Consolidated statements of financial position

(in thousands of Canadian dollars, unaudited)	**June 30, 2016**	December 31, 2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 1,003**	$ 871
Trade receivables (note 4)	**30,472**	38,051
Inventories (note 5)	**37,745**	37,053
Prepaid expenses and other current assets	**4,268**	4,150
	73,488	80,125
NON-CURRENT ASSETS		
Deferred income tax assets (note 10)	**2,635**	2,070
Restricted cash (note 8)	**425**	—
Property, plant and equipment	**12,661**	14,422
Pension asset	**—**	770
Intangible assets	**4,750**	5,614
Goodwill (note 6)	**31,066**	31,066
	$ 125,025	$ 134,067
LIABILITIES		
CURRENT LIABILITIES		
Current portion of Credit facilities (note 8)	**$ 5,770**	$ 43,095
Current portion of Convertible debentures (note 9)	**10,998**	—
Trade payables	**28,042**	29,766
Provisions (note 7)	**3,086**	5,723
Income taxes payable	**1,965**	903
Deferred revenue	**10,840**	10,811
	60,701	90,298
NON-CURRENT LIABILITIES		
Provisions (note 7)	**751**	1,483
Credit facilities (note 8)	**26,782**	—
Convertible debentures (note 9)	**—**	10,912
Deferred income tax liabilities (note 10)	**19**	76
Other non-current liabilities (note 11)	**1,931**	1,362
Pension obligations	**9,106**	8,354
Other post-employment benefit plans	**2,689**	2,563
	$ 101,979	$ 115,048
EQUITY		
SHAREHOLDERS' EQUITY		
Shares (note 12)	**$ 237,062**	$ 234,782
Conversion options	**128**	128
Contributed surplus	**961**	385
Accumulated other comprehensive income	**189**	306
Deficit	**(215,294)**	(216,582)
	$ 23,046	$ 19,019
	$ 125,025	$ 134,067

Approved by Board of Directors

Director

Director

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

Consolidated statements of income (loss)

(in thousands of Canadian dollars, except per share amounts, unaudited)		**For the three months ended June 30, 2016**		For the three months ended June 30, 2015
REVENUES	**$**	**69,716**	$	73,447
COST OF REVENUES		**52,567**		57,821
GROSS PROFIT		**17,149**		15,626
EXPENSES (INCOME)				
Selling, commissions and expenses		**7,664**		8,686
General and administration expenses excluding amortization of intangible assets		**6,084**		5,563
Restructuring expenses (note 7)		**368**		4,205
Impairment of goodwill (note 6)		**—**		26,000
Amortization of intangible assets		**510**		479
		14,626		44,933
INCOME (LOSS) BEFORE FINANCE COSTS AND INCOME TAXES		**2,523**		(29,307)
FINANCE COSTS				
Interest expense		**869**		1,464
Interest income		**(1)**		(3)
Amortization of transaction costs		**109**		134
		977		1,595
INCOME (LOSS) BEFORE INCOME TAXES		**1,546**		(30,902)
INCOME TAX EXPENSE (RECOVERY)				
Current		**1,156**		76
Deferred		**(601)**		(1,295)
		555		(1,219)
NET INCOME (LOSS) FOR THE PERIOD	**$**	**991**	$	(29,683)
BASIC EARNINGS (LOSS) PER SHARE (note 13)	**$**	**0.00**	$	(1.26)
DILUTED EARNINGS (LOSS) PER SHARE (note 13)	**$**	**0.00**	$	(1.26)

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

Consolidated statements of income (loss)

(in thousands of Canadian dollars, except per share amounts, unaudited)		**For the six months ended June 30, 2016**		For the six months ended June 30, 2015
REVENUES	**$**	**144,330**	$	149,449
COST OF REVENUES		**108,808**		116,538
GROSS PROFIT		**35,522**		32,911
EXPENSES (INCOME)				
Selling, commissions and expenses		**16,179**		17,798
General and administration expenses excluding amortization of intangible assets		**11,402**		11,386
Restructuring expenses (note 7)		**692**		6,259
Impairment of goodwill (note 6)		**—**		26,000
Amortization of intangible assets		**1,015**		958
		29,288		62,401
INCOME (LOSS) BEFORE FINANCE COSTS AND INCOME TAXES		**6,234**		(29,490)
FINANCE COSTS				
Interest expense		**1,737**		2,748
Interest income		**(4)**		(7)
Amortization of transaction costs		**356**		170
		2,089		2,911
INCOME (LOSS) BEFORE INCOME TAXES		**4,145**		(32,401)
INCOME TAX EXPENSE (RECOVERY)				
Current		**1,332**		83
Deferred		**(60)**		(1,670)
		1,272		(1,587)
NET INCOME (LOSS) FOR THE PERIOD	**$**	**2,873**	$	(30,814)
BASIC EARNINGS (LOSS) PER SHARE (note 13)	**$**	**0.00**	$	(1.31)
DILUTED EARNINGS (LOSS) PER SHARE (note 13)	**$**	**0.00**	$	(1.31)

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

Consolidated statements of comprehensive income (loss)

(in thousands of Canadian dollars, unaudited)		**For the three months ended June 30, 2016**		For the three months ended June 30, 2015
NET INCOME (LOSS) FOR THE PERIOD	**$**	**991**	$	(29,683)
OTHER COMPREHENSIVE INCOME (LOSS):				
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME (LOSS)				
Foreign currency translation		**(8)**		(13)
		(8)		(13)
ITEMS THAT WILL NOT BE RECLASSIFIED TO NET INCOME (LOSS)				
Re-measurements of post-employment benefit obligations		**(1,096)**		986
Taxes related to post-employment adjustment above		**286**		(258)
		(810)		728
OTHER COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD, NET OF TAX	**$**	**(818)**	$	715
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**$**	**173**	$	(28,968)

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

Consolidated statements of comprehensive income (loss)

(in thousands of Canadian dollars, unaudited)		**For the six months ended June 30, 2016**		For the six months ended June 30, 2015
NET INCOME (LOSS) FOR THE PERIOD	**$**	**2,873**	$	(30,814)
OTHER COMPREHENSIVE INCOME (LOSS):				
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME (LOSS)				
Foreign currency translation		**(117)**		73
		(117)		73
ITEMS THAT WILL NOT BE RECLASSIFIED TO NET INCOME (LOSS)				
Re-measurements of post-employment benefit obligations		**(2,145)**		1,151
Taxes related to post-employment adjustment above		**560**		(300)
		(1,585)		851
OTHER COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD, NET OF TAX	**$**	**(1,702)**	$	924
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**$**	**1,171**	$	(29,890)

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

Consolidated statements of changes in equity (deficit)

(in thousands of Canadian dollars, unaudited)	Shares	Conversion options	Contributed surplus	Accumulated other comprehensive income	Deficit	Total equity (deficit)
Balance as at December 31, 2014	$215,336	$ 513	$ —	$ 92	$ (197,528)	$ 18,413
Net loss for the period	—	—	—	—	(30,814)	(30,814)
Other comprehensive income for the period	—	—	—	73	851	924
Total comprehensive income (loss) for the period	—	—	—	73	(29,963)	(29,890)
Balance as at June 30, 2015	$215,336	$ 513	$ —	$ 165	$ (227,491)	$(11,477)
BALANCE AS AT DECEMBER 31, 2015	**$234,782**	**$ 128**	**$ 385**	**$ 306**	**$ (216,582)**	**$ 19,019**
Net income for the period	**—**	**—**	**—**	**—**	**2,873**	**2,873**
Other comprehensive loss for the period	**—**	**—**	**—**	**(117)**	**(1,585)**	**(1,702)**
Total comprehensive (loss) income for the period	**—**	**—**	**—**	**(117)**	**1,288**	**1,171**
Issuance of common shares (note 12)	**2,280**	**—**	**—**	**—**	**—**	**2,280**
Share-based compensation expense	**—**	**—**	**576**	**—**	**—**	**576**
BALANCE AS AT JUNE 30, 2016	**$237,062**	**$ 128**	**$ 961**	**$ 189**	**$ (215,294)**	**$ 23,046**

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

Consolidated statements of cash flows

(in thousands of Canadian dollars, unaudited)	**For the three months ended June 30, 2016**	For the three months ended June 30, 2015
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net income (loss) for the period	**$ 991**	$ (29,683)
Adjustments to net income (loss)		
Depreciation of property, plant and equipment	**1,134**	1,224
Amortization of intangible assets	**510**	479
Share-based compensation expense	**576**	—
Pension expense	**147**	152
Loss (gain) on disposal of property, plant and equipment	**7**	(128)
Impairment of goodwill (note 6)	**—**	26,000
Provisions (note 7)	**368**	4,205
Amortization of transaction costs	**109**	134
Accretion of convertible debentures	**21**	79
Other non-current liabilities	**267**	21
Other post-employment benefit plans, net	**62**	69
Income tax expense (recovery)	**555**	(1,219)
	4,747	1,333
Changes in working capital (note 14)	**5,478**	4,913
Contributions made to pension plans	**(459)**	(480)
Provisions paid (note 7)	**(1,622)**	(2,874)
Income taxes paid	**(263)**	(67)
	7,881	2,825
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(171)**	(903)
Purchase of intangible assets	**(127)**	—
Proceeds on disposal of property, plant and equipment	**6**	604
	(292)	(299)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares, net (note 12)	**2,280**	—
Repayment of Credit Facilities (note 8)	**(9,622)**	(1,000)
Repayment of loan payable	**(56)**	—
Decrease in restricted cash	**25**	—
Finance and transaction costs (note 8)	**(15)**	7
Finance lease payments	**(7)**	(9)
	(7,395)	(1,002)
INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**194**	1,524
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	**$ 815**	$ 1,993
EFFECTS OF FOREIGN EXCHANGE ON CASH BALANCES	**(6)**	(3)
CASH AND CASH EQUIVALENTS – END OF PERIOD	**$ 1,003**	$ 3,514

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

Consolidated statements of cash flows

(in thousands of Canadian dollars, unaudited)	**For the six months ended June 30, 2016**	For the six months ended June 30, 2015
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net income (loss) for the period	**$ 2,873**	$ (30,814)
Adjustments to net income (loss)		
Depreciation of property, plant and equipment	**2,249**	2,374
Amortization of intangible assets	**1,015**	958
Share-based compensation expense	**576**	—
Pension expense	**295**	304
Loss on disposal of property, plant and equipment	**189**	39
Impairment of goodwill (note 6)	**—**	26,000
Provisions (note 7)	**692**	6,259
Amortization of transaction costs	**356**	170
Accretion of convertible debentures	**43**	61
Other non-current liabilities	**671**	70
Other post-employment benefit plans, net	**126**	136
Income tax expense (recovery)	**1,272**	(1,587)
	10,357	3,970
Changes in working capital (note 14)	**5,036**	8,576
Contributions made to pension plans	**(918)**	(939)
Provisions paid (note 7)	**(4,061)**	(3,944)
Income taxes paid	**(268)**	(138)
	10,146	7,525
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(823)**	(3,493)
Purchase of intangible assets	**(151)**	—
Proceeds on disposal of property, plant and equipment	**124**	632
	(850)	(2,861)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares, net (note 12)	**2,280**	—
Proceeds from Credit Facilities (note 8)	**43,931**	—
Repayment of Credit Facilities (note 8)	**(53,446)**	(2,000)
Repayment of loan payable	**(80)**	—
Increase in restricted cash	**(425)**	—
Finance and transaction costs (note 8)	**(1,341)**	7
Finance lease payments	**(18)**	(18)
	(9,099)	(2,011)
INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**197**	2,653
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	**$ 871**	$ 812
EFFECTS OF FOREIGN EXCHANGE ON CASH BALANCES	**(65)**	49
CASH AND CASH EQUIVALENTS – END OF PERIOD	**$ 1,003**	$ 3,514

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

Notes to The Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, except percentages, shares and per share amounts, unaudited)

1 General Information

DATA Communications Management Corp. (formerly DATA Group Ltd.) ("DATA") plans and executes business communications. DATA helps marketers and agencies unify and execute communications campaigns across multiple channels, and it helps operations teams streamline and automate document and communications processes. DATA derives its revenues from the following core capabilities: direct marketing, commercial print services, labels and automated identification solutions, event tickets and gift cards, logistics and fulfilment, content and workflow management, data management and analytics, and regulatory communications. DATA is strategically located across Canada to support clients on a national basis, and serves the U.S. market through its facilities in Chicago, Illinois.

Certain elements of DATA's gift card and direct mail businesses as well as the buying patterns of certain major customers of DATA have historically generated higher revenues and profit in the fourth quarter than the other three quarters, which results in seasonal fluctuations in sales of those products.

The common shares of DATA are listed on the Toronto Stock Exchange ("TSX") under the symbol "DCM". DATA's outstanding 6.00% Convertible Unsecured Subordinated Debentures (the "6.00% Convertible Debentures") are listed on the TSX under the symbol "DCM.DB". The address of the registered office of DATA is 9195 Torbram Road, Brampton, Ontario. See note 17.

2 Basis of presentation and significant accounting policies

DATA prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial reports, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The accounting policies followed in these condensed interim consolidated financial statements are the same as those applied in DATA's consolidated financial statements for the year ended December 31, 2015, except for any new accounting pronouncements which have been adopted. Where applicable, DATA has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect.

The accounting policies applied in these condensed interim consolidated financial statements are based on IFRS effective for the year ending December 31, 2016, as issued and outstanding as of August 10, 2016, the date the Board of Directors approved these financial statements. Any subsequent changes to IFRS that are given effect in DATA's annual consolidated financial statements for the year ending December 31, 2016 could result in restatement of these condensed interim consolidated financial statements.

The condensed interim consolidated financial statements should be read in conjunction with DATA's consolidated annual financial statements for the year ended December 31, 2015 which have been prepared in accordance with IFRS, as issued by the IASB.

3 Change in accounting policies

(a) New and amended standards adopted

DATA has not adopted any new accounting policies since the year ended December 31, 2015.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2016 and not early adopted.

IFRS 9 *Financial Instruments* was issued in July 2014. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. IFRS 9 replaces IAS 39

(in thousands of Canadian dollars, except percentages, shares and per share amounts, unaudited)

Financial Instruments: Recognition and Measurement. The new standard establishes a single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. It also provides guidance on an entity's own credit risk relating to financial liabilities and has modified the hedge accounting model to better link the economics of risk management with its accounting treatment. Additional disclosures will also be required under the new standard. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. DATA is currently assessing the impact of the new standard on its consolidated financial statements.

IFRS 15 *Revenue from Contracts with Customers* was issued in May 2014 to establish principles to record revenues from contracts for the sale of goods or services, unless the contracts are in the scope of IAS 17 *Leases* or other IFRSs. Under IFRS 15, revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying the following five steps:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The new standard also provides guidance relating to contract costs and for the measurement and recognition of gains and losses on the sale of certain non-financial assets such as property and equipment. Additional disclosures will also be required under the new standard. In September 2015, the IASB deferred the effective date of the standard to annual reporting periods beginning on or after January 1, 2018 with earlier application permitted. DATA is currently assessing the impact of the new standard on its consolidated financial statements.

IFRS 16 *Leases* was issued in January 2016. IFRS 16 requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with early application permitted. DATA is currently assessing the impact of the new standard on its consolidated financial statements.

There are no other IFRS or International Financial Reporting Interpretations Committee ('IFRIC') interpretations that are not yet effective that would be expected to have a material impact on DATA.

4 Trade receivables

		June 30, 2016		December 31, 2015
Trade receivables	**$**	**30,939**	$	38,577
Provision for doubtful accounts		**(467)**		(526)
	$	**30,472**	$	38,051

Trade receivables are non-interest bearing with settlement terms from 0 to 90 days.

Notes to The Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, except percentages, shares and per share amounts, unaudited)

5 Inventories

		June 30, 2016		December 31, 2015
Raw materials	**$**	**5,049**	$	5,923
Work-in-progress		**2,546**		2,850
Finished goods		**30,150**		28,280
	$	**37,745**	$	37,053

Raw materials and finished goods inventory amounts are net of obsolescence reserves of $583 (2015 – $657). The cost of inventories recognized as an expense within cost of revenues for the three months ended June 30, 2016 was $49,458 (2015 – $54,569) and for the six months ended June 30, 2016 was $102,636 (2015 – $110,637).

6 Goodwill

During the second quarter of 2015, impairment indicators, including changes in the revenue trends and profit forecasts and the failure to meet certain financial covenants under its credit facilities, indicated that DATA's assets may be impaired. As a result of that new information, DATA performed an impairment analysis by comparing the fair value of each cash generating unit ("CGU") to the CGU's carrying value. As a result of that review, DATA concluded that the fair value of its operating CGU was less than its carrying value. Accordingly, DATA recorded an impairment of goodwill of $26,000 related to the operating CGU during the second quarter of 2015.

DATA did not make any changes to the valuation methodology used to assess goodwill impairment since its last annual impairment test. The recoverable amounts of all CGUs have been determined based on the fair value less cost to sell. DATA uses the income approach to estimate the recoverable value of each CGU. The income approach is predicated on the value of the future cash flows that a business will generate going forward. The discounted cash flow method was used which involves projecting cash flows and converting them into a present value through discounting. The discounting uses a rate of return that is commensurate with the risk associated with the business and the time value of money. This approach requires assumptions about revenue growth rates, operating margins, tax rates and discount rates.

Revenue growth rates and operating margins were based on DATA’s internal approved financial budgets or forecasts. DATA projected revenue, operating margins and cash flows for a period of five years, and applied a perpetual long-term growth rate thereafter. Based on the most recent forecasts, DATA is expecting negative growth of 2.5% over the next two years and a perpetual long-term growth rate of 0% based on forecast GDP growth, inflation rates, the industry’s expected growth rates and management experience. In arriving at its forecasts, DATA considered past experience, economic trends as well as industry and market trends. The projections also took into account the expected impact of restructuring initiatives approved.

DATA assumed a discount rate to calculate the present value of the projected cash flows, representing a pre-tax discount rate using a weighted average cost of capital (“WACC”) for DATA adjusted for tax, and is an estimate of the total overall required rate of return on an investment for both debt and equity owners. Determination of the WACC requires separate analysis of cost of equity and debt, and considers a risk premium based on the assessment of risks related to the projected cash flows of DATA. DATA used discount rates of 15.5% to 19.9% reflecting management’s judgment that sales channels and size of its CGU’s would affect the volatility of each CGU’s cash flows. Following the impairment of the operating CGU, the recoverable amount is equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to a further impairment of the operating CGU.

DATA projects cash flows net of income taxes using substantively enacted tax rates effective during the forecast periods. DATA used a tax rate of 26.5%. Tax assumptions are sensitive to changes in tax laws as well as assumptions about the jurisdictions in which profits are earned. It is possible that actual tax rates could differ from those assumed.

Notes to The Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, except percentages, shares and per share amounts, unaudited)

7 Provisions

For the three months ended June 30, 2016		**Restructuring**		**Onerous contracts**		**Total**
Balance – Beginning of period	**$**	**3,185**	**$**	**1,906**	**$**	**5,091**
Additional charge during the three month period		**368**		**—**		**368**
Utilized during the three month period		**(1,150)**		**(472)**		**(1,622)**
Balance – End of period	**$**	**2,403**	**$**	**1,434**	**$**	**3,837**
Less: Current portion of provisions		**(2,200)**		**(886)**		**(3,086)**
As at June 30, 2016	**$**	**203**	**$**	**548**	**$**	**751**

For the six months ended June 30, 2016		**Restructuring**		**Onerous contracts**		**Total**
Balance – Beginning of period	**$**	**4,614**	**$**	**2,592**	**$**	**7,206**
Additional charge during the six month period		**692**		**—**		**692**
Utilized during the six month period		**(2,903)**		**(1,158)**		**(4,061)**
Balance – End of period	**$**	**2,403**	**$**	**1,434**	**$**	**3,837**
Less: Current portion of provisions		**(2,200)**		**(886)**		**(3,086)**
As at June 30, 2016	**$**	**203**	**$**	**548**	**$**	**751**

For the year ended December 31, 2015		Restructuring		Onerous contracts		Total
Balance – Beginning of year	$	1,300	$	2,103	$	3,403
Additional charge during the year		11,231		2,329		13,560
Utilized during the year		(7,917)		(1,840)		(9,757)
Balance – End of year	$	4,614	$	2,592	$	7,206
Less: Current portion of provisions		(3,981)		(1,742)		(5,723)
As at December 31, 2015	$	633	$	850	$	1,483

RESTRUCTURING

During the three and six months ended June 30, 2016, DATA continued its restructuring and ongoing productivity improvement initiatives to reduce its cost of operations. During the three and six months ended June 30, 2016, these initiatives resulted in $368 and $692, respectively, of restructuring expenses due to headcount reductions in the consolidated statement of income (loss) and comprehensive income (loss). During the three and six months ended June 30, 2015, these initiatives resulted in $4,205 and $5,590, respectively, of restructuring expenses due to changes in senior management, headcount reductions across DATA's operations and the closure of certain manufacturing and warehouse locations in the consolidated statement of income (loss) and comprehensive income (loss).

For the three months ended June 30, 2016, cash payments of $1,150 (2015 - $2,408) and for the six months ended June 30, 2016, cash payments of $2,903 (2015 - $3,236) were made to former employees for severances and for other restructuring costs. The remaining severance and restructuring accruals of $2,403 at June 30, 2016 are expected to be paid in the balance of 2016, in 2017 and in 2018.

Notes to The Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, except percentages, shares and per share amounts, unaudited)

8 Credit facilities

		June 30, 2016		December 31, 2015
Term loans				
- 4.86% bankers' acceptances, matured January 16, 2016	$	—	$	35,750
- floating rate debt, maturing March 10, 2018		4,168		—
- 6.95% term debt, maturing March 10, 2023		27,219		—
Revolving facilities				
- 4.86% bankers' acceptances, matured January 16, 2016		—		7,500
- floating rate debt, maturing March 10, 2019		2,348		—
Credit facilities		33,735		43,250
Unamortized transaction costs		(1,183)		(155)
	$	32,552	$	43,095
Less: Current portion of Credit facilities		(5,770)		(43,095)
Credit facilities	$	26,782	$	—

As at December 31, 2015, DATA maintained credit facilities (the "Former Credit Facilities") with a syndicate of Canadian chartered banks pursuant to a Third Amended and Restated Credit Agreement dated December 19, 2014. The Former Credit Facilities, which had a maximum available principal amount of $55.0 million (comprised of a $10.0 million revolving facility, a $5.0 million swing line facility, and a $40.0 million amortizing term loan), were to have matured on August 31, 2016 without the option for renewal or extension.

In March 2016, DATA established a revolving credit facility (the “Bank Credit Facility”) with a Canadian chartered bank (the “Bank”) and an amortizing term loan facility (the “IAM Credit Facility”) with the Integrated Private Debt division of Integrated Asset Management Corp. ("IAM") pursuant to separate credit agreements, each dated March 10, 2016, between DATA and the Bank (the “Bank Credit Agreement”) and IAM (as amended, the “IAM Credit Agreement”), respectively. Approximately $43,250 of the total principal amount available to DATA under the IAM Credit Agreement and the Bank Credit Agreement was used to fully repay DATA’s outstanding indebtedness under its former senior credit facilities. As at March 11, 2016, DATA had outstanding borrowings of $15,931 and letters of credit granted of $2,159 under the Bank Credit Facility, and outstanding borrowings of $28,000 under the IAM Credit Facility. As at June 30, 2016, DATA had outstanding borrowings of $6,516 and letters of credit granted of $3,782 under the Bank Credit Facility, and outstanding borrowings of $27,219 under the IAM Credit Facility. Under the Bank Credit Facility, DATA had access to $13,127 of available credit at June 30, 2016.

The Bank Credit Facility has a maximum available principal amount of $25,000. A portion of the Bank Credit Facility consists of a non-revolving term credit facility (the “Bank Term Facility”) in a maximum principal amount of $5,000 as well as a committed treasury facility pursuant to which the Bank may, in its sole discretion, agree to enter into non-speculative hedging arrangements, subject to certain restrictions. Advances under the Bank Credit Facility may not, at any time, exceed the lesser of $25,000 and a fixed percentage of DATA’s aggregate accounts receivable and inventory (less certain amounts). The Bank Term Facility is a sub facility of the Bank Credit Facility and is available by way of a single advance of $5,000 and it's availability is not based on DATA’s accounts receivable or inventories. The proceeds of the Bank Term Facility were used by DATA to repay indebtedness owing by it under the senior credit facilities previously maintained by DATA with a syndicate of Canadian chartered banks. Advances under the Bank Credit Facility are subject to floating interest rates based upon the Canadian prime rate plus an applicable margin of 75 basis points. The Bank Term Facility matures on the earlier of March 10, 2018 and the date on which the Bank Credit Facility is terminated pursuant to the Bank Credit Agreement and monthly principal repayments of $208 made on the Bank Term Facility will not reduce the total available principal amount under the Bank Credit Facility. The Bank Credit Facility matures on the earlier of March 10, 2019 and the date on which the Bank Credit Facility is terminated pursuant to the Bank Credit

Agreement. DATA has capitalized transaction costs of $624 related to this facility and the amortization of these costs is recognized over the term of this facility. As at June 30, 2016, the unamortized transaction costs related to this facility were $561. At June 30, 2016, DATA had outstanding borrowings of $6,516 under the Bank Credit Facility and all of DATA's indebtedness outstanding under the Bank Credit Facility was subject to a floating interest rate of 3.45% per annum.

The IAM Credit Facility matures on March 10, 2023 and has a maximum available principal amount of $28,000. Indebtedness outstanding under the IAM Credit Facility bears interest at a fixed rate equal to 6.95% per annum. Under the terms of the IAM Credit Agreement, DATA is required to make mandatory blended equal monthly repayments of principal and interest such that, on maturity, advances under the IAM Credit Facility and applicable interest on those advances will have been fully repaid. Monthly blended principal and interest repayments of $422 and an April 2016 blended principal and interest repayment of $448 cannot be reborrowed. DATA has capitalized transaction costs of $665 related to this facility and the amortization of these costs is recognized over the term of this facility. As at June 30, 2016, the unamortized transaction costs related to this facility were $622. Under the terms of the IAM Credit Agreement, DATA is required to deposit and hold cash in a blocked account to be used for repayments of principal and interest of indebtedness outstanding under the IAM Credit Facility. As at June 30, 2016, there was a balance of $425 in the blocked account which is recognized as restricted cash on the consolidated statement of financial position.

Both the Bank Credit Agreement and the IAM Credit Agreement contain customary representations and warranties, as well as restrictive covenants which limit the discretion of the Board of Directors and management with respect to certain business matters including the declaration or payment of dividends on the common shares of DATA without the consent of the Bank or IAM, as applicable. Under the terms of the IAM Credit Agreement, DATA has agreed that it will not, without the prior written consent of IAM, change (or permit any change) in its Chief Executive Officer, President or Chief Financial Officer, provided that, if he or she voluntarily resigns as an officer of DATA, or if any such person has either died or is disabled and can therefore no longer carry on his or her duties of such office, DATA will have 60 days to replace such officer, such replacement officer to be satisfactory to IAM, acting reasonably. The Bank Credit Facility limits spending on capital expenditures by DATA to an aggregate amount not to exceed $5,500 during any fiscal year, and the IAM Credit Agreement limits the incurrence of capital expenditures to no more than $5,000 in any fiscal year.

Under the terms of the IAM Credit Agreement, DATA must ensure that the aggregate of the principal amount outstanding under the IAM Credit Facility and the principal amount outstanding under the Bank Credit Facility, calculated on a consolidated basis in accordance with generally accepted accounting principles ("Senior Funded Debt"), does not exceed $50,000; and DATA must maintain (i) a ratio of Senior Funded Debt to EBITDA (as defined below) for its four most recently completed fiscal quarters of not greater than the following levels: from the date of the advance up to March 31, 2017 - 3.25 to 1; from April 1, 2017 up to March 31, 2018 - 3.00 to 1; and on and after April 1, 2018 - 2.75 to 1; (ii) a debt service coverage ratio of not less than 1.50 to 1; and (iii) a working capital current ratio of not less than 1.25:1. During the quarter ended June 30, 2016, DATA entered into an amendment agreement with IAM which changed the definition of the working capital ratio to exclude the aggregate principal amount of the 6.00% Convertible Debentures from current liabilities for the period from June 29, 2016 to June 30, 2017. For purposes of the Bank Credit Agreement and the IAM Credit Agreement, "EBITDA" means net income or net loss for the relevant period, calculated on a consolidated basis in accordance with generally accepted accounting principles, plus amounts deducted, or minus amounts added, in calculating net income or net loss in respect of: the aggregate expense incurred for interest on debt and other costs of obtaining credit; income taxes, whether or not deferred; depreciation and amortization; non-cash expenses resulting from employee or management compensation, including the grant of stock options or restricted options to employees; any gain or loss attributable to the sale, conversion or other disposition of property out of the ordinary course of business; interest or dividend income; foreign exchange gain or loss; gains resulting from the write-up of property and losses resulting from the write-down of property (except allowances for doubtful accounts receivable and non-cash reserves for obsolete inventory); any gain or loss on the repurchase or redemption of any securities (including in connection with the early retirement or defeasance of any debt); goodwill and other intangible asset write-downs; and any other extraordinary, non-recurring or unusual items as agreed to by the lender. As at June 30, 2016, the ratio of Senior Funded Debt to EBITDA was 1.31, the debt service coverage ratio was 3.04 and the working capital current ratio was 1.48.

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Under the terms of the Bank Credit Agreement, DATA must maintain a fixed charge coverage ratio of not less than 1.1 to 1.0 at all times, calculated on a consolidated basis, in respect of any particular trailing 12 month period, as EBITDA for such period less cash taxes, cash distributions (including dividends paid) and non-financed capital expenditures paid in such period, divided by the total amount required by DATA to service its outstanding debt for such period. As at June 30, 2016, the fixed charge coverage ratio was 3.34.

A failure by DATA to comply with its obligations under either of the Bank Credit Agreement or the IAM Credit Agreement, together with certain other events, including a change of control of DATA and a change in DATA's chief executive officer, president or chief financial officer (unless a replacement officer acceptable to IAM, acting reasonably, is appointed within 60 days of the effective date of such officer's resignation), could result in an event of default which, if not cured or waived, could permit acceleration of the indebtedness outstanding under each of those agreements.

Each of the Bank Credit Facility and the IAM Credit Facility is secured by conventional security charging all of the property and assets of DATA and its affiliates. The payment of the principal of, and interest on, DATA's outstanding 6.00% Convertible Debentures is subordinated in right of payment to the prior payment in full of DATA's indebtedness under the Bank Credit Agreement and the IAM Credit Agreement.

The principal repayments on the long-term debt are as follows:

	June 30, 2016
2016	**$ 2,856**
2017	**5,886**
2018	**4,057**
2019	**6,241**
2020	**4,173**
2021 and thereafter	**10,522**
	$ 33,735

9 Convertible debentures

		June 30, 2016		December 31, 2015
6.00% Convertible Debentures, maturing June 30, 2017, interest payable in June and December, convertible at 81.967 common shares per $1,000 of debenture	**$**	**11,087**	$	11,044
Unamortized transaction costs		**(89)**		(132)
	$	**10,998**	$	10,912
Less: Current portion of Convertible debentures		**10,998**		—
Convertible debentures	**$**	**—**	**$**	**10,912**

The 6.00% Convertible Debentures in an aggregate principal amount of $11,175 (2015 – $11,175) bear interest at a rate of 6.00% per annum payable semi-annually, in arrears, on June 30 and December 31. The 6.00% Convertible Debentures mature on June 30, 2017 and are convertible into common shares of DATA ("Shares") at the option of the holder prior to maturity or redemption at a conversion price of $12.20 per Share, subject to adjustment in certain events described in greater detail in DATA's Annual Information Form for the year ended December 31, 2015 (subject to the changes to the 6.00% Convertible Debentures described below in "Subsequent events"). See note 17.

(in thousands of Canadian dollars, except percentages, shares and per share amounts, unaudited)

On redemption or at maturity, DATA may, at its option, subject to regulatory approval and certain other conditions, elect to satisfy its obligation to pay the applicable redemption price for the principal amount of the 6.00% Convertible Debentures by issuing and delivering that number of Shares obtained by dividing the aggregate redemption price of the debentures to be redeemed, or the principal amount of outstanding debentures which have matured, by 95% of the current market price of the Shares on the date fixed for redemption or the maturity date.

NORMAL COURSE ISSUER BID

In May 2016, DATA's normal course issuer bid ("NCIB") expired and was not renewed. Under the NCIB, DATA could have purchased up to a maximum of $4,365 aggregate principal amount of its outstanding 6.00% Convertible Debentures, representing 10% of the "public float" of the 6.00% Convertible Debentures outstanding and daily purchases were limited to $14 principal amount of 6.00% Convertible Debentures, other than block purchase exemptions. No 6.00% Convertible Debentures were purchased under the NCIB that expired in May 2016. Under the previous NCIB, which expired in May 2015, an aggregate of $295 aggregate principal amount of the 6.00% Convertible Debentures were purchased.

10 Income taxes

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax assets and liabilities have been measured using an expected average combined statutory income tax rate of 26.30% (2015 – 25.63%) based on the tax rates in years when the temporary differences are expected to reverse.

Reflected in the consolidated statement of financial position as follows:		**June 30, 2016**		December 31, 2015
Deferred tax assets	**$**	**2,635**	$	2,070
Deferred tax liabilities		**(19)**		(76)
Net deferred tax assets	**$**	**2,616**	$	1,994

11 Other non-current liabilities

		June 30, 2016		December 31, 2015
Deferred lease inducement	**$**	**910**	$	828
Lease escalation liabilities		**923**		768
Finance lease liabilities		**—**		18
Loan payable		**262**		342
	$	**2,095**	$	1,956
Less: Current portion of other non-current liabilities		**(164)**		(594)
	$	**1,931**	$	1,362

The current portion of other non-current liabilities is included in trade payables.

DATA's operations are conducted in leased properties. DATA's leases generally provide for minimum rent and may also include escalation clauses, guarantees and certain other restrictions, and generally require it to pay a portion of the real estate taxes and other property operating expense. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease, expiring in 2016 to 2025.

(in thousands of Canadian dollars, except percentages, shares and per share amounts, unaudited)

During the six months ended June 30, 2016, DATA entered into an extension lease agreement for its Brampton, Ontario facility that included lease inducements which were deferred and are recognized over the life of the lease expiring in 2025.

During the year ended December 31, 2015, DATA entered into a lease agreement for its Calgary, Alberta facility that included lease inducements which were deferred and are recognized over the life of the lease, expiring in 2022.

During the year ended December 31, 2015, DATA entered into a loan payable agreement for licensed software in the amount of $368. The loan has an interest rate of 2.90% and repayments of $19 per month will be made over 20 months ending in August 2017.

12 Shares

DATA is authorized to issue an unlimited number of common shares. The common shares have a stated capital of one dollar. Each common share is entitled to one vote at any meeting of shareholders. Each holder of the common shares will be entitled to receive dividends if, as and when declared by the Board of Directors. In the event of the liquidation, dissolution, winding up of DATA or other distribution of assets of DATA among its shareholders for the purpose of winding up its affairs, the holders of the common shares will, subject to the rights of the holders of any other class of shares of DATA entitled to receive assets of DATA upon such a distribution in priority to or concurrently with the holders of the common shares, be entitled to participate in the distribution. Such distribution will be made in equal amounts per share on all the common shares at the time outstanding without preference or distinction.

The following summarizes the change in shares:

	Number of Common shares		Amount
Balance – January 1, 2016	**998,752,732**	**$**	**234,782**
Shares issued - May 31, 2016	**167,856,012**		**2,280**
Balance – June 30, 2016	**1,166,608,744**	**$**	**237,062**
Balance – January 1, 2015 and June 30, 2015	23,490,592	$	215,336

On May 27, 2016, DATA announced that it intended to complete a non-brokered private placement of up to 198,751,793 common shares (or approximately 19.9% of the then current number of outstanding common shares) at a price of $0.014 per share for gross proceeds to DATA of approximately $2,783 in two tranches. On May 31, 2016, the first portion of the private placement was completed and DATA issued a total of 167,856,012 common shares for gross proceeds of $2,350, less issue expenses of $70 for net proceeds of $2,280. Subsequent to the quarter ended June 30, 2016, the second portion of the private placement was completed. See note 17.

SHARE-BASED COMPENSATION

DATA has adopted a Long-Term Incentive Plan ("LTIP") to: recruit and retain highly qualified directors, officers, employees and consultants (the "Participants"); provide Participants with an incentive for productivity and an opportunity to share in the growth and the value of DATA; and, align the interests of Participants with those of the shareholders of DATA. Awards to Participants are primarily based on the financial results of DATA and services provided. The aggregate maximum number of common shares available for issuance from DATA's treasury under the LTIP is 116,660,874 common shares or 10% of the issued and outstanding common shares of DATA. The shares to be awarded will be authorized and unissued shares. Subsequent to the quarter ended June 30, 2016, DATA consolidated its outstanding common shares on a 1-for-100 basis and made related adjustments to the number and exercise price of awards outstanding under the LTIP. See note 17.

(in thousands of Canadian dollars, except percentages, shares and per share amounts, unaudited)

DATA's share-based compensation plan consists of five types of awards: restricted share unit ("RSUs"), options, deferred share unit ("DSUs"), restricted shares or stock appreciation right ("SARs") awards. No DSUs, restricted shares or SARs have been granted to date.

(a) Restricted share unit ("RSU")

Under the RSU portion of the LTIP, selected employees are granted RSUs where each RSU represents the right to receive a distribution from the company in an amount equal to the fair value of one DATA common share. RSUs generally vest within three years and primarily settle in cash upon vesting.

A liability for RSUs is measured at fair value on the grant date and is subsequently adjusted for changes in fair value. The liability is recognized on a graded vesting basis over the vesting period, with a corresponding charge to compensation expense, as a component of general and administration expenses. Compensation expenses for RSUs incorporate an estimate for expected forfeiture rates based on which the fair value is adjusted.

	June 30, 2016	December 31, 2015
	Number of RSUs	Number of RSUs
Balance - beginning of period	**236,277**	—
Granted in the period	**2,508,861**	318,217
Forfeited in the period	**—**	(55,096)
Settled in cash in the period	**—**	(26,844)
Balance - end of period	**2,745,138**	236,277

During the six months ended June 30, 2016, a total of 2,508,861 RSUs were granted to the president and chief executive officer ("CEO") of DATA. Of the total outstanding RSUs at June 30, 2016, 22,967 have vested and are payable.

(b) Option ("Option")

A summary of Option activities for the three months ended June 30, 2016 and 2015 is as follows:

	2016			2015		
	Number of Options		**Weighted average Exercise Price**	Number of Options		Weighted average Exercise Price
Options outstanding - beginning of period	**1,174,500**	**$**	**0.75**	—	$	—
Granted in the period	**98,700,773**		**0.015**	1,174,500		0.75
Expired or forfeited in the period	**—**		**—**	—		—
Exercised in the period	**—**		**—**	—		—
Options outstanding - end of period	**99,875,273**	**$**	**0.024**	1,174,500	$	0.75
Exercisable	**51,969,433**	**$**	**0.015**	—	$	—

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For the periods ended June 30, 2016 and 2015

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The outstanding options had an exercise price range as follows:

	June 30, 2016 Number of Options	December 31, 2015 Number of Options
$0.75	**1,174,500**	1,174,500
$0.015	**98,700,773**	—
Options outstanding	**99,875,273**	1,174,500

The Black-Scholes option-pricing model inputs used to compute compensation expense under the fair value-based method are as follows:

	June 30, 2016	December 31, 2015
Expected life	**7 yrs**	7 yrs
Expected volatility	**40%**	40%
Dividend yield	**0%**	0%
Risk free rate of return	**0.99%**	1.03%
Weighted average fair value of options granted	**$ 0.01**	$ —

During 2015, the Board of Directors approved the award of options to purchase up to 1,174,500 common shares to the CEO of DATA. The options were granted on April 16, 2015, have an exercise period of seven years from the grant date once vested, and have an exercise price of $0.75 per share, representing the fair value of the common shares on the date of grant. The vesting of the award is based on meeting certain performance targets for Actual EPS and Actual Return on Capital Employed ("ROCE") for the fiscal 2016, 2017 and 2018 fiscal periods. As the targets have not been set, the value of the award, as determined using a Black-Scholes option-pricing model and current market inputs, is revalued at each reporting date.

During the six months ended June 30, 2016, the Board of Directors approved awards of options to purchase up to 98,700,773 common shares to the executive management team of DATA. Once vested, the options are exercisable for a period of seven years from the grant date at an exercise price of $0.015 per share, representing the fair value of the common shares on the date of grant. A total of 49,937,636 options were awarded to DATA's CEO and vested on June 23, 2016 and a total of 48,763,137 options were awarded to the other members of DATA's executive management team and vest at a rate of 1/24th per month beginning on June 23, 2016.

During the three and six month periods ended June 30, 2016, compensation expense of $576 was recognized in the consolidated statement of income (loss) related to options granted.

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For the periods ended June 30, 2016 and 2015

(in thousands of Canadian dollars, except percentages, shares and per share amounts, unaudited)

13 Earnings (loss) per share

		For the three months ended June 30, 2016		For the three months ended June 30, 2015
BASIC EARNINGS (LOSS) PER SHARE				
Net income (loss) for the period attributable to common shareholders	**$**	**991**	$	(29,683)
Weighted average number of shares		**1,055,934,450**		23,490,592
Basic earnings (loss) per share	**$**	**0.00**	$	(1.26)
DILUTED EARNINGS (LOSS) PER SHARE				
Net income (loss) for the period attributable to common shareholders	**$**	**991**	$	(29,683)
Weighted average number of shares		**1,058,695,311**		23,490,592
Diluted earnings (loss) per share	**$**	**0.00**	$	(1.26)

		For the six months ended June 30, 2016		For the six months ended June 30, 2015
BASIC EARNINGS (LOSS) