**	144,549	(1,854)	(1.3)
Trade and other payables and provisions	**110,867**	90,926	19,941	21.9
Deferred revenues	**3,576**	4,666	(1,090)	(23.4)
Long-term debt, including current portion	**136,106**	147,988	(11,882)	(8.0)
Net deferred tax liabilities	**3,699**	4,145	446	10.8
Other liabilities	**1,478**	2,080	(602)	(28.9)

Since December 31, 2015, the main variances that occurred in the financial position are as follows:

- Cash and cash equivalents increase of $10.8 million is explained in the cash flow analysis section;
- Trade and other receivables decreased by $3.8 million as result of the depreciation of the U.S. dollar over the Canadian dollar ("F/X Depreciation"), collecting a contingent consideration of $3.0 million during Fiscal 2016 first quarter, offset by timing difference in the collection;
- The prepaid expenses and other decreased by $3.4 million due to timing difference in the payment and F/X Depreciation;
- The loans receivable and other increased by $7.0 million due to new loans to franchisees, mainly to finance equipment and franchise rights to fulfill new contracts of the franchisees in janitorial and maintenance services;
- Property, plant and equipment increased by $1.7 million, due to capital expenditures required to support Organic Growth and 2015 Acquisitions operations, offset by F/X Depreciation and depreciation and amortization expense;
- Intangible assets decreased by $5.4 million, due to depreciation and amortization expense and from F/X Depreciation, offset by 2015 Acquisitions operations;
- Goodwill decreased by $1.9 million as a result of F/X Depreciation;
- The trade and other payables and provisions increased by $19.9 million, as a result of higher provision for severance costs and timing in vacation accrual, incremental purchases for supplies and equipment to fulfill contractual obligations by the Complementary Services to the Janitorial Canada segment and Organic Growth, offset by F/X Depreciation and timing differences in payments to suppliers; and
- The decrease of $11.9 million in the long-term debt is mainly due to repayments of the Revolving Credit Facility and balance of sales and the F/X Depreciation.

2.5 Contractual Obligations

The following table summarizes the Company's contractual obligations as at June 30, 2016, including its commitments related to leasing contracts:

(in thousands of Canadian dollars)	Less than one $	1 to 5 years $	More than 5 years $	Total amount $
Commitments				
Operating lease agreement	4,800	12,327	3,385	20,512
Financial obligations				
Trade and other payables	103,379	-	-	103,379
Derivatives financial instruments	-	1,064	-	1,064
Long-term debt [1]	13,231	152,313	-	165,544
Contingent considerations	1,368	194	-	1,562
Total obligations	122,778	165,898	3,385	292,061

(1) Including interest on long term debt based on the outstanding amounts and actual rates in effect as at June 30, 2016.

Management believes that the Company's operating activities and available borrowing capacity will provide adequate sources of funds to meet short-term requirements.

Some of the subsidiaries of the Janitorial USA segment contribute to multi-employer pension plans (the "Plans"), which are managed by independent boards of trustees. These Plans are different from single-employer pension plans, in the following respects:

- Contributions to these Plans by one employer may be used to provide benefits to employees of other participating employers;
- If a participating employer stops contributing to the Plan, some or all of the unfunded obligations pertaining to the departing employer may be allocated to the remaining participating employers; and
- Certain events could result in a requirement that we pay amounts to a Plan based on the underfunded status of the Plan, commonly referred to as "withdrawal liability".

The Plans determine the liabilities of an employer, for complete withdrawal, as the sum of the unamortized balances of the employer's prorated shares of the unfunded vested liability. The prorated shares are based on the ratio of contributions. As at June 30, 2016, the Company had not withdrawn from Plans and no withdrawal liabilities were recognized in the condensed consolidated interim statements of financial position.

The Company's responsibility to make contributions to these Plans is limited by amounts established pursuant to its collective agreements. These Plans are accounted for as defined contribution plans since information about all components of the plan is not available due to the size and number of contributing employers in these Plans.

