Altus Group

ANNUAL REPORT

2015

Altus Group Limited

Annual Report
December 31, 2015

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Management's Discussion & Analysis
December 31, 2015

The following management's discussion and analysis ("MD&A") is intended to assist readers in understanding Altus Group Limited (the "Company" or "Altus Group"), its business environment, strategies, performance, and outlook and the risks applicable to Altus Group. It should be read in conjunction with our consolidated financial statements and accompanying notes (the "financial statements") for the year ended December 31, 2015, which have been prepared on the basis of International Financial Reporting Standards ("IFRS") and reported in Canadian dollars. Unless otherwise indicated herein, references to "$" are to Canadian dollars.

Unless the context indicates otherwise, all references to "we", "us", "our" or similar terms refer to Altus Group, and, as appropriate, our consolidated operations.

This MD&A is dated as of February 23, 2016.

Forward-Looking Information

Certain information in this MD&A may constitute "forward-looking information" within the meaning of applicable securities legislation. All information contained in this MD&A, other than statements of current and historical fact, is forward-looking information. Forward-looking information includes, but is not limited to, the discussion of our business and operating initiatives, focuses and strategies, our expectations of future performance for our various business units and our consolidated financial results, and our expectations with respect to cash flows and liquidity. Generally, forward-looking information can be identified by use of words such as "may", "will", "expect", "believe", "plan", "would", "could" and other similar terminology. All of the forward-looking information in this MD&A is qualified by this cautionary statement.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that we identified and were applied by us in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to: the successful execution of our business strategies; consistent and stable economic conditions or conditions in the financial markets; consistent and stable legislation in the various countries in which we operate; no disruptive changes in the technology environment; the opportunity to acquire accretive businesses; the successful integration of acquired businesses; and the continued availability of qualified professionals.

Inherent in the forward-looking information are known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking information. Those risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information include, but are not limited to: general state of the economy; currency risk; oil and gas sector; ability to maintain profitability and manage growth; commercial real estate market; competition in the industry; ability to attract and retain professionals; information from multiple sources; reliance on larger software transactions with longer and less predictable sales cycles; success of new product introductions; ability to respond to technological change and develop products on a timely basis; protection of intellectual property or defending against claims of intellectual property rights of others; information technology governance and security; integration of acquisitions; fixed-price and contingency engagements; appraisal and appraisal management mandates; Canadian multi-residential market; weather; legislative and regulatory changes; customer concentration; interest rate risk; credit risk; income tax matters; revenue and cash flow volatility; operating risks; performance of obligations/maintenance of client satisfaction; risk of future legal proceedings; insurance limits; ability to meet solvency requirements to pay dividends; leverage and restrictive covenants; unpredictability and volatility of common share price; capital investment; and issuance of additional common shares diluting existing shareholders' interests, as described in this document under "Key Factors Affecting the Business".

Given these risks, uncertainties and other factors, investors should not place undue reliance on forward-looking information as a prediction of actual results. The forward-looking information reflects management's current expectations and beliefs regarding future events and operating performance and is based on information currently available to management. Although we have attempted to identify important factors that could cause actual results to differ materially from the forward-looking information contained herein, there are other factors that could cause results not to be as anticipated, estimated or intended. The forward-looking information contained herein is current as of the date of this MD&A and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, our financial or operating results, or our securities.

Non-IFRS Measures

We use certain non-IFRS measures as indicators of financial performance. Readers are cautioned that they are not defined performance measures under IFRS and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to financial measures as reported by those entities. We believe that these measures are useful supplemental measures that may assist investors in assessing an investment in our shares and provide more insight into our performance.

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization, ("Adjusted EBITDA"), represents operating profit (loss) adjusted for the effects of amortization of intangibles, depreciation of property, plant and equipment, acquisition related expenses (income), restructuring costs, share of profit (loss) of associates, unrealized foreign exchange gains (losses), gains (losses) on sale of property, plant and equipment, gains (losses) on sale of business assets, impairment charges, non-cash Executive Compensation Plan costs, gains (losses) on hedging transactions, gains (losses) on equity derivatives net of mark-to-market adjustments on related restricted share units ("RSUs") and deferred share units ("DSUs") being hedged and other expenses or income of a non-operating and/or non-recurring nature. Refer to page 29 for reconciliations of Adjusted EBITDA to our financial statements.

Adjusted Earnings (Loss) per Share, ("Adjusted EPS"), represents basic earnings per share adjusted for the effects of amortization of intangibles acquired as part of business acquisitions, non-cash finance costs (income) related to the revaluation of amounts payable to UK unitholders, net of changes in fair value of related equity derivatives, distributions related to amounts payable to UK 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 certain business assets, interest accretion on vendor payables, impairment charges, non-cash Executive Compensation Plan costs, gains (losses) on hedging transactions, gains (losses) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged and other expenses or income of a non-operating and/or non-recurring nature. All of the adjustments are made net of tax. Refer to page 30 for reconciliations of Adjusted EPS to our financial statements.

Overview of the Business

Altus Group Limited is a leading provider of independent advisory services, software, and data solutions to the global commercial real estate industry. Each of our five core practices - Research, Valuations and Advisory ("RVA"), ARGUS Software, Property Tax Consulting ("Property Tax"), Cost Consulting and Project Management ("Cost"), and Geomatics - embody and reflect decades of experience, a broad range of expertise, and leading edge technology. Our offerings empower clients to analyze, gain market insight and recognize value on their real estate investments. Headquartered in Canada, we have approximately 2,300 employees around the world, with operations in North America, Europe and Asia Pacific. Our clients include some of the world's largest real estate industry participants, spread across a broad variety of sectors.

Research, Valuation & Advisory

Our RVA division is a leading independent provider of commercial real estate data solutions and valuations and advisory services. Our competitive advantages include our independence and our data analytics solutions, which allow our clients to maximize returns on their real estate investments. We have a leading market position in North America due to our innovative solutions and we are actively growing our presence in Europe. RVA's clients consist of large holders of commercial real estate asset portfolios, including public and private investment funds, pension funds, real estate investment trusts ("REITs"), corporate investors, developers, governments and financial institutions. Our data solutions engagements are characterized by long-term client relationships, strong recurring revenue streams and high retention rates. Our expertise in valuations and advisory services are actively sought out on a contractual term and/or project basis.

Our **Data Solutions** are unique in the industry and are comprised of data subscription products, data analytics tools and appraisal management. In the US, our offering combines appraisal management with data and data analytics functionality that allows large real estate investors to perform quarterly performance reviews, benchmarking and attribution analysis of their portfolios on an online appraisal management platform. We collect detailed appraisal parameters and proprietary data points through our appraisal management assignments and data sharing partnerships. Our proprietary data analytics platforms (DataBridge, DataExchange and Voyanta) enable the capture, management and reporting of data to our clients. These capabilities empower our clients to dynamically analyze their holdings and thereby enhance the performance of their overall portfolio. The attribution analysis uses historic and real-time data, giving clients the ability to analyze their performance against indices, the industry and comparable portfolios. The contractual terms of our agreements are generally for three to five year terms and pricing is primarily based on the number of real estate assets on our platform, adjusted for complexity. The uniqueness of our capabilities in data and data management contribute to consistently high contract renewals. Included in our data solutions are data subscription products in Canada, namely

RealNet and Altus InSite, which provide comprehensive real estate information on the Canadian residential, office, industrial and investment markets.

Our **Valuations and Advisory Services** are predominantly provided in Canada where the breadth and depth of our expertise have earned us a reputation as a market leader. They consist of appraisals and advisory services for real estate portfolios and for transactional purposes such as acquisitions, dispositions, financings, due diligence and litigation. Our expert services allow us to testify in federal and provincial courts, tribunals and other court-approved board hearings related to property assessments and disputes. We also provide specialized economic consulting and market research on national and international real estate matters, helping our clients make better and smarter investment decisions.

ARGUS Software

ARGUS Software's products are an industry standard and provide a comprehensive global solution for managing commercial real estate portfolios. The industry's leading owners, managers, financial institutions, brokerages and REITs trust ARGUS Software solutions to improve the visibility and flow of information throughout their critical business processes. Our products include ARGUS Enterprise ("AE"), ARGUS Developer, ARGUS Valuation DCF ("DCF"), and ARGUS Valuation Capitalisation ("ValCap"). ARGUS Developer is a leading industry application that enables budgeting, forecasting, sensitivity analysis and cost monitoring of construction projects. The DCF and ValCap foundational products provide valuation methodologies for single real estate assets, encompassing the primary industry valuation standards in the US, UK and Australia. ARGUS Software's flagship product is AE, a complete portfolio solution that encompasses all the capabilities of DCF, ValCap and more. It provides the ability to combine all real estate assets globally, using the various global valuation standards along with multi-currency adaptability, all within one environment. In addition to DCF and ValCap valuation, AE's functionality now offers property budgeting, investment structure forecasting, repertoire reporting and sensitivity analysis. No other solution provides this comprehensive level of real-time decision making capabilities and portfolio transparency geared to drive portfolio performance. Our products are sold predominantly as perpetual licenses, with ongoing maintenance, or on a subscription basis. We also provide clients with training, education and consulting services.

Property Tax Consulting

Real estate and personal property taxes represent significant costs in property ownership and are increasingly costly and complex to manage given the variation of laws and administrative guidelines across jurisdictions. With regional scale in Canada, the US and the UK, we are one of the largest property tax advisors globally. Our team of Property Tax professionals helps clients minimize the tax burden and reduce the cost of compliance. Our geographic span and professional expertise, including lawyers and paralegals, together with our extensive valuation and replacement-cost databases, allow us to serve large multi-national clients including many Fortune 500 companies. Our core real estate property tax services include tax assessment reviews, tax management, appeal and expert witness services and vacancy rebate counsel. In the US, we also offer personal property tax and state and local tax advisory services, including transaction taxes, location incentives and unclaimed property services. Our engagements are conducted on a time and material, fixed fee or contingency fee basis. Given our high success rate and client satisfaction, we enjoy a high rate of client renewal over new assessment cycles. Our regional scale across many jurisdictions mitigates cyclical variability in our Property Tax revenue stream.

Cost Consulting & Project Management
Reliable cost consulting is integral to the financial success of capital development projects. Given the significant fluctuation in construction and development costs, property developers, lenders and owners rely on cost consulting specialists to identify the most efficient cost structure for their property development and infrastructure projects and to understand and manage the associated risks. Our quantity surveyors are leaders in the field and offer expert services in the area of construction feasibility studies, budgeting, cost and loan monitoring, and project management. In addition, we provide physical conditions assessments, reserve fund studies, construction cost estimation, tender documentation, procurement/delivery strategies, and risk management in support of feasibility studies. Drawing on decades of experience in the business, we possess extensive in-house databases that contribute to our expert advice. Our services are offered in both the private and public sectors in North America and Asia Pacific, and are predominately time and material fee-based. Our involvement in large development projects results in many multi-year engagements.

Geomatics
Geomatics is the practice of recording and managing spatially referenced information, including land surveying, geographic information systems ("GIS"), global positioning systems ("GPS") and light detection and ranging ("LIDAR"). Our services, performed by highly qualified certified professionals, include land surveys and mapping for setting of property boundaries, route and corridor selection, land settlement, construction developments, and oil field and well-sites. Our Geomatics division is the leading geomatics provider in Western Canada, servicing a diversified client base engaged in oil and gas exploration and development, pipeline and utility corridor selection and management, and land development for municipal, residential and commercial projects. Our competitive advantages include the depth of our team's experience and specialized training, our strong track record of safety, the timeliness and quality of our work, and our geographic reach in Western Canada that enables us to offer seamless services to our clients. Our services are primarily charged on a time and material basis.

Strategy

Our key competitive strengths in the marketplace are comprised of our independence, our industry expertise, the breadth and diversity of our offerings, our differentiated data and software solutions, and our growing global scale. Our independence, which has earned us a reputation for unbiased and objective advice, remains an important factor in winning competitive bids, attracting strategic partnerships and offering industry-standard data and software solutions that are trusted by many market participants. Since our inception, our strategy has been to empower our clients through our expert advice, analytical tools, and software platforms to better manage and realize greater value from their real estate assets and investments.

We continue to see a significant and growing market opportunity for the use of data, data analytic capabilities and software in the global commercial real estate ("CRE") industry. CRE companies that manage increasingly complex global portfolios are recognizing the need for robust operating platforms that provide analytic and performance measurement capabilities such as attribution and benchmarking. Concurrently, investors and regulators are demanding greater transparency of their managed portfolios in order to better understand risk and returns. Our platform offerings serve these growing requirements as they provide industry standard solutions on a global basis.

As we organize to capture this global opportunity, our goal is to evolve towards a focused and aligned business model which scales our data, software and analytics capabilities, while continuing to provide highly specialized and independent real estate consulting services. We have created a more integrated technology platform and go-to-market strategy. We continue to be strongly focused on growing our top-line revenues with a strong emphasis on recurring revenues from our data subscription and software offerings. We are also focused on improving our Adjusted EBITDA margins and Return on Invested Capital metrics in order to ensure that we continue to drive shareholder value in all of our investment decisions.

In order to further our long-term strategy, we are focused on three key strategic initiatives:

1. Establish an Altus Analytics organization that provides an integrated offering of our data, analytics and software solutions;
2. Build and scale our data offerings; and
3. Grow our expert services businesses.

Establish an Altus Analytics organization that provides an integrated offering of our data, analytics and software solutions

Our suite of real estate data, data analytics and software capabilities is tailored to meet the complex needs of the global asset and investment management ("GAIM") marketplace with the world's leading standards in ARGUS Software and Voyanta. We are moving toward combining our offerings of appraisal management, Voyanta and ARGUS Software under one organizational structure in order to create an integrated Altus Analytics platform. This structure will enable us to develop a cohesive go-to-market strategy and will allow us to provide our clients with a much more compelling value proposition. As part of this initiative, we are focused on the integration of our multi-year product road-map which includes modernization of existing products, new functionality and new product additions. These products will be targeted to new geographic markets globally and to expanded market segments, including pension funds, banks/lenders and REITs. As a result, we expect strong organic growth from these initiatives. Given that a significant portion of this business is subscription and/or cloud-based, we expect a higher portion of our revenue base to be derived from long-term recurring revenue streams. In addition to becoming more operationally effective, we will be creating efficiencies in our business which we believe will translate into higher operating margins.

Build and scale our data offerings

We are one of the largest holders of national CRE data in Canada today as a result of data aggregation in our consulting practices and in the provision of our data subscription products of RealNet, InSite and HPI. This provides us with an opportunity to re-purpose and monetize data that is currently in our possession and further create strong recurring revenue streams. Starting with Canada, we are building an enterprise data warehouse to capture and leverage the scope of all our information that we collect across each of our businesses. This infrastructure will enable us to better integrate our current subscription products and to develop new applications and new data products. Our goal is to use this infrastructure and new capabilities to ultimately launch new products globally. For example, the national tax platform fully integrates all of our Canadian Property Tax offices by providing property and client search capabilities on a national scale, workflow capabilities, appeal management including event planning and notification, and client portal and reporting.

Grow our expert services businesses

We enjoy a long legacy of being the leading expert services provider in the fields in which we operate, including Valuation and Advisory, Property Tax, Cost and Geomatics services, and will continue to grow and invest in these areas. We will continue to pursue market share gains both organically and through acquisitions. For instance, although we enjoy the largest market share position in Canada for our Property Tax business, we see significant growth opportunities in both the US and the UK which are still relatively fragmented in comparison to Canada. Across our expert service areas, we will place more focus on common customers and integrated solutions in order to drive more value for our clients. In addition, we expect to evolve our product strategies while achieving productivity gains for our consultants through use of technology and the repurpose of data.

Sustainable recurring revenues

One of the key success factors in execution of our overall strategy is growth in recurring revenues. During the year, we grew recurring revenues by 45.3% as a result of new client additions and high renewal rates in our appraisal management and data businesses, Voyanta cloud products and ARGUS Software maintenance and subscription arrangements. It is our intent to build solutions across all business units that will increase recurring revenues.

GAIM Recurring Revenues	**Year ended December 31,**			**Quarter ended December 31,**		
In thousands of dollars	**2015**	2014	% Change	**2015**	2014	% Change
RVA - Data Solutions [1]	$ 57,786	$ 38,117	51.6%	$ 17,171	$ 12,996	32.1%
ARGUS Software - Maintenance and Subscriptions [2]	33,153	24,472	35.5%	9,215	6,459	42.7%
Gross Revenues	$ 90,939	$ 62,589	45.3%	$ 26,386	$ 19,455	35.6%

[1] RVA Data Solutions recurring revenues exclude Voyanta's implementation services revenues and other miscellaneous revenues.
[2] ARGUS Software recurring revenues exclude licenses and services revenues.

Operating and Financial Highlights

Selected Financial Information	Year ended December 31,	
In thousands of dollars, except for per share amounts	**2015**	2014
Gross revenues	$ 416,413	$ 370,202
Canada	53%	58%
US	31%	26%
Europe	11%	10%
Asia Pacific	5%	6%
Adjusted EBITDA	$ 63,382	$ 67,103
Adjusted EBITDA margin	15.2%	18.1%
Profit (loss)	$ 9,249	$ 13,171
Earnings (loss) per share:		
Basic	$0.28	$0.44
Diluted	$0.27	$0.43
Adjusted	$0.98	$1.16
Dividends declared per share	$0.60	$0.60

Operating Highlights

During the year, we made significant progress in advancing our growth strategy to build long-term shareholder value. We have a highly differentiated business model that affords us many opportunities for further investment and growth. Our results reflect the execution of our strategy and the value of the investments we have pursued to position the business for sustainable long-term growth. On a consolidated basis, our year-over-year gross revenues increased by 12.5% in 2015 to $416.4 million.

Our high-growth business units, RVA, ARGUS Software and Property Tax, were key contributors to the strong performance and delivered double-digit topline growth during the year. In addition to our strong organic growth in these segments, acquisitions continue to play a critical role, not just in growing revenues but also in expanding our offerings geographically into new markets. During 2015, 47% of our revenues were derived from markets outside of Canada.

Our focus on serving the GAIM marketplace with innovative software and data offerings continues to generate solid results and drove a 20.7% year-over-year increase in revenues as we continue to develop new products and expand into new regions. In 2015, RVA's Data Solutions continued to attract new clients and more assets on its platform, and during the year ARGUS Software reached a pivotal milestone by surpassing 1,000 customers for its flagship AE platform. The recurring revenue elements of our GAIM businesses, namely RVA's Data Solutions and ARGUS Software's Maintenance and Subscriptions, continued to show strong improvements as recurring revenue streams grew by 45.3% year-over-year. In 2015, 53.6% of our GAIM revenues were recurring, as compared to 44.6% in the prior year, a noteworthy increase and reflective of the dominance in recurring revenue growth.

Beyond our focus on growing our recurring revenues from software and data offerings, we continue to deliver positive results from our CRE service offerings - namely from Property Tax, RVA's Valuations and Advisory Services, and from the Cost Consulting practice. All of these practices are market leaders in their fields and continue to perform in line with our expectations. Our strategy is to continue to enhance our service offerings with tuck-in acquisitions and leverage cross-selling opportunities. Additionally, despite a challenging year, our Geomatics business unit has remained profitable.

Consistent with our long-term strategy, our intention is to continue investing in our business units to leverage the significant global opportunities. Our investments will consist of strategic acquisitions, investments in our technology platforms (that are either client facing or enhance our internal data capabilities), and investments to expand our operational capacity in order to support future growth and expansion into new markets. The cost of our investments has had, and may continue to have, a near-term impact on our Adjusted EBITDA and margins, however, we anticipate long-term benefits that will support future growth in earnings.

Acquisition of Hoffer Wilkinson & Associates Ltd. *(strengthened our Canadian appraisal services)*
On April 1, 2015, we acquired all of the issued and outstanding shares of Hoffer Wilkinson & Associates Ltd. ("HWA") for $0.7 million. Founded in 1986, HWA is an independent Canadian provider of real estate appraisal services and information serving the Manitoba and Northwestern Ontario markets. The addition of HWA is expected to enable us to enhance RVA's offerings with private and public sector assignments in the Province of Manitoba. On April 2, 2015, HWA was wound up and its assets were transferred to Altus Group Limited. As consideration for these shares, we paid cash of $0.5 million and $0.2 million in common shares (equivalent to 8,620 common shares). Under IFRS purchase price accounting, the total consideration attributable to the acquired business was approximately $0.6 million, subject to adjustments.

Acquisition of MPC Intelligence Inc. *(strengthened our data and market research offerings in Canada)*
On June 1, 2015, we acquired the operating business assets of MPC Intelligence Inc. ("MPC") for $0.5 million in cash. MPC is a provider of residential market information in the Greater Vancouver area (the second largest new home market in Canada). The addition of MPC gives us national scale in residential market information and allows us to enhance our existing RealNet offerings. Under IFRS purchase price accounting, the total consideration attributable to the acquired business was approximately $0.5 million, subject to adjustments.

Acquisition of Maxwell Brown Surveyors Group Limited *(strengthened our presence in the UK)*
On June 1, 2015, we acquired all the issued and outstanding shares of Maxwell Brown Surveyors Group Limited ("Maxwell Brown") and its subsidiaries for $5.9 million (net of cash acquired), subject to working capital adjustments. Based in London, UK, Maxwell Brown is an independent provider of commercial real estate advisory services throughout the UK, offering a comprehensive suite of advisory services related to property tax (occupied rates and empty rates services), property acquisition and disposal, lease renewals and other corporate real estate requirements. The addition of Maxwell Brown expands our market share and adds regional scale in the UK market while strengthening our tax offering with complementary service lines in the UK in support of our current growth initiatives. As consideration for these shares, we paid net cash of $2.7 million and $1.6 million in common shares (equivalent to 82,544 common shares) and contingent consideration of $1.6 million. The asset purchase agreement provides for maximum contingent consideration payable of GBP0.9 million, subject to certain performance targets being achieved over a two-year period from the closing date. Under IFRS purchase price accounting, the total consideration attributable to the acquired business was approximately $3.5 million, subject to adjustments.

Acquisition of Integris Real Estate Counsellors *(strengthened our Canadian real estate litigation and dispute resolution services)*
On July 1, 2015, we acquired certain operating assets of Integris Real Estate Counsellors ("Integris") for $5.6 million, subject to working capital adjustments. Founded in 2000, Integris is an independent firm with a focus on real estate litigation and dispute resolution serving the Canadian market. The addition of Integris is expected to enable us to further enhance RVA's expert services. As consideration for these assets, we paid cash of $2.8 million and $1.4 million in common shares (equivalent to 75,665 common shares). In addition, the purchase agreement provides for maximum contingent consideration payable of $1.4 million, due September 30, 2016, subject to certain performance targets being achieved. Under IFRS purchase price accounting, the total consideration attributable to the acquired business was approximately $4.0 million, subject to adjustments.

Acquisition of ATATAX, LLC *(further expands our US Tax practice in a key regional market)*
On October 1, 2015, we acquired certain operating assets of ATATAX, LLC ("ATA") for $4.5 million, subject to working capital adjustments. Operating in Dallas since 2001, ATA is Texas' leading tax consultant of industrial distribution warehouses, in addition to tax representation for all types of income producing commercial properties, including office and retail properties, and multi-family residential properties. The addition of ATA is expected to enable us to further enhance Property Tax opportunities in the US. As consideration for these assets, we paid cash of $2.3 million and $1.1 million in common shares (equivalent to 54,660 common shares). In addition, the purchase agreement provides for maximum contingent consideration payable of $1.1 million, due November 30, 2016, subject to certain performance targets being achieved. Under IFRS purchase price accounting, the total consideration attributable to the acquired business was approximately $3.6 million, subject to adjustments.

Acquisition of Integrated Real Estate Resources, Inc. *(expands our consulting services capacity in ARGUS Software)*
On December 1, 2015, we acquired certain operating assets of Integrated Real Estate Resources, Inc. ("INTRER") for $5.3 million, subject to working capital adjustments. Founded in 2003 and operating in the Greater Los Angeles area, the Greater Philadelphia area and Boston, INTRER is a full service consulting firm providing multi-dimensional services and expertise to the real estate industry. INTRER combines a broad range of real estate knowledge and technical expertise, specializing in ARGUS Enterprise consulting, implementation, integration and custom reporting. The addition of INTRER is expected to enable us to further enhance ARGUS Software's service offerings. As consideration for these assets, we paid cash of $3.3 million and $2.0 million in common shares (equivalent to 103,420 common shares). In addition, INTRER will be granted a total of 250,000 options, subject to conditions customary to our Share Option Plan, over a five-year period to be distributed to INTRER employees. Under IFRS purchase price accounting, the total consideration attributable to the acquired business was approximately $4.5 million, subject to adjustments.

Acquisition of Lambournes Holdings Limited *(strengthened our presence in the UK)*
On November 20, 2015, we acquired all of the issued and outstanding shares of Lambournes Holdings Limited ("Lambournes") for $1.0 million. Operating in Southern UK, Lambournes is a real estate tax consulting service specializing in the leisure and hospitality industry. The addition of Lambournes is expected to enable us to expand our market share in the Property Tax business. As consideration for these shares, we paid cash of $0.8 million. In addition, the purchase agreement provides for maximum contingent consideration payable of $0.2 million, due November 20, 2016, subject to certain adjustments.

Under IFRS purchase price accounting, the total consideration attributable to the acquired business was approximately $0.9 million, subject to adjustments.

Amendment to bank credit facilities and interest rate hedging

Effective April 28, 2015, we renegotiated our bank credit facilities, further strengthening our financial flexibility. The amended agreement extended the term by five years expiring April 28, 2020. It combined our existing Revolving Operating Facility and Revolving Term Facility into one Revolving Term Facility and increased our borrowing capacity to $200.0 million from $159.7 million, with certain provisions that allow us to further increase the limit to $250.0 million. Other noted advantages include an increase in the maximum funded debt to EBITDA ratio from 2.75:1 to 3.00:1, lower bank margins and additional borrowing flexibility.

We entered into interest rate swap agreements for a total notional amount of $65.0 million at a fixed rate of 1.48% per annum. These agreements expire on May 15, 2020.

Financial Highlights

- **Gross revenues** were $416.4 million for the year ended December 31, 2015, up 12.5% or $46.2 million from $370.2 million in 2014. Acquisitions contributed 9.8% to gross revenues and exchange rate improvements against the Canadian dollar benefitted revenues by 4.3%. We experienced strong growth in our key data, analytics and software businesses as ARGUS Software grew 28.7% and RVA’s Data Solutions grew 53.4%. These businesses have strong recurring revenue streams which, combined, increased 45.3% during the year. Our global Property Tax business also experienced a strong year. In Canada, we had positive performance in our Winnipeg and Vancouver offices, while our Calgary office had a large one-time outcome on appeals related to parking lot assessments. In both the US and the UK, acquisitions and foreign exchange contributed to positive revenue growth. Our global Cost businesses continued to perform well with consistent results on a year-over-year basis. Finally, we experienced headwinds in our Geomatics business where the macro-economic impacts of lower oil prices led to a decline of 21.0% in gross revenues, significantly impacting our consolidated growth rate.

- **Adjusted EBITDA** was $63.4 million for the year ended December 31, 2015, down 5.5% or $3.7 million from $67.1 million in 2014. Acquisitions contributed 3.3% to Adjusted EBITDA and exchange rate improvements against the Canadian dollar benefitted Adjusted EBITDA by 5.7%. Our earnings were significantly impacted by Geomatics, where Adjusted EBITDA declined by $9.1 million or 47.7%. During the year, we made investments in several areas for the purpose of supporting future growth in ARGUS Software and in RVA. Also impacting earnings were one-time projects in our Canadian RVA practice that did not repeat in 2015. Our global Property Tax businesses showed strong growth in earnings resulting from organic growth in Canada and acquisitions and foreign exchange benefits in both the US and the UK.

- **Profit (loss)** for the year ended December 31, 2015 was $9.2 million, down 29.8% or $4.0 million from $13.2 million in 2014. In addition to the impacts on Adjusted EBITDA as discussed above, profit (loss) decreased mainly due to higher depreciation and amortization costs.

- For the year ended December 31, 2015, earnings per share was $0.28, basic and $0.27, diluted, as compared to $0.44, basic and $0.43, diluted, in 2014.

- For the year ended December 31, 2015, Adjusted EPS was $0.98, down 15.5% from $1.16 in 2014.

- Returned $20.8 million to shareholders in 2015 through quarterly dividends of $0.15 per common share each quarter, or $0.60 per share for the year.

- At the end of the year, our bank debt was $126.0 million, representing a funded debt to EBITDA leverage ratio of 1.92 times (compared to 1.73 times as at December 31, 2014).

Discussion of Operations

Year and Quarter Ended December 31, 2015

	Year ended December 31,		Quarter ended December 31,	
In thousands of dollars, except for per share amounts	**2015**	2014	**2015**	2014
Revenues				
Gross revenues	$ 416,413	$ 370,202	$ 110,961	$ 100,853
Less: disbursements	26,977	30,006	7,719	8,023
Net revenue	389,436	340,196	103,242	92,830
Expenses				
Employee compensation	260,345	221,403	65,415	60,130
Occupancy	18,551	14,603	5,231	3,806
Office and other operating	49,081	38,913	13,446	10,487
Depreciation and amortization	40,057	24,162	9,512	8,278
Acquisition related expenses (income)	(429)	3,477	(1,002)	509
Share of (profit) loss of associates	1,270	1,421	26	60
Restructuring costs	2,694	128	802	64
(Gain) loss on sale of certain business assets	(3,483)	-	-	-
Operating profit (loss)	21,350	36,089	9,812	9,496
Finance costs (income), net	11,253	17,384	1,409	2,937
Profit (loss) before income taxes	10,097	18,705	8,403	6,559
Income tax expense (recovery)	848	5,534	1,866	1,483
Profit (loss) for the period	$ 9,249	$ 13,171	$ 6,537	$ 5,076

Gross Revenues

Gross revenues were $416.4 million for the year ended December 31, 2015, up 12.5% or $46.2 million from $370.2 million in 2014. Exchange rate improvements against the Canadian dollar benefitted revenues by 4.3%.

The growth in revenues resulted from continued strength in our ARGUS Software, Data Solutions and Property Tax businesses, mitigated by the decline in Geomatics revenues. Data Solutions, which is primarily characterized by recurring revenues, grew by 53.4%. The acquisitions of RealNet Canada Inc.

("RealNet"), Voyanta Limited ("Voyanta") and MPC contributed 18.5% to Data Solutions. Revenues from our Valuations and Advisory Services declined by 10.2% due to a deferred right-of-way project in Canada, completion of an economic consulting project in the Middle East, and a reduction in our infrastructure and land services work. For the year ended December 31, 2015, foreign exchange improvements impacted RVA revenues positively by 5.6%.

ARGUS Software revenues experienced growth in the year in all revenue streams with license sales up 17.4%, maintenance and subscriptions up 35.5%, and services up 33.4%. For the year ended December 31, 2015, exchange rate improvements benefitted ARGUS Software revenues by 13.4%.

Our Property Tax business in North America experienced higher revenues primarily as a result of the acquisition of SC&H Group Inc.'s State and Local Tax consulting practice ("SC&H SALT") and organic revenue growth in Western Canada. In the UK, revenues increased as a result of increased activity in ratings, favourable exchange rates and the acquisition of Maxwell Brown.

Our Cost businesses had revenues consistent with prior year both in North America and Asia Pacific.

At Geomatics, we experienced a significant decline in revenues resulting from lower activity levels in the oil and gas sector.

For the quarter ended December 31, 2015, gross revenues were $111.0 million, up 10.0% or $10.1 million from $100.9 million in the same period in 2014. Revenues were higher primarily due to increased organic growth in ARGUS Software, Data Solutions and Property Tax in Canada and due to acquisitions and foreign exchange benefits in our US and UK Property Tax practices. Geomatics experienced a significant decline in revenues as a result of the negative market conditions caused by dropping oil prices.

Disbursements

Disbursements were $27.0 million for the year ended December 31, 2015, down 10.1% or $3.0 million from $30.0 million in 2014. The decrease was primarily due to lower expenditures in Geomatics. Disbursements as a percentage of gross revenues decreased to 6.5% from 8.1% in 2014.

For the quarter ended December 31, 2015, disbursements were $7.7 million, down 3.8% or $0.3 million from $8.0 million in the same period in 2014. The decrease was primarily due to lower expenditures in Geomatics. For the quarter ended December 31, 2015, disbursements as a percentage of gross revenues decreased to 7.0% from 8.0% in the same period in 2014.

Employee Compensation

Employee compensation was $260.3 million for the year ended December 31, 2015, up 17.6% or $38.9 million from $221.4 million in 2014. For the year ended December 31, 2015, the increase in compensation was due to acquisitions, which include Maxwell Brown, HWA, MPC, Maltais Geomatics Inc. ("MGI"), RealNet, Integris, Voyanta, SC&H SALT, ATA and INTRER, foreign exchange impacts and headcount additions to support growth in RVA and ARGUS Software, partially offset by a reduction in Geomatics and lower variable compensation. For the year ended December 31, 2015, foreign exchange improvements impacted employee compensation by 4.0%. For the year ended December 31, 2015, employee compensation as a percentage of gross revenues was 62.5%, as compared to 59.8% in 2014.

For the quarter ended December 31, 2015, employee compensation was $65.4 million, up 8.8% or $5.3 million from $60.1 million in the same period in 2014. For the quarter ended December 31, 2015, the increase in compensation was due to acquisitions which included, Maxwell Brown, HWA, MPC, SC&H SALT, Integris, ATA and INTRER, foreign exchange impacts and headcount additions to support growth in RVA and ARGUS Software, partially offset by a reduction in Geomatics and lower variable compensation. For the quarter ended December 31, 2015, foreign exchange improvements impacted employee compensation by 6.2%. For the quarter ended December 31, 2015, employee compensation as a percentage of gross revenues was 59.0%, as compared to 59.6% in the same period in 2014.

Occupancy
Occupancy was $18.6 million for the year ended December 31, 2015, up 27.0% or $4.0 million from $14.6 million in 2014. For the year ended December 31, 2015, higher occupancy costs were due to the opening of new offices in the US and Europe, occupancy costs associated with the acquisitions of HWA, MPC, Maxwell Brown, MGI, RealNet, Integris, Voyanta, SC&H SALT, ATA and INTRER and foreign exchange impacts. For the year ended December 31, 2015, occupancy as a percentage of gross revenues increased to 4.5% from 3.9% in 2014.

For the quarter ended December 31, 2015, occupancy was $5.2 million, up 37.4% or $1.4 million from $3.8 million in the same period in 2014. For the quarter ended December 31, 2015, higher occupancy costs were due to the opening of new offices in the US and Europe, occupancy costs associated with the acquisitions of HWA, MPC, Maxwell Brown, Integris, ATA, INTRER and SC&H SALT and foreign exchange impacts. For the quarter ended December 31, 2015, occupancy as a percentage of gross revenues increased to 4.7% from 3.8% in the same period in 2014.

Office and Other Operating Costs
Office and other operating costs were $49.1 million for the year ended December 31, 2015, up 26.1% or $10.2 million from $38.9 million in 2014. For the year ended December 31, 2015, the increase was due to the acquisitions of Maxwell Brown, HWA, MPC, MGI, RealNet, Integris, Voyanta, SC&H SALT, ATA and INTRER, foreign exchange impacts, as well as additional business development expenditures in ARGUS Software and higher bad debt provisions. For the year ended December 31, 2015, office and other operating costs as a percentage of gross revenues increased to 11.8% from 10.5% in 2014.

For the quarter ended December 31, 2015, office and other operating costs were $13.4 million, up 28.2% or $2.9 million from $10.5 million in the same period in 2014. For the quarter ended December 31, 2015, the increase was due to the acquisitions of Maxwell Brown, HWA, MPC, MGI, RealNet, Integris, Voyanta and SC&H SALT, foreign exchange impacts, as well as additional business development expenditures in ARGUS Software and higher bad debt provisions. For the quarter ended December 31, 2015, office and other operating costs as a percentage of gross revenues increased to 12.1% from 10.4% in the same period in 2014.

Depreciation and Amortization
Depreciation and amortization was $40.1 million for the year ended December 31, 2015, as compared to $24.2 million in 2014. The increase in depreciation and amortization in 2015 relates mainly to the amortization of acquired intangibles in 2014 and 2015.

For the quarter ended December 31, 2015, depreciation and amortization was $9.5 million, as compared to $8.3 million in the same period in 2014. The increase in depreciation and amortization in 2015 relates mainly to the amortization of acquired intangibles in 2014 and 2015.

Acquisition Related Expenses (Income)

Acquisition related expenses (income) was $(0.4) million for the year ended December 31, 2015, as compared to $3.5 million in 2014. For the year ended December 31, 2015, the amount included expenses related to the acquisitions of HWA, Maxwell Brown, MPC, Integris, Lambournes, ATA and INTRER.

For the quarter ended December 31, 2015, acquisition related expenses (income) was $(1.0) million, as compared to $0.5 million in the same period in 2014. For the quarter ended December 31, 2015, the amount included expenses related to the acquisitions of ATA, INTRER and Lambournes, in addition to an adjustment of $1.2 million for a decrease in the contingent consideration payable in relation to the Maxwell Brown acquisition.

Share of (Profit) Loss of Associates

Share of (profit) loss of associates was $1.3 million for the year ended December 31, 2015, as compared to $1.4 million in 2014. These amounts represent our proportionate share in the loss as well as an amortization charge on acquired intangibles for Real Matters and Voyanta. As at December 31, 2015, we held a 16.4% equity interest in Real Matters. Voyanta ceased to be accounted for as an associate as of October 1, 2014.

For the quarter ended December 31, 2015, share of (profit) loss of associates was $0.03 million, as compared to $0.1 million in the same period in 2014. These amounts represent our proportionate share in the loss as well as an amortization charge on acquired intangibles for Real Matters.

Restructuring Costs

Restructuring costs (primarily relating to employee severance costs) were $2.7 million for the year ended December 31, 2015, as compared to $0.1 million in 2014. For the year ended December 31, 2015, we completed our restructuring activities as planned in our Canadian Cost and RVA businesses.

For the quarter ended December 31, 2015, restructuring costs (primarily relating to employee severance costs) were $0.8 million, as compared to $0.1 million in the same period in 2014. For the quarter ended December 31, 2015, we continued with our restructuring activities as planned.

(Gain) Loss on Sale of Certain Business Assets

The (gain) loss on sale of certain business assets of $(3.5) million for the year ended December 31, 2015 relates to a gain on the deemed disposal of our investment in Real Matters.

For the quarter ended December 31, 2015, the (gain) loss on sale of certain business assets was $Nil.

Finance Costs (Income), Net

	Year ended December 31,			Quarter ended December 31,		
In thousands of dollars	2015	2014	% Change	2015	2014	% Change
Interest on borrowings	$ 9,744	$ 15,448	(36.9%)	$ 1,271	$ 2,558	(50.3%)
Unwinding of discount	268	701	(61.8%)	163	333	(51.1%)
Distributions related to amounts payable to UK unitholders	98	158	(38.0%)	21	21	-
Change in fair value of amounts payable to UK unitholders, net of change in fair value of related equity derivatives	13	1,113	(98.8%)	8	41	(80.5%)
Change in fair value of interest rate swaps (not designated as cash flow hedges)	1,241	-	100.0%	7	-	100.0%
Other	(111)	(36)	208.3%	(61)	(16)	281.3%
Finance costs (income), net	$ 11,253	$ 17,384	(35.3%)	$ 1,409	$ 2,937	(52.0%)

Finance costs (income), net for the year ended December 31, 2015 was $11.3 million, down 35.3% or $6.1 million from $17.4 million in 2014. Interest on borrowings decreased for the year as a result of the July 2014 redemption of the 5.75% convertible unsecured subordinated debentures issued on December 1, 2010, partially offset by increased cash interest on bank borrowings as a result of higher average outstanding balances and non-cash mark-to-market adjustment on the interest rate swaps (not designated as cash flow hedges) entered in 2015. Finance costs were also lower in relation to amounts payable to UK unitholders as these liabilities have now been hedged with the equity derivatives entered into in late 2014.

For the quarter ended December 31, 2015, finance costs (income), net was $1.4 million, down 52.0% or $1.5 million from $2.9 million in the same period in 2014. Interest on borrowings decreased for the quarter as a result of the early conversion of the 2012 convertible debentures in 2015, partially offset by increased cash interest on bank borrowings as a result of higher average outstanding balances.

Income Tax Expense (Recovery)

Income tax expense (recovery) for the year ended December 31, 2015 was an expense of $0.8 million, as compared to an expense of $5.5 million in 2014.

For the quarter ended December 31, 2015, income tax expense (recovery) was an expense of $1.9 million, as compared to an expense of $1.5 million in the same period in 2014.

Profit (Loss)

Profit (loss) during the year ended December 31, 2015 was $9.2 million and $0.28 per share, basic and $0.27 per share, diluted, as compared to $13.2 million and $0.44 per share, basic and $0.43 per share, diluted, in 2014.

For the quarter ended December 31, 2015, profit (loss) was $6.5 million and $0.18 per share, basic and diluted, as compared to $5.1 million and $0.16 per share, basic and diluted, in the same period in 2014.

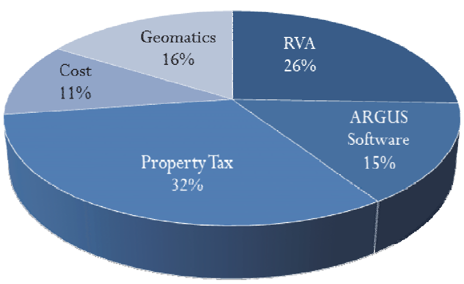
Gross Revenues and Adjusted EBITDA by Business Unit

Gross Revenues	Year ended December 31,			Quarter ended December 31,		
In thousands of dollars	**2015**	2014	% Change	**2015**	2014	% Change
RVA	$ 106,605	$ 91,521	16.5%	$ 30,152	$ 26,688	13.0%
ARGUS Software	63,029	48,968	28.7%	18,277	14,000	30.6%
Property Tax	133,890	98,257	36.3%	35,302	24,692	43.0%
Cost	46,620	46,989	(0.8%)	12,115	12,295	(1.5%)
Geomatics	67,199	85,085	(21.0%)	15,370	23,344	(34.2%)
Intercompany eliminations	(930)	(618)	(50.5%)	(255)	(166)	(53.6%)
Total	$ 416,413	$ 370,202	12.5%	$ 110,961	$ 100,853	10.0%

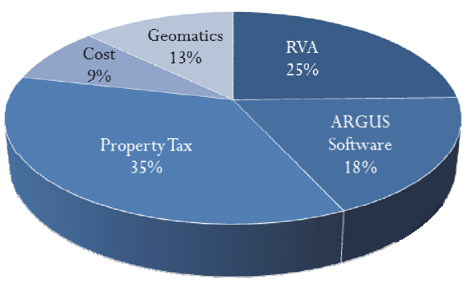
Adjusted EBITDA	Year ended December 31,			Quarter ended December 31,		
In thousands of dollars	**2015**	2014	% Change	**2015**	2014	% Change
RVA	$ 19,399	$ 19,277	0.6%	$ 5,073	$ 4,070	24.6%
ARGUS Software	14,556	14,000	4.0%	4,161	3,361	23.8%
Property Tax	27,868	21,326	30.7%	5,030	2,047	145.7%
Cost	6,771	7,825	(13.5%)	1,415	1,329	6.5%
Geomatics	10,062	19,240	(47.7%)	1,154	3,923	(70.6%)
Corporate	(15,274)	(14,565)	(4.9%)	2,632	4,092	(35.7%)
Total	$ 63,382	$ 67,103	(5.5%)	$ 19,465	$ 18,822	3.4%

Business Unit Contribution for Fiscal Year 2015:

Gross Revenues



Adjusted EBITDA



Research, Valuation & Advisory

	Year ended December 31,			Quarter ended December 31,		
In thousands of dollars	**2015**	2014	% Change	**2015**	2014	% Change
Global Revenues						
Data Solutions [1]	$ 58,880	$ 38,373	53.4%	$ 17,244	$ 12,951	33.1%
Valuations and Advisory Services [2]	47,725	53,148	(10.2%)	12,908	13,737	(6.0%)
Gross Revenues	$ 106,605	$ 91,521	16.5%	$ 30,152	$ 26,688	13.0%
Adjusted EBITDA [3]	$ 19,399	$ 19,277	0.6%	$ 5,073	$ 4,070	24.6%
Adjusted EBITDA Margin [3]	18.2%	21.1%		16.8%	15.3%	

(1) Includes revenues from Appraisal Management, RealNet, Altus InSite, HPI and Voyanta. For the quarter and year-to-date, approximately 99.6% and 98.1%, respectively, of these revenues are considered to be recurring.

(2) Includes revenues from traditional valuation and appraisal services, due diligence projects, market research, economic consulting and other related services.

(3) Q4 margin includes bonuses which were accrued in quarterly corporate costs in the previous three quarters.

Year End Discussion

Gross revenues were $106.6 million for the year ended December 31, 2015, up 16.5% or $15.1 million from $91.5 million in 2014. The 53.4% revenue growth in Data Solutions was driven by organic growth of 34.9% from the addition of new clients and assets to the Appraisal Management platform in the US and Europe and 18.5% from the acquisitions of RealNet, Voyanta and MPC. The decline in the revenues in Valuations and Advisory Services resulted from a deferred right-of-way project in Canada, completion of an economic consulting project in the Middle East, and a reduction in our infrastructure and land services work. Acquisitions partially offset the decline with a contribution of 4.5% to Valuation and Advisory Services. Changes in foreign exchange benefitted gross revenues by 5.6%.

Adjusted EBITDA was $19.4 million for the year ended December 31, 2015, up 0.6% or $0.1 million from $19.3 million in 2014. Adjusted EBITDA was impacted by lower revenues in Valuations and Advisory Services, and by the investments made to fund the early growth phase of Voyanta, new hires in Europe for Appraisal Management, and enhancements to the Appraisal Management data platform to enable integration between DataBridge, Voyanta and NCREIF data. Canadian dollar weakness benefitted Adjusted EBITDA by 8.1%.

Quarterly Discussion

Gross revenues were $30.2 million for the quarter ended December 31, 2015, up 13.0% or $3.5 million from $26.7 million in the same period in 2014. The 33.1% revenue growth in Data Solutions during the quarter was driven by organic growth of 32.4% from the addition of new clients and assets to the Appraisal Management platform, in the US and Europe, and 0.7% from the acquisition of MPC. The decline in the revenues in Valuations and Advisory Services resulted from a deferred right-of-way project in Canada, completion of an economic consulting project in the Middle East, and a reduction in our infrastructure and land services work. Acquisitions partially offset the decline with a contribution of 7.3% to Valuation and Advisory Services. In addition, improvements in the exchange rate against the Canadian dollar benefitted gross revenues by 6.9%.

Adjusted EBITDA was $5.1 million for the quarter ended December 31, 2015, up 24.6% or $1.0 million from $4.1 million in the same period in 2014. Adjusted EBITDA increased as a result of strong revenue growth in Data Solutions, but was also impacted by lower revenues in Valuations and Advisory Services, by investments made to fund the early growth phase of Voyanta and enhancements to the Appraisal Management data platform to enable integration between DataBridge, Voyanta and NCREIF data. Changes in foreign exchange benefitted Adjusted EBITDA by 10.7%.

Outlook

RVA continues to experience strong revenue growth with its Data Solutions offerings. Revenues from this segment are highly recurring and return higher than average margins. We expect the trend in revenue growth to continue in 2016, as the data, data analytics, software and appraisal management components continue to attract new clients in the US and in Europe. With the addition of new functionality to our Altus Analytics platform in 2015 and with the inclusion of Voyanta, we are able to offer additional value to our current clients, and attract new clients who will benefit from the value-added solutions provided by our offerings. In addition, closer alignment and integration with ARGUS Software's products and go-to-market strategy should result in a compelling value proposition for the marketplace. In the US, we see continued interest from public and private real estate investment funds including pension funds. In Europe, emerging governance trends will continue to contribute to the demand for our independent offerings. In Canada, we expect moderate performance improvements in our core Valuations and Advisory Services.

ARGUS Software

	Year ended December 31,			Quarter ended December 31,		
In thousands of dollars	**2015**	2014	% Change	**2015**	2014	% Change
Global Revenues						
Licenses	$ 20,617	$ 17,555	17.4%	$ 7,108	$ 5,903	20.4%
Maintenance and Subscriptions	33,153	24,472	35.5%	9,215	6,459	42.7%
Services	9,259	6,941	33.4%	1,954	1,638	19.3%
Gross Revenues	$ 63,029	$ 48,968	28.7%	$ 18,277	$ 14,000	30.6%
Adjusted EBITDA (1)	$ 14,556	$ 14,000	4.0%	$ 4,161	$ 3,361	23.8%
Adjusted EBITDA Margin (1)	23.1%	28.6%		22.8%	24.0%	

(1) Q4 margin includes bonuses which were accrued in quarterly corporate costs in the previous three quarters.

Year End Discussion

Gross revenues were $63.0 million for the year ended December 31, 2015, up 28.7% or $14.0 million from $49.0 million in 2014. Revenues from license sales, maintenance and subscriptions, and services all had healthy growth year-over-year. The growth was driven by strong AE sales, high renewal rates and a price increase on DCF maintenance contracts, and enhanced operational focus on the sale of services. Additionally, we experienced an increase in subscription revenues as we are making subscription pricing available as an alternative to the traditional license model in response to market demand. Strengthening of exchange rates against the Canadian dollar improved overall revenues by 13.4%.

Adjusted EBITDA was $14.6 million for the year ended December 31, 2015, up 4.0% or $0.6 million from $14.0 million in 2014. The increase in Adjusted EBITDA was offset by investments in product development, an increased sales force and expanded operational capacity. In addition, last year we capitalized $1.2 million of software development costs, which did not reoccur this year. The stronger exchange rates against the Canadian dollar benefitted Adjusted EBITDA by 13.3%.

Quarterly Discussion

Gross revenues were $18.3 million for the quarter ended December 31, 2015, up 30.6% or $4.3 million from $14.0 million in the same period in 2014. The growth in the quarter was driven by an increase in revenues from subscription fees and maintenance. The maintenance revenue increase was supported by high renewal rates, an increased AE user base, and a pricing increase on DCF maintenance contracts. Strengthening of exchange rates against the Canadian dollar improved overall revenues by 15.9%.

Adjusted EBITDA was $4.2 million for the quarter ended December 31, 2015, up 23.8% or $0.8 million from $3.4 million in the same period in 2014. Adjusted EBITDA for the quarter improved as a result of higher revenues; however, it was also impacted by continued investments in product development, an increased sales force and expanded operational capacity. The stronger exchange rates against the Canadian dollar benefitted Adjusted EBITDA by 16.2%.

Outlook

ARGUS Software is an important asset, fundamental to the attainment of our long-term strategy of enhancing our data analytics and software solutions. We believe ARGUS Software is well positioned to take advantage of growth opportunities in the global marketplace over the next several years. We have a strong development roadmap that will support future organic growth. We expect that growth will be driven by capitalizing on the following opportunities:

- New client wins and continued conversions of existing clients to the AE platform;
- Product enhancements and new product offerings;
- Integration with the Altus Analytics and Voyanta platform; and
- Geographic expansion into underserved markets in Europe, Middle East, Africa and Asia Pacific, driven by our global customers.

In 2016 we expect to see continued strength in the adoption of AE, leading to greater license sales, recurring subscription and maintenance revenues, and service revenues. We will continue to invest in our resources and organization to further support our long-term growth.

Property Tax

	Year ended December 31,			Quarter ended December 31,		
In thousands of dollars	**2015**	2014	% Change	**2015**	2014	% Change
Global Revenues						
North America	$ 103,722	$ 71,862	44.3%	$ 28,009	$ 17,832	57.1%
UK	30,168	26,395	14.3%	7,293	6,860	6.3%
Gross Revenues	$ 133,890	$ 98,257	36.3%	$ 35,302	$ 24,692	43.0%
Global Adjusted EBITDA						
North America	$ 21,161	$ 16,016	32.1%	$ 5,501	$ 1,778	209.4%
UK	6,707	5,310	26.3%	(471)	269	(275.1%)
Adjusted EBITDA	$ 27,868	$ 21,326	30.7%	$ 5,030	$ 2,047	145.7%
North America Adjusted EBITDA Margin (1)	20.4%	22.3%		19.6%	10.0%	
UK Adjusted EBITDA Margin (1)	22.2%	20.1%		(6.5%)	3.9%	

(1) Q4 margin includes bonuses which were accrued in quarterly corporate costs in the previous three quarters.

Year End Discussion

Global gross revenues were $133.9 million for the year ended December 31, 2015, up 36.3% or $35.6 million from $98.3 million in 2014. North America gross revenues were $103.7 million, up 44.3% or $31.8 million from $71.9 million in 2014. The increase in North American revenues was driven primarily by the acquisition of SC&H SALT, as well as organic growth in Canada. The acquisitions of SC&H SALT and ATA represented 31.7% of the growth in the year. In Canada, the growth benefitted from higher contingency revenue resulting from the settlement of a significant case in Alberta. The US exchange rate improvements against the Canadian dollar benefitted North American revenues by 3.8%. UK gross revenues were $30.2 million for the year ended December 31, 2015, up 14.3% or $3.8 million from $26.4 million in 2014. In the UK, the growth was driven by increased activity in occupied ratings and the acquisition of Maxwell Brown, which contributed 4.4% of the growth in the year. The strength of the UK exchange rate against the Canadian dollar benefitted UK revenues by 7.5%.

Global Adjusted EBITDA was $27.9 million for the year ended December 31, 2015, up 30.7% or $6.6 million from $21.3 million in 2014. North America Adjusted EBITDA was $21.2 million, up 32.1% or $5.2 million from $16.0 million in 2014. The increase in Adjusted EBITDA in North America resulted from increased revenues in the Canadian operations and acquisitive earnings from SC&H SALT. The acquisitions of SC&H SALT and ATA contributed 7.7% of the growth in the year. Adjusted EBITDA was impacted by lower contingency revenues in the US, higher integration costs associated with SC&H SALT, and ongoing investments in the US business. The strength of the US exchange rate against the Canadian dollar benefitted North American Adjusted EBITDA by 1.3%. UK Adjusted EBITDA was $6.7 million for the year ended December 31, 2015, up 26.3% or $1.4 million from $5.3 million in 2014. In the UK, Adjusted EBITDA increased as a result of revenue growth, partially offset by higher compensation costs. The acquisition of Maxwell Brown contributed 7.4% of the growth in the year. The strength of the UK exchange rate against the Canadian dollar benefitted UK Adjusted EBITDA by 5.7%.

Quarterly Discussion

Global gross revenues were $35.3 million for the quarter ended December 31, 2015, up 43.0% or $10.6 million from $24.7 million in the same period in 2014. North America gross revenues were $28.0 million, up 57.1% or $10.2 million from $17.8 million in the same period in 2014. The increase in North American revenues was driven primarily by the acquisition of SC&H SALT, as well as organic growth in Canada. The acquisitions of SC&H SALT and ATA provided 22.8% of the growth in the quarter. In Canada, the growth benefitted from higher contingency revenue resulting from the settlement of a significant case in Alberta. The US exchange rate improvements against the Canadian dollar benefitted North American revenues by 5.3%. UK gross revenues were $7.3 million for the quarter ended December 31, 2015, up 6.3% or $0.4 million from $6.9 million in the same period in 2014. In the UK, the growth was driven by the strength of the UK exchange rate against the Canadian dollar and benefitted UK revenues by 12.8%. The acquisition of Maxwell Brown contributed 8.6% of the growth in the quarter. Impacting the quarter was lower activity in ratings as the taxing authorities have shifted their focus on preparing for the 2017 re-valuation cycle.

Global Adjusted EBITDA was $5.0 million for the quarter ended December 31, 2015, up 145.7% or $3.0 million from $2.0 million in the same period in 2014. North America Adjusted EBITDA was $5.5 million, up 209.4% or $3.7 million from $1.8 million in the same period in 2014. The increase in Adjusted EBITDA in North America resulted from increased revenues in the Canadian operations and acquisitive earnings from SC&H SALT. Adjusted EBITDA was impacted by lower contingency revenues in the US, higher integration costs associated with SC&H SALT, and ongoing investments in the US business. UK Adjusted EBITDA was $(0.5) million for the quarter ended December 31, 2015, down 275.1% or $0.8 million from $0.3 million in the same period in 2014. In the UK, Adjusted EBITDA decreased on lower revenues and higher compensation costs.

Outlook

Our Property Tax practice continues to represent an attractive growth area for our business, both in the US and the UK. Our North American platform with our existing network of offices in Canada and the US, provides us with enhanced capabilities geographically to service large clients anywhere across North America. In 2016, we will continue to execute on operations in each of our jurisdictions, but a key focus will be on integration of the US tax practice, with a focus on operational efficiency improvements. We expect that there are additional opportunities for tuck-in acquisitions in the US that will further build out our capabilities. In the UK, we anticipate some challenges to ratings revenues as 2016 is the final year of the extended seven year tax assessment cycle. We hope to mitigate some of this impact with a focus on our other services such as empty rates and landlord and tenant services. Also, we will be focused on building our capabilities through strategic hires and/or through acquisitions in preparation for the next re-valuation cycle which begins in 2017.

Cost Consulting & Project Management

	Year ended December 31,			Quarter ended December 31,		
In thousands of dollars	**2015**	2014	% Change	**2015**	2014	% Change
Global Revenues						
North America	$ 28,544	$ 28,206	1.2%	$ 7,689	$ 7,438	3.4%
Asia Pacific	18,076	18,783	(3.8%)	4,426	4,857	(8.9%)
Gross Revenues	$ 46,620	$ 46,989	(0.8%)	$ 12,115	$ 12,295	(1.5%)
Global Adjusted EBITDA						
North America	$ 5,863	$ 6,199	(5.4%)	$ 1,294	$ 995	30.1%
Asia Pacific	908	1,626	(44.2%)	121	334	(63.8%)
Adjusted EBITDA	$ 6,771	$ 7,825	(13.5%)	$ 1,415	$ 1,329	6.5%
North America Adjusted EBITDA Margin (1)	20.5%	22.0%		16.8%	13.4%	
Asia Pacific Adjusted EBITDA Margin (1)	5.0%	8.7%		2.7%	6.9%	

(1) Q4 margin includes bonuses which were accrued in quarterly corporate costs in the previous three quarters.

Year End Discussion

Global gross revenues were $46.6 million for the year ended December 31, 2015, down 0.8% or $0.4 million from $47.0 million in 2014. North America gross revenues were $28.5 million, up 1.2% or $0.3 million from $28.2 million in 2014. North American revenues grew as increased project work in public sector assignments offset the decline in residential and commercial projects. Asia Pacific gross revenues were $18.1 million for the year ended December 31, 2015, down 3.8% or $0.7 million from $18.8 million in 2014. Asia Pacific revenues held steady in Australia but declined in Asia as a large project ended in China.

Global Adjusted EBITDA was $6.8 million for the year ended December 31, 2015, down 13.5% or $1.0 million from $7.8 million in 2014. North America Adjusted EBITDA was $5.9 million, down 5.4% or $0.3 million from $6.2 million in 2014. North American Adjusted EBITDA was impacted by higher compensation costs and increased bad debt provisions. Asia Pacific Adjusted EBITDA was $0.9 million, down 44.2% or $0.7 million from $1.6 million in 2014. Asia Pacific earnings were impacted by lower revenues.

Quarterly Discussion

Global gross revenues were $12.1 million for the quarter ended December 31, 2015, down 1.5% or $0.2 million from $12.3 million in the same period in 2014. North America gross revenues were $7.7 million, up 3.4% or $0.3 million from $7.4 million in the same period in 2014. North American revenues grew on increased project work in public sector assignments. Asia Pacific gross revenues were $4.4 million for the quarter ended December 31, 2015, down 8.9% or $0.5 million from $4.9 million in the same period in 2014. Asia Pacific revenues declined on lower revenues from China.

Global Adjusted EBITDA was $1.4 million for the quarter ended December 31, 2015, up 6.5% or $0.1 million from $1.3 million in the same period in 2014. North America Adjusted EBITDA was $1.3 million, up 30.1% or $0.3 million from $1.0 million in the same period in 2014. North American Adjusted EBITDA was impacted by increased revenues. Asia Pacific Adjusted EBITDA was $0.1 million for the quarter ended December 31, 2015, down 63.8% or $0.2 million from $0.3 million in the same period in 2014. Asia Pacific earnings were impacted by lower revenues.

Outlook

Our Cost businesses in North America and Asia Pacific remain stable and profitable. We expect moderate growth in the near to medium term. In North America, we will continue to diversify our client and industry focus and in Asia Pacific, we will continue to leverage our global relationships to drive opportunities.

Geomatics

	Year ended December 31,			Quarter ended December 31,		
In thousands of dollars	**2015**	2014	% Change	**2015**	2014	% Change
Gross Revenues	$ 67,199	$ 85,085	(21.0%)	$ 15,370	$ 23,344	(34.2%)
Adjusted EBITDA (1)	$ 10,062	$ 19,240	(47.7%)	$ 1,154	$ 3,923	(70.6%)
Adjusted EBITDA Margin (1)	15.0%	22.6%		7.5%	16.8%	

(1) Q4 margin includes bonuses which were accrued in quarterly corporate costs in the previous three quarters.

Year End Discussion

Gross revenues were $67.2 million for the year ended December 31, 2015, down 21.0% or $17.9 million from $85.1 million in 2014. During the year there was significant decline in global oil prices that lead to a slowdown in capital spending in Western Canada. Revenues were lower as a result of fewer projects and fee reductions for clients in the oil and gas sector.

Adjusted EBITDA was $10.1 million for the year ended December 31, 2015, down 47.7% or $9.1 million from $19.2 million in 2014. The decline in earnings resulted from reduced revenues and reduced operating margins.

Quarterly Discussion

Gross revenues were $15.4 million for the quarter ended December 31, 2015, down 34.2% or $7.9 million from $23.3 million in the same period in 2014. Revenues continued to be impacted by the reduced activity in the oil and gas sector, and overall rate reductions.

Adjusted EBITDA was $1.2 million for the quarter ended December 31, 2015, down 70.6% or $2.7 million from $3.9 million in the same period in 2014. The decline in earnings resulted from reduced revenues and reduced operating margins.

Outlook

Oil prices experienced a steady decline in 2015 and market analysts are generally not forecasting any price appreciation until late 2016, at the earliest. Consistent with other companies, we expect our clients who are involved in oil and gas exploration and development to further reduce capital expenditures in 2016. As approximately 55% of our business is derived directly from oil and gas clients, we expect our revenues and Adjusted EBITDA to be impacted in the first half of the year. Our performance in the second half of the year will depend on oil price movements into mid-2016. In response to the market headwinds, we have been undergoing cost reduction.

Corporate Costs

Year End Discussion

Corporate costs for the year ended December 31, 2015 were $15.3 million, as compared to $14.6 million in 2014. The slight increase in corporate costs was mainly due to increased personnel to support business growth. As a percentage of gross revenues, corporate costs declined from 3.9% in 2014 to 3.7% in 2015.

Quarterly Discussion

Corporate costs (recovery) were $(2.6) million for the quarter ended December 31, 2015, as compared to $(4.1) million in the same period in 2014. In the first nine months of the year, bonuses were recorded in the Corporate segment, subject to the overall finalization of bonuses at year end. In the fourth quarter, bonuses were allocated to the business units, and resulted in the positive balance. Compared to the same period in 2014, lower variable compensation was recorded during the first nine months of the year and resulted in the lower positive balance.

Liquidity and Capital Resources

Cash Flow		**Year ended December 31,**		
In thousands of dollars		**2015**		2014
Net cash from operating activities	$	48,137	$	49,455
Net cash from financing activities		(21,060)		38,856
Net cash from investing activities		(26,860)		(87,967)
Effect of foreign currency translation		1,935		444
Change in cash position during the period	$	2,152	$	788
Dividends paid	$	16,493	$	14,434

We expect to fund operations with cash derived from operating activities. Deficiencies arising from short-term working capital requirements and capital expenditures may be financed on a short-term basis with bank indebtedness or on a permanent basis with offerings of securities. Significant erosion in the general state of the economy could affect our liquidity by reducing cash generated from operating activities or by limiting access to short-term financing as a result of tightening credit markets.

Cash from Operating Activities

Working Capital		**Year ended December 31,**		
In thousands of dollars		**2015**		2014
Current assets	$	154,932	$	149,547
Current liabilities		84,426		211,292
Working capital	$	70,506	$	(61,745)

Current assets are composed primarily of cash and cash equivalents, trade receivables and other and income taxes recoverable. Current liabilities include trade payables and other, income taxes payable and borrowings.

As at December 31, 2014, our bank credit facilities were to mature on December 31, 2015, and as a result, the outstanding balance under the bank credit facilities was recorded in current liabilities. Effective April 28, 2015, we renegotiated our bank credit facilities, which extended the term by five years expiring April 28, 2020. Therefore, as at December 31, 2015, the outstanding balance under the bank credit facilities has been recorded in non-current liabilities.

As at December 31, 2015, trade receivables, net and unbilled revenue on customer contracts net of deferred revenue was $96.1 million, down 8.6% or $9.0 million from $105.1 million as at December 31, 2014. As a percentage of the trailing 12-month gross revenues, trade receivables and unbilled revenue on customer contracts net of deferred revenue, a non-IFRS measure, was 22.6% as at December 31, 2015, as compared to 26.3% as at December 31, 2014.

Altus Group's Days Sales Outstanding ("DSO"), a non-IFRS measure, was 82 days as at December 31, 2015, as compared to 86 days as at December 31, 2014. Our DSO is calculated by taking the five quarter average balance of trade receivables, net and unbilled revenue on customer contracts net of deferred revenue and the result is then divided by the trailing 12-month gross revenues plus any pre-acquisition revenue, as applicable, and multiplied by 365 days. Our method of calculating DSO may differ from the methods used by other issuers and, accordingly, may not be comparable to similar measures used by other issuers. We believe this measure is useful to investors as it demonstrates our ability to convert trade receivables and unbilled revenue into cash.

Current and long-term liabilities include amounts owing to the vendors of acquired businesses on account of excess working capital, deferred purchase price payments and other closing adjustments. As at December 31, 2015, the amount owing to the vendors of acquired businesses was approximately $3.8 million, as compared to $9.4 million as at December 31, 2014. We intend to fund the deferred purchase price payments through the Revolving Term Facility (as described below) or cash on hand.

We are able to satisfy the balance of our current liabilities through the realization of our current assets.

Cash from Financing Activities

Effective April 28, 2015, we renegotiated our bank credit facilities, which extended the term by five years expiring April 28, 2020. Refer to "Operating Highlights" in this MD&A for further details.

We have a Revolving Term Facility, which is a senior secured revolving term facility used for general corporate purposes, which will mature April 28, 2020. The maximum amount of this facility is $200.0 million. Certain provisions allow us to increase the limit further to $250.0 million.

As at December 31, 2015, our total borrowings on our Revolving Term Facility amounted to $126.0 million, a decrease of $1.5 million from December 31, 2014.

We also have outstanding letters of credit under our bank credit facilities in the total amount of $0.4 million to secure a credit facility for operating leases (2014 - $0.3 million).

The cost of our bank credit facilities is tied to the Canadian Prime rates, Canadian Bankers' Acceptance rate, US Base rates or LIBOR rates. As at December 31, 2015, $65.0 million was subject to interest rate swap agreements to fix the interest rate. We are obligated to pay the counterparty to the swap agreement an amount based upon a fixed interest rate of 1.48% per annum and the counterparty is obligated to pay us an amount equal to the Canadian Bankers' Acceptance rate. These agreements expire on May 15, 2020. These interest rate swaps are not designated as cash flow hedges for accounting purposes. The interest rate swap agreement of $65.6 million, entered into in 2011, matured in August 2015. The effective annual rate of interest for the year ended December 31, 2015 on our bank credit facilities was 3.69%, as compared to 4.60% in 2014.

As at December 31, 2015, we were in compliance with the financial covenants of our bank credit facilities, which are summarized below:

	December 31, 2015
Funded debt to EBITDA (maximum of 3.00:1)	**1.92:1**
Fixed charge coverage (minimum of 1.20:1)	**4.89:1**
Funded debt to capitalization (maximum of 55%)	**24%**

Other than long-term debt and letters of credit, we are subject to other contractual obligations such as operating leases for offices and equipment, finance leases for equipment, as well as amounts owing to vendors of acquired businesses as discussed above.

Contractual Obligations	**Payments Due by Period (undiscounted)**				
In thousands of dollars	**Total**	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years
Long-term debt	**$ 128,149**	$ 1,370	$ 267	$ 126,168	$ 344
Operating lease obligations	**100,007**	14,787	28,784	23,206	33,230
Finance lease obligations	**2,349**	918	1,333	98	-
Contingent consideration payable	**3,537**	2,870	667	-	-
Convertible debentures (1)	**8,241**	-	8,241	-	-
Amounts payable to unitholders	**2,527**	-	-	-	2,527
Other liabilities	**55,658**	49,825	1,720	2,261	1,852
Total Contractual Obligations	**$ 300,468**	$ 69,770	$ 41,012	$ 151,733	$ 37,953

(1) Refers to the $48.0 million of 6.75% convertible unsecured subordinated debentures issued by us on April 19, 2012 (the "2012 convertible debentures"). The terms of the 2012 convertible debentures are described in detail in Note 19 of the 2015 annual consolidated financial statements.

Cash from Investing Activities

We invest in property, plant and equipment and intangible assets to support the activities of the business, such as computer equipment and software, trucks and field equipment and office equipment and furnishings. Capital expenditures for accounting purposes include property, plant and equipment in substance as well as form, including assets under finance leases and intangible assets comprising of computer application software.

Capital expenditures are reconciled as follows:

Capital Expenditures				**Year ended December 31,**
In thousands of dollars		**2015**		2014
Property, plant and equipment additions	$	12,320	$	7,713
Intangible asset additions		1,739		3,053
Proceeds on disposal of property, plant and equipment		(159)		(169)
Capital expenditures funded by cash from investing activities	$	13,900	$	10,597

Reconciliation of Adjusted EBITDA to Profit (Loss)

The following table provides a reconciliation between Adjusted EBITDA and profit (loss) for the fourth quarter and year end:

	Year ended December 31,		Quarter ended December 31,	
In thousands of dollars	**2015**	2014	**2015**	2014
Adjusted EBITDA	$ 63,382	$ 67,103	$ 19,465	$ 18,822
Depreciation and amortization	(40,057)	(24,162)	(9,512)	(8,278)
Acquisition related (expenses) income	429	(3,477)	1,002	(509)
Share of profit (loss) of associates	(1,270)	(1,421)	(26)	(60)
Unrealized foreign exchange gain (loss) (1)	1,678	(133)	685	305
Gain (loss) on sale of property, plant and equipment (1)	(420)	(385)	(181)	(54)
Non-cash Executive Compensation Plan costs (2)	(3,769)	(1,567)	(1,135)	(664)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged (2)	76	65	18	83
Restructuring costs	(2,694)	(128)	(802)	(64)
Gain (loss) on sale of certain business assets (3)	3,483	-	-	-
Other non-operating and/or non-recurring income (costs) (4)	512	194	298	(85)
Operating profit (loss)	21,350	36,089	9,812	9,496
Finance (costs) income, net	(11,253)	(17,384)	(1,409)	(2,937)
Profit (loss) before income taxes	10,097	18,705	8,403	6,559
Income tax recovery (expense)	(848)	(5,534)	(1,866)	(1,483)
Profit (loss) for the period	$ 9,249	$ 13,171	$ 6,537	$ 5,076

(1) Included in office and other operating expenses in the consolidated statements of comprehensive income (loss).

(2) Included in employee compensation expenses in the consolidated statements of comprehensive income (loss).

(3) Gain (loss) on sale of certain business assets relates to a gain on the deemed disposal of our investment in Real Matters.

(4) Other non-operating and/or non-recurring income (costs) for the year ended December 31, 2015 relate to the following: a recovery of commodity taxes previously paid; adjustments to non-recurring settlements of legal and related costs; and, a reversal of amounts owed to former owners of Altus Québec. Other non-operating and/or non-recurring income (costs) for the quarter ended December 31, 2015 relate to non-recurring settlement of legal costs. Other non-operating and/or non-recurring income (costs) for the year ended December 31, 2014 relate to the following: non-recurring settlement of legal costs; an accounting gain on the equity interest in Voyanta following its full acquisition; and, other one-time recoveries. Other non-operating and/or non-recurring income (costs) for the quarter ended December 31, 2014 relate to non-recurring settlement of legal costs offset by an accounting gain on the equity interest in Voyanta following its full acquisition. These are included in office and other operating expenses in the consolidated statements of comprehensive income (loss).

Adjusted Earnings (Loss) Per Share

	Year ended December 31,		Quarter ended December 31,	
In thousands of dollars, except for per share amounts	**2015**	2014	**2015**	2014
Profit (loss) for the period	$ 9,249	$ 13,171	$ 6,537	$ 5,076
Amortization of intangibles of acquired businesses	31,252	16,626	6,916	6,017
Non-cash finance cost (income) related to amounts payable to UK unitholders, net of change in fair value of related equity derivatives	13	1,113	8	41
Share of loss (profit) of associates	1,270	1,421	26	60
Unrealized foreign exchange loss (gain)	(1,678)	133	(685)	(305)
Loss (gain) on sale of property, plant and equipment	420	385	181	54
Distributions related to amounts payable to UK unitholders	98	158	21	21
Non-cash Executive Compensation Plan costs	3,769	1,567	1,135	664
Loss (gain) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged	(76)	(65)	(18)	(83)
Interest accretion on vendor payables	246	687	156	328
Restructuring costs	2,694	128	802	64
Loss (gain) on hedging transactions, including interest expense (income) on swaps not designated as cash flow hedge	1,241	-	7	-
Acquisition related expenses (income)	(429)	3,477	(1,002)	509
Loss (gain) on sale of certain business assets	(3,483)	-	-	-
Non-recurring amortization charge related to early redemption of 2010 convertible debentures	-	3,892	-	-
Other non-operating and/or non-recurring income	(512)	(194)	(298)	85
Tax impact on above	(11,078)	(7,508)	(2,366)	(2,500)
Adjusted earnings (loss) for the period	$ 32,996	$ 34,991	$ 11,420	$ 10,031
Weighted average number of shares - basic	33,348,326	29,932,586	36,186,616	31,855,627
Weighted average number of restricted shares	416,225	291,603	410,731	318,256
Weighted average number of shares - adjusted	33,764,551	30,224,189	36,597,347	32,173,883
Adjusted earnings (loss) per share	$0.98	$1.16	$0.31	$0.31

Summary of Quarterly Results

In thousands of dollars, except for per share amounts	2015 Fiscal 2015	2015 Dec 31	2015 Sep 30	2015 Jun 30	2015 Mar 31	2014 Fiscal 2014	2014 Dec 31	2014 Sep 30	2014 Jun 30	2014 Mar 31
Results of Operations										
Gross revenues	$ 416,413	$ 110,961	$ 102,234	$ 104,753	$ 98,465	$ 370,202	$ 100,853	$ 92,310	$ 90,348	$ 86,691
Adjusted EBITDA	$ 63,382	$ 19,465	$ 15,303	$ 16,426	$ 12,188	$ 67,103	$ 18,822	$ 17,361	$ 16,038	$ 14,882
Adjusted EBITDA margin	15.2%	17.5%	15.0%	15.7%	12.4%	18.1%	18.7%	18.8%	17.8%	17.2%
Profit (loss) for the period	$ 9,249	$ 6,537	$ (698)	$ 2,694	$ 716	$ 13,171	$ 5,076	$ 3,885	$ (673)	$ 4,883
Earnings (loss) per share:										
Basic	$0.28	$0.18	$(0.02)	$0.08	$0.02	$0.44	$0.16	$0.13	$(0.02)	$0.17
Diluted	$0.27	$0.18	$(0.02)	$0.08	$0.02	$0.43	$0.16	$0.12	$(0.02)	$0.17
Adjusted	$0.98	$0.31	$0.22	$0.28	$0.16	$1.16	$0.31	$0.30	$0.28	$0.26
Weighted average number shares ('000s):										
Basic	33,348	36,187	32,959	32,180	32,026	29,933	31,856	30,765	28,662	28,399
Diluted	33,819	36,657	32,959	32,751	32,684	30,720	37,020	32,332	28,662	33,810

Certain segments of our operations are subject to seasonal variations which may impact overall quarterly results. For instance:

- Geomatics' projects tend to be on remote undeveloped land in Western Canada which is most accessible in the winter and summer months and least accessible in the spring months when ground conditions are soft and wet. Gross revenues for Geomatics tend to peak in the third and fourth quarters of the year in line with higher activity levels during these periods.

- In our global Property Tax business, we can experience significant fluctuations on a quarterly basis as a result of the timing of contingency settlements and other factors.

- At ARGUS Software, as with most software firms, the strongest revenue quarter tends to be the fourth quarter.

Selected Annual Information

Selected Financial Information	For the year ended December 31,		
In thousands of dollars, except for per share amounts	**2015**	2014	2013
Operations			
Gross revenues	$ 416,413	$ 370,202	$ 324,449
Adjusted EBITDA	$ 63,382	$ 67,103	$ 57,378
Adjusted EBITDA margin	15.2%	18.1%	17.7%
Profit (loss)	$ 9,249	$ 13,171	$ 18,607
Earnings (loss) per share:			
Basic	$0.28	$0.44	$0.77
Diluted	$0.27	$0.43	$0.71
Adjusted	$0.98	$1.16	$1.14
Dividends declared per share	$0.60	$0.60	$0.60

Balance Sheet	At December 31,		
	2015	2014	2013
Total assets	$ 597,724	$ 549,726	$ 442,438
Long-term liabilities (excluding deferred income taxes)	152,117	56,290	173,825

Gross revenues were $416.4 million for the year ended December 31, 2015, up 12.5% from 2014, of which approximately 9.8% was from acquisitions. Adjusted EBITDA was $63.4 million for the year, a margin of 15.2%, down 5.5% from 2014, and profit for the year was $9.2 million.

Gross revenues were $370.2 million for the year ended December 31, 2014, up 14.1% from 2013, of which approximately 6.8% was from acquisitions. Adjusted EBITDA was $67.1 million for the year, a margin of 18.1%, up 16.9% from 2013, and profit for the year was $13.2 million.

Gross revenues were $324.4 million for the year ended December 31, 2013, up 0.6% from 2012, of which approximately 1.2% was from acquisitions. Adjusted EBITDA was $57.4 million for the year, a margin of 17.7%, up from 15.8% in 2012, and profit for the year was $18.6 million.

In each of the past three years we have declared and paid quarterly dividends totaling $0.60 annually, per common share to the shareholders.

Selected Highlights for 2014

Acquisition of Maltais Geomatics Inc.

On April 1, 2014, we acquired the operating business assets of MGI for $15.8 million, subject to adjustments. Based in Alberta, MGI provides geomatics services for a wide range of client sectors, with particular strength in the electrical power, industrial, and commercial construction, as well as the oil and gas and pipeline sectors.

Acquisition of RealNet Canada Inc.

On July 23, 2014, we acquired all of the issued and outstanding shares of RealNet for $20.0 million in cash. Based in Toronto, Canada, RealNet provides information services to both the commercial real estate investment and residential development sectors in Canada and offers a comprehensive suite of services including independent property market research and real time interactive analytical tools.

Acquisition of Voyanta Limited

On October 1, 2014, we acquired the remaining 70.3% interest in Voyanta that we did not already own for $7.3 million. Based in London, UK, and founded in 2012, Voyanta is a global provider of real estate data management and analytics software. Voyanta's cloud-based management platform enables its users to aggregate, validate and analyze commercial real estate information in a streamlined and standardized manner.

Acquisition of SC&H Group Inc.'s State and Local Tax consulting practice

On December 1, 2014, we acquired the operating business assets of SC&H SALT for US$38.0 million (CAD$43.3 million), subject to adjustments. Based in Baltimore, US, SC&H SALT is a leading provider of specialized state and local tax and advisory services in the US.

Redemption of 2010 convertible debentures

On July 28, 2014, we redeemed all of our outstanding 5.75% convertible unsecured subordinated debentures issued on December 1, 2010 (the "2010 convertible debentures") in accordance with the terms of the convertible debenture indenture. 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 of 2010 convertible debentures was redeemed using available cash on hand.

Expanded RVA into Europe

In the summer of 2014, we expanded our outsourced appraisal management offering into Europe by opening an office in Luxembourg in response to an attractive market opportunity created by regulatory and governance changes in that market. Under the new legislation, the Alternative Investment Fund Manager Directive ("AIFMD"), fund managers must now follow a very extensive set of measures and technical rules that will ultimately require increasing independence and transparency around their valuation, risk and portfolio management. Our independent RVA model is well positioned to address the needs of European clients and help ensure AIFMD-compliance.

Initiated strategic partnership with NCREIF

In November of 2014, we announced a partnership with the National Council of Real Estate Investment Fiduciaries ("NCREIF") through which we will collaborate to develop a new data platform to better analyze historical and real-time commercial real estate information collected exclusively by our US RVA group and NCREIF.

Enhanced global functionality of ARGUS Enterprise

In 2014, we made significant enhancements to AE's global functionality. In April 2014, we launched version 10.0, which added traditional valuation, a standard used throughout Europe and other countries. Subsequently in October 2014, we launched version 10.5, which added Australian valuation. AE 10.5 is now the most advanced version of AE that incorporates the world's most widely-used standard valuation methodologies.

Selected Highlights for 2013

Sale of shares in Altus Residential Limited ("ARL")
On January 1, 2013, we sold our 100% interest in ARL to Real Matters for consideration of $8.2 million.

Acquisition of Complex Property Advisors Corporation, a healthcare tax consulting business in the United States
On July 1, 2013, we acquired the operating business assets of Complex Property Advisors Corporation for approximately US$8.5 million (CAD$9.0 million), subject to adjustments.

Purchase price adjustment on acquisition of PwC Appraisal Management Practice
On July 30, 2010, we acquired the operating business assets of the PricewaterhouseCoopers' U.S.-based real estate appraisal management practice. During the three months ended September 30, 2013, we paid the contingent consideration payable of US$13.2 million with respect to such acquisition through the issuance of 1,360,625 common shares.

Equity offering
On October 31, 2013, we completed the issuance and sale to the public of 3,507,500 common shares at a price of $13.15 per common share for gross proceeds of $46.1 million. Substantially all of the net proceeds from the equity offering were used for the repayment of debt.

Acquisition of Eileen Bilton Partnership Ltd.
On December 6, 2013, we acquired the operating business assets of Eileen Bilton Partnership Ltd. ("EBP") for approximately $0.5 million, subject to adjustments. Based in Warrington, UK, EBP is a commercial property agency specializing in marketing, leasing, selling and acquiring industrial, warehouse and office spaces.

Sale of partial investment in Real Matters
On December 16, 2013, we completed the partial sale of our investment in Real Matters for net consideration of $2.6 million. An accounting gain of $1.3 million was recorded on the transaction.

Restructuring
During 2013, we undertook restructuring activities within ARGUS Software, global Cost operations and the corporate finance group. In connection with these restructuring activities, a total of $2.9 million in restructuring costs was recorded for the year ended December 31, 2013. These charges relate primarily to employee severance costs.

Share Data

As at January 31, 2016, 36,527,115 common shares were outstanding and are net of 387,248 restricted shares. These restricted shares are shares held by Altus Group, which are subject to restrictive covenants and may or may not vest for employees. Accordingly, these shares are not included in the total number of common shares outstanding for financial reporting purposes and are not included in basic earnings per share calculations.

As at December 31, 2015, there were 732,743 share options outstanding (2014 - 962,662 share options outstanding) at a weighted average exercise price of $16.95 per share (2014 - $11.73 per share) and 135,496 options were exercisable (2014 - 300,747). All share options are exercisable into common shares on a one-for-one basis.

During the first quarter of 2013, we implemented a Dividend Reinvestment Plan ("DRIP") for our shareholders who are resident in Canada. Under the DRIP, participants may elect to automatically reinvest quarterly dividend distributions in additional Altus Group common shares.

Pursuant to the DRIP, and in the case where common shares are issued from treasury, cash dividend distributions will be reinvested in additional Altus Group common shares at the weighted average market price of our common shares for the five trading days immediately preceding the relevant dividend payment date, less a discount, currently set at 4%.

During the year ended December 31, 2015, 191,028 common shares were issued under the DRIP.

During the year ended December 31, 2015, 3,565,700 common shares were issued on the early conversion of the 2012 convertible debentures. As at December 31, 2015, there was a total principal amount of $8.2 million of 2012 convertible debentures outstanding. These are exchangeable into common shares at the option of the holder at a conversion price of $10.00 per common share, equivalent to a maximum of 824,100 common shares.

Financial Instruments and Other Instruments

Financial instruments held in the normal course of business included in our consolidated balance sheet as at December 31, 2015 consist of cash and cash equivalents, trade receivables and other (excluding prepayments and lease inducements), trade payables and other (excluding lease inducements and deferred revenue), borrowings, derivative financial instruments and amounts payable to unitholders. We do not enter into financial instrument arrangements for speculative purposes.

The fair values of the short-term financial instruments approximate their carrying values. The fair values of borrowings are not significantly different than their carrying values, as these instruments bear interest at rates comparable to current market rates. The fair value of other long-term liabilities and contingent consideration payable is estimated by discounting the future contractual cash flows at the cost of borrowing to us, which is equal to their carrying value.

The fair value of the 2012 convertible debentures as at December 31, 2015 was approximately $15.7 million, based on market quotes. Under IFRS accounting, these convertible debentures are recorded at amortized cost.

The fair value of the liabilities for cash-settled plans and amounts payable to UK unitholders as at December 31, 2015 was approximately $7.2 million, based on market quotes for our common shares.

We are exposed to interest rate risk in the event of fluctuations in the Canadian Prime rate, Canadian Bankers' Acceptance rate, US Base rate or LIBOR rate as the interest rates on the bank credit facilities fluctuate with changes in the Canadian Prime rate, Canadian Bankers' Acceptance rate, US Base rate or LIBOR rate.

To mitigate our exposure to interest rate fluctuations, we have entered into interest rate swap agreements in connection with our bank credit facilities.

In 2010, we entered into an interest rate swap agreement, effective August 31, 2011, for a notional amount of $75.0 million and a fixed interest rate of 2.77% per annum plus a stamping fee. This agreement expired on August 31, 2015.

In 2015, we entered into interest rate swap agreements for a total notional amount of $65.0 million and a fixed interest rate of 1.48% per annum. This agreement expires on May 15, 2020. As at December 31, 2015, we have a total notional amount of $65.0 million outstanding and the fair value of this swap was $1.2 million in favor of the counterparty.

In 2014 and 2015, we entered into equity derivatives to manage our exposure to changes in the fair value of RSUs and DSUs, issued under their respective plans, due to changes in the fair value of our common shares. Changes in the fair value of these derivatives are recorded as compensation expense and offset the impact of mark-to-market adjustments on the RSUs and DSUs that have been accrued.

As at December 31, 2015, we have equity derivatives relating to RSUs and DSUs outstanding with a notional amount of $4.9 million. The fair value of these derivatives is $0.1 million in our favor.

We are exposed to credit risk with respect to our cash and cash equivalents and trade receivables and other, and more specifically our trade receivables, and derivative financial instruments. Credit risk is not concentrated with any particular customer. In certain parts of Asia, it is often common business practice to pay invoices over an extended period of time and/or at the completion of the project. This practice increases the risk and likelihood of future bad debts. In addition, the risk of non-collection of trade receivables is greater in Asia Pacific compared to North American or European countries. Trade receivables are monitored on an ongoing basis with respect to their collectability and, where appropriate, a specific reserve is recorded.

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. We manage liquidity risk through the management of our capital structure and financial leverage. We also manage liquidity risk by continuously monitoring actual and projected cash flows, taking into account the seasonality of our revenues and receipts and maturity profile of financial assets and liabilities. Our Board of Directors review and approve our operating and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments.

We are also exposed to price risk as the amounts payable to UK unitholders are classified as fair value through profit or loss, and linked to the price of our own common shares.

In order to limit price risk exposure, we entered into equity derivatives associated with the amounts payable to UK unitholders in 2014. Changes in the fair value of these equity derivatives are recorded as finance costs (income), net and offset the impact of mark-to-market adjustments on amounts payable to unitholders that have been accrued.

As at December 31, 2015, we have equity derivatives relating to amounts payable to unitholders outstanding with a notional amount of $2.7 million. The fair value of these derivatives is $0.2 million in favor of the counterparty.

Related Party Transactions

We provide appraisal services to Real Matters, an entity in which we hold a 16.4% equity interest as at December 31, 2015. During the year ended December 31, 2015, we recorded gross revenues of approximately $0.03 million for appraisal services provided to Real Matters (2014 - $0.03 million).

As part of ongoing operations with Real Matters, there was a nominal amount included in trade receivables and other as at December 31, 2015 (2014 - $0.01 million).

During the year ended December 31, 2015, we determined that a deemed disposal of our interest in Real Matters had occurred due to the funds raised by Real Matters in a common equity financing transaction, which reduced our ownership percentage in Real Matters from 18.2% to 16.4%. Accordingly, we calculated the deemed disposal of our interest in Real Matters and recognized a gain of $3.5 million with a related increase to the carrying value of the investment in Real Matters.

All related party transactions were in the normal course of operations and measured at the exchange amount.

Contingencies

From time to time, we or our subsidiaries are involved in legal proceedings, claims and litigation in the ordinary course of business with customers, former employees and other parties. Although it is not possible to determine the outcome of such matters, based on all currently available information, management believes that liabilities, if any, arising from such matters will not have a material adverse effect on our financial position or results of operations, and have been adequately provided for in the consolidated financial statements.

In the ordinary course of business, we are subject to tax audits from various government agencies relating to income and commodity taxes. As a result, from time to time, the tax authorities may disagree with the positions and conclusions we made in our tax filings, which could lead to assessments and reassessments. These assessments and reassessments may have a material adverse effect on our financial position or results of operations.

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires management to make estimates and assumptions concerning the future. It also requires management to exercise its judgment in applying our accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. The following discussion sets forth management's most significant estimates and assumptions in determining the value of assets and liabilities and the most significant judgments in applying accounting policies.

Revenue recognition and valuation of unbilled revenue on customer contracts
Use of the percentage of completion method requires us to estimate the services performed to date as a proportion of the total services to be performed based on budgeted costs and time required to complete a project. Changes in estimates of the percentage of completion could lead to the under or overvaluation of revenue.

We value our unbilled revenue based on the time and materials charged to each particular project. The unbilled revenue for each project is reviewed on a monthly basis to determine whether the amount is a true reflection of the amount that will be invoiced in respect of the project. Where the review determines that the value of unbilled revenue exceeds the amount that will be invoiced, adjustments are made to the unbilled revenue. The valuation of the unbilled revenue involves estimates of the amount of work required to complete the project. Changes in estimates of the amount of work required to complete the project could lead to the under or overvaluation of unbilled revenue. Significant erosion in the general state of the economy could result in increased provisions to unbilled revenue.

Revenue recognition and multiple element arrangements
We assess the criteria for the recognition of revenue for arrangements that have multiple elements. These assessments require judgment by management to determine if there are separately identifiable components and how the total price of the arrangement is to be allocated among the components. Deliverables are accounted for as separately identifiable components if the product or service has stand-alone value to the customer and the fair value associated with the product or service can be measured reliably. In determining whether components are separately identifiable, management considers, among other factors, whether we sell the product or service separately in the normal course of operations or whether the customer could purchase the product or service separately. With respect to the allocation of the total price among the components, management uses its judgment to assign a fair value to each component or the undelivered component, as applicable. Fair value is determined based on such items as the price for the component when sold separately and renewal rates for specific components. Changes in these assessments and judgments could lead to an increase or decrease in the amount of revenue recognized in a particular period.

Allowance for doubtful accounts
Estimates are used in determining the allowance for doubtful accounts related to trade receivables. The estimates are based on management's best assessment of the collectability of the related receivable balance based, in part, on the age of the specific receivable balance. An allowance is established when the likelihood of collecting the account has significantly diminished. Future collections of receivables that differ from management's current estimates would affect the results of operations in future periods as well as trade receivables and office and other operating expenses. Significant erosion in the general state of the economy could result in increased allowances for doubtful accounts.

Estimated impairment of goodwill

We test annually whether goodwill is subject to any impairment. Goodwill impairment is evaluated between annual tests upon the occurrence of certain events or circumstances. Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or group of CGUs that are expected to benefit from synergies of the business combination in which the goodwill arose. Goodwill is tested for impairment in the group of CGUs for which it is monitored by management. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount for any CGU is determined based on the higher of fair value less costs to sell and value in use. Both of the valuation approaches require the use of estimates. Significant erosion in the general state of the economy could result in increased impairment losses. During the year ended December 31, 2015, there was no goodwill impairment charge (2014 - $Nil). If the discount rate (after-tax) were to increase by 100 basis points for North America Geomatics, a goodwill impairment charge of $2.5 million would result. If the perpetual growth rate were to decrease by 100 basis points for North America Geomatics, no goodwill impairment charge would result. For the remaining CGUs, no reasonably possible change in key assumptions would result in an impairment.

Intangibles

Intangibles are acquired assets that lack physical substance and that meet the specified criteria for recognition separately from goodwill. Intangibles with a finite life, as summarized in the consolidated financial statements, are recorded at cost and are amortized over the period of expected future benefit using the straight-line method or the diminishing balance method. Intangibles with an indefinite life, which include the Altus Group and ARGUS brands, are recorded at cost. On an annual basis, management reviews the carrying amount of intangibles that have an indefinite life for possible impairment by evaluating the recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. Intangibles are written down to their recoverable amount when a decline is identified. The determination of the recoverable amount requires the use of management's best assessment of the related inputs into the valuation models, such as future cash flows and discount rates. Significant erosion in the general state of the economy could result in increased impairment losses. During the year ended December 31, 2015, there was no intangible impairment charge (2014 - $Nil).

Determination of purchase price allocations and contingent consideration

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Further, estimates are made in determining the value of contingent consideration payments that should be recorded as part of the consideration on the date of acquisition and changes in contingent consideration payable in subsequent reporting periods. Contingent consideration payments are generally based on acquired companies achieving certain performance targets. The estimates are based on management's best assessment of the related inputs used in the valuation models, such as future cash flows and discount rates. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. Significant erosion in the general state of the economy could negatively impact future performance of acquired companies.

Income taxes

We are subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Changes in Accounting Policies Including Initial Adoption of New Accounting Pronouncements

Future Accounting Pronouncements

International Financial Reporting Standard 16, Leases
IFRS 16, which was issued in January 2016, will replace current lease accounting standards. It proposes to record all leases on the balance sheet with certain limited exceptions. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Limited earlier adoption is permitted. We have not yet begun the process of evaluating the impact of this standard on our consolidated financial statements.

International Financial Reporting Standard 9, Financial Instruments
The final version of IFRS 9, as issued in July 2014 as a complete standard, introduces a model for the classification and measurement of financial instruments, a single, forward-looking expected-loss impairment model that will require more timely recognition of expected credit losses and a substantially reformed approach for hedge accounting, with enhanced disclosures about risk management activity. IFRS 9 also removes the volatility in profit or loss that is caused by changes in an entity's own credit risk for liabilities elected to be measured at fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. We have not yet begun the process of evaluating the impact of this standard on our consolidated financial statements.

International Financial Reporting Standard 15, Revenue from Contracts with Customers
IFRS 15, which was issued in May 2014, will replace all current revenue recognition requirements under IFRS. IFRS 15 establishes a new five-step model that will apply to 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. IFRS 15 is required for annual periods beginning on or after January 1, 2018, using either a full or modified retrospective application. Earlier adoption is permitted. We are in the process of evaluating the impact of this standard on our consolidated financial statements.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109").

Management has caused such DC&P to be designed under its supervision to provide reasonable assurance that our material information, including our consolidated subsidiaries, is made known to our Chief Executive Officer and our Chief Financial Officer for the period in which the annual filings were prepared. Further, such DC&P are designed to provide reasonable assurance that information we are required to disclose in our annual filings, interim filings or other reports we have filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

Management has caused such ICFR to be designed under its supervision using the framework established in Internal Control - Integrated Framework (2013) published by the Committee of Sponsoring

Organizations of the Treadway Commission ("COSO") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.

Section 3.3(1)(b) of NI 52-109 allows an issuer to limit its design of DC&P and ICFR to exclude controls, policies and procedures of a business that the issuer acquired not exceeding 365 days from the date of acquisition.

Management has limited the scope of the design of DC&P and ICFR, consistent with previous practice, to exclude controls, policies and procedures of HWA acquired on April 1, 2015, MPC acquired on June 1, 2015, Maxwell Brown acquired on June 1, 2015, Integris acquired on July 1, 2015, ATA acquired on October 1, 2015 and Lambournes acquired on November 20, 2015.

Financial information of the businesses acquired is summarized below.

Balance Sheet data for HWA:

In thousands of dollars		**December 31, 2015**
Current assets	$	320
Long-term assets		562
Current liabilities		217

Income Statement data for HWA:

In thousands of dollars		**Year ended December 31, 2015**
Revenues	$	828
Expenses		856
Profit (loss)		(28)

Balance Sheet data for MPC:

In thousands of dollars		**December 31, 2015**
Current assets	$	100
Long-term assets		658
Current liabilities		168

Income Statement data for MPC:

In thousands of dollars		**Year ended December 31, 2015**
Revenues	$	195
Expenses		213
Profit (loss)		(18)

Income Statement data for Maxwell Brown:

In thousands of dollars	Year ended December 31, 2015
Revenues	$ 1,160
Expenses	653
Profit (loss)	507

Balance Sheet data for Integris:

In thousands of dollars	December 31, 2015
Current assets	$ 1,339
Long-term assets	4,288
Current liabilities	696

Income Statement data for Integris:

In thousands of dollars	Year ended December 31, 2015
Revenues	$ 1,539
Expenses	1,414
Profit (loss)	125

Balance Sheet data for ATA:

In thousands of dollars	December 31, 2015
Current assets	$ 245
Long-term assets	4,023
Current liabilities	1,472

Income Statement data for ATA:

In thousands of dollars	Year ended December 31, 2015
Revenues	$ 217
Expenses	596
Profit (loss)	(379)

Balance Sheet data for Lambournes:

In thousands of dollars	December 31, 2015
Assets	$ 1,483
Liabilities	446
Equity	1,037

Management has caused to be evaluated under its supervision the effectiveness of its DC&P as of December 31, 2015, and has concluded that the design and effectiveness of these controls and procedures provide reasonable assurance that material information relating to Altus Group, including our consolidated subsidiaries, was made known to management on a timely basis to ensure adequate disclosure.

Management has caused to be evaluated under its supervision the effectiveness of its ICFR as of December 31, 2015 using the COSO framework. Management has concluded that the overall design and effectiveness of these controls provide reasonable assurance of the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.

There have been no changes in our internal controls over financial reporting that occurred during the three month period ended December 31, 2015, the most recently completed interim period, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

The audit committee and our Board of Directors have reviewed and approved this MD&A and the consolidated financial statements for the year ended December 31, 2015.

Key Factors Affecting the Business

The risks and uncertainties that could significantly affect our financial condition and future results of operations are summarized below:

General state of the economy
The businesses operated by us are affected by general economic conditions, including international, national, regional and local economic conditions, all of which are outside of our control. Economic slowdowns or downturns, adverse economic conditions, cyclical trends, increases in interest rates, variations in currency exchange rates, reduced client spending and other factors could have a material adverse effect on our business, financial condition and results of operations. Although our operations are functionally and geographically diversified, significant erosion in levels of activity in any segment in which we operate could have a negative impact on our business, financial condition and results of operations.

Currency risk
Our reporting currency is the Canadian dollar.

We have operations in Canada, the UK, the US, Australia and various countries throughout Asia. Our exposure to foreign currency risk is primarily in the following areas:

- Profit (loss) generated by operations in foreign countries, which are translated into Canadian dollars using the average exchange rate;
- Net assets of foreign subsidiaries, which are translated into Canadian dollars using the period end exchange rate with any gains or losses recorded under accumulated other comprehensive income (loss) within shareholders' equity; and

- Non-Canadian dollar denominated monetary assets and liabilities, which are translated into Canadian dollars using the period end exchange rate with any gains or losses recorded through profit (loss).

The exchange rate between the Canadian dollar and the US dollar ranged from $1.1599 at December 31, 2014 to $1.3869 at December 31, 2015. The exchange rate between the Canadian dollar and the British pound ranged from $1.8062 at December 31, 2014 to $2.0529 at December 31, 2015. The exchange rate between the Canadian dollar and the Australian dollar moved in a tight range from $0.9494 at December 31, 2014 to $1.0122 at December 31, 2015.

Oil and gas sector

The land survey practice of Geomatics operates primarily in the oil and gas industry in Alberta. The risks to the outlook for the land survey practice in Alberta arise from world markets for oil and gas. Historically, the prices for oil and gas have been volatile and subject to wide fluctuations in response to changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond our control. We cannot predict future oil and gas price movements. If oil and gas prices experience a prolonged decline, there could be a material adverse effect on our business, financial condition, liquidity and operating results.

Ability to maintain profitability and manage growth

Our ability to achieve revenue growth and sustain profitability in future periods depends on our ability to execute our strategic plan and effectively manage our growth. A failure to do so could have a material adverse effect on our business, financial condition and results of operations.

Commercial real estate market

The businesses we operate are affected by the state of commercial real estate as an investment asset class. Economic slowdowns triggered by credit liquidity, interest rates, regulatory policy, tax policy, etc., could negatively impact the market and result in fewer appraisals, cost assignments and license and subscription sales. This could have a material adverse effect on our business, financial condition, liquidity and results of operations.

Competition in the industry

We face competition from other service and software providers. Competition for our professional services includes a broad mix of competitors, ranging from smaller, locally-based professional service firms to national, multi-regional professional service providers and to large engineering and accounting firms. Software providers also compete with us in respect of real estate asset management, valuation, budgeting, forecasting, reporting and lease management solutions. These competitive forces could result in a material adverse effect on our business, financial condition and results of operations by reducing our relative share in the markets we serve.

Ability to attract and retain professionals

Our success and ability to grow are dependent on the expertise, experience and efforts of our professionals. Competition for employees with the qualifications we desire is intense, which puts upward pressure on compensation costs. We expect that competition for qualified professionals will continue to increase, thereby causing compensation costs to escalate. Should we be unable to attract and retain professionals that meet the desired level of skills and ability, our business may be jeopardized.

Information from multiple sources
The quality of our databases supporting certain of our products depends substantially on information provided by a number of sources, including commercial real estate brokers, agents and property owners, trade associations, tax assessors, deed recorders, municipal planners, corporate web sites, the business and trade press, and selected third party vendors of business information. Our inability to collect information from a significant number of these sources may negatively affect certain of our products and may potentially result in subscriber cancellations and failure to acquire new subscribers.

Reliance on larger software transactions with longer and less predictable sales cycles
The ability to meet revenue targets for ARGUS Software is becoming more dependent on larger transactions which have longer sales cycles. The presence or absence of one or more of these transactions may have a material positive or negative effect on anticipated revenue in any given period.

Success of new product introductions
As new ARGUS Software products are developed and introduced to the marketplace, client adoption may not achieve anticipated levels. As a result, revenue projections may not be achieved. If cash flows from new products do not reach sufficient levels, asset impairments may need to be taken on any capitalized costs related to the development of the products.

Ability to respond to technological change and develop products on a timely basis
Our ability to generate future revenues from software is dependent upon meeting the changing needs of the market and evolving industry standards through new product introductions and product enhancements. In order to maintain or enhance product market share over the long-term, it is imperative to anticipate and develop products that meet client and industry needs. In the short to medium term, the ability to complete product developments on a timely basis is important to achieving revenue and cost targets.

Protection of intellectual property or defending against claims of intellectual property rights of others
We rely on protecting our intellectual property rights including patents, copyrights, trademarks, trade secrets, databases and methodologies, which have been important factors in maintaining our competitive position. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to obtain and use information that we regard as proprietary. There can be no assurance that we will be successful in protecting our proprietary rights and, if we are not, our business, financial condition, liquidity and results of operations could be materially adversely affected. Additionally, we may be subject to claims by third parties regarding technology infringement. Responding to such claims could result in substantial expense and may result in damages or injunctive relief. We may also be required to indemnify customers pursuant to our indemnification obligations, enter into licensing agreements on unfavourable terms or redesign or stop selling affected products, which could materially disrupt the conduct of our business.

Information technology governance and security
Our business has client data and information, including proprietary information, which may be processed and stored on our networks. Digital information and equipment is subject to loss, theft or destruction, and services that we provide may become temporarily unavailable as a result thereof or due to a system or equipment malfunction. Failures can arise from human error in the course of normal operations, maintenance and upgrading activities, or from hacking, vandalism (including denial of service attacks and computer viruses), theft and unauthorized access by third parties, as well as from

power outages or surges, floods, fires, natural disasters or from any other causes. The measures that we take to protect information and software, including both physical and logical controls on access to premises, information and backup systems may prove in some circumstances to be inadequate to prevent the loss, theft or destruction of client information or service interruptions. Such failure could result in a loss of professional reputation and adversely affect our business, financial condition and results of operations.

Integration of acquisitions
We intend to make acquisitions from time to time as part of our strategy to grow our business. Acquisitions may increase the size of our operations, as well as increase the amount of indebtedness that we may have to service. There is no assurance that we will be able to acquire operations on satisfactory terms. The successful integration and management of acquired businesses involve numerous risks and there is no assurance that we will be able to successfully integrate our acquisitions. Such failure could adversely affect our business, financial condition and results of operations.

Fixed-price and contingency engagements
A portion of our revenues comes from fixed-price engagements. A fixed-price engagement requires us to either perform all or a specified part of work under the engagement for a specified lump sum payment. Fixed-price engagements expose us to a number of risks not inherent in cost-plus engagements, including underestimation of costs, ambiguities in specifications, unforeseen or changed costs or difficulties, problems with new technologies, delays beyond our control, failures of subcontractors to perform and economic or other changes that may occur during the term of engagement. Increasing reliance on fixed-price engagements and/or increases in the size of such engagements would increase the exposure to this risk. Economic loss under fixed-price engagements could have a material adverse effect on our business.

We are also engaged to provide services on a contingency basis, meaning that we receive our fees only if certain results are achieved. We may experience adverse financial effects from having devoted certain professional and other resources to a project, which, due to a failure to meet the contingency goals, are not recouped through fees.

Appraisal and appraisal management mandates
Some clients rotate their appraisal and appraisal management mandates to different service providers. As a result, we may be rotated out of an appraisal engagement.

Canadian multi-residential market
Approximately 42% of the Canadian Cost practice area's annual revenues are derived from the rental apartment and condominium sectors of the multi-residential development market. Any significant decline in the multi-unit residential development market could have a material adverse effect on our business, financial condition, liquidity and operating results.

Weather
The level of activity in the oilfield services industry and natural resources industry are influenced by seasonal weather patterns and natural or other disasters, such as floods and forest fires. Spring break-up during the second quarter leaves many secondary roads temporarily incapable of supporting the weight of field equipment, which results in severe restrictions in the provision of field work for Geomatics'

survey services and land-use consulting. The timing and duration of spring break-up are dependent on regional weather patterns but generally occur in April and May.

The demand for survey services and forestry and land-use services may also be affected by the severity of Canadian winters and excessively rainy periods, thereby adversely affecting operations. The uncertainty of weather and temperature can therefore create unpredictability in activity and utilization rates.

Legislative and regulatory changes
Changes to any of the laws, rules, regulations or policies affecting our business would have an impact on our business. Certain elements of our business are influenced by the regulatory environment of our clients, such as the requirement for pension fund managers to obtain property valuations on an annual basis. In addition, elements of our business, such as our Property Tax practice area, are significantly influenced by the regulatory regime and any changes thereto. Any change to laws, rules, regulations or policies may significantly and adversely affect our operations and financial performance.

Customer concentration
Although we are not dependent on one or a small number of clients, certain of our business segments have a few clients with whom they have multiple contracts.

Interest rate risk
We are exposed to fluctuations in interest rates under our borrowings. Increases in interest rates may have an adverse effect on our earnings.

Credit risk
We may be materially and adversely affected if the collectability of our trade receivables is impaired for any reason. In certain parts of Asia, it is often common business practice to pay invoices over an extended period of time and/or at the completion of the project. This practice increases the risk and likelihood of future bad debts. In addition, the risk of non-collection of trade receivables is greater in Asia Pacific compared to North American or European countries.

Income tax matters
In the ordinary course of business, we may be subject to audits by tax authorities. While management anticipates that our tax filing positions will be appropriate and supportable, it is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income and taxes payable, may be reviewed and challenged by the authorities. If such challenge were to succeed, it could have a material adverse effect on our tax position. Further, the interpretation of and changes in tax laws, whether by legislative or judicial action or decision, and the administrative policies and assessing practices of tax authorities, could materially adversely affect our tax position.

Revenue and cash flow volatility
Our revenue, cash flow, operating results and profitability may experience fluctuations from quarter to quarter, based on project terms and conditions for billing and rendering of services.

Operating risks
Our professionals are sometimes required to attend client worksites, including construction worksites in the case of the Cost practice area. The activities at these worksites may involve certain operating hazards that can result in personal injury and loss of life. There can be no assurance that our insurance will be sufficient or effective under all circumstances or against all claims or hazards to which we may be subject or that we will be able to continue to obtain adequate insurance protection. A successful claim or damage resulting from a hazard for which it is not fully insured could adversely affect our results of operations.

Performance of obligations/maintenance of client satisfaction
Our success depends largely on our ability to fulfill obligations and ensure client satisfaction. If we fail to satisfactorily perform our obligations, address performance issues or make professional errors in the services that we provide, clients could terminate projects, thereby exposing us to legal liability, loss of professional reputation, enhanced risk of loss and/or reduced profits.

Risk of future legal proceedings
We are threatened from time to time with, or are named as a defendant in, or may become subject to various legal proceedings in the ordinary course of conducting our business, including lawsuits based upon professional errors and omissions. A significant judgment against us, or the imposition of a significant fine or penalty as a result of a finding that we have failed to comply with laws, regulations, contractual obligations or other arrangements or professional standards, could have a significant adverse impact on our financial performance. Should any indemnities made in our favor in respect of certain assignments fail to be respected or enforced, we may suffer material adverse financial effects.

Insurance limits
Management believes that our professional errors and omissions insurance coverage and directors' and officer' liability insurance coverage address all material insurable risks, provide coverage that is similar to that which would be maintained by a prudent operator of a similar business and are subject to deductibles, limits and exclusions, which are customary or reasonable given the cost of procuring insurance and current operating conditions. However, there can be no assurance that such insurance will continue to be offered on an economically affordable basis, that all events that could give rise to a loss or liability are insurable or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving our assets or operations.

Ability to meet solvency requirements to pay dividends
Our ability to pay dividends is dependent on our operations and assets, and is subject to various factors including our financial performance, our obligations under applicable bank credit facilities, fluctuations in our working capital, the sustainability of our margins and our capital expenditure requirements.

Leverage and restrictive covenants
Our ability to pay dividends or make other payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing any indebtedness owed by us or our subsidiaries (including the bank credit facilities). The degree to which we are leveraged could have important consequences to our shareholders. For example, our ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; a significant portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing funds available for future operations; certain of our borrowings will be

subject to variable rates of interests, which exposes us to the risk of increased interest rates; and we may be more vulnerable to economic downturns and be limited in our ability to withstand competitor pressures.

The bank credit facilities contain numerous restrictive covenants that limit the discretion of our management with respect to certain business matters. These covenants place significant restrictions on, among other things, our ability to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the bank credit facilities contain a number of financial covenants that require us to meet certain financial ratios and financial condition tests. Failure to comply with the obligations provided in the bank credit facilities could result in a default which, if not cured or waived, could result in the termination of dividends paid by us and accelerate the repayment of the relevant indebtedness. If repayments of indebtedness under the bank credit facilities were to be accelerated, there can be no assurance that our assets would be sufficient to repay the relevant indebtedness in full. There can be no assurance that future borrowings or equity financing will be available to us or available on acceptable terms, in an amount sufficient to fund our needs. If we are unable to obtain financing on the expiration of the bank credit facilities or are unable to obtain financing on favourable terms, our ability to pay dividends may be adversely affected.

Unpredictability and volatility of common share price

Our common shares do not necessarily trade at prices determined by reference to the underlying value of our business and cannot be predicted. The market price of the common shares may be subject to significant fluctuations in response to variations in quarterly operating results and other factors. In addition, securities markets have experienced significant price and volume fluctuations from time to time in recent years that are often unrelated or disproportionately related to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of our common shares.

Capital investment

The timing and amount of capital expenditures made by us or any of our subsidiaries indirectly affects the amount of cash available for the payment of dividends to shareholders. Dividends may be reduced, or even eliminated, at times when we deem it necessary to make significant capital or other expenditures.

Issuance of additional common shares diluting existing shareholders' interests

We are authorized to issue an unlimited number of common shares for such consideration and on such terms and conditions as shall be determined by the Board of Directors without shareholder approval, except as required by the TSX. In addition, we may, at our option, satisfy our obligations with respect to interest payable on, and the repayment of the face value of, the Canadian convertible debentures through the issuance of common shares.

Additional Information

Additional information relating to Altus Group Limited, including our Annual Information Form, is available on SEDAR at www.sedar.com and on our corporate website at www.altusgroup.com under the Investors tab.

Our common shares trade on the Toronto Stock Exchange under the symbol "AIF" and the 2012 convertible debentures trade under the symbol "AIF.DB.A".

Altus Group Limited

Consolidated Financial Statements
December 31, 2015 and 2014

(Expressed in Thousands of Canadian Dollars)

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Altus Group Limited are the responsibility of management and have been reviewed by the Board of Directors of Altus Group Limited. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgments. Management has also prepared financial and all other information in the Annual Shareholders' Report and has ensured that this information is consistent with the consolidated financial statements.

The Company maintains appropriate systems of internal control, policies and procedures, which provide management with reasonable assurance that assets are safeguarded and the financial records are reliable and form a proper basis for the preparation of the consolidated financial statements.

The Board of Directors of Altus Group Limited ensures that management fulfills its responsibilities for financial reporting and internal control through an Audit Committee. This committee reviews the consolidated financial statements and reports to the Board of Directors. The committee meets with the auditor to discuss the results of the audit, the adequacy of internal accounting controls and financial reporting matters.

The consolidated financial statements have been independently audited by Ernst & Young LLP in accordance with Canadian generally accepted auditing standards. Their report which follows expresses their opinion on the consolidated financial statements of the Company.

"Robert Courteau"	*"Angelo Bartolini"*
Robert Courteau	Angelo Bartolini
Chief Executive Officer	Chief Financial Officer
February 23, 2016	February 23, 2016

Independent Auditors' Report

To the Shareholders of
Altus Group Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Altus Group Limited, which comprise the consolidated balance sheets as at December 31, 2015 and 2014, and the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Altus Group Limited as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"Ernst & Young LLP"

Toronto, Canada
February 23, 2016

Chartered Professional Accountants
Licensed Public Accountants

Altus Group Limited

Consolidated Statements of Comprehensive Income (Loss)
For the Years Ended December 31, 2015 and 2014
(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

	Notes	For the year ended December 31, 2015	For the year ended December 31, 2014
Revenues			
Gross revenues		**$ 416,413**	$ 370,202
Less: disbursements		**26,977**	30,006
Net revenue		**389,436**	340,196
Expenses			
Employee compensation	7	**260,345**	221,403
Occupancy	8	**18,551**	14,603
Office and other operating	8	**49,081**	38,913
Amortization of intangibles	16	**33,040**	18,321
Depreciation of property, plant and equipment	15	**7,017**	5,841
Acquisition related expenses (income)	5	**(429)**	3,477
Share of (profit) loss of associates	14	**1,270**	1,421
Restructuring costs	18	**2,694**	128
(Gain) loss on sale of certain business assets	30	**(3,483)**	-
Operating profit (loss)		**21,350**	36,089
Finance costs (income), net	9	**11,253**	17,384
Profit (loss) before income taxes		**10,097**	18,705
Income tax expense (recovery)	10	**848**	5,534
Profit (loss) for the year attributable to equity holders		**$ 9,249**	$ 13,171
Other comprehensive income (loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges	23	**468**	740
Currency translation differences	23	**36,612**	11,841
Share of other comprehensive income (loss) of associates	23	**1,118**	339
Other comprehensive income (loss), net of tax		**38,198**	12,920
Total comprehensive income (loss) for the year, net of tax, attributable to equity holders		**$ 47,447**	$ 26,091
Earnings (loss) per share attributable to the equity holders of the Company during the year			
Basic earnings (loss) per share	25	**$0.28**	$0.44
Diluted earnings (loss) per share	25	**$0.27**	$0.43

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

Altus Group Limited

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

	Notes	December 31, 2015	December 31, 2014
Assets			
Current assets			
Cash and cash equivalents	11	**$ 19,604**	$ 17,452
Trade receivables and other	12	**134,501**	130,670
Income taxes recoverable		**794**	1,425
Derivative financial instruments	13	**33**	-
		154,932	149,547
Non-current assets			
Trade receivables and other	12	**594**	379
Derivative financial instruments	13	**43**	328
Investment in associates	14	**17,447**	13,948
Deferred income taxes	10	**19,712**	14,145
Property, plant and equipment	15	**30,778**	22,872
Intangibles	16	**134,872**	132,934
Goodwill	17	**239,346**	215,573
		442,792	400,179
Total Assets		**$ 597,724**	$ 549,726
Liabilities			
Current liabilities			
Trade payables and other	18	**$ 81,282**	$ 77,954
Income taxes payable		**1,015**	4,631
Borrowings	19	**2,129**	128,073
Derivative financial instruments	13	**-**	634
		84,426	211,292
Non-current liabilities			
Trade payables and other	18	**13,890**	10,235
Borrowings	19	**134,302**	43,150
Derivative financial instruments	13	**1,398**	-
Deferred income taxes	10	**10,586**	9,040
Amounts payable to unitholders	20	**2,527**	2,905
		162,703	65,330
Total Liabilities		**247,129**	276,622
Shareholders' Equity			
Share capital	21	**452,472**	405,443
Equity component of convertible debentures		**312**	1,567
Contributed surplus	22	**14,084**	9,008
Accumulated other comprehensive income (loss)	23	**60,558**	22,360
Deficit		**(176,831)**	(165,274)
Total Shareholders' Equity		**350,595**	273,104
Total Liabilities and Shareholders' Equity		**$ 597,724**	$ 549,726

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

Approved on behalf of the Board of Directors

"Raymond Mikulich"

Raymond Mikulich

"Eric Slavens"

Eric Slavens

Altus Group Limited

Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2015 and 2014
(Expressed in Thousands of Canadian Dollars)

	Notes	Share Capital	Equity Component of Convertible Debentures	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Equity
As at January 1, 2014		$ 340,445	$ 6,338	$ 6,130	$ 9,440	$ (160,140)	$ 202,213
Profit (loss) for the year		-	-	-	-	13,171	13,171
Other comprehensive income (loss), net of tax:							
Cash flow hedges	23	-	-	-	740	-	740
Currency translation differences	23	-	-	-	11,841	-	11,841
Share of other comprehensive income (loss) of associates	23	-	-	-	339	-	339
Total comprehensive income (loss) for the year		$ -	$ -	$ -	$ 12,920	$ 13,171	$ 26,091
Transactions with owners:							
Dividends declared	26	-	-	-	-	(18,305)	(18,305)
Share-based compensation	22, 24	-	-	2,895	-	-	2,895
Dividend Reinvestment Plan	21	3,306	-	-	-	-	3,306
Shares issued under the Share Option Plan	21, 22, 24	3,230	-	(273)	-	-	2,957
Shares issued on conversion of convertible debentures	21	56,263	(4,601)	-	-	-	51,662
Shares issued on acquisitions	5, 21	5,225	-	-	-	-	5,225
Treasury shares purchased under the Restricted Share Plan	21, 24	(3,086)	-	-	-	-	(3,086)
Release of treasury shares under the Restricted Share Plan	21, 24	60	-	-	-	-	60
Gain on sale of RSs and shares held in escrow	22	-	-	86	-	-	86
Equity component of 2010 convertible debentures that were redeemed	22	-	(170)	170	-	-	-
		64,998	(4,771)	2,878	-	(18,305)	44,800
As at December 31, 2014		$ 405,443	$ 1,567	$ 9,008	$ 22,360	$ (165,274)	$ 273,104
As at January 1, 2015		$ 405,443	$ 1,567	$ 9,008	$ 22,360	$ (165,274)	$ 273,104
Profit (loss) for the year		-	-	-	-	9,249	9,249
Other comprehensive income (loss), net of tax:							
Cash flow hedges	23	-	-	-	468	-	468
Currency translation differences	23	-	-	-	36,612	-	36,612
Share of other comprehensive income (loss) of associates	23	-	-	-	1,118	-	1,118
Total comprehensive income (loss) for the year		$ -	$ -	$ -	$ 38,198	$ 9,249	$ 47,447
Transactions with owners:							
Dividends declared	26	-	-	-	-	(20,806)	(20,806)
Share-based compensation	22, 24	-	-	5,946	-	-	5,946
Dividend Reinvestment Plan	21	3,628	-	-	-	-	3,628
Shares issued under the Share Option Plan	21, 22, 24	4,539	-	(526)	-	-	4,013
Shares issued on conversion of convertible debentures	21	37,058	(1,255)	-	-	-	35,803
Shares issued on acquisitions	5, 21	4,510	-	-	-	-	4,510
Treasury shares purchased under the Restricted Share Plan	21, 24	(3,112)	-	-	-	-	(3,112)
Release of treasury shares under the Restricted Share Plan	21, 22, 24	406	-	(347)	-	-	59
Gain on sale of RSs and shares held in escrow	22	-	-	3	-	-	3
		47,029	(1,255)	5,076	-	(20,806)	30,044
As at December 31, 2015		**$ 452,472**	**$ 312**	**$ 14,084**	**$ 60,558**	**$ (176,831)**	**$ 350,595**

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

Altus Group Limited

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014
(Expressed in Thousands of Canadian Dollars)

	Notes	For the year ended December 31, 2015	For the year ended December 31, 2014
Cash flows from operating activities			
Profit (loss) before income taxes		**$ 10,097**	$ 18,705
Adjustments for:			
Amortization of intangibles	16	**33,040**	18,321
Depreciation of property, plant and equipment	15	**7,017**	5,841
Amortization of lease inducements		**318**	44
Amortization of capitalized software development costs	16	**526**	202
Tax credits recorded through employee compensation		**(18)**	(201)
Finance costs (income), net	9	**11,253**	17,384
Share-based compensation	22, 24	**5,946**	2,895
Unrealized foreign exchange (gain) loss	6	**(1,678)**	133
(Gain) loss on acquisition achieved in stages	5	**-**	(673)
(Gain) loss on sale of certain business assets	30	**(3,483)**	-
(Gain) loss on disposal of property, plant and equipment	8	**420**	385
(Gain) loss on equity derivatives		**207**	(328)
Share of (profit) loss of associates	14	**1,270**	1,421
Net changes in operating working capital		**(1,681)**	(3,808)
Net cash generated by (used in) operations		**63,234**	60,321
Less: interest paid		**(7,205)**	(8,852)
Less: income taxes paid		**(8,606)**	(2,878)
Add: income taxes received		**714**	864
Net cash provided by (used in) operating activities		**48,137**	49,455
Cash flows from financing activities			
Proceeds from exercise of options	21, 22	**4,013**	2,957
Redemption of Altus UK LLP Class B and D units	20	**(187)**	(3,150)
Financing fees paid		**(1,269)**	-
Proceeds from borrowings		**10,000**	73,000
Repayment of borrowings		**(13,914)**	(16,273)
Dividends paid		**(16,493)**	(14,434)
Treasury shares purchased under Restricted Share Plan	21, 24	**(3,112)**	(3,086)
Interest paid to Altus UK LLP Class B and D unitholders	9	**(98)**	(158)
Net cash provided by (used in) financing activities		**(21,060)**	38,856
Cash flows from investing activities			
Purchase of investment in associates	14	**-**	(3,149)
Purchase of intangibles	16	**(1,739)**	(3,053)
Purchase of property, plant and equipment		**(12,320)**	(7,713)
Proceeds from disposal of property, plant and equipment		**159**	169
Acquisitions	5	**(12,960)**	(74,221)
Net cash provided by (used in) investing activities		**(26,860)**	(87,967)
Effect of foreign currency translation		**1,935**	444
Net increase (decrease) in cash and cash equivalents		**2,152**	788
Cash and cash equivalents			
Beginning of year		**17,452**	16,664
End of year		**$ 19,604**	$ 17,452

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

1. Business and Structure

Altus Group Limited (the "Company") was formed through the completion of a plan of arrangement under the *Business Corporations Act* (Ontario) (the "Arrangement") pursuant to an information circular dated November 8, 2010, whereby Altus Group Income Fund (the "Fund") was converted from an unincorporated open-ended limited purpose trust into a corporate structure (the "Corporate Conversion"). The Corporate Conversion through a series of transactions involved the exchange, on a one-for-one basis, of the Fund Units and the Class B limited partnership units of Altus Group Limited Partnership ("Altus LP") for common shares of the Company. As a result of this reorganization, Altus LP, Altus Operating Trust and the Fund were liquidated and dissolved. The effective date of the Corporate Conversion was January 1, 2011. The Company continues to operate the business of the Fund.

The Company directly or indirectly owns or controls operating entities located within North America, Europe and Asia Pacific and provides independent commercial real estate consulting and advisory services, software and data solutions. The Company conducts its business through five business units: Research, Valuation & Advisory ("RVA"), ARGUS Software, Property Tax Consulting ("Property Tax"), Cost Consulting & Project Management ("Cost") and Geomatics.

The address of the Company's registered office is 33 Yonge Street, Suite 500, Toronto, Ontario, Canada. The Company is listed on the Toronto Stock Exchange ("TSX") and is domiciled in Canada.

"Altus Group" refers to the consolidated operations of Altus Group Limited.

2. Basis of Preparation

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved by the Board of Directors for issue on February 23, 2016.

3. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

Basis of Measurement

The consolidated financial statements have been prepared on a going concern basis using the historical cost convention, as modified by the revaluation of financial assets and financial liabilities, including derivatives, at fair value through profit or loss.

3. Summary of Significant Accounting Policies, cont'd

Consolidation

Subsidiaries

Investments in other entities where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, are considered subsidiaries due to the control exercised over the investee by the Company. Subsidiaries are fully consolidated from the date at which control is determined to have occurred and are de-consolidated from the date that the Company no longer controls the entity.

Intercompany transactions, balances and unrealized gains and losses on transactions between subsidiaries are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

The Company uses the acquisition method of accounting to account for business combinations, when control is acquired. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding and/or voting rights of between 20% and 50%. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost from the date at which significant influence is demonstrated. The Company's investment in its associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income (loss) is recognized in other comprehensive income (loss). The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

3. Summary of Significant Accounting Policies, cont'd

Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of its associates have been changed where necessary to ensure consistency with the policies adopted by the Company.

The Company reviews its investment in associates for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount, being the higher of fair value less costs to sell and value in use, and charged to profit or loss.

If the ownership interest in an associate is reduced, the Company calculates the related gain or loss on any actual disposal as well as any disposal that is deemed to have occurred and recognizes this amount in profit or loss. Where the Company retains significant influence over the associate after the reduction in ownership interest, only a proportionate share of the amounts previously recognized in other comprehensive income (loss) are reclassified to profit or loss.

In accordance with International Accounting Standard ("IAS") 28, Investments in Associates, the Company has significant influence with respect to its investment in Real Matters Inc. ("Real Matters"). As a result, the equity method is used to account for this investment.

Revenue Recognition

Revenue consists of the fair value of the consideration received or receivable for the sale of products and services in the ordinary course of the Company's activities. Revenue is shown net of returns and discounts and after eliminating intercompany revenue.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

3. Summary of Significant Accounting Policies, cont'd

Sale of services

The Company provides real estate consulting and advisory services. These services are provided on a time incurred basis (cost plus contracts), as fixed price contracts or as contingency arrangements, with contract terms generally ranging from less than one year to three years. Cost plus contracts record revenue on an hourly basis as work is performed. Fixed price contracts record revenue on a percentage of completion basis based on a measure of contract costs or hours incurred to date against total estimated costs or hours for each contract. Contingency arrangements record revenue when the uncertainty is resolved and the outcome of the contract becomes determinable and it is more likely than not that costs incurred will be recovered. Losses are recognized in the period identified such that provisions are made for any onerous contracts to cover the cost of fulfilling the obligation.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues and are reflected in profit or loss in the period in which they arise.

Services rendered but not yet billed are recognized in revenue on the basis described above and recorded as unbilled revenue on customer contracts within trade receivables and other less progress bills. Progress bills not yet paid by customers are included within trade receivables and other.

Customer retainers are included in trade payables and other to the extent that they exceed unbilled revenue on customer contracts.

Subscription-based products, including software term licenses

Subscription revenues from sales of products and services that are delivered under a contract over a period of time are recognized on a straight-line basis over the term of the subscription. Subscription revenues received or receivable in advance of the delivery of services or publications is included in deferred revenue within trade payables and other.

Sale of perpetual software licenses

Revenue from the sale of perpetual software licenses is generally recognized upon delivery of the products, provided that no significant vendor obligations remain, the prices are fixed and determinable, and collection is probable.

3. Summary of Significant Accounting Policies, cont'd

Multiple element arrangements

Where a single sales transaction requires the delivery of more than one product or service (multiple elements), revenue recognition criteria are applied to separately identifiable components. A component is considered to be separately identifiable if the product or service delivered has stand-alone value to the customer and the fair value associated with the product or service can be measured reliably, and delivery or performance of the undelivered components is considered probable and substantially under the Company's control. Revenue from the arrangement is allocated to the components on a relative fair value basis, or based on the residual method using the fair value of the undelivered element, as applicable.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO").

Foreign Currency Translation

The consolidated financial statements are presented in Canadian dollars ($), which is the Company's presentation currency. Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

Foreign currency transactions are translated into the appropriate functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss, except for qualifying cash flow hedges, which are deferred in other comprehensive income (loss).

All foreign exchange gains and losses are presented in the consolidated statements of comprehensive income (loss) within office and other operating expenses.

The results and financial position of the Company's subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities are translated at the closing rate at the date of the balance sheet;
(b) income and expenses are translated at average exchange rates; and
(c) all resulting exchange differences are recognized in other comprehensive income (loss).

3. Summary of Significant Accounting Policies, cont'd

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in accumulated other comprehensive income (loss) are recognized in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Leases

Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to profit or loss within occupancy or office and other operating expenses, depending on the lease, on a straight-line basis over the term of the lease.

Leases in which the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. A portion of each lease payment is allocated to finance charges. The rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the rental obligation for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Current and Deferred Income Taxes

The tax expense for the period consists of current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income (loss) or directly in equity. In this case, the tax is also recognized in other comprehensive income (loss) or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3. Summary of Significant Accounting Policies, cont'd

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current.

Assets and liabilities are offset when there is a legally enforceable right to offset and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Investment Tax Credits

Investment tax credits, arising from qualifying scientific research and experimental development efforts pursuant to existing tax legislation, are recorded as a reduction of employee compensation expense when there is reasonable assurance of their ultimate realization.

3. Summary of Significant Accounting Policies, cont'd

Employee Benefits

Termination benefits
Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the date at which the Company can no longer withdraw the offer of these benefits, and, in the case of restructuring, the date at which the Company has recognized costs for a restructuring within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets, that involves the payment of termination benefits. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Profit-sharing and bonus plans
The Company recognizes a liability and an expense for bonuses and profit-sharing awards, based on a performance measure that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognizes the expense and related liability over the service period where contractually obliged or when there is a past practice that has created a constructive obligation, which can be reliably measured.

Share-based Compensation

The Company operates a number of equity-settled share-based compensation plans under which it receives services from employees as consideration for equity instruments of the Company: a Share Option Plan, an Equity Compensation Plan, and a restricted share plan that is structured as a Deferred Compensation Plan.

The Company also has cash-settled share-based compensation plans: a Directors' Deferred Share Unit Plan ("DSU Plan") for its Board of Directors and a restricted share unit plan that is structured as a Deferred Compensation Plan.

Share Option Plan
The Company recognizes a compensation expense through profit or loss related to employee share option grants that will be settled by issuing common shares. The compensation expense is the fair value of the share options on the grant date using the Black-Scholes option pricing model and is recognized through profit or loss with a corresponding credit to contributed surplus over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. On the exercise of the options, the consideration paid by the employee and the associated amount of contributed surplus are credited to share capital within shareholders' equity.

3. Summary of Significant Accounting Policies, cont'd

At the end of each reporting period, the Company re-assesses its estimate of the number of awards that are expected to vest and recognizes the impact of the revisions within employee compensation expense through profit or loss.

Equity Compensation Plan
The Company recognizes a compensation expense through profit or loss related to grants under the Equity Compensation Plan that will be settled by issuing common shares. The compensation expense is the fair value of the award when granted and is recognized through profit or loss with a corresponding credit to contributed surplus over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. When common shares are issued to settle the obligation, the amount previously recorded in contributed surplus is transferred to share capital within shareholders' equity.

At the end of each reporting period, the Company re-assesses its estimate of the number of awards that are expected to vest and recognizes the impact of the revisions within employee compensation expense through profit or loss.

Deferred Compensation Plans
The Company established Deferred Compensation Plans in 2013 that are structured as a restricted share plan ("RS Plan") in Canada and as a restricted share unit plan ("RSU Plan") outside of Canada. If annual performance targets are met, restricted shares and restricted share units will be awarded within three months of that performance year and will not be available to the employee until three years following the date of the award.

With respect to the RS Plan, the Company recognizes a compensation expense through profit or loss with a corresponding credit to contributed surplus over a 17-quarter period beginning in the year in which the award is granted and ending on the vesting date. The compensation expense is the fair value of the award when granted. The Company will contribute funds to purchase common shares in the open market (through the facilities of the TSX or by private agreement) and these restricted shares ("RSs") will be held by the Company until they vest. This amount is shown as a reduction in the carrying value of the Company's common shares. As RSs are released, the portion of the contributed surplus relating to the RSs is credited to share capital within shareholders' equity.

With respect to the RSU Plan, the Company recognizes a compensation expense through profit or loss with a corresponding credit to trade payables and other over a 17-quarter period beginning in the year in which the award is granted and ending on the vesting date. The compensation expense is the fair value of the award when granted. Changes in the liability subsequent to the grant date and prior to settlement, due to changes in fair value of the Company's common shares, are recorded as compensation expense in the period incurred. The restricted share units ("RSUs") are settled in cash.

3. Summary of Significant Accounting Policies, cont'd

Directors' Deferred Share Unit Plan

The Company recognizes a compensation expense through profit or loss for each deferred share unit ("DSU") granted equal to the market value of the Company's common shares on the grant date with a corresponding credit to trade payables and other. Changes in the liability subsequent to the grant date and prior to settlement, due to changes in fair value of the Company's common shares, are recorded as compensation expense in the period incurred. The deferred share units are settled in cash upon termination of Board service.

Financial Assets and Liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

The Company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, available-for-sale or held-to-maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Company has no financial assets classified as available-for-sale or held-to-maturity.

The Company classifies its financial liabilities as fair value through profit or loss or as other liabilities. The classification depends on the purpose for which the liability was assumed, and is determined at initial recognition.

Financial assets or liabilities are classified as current assets or liabilities if expected to be settled within 12 months, otherwise, they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method.

3. Summary of Significant Accounting Policies, cont'd

Financial assets or liabilities at fair value through profit or loss

Financial assets or liabilities at fair value through profit or loss are financial assets or liabilities held for trading. A financial asset or liability is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as fair value through profit or loss unless they are designated as hedges. These assets or liabilities are initially recognized at fair value and are subsequently remeasured at their fair value. Gains or losses arising from changes in the fair value of the financial assets or liabilities at fair value through profit or loss are presented in the consolidated statements of comprehensive income (loss), depending on the nature of the item in place, in the period in which they arise.

Other liabilities

Other liabilities are non-derivative financial liabilities. Other liabilities are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The Company has classified its financial assets and liabilities as follows:

Financial Instrument	Classification
Cash and cash equivalents	Fair value through profit or loss
Trade receivables and other (excluding prepayments)	Loans and receivables
Trade payables and other (excluding lease inducements, deferred revenue, RSU Plan and DSU Plan payables and contingent consideration payable)	Other liabilities
RSU Plan and DSU Plan payables	Fair value through profit or loss
Contingent consideration payable	Fair value through profit or loss
Borrowings	Other liabilities
Derivative financial instruments	Fair value through profit or loss
Amounts payable to unitholders	Fair value through profit or loss

3. Summary of Significant Accounting Policies, cont'd

Impairment of Financial Assets

Assets carried at amortized cost
The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

The criteria used to determine if there is objective evidence of an impairment loss include:

- delinquencies in payments;
- significant financial difficulty of the obligor; or
- it becomes probable that the obligor will enter bankruptcy.

For loans and receivables, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred, discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, such as an improvement in the debtor's credit rating, the reversal of the previously recognized impairment loss is recognized in profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances and short-term, highly liquid investments, which generally have original maturities of three months or less at the time of acquisition.

Derivative Financial Instruments and Hedging Activities

The Company has entered into interest rate swap agreements for the purposes of managing interest rate exposure. The Company also entered into equity derivative financial instruments to manage its exposure to changes in the fair value of its RSUs and DSUs issued under their respective plans, as well as changes in the fair value of amounts payable to unitholders, due to changes in the fair value of the Company's common shares. These derivatives were not entered into for trading or speculative purposes. Derivatives are initially recognized at fair value when a derivative contract is entered into and are subsequently remeasured at their fair value.

3. Summary of Significant Accounting Policies, cont'd

For derivatives that are designated and qualify as cash flow hedges, the effective portion of the changes in fair value is recognized in other comprehensive income (loss) and any ineffective portion is recognized immediately in profit or loss within finance costs (income), net. Amounts recorded in accumulated other comprehensive income (loss) are reclassified to profit or loss, within finance costs (income), net, in the periods when the hedged item affects profit or loss.

Derivatives that do not qualify for hedge accounting are recorded in the consolidated balance sheets at fair value with changes in fair value recorded within finance costs (income), net or employee compensation expense in profit or loss, depending on the nature of the derivative.

Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the assets.

Additional costs incurred with respect to a specific asset are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any replaced part is written off. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Property, plant and equipment are depreciated over the useful life of the assets using the diminishing balance method as follows:

Furniture, fixtures and equipment	20-35%
Computer equipment	30%

Leasehold improvements are depreciated on a straight-line basis over the shorter of the remaining lease term and useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss within office and other operating expenses.

3. Summary of Significant Accounting Policies, cont'd

Intangibles

Intangibles acquired in business combinations
Brands, custom software applications, internally generated software, customer backlog, customer lists and databases acquired as part of a business combination are recognized at fair value at the acquisition date. Intangibles with a finite useful life are carried at cost less accumulated amortization.

Computer application software
Acquired computer application software is recorded at cost less accumulated amortization.

Custom software applications
Costs associated with maintaining computer software applications are recognized as an expense as incurred. Development costs that are directly attributable to the design, build and testing of identifiable and unique software applications controlled by the Company are recognized as intangibles when the following criteria are met:

- it is technically feasible to complete the software application so that it will be available for use or sale;
- management intends to complete the software application and either use or sell it;
- there is an ability to use or sell the software application;
- it can be demonstrated how the software application will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software application are available; and
- the expenditure attributable to the software application during its development can be reliably measured.

Development expenditures that do not meet these criteria are recognized as an expense as incurred.

Costs incurred during the research phase are expensed as incurred.

Non-compete agreements
Acquired non-compete agreements are recorded at cost less accumulated amortization.

3. Summary of Significant Accounting Policies, cont'd

Intangibles with a finite life are amortized over the useful life of the assets using the straight-line or diminishing balance method as follows:

Brands of acquired businesses	1 year straight-line
Computer application software	30% diminishing balance
Custom software applications	2-5 years straight-line
Internally generated software	5 years straight line
Customer backlog	straight-line over remaining life of contracts
Customer lists	5-10 years straight-line
Databases	2 years straight-line
Non-compete agreements	straight-line over life of agreements

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, as discussed below in Impairment of Non-financial Assets.

The Altus Group and ARGUS brands are intangibles with an indefinite life and are not amortized.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets acquired on the date of acquisition. Goodwill is tested annually for impairment, or more frequently should a change in circumstances indicate the carrying amount may not be recoverable, and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from synergies of the business combination in which the goodwill arose. Goodwill is tested for impairment in the groups of CGUs for which it is monitored by the Company.

3. Summary of Significant Accounting Policies, cont'd

Impairment of Non-financial Assets

Goodwill and intangibles that have an indefinite useful life are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable independent cash inflows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost with any difference between the proceeds, net of transaction costs, and the redemption value recognized in finance costs (income), net over the term of the borrowings using the effective interest method.

Borrowings are classified as current liabilities if the payment is due within one year or less. If the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period, or any payments are due after more than one year, these are classified as non-current liabilities.

Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The difference between the nominal amount of the provision and the discounted amount is amortized as a finance cost over the period to settlement and correspondingly increases the carrying amount of the provision.

3. Summary of Significant Accounting Policies, cont'd

Share Capital

Common shares issued by the Company are classified as equity.

Incremental costs directly attributable to the issuance of common shares are shown in equity as a deduction, net of tax, from the proceeds.

When the Company purchases its own share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such common shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Dividends

Dividends to the Company's shareholders are recognized as a liability in the Company's consolidated financial statements in the period in which the dividends are declared by the Company's Board of Directors.

Future Accounting Pronouncements

International Financial Reporting Standard 16, Leases
IFRS 16, Leases, which was issued in January 2016, will replace current lease accounting standards. It proposes to record all leases on the balance sheet with certain limited exceptions. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Limited earlier adoption is permitted. The Company has not yet begun the process of evaluating the impact of this standard on its consolidated financial statements.

International Financial Reporting Standard 9, Financial Instruments
The final version of IFRS 9, Financial Instruments, as issued in July 2014 as a complete standard, introduces a model for the classification and measurement of financial instruments, a single, forward-looking expected-loss impairment model that will require more timely recognition of expected credit losses and a substantially reformed approach for hedge accounting, with enhanced disclosures about risk management activity. IFRS 9 also removes the volatility in profit or loss that is caused by changes in an entity's own credit risk for liabilities elected to be measured at fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company has not yet begun the process of evaluating the impact of this standard on its consolidated financial statements.

3. Summary of Significant Accounting Policies, cont'd

International Financial Reporting Standard 15, Revenue from Contracts with Customers
IFRS 15, Revenue from Contracts with Customers, which was issued in May 2014, will replace all current revenue recognition requirements under IFRS. IFRS 15 establishes a new five-step model that will apply to 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. IFRS 15 is required for annual periods beginning on or after January 1, 2018, using either a full or modified retrospective application. Earlier adoption is permitted. The Company is in the process of evaluating the impact of this standard on its consolidated financial statements.

4. Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires management to make estimates and assumptions concerning the future. It also requires management to exercise its judgment in applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. The following discussion sets forth management's most significant estimates and assumptions in determining the value of assets and liabilities and the most significant judgments in applying accounting policies.

Revenue recognition and valuation of unbilled revenue on customer contracts
Use of the percentage of completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed based on budgeted costs and time required to complete a project. Changes in estimates of the percentage of completion could lead to the under or overvaluation of revenue.

The Company values its unbilled revenue based on the time and materials charged to each particular project. The unbilled revenue for each project is reviewed on a monthly basis to determine whether the amount is a true reflection of the amount that will be invoiced in respect of the project. Where the review determines that the value of unbilled revenue exceeds the amount that will be invoiced, adjustments are made to the unbilled revenue. The valuation of the unbilled revenue involves estimates of the amount of work required to complete the project. Changes in estimates of the amount of work required to complete the project could lead to the under or overvaluation of unbilled revenue.

4. Critical Accounting Estimates and Judgments, cont'd

Revenue recognition and multiple element arrangements

The Company assesses the criteria for the recognition of revenue for arrangements that have multiple elements. These assessments require judgment by management to determine if there are separately identifiable components and how the total price of the arrangement is to be allocated among the components. Deliverables are accounted for as separately identifiable components if the product or service has stand-alone value to the customer and the fair value associated with the product or service can be measured reliably. In determining whether components are separately identifiable, management considers, among other factors, whether the product or service is sold separately by the Company in the normal course of operations or whether the customer could purchase the product or service separately. With respect to the allocation of the total price among the components, management uses its judgment to assign a fair value to each component or the undelivered component, as applicable. Fair value is determined based on such items as the price for the component when sold separately and renewal rates for specific components. Changes in these assessments and judgments could lead to an increase or decrease in the amount of revenue recognized in a particular period.

Allowance for doubtful accounts

Estimates are used in determining the allowance for doubtful accounts related to trade receivables. The estimates are based on management's best assessment of the collectability of the related receivable balance based, in part, on the age of the specific receivable balance. An allowance is established when the likelihood of collecting the account has significantly diminished. Future collections of receivables that differ from management's current estimates would affect trade receivables and office and other operating expenses. Refer to Notes 12 and 27 for the carrying value of the allowance for doubtful accounts.

Estimated impairment of goodwill

The Company tests at least annually whether goodwill is subject to any impairment in accordance with the accounting policy stated in Note 3. The recoverable amount for any CGU is determined based on the higher of fair value less costs to sell and value in use. Both of the valuation approaches require the use of estimates.

4. Critical Accounting Estimates and Judgments, cont'd

Intangibles

Intangibles are acquired assets that lack physical substance and that meet the specified criteria for recognition separately from goodwill. Intangibles with a finite life, as summarized in Note 3, are recorded at cost and are amortized over the period of expected future benefit using the straight-line method or the diminishing balance method. Intangibles with an indefinite life, which include the Altus Group and ARGUS brands, are recorded at cost. On an annual basis, management reviews the carrying amount of intangibles that have an indefinite life for possible impairment by evaluating the recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. Intangibles are written down to their recoverable amount when a decline is identified. The determination of the recoverable amount requires the use of management's best assessment of the related inputs into the valuation models, such as future cash flows and discount rates.

Determination of purchase price allocations and contingent consideration

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Further, estimates are made in determining the value of contingent consideration payments that should be recorded as part of the consideration on the date of acquisition and changes in contingent consideration payable in subsequent reporting periods. Contingent consideration payments are generally based on acquired companies achieving certain performance targets. The estimates are based on management's best assessment of the related inputs used in the valuation models, such as future cash flows and discount rates. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. Refer to Notes 18 and 27 for the carrying value of contingent consideration payable.

Income taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Refer to Note 10 for the carrying value of current and deferred income tax assets and liabilities.

5. Acquisitions

Acquisitions in 2015

The Company completed seven acquisitions during the year ended December 31, 2015 as part of its continuing strategy to strengthen each business unit and specifically increased its position in RVA, UK and North America Property Tax and ARGUS Software.

Acquisition of Hoffer Wilkinson & Associates Ltd.
On April 1, 2015, the Company acquired all of the issued and outstanding shares of Hoffer Wilkinson & Associates Ltd. (“HWA”) for $700. As part of the transaction, the Company entered into non-compete agreements with key management of HWA. Founded in 1986, HWA is an independent Canadian provider of real estate appraisal services and information serving the Manitoba and Northwestern Ontario markets. The addition of HWA is expected to enable the Company to enhance RVA’s offerings with private and public sector assignments in the Province of Manitoba. On April 2, 2015, HWA was wound up and its assets were transferred to Altus Group Limited. As consideration for these shares, the Company paid cash of $525 and $175 in common shares (equivalent to 8,620 common shares). The 8,620 common shares will be held in escrow and will be released in three equal annual installments commencing on the second anniversary of the closing date, subject to compliance with certain terms and conditions.

For accounting purposes, the consideration transferred for the acquired business includes a discount on the value of the common shares reflecting the trading restrictions placed on the shares. Further, the non-compete agreements are valued separately from the acquired business. As a result, under IFRS, the total consideration attributable to the acquired business, subject to adjustments, and to the non-compete agreements was $559 and $71, respectively.

Acquisition of MPC Intelligence Inc.
On June 1, 2015, the Company acquired the operating business assets of MPC Intelligence Inc. (“MPC”) for $549 in cash. MPC is a provider of residential market information in the Greater Vancouver area (the second largest new home market in Canada). The addition of MPC gives us national scale in residential market information and allows the Company to enhance its existing RealNet offerings.

5. Acquisitions, cont'd

Acquisition of Maxwell Brown Surveyors Group Limited

On June 1, 2015, the Company acquired all the issued and outstanding shares of Maxwell Brown Surveyors Group Limited ("Maxwell Brown") and its subsidiaries for $5,908 (net of cash acquired), subject to working capital adjustments. As part of the transaction, the Company entered into non-compete agreements with key management of Maxwell Brown. Based in London, UK, Maxwell Brown is an independent provider of commercial real estate advisory services throughout the UK. The addition of Maxwell Brown expands the Company's market share and adds regional scale in the UK market while strengthening the Company's tax offering with complementary service lines in the UK in support of the Company's current growth initiatives. As consideration for these shares, the Company paid net cash of $2,739 and $1,551 in common shares (equivalent to 82,544 common shares) and contingent consideration of $1,618. The asset purchase agreement provides for maximum contingent consideration payable of GBP850, subject to certain performance targets being achieved over a two-year period from the closing date. As at the date of the acquisition, it was estimated that the maximum amount would be payable. The 82,544 common shares will be held in escrow and will be released in three equal annual installments commencing on the second anniversary of the closing date, subject to compliance with certain terms and conditions.

For accounting purposes, the consideration transferred for the acquired business includes a discount factor on the contingent consideration payable reflecting the time value of money and a discount on the value of the common shares reflecting the trading restrictions placed on the shares. Further, the non-compete agreements are valued separately from the acquired business. As a result, under IFRS, the total consideration attributable to the acquired business, subject to adjustments, and to the non-compete agreements was $3,487 and $1,805, respectively.

Acquisition of Integris Real Estate Counsellors

On July 1, 2015, the Company acquired certain operating assets of Integris Real Estate Counsellors ("Integris") for $5,575, subject to working capital adjustments. As part of the transaction, the Company entered into non-compete agreements with key management of Integris. Founded in 2000, Integris is an independent firm with a focus on real estate litigation and dispute resolution serving the Canadian market. The addition of Integris is expected to enable the Company to further enhance RVA's expert services. As consideration for these assets, the Company paid cash of $2,787 and $1,394 in common shares (equivalent to 75,665 common shares). The 75,665 common shares will be held in escrow and will be released in three equal annual installments commencing on the second anniversary of the closing date, subject to compliance with certain terms and conditions. In addition, the purchase agreement provides for maximum contingent consideration payable of $1,394, due September 30, 2016, subject to certain performance targets being achieved.

5. Acquisitions, cont'd

For accounting purposes, the consideration transferred for the acquired business includes a discount on the value of the common shares reflecting the trading restrictions placed on the common shares. Further, the non-compete agreements are valued separately from the acquired business. As a result, under IFRS, the total consideration attributable to the acquired business, subject to adjustments, and to the non-compete agreements was $4,033 and $1,041, respectively.

Acquisition of ATATAX, LLC
On October 1, 2015, the Company acquired certain operating assets of ATATAX, LLC ("ATA") for US$3,340 (CAD$4,476), subject to working capital adjustments. As part of the transaction, the Company entered into non-compete agreements with key members of management of ATA. Operating in Dallas since 2001, ATA is Texas' leading tax consultant of industrial distribution warehouses, in addition to tax representation for all types of income producing commercial properties, including office and retail properties, and multi-family residential properties. The addition of ATA is expected to enable the Company to further enhance Property Tax opportunities in the US. As consideration for these assets, the Company paid cash of US$1,670 (CAD$2,238) and US$835 (CAD$1,119) in common shares (equivalent to 54,660 common shares). In addition, the purchase agreement provides for maximum contingent consideration payable of US$835 (CAD$1,119), due November 30, 2016, subject to certain performance targets being achieved. The 54,660 common shares will be held in escrow and will be released in three equal annual installments commencing on the first anniversary of the closing date, subject to compliance with certain terms and conditions.

For accounting purposes, the consideration transferred for the acquired business includes a discount factor on the contingent consideration payable reflecting the time value of money and a discount on the value of the common shares reflecting the trading restrictions placed on the shares. Further, the non-compete agreements are valued separately from the acquired business. As a result, under IFRS, the total consideration attributable to the acquired business, subject to adjustments, and to the non-compete agreements was US$2,694 (CAD$3,610) and US$391 (CAD$524), respectively.

5. **Acquisitions,** cont'd

Acquisition of Integrated Real Estate Resources, Inc.

On December 1, 2015, the Company acquired certain operating assets of Integrated Real Estate Resources, Inc. ("INTRER") for US$4,000 (CAD$5,347), subject to working capital adjustments. As a part of the transaction, the Company entered into non-compete agreements with key members of management of INTRER. Founded in 2003 and operating in the Greater Los Angeles area, the Greater Philadelphia area and Boston, INTRER is a full service consulting firm providing multi-dimensional services and expertise to the real estate industry. INTRER combines a broad range of real estate knowledge and technical expertise, specializing in ARGUS Enterprise consulting, implementation, integration and custom reporting. The addition of INTRER is expected to enable the Company to further enhance ARGUS Software's service offerings. As consideration for these assets, the Company paid cash of US$2,500 (CAD$3,342) and US$1,500 (CAD$2,005) in common shares (equivalent to 103,420 common shares). The 103,420 common shares will be held in escrow and will be released in three equal annual installments commencing on the first anniversary of the closing date, subject to compliance with certain terms and conditions. In addition, INTRER will be granted a total of 250,000 options, subject to conditions customary to the Company's Share Option Plan, over a five-year period to be distributed to INTRER employees (Note 24).

For accounting purposes, the consideration transferred for the acquired business includes a discount on the value of the common shares reflecting the trading restrictions placed on the shares. Further, the non-compete agreements are valued separately from the acquired business. As a result, under IFRS, the total consideration attributable to the acquired business, subject to adjustments, and to the non-compete agreements was US$3,378 (CAD$4,516) and US$247 (CAD$330), respectively.

Acquisition of Lambournes Holdings Limited

On November 20, 2015, the Company acquired all of the issued and outstanding shares of Lambournes Holdings Limited ("Lambournes") for GBP500 (CAD$1,015), subject to certain adjustments. As a part of the transaction, the Company entered into non-compete agreements with key management of Lambournes. Operating in Southern UK, Lambournes is a real estate tax consulting service specializing in the hospitality industry. The addition of Lambournes is expected to enable the Company to expand its market share in the Property Tax business. As consideration for these shares, the Company paid cash of GBP400 (CAD$812). In addition, the purchase agreement provides for maximum contingent consideration payable of GBP100 (CAD$203), due November 20, 2016, subject to certain adjustments.

For accounting purposes, the non-compete agreements are valued separately from the acquired business. As a result, under IFRS, the total consideration attributable to the acquired business, subject to adjustments, and to the non-compete agreements was GBP440 (CAD$894) and GBP55 (CAD$112), respectively.

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

5. Acquisitions, cont'd

							Year ended December 31, 2015
	HWA	MPC	Maxwell Brown	Integris	ATA	INTRER	Lambournes	**Total**
Acquisition related costs (included in acquisition related expenses (income) in the consolidated statements of comprehensive income (loss))	$ 72	$ 48	$ 233	$ 94	$ 147	$ 104	$ 31	**$ 729**
Consideration:								
Cash consideration	$ 525	$ 549	$ 2,739	$ 2,787	$ 2,238	$ 3,342	$ 812	**$ 12,992**
Contingent consideration	-	-	1,618	1,394	1,119	-	203	**4,334**
Common shares	175	-	1,551	1,394	1,119	2,005	-	**6,244**
	700	549	5,908	5,575	4,476	5,347	1,015	**23,570**
Less: discount on contingent consideration	-	-	(151)	(83)	(62)	-	(9)	**(305)**
Less: discount on common shares	(70)	-	(465)	(418)	(280)	(501)	-	**(1,734)**
	630	549	5,292	5,074	4,134	4,846	1,006	**21,531**
Less: consideration transferred for non-compete agreements	(71)	-	(1,805)	(1,041)	(524)	(330)	(112)	**(3,883)**
Consideration transferred for acquired businesses	559	549	3,487	4,033	3,610	4,516	894	**17,648**
Recognized amounts of identifiable assets acquired and liabilities assumed:								
Cash and cash equivalents	1	-	-	-	-	-	31	**32**
Trade receivables and other	230	31	307	1,506	698	516	103	**3,391**
Income taxes payable	(26)	-	(295)	-	-	-	(35)	**(356)**
Trade payables and other	(100)	(151)	(213)	(806)	(363)	(248)	(87)	**(1,968)**
Deferred income tax liabilities	(85)	(44)	(952)	(202)	-	-	(199)	**(1,482)**
Property, plant and equipment	12	-	7	98	-	-	-	**117**
Intangibles	235	527	2,952	2,047	2,670	3,016	882	**12,329**
Total identifiable net assets of acquired businesses	267	363	1,806	2,643	3,005	3,284	695	**12,063**
Goodwill	$ 292	$ 186	$ 1,681	$ 1,390	$ 605	$ 1,232	$ 199	**$ 5,585**

During the year ended December 31, 2015, the Company revised its estimate of the contingent consideration payable related to the Maxwell Brown acquisition resulting in a recovery of $1,178 in acquisition related expenses (income) (Note 27).

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

5. Acquisitions, cont'd

Goodwill arising from the HWA acquisition relates to expected synergies with the existing RVA business leading to increased opportunities and the ability to further expand specialized service offerings to both existing and acquired clients. Goodwill and intangibles acquired and deductible for tax purposes amount to $Nil.

Goodwill arising from the MPC acquisition relates to expected synergies with the existing RVA business and the opportunities to enhance the existing RealNet offerings. Goodwill and intangibles acquired and deductible for tax purposes amount to $669.

Goodwill arising from the Maxwell Brown acquisition relates to expected synergies with the existing tax presence in the UK and the opportunities to strengthen and complement service offerings to both existing and acquired clients. Goodwill and intangibles acquired and deductible for tax purposes amount to $Nil.

Goodwill arising from the Integris acquisition relates to expected synergies with the existing RVA business leading to increased opportunities and the ability to further expand specialized service offerings to both existing and acquired clients. Goodwill and intangibles acquired and deductible for tax purposes amount to $4,276.

Goodwill arising from the ATA acquisition relates to expected synergies with the existing tax presence in the US and the opportunities to expand specialized service offerings to both existing and acquired clients. Goodwill and intangibles acquired and deductible for tax purposes amount to $3,022.

Goodwill arising from the INTRER acquisition relates to expected synergies with ARGUS Software and the opportunities to enhance the breadth and depth of service offerings to both existing and acquired clients. Goodwill and intangibles acquired and deductible for tax purposes amount to $5,079.

Gross revenues, Adjusted EBITDA and profit (loss) for each business acquisition for the period from their respective date of acquisition to December 31, 2015 that are included in the consolidated statements of comprehensive income (loss) are as follows:

	Gross Revenues	Adjusted EBITDA	Profit (Loss)
HWA	$ 828	$ 21	$ (28)
MPC	195	12	(18)
Maxwell Brown	1,160	392	507
Integris	1,539	596	125
ATA	217	(229)	(379)

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

5. Acquisitions, cont'd

INTRER has been fully integrated with ARGUS Software and the stand-alone gross revenues, Adjusted EBITDA and profit (loss) cannot be determined.

The stand-alone gross revenues, Adjusted EBITDA and profit (loss) is nominal for Lambournes.

The pro-forma gross revenues, Adjusted EBITDA and profit (loss) of the combined entity for the year ended December 31, 2015 would have been $425,078, $67,278 and $11,120, respectively, assuming the acquisitions were completed on January 1, 2015.

For all business acquisitions, the intangibles acquired are as follows:

	Year ended December 31, 2015							
	HWA	MPC	Maxwell Brown	Integris	ATA	INTRER	Lambournes	**Total**
Finite-life assets								
Customer lists	$ 235	$ 368	$ 1,781	$ 2,047	$ 2,472	$ 1,571	$ 882	**$ 9,356**
Brands of acquired businesses	-	-	245	-	-	-	-	**245**
Customer backlog	-	-	926	-	198	-	-	**1,124**
Custom software applications	-	-	-	-	-	1,445	-	**1,445**
Databases	-	159	-	-	-	-	-	**159**
	$ 235	$ 527	$ 2,952	$ 2,047	$ 2,670	$ 3,016	$ 882	**$ 12,329**

<u>Acquisitions in 2014</u>

The Company completed four acquisitions during the year ended December 31, 2014 as part of its continuing strategy to strengthen each business unit and specifically increased its position in North America Tax, RVA and North America Geomatics.

5. Acquisitions, cont'd

Acquisition of Maltais Geomatics Inc.

On April 1, 2014, the Company acquired the operating business assets of Maltais Geomatics Inc. ("MGI") for $15,750, subject to adjustments. As part of the transaction, the Company entered into non-compete agreements with key management of MGI. Based in Alberta, MGI provides geomatics services for a wide range of client sectors, with particular strength in the electrical power, industrial, and commercial construction, as well as the oil and gas and pipeline sectors. The addition of MGI is expected to enable Altus Group to further expand operations in the geomatics sector. As consideration for these assets, the Company paid cash of $10,750, $2,000 in common shares (equivalent to 106,440 common shares) and contingent consideration of $3,000. The asset purchase agreement provides for maximum contingent consideration payable of $6,000, due on May 31, 2015, subject to certain performance targets being achieved. As at the date of acquisition, it was estimated that $3,000 in contingent consideration would be payable. The 106,440 common shares will be held in escrow and will be released on the fourth anniversary of the closing date, subject to compliance with certain terms and conditions. Notwithstanding the above, a total of 57,613 common shares may be released after the third anniversary of the closing date if certain conditions are met.

For accounting purposes, the consideration transferred for the acquired business includes a discount factor on the contingent consideration payable reflecting the time value of money and a discount on the value of the common shares reflecting the trading restrictions placed on the shares. Further, the non-compete agreements are valued separately from the acquired business. As a result, under IFRS, the total consideration attributable to the acquired business, subject to adjustments, and to the non-compete agreements was $13,554 and $1,230, respectively.

Acquisition of RealNet Canada Inc.

On July 23, 2014, the Company acquired all of the issued and outstanding shares of RealNet Canada Inc. ("RealNet") for $20,000 in cash. As part of the transaction, the Company entered into a non-compete agreement with key management of RealNet. Based in Toronto, Canada, RealNet provides information services to both the commercial real estate investment and residential development sectors in Canada and offers a comprehensive suite of services including independent property market research and real time interactive analytical tools. The acquisition is expected to broaden Altus Group's Canadian full-service offering, enhance its data and market research revenue stream and further the Company's strategy of building out its data solutions.

For accounting purposes, the non-compete agreements are valued separately from the acquired business. As a result, under IFRS, the total consideration attributable to the acquired business and the non-compete agreement was $19,585 and $415, respectively.

5. Acquisitions, cont'd

Acquisition of Voyanta Limited

On October 1, 2014, the Company acquired the remaining 70.3% interest in Voyanta Limited ("Voyanta") for $7,254. As part of the transaction, the Company entered into non-compete agreements with key management of Voyanta. Based in London, UK, Voyanta is a global provider of real estate data management and analytics software. Voyanta's cloud-based management platform enables its users to aggregate, validate and analyze commercial real estate information in a streamlined and standardized manner. As consideration for all the remaining issued and outstanding shares, the Company paid cash of $4,221 and $3,033 in common shares (equivalent to 149,753 common shares). A total of 61,523 common shares will be held in escrow, of which 20,237 will be released in October 2015, with the remaining 41,286 common shares released in October 2017, with both releases being subject to compliance with certain terms and conditions.

For accounting purposes, the consideration transferred for the acquired business includes a discount on the value of the common shares reflecting the trading restrictions placed on the shares. Further, the non-compete agreements, which are valued separately from the acquired business, have been ascribed a $Nil value reflecting the current nature of Voyanta's operations. As a result, under IFRS, the total consideration attributable to the acquired business, subject to adjustments, was $6,877.

At the date of the acquisition, the Company had a 29.7% interest in Voyanta, which was accounted for using the equity method (Note 14). The Company accounted for this acquisition as a business combination achieved in stages, which required a re-measurement of the previously held interest in Voyanta to fair value as of the acquisition date. This fair value amount is added to the consideration transferred in determining the amount of goodwill.

Acquisition of SC&H Group Inc.'s State and Local Tax consulting practice

On December 1, 2014, the Company acquired the operating business assets of SC&H Group Inc.'s State and Local Tax consulting practice ("SC&H SALT") for US$38,000 (CAD$43,275), subject to adjustments. As part of the transaction, the Company entered into non-compete agreements with key management of SC&H SALT. Based in Baltimore, US, SC&H SALT is a leading provider of specialized state and local tax and advisory services in the US. The addition of SC&H SALT is expected to enable Altus Group to expand its market share and geographic reach in the US and strengthen its property tax offerings with complementary and new business lines. As consideration for these assets, the Company paid cash of US$36,000 (CAD$40,993) and US$2,000 (CAD$2,282) in common shares (equivalent to 107,184 common shares). The asset purchase agreement provides for contingent consideration payable if certain performance targets are achieved in the first year, specifically, a multiple of six times is payable on EBITDA above US$6,000, subject to adjustments. As at the date of the acquisition, it was estimated that no contingent consideration would be payable. The 107,184 common shares will be held in escrow and will be released on the fourth anniversary of the closing date, subject to compliance with certain terms and conditions.

5. Acquisitions, cont'd

For accounting purposes, the consideration transferred for the acquired business includes a discount on the value of the common shares reflecting the trading restrictions placed on the shares. Further, the non-compete agreements are valued separately from the acquired business. As a result, under IFRS, the total consideration attributable to the acquired business, subject to adjustments, and to the non-compete agreements was $37,574 and $4,788, respectively.

The allocation of the purchase price was preliminary as at December 31, 2014. As a result of further validation work performed, the Company finalized the purchase price and made an adjustment to the purchase price allocation. Trade receivables and other decreased by $2,474, trade payables and other increased by $541 and intangibles increased by $141 with a corresponding adjustment to goodwill.

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

5. Acquisitions, cont'd

	Year ended December 31, 2014				
	MGI	RealNet	Voyanta	SC&H SALT	Total
Acquisition related costs (included in acquisition related expenses (income) in the consolidated statements of comprehensive income (loss))	$ 210	$ 118	$ 88	$ 275	$ 691
Consideration:					
Cash consideration	$ 10,750	$ 20,000	$ 4,221	$ 40,993	$ 75,964
Contingent consideration	3,000	-	-	-	3,000
Common shares	2,000	-	3,033	2,282	7,315
	15,750	20,000	7,254	43,275	86,279
Less: discount on contingent consideration	(166)	-	-	-	(166)
Less: discount on common shares	(800)	-	(377)	(913)	(2,090)
	14,784	20,000	6,877	42,362	84,023
Less: consideration transferred for non-compete agreements	(1,230)	(415)	-	(4,788)	(6,433)
Consideration transferred for acquired businesses	13,554	19,585	6,877	37,574	77,590
Fair value of equity interest in Voyanta immediately before acquisition date	-	-	3,072	-	3,072
Recognized amounts of identifiable assets acquired and liabilities assumed:					
Cash and cash equivalents	-	555	957	-	1,512
Trade receivables and other	2,367	930	529	7,433	11,259
Income taxes recoverable	-	173	142	-	315
Trade payables and other	(767)	(2,869)	(781)	(3,858)	(8,275)
Deferred income tax liabilities	(441)	(4,823)	(1,444)	-	(6,708)
Property, plant and equipment	1,213	757	19	19	2,008
Intangibles	8,652	17,839	7,218	25,872	59,581
Total identifiable net assets of acquired businesses	11,024	12,562	6,640	29,466	59,692
Goodwill	$ 2,530	$ 7,023	$ 3,309	$ 8,108	$ 20,970

During the year ended December 31, 2014, the Company revised its estimate of the contingent consideration payable related to the MGI acquisition resulting in a charge of $3,000 in acquisition related expenses (income) (Note 27).

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

5. Acquisitions, cont'd

Goodwill arising from the MGI acquisition relates to expected synergies with the existing Geomatics business leading to increased sales and the ability to further expand specialized service offerings to new clients in existing markets. Goodwill and intangibles acquired and deductible for tax purposes amount to $7,453.

Goodwill arising from the RealNet acquisition relates to expected synergies with the existing RVA business, particularly with Altus InSite whose data would be complemented by RealNet's sales data. Goodwill also relates to the ability to further expand specialized service offerings to new clients in existing and new markets. Goodwill and intangibles acquired and deductible for tax purposes amount to $Nil.

Goodwill arising from the Voyanta acquisition relates to expected synergies with the existing RVA business, particularly in providing a foundation for RVA's new analytics offering. Goodwill and intangibles acquired and deductible for tax purposes amount to $Nil.

Goodwill arising from the SC&H SALT acquisition relates to expected synergies with the existing tax presence in the US and the opportunities to expand specialized service offerings to both existing and acquired clients. Goodwill and intangibles acquired and deductible for tax purposes amount to US$34,540 (CAD$43,863).

For all business acquisitions, the intangibles acquired are as follows:

	Year ended December 31, 2014				
	MGI	RealNet	Voyanta	SC&H SALT	Total
Finite-life assets					
Customer lists	$ 8,652	$ 11,247	$ -	$ 20,450	$ 40,349
Databases	-	3,766	-	-	3,766
Brands of acquired businesses	-	2,407	-	-	2,407
Internally generated software and computer application software	-	419	7,218	-	7,637
Custom software applications	-	-	-	188	188
Customer backlog	-	-	-	5,234	5,234
	$ 8,652	$ 17,839	$ 7,218	$ 25,872	$ 59,581

6. Segmented Information

Management has determined the reportable segments based on the reports reviewed by the CEO.

The CEO considers the business from both a core service and geographic perspective. The areas of core service are Property Tax, RVA, ARGUS Software, Geomatics and Cost.

Property Tax performs property tax assessment reviews and appeals, and assists with property tax compliance filings. These services are offered in North America and Europe. The two reportable segments for this service line are North America Property Tax and UK Property Tax.

RVA performs real estate valuations, litigation support, financial due diligence, research and real estate-related services. These services are offered in North America and Europe. The reportable segment for this service line is RVA.

ARGUS Software offers software and solutions for analysis and management of commercial real estate investments. ARGUS Software supports critical business processes and decisions, including real estate asset management, valuation, portfolio management, budgeting, forecasting, reporting and lease management solutions. These products and services are offered in North America, Europe and the Asia Pacific region. The reportable segment for this service line is ARGUS Software.

Geomatics provides advanced geomatics solutions including geographic information systems, digital mapping, remote sensing, 3-D laser scanning and orthophoto maps. Geomatics operates primarily in the oil and gas sector. It also provides environmental services to the forestry and energy sectors. These services are offered in North America. The reportable segment for this service line is North America Geomatics.

Cost provides construction cost planning, loan monitoring and project management services to construction companies and financial institutions. These services are offered in North America and the Asia Pacific region. The reportable segments for this service line are North America Cost and Asia Pacific Cost.

Operating and financial information is available for these reportable segments and is used to determine operating performance for each segment and to allocate resources.

The accounting policies of the segments are the same as those applied in these consolidated financial statements. Revenue transactions between segments are valued at market rates and eliminated on consolidation.

6. Segmented Information, cont'd

The CEO assesses the performance of the reportable segments based on a measure of Adjusted EBITDA. This measurement basis represents operating profit (loss) adjusted for the effects of amortization of intangibles, depreciation of property, plant and equipment, acquisition related expenses (income), restructuring costs, share of profit (loss) of associates, unrealized foreign exchange gains (losses), gains (losses) on sale of property, plant and equipment, gains (losses) on sale of business assets, impairment charges, non-cash Executive Compensation Plan costs, gains (losses) on hedging transactions, gains (losses) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged and other expenses or income of a non-operating and/or non-recurring nature.

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

6. Segmented Information, cont'd

A reconciliation of Adjusted EBITDA to profit (loss) is provided as follows:

	Year ended December 31, 2015	Year ended December 31, 2014
Adjusted EBITDA for reportable segments	$ 63,382	$ 67,103
Depreciation of property, plant and equipment	(7,017)	(5,841)
Amortization of intangibles	(33,040)	(18,321)
Acquisition related (expenses) income	429	(3,477)
Share of profit (loss) of associates	(1,270)	(1,421)
Unrealized foreign exchange gain (loss) (1)	1,678	(133)
Gain (loss) on sale of property, plant and equipment (1)	(420)	(385)
Non-cash Executive Compensation Plan costs (2)	(3,769)	(1,567)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged (2)	76	65
Restructuring costs	(2,694)	(128)
Gain (loss) on sale of certain business assets (3)	3,483	-
Other non-operating and/or non-recurring income (costs) (4)	512	194
Operating profit (loss)	21,350	36,089
Finance (costs) income, net	(11,253)	(17,384)
Profit (loss) before income taxes	10,097	18,705
Income tax recovery (expense)	(848)	(5,534)
Profit (loss) for the year	**$ 9,249**	$ 13,171

(1) Included in office and other operating expenses in the consolidated statements of comprehensive income (loss).

(2) Included in employee compensation expenses in the consolidated statements of comprehensive income (loss).

(3) Gain (loss) on sale of certain business assets relates to a gain on the deemed disposal of the Company's investment in Real Matters.

(4) Other non-operating and/or non-recurring income (costs) for the year ended December 31, 2015 relate to the following: a recovery of commodity taxes previously paid; adjustments to non-recurring settlements of legal and related costs; and, a reversal of amounts owed to former owners of Altus Québec. Other non-operating and/or non-recurring income (costs) for the year ended December 31, 2014 relate to the following: non-recurring settlement of legal costs; an accounting gain on the equity interest in Voyanta following its full acquisition; and, other one-time recoveries. These are included in office and other operating expenses in the consolidated statements of comprehensive income (loss).

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

6. **Segmented Information,** cont'd

The segment information provided to the CEO for the reportable segments for the year ended December 31, 2015 and 2014 is as follows:

Segment Gross Revenues and Expenditures

										Year ended December 31, 2015
	Property Tax		Global Asset and Investment Management		Geomatics	Cost Consulting and Project Management				
	North America Property Tax	UK Property Tax	RVA	ARGUS Software	North America Geomatics	North America Cost	Asia Pacific Cost	Corporate [1]	Eliminations	**Total**
Gross revenues from external customers	$ 103,718	$ 30,168	$ 106,167	$ 62,699	$ 67,104	$ 28,481	$ 18,076	$ -	$ -	**$ 416,413**
Inter-segment gross revenues	4	-	438	330	95	63	-	-	(930)	**-**
Total segment gross revenues	103,722	30,168	106,605	63,029	67,199	28,544	18,076	-	(930)	**416,413**
Adjusted EBITDA	21,161	6,707	19,399	14,556	10,062	5,863	908	(15,274)	-	**63,382**
Depreciation and amortization	13,185	1,274	8,348	9,661	4,576	401	262	2,350	-	**40,057**
Income tax expense (recovery)	-	-	-	-	-	-	-	848	-	**848**
Finance costs (income), net	-	-	-	-	-	-	-	11,253	-	**11,253**
Share of (profit) loss of associates	-	-	-	-	-	-	-	1,270	-	**1,270**

(1) Corporate includes global corporate office costs, finance costs (income), net, share of (profit) loss of associates and income tax expense (recovery).

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

6. Segmented Information, cont'd

	Property Tax		Global Asset and Investment Management		Geomatics	Cost Consulting and Project Management				Year ended December 31, 2014
	North America Property Tax	UK Property Tax	RVA	ARGUS Software	North America Geomatics	North America Cost	Asia Pacific Cost	Corporate [1]	Eliminations	Total
Gross revenues from external customers	$ 71,864	$ 26,367	$ 91,223	$ 48,643	$ 85,114	$ 28,208	$ 18,783	$ -	$ -	$ 370,202
Inter-segment gross revenues	(2)	28	298	325	(29)	(2)	-	-	(618)	-
Total segment gross revenues	71,862	26,395	91,521	48,968	85,085	28,206	18,783	-	(618)	370,202
Adjusted EBITDA	16,016	5,310	19,277	14,000	19,240	6,199	1,626	(14,565)	-	67,103
Depreciation and amortization	3,057	371	5,734	8,187	4,020	377	250	2,166	-	24,162
Income tax expense (recovery)	-	-	-	-	-	-	-	5,534	-	5,534
Finance costs (income), net	-	-	-	-	-	-	-	17,384	-	17,384
Share of (profit) loss of associates	-	-	-	-	-	-	-	1,421	-	1,421

(1) Corporate includes global corporate office costs, finance costs (income), net, share of (profit) loss of associates and income tax expense (recovery).

Segment Assets

	Property Tax		Global Asset and Investment Management		Geomatics	Cost Consulting and Project Management			December 31, 2015
	North America Property Tax	UK Property Tax	RVA	ARGUS Software	North America Geomatics	North America Cost	Asia Pacific Cost	Corporate	**Total**
Total Assets	$ 86,608	$ 44,849	$ 94,710	$ 143,159	$ 63,175	$ 40,254	$ 7,141	$ 117,828	**$ 597,724**

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

6. Segmented Information, cont'd

									December 31, 2014
	Property Tax		**Global Asset and Investment Management**		**Geomatics**	**Cost Consulting and Project Management**			
	North America Property Tax	UK Property Tax	RVA	ARGUS Software	North America Geomatics	North America Cost	Asia Pacific Cost	Corporate	Total
Total Assets	$ 78,531	$ 31,324	$ 75,222	$ 66,265	$ 75,223	$ 39,172	$ 6,553	$ 177,436	$ 549,726

The amounts provided to the CEO with respect to total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment.

Geographic Information - Revenue from External Customers

	Year ended December 31, 2015	Year ended December 31, 2014
Canada	**$ 220,738**	$ 215,231
US	**128,464**	97,631
Europe	**46,845**	36,734
Asia Pacific	**20,366**	20,606
Total	**$ 416,413**	$ 370,202

Geographic Information - Assets

	December 31, 2015	December 31, 2014
Canada	**$ 289,405**	$ 291,376
US	**225,058**	193,141
Europe	**72,479**	56,373
Asia Pacific	**10,782**	8,836
Total	**$ 597,724**	$ 549,726

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

7. Employee Compensation

		Year ended December 31, 2015		Year ended December 31, 2014
Salaries and benefits	**$**	**252,917**	$	217,031
Share-based compensation (Note 24)		**7,428**		4,372
	$	**260,345**	$	221,403

Included in salaries and benefits are termination benefits of $485 (2014 - $287).

8. Selected Expenses

Included within expenses are the following items:

		Year ended December 31, 2015		Year ended December 31, 2014
Net foreign exchange (gains) losses	**$**	**(2,356)**	$	(895)
(Gain) loss on disposal of property, plant and equipment		**420**		385
Operating lease rentals		**13,264**		10,667
Sublease rentals		**(378)**		(446)

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

9. Finance Costs (Income)

	Year ended December 31, 2015	Year ended December 31, 2014
Interest on bank credit facilities	$ 5,510	$ 5,202
Interest on convertible debentures [(1)(2)]	4,102	10,165
Interest on finance lease liabilities	132	81
Contingent consideration payable: unwinding of discount (Note 27)	246	687
Provisions: unwinding of discount (Note 18)	22	14
Distributions payable on Altus UK LLP Class B and D units	98	158
Change in fair value of Altus UK LLP Class B and D units, net of change in fair value of related equity derivatives	13	1,113
Change in fair value of interest rate swaps (not designated as cash flow hedges) (Notes 13 and 19)	1,241	-
Other	(59)	14
Finance costs	11,305	17,434
Finance income	(52)	(50)
Finance costs (income), net	$ 11,253	$ 17,384

(1) Convertible debentures consist of the $48,000 of 6.75% convertible unsecured subordinated debentures issued on April 19, 2012 (the "2012 convertible debentures") and the $50,000 of 5.75% convertible unsecured subordinated debentures issued on December 1, 2010 (the "2010 convertible debentures"). All outstanding 2010 convertible debentures were redeemed on July 28, 2014.

(2) On July 28, 2014, the Company redeemed all outstanding 2010 convertible debentures earlier than scheduled, and accordingly, recorded the accelerated amortization of deferred transaction costs and interest accretion in the amount of $3,892.

10. Income Taxes

	Year ended December 31, 2015	Year ended December 31, 2014
Current income taxes:		
Current income tax on profits for the year	$ 4,602	$ 6,226
Adjustments in respect of prior years	127	188
Total current income taxes	4,729	6,414
Deferred income taxes:		
Origination and reversal of temporary differences	(4,359)	(783)
Adjustments in respect of prior years	480	(95)
Change in income tax rates	(2)	(2)
Total deferred income taxes	(3,881)	(880)
Income tax expense (recovery)	$ 848	$ 5,534

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

10. Income Taxes, cont'd

The tax on the Company's profit (loss) before income taxes differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits (losses) of the consolidated entities as follows:

	Year ended December 31, 2015	Year ended December 31, 2014
Profit (loss) before income taxes	**$ 10,097**	$ 18,705
Tax calculated at domestic income tax rates applicable to profits in Canada of 26.90% (2014 - 26.21%)	**2,716**	4,903
Tax effects of:		
Impact of countries with different income tax rates	**(839)**	(90)
Loss (profit) not subject to income taxes	**(2,703)**	(1,486)
Change in income tax rates	**6**	(2)
Expenses not deductible for income tax purposes	**1,134**	1,776
Other	**534**	433
Income tax expense (recovery)	**$ 848**	$ 5,534

The Company records deferred income taxes for the effect of all temporary differences between the accounting and tax basis of an asset or liability.

Deferred Income Taxes

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	December 31, 2015	December 31, 2014
Deferred income tax assets:		
Deferred income tax asset to be recovered within 12 months	**$ 11,578**	$ 8,031
Deferred income tax asset to be recovered after more than 12 months	**8,134**	6,114
Total deferred income tax assets	**19,712**	14,145
Deferred income tax liabilities:		
Deferred income tax liability to be settled within 12 months	**-**	-
Deferred income tax liability to be settled after more than 12 months	**(10,586)**	(9,040)
Total deferred income tax liabilities	**(10,586)**	(9,040)
Deferred income tax assets, net	**$ 9,126**	$ 5,105

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

10. Income Taxes, cont'd

The gross movement on the deferred income taxes account is as follows:

		Amount
Balance as at January 1, 2014	$	10,326
(Charged) credited to profit or loss		880
(Charged) credited to other comprehensive income (loss)		(314)
(Charged) credited to goodwill on account of acquisitions		(6,708)
Exchange differences		921
Balance as at December 31, 2014		5,105
(Charged) credited to profit or loss		3,881
(Charged) credited to other comprehensive income (loss)		(341)
(Charged) credited to goodwill on account of acquisitions		(1,482)
Exchange differences		1,963
Balance as at December 31, 2015	**$**	**9,126**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

		Non-capital Income Tax Losses		Tax Deductible Goodwill		Other		**Total**
Deferred income tax assets								
Balance as at January 1, 2014	$	18,879	$	11,675	$	10,144	$	40,698
(Charged) credited to profit or loss		(4,770)		(1,141)		1,391		(4,520)
(Charged) credited to other comprehensive income (loss)		-		-		(314)		(314)
Exchange differences		1,621		874		331		2,826
Balance as at December 31, 2014		15,730		11,408		11,552		38,690
(Charged) credited to profit or loss		(5,519)		2,446		3,620		547
(Charged) credited to other comprehensive income (loss)		-		-		(341)		(341)
Exchange differences		2,940		2,659		768		6,367
Balance as at December 31, 2015	**$**	**13,151**	**$**	**16,513**	**$**	**15,599**	**$**	**45,263**

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

10. Income Taxes, cont'd

	Accelerated Tax Depreciation	Unbilled Revenue on Customer Contracts	Intangibles	Other	**Total**
Deferred income tax liabilities					
Balance as at January 1, 2014	$ (220)	$ (1,681)	$ (28,138)	$ (333)	$ (30,372)
(Charged) credited to profit or loss	(313)	426	4,957	330	5,400
(Charged) credited to goodwill on account of acquisitions	-	-	(6,708)	-	(6,708)
Exchange differences	-	-	(1,905)	-	(1,905)
Balance as at December 31, 2014	(533)	(1,255)	(31,794)	(3)	(33,585)
(Charged) credited to profit or loss	(179)	180	4,092	(759)	3,334
(Charged) credited to goodwill on account of acquisitions	-	-	(1,482)	-	(1,482)
Exchange differences	(23)	-	(4,369)	(12)	(4,404)
Balance as at December 31, 2015	**$ (735)**	**$ (1,075)**	**$ (33,553)**	**$ (774)**	**$ (36,137)**

Deferred income tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable profits is probable based on future estimated profits in excess of the profits arising on the reversal of existing taxable temporary differences. Evidence supporting recognition of these deferred tax assets includes earnings forecasts and the utilization of tax losses in the current year.

As at December 31, 2015, there are recognized non-capital loss carryforwards from US acquisitions, which may be applied against taxable income of future years, not later than as follows:

	Amount
2018	$ 5,055
2019	9,820
2020	3,719
2021	3,719
2022	1,438
2023 - Thereafter	14,641
	$ 38,392

Net operating losses of $69,183 in the US were not benefitted on acquisition due to certain limitations. These losses will expire between 2019 and 2021.

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

10. Income Taxes, cont'd

In the UK, there are unrecognized non-trade loss carryforwards of approximately $735 and unrecognized capital loss carryforwards of approximately $2,008 that may be carried forward indefinitely. Trade losses of approximately $5,098 in the UK were not benefitted on purchase accounting, that may be carried forward indefinitely.

In Luxembourg, there are unrecognized loss carryforwards of approximately $682 that may be carried forward indefinitely.

The Company has unrecognized non-capital loss carryforwards in Asia Pacific of approximately $4,080 that are available to reduce taxable income of certain foreign subsidiaries that expire between 2016 and 2020 and that certain losses may be carried forward indefinitely.

11. Cash and Cash Equivalents

	December 31, 2015	December 31, 2014
Cash on hand	**$ 19,604**	$ 16,721
Short-term deposits	**-**	731
	$ 19,604	$ 17,452

12. Trade Receivables and Other

	December 31, 2015	December 31, 2014
Trade receivables	**$ 104,106**	$ 99,427
Less: allowance for doubtful accounts (Note 27)	**8,140**	6,239
Trade receivables, net	**95,966**	93,188
Unbilled revenue on customer contracts	**28,709**	30,744
Prepayments	**8,850**	5,997
Other receivables	**1,569**	1,112
Receivables from related parties (Note 30)	**1**	8
	135,095	131,049
Less non-current portion: prepayments	**594**	379
	$ 134,501	$ 130,670

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

13. Derivative Financial Instruments

	December 31, 2015	December 31, 2014
Assets		
Equity derivatives	**$ 76**	$ 328
Less: non-current portion	**43**	328
	$ 33	$ -
Liabilities		
Equity derivatives	**157**	-
Interest rate swaps	**1,241**	634
Less: non-current portion	**1,398**	-
	$ -	$ 634

The Company entered into equity derivative instruments to manage its exposure to changes in the fair value of its RSUs and DSUs, issued under their respective plans (Note 24), as well as changes in the fair value of amounts payable to unitholders (Note 20), due to changes in the fair value of the Company's common shares. Changes in the fair value of the equity derivatives relating to RSUs and DSUs are recorded in employee compensation expense and offset the impact of mark-to-market adjustments on the RSUs and DSUs that have been accrued. Changes in the fair value of equity derivatives relating to amounts payable to unitholders are recorded in finance costs (income), net and offset the impact of mark-to-market adjustments on amounts payable to unitholders that have been accrued.

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

13. Derivative Financial Instruments, cont'd

The following equity derivative instruments were outstanding as at December 31, 2015 and 2014:

			December 31, 2015		December 31, 2014	
Effective Date	Description	Contract Expiry	Notional Amount	Fair Value	Notional Amount	Fair Value
March 21, 2014	Hedging 52,822 (2014 - 57,011) RSUs relating to 2012 performance year	March 31, 2016	**$ 999**	**$ 33**	$ 1,078	$ 108
March 28, 2014	Hedging 73,299 (2014 - 71,712) DSUs	March 23, 2016 [(1)]	**1,427**	**5**	1,402	90
April 4, 2014	Hedging 54,786 (2014 - 57,512) RSUs relating to 2013 performance year	April 5, 2017	**1,036**	**34**	1,088	109
November 14, 2014	Hedging 130,322 (2014 - 139,571) Altus UK LLP Class B and Class D limited liability partnership units	November 16, 2016 [(1)]	**2,703**	**(157)**	2,895	21
May 15, 2015	Hedging 74,135 RSUs relating to 2014 performance year	May 16, 2018	**1,445**	**4**	-	-

(1) Subject to an automatic one-year extension, unless prior notice is given by the Company.

The following interest rate swaps were outstanding as at December 31, 2015 and 2014:

				December 31, 2015
Effective Date	Annual Fixed Rate	Nominal Amount	Fair Value	Contracts Expire
May 15, 2015	1.48%	$ 65,000	$ (1,241)	May 15, 2020

				December 31, 2014
Effective Date	Annual Fixed Rate [(1)]	Nominal Amount	Fair Value	Contracts Expire
August 31, 2011	2.77%	$ 65,600	$ (634)	August 31, 2015

(1) The annual fixed rate excludes the stamping fee. The stamping fee as at December 31, 2014 was 2.25%.

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

14. Investment in Associates

The Company has a 16.4% (2014 – 18.2%) equity interest in Real Matters, a company incorporated in Canada, which is accounted for using the equity method as it was established that the Company has significant influence with respect to this investment (Note 30). Although the Company's ownership interest and voting control in Real Matters is less than 20%, the Company exercises significant influence through both its shareholding and its nominated director's active participation on the Board of Directors of Real Matters.

On February 14, 2014, the Company acquired a 29.7% equity interest in Voyanta, a company incorporated in England and Wales, which is accounted for using the equity method as it was established that the Company has significant influence with respect to this investment. On August 7, 2014, the Company acquired an additional 2.1% interest in Voyanta for cash consideration of $145 including transaction costs. Based on the outstanding voting common shares of Voyanta, the Company held a 36.5% interest as at September 30, 2014. If all stock options issued under Voyanta's share option plan were exercised, the Company's fully diluted interest in Voyanta would have declined to 29.7%. On October 1, 2014, the Company acquired all of the remaining issued and outstanding shares in Voyanta, including all stock options that were exercised prior to the acquisition, and ceased to account for this investment under the equity method (Note 5).

The activity in the Company's investment in associates is as follows:

		Amount
As at January 1, 2014	$	14,130
Investments in associates		3,149
Share of profit (loss)		(1,322)
Share of other comprehensive income (loss)		390
Acquisition achieved in stages - Voyanta (Note 5)		(2,399)
As at December 31, 2014		13,948
Share of profit (loss)		(1,270)
Share of other comprehensive income (loss)		1,286
Deemed disposal gain on equity investment		3,483
As at December 31, 2015	**$**	**17,447**

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

14. Investment in Associates, cont'd

A summary of Real Matters' aggregated assets and liabilities and profit (loss) for the period was as follows:

	December 31, 2015	December 31, 2014
Assets	**$ 110,315**	$ 57,948
Liabilities	**$ 33,872**	$ 14,341
Revenues	**$ 232,269**	$ 135,088
Profit (loss)	**$ (5,246)**	$ (578)
% interest held at December 31, 2015	**16.4%**	18.2%

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

15. Property, Plant and Equipment

	Leasehold Improvements	Furniture, Fixtures and Equipment	Computer Equipment	Total
Balance as at January 1, 2014				
Cost	$ 9,024	$ 18,471	$ 16,015	$ 43,510
Accumulated depreciation	(3,195)	(11,229)	(10,873)	(25,297)
Net book amount	5,829	7,242	5,142	18,213
Year ended December 31, 2014				
Opening net book amount	5,829	7,242	5,142	18,213
Exchange differences	29	47	145	221
Additions	431	4,852	3,570	8,853
Acquisitions (Note 5)	468	1,284	256	2,008
Disposals	(102)	(379)	(101)	(582)
Depreciation charge	(1,005)	(2,748)	(2,088)	(5,841)
Closing net book amount	5,650	10,298	6,924	22,872
Balance as at December 31, 2014				
Cost	9,766	23,414	18,502	51,682
Accumulated depreciation	(4,116)	(13,116)	(11,578)	(28,810)
Net book amount	5,650	10,298	6,924	22,872
Year ended December 31, 2015				
Opening net book amount	5,650	10,298	6,924	22,872
Exchange differences	290	271	516	1,077
Additions	6,186	4,287	3,794	14,267
Acquisitions (Note 5)	47	34	36	117
Disposals	(56)	(212)	(270)	(538)
Depreciation charge	(1,340)	(3,184)	(2,493)	(7,017)
Closing net book amount	10,777	11,494	8,507	30,778
Balance as at December 31, 2015				
Cost	16,203	27,165	21,077	64,445
Accumulated depreciation	(5,426)	(15,671)	(12,570)	(33,667)
Net book amount	**$ 10,777**	**$ 11,494**	**$ 8,507**	**$ 30,778**

15. Property, Plant and Equipment, cont'd

The Company leases various furniture, fixtures and equipment and computer equipment under non-cancellable finance lease agreements. The maximum remaining lease term is four years.

Furniture, fixtures and equipment include assets held under finance leases amounting to $2,494 (2014 - $1,605) and accumulated depreciation of $720 (2014 - $314). Computer equipment includes assets held under finance leases amounting to $1,038 (2014 - $629) and accumulated depreciation of $328 (2014 - $227). Additions to assets held under finance leases for the year ended December 31, 2015 were $1,252 (2014 - $1,169).

Leasehold improvements include tenant inducements amounting to $4,451 (2014 - $2,259) and accumulated depreciation of $1,003 (2014 - $714).

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

16. Intangibles

	Brands of Acquired Businesses	Computer Application Software	Custom Software Applications	Internally Generated Software	Customer Backlog	Customer Lists	Databases	Non-compete Agreements	Indefinite Life Brands	**Total**
Balance as at January 1, 2014										
Cost	$ 12,559	$ 10,207	$ 18,928	$ 4,582	$ 10,047	$ 134,298	$ 2,735	$ 12,623	$ 24,032	$ 230,011
Accumulated amortization and impairment	(12,442)	(6,017)	(12,796)	(1,807)	(9,780)	(95,517)	(2,735)	(11,953)	-	(153,047)
Net book amount	117	4,190	6,132	2,775	267	38,781	-	670	24,032	76,964
Year ended December 31, 2014										
Opening net book amount	117	4,190	6,132	2,775	267	38,781	-	670	24,032	76,964
Exchange differences	4	18	415	213	76	3,436	-	132	1,603	5,897
Acquisitions (Note 5)	2,407	33	188	7,604	4,330	41,296	3,766	-	-	59,624
Additions	-	1,099	-	1,440	-	-	-	6,433	-	8,972
Amortization charge	(1,176)	(1,435)	(2,629)	(1,388)	(875)	(10,095)	(413)	(512)	-	(18,523)
Closing net book amount	1,352	3,905	4,106	10,644	3,798	73,418	3,353	6,723	25,635	132,934
Balance as at December 31, 2014										
Cost	15,038	11,376	20,418	14,045	14,510	181,768	6,501	19,348	25,635	308,639
Accumulated amortization and impairment	(13,686)	(7,471)	(16,312)	(3,401)	(10,712)	(108,350)	(3,148)	(12,625)	-	(175,705)
Net book amount	1,352	3,905	4,106	10,644	3,798	73,418	3,353	6,723	25,635	132,934
Year ended December 31, 2015										
Opening net book amount	1,352	3,905	4,106	10,644	3,798	73,418	3,353	6,723	25,635	132,934
Exchange differences	16	59	591	1,407	497	9,975	-	1,117	3,791	17,453
Acquisitions (Note 5)	245	-	1,445	-	2,120	8,501	159	-	-	12,470
Additions	-	998	741	-	-	-	-	3,883	-	5,622
Amortization charge	(1,437)	(1,379)	(3,191)	(3,126)	(5,434)	(15,825)	(965)	(2,209)	-	(33,566)
Disposals	-	(30)	-	(11)	-	-	-	-	-	(41)
Closing net book amount	176	3,553	3,692	8,914	981	76,069	2,547	9,514	29,426	134,872
Balance as at December 31, 2015										
Cost	15,671	12,392	25,879	16,236	17,870	210,178	6,659	24,968	29,426	359,279
Accumulated amortization and impairment	(15,495)	(8,839)	(22,187)	(7,322)	(16,889)	(134,109)	(4,112)	(15,454)	-	(224,407)
Net book amount	**$ 176**	**$ 3,553**	**$ 3,692**	**$ 8,914**	**$ 981**	**$ 76,069**	**$ 2,547**	**$ 9,514**	**$ 29,426**	**$ 134,872**

For the year ended December 31, 2015, a total of $526 (2014 - $202) has been charged to employee compensation, which relates to amortization of capitalized software development costs.

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

16. Intangibles, cont'd

On January 31, 2014, the Company acquired certain intangible assets of Paddison Chartered Surveyors ("Paddison") for cash consideration of $184. Paddison is one of the leading business rates consultants in the regions of Nottingham and Saffron Walden in the UK.

Indefinite life intangibles, consisting of the Altus Group and ARGUS brands, have been assessed for impairment along with goodwill as outlined in Note 17. These assets are considered to have indefinite lives as management believes that there is an unlimited period over which the assets are expected to generate net cash flows.

			December 31, 2015
		Net Book Value	Remaining Useful Life
Brands of acquired businesses:			
Maxwell Brown	$	176	5 months
Custom software applications:			
ARGUS Software		1,358	5 months
INTRER		1,444	35 months
Internally generated software:			
ARGUS Software		1,335	21 months
Voyanta		6,131	45 months
Customer backlog:			
Maxwell Brown		708	17 months
ATA		154	9 months
Customer lists:			
ARGUS Software		29,449	65 months
Complex Property Advisors Corporation		2,704	30 months
MGI		5,624	39 months
RealNet		9,629	103 months
SC&H SALT		19,547	47 months
HWA		200	51 months
MPC		325	53 months
Integris		1,842	54 months
Maxwell Brown		1,697	53 months
ATA		2,431	57 months
INTRER		1,602	59 months
Lambournes		892	59 months
Databases:			
RealNet		2,412	31 months

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

16. Intangibles, cont'd

			December 31, 2015
		Net Book Value	Remaining Useful Life
Non-compete agreements:			
Complex Property Advisors Corporation	$	485	30 months
MGI		692	27 months
RealNet		266	31 months
SC&H SALT		4,559	47 months
Integris		911	42 months
Maxwell Brown		1,664	41 months
ATA		497	33 months
INTRER		337	59 months
Lambournes		113	47 months

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

17. Goodwill

		Amount
Balance as at January 1, 2014		
Cost	$	235,178
Accumulated impairment		(42,916)
Net book amount		192,262
Year ended December 31, 2014		
Opening net book amount		192,262
Acquisitions (Note 5)		18,096
Exchange differences		5,215
Closing net book amount		215,573
Balance as at December 31, 2014		
Cost		261,254
Accumulated impairment		(45,681)
Net book amount		215,573
Year ended December 31, 2015		
Opening net book amount		215,573
Acquisitions (Note 5)		8,459
Exchange differences		15,314
Closing net book amount		239,346
Balance as at December 31, 2015		
Cost		291,503
Accumulated impairment		(52,157)
Net book amount	**$**	**239,346**

The carrying value of the Altus brand, an indefinite life intangible asset, is tested for impairment at the Company level.

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

17. Goodwill, cont'd

The carrying value of goodwill and the ARGUS brand, an indefinite life intangible asset, were allocated to the Company's CGUs as follows as at December 31, 2015 and December 31, 2014:

	December 31, 2015		December 31, 2014	
	Goodwill	ARGUS Brand	Goodwill	ARGUS Brand
Canada RVA	**$ 36,019**	**$ -**	$ 34,148	$ -
North America Cost	**28,137**	**-**	28,137	-
North America Property Tax	**46,432**	**-**	41,227	-
North America Geomatics	**36,461**	**-**	36,461	-
ARGUS Software	**60,646**	**23,161**	49,646	19,370
UK Property Tax	**23,745**	**-**	19,179	-
US and Europe RVA	**7,906**	**-**	6,775	-
Asia Pacific Cost	**-**	**-**	-	-
Total	**$ 239,346**	**$ 23,161**	$ 215,573	$ 19,370

An annual impairment test is completed in the fourth quarter each financial year.

The recoverable amounts of the CGUs are determined based on fair value less costs to sell using the estimation technique of discounted cash flow analysis (Level 3). This analysis incorporates assumptions which market participants use in estimating fair value. The key assumptions used as at December 31, 2015 and December 31, 2014 were as follows:

	December 31, 2015		December 31, 2014	
	Perpetual Growth Rate	Discount Rate (after-tax)	Perpetual Growth Rate	Discount Rate (after-tax)
Canada RVA	**3.0%**	**14.5%**	3.0%	14.0%
North America Cost	**3.0%**	**13.0%**	3.0%	13.5%
North America Property Tax	**3.0%**	**12.5%**	3.0%	13.5%
North America Geomatics	**3.0%**	**15.8%**	3.0%	15.5%
ARGUS Software	**3.0%**	**12.5%**	3.0%	13.5%
UK Property Tax	**2.5%**	**14.5%**	2.5%	15.5%
Asia Pacific Cost	**3.0%**	**23.0%**	3.0%	21.3%
US and Europe RVA	**3.0%**	**25.0%**	3.0%	24.0%

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

17. Goodwill, cont'd

The discounted cash flow analysis uses after-tax cash flow projections based on five-year financial budgets approved by management. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated above. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Management's margin assumptions were based on historical performance and future expectations. The discount rates used are on an after-tax basis and reflect risks related to the specific CGU.

Impairment

Management performed an impairment analysis as at December 31, 2015 and December 31, 2014, and determined that the indefinite life intangibles and goodwill were not impaired.

If the discount rate (after-tax) were to increase by 100 basis points for North America Geomatics, a goodwill impairment charge of $2,500 would result. If the perpetual growth rate were to decrease by 100 basis points for North America Geomatics, no goodwill impairment charge would result. For the remaining CGUs, no reasonably possible change in key assumptions would result in an impairment.

18. Trade Payables and Other

	December 31, 2015	December 31, 2014
Trade payables	$ 6,667	$ 6,529
Accrued expenses	40,013	44,341
Deferred revenue	28,621	18,838
Contingent consideration payable (Note 27)	3,334	6,424
Dividends payable	5,544	4,859
Lease inducements	8,997	6,096
Redemption proceeds payable	-	725
Provisions	1,996	377
	95,172	88,189
Less non-current portion: accrued expenses	3,616	3,894
Less non-current portion: deferred revenue	965	191
Less non-current portion: contingent consideration payable	599	229
Less non-current portion: lease inducements	8,434	5,796
Less non-current portion: provisions	276	125
	$ 81,282	$ 77,954

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

18. Trade Payables and Other, cont'd

Provisions comprise:

	Restructuring	Onerous Leases	Asset Retirement Obligation	Total
Balance as at January 1, 2014	$ 1,771	$ 15	$ 93	$ 1,879
Charged (credited) to profit or loss:				
Additional provisions	128	202	-	330
Unwinding of discount (Note 9)	-	1	13	14
Used during the year	(1,822)	(55)	-	(1,877)
Exchange differences	35	(3)	(1)	31
Balance as at December 31, 2014	112	160	105	377
Charged (credited) to profit or loss:				
Additional provisions	2,694	448	(43)	3,099
Unwinding of discount (Note 9)	-	10	12	22
Used during the year	(1,290)	(277)	-	(1,567)
Exchange differences	24	36	5	65
Balance as at December 31, 2015	1,540	377	79	1,996
Less: non-current portion	(141)	(56)	(79)	(276)
	$ 1,399	**$ 321**	**$ -**	**$ 1,720**

Restructuring
The Company undertook restructuring activities within the corporate group and certain business units to further optimize operations. For the year ended December 31, 2015, $2,694 was recorded as a restructuring charge, which relates primarily to employee severance costs.

Onerous leases
The amount represents the liability for leased premises which are subleased at a lower rate. The provision is made for the net losses that will be incurred over the remaining lease term. The non-current portion of the liability is expected to be settled in 2017 and thereafter.

Asset retirement obligation
The asset retirement obligation relates to the estimated future cost to remove leasehold improvements situated on a property under an operating lease. The expected timing of the settlement has been revised from 2016 to 2021 upon extension of the lease term and the liability was discounted at a rate of 5%.

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

19. Borrowings

	December 31, 2015		December 31, 2014	
Borrowings (Current):				
Bank credit facilities	$	-	$	127,500
Leasehold improvement loans		120		58
Insurance financing loan		1,217		1,176
Finance lease liabilities		792		474
Less: deferred financing fees		-		(1,135)
		2,129		128,073
Borrowings (Non-current):				
Bank credit facilities		126,000		-
Leasehold improvement loans		737		185
Finance lease liabilities		1,336		1,009
Convertible debentures		8,241		42,236
Less: deferred financing fees		(2,012)		(280)
		134,302		43,150
Total borrowings	$	136,431	$	171,223

Bank credit facilities

As at December 31, 2014, the Company had the following bank credit facilities:

a) Revolving Operating Facility: Senior secured Revolving Operating Facility, in the principal amount of up to $20,000. As at December 31, 2014, the amount drawn under this facility was $Nil.

b) Revolving Term Facility: Senior secured Revolving Term Facility in an amount of $139,700, with certain provisions that allow the Company to increase the limit further to $189,700. As at December 31, 2014, the amount drawn under this facility was $127,500.

Amendment to bank credit facilities

Effective April 28, 2015, the Company amended its bank credit facilities, further strengthening its financial flexibility. The amended agreement extended the term by five years expiring April 28, 2020. It combined the Company's Revolving Operating Facility and Revolving Term Facility into one Revolving Term Facility and increased the Company's borrowing capacity to $200,000 from $159,700, with certain provisions that allow the Company to further increase the limit to $250,000. As at December 31, 2015, the amount drawn under this facility was $126,000.

The Company monitors certain ratios in line with its amended credit facilities agreement. Refer to Note 28 for further details.

19. Borrowings, cont'd

During the year ended December 31, 2015, the Company entered into interest rate swap agreements for a total notional amount of $65,000. The Company is obligated to pay the counterparty to the swap agreements an amount based upon a fixed interest rate of 1.48% per annum and the counterparty is obligated to pay the Company an amount equal to the Canadian Bankers' Acceptance rate. These agreements expire on May 15, 2020. These interest rate swaps are not designated as cash flow hedges.

The weighted effective interest rate for the bank credit facilities for the year ended December 31, 2015 was 3.69% (2014 - 4.60%). The bank credit facilities require repayment of the principal at such time as the Company receives proceeds of insurance, issues equity, issues debt, or sells assets in excess of certain thresholds.

Loans will bear interest at a floating rate, based on the Canadian Prime rates, Canadian Bankers' Acceptance rates, US Base rates or LIBOR rates plus, in each case, an applicable margin to those rates. The margin ranges from 1.2% to 3.0% for Canadian Bankers' Acceptance and LIBOR borrowings depending on the calculation of the funded debt to EBITDA ratio (Note 28).

Letters of credit are also available on customary terms for bank credit facilities of this nature.

The Company is required to comply with certain financial covenants, as disclosed in Note 28. As at December 31, 2015, the Company met these requirements. In addition, the Company and certain of its subsidiaries must account for a minimum of 80% of consolidated revenues on a trailing 12-month basis to meet the minimum security requirement. As at December 31, 2015, substantially all of the assets of the Company are provided as a security interest to meet this requirement.

As at December 31, 2015, $65,000 (2014 - $65,600) of the bank credit facilities were subject to various interest rate swap agreements (Note 13) to fix the interest rate.

For the year ended December 31, 2015, the Company repaid, on a net basis, $1,500 (2014 - borrowed, on a net basis, $60,600).

Leasehold improvement loans
The Company received various loans to finance leasehold improvements made to leased premises. The loans are payable in installments with maturity dates ranging from March 2016 to September 2025 and bear interest from Nil to 8.0%. The loans are not secured. The weighted effective interest rate for the year ended December 31, 2015 was 2.90% (2014 - 5.18%).

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

19. Borrowings, cont'd

Insurance financing loan

The Company has obtained financing with respect to its errors and omissions and comprehensive general liability insurance. The loan is payable in installments with a maturity date of August 31, 2016 and bears interest at 3.59%. The loan is not secured.

Principal repayments on all borrowings excluding convertible debentures and finance lease liabilities are as follows:

	December 31, 2015	December 31, 2014
Less than 1 year	$ 1,337	$ 128,734
1 to 3 years	246	108
4 to 5 years	126,157	77
Over 5 years	334	-
	$ 128,074	$ 128,919

Finance lease liabilities

Future minimum lease payments required under finance leases, which expire between 2016 and 2019, are as follows:

	December 31, 2015	December 31, 2014
Gross finance lease liabilities - minimum lease payments:		
No later than 1 year	$ 918	$ 561
Later than 1 year and no later than 5 years	1,431	1,092
	2,349	1,653
Less: future finance charges on finance leases (2.63% to 11.56%)	(221)	(170)
Present value of finance lease liabilities	$ 2,128	$ 1,483

The Company's finance lease liabilities are denominated in Canadian dollars.

Convertible debentures

On April 19, 2012, the Company completed the issuance of $48,000 2012 convertible debentures with a maturity date of June 30, 2017. The 2012 convertible debentures bear interest at a rate of 6.75% per annum, and are payable semi-annually on June 30 and December 31 each year.

19. Borrowings, cont'd

The 2012 convertible debentures are convertible into common shares at the option of the holder at a conversion price of $10.00 per common share at any time after issuance and prior to the close of business on the earlier of June 30, 2017 and the business day immediately preceding the date fixed for redemption. On or after June 30, 2015 and prior to June 30, 2017, the 2012 convertible debentures may be redeemed at the option of the Company, in whole or in part, at a redemption price equal to the principal amount plus accrued and unpaid interest, provided that the current market price on the date of notice is at least 125% of the conversion price. On redemption or at maturity, the Company may, at its option and subject to regulatory approval, elect to satisfy its obligation to pay all or a portion of the principal amount and the accrued and unpaid interest by the issuance of common shares. The number of common shares to be issued will be determined by dividing all or a portion of the principal amount of the 2012 convertible debentures to be redeemed or repaid at maturity plus accrued and unpaid interest by 95% of the current market price as at the date of redemption or maturity.

The 2012 convertible debentures have characteristics of both debt and equity. Accordingly, on issuance, an amount of $46,182 was initially classified as a liability and the remaining $1,818 was recorded as a component of equity. Transaction costs totalled $2,545, of which $2,449 has been netted against the liability and $96 against the equity component. Interest expense includes a charge for the coupon interest as well as the accretion of the liability to the 2012 convertible debentures' aggregate face value of $48,000 at maturity using the effective interest rate method. During the year ended December 31, 2015, 2012 convertible debentures with a face value of $35,657 (2014 - $3,638) were converted into 3,565,700 common shares (2014 - 363,800 common shares). As at December 31, 2015, there was a total principal amount of $8,241 (2014 - $43,898) of 2012 convertible debentures outstanding. These are exchangeable into common shares at the option of the holder at a conversion price of $10.00 per common share, equivalent to a maximum of 824,100 common shares (2014 - 4,389,800 common shares).

On December 1, 2010, the Company completed the issuance of $50,000 2010 convertible debentures with a maturity date of December 31, 2017. The 2010 convertible debentures were interest bearing at a rate of 5.75% per annum, and were payable semi-annually on June 30 and December 31 each year.

On July 28, 2014, the Company redeemed all outstanding 2010 convertible debentures in accordance with the terms of the Convertible Debenture Indenture. Prior to redemption, a total principal amount of $48,161 was converted into 2,589,295 common shares at the conversion price of $18.60 per common share. The remaining principal amount of $1,839 of the 2010 convertible debentures was redeemed using available cash on hand.

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

20. Amounts Payable to Unitholders

Altus UK LLP Class B and Class D limited liability partnership units

As part of the formation of Altus UK LLP, 455,418 Class B limited liability partnership units were issued to the sellers of the predecessor operating entity, who are also current member-partners of Altus UK LLP, and 293,818 Class D limited liability partnership units were issued for the beneficial interest of certain employees of the predecessor operating entity. Each Altus UK LLP Class B and Class D limited liability partnership unit is entitled to an allocation from profits in an amount equal to the cash dividends declared and paid equivalent to common shares in respect of the same accounting period. The Class B and Class D limited liability partnership units have no additional interest in the equity of the partnership and are not included in the calculation of diluted earnings (loss) per share.

	Altus UK LLP Class B units		**Altus UK LLP Class D units**		**Total**
	Number of Units	Amount	Number of Units	Amount	Amount
Balance as at January 1, 2014	223,149	$ 3,749	112,951	$ 1,897	$ 5,646
Redemption of units (1)	(142,901)	(3,000)	(53,628)	(875)	(3,875)
Change in fair value	-	921	-	213	1,134
Balance as at December 31, 2014	80,248	1,670	59,323	1,235	2,905
Redemption of units (2)	(2,021)	(40)	(7,228)	(147)	(187)
Change in fair value	-	(113)	-	(78)	(191)
Balance as at December 31, 2015	**78,227**	**$ 1,517**	**52,095**	**$ 1,010**	**$ 2,527**

(1) On April 30, 2014, 29,217 Altus UK LLP Class B limited liability partnership units were redeemed at a value of $19.06 per unit. On July 14, 2014, 33,440 Altus UK LLP Class B limited liability partnership units were redeemed at a value of $23.21 per unit. On August 8, 2014, 4,500 Altus UK LLP Class D limited liability partnership units were redeemed at a value of $21.05 per unit. On November 24, 2014, 80,244 Altus UK LLP Class B limited liability partnership units were redeemed at a value of $20.78 per unit. On November 27, 2014, 37,572 Altus UK LLP Class D limited liability partnership units were redeemed at a value of $20.78 per unit. On December 1, 2014, 11,556 Altus UK LLP Class D limited liability partnership units were redeemed at a nominal amount.

(2) On April 6, 2015, 3,221 Altus UK LLP Class D limited liability partnership units were redeemed at a value of $20.35 per unit. On April 30, 2015, 2,021 Altus UK LLP Class B limited liability partnership units were redeemed at a value of $19.84 per unit. On October 16, 2015, 4,007 Altus UK LLP Class D limited liability partnership units were redeemed at a value of $20.43 per unit.

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

21. Share Capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares, issuable in series. The common shares have no par value. Common shares issued and outstanding are as follows:

		Common Shares	
	Number of Shares		Amount
Balance as at January 1, 2014	28,314,435	$	340,445
Issued under the Share Option Plan (Note 24)	272,736		3,230
Issued under the Dividend Reinvestment Plan	179,728		3,306
Issued on conversion of convertible debentures	2,953,095		56,263
Issued on acquisitions (Note 5)	363,377		5,225
Treasury shares purchased under the Restricted Share Plan (Note 24)	(115,761)		(3,086)
Release of treasury shares under the Restricted Share Plan (Note 24)	3,770		60
Balance as at December 31, 2014	31,971,380		405,443
Issued under the Share Option Plan (Note 24)	493,169		4,539
Issued under the Dividend Reinvestment Plan	191,028		3,628
Issued on conversion of convertible debentures	3,565,700		37,058
Issued on acquisitions (Note 5)	324,909		4,510
Treasury shares purchased under the Restricted Share Plan (Note 24)	(103,808)		(3,112)
Release of treasury shares under the Restricted Share Plan (Note 24)	23,856		406
Balance as at December 31, 2015	**36,466,234**	**$**	**452,472**

The 36,466,234 common shares as at December 31, 2015 are net of 371,564 treasury shares with a carrying value of $7,861 that are being held by the Company under the terms of the Restricted Share Plan until vesting conditions are met and net of 26,071 restricted common shares that have been issued from treasury and are being held in connection with the Equity Compensation Plan until vesting conditions are met (Note 24).

The Company implemented a Dividend Reinvestment Plan ("DRIP") for shareholders of the Company who are resident in Canada. Under the DRIP, participants may elect to automatically reinvest quarterly dividend distributions in additional common shares of the Company.

Pursuant to the DRIP, and in the case where common shares are issued from treasury, cash dividend distributions will be reinvested in additional shares of the Company at the weighted average market price of common shares for the five trading days immediately preceding the relevant dividend payment date, less a discount of 4%. In the case where common shares will be purchased on the open market, cash dividend distributions will be reinvested in additional shares of the Company at the relevant, average market price paid in respect of satisfying this reinvestment plan.

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

22. Contributed Surplus

		Amount
Balance as at January 1, 2014	$	6,130
Share-based compensation (Note 24)		2,895
Gain on sale of RSs and shares held in escrow		86
Shares issued under the Share Option Plan		(273)
Equity component of 2010 convertible debentures that were redeemed		170
Balance as at December 31, 2014		9,008
Share-based compensation (Note 24)		5,946
Gain on sale of RSs and shares held in escrow		3
Shares issued under the Share Option Plan		(526)
Release of treasury shares under the Restricted Share Plan		(347)
Balance as at December 31, 2015	**$**	**14,084**

23. Accumulated Other Comprehensive Income (Loss)

		Currency Translation Reserve		Cash Flow Hedges		**Total**
Balance as at January 1, 2014	$	10,648	$	(1,208)	$	9,440
Cash flow hedges:						
Change in fair value		-		1,003		1,003
Deferred tax impact		-		(263)		(263)
Currency translation differences		11,841		-		11,841
Share of other comprehensive income (loss) of associates		339		-		339
Balance as at December 31, 2014		22,828		(468)		22,360
Cash flow hedges:						
Change in fair value		-		634		634
Deferred tax impact		-		(166)		(166)
Currency translation differences		36,612		-		36,612
Share of other comprehensive income (loss) of associates		1,118		-		1,118
Balance as at December 31, 2015	**$**	**60,558**	**$**	**-**	**$**	**60,558**

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

24. Share-based Compensation

(i) Executive Compensation Plan

The Company has an Executive Compensation Plan that is composed of two elements: a common share option plan (the "Share Option Plan") and an equity compensation plan (the "Equity Compensation Plan"). These are both equity-settled compensation arrangements and are available to executives and key employees.

Share Option Plan

The Share Option Plan provides for the grant of options that have a maximum term of 72 months. The administrators of the Share Option Plan have discretion as to the number of options issued, the expiration date of each option, the extent to which each option is exercisable during the term of the option, and any other terms and conditions relating to each option. Generally, the options granted vest annually over a three-year period from the date of grant. The exercise price for the options under the Share Option Plan is calculated as the volume weighted average closing price of the common shares on the TSX for the five business days immediately preceding such grant date. Except in specific defined circumstances, an option and all rights to purchase common shares are forfeited upon the optionee ceasing to be an employee of the Company.

In connection with the acquisition of INTRER, the Company granted 50,000 options to key management on December 1, 2015.

Movements in the number of share options outstanding and their weighted average exercise prices are as follows:

	Number of Options	Weighted Average Exercise Price
Balance as at January 1, 2014	1,010,198	$8.96
Granted on May 16, 2014	7,500	$21.23
Granted on June 13, 2014	124,000	$23.85
Granted on August 18, 2014	56,248	$21.37
Granted on September 3, 2014	50,000	$21.11
Exercised	(272,736)	$10.84
Forfeited	(12,548)	$13.86
Balance as at December 31, 2014	962,662	$11.73
Granted on May 20, 2015	216,500	$19.29
Granted on December 1, 2015	50,000	$20.28
Exercised	(493,169)	$8.14
Forfeited	(3,250)	$16.57
Balance as at December 31, 2015	**732,743**	**$16.95**

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

24. Share-based Compensation, cont'd

Information about the Company's options outstanding and exercisable as at December 31, 2015 is as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Exercisable
$0.39	3,247	4.04 years	3,247
$7.25	20,000	0.26 years	20,000
$8.81	62,500	5.74 years	-
$8.30	8,333	0.97 years	8,333
$8.36	103,332	0.88 years	36,666
$8.03	33,333	3.41 years	-
$21.23	7,500	3.37 years	7,500
$23.85	124,000	4.45 years	41,337
$21.37	55,248	4.64 years	18,413
$21.11	50,000	4.68 years	-
$19.29	215,250	5.39 years	-
$20.28	50,000	5.92 years	-
$16.95	**732,743**	**4.25 years**	**135,496**

The options granted in 2015 vest over a period of up to 36 months. The fair value of the options granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	May 2015 Grant	December 2015 Grant
Risk-free interest rate	0.86%	0.79%
Expected yield	3.0%	3.0%
Expected volatility	32%	34%
Expected option life	3.67 - 4.67 years	3.50 - 4.50 years
Weighted average grant-date fair value per share option	$3.61 - $4.17	$3.79 - $4.40

Equity Compensation Plan

Under the Equity Compensation Plan, the Company is entitled in its sole discretion to issue to each participant a portion of his or her annual discretionary bonus in common shares. On each day that a participant is paid any portion of his or her annual discretionary bonus, the Company may pay a certain percentage of that portion in cash and issue a number of common shares equal to the remainder of that portion divided by the volume weighted average closing price of the common shares on the TSX for the five business days ending on the day prior to such issuance.

24. Share-based Compensation, cont'd

During 2013, as part of the Equity Compensation Plan, a total of 26,071 common shares have been issued in escrow to an employee and will not be available until three years following the date of the award. After three years from the date of grant, these shares are released, provided, subject to certain exceptions such as disability or death, that the individual is employed with the Company at the time of release. If the employee resigns from the Company or is terminated for cause, the common shares are forfeited.

As part of the Equity Compensation Plan, the Company grants equity awards of common shares to employees of the Company subject to certain service vesting and market conditions. The number of shares which will vest may be higher or lower than the number of shares originally granted, ranging from 50% to 150% based on the Company's total shareholder return ("TSR") relative to a set peer group. If the Company's TSR equals the peer group's TSR for the periods specified below, then shares granted will be issued according to the following percentages below, subject to the recipient also fulfilling a three-year service condition:

- 20% of the shares will vest on December 31 of each year for a period of three years; and
- 40% of the shares will vest based on the three-year average Company TSR compared to peer group TSR.

During 2014 and 2015, the Company granted equity awards of 161,134 and 135,650 common shares, respectively, as part of the Equity Compensation Plan.

(ii) Deferred Compensation Plans

In 2013, the Company established Deferred Compensation Plans that are structured as a RS Plan in Canada and as a RSU Plan outside of Canada. These incentive compensation plans are available to executives, senior management and key employees. Annual grants of RSs or RSUs will form part of the total annual discretionary bonus awarded to executives, senior management and key employees which typically will consist of an annual cash bonus of 80% and a RS or RSU award of approximately 20%. The total annual discretionary bonus is based on the Company exceeding certain annual performance targets, which are set annually.

24. Share-based Compensation, cont'd

RS Plan

If annual performance targets are met, RSs will be awarded within three months of that performance year and will not be available to the employee until three years following the date of the award. The Company will contribute funds to purchase common shares in the open market (through the facilities of the TSX or by private agreement) and these RSs will be held by the Company until they vest. After three years from the date of grant, the RSs are released to employees, provided, subject to certain exceptions such as disability or death, they are employed with the Company at the time of release. Participants are entitled to receive cash dividends that are paid on common shares. If an employee resigns from the Company or is terminated for cause, all RSs that have not yet been released from the three-year restriction period are forfeited. This is an equity-settled compensation arrangement and the fair value of the total grant for the year is recognized as a compensation expense over a 17-quarter period beginning in the year in which the award is granted and ending on the vesting date. A corresponding credit is made to contributed surplus.

In connection with the 2014 performance year, the Company granted a total of $2,919 under the RS Plan. On April 1, 2015, the Company purchased 98,826 common shares with a cost of $2,919 in the open market (through the facilities of the TSX or by private agreement).

In connection with the 2013 performance year, the Company granted a total of $3,086 under the RS Plan. On April 1, 2014, the Company purchased 115,761 common shares with a cost of $3,086 in the open market (through the facilities of the TSX or by private agreement).

This amount has been shown as a reduction in the carrying value of the Company's common shares (Note 21).

The Company expects to purchase common shares in the open market (through the facilities of the TSX or by private agreement) worth approximately $3,300 and hold the common shares in escrow until the vesting date in April 2016.

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

24. Share-based Compensation, cont'd

RSU Plan

If annual performance targets are met, RSUs will be awarded within three months of that performance year and will vest on the third anniversary date of the grant. After three years from the date of grant, participants are entitled to receive the cash equivalent of a common share of the Company for each RSU, provided they are employed with the Company at that time. During the vesting period, participants are entitled to receive notional distributions in cash equal to dividends that are paid on common shares. If an employee resigns from the Company or is terminated for cause prior to the vesting date, all RSUs are forfeited. This is a cash-settled compensation arrangement and the fair value of the total grant for the year is recognized as a compensation expense over a 17-quarter period beginning in the year in which the award is granted and ending on the vesting date. A corresponding credit is made to trade payables and other. Changes in the liability subsequent to the grant date and prior to settlement, due to changes in fair value of the Company's common shares, are recorded in compensation expense in the period incurred.

The Company has entered into equity derivative instruments to manage its exposure to changes in the fair value of RSUs due to changes in the fair value of the Company's common shares (Note 13).

A summary of the movement of the RSs and RSUs granted is as follows:

	Number of RSs	Number of RSUs
Balance as at January 1, 2014 (all unvested)	179,621	60,502
Granted	115,761	59,800
Released	(3,770)	(8,768)
Balance as at December 31, 2014 (all unvested)	291,612	111,534
Granted	103,808	75,228
Released	(23,856)	(5,019)
Balance as at December 31, 2015 (all unvested)	**371,564**	**181,743**

(iii) Directors' Deferred Share Unit Plan

The Company has a Directors' Deferred Share Unit Plan under which members of the Company's Board of Directors, who are not management, elect annually to receive all or a portion of their annual retainers and fees in the form of DSUs, which are classified as trade payables and other. Participants are entitled to receive notional distributions in additional DSUs equal to dividends that are paid on common shares. The DSUs vest on the date they are granted and are settled in cash upon termination of Board service. This is a cash-settled compensation arrangement.

The Company has entered into an equity derivative instrument to manage its exposure to changes in the fair value of DSUs due to changes in the fair value of the Company's common shares (Note 13).

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

24. Share-based Compensation, cont'd

A summary of the movement of the DSUs granted is as follows:

	Number of DSUs
Balance as at January 1, 2014	67,869
Granted	18,545
Redeemed	(14,702)
Balance as at December 31, 2014	71,712
Granted	19,187
Redeemed	(17,600)
Balance as at December 31, 2015	**73,299**

(iv) Compensation Expense by Plan

	Year ended December 31, 2015	Year ended December 31, 2014
Share Option Plan	$ **1,029**	$ 605
Equity Compensation Plan	**2,739**	962
RS Plan	**2,156**	1,357
RSU Plan [(1)]	**1,277**	777
DSU Plan [(2)]	**227**	671

(1) For the year ended December 31, 2015, the Company recorded mark-to-market adjustments of $(224) (2014 - $191).

(2) For the year ended December 31, 2015, the Company recorded mark-to-market adjustments of $(165) (2014 - $312).

(v) Liabilities for Cash-settled Plans

	December 31, 2015	December 31, 2014
RSU Plan - carrying value of liability recorded within trade payables and other	$ **3,307**	$ 2,038
DSU Plan - carrying value of liability recorded within trade payables and other	**1,400**	1,497

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

25. Earnings (Loss) per Share

Basic net earnings (loss) per share is calculated by dividing profit (loss) by the weighted average number of common shares outstanding during the year.

The dilutive effect of stock options, equity awards and RSs is determined using the treasury stock method. The dilutive effect of contingently issuable shares is determined based on the number of shares, if any, that would be issuable if the end of the reporting period were the end of the contingency period and the contingency has been met. The contingently issuable shares are included in the denominator of diluted earnings (loss) per share as of the beginning of the year, or as of the date of the contingent share agreement, if later. For the purposes of the weighted average number of common shares outstanding, common shares are determined to be outstanding from the date they are issued.

For the year ended December 31, 2015, 501,998 share options outstanding, 79,800 equity awards, 3,576 RSs (including common shares issued in escrow as part of the Equity Compensation Plan) and the 2012 convertible debentures were excluded from the diluted earnings (loss) per share calculation as the impact would have been anti-dilutive.

For the year ended December 31, 2014, the 2012 convertible debentures and 230,248 share options were excluded from the diluted earnings (loss) per share calculation as the impact would have been anti-dilutive.

The following table summarizes the basic and diluted earnings (loss) per share and the basic and diluted weighted average number of common shares outstanding:

	Year ended December 31, 2015	Year ended December 31, 2014
Profit (loss) for the year - basic and diluted	**$ 9,249**	$ 13,171
Weighted average number of common shares outstanding - basic	**33,348,326**	29,932,586
Dilutive effect of share options issued	**132,725**	427,153
Dilutive effect of contingently issuable shares	**-**	99,933
Dilutive effect of equity awards	**53,076**	26,237
Dilutive effect of RSs	**284,949**	234,166
Weighted average number of common shares outstanding - diluted	**33,819,076**	30,720,075
Earnings (loss) per share:		
Basic	**$0.28**	$0.44
Diluted	**$0.27**	$0.43

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

26. Dividends

Dividends are declared in Canadian dollars. Details of dividends declared per share are as follows:

	Year ended December 31, 2015	Year ended December 31, 2014
Common shares	**$0.60**	$0.60
Altus UK LLP Class B and D limited liability partnership units	**$0.60**	$0.60

The Company declared dividends on a quarterly basis to shareholders of record on the last business day of the quarter with dividends paid on the 15th day of the month following quarter end.

Altus UK LLP declared distributions on a quarterly basis to unitholders of record as of the last business day of each quarter with distributions paid on the 15th day of the month following quarter end.

27. Financial Instruments and Fair Values

Financial Instruments by Category

The tables below indicate the carrying values of assets and liabilities for each of the following categories: loans and receivables, fair value through profit or loss, other liabilities and derivatives used for hedging.

	December 31, 2015		December 31, 2014	
	Fair Value Through Profit or Loss	Loans and Receivables	Fair Value Through Profit or Loss	Loans and Receivables
Assets as per Balance Sheet:				
Cash and cash equivalents	**$ 19,604**	**$ -**	$ 17,452	$ -
Trade receivables and other (excluding prepayments)	**-**	**126,245**	-	125,052
Derivative financial instruments	**76**	**-**	328	-
	$ 19,680	**$ 126,245**	$ 17,780	$ 125,052

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

27. Financial Instruments and Fair Values, cont'd

			December 31, 2015
	Fair Value Through Profit or Loss	Other Liabilities at Amortized Cost	**Total**
Liabilities as per Balance Sheet:			
Trade payables and other (excluding lease inducements, deferred revenue, RSU Plan and DSU Plan payables and contingent consideration payable)	$ -	$ 49,513	$ 49,513
RSU Plan and DSU Plan payables	4,707	-	4,707
Contingent consideration payable	3,334	-	3,334
Borrowings	-	136,431	136,431
Derivative financial instruments	1,398	-	1,398
Amounts payable to unitholders	2,527	-	2,527
	$ 11,966	**$ 185,944**	**$ 197,910**

			December 31, 2014
	Fair Value Through Profit or Loss	Other Liabilities at Amortized Cost	Total
Liabilities as per Balance Sheet:			
Trade payables and other (excluding lease inducements, deferred revenue, RSU Plan and DSU Plan payables and contingent consideration payable)	$ -	$ 53,296	$ 53,296
RSU Plan and DSU Plan payables	3,535	-	3,535
Contingent consideration payable	6,424	-	6,424
Borrowings	-	171,223	171,223
Derivative financial instruments	634	-	634
Amounts payable to unitholders	2,905	-	2,905
	$ 13,498	$ 224,519	$ 238,017

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

27. Financial Instruments and Fair Values, cont'd

Fair Values

Fair value measurements recognized in the consolidated balance sheets must be classified in accordance with the fair value hierarchy established by IFRS 13, Fair Value Measurement, which reflects the significance of the inputs used in determining the measurements. The inputs can be either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect an entity's pricing based upon its own market assumptions.

The tables below present financial instruments that are measured at fair value. The different levels in the hierarchy have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

				December 31, 2015
	Level 1	Level 2	Level 3	**Total**
Assets:				
Cash and cash equivalents	$ 19,604	$ -	$ -	**$ 19,604**
Derivative financial instruments	-	76	-	**76**
Liabilities:				
Derivative financial instruments	-	1,398	-	**1,398**
RSU Plan and DSU Plan payables	4,707	-	-	**4,707**
Contingent consideration payable	-	-	3,334	**3,334**
Amounts payable to unitholders	2,527	-	-	**2,527**

				December 31, 2014
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 17,452	$ -	$ -	$ 17,452
Derivative financial instruments	-	328	-	328
Liabilities:				
Derivative financial instruments	-	634	-	634
RSU Plan and DSU Plan payables	3,535	-	-	3,535
Contingent consideration payable	-	-	6,424	6,424
Amounts payable to unitholders	2,905	-	-	2,905

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

27. Financial Instruments and Fair Values, cont'd

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The liabilities for cash-settled plans and amounts payable to unitholders are recorded in Level 1 and are measured at fair value using the quoted market price of the Company's common shares. Cash and cash equivalents are also recorded in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Derivative financial instruments are recorded in Level 2. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of equity derivatives is calculated based on the movement in the Company's common share price between the initial common share price on the effective date and the reporting date, which are observable inputs.

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3. Contingent consideration payable is the only instrument recorded as Level 3 as the amount payable is not based on observable inputs. Contingent consideration payable is measured using a discounted cash flow analysis of expected payment in future periods.

		Contingent Consideration Payable (Discounted)
Balance as at January 1, 2014	$	2,359
Contingent arrangements entered into during the year (Note 5)		2,834
Change in expected payment recorded through profit or loss		3,000
Unwinding of discount (Note 9)		687
Settlements		(2,610)
Exchange differences		154
Balance as at December 31, 2014		6,424
Contingent arrangements entered into during the year (Note 5)		4,029
Change in expected payment recorded through profit or loss		(1,178)
Unwinding of discount (Note 9)		246
Settlements		(6,334)
Exchange differences		147
Balance as at December 31, 2015	**$**	**3,334**

27. Financial Instruments and Fair Values, cont'd

The Company has revised its estimate of the contingent consideration payable relating to the Maxwell Brown acquisition completed on June 1, 2015 resulting in a recovery of $1,178 in acquisition related expenses (income).

The Company has revised its estimate of the contingent consideration payable relating to the MGI acquisition completed on April 1, 2014 resulting in a charge of $3,000 in acquisition related expenses (income). The contingent consideration payable to MGI was settled during the year ended December 31, 2015 and a total of $6,000 was paid in cash.

The contingent consideration payable for the Complex Property Advisors Corporation acquisition completed on July 1, 2013 was settled during the year ended December 31, 2014 and a total of US$2,163 was paid in cash.

A 1% increase or decrease in the discount rate could decrease or increase the Company's determination of fair value by approximately $39 as at December 31, 2015.

The estimated contractual amount of contingent consideration payable as at December 31, 2015 was $3,537 (2014 - $6,554), net of a discount of $203 (2014 - $130).

Cash and cash equivalents, trade receivables and other (excluding prepayments) and trade payables and other (excluding lease inducements, deferred revenue, RSU Plan and DSU Plan payables, contingent consideration payable), due within one year, are all short-term in nature and, as such, their carrying values approximate fair values. The fair value of non-current trade payables and other (excluding lease inducements, deferred revenue, RSU Plan and DSU Plan payables and contingent consideration payable), leasehold improvement loans, insurance financing loan and finance lease liabilities are estimated by discounting the future contractual cash flows at the cost of borrowing to the Company, which is equal to its carrying value.

The fair values of the bank credit facilities approximate their carrying values, as these instruments bear interest at rates comparable to current market rates. The fair value of the 2012 convertible debentures as at December 31, 2015 was approximately $15,658, based on the published trading price on the TSX.

27. Financial Instruments and Fair Values, cont'd

Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

The Company does not enter into derivative financial instruments for speculative purposes.

(a) Market Risk

Interest rate risk
The Company is exposed to interest rate risk in the event of fluctuations in the Canadian Prime rate, Canadian Bankers' Acceptance rate, US Base rate or LIBOR rate as the interest rates on the Revolving Term Facility fluctuate with changes in the Canadian Prime rate, Canadian Bankers' Acceptance rate, US Base rate or LIBOR rate.

In order to limit interest rate exposure, the Company has entered into floating-to-fixed interest rate swap agreements associated with its bank credit facilities. These interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Company agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts. The notional principal amounts of the outstanding interest rate swap agreements as at December 31, 2015 were $65,000 (2014 - $65,600).

The Company monitors its interest rate exposure and its hedging strategy on an ongoing basis.

Fluctuations in interest rates will impact profit or loss. For the year ended December 31, 2015, every 1% increase or decrease in the Revolving Term Facility interest rate results in a corresponding $436 decrease or increase in the Company's profit (loss), respectively (2014 - $173).

Currency risk
The Company has operations in Canada, the US, Europe and Asia Pacific and, therefore, has exposure to currency risk. There is exposure to foreign exchange fluctuations on the consolidation of the Company's foreign subsidiaries. Assets and liabilities of foreign subsidiaries are translated at the period-end exchange rate and, therefore, have different values depending on exchange rate fluctuations. The effects of such variations are recognized in other comprehensive income (loss).

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

27. Financial Instruments and Fair Values, cont'd

The statements of comprehensive income (loss) of the foreign operations are translated into Canadian dollars using the period's average exchange rate and, accordingly, exchange rate fluctuations impact revenues and profit or loss, denominated in Canadian dollars.

The Company monitors its foreign exchange exposure and its hedging strategy on an ongoing basis.

The following table summarizes the effect of a 10% strengthening of the Canadian dollar on the Company's profit (loss) as a result of translating the statements of comprehensive income (loss) of foreign subsidiaries, assuming all other variables remain unchanged:

	Year ended December 31, 2015	Year ended December 31, 2014
Currency risk:		
US	**$ (295)**	$ (1,893)
Europe	**(195)**	(389)
Australia	**(64)**	(67)
Asia	**30**	(100)

A 10% weakening of the Canadian dollar would have an equal but opposite effect on the above currencies to the amounts shown above, assuming all other variables remain unchanged.

Price risk

The Company is exposed to price risk because the liabilities for cash-settled plans and amounts payable to unitholders are classified as fair value through profit or loss, and linked to the price of the Company's common shares. If the market price of the Company's common shares had increased by 5% with all other variables held constant, the impact on profit (loss) would be a decrease of $362. A 5% decrease in the market price of the Company's common shares would have an equal but opposite effect on profit (loss), assuming all other variables remain unchanged.

In order to limit price risk exposure, the Company has entered into equity derivatives. Changes in the fair value of these equity derivatives offset the impact of mark-to-market adjustments that have been accrued. The notional amount outstanding on these equity derivatives as at December 31, 2015 was $7,610 (2014 - $6,463).

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

27. Financial Instruments and Fair Values, cont'd

(b) Credit Risk

The Company is exposed to credit risk with respect to its cash and cash equivalents, trade receivables and other, more specifically its trade receivables, and derivative financial instruments. Credit risk is not concentrated with any particular customer. In certain parts of Asia, it is often common business practice to pay invoices over an extended period of time and/or at the completion of the project. This practice increases the risk and likelihood of future bad debts. In addition, the risk of non-collection of trade receivables is greater in Asia Pacific compared to North American or European countries. Trade receivables are monitored on an ongoing basis with respect to their collectability and, where appropriate, a specific reserve is recorded.

Movement in the Company's allowance for doubtful accounts is as follows:

		Amount
As at January 1, 2014	$	7,598
Charges during the year		1,126
Receivables written off during the year as uncollectible		(2,552)
Exchange differences		67
As at December 31, 2014		6,239
Charges during the year		3,615
Receivables written off during the year as uncollectible		(2,021)
Exchange differences		307
As at December 31, 2015	**$**	**8,140**

The movement of the allowance for doubtful accounts has been included in office and other operating expenses in the consolidated statements of comprehensive income (loss). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. As at December 31, 2015, amounts of trade receivables past due which are outstanding over 60 days but not considered impaired are estimated at $6,598 (2014 - $6,700).

The Company's maximum exposure to credit risk at the reporting date, assuming no mitigating factors, is the carrying value of its cash and cash equivalents, trade receivables and other and derivative financial instruments. The Company does not hold any collateral as security.

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

27. Financial Instruments and Fair Values, cont'd

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows, taking into account the seasonality of the Company's revenues and receipts and maturity profile of financial assets and liabilities. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments.

Management believes that funds generated by operating activities and available bank credit facilities will allow the Company to satisfy its requirements for purposes of working capital, investment and debt repayment at maturity.

The table below analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period as at the balance sheet date to the contractual maturity date. Derivative financial instruments are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

							December 31, 2015
	Carrying amount	Contractual cash flows	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	**Total**
Trade payables and other (excluding lease inducements, deferred revenue, RSU Plan and DSU Plan payables and contingent consideration payable)	$ 49,513	$ 49,553	$ 48,848	$ 337	$ 73	$ 295	$ 49,553
RSU Plan and DSU Plan payables	4,707	4,707	977	1,383	947	1,400	4,707
Contingent consideration payable	3,334	3,537	2,870	667	-	-	3,537
Borrowings (excluding convertible debentures)	128,437	130,498	2,288	1,600	126,266	344	130,498
Convertible debentures	7,994	8,241	-	8,241	-	-	8,241
Derivative financial instruments	1,398	1,398	-	-	1,241	157	1,398
Amounts payable to unitholders	2,527	2,527	-	-	-	2,527	2,527
	$ 197,910	**$ 200,461**	**$ 54,983**	**$ 12,228**	**$ 128,527**	**$ 4,723**	**$ 200,461**

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

27. Financial Instruments and Fair Values, cont'd

							December 31, 2014
	Carrying amount	Contractual cash flows	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Trade payables and other (excluding lease inducements, deferred revenue, RSU Plan and DSU Plan payables and contingent consideration payable)	$ 53,296	$ 53,327	$ 52,855	$ 250	$ 64	$ 158	$ 53,327
RSU Plan and DSU Plan payables	3,535	3,535	-	1,693	345	1,497	3,535
Contingent consideration payable	6,424	6,554	6,263	291	-	-	6,554
Borrowings (excluding convertible debentures)	129,267	130,619	129,327	1,084	208	-	130,619
Convertible debentures	41,956	43,898	-	43,898	-	-	43,898
Derivative financial instruments	634	634	634	-	-	-	634
Amounts payable to unitholders	2,905	2,905	-	-	-	2,905	2,905
	$ 238,017	$ 241,472	$ 189,079	$ 47,216	$ 617	$ 4,560	$ 241,472

28. Capital Management

The Company's objective in managing capital is to ensure that adequate resources are available to fund organic growth and to enable it to undertake strategic acquisitions while continuing as a going concern. The Company's capital is composed of net-debt, amounts payable to unitholders and shareholders' equity.

Operating cash flows are used to provide sustainable cash dividends to shareholders and fund capital expenditures in support of organic growth. In addition, operating cash flows, supplemented throughout the year with the Revolving Term Facility, are used to fund working capital requirements.

The Revolving Term Facility and equity are used to finance controlling interest in strategic acquisitions. Additionally, vendors of acquired businesses typically receive a portion of the consideration in the form of the Company's common shares.

Amounts payable to unitholders relates to the Altus UK LLP Class B and D limited liability partnership units.

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

28. Capital Management, cont'd

The Company's capitalization is summarized in the following chart:

	December 31, 2015		December 31, 2014	
Borrowings (Note 19)	$	**136,431**	$	171,223
Less: cash and cash equivalents (Note 11)		**19,604**		17,452
Net-debt		**116,827**		153,771
Amounts payable to unitholders (Note 20)		**2,527**		2,905
Shareholders' equity		**350,595**		273,104
Total capitalization	$	**469,949**	$	429,780

The Company monitors certain ratios on a trailing 12-month basis in line with its amended bank credit facilities agreement. The financial covenant limits are summarized below:

– Funded debt to EBITDA ratio: maximum of 3.00:1
– Minimum fixed charge coverage ratio: minimum of 1.20:1
– Maximum funded debt to capitalization ratio: maximum of 55%

As at December 31, 2015, the Company is in compliance with the financial covenants of the bank credit facilities as illustrated below:

	December 31, 2015
Funded debt (1) to EBITDA (maximum 3.00:1)	**1.92:1**
Minimum fixed charge coverage ratio (minimum 1.20:1)	**4.89:1**
Maximum funded debt to capitalization ratio (maximum 55%)	**24%**

(1) Funded debt includes primarily total borrowings, excluding deferred financing fees and the convertible debentures, less cash and cash equivalents on hand to a maximum of $5,000.

29. Commitments and Contingencies

The Company leases various offices and equipment under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2015		December 31, 2014	
No later than 1 year	$	**14,787**	$	11,886
Later than 1 year and no later than 5 years		**51,990**		33,266
Later than 5 years		**33,230**		23,874
Total	$	**100,007**	$	69,026

29. Commitments and Contingencies, cont'd

The future aggregate minimum sublease payments to be received under non-cancellable subleases as at December 31, 2015 was $964 (2014 - $995).

As at December 31, 2015, the Company provided letters of credit of approximately $396 to its lessors (2014 - $266).

From time to time, the Company or its subsidiaries are involved in legal proceedings, claims and litigation in the ordinary course of business with customers, former employees and other parties. Although it is not possible to determine the outcome of such matters, based on all currently available information, management believes that liabilities, if any, arising from such matters will not have a material adverse effect on the financial position or results of operations, and have been adequately provided for in these consolidated financial statements.

In the ordinary course of business, the Company is subject to tax audits from various government agencies relating to income and commodity taxes. As a result, from time to time, the tax authorities may disagree with the positions and conclusions made by the Company in its tax filings, which could lead to assessments and reassessments. These assessments and reassessments may have a material adverse effect on the Company's financial position or results of operations.

30. Related Party Transactions

The Company provides appraisal services to Real Matters, an entity in which the Company holds a 16.4% (2014 - 18.2%) equity interest as at December 31, 2015. During the year ended December 31, 2015, the Company recorded gross revenues of $32 for appraisal services provided to Real Matters (2014 - $32).

As part of ongoing transactions with Real Matters, there was $1 included in trade receivables and other as at December 31, 2015 (2014 - $8).

During the year ended December 31, 2015, the Company determined that a deemed disposal of its interest in Real Matters had occurred due to the funds raised by Real Matters in a common equity financing transaction, which reduced the Company's ownership percentage in Real Matters from 18.2% to 16.4%. Accordingly, the Company calculated the deemed disposal of its interest in Real Matters and recognized a gain of $3,483 with a related increase to the carrying value of the investment in Real Matters.

All related party transactions were in the normal course of operations and measured at the exchange amount.

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

30. Related Party Transactions, cont'd

Key Management Compensation

Key management includes the Board of Directors, officers and business unit presidents. The compensation paid or payable to key management for employee services is shown below:

	Year ended December 31, 2015	Year ended December 31, 2014
Salaries and other short-term employee benefits	$ 8,043	$ 8,770
Share-based payments	3,070	2,374
	$ 11,113	$ 11,144

Controlled Entities

Altus Group Limited is the ultimate parent company. In certain circumstances, the Company has control over entities in which it does not own more than 50% voting interest. In making this determination, the Company considers all relevant facts and circumstances in assessing whether it has power over the entity including rights arising from contractual arrangements that allow the Company to direct the relevant activities and be exposed to variable returns of the entity, among other considerations. The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Entity's Name	December 31, 2015
Entities directly or indirectly controlled by Altus Group Limited:	
Altus Geomatics Limited Partnership	100%
Altus Geomatics General Partner Corporation (1)	49%
Altus Group Asia Pacific Limited	100%
Altus Group U.S. Inc.	100%
Circle Software Acquisition Limited	100%
Argus Software (UK) Ltd.	100%
Circle Software International Limited (UK)	100%
Argus Software (Canada), Inc.	100%
Argus Software (Oceanic) Pty Ltd.	100%
Argus Software (Malaysia) Sdn. Bhd.	100%
Altus Group (UK) Limited	100%
2262070 Ontario Limited	100%
RealNet Canada Inc.	100%
Altus Group S.à.r.l.	100%
Voyanta Limited (UK)	100%

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

30. Related Party Transactions, cont'd

Entity's Name	December 31, 2015
Entities directly or indirectly controlled by Altus Group Asia Pacific Limited:	
Altus Group (Vietnam) Limited	100%
Altus Group (India) Private Limited (2)	0.99%
Altus Group (Singapore) Private Limited	100%
Altus Egypt LLC (3)	85%
Altus Group (Hong Kong) Limited	100%
Altus Construction Consultancy (Shanghai) Limited	100%
Altus Group Consulting (Thailand) Company Limited (4)	99.96%
Altus Group Management Holdings (Thailand) Company Limited (5)	99.98%
Altus Group Services (Thailand) Company Limited	100%
Altus Group Construction Professionals (Thailand) Company Limited	100%
Altus Group Australia Pty Limited	100%
Altus Group (ACT) Pty Limited	100%
Altus Group Consulting Pty Limited	100%
Page Kirkland Queensland Pty Limited	100%
Altus Group Cost Management Pty Limited	100%
Entities directly or indirectly controlled by Altus Group U.S. Inc.:	
Altus Group (Hawaii) Inc.	100%
Altus Group ULC	100%
Altus Group LLC	100%
Argus Software Inc.	100%
Argus Software (Asia) Pte. Ltd.	100%
Entities directly or indirectly controlled by Altus Group (UK) Limited:	
Altus UK LLP	100%
Altus Group (UK2) Limited	100%
Maxwell Brown Surveyors Group Limited	100%
Maxwell Brown Surveyors Limited	100%
Lambournes Holdings Limited	100%
Lambournes Trading Services Limited	100%

(1) Two land surveyors, who are employees of Altus Geomatics Limited Partnership and registered with Land Surveyor's Association (Alberta), own 51% of the remaining shares.

(2) Altus Group Limited owns 99.01% of the remaining shares.

(3) An Egyptian national owns 15% of the remaining shares.

(4) Each of Altus Group Limited and 2262070 Ontario Limited own 0.02% of the remaining shares.

(5) 2262070 Ontario Limited owns 0.02% of the remaining shares.

30. Related Party Transactions, cont'd

Altus Group Tax Consulting Paralegal Professional Corporation, Altus Geomatics (Manitoba) Professional Land Surveyors Partnership and Altus Geomatics Land Surveying BC Limited are entities under control of the Company and have been consolidated in the Company's consolidated financial statements.

Altus Group

LISTINGS

Toronto Stock Exchange
Stock trading symbol: AIF
Convertible debenture trading symbol: AIF.DB.A

AUDITORS

ERNST & YOUNG LLP

TRANSFER AGENT

CST TRUST COMPANY
P.O. Box 700
Station B
Montreal, Quebec, Canada H3B 3K3
Toronto: (416) 682-3860
Toll-free throughout North America: 1 (800) 387-0825
Facsimile: 1 (888) 249-6189
Website: www.canstockta.com
Email: inquiries@canstockta.com

HEADQUARTERS

33 Yonge Street, Suite 500
Toronto, Ontario, Canada M5E 1G4
Telephone: (416) 641-9500
Toll-free Telephone: 1 (877) 953-9948
Facsimile: (416) 641-9501
Website: www.altusgroup.com
Email: info@altusgroup.com