2.6 Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements other than operating lease agreements which have been disclosed under "Contractual Obligations" that have or are reasonably likely to have a current and future material effect on the consolidated financial position, financial performance, liquidity, capital expenditures or capital resources.

In addition, as at June 30, 2016, GDI used performance bonds for an amount of $31.9 million. These performance bonds are principally insurance bonds related to contractual obligations in the normal course of business and to collateralize self-insurance obligations. These bonds typically remain in force for a period of up to three years and may include renewal options. We do not believe that these bonds will be drawn upon by beneficiaries.

2.7 Capital Resources

2.7.1 Credit Facilities

On March 31, 2016, the Company extended the maturity for one additional year until May 2021 of its Revolving Credit Facility. In addition, there were minor modifications to other terms and conditions of this Revolving Credit Facility.

	Authorized	Used as at June 30, 2016
Revolving credit facility		
First tranche	US$60.0 million	US$30.7 million
Second tranche	$140.0 million	$88.0 million

As at June 30, 2016, $39.7 million (US$30.7 million) and $88.0 million were used on the first and second tranches, respectively, of the Revolving Credit Facility (December 31, 2015 - $42.5 million ($US 30.7 million) and $95.0 million respectively), and letters of credit amounting to $4.2 million (December 31, 2015 - $3.8 million) were issued in favor of various customers, which reduced available credit of the authorized facility.

GDI is in compliance with all of its covenants at the end of the three-month period ended June 30, 2016. Absent only strategic acquisitions, Management is focusing on reducing debt levels during the year ending December 31, 2016.

2.7.2 Balance of Sales

With respect to prior business acquisitions, there are remaining balances of sale payable, which are subordinated, unsecured and non-interest bearing, for an amount of $5.7 million which are maturing between July 2016 and April 2017.

2.7.3 Outstanding share data

A description of the Company's share data as at August 10, 2016 is presented in the table below. Additional details are provided in Note 6 to the June 30, 2016 financial statements.

	Number of shares/options	Amount (in thousands) $
Common shares		
Subordinate voting shares	11,773,913	183,919
Multiple voting shares	9,461,200	141,853
Options to purchase subordinate voting shares		
Outstanding stock options	489,671	
Exercisable stock options	60,322	

2.8 Business acquisitions

Part of GDI strategy is to continue to grow by acquisitions. In the year ended December 31, 2015, the following acquisitions were completed:

- OSS Services, LLC and OSS Management, LLC, on April 1, 2015;
- Produits Sany inc., on April 2, 2015;
- Asbury Building Services Inc., on June 1, 2015;
- Ainsworth Inc., on November 6, 2015.

During the three-month period ended June 30, 2016, the preliminary assessment of the estimated fair value of assets acquired and liabilities assumed of Ainsworth has changed and relates to an increase in the fair value of intangible assets of $0.7 million, a decrease in deferred tax asset of $0.2 million and an increase in the working capital of $0.3 million. Also an additional amount of $0.1 million had been added to the total consideration paid to reflect the final working capital adjustments. The net impact of those adjustments was recognized as a gain on acquisition of $0.7 million during the year ended December 31, 2015. Consequently, the comparative condensed consolidated statement of financial position as at December 31, 2015 has been recasted to adjust the provisional amount recognized at the date of acquisition. As a result, the deficit at December 31, 2015 was reduced by $0.7 million in accordance with accounting guidelines.

2.9 Related Party Transactions

There have been no significant changes with respect to the related party transactions described in the GDI annual consolidated financial statements for the year ended December 31, 2015.

3. Financial risks

As at June 30, 2016, GDI's financial assets included cash and cash equivalents, trade and other receivables and loans receivable and other. GDI's financial liabilities included bank indebtedness, trade and other payables, long-term debt, contingent considerations and derivative financial instruments. The classification of these financial instruments for the three-month and six-month periods ended June 30, 2016 is described in Note 3 of the December 31, 2015 annual consolidated financial statements.

3.1 Interest rate risk

The Company is exposed to interest rate risk mainly resulting from long term borrowings under the Revolving Credit Facility which bear interest at a variable rate until May 31, 2021. The Company entered into interest rate swap agreements ("SWAPs") with two financial counterparties that have a credit rating of at least A by Standard and Poor's Financial Services LLC and Aa3 by Moody's Company for an aggregate amount of $40 million. The Company pays a fixed interest rate of 2.04% and receives floating interest based on 30-day bankers' acceptance rate which was set at 0.88% on June 30, 2016. The Company is currently hedging 31.3% of its Revolving Credit Facility and revises periodically the level of debt on which interest rates should be fixed.

The SWAPs are marked to market periodically and at June 30, 2016, the fair values are $1.1 million ($1.3 million at December 31, 2015). On April 13, 2015, the SWAPs have been designated as hedging instruments eligible for cash flow hedge accounting. In Fiscal 2016, the effective portion of changes in the fair value has been recognized in other comprehensive income for an amount of $38 thousand and in finance expense for an amount of ($0.2) million.

The following table shows the interest rate swaps outstanding at June 30, 2016:

Type of hedge	Notional amount	Receive interest rate	Pay interest rate	Maturity	Hedged item
Cash flow	$40 million	CAD-BA-CDOR interest rate	2.04%	September 28, 2018	The first 40 million dollars of floating interest payments of the Revolving Credit Facility

The sensitivity of the Company's six-month period net income to a variation of 1% in the interest rate applicable is approximately $0.3 million based on the amount drawn from the Revolving Credit Facility at June 30, 2016.

3.2 Foreign currency risk

GDI is exposed to foreign currency risk on financial assets and liabilities that are denominated in a currency other than the respective functional currencies of GDI and its subsidiaries; this currency risk is not significant for the Company. GDI also has operations in the U.S. and is exposed to the risk of a fluctuating U.S. dollar in relation to the Canadian dollar, since it has to revalue the assets and liabilities of its U.S. foreign operations at the exchange rate prevailing at the end of each period and record the impact of this revaluation in shareholder's equity. As at June 30, 2016, the carrying value of net investment in foreign operations was US$52.7 million.

Since May 1, 2015, the Company has designated the U.S. dollar tranche of its Revolving Credit Facility as a hedging instrument of its U.S. dollar net investments. As at June 30, 2016, the carrying amount of the financial liability designated as hedging item was US$30.7 million. The effective portion of the unrealized exchange losses on the hedging item of the net investment in foreign operations was $2.8 million and was recognized in other comprehensive income.

As at June 30, 2016, a 10% appreciation or depreciation of the U.S. dollar over the Canadian dollar would change other comprehensive income by approximately $0.5 million.

The following table sets forth, for each of the periods indicated, the average and the period end exchange rates for one U.S. dollar ("US$"), expressed in Canadian dollars:

	Three-month period ended June 30, 2016 $	Three-month period ended June 30, 2015 $	Six-month period ended June 30, 2016 $	Six-month period ended June 30, 2015 $	Year ended December 31, 2015 $
Average	**1.2886**	1.2294	**1.3317**	1.2353	1.2796
Period End	**1.2917**	1.2490	**1.2917**	1.2490	1.3840

3.3 Liquidity Risk

The Company manages its liquidity risk by continuously monitoring its operating cash requirements taking into account working capital needs, capital expenditures and revenues and expenses. The Company believes the cash flows generated from operations combined with its cash-on-hand and the availability of funds under its Revolving Credit Facility ensures its financial flexibility and mitigates its liquidity risk.

3.4 Credit Risk

The Company could be exposed, in the normal course of business, to the potential inability of customers to meet their contractual obligations on financial assets, mainly on trade receivables. Additional information on financial instruments is provided in Note 25 to the GDI 2015 annual consolidated financial statements.

4 Evaluation of disclosure controls and procedures and internal control over financial reporting

Internal control over financial reporting ("ICFR") is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and of the preparation of financial statements for external purposes in accordance with IFRS. The President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), together with Management, are responsible for establishing and maintaining adequate disclosure controls and procedures ("DC&P") and ICFR, as defined in National Instrument 52-109. GDI's internal control framework is based on the criteria published in the updated version released in May 2013 of the report entitled Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

National Instrument 52-109 allows an issuer to limit the design of DC&P and/or ICFR to exclude businesses acquired not more than 365 days before the end of the period to which the certificate relates. GDI acquired Ainsworth, effective November 6, 2015. As permitted by National Instrument 52-109, Management limited the scope of their design of DC&P and ICFR to exclude the controls, policies and procedures of this business. In addition, all the assets and liabilities acquired were valued and recorded in the consolidated financial statements as part of the purchase price allocation process and Ainsworth's results of operations were also included in the Corporation's consolidated results. For the six-month period ended June 30, 2016, Ainsworth constituted 13.7% of revenues, (118.8)% of total net income, 11.0% of total assets, 17.1% of current assets, 7.2% of non-current assets, 14.1% of current liabilities and 2.1% of non-current liabilities of the consolidated financial statements. During the remainder of Fiscal 2016, Management will complete its review of the design of DC&P and ICFR for this business and assess their effectiveness.

The Company was privately held until its initial public offering in May 2015 and completed many acquisitions of other privately held enterprises over the years, some of which have created integration challenges. As at December 31, 2015, the CEO and CFO, supported by Management, evaluated the design and effectiveness of GDI's DC&P and ICFR and identified a number of deficiencies with respect to the Company's design of ICFR and operating effectiveness. The combination of these deficiencies had been determined to constitute a material weakness. A material weakness is a deficiency or a combination of deficiencies in ICFR such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. As a result of the material weakness that was determined to exist as described above, the CEO and CFO concluded that GDI's DC&P and ICFR were not effective as at December 31, 2015.

During the six-month period ended June 30, 2016, Management diligently worked on its remediation plans and has resolved the deficiencies related to the access rights of GDI's financial system, the supporting evidence with respect to transactions, the segregation of duties, the adoption and implementation of policies and procedures as well as the authorization and review over transactions. Management therefore concluded that full implementation of these remedial measures has resolved the material weakness in the design of GDI's DC&P and ICFR as at the end of the second quarter of 2016. For the remaining of Fiscal 2016, Management will focus on testing the effectiveness of controls implemented in the remediation phase.

Based on the review completed to date of the design and implementation of the new controls and notwithstanding that the effectiveness of the new controls to remediate the material weakness have not yet been fully tested, the CEO and CFO believe that (i) GDI's consolidated filings for the six-month period ended June 30, 2016 do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, and (ii) the financial statements together with the other financial information included in the consolidated filings fairly present, in all material respects, the financial condition, financial performance and cash flows of GDI for the six-month period ended June 30, 2016.

Changes in Internal Control over Financial Reporting

The CEO and CFO have also evaluated whether there were changes to its ICFR during the quarter ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, the ICFR. As previously disclosed during the first quarter, Management resolved the deficiencies related to access rights of GDI's financial system and the supporting evidence with respect to transactions. During this second quarter, Management focused on correcting the remaining control deficiencies for which issues were identified including the segregation of duties, the adoption and implementation of policies and procedures as well as the authorization and review over transactions. As part of this process, Management completed training of key process owners and redesigned the ineffective controls. In addition, controls will continue to be periodically analysed and assessed in order to sustain continuous improvement.

5 Critical Estimates and Accounting Policies

5.1 Change in Critical Accounting Policies, Significant estimates and Critical judgment

There has been no significant change in GDI's critical accounting policies, significant estimates and critical judgement since December 31, 2015. A description of the Company's policies, estimates and judgements can be found in the GDI annual consolidated financial statements for the year ended December 31, 2015.

5.2 Future accounting developments in Canada

A number of new standards, interpretations and amendments to existing standards were issued by the International Accounting Standard Board (''IASB'') that are mandatory but not effective for the period ended June 30, 2016 and have not been applied in preparing the June 30, 2016 financial statements. These standards are described in the MD&A for the year ended December 31, 2015 published on February 26, 2016.

In January 2016, the IASB issued amendments to IAS 7 ''Statements of Cash Flows'' which will require specific disclosures for movements in certain liabilities on the statement of cash flows. These amendments will be applicable for the annual period beginning on or after January 1, 2017, with earlier application permitted. The potential impact of the adoption of this standard on consolidated statements of the Company has not been determined.

6 Non-IFRS Financial Measures

This section describes the non-IFRS financial measures used by the Company throughout this MD&A. It also provides a reconciliation between non-IFRS financial measures and the most comparable IFRS financial measures. These financial measures do not have standard definitions prescribed by IFRS and, therefore may not be comparable to similar measures presented by other companies. These measures include Adjusted EBITDA, and Adjusted EBITDA margin.

6.1 Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and adjusted EBITDA margin are benchmarks commonly used in the commercial janitorial as well as technical services industry, as they allow comparisons with companies that have different capital structures and are more current measures since they exclude the impact of historical investments in assets. Adjusted EBITDA evolution assesses the Company's ability to seize growth opportunities in a cost-effective manner, to finance its ongoing operations and to service its long-term debt. Consequently, consolidated adjusted EBITDA is one of the key metrics used by the financial community to value the business and its financial strength. Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenues.

The most comparable IFRS financial measure is operating income for the periods. Adjusted EBITDA and Adjusted EBITDA margin are calculated as follows:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2016	2015	2016	2015
(in thousands of Canadian dollars)	$	$	$	$
Operating income	**4,940**	2,207	**4,965**	5,979
Depreciation and amortization	**4,892**	3,968	**10,091**	7,650
Capital appreciation plan expense and share-based compensation	**261**	411	**450**	1,444
Transaction, reorganization and other costs	**418**	2,090	**2,539**	2,652
Adjusted EBITDA	**10,511**	8,676	**18,045**	17,725
Revenues	**218,542**	174,293	**427,328**	338,477
Adjusted EBITDA margin	**4.8%**	5.0%	**4.2%**	5.2%

Adjusted EBITDA for the segment Janitorial Canada is calculated as follows:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2016	2015	2016	2015
(in thousands of Canadian dollars)	$	$	$	$
Operating income	**4,796**	3,729	**7,600**	8,162
Depreciation and amortization	**2,403**	2,270	**4,769**	4,486
Capital appreciation plan expense and share-based compensation	-	(298)	-	-
Transaction, reorganization and other costs	**(16)**	417	**502**	417
Adjusted EBITDA	**7,183**	6,118	**12,871**	13,065
Revenues (1)	**118,564**	114,445	**234,729**	227,667
Adjusted EBITDA margin	**6.1%**	5.3%	**5.5%**	5.7%

(1) Includes intersegment sales eliminated on consolidation

Adjusted EBITDA for the segment Janitorial U.S.A. is calculated as follows:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2016	2015	2016	2015
(in thousands of Canadian dollars)	$	$	$	$
Operating income	**2,087**	3,000	**4,893**	5,186
Depreciation and amortization	**727**	742	**1,532**	1,402
Capital appreciation plan expense and share-based compensation	-	86	-	264
Transaction, reorganization and other costs	**29**	-	**97**	3
Adjusted EBITDA	**2,843**	3,828	**6,522**	6,855
Revenues (1)	**46,902**	41,352	**96,229**	79,768
Adjusted EBITDA margin	**6.1%**	9.3%	**6.8%**	8.6%

(1) Includes intersegment sales eliminated on consolidation

Adjusted EBITDA for the segment Technical Services is calculated as follows:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2016	2015	2016	2015
(in thousands of Canadian dollars)	$	$	$	$
Operating income	**250**	153	**(2,508)**	396
Depreciation and amortization	**811**	15	**1,745**	30
Capital appreciation plan expense and share-based compensation	-	-	-	-
Transaction, reorganization and other costs	**110**	-	**1,359**	-
Adjusted EBITDA	**1,171**	168	**596**	426
Revenues (1)	**35,097**	4,393	**67,281**	8,495
Adjusted EBITDA margin	**3.3%**	3.8%	**0.9%**	5.0%

(1) Includes intersegment sales eliminated on consolidation

Adjusted EBITDA for the segment Complementary Services is calculated as follows:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2016	2015	2016	2015
(in thousands of Canadian dollars)	$	$	$	$
Operating income	**920**	86	**1,215**	(358)
Depreciation and amortization	**538**	564	**1,225**	998
Capital appreciation plan expense and share-based compensation	-	34	-	165
Transaction, reorganization and other costs	**123**	241	**123**	591
Adjusted EBITDA	**1,581**	925	**2,563**	1,396
Revenues (1)	**24,262**	16,571	**40,081**	27,456
Adjusted EBITDA margin	**6.5%**	5.6%	**6.4%**	5.1%

(1) Includes intersegment sales eliminated on consolidation

7 Risk Factors

Risk factors described in the MD&A for the year ended December 31, 2015 published on February 26, 2016 are those currently believed to be material. Should those risks, or should any other risks and uncertainties not yet identified or that are currently considered not to be material, actually occur or become material risks, such risks and uncertainties could materially adversely affect GDI's business, results of operations or financial condition and, consequently, the price of its securities.

8 Supplementary quarterly financial information

Three-month period ended (in thousands of Canadian dollars, except per share data)	June 2016 $	March 2016 $	December 2015 $ (recasted-section 2.8)	September 2015 $
Revenues	**218,542**	208,786	198,554	177,859
Operating income	**4,940**	25	1,372	4,349
Adjusted EBITDA	**10,511**	7,534	7,448	9,664
Net income (loss) for the period attributable to the owners of the Company	**2,521**	(956)	28,150	(18,476)
Earnings (loss) per share (1)				
Basic and Diluted	**0.12**	(0.05)	1.33	(0.87)

(1) Per Multiple Voting Shares and SVS. The weighted average numbers of shares have been adjusted to reflect the equivalent number of shares issued upon the reverse acquisition. This effect was accounted retrospectively for all periods presented.

Three-month period ended (in thousands of Canadian dollars, except per share data)	June 2015 $	March 2015 $	December 2014 $	September 2014 $
Revenues	174,293	164,184	162,547	152,529
Operating income	2,207	3,772	2,712	5,766
Adjusted EBITDA	8,887	9,049	8,962	10,993
Net loss for the period	(1,276)	(9,414)	(5,967)	(6,735)
Loss attributable to the owners of the Company	(1,031)	(8,930)	(5,347)	(11,942)
Loss per share (1)				
Basic and Diluted	(0.04)	(5.47)	(3.21)	(7.28)

(1) Per Multiple Voting Shares and SVS. The weighted average numbers of shares have been adjusted to reflect the equivalent number of shares issued upon the reverse acquisition. This effect was accounted retrospectively for all periods presented.

The differences between the eight quarters are primarily the results of business acquisitions. Fiscal 2016 first quarter net income was negatively impacted by restructuring costs of $2.1 million following certain management decisions. Fiscal 2015 fourth quarter net income is mainly attributable to the recognition of a gain of $25.6 million following the acquisition of Ainsworth inc. Fiscal 2015 third quarter net loss is mainly attributable to the derecognition of a deferred tax assets for an amount of $22.0 million. Also, accretion expense on the convertible shares, puttable shares and special units were significant and negatively impacted net loss for each of the quarters up to their redemption and/or settlement upon closing of the Arrangement and the Prospectus in the second quarter of Fiscal 2015.

9 Seasonal variations

The results of operations for the interim period are not necessarily indicative of the results of operations for the full year. The Company does not expect seasonality to be a material factor in quarterly results.

10 Additional Information and Continuous Disclosure

This MD&A has been prepared as at August 12, 2016. Additional information on the Company is available through regular filings of press releases, financial statements, Annual Information Form and MD&A on SEDAR (www.sedar.com) and on the Company's website (www.gdi.com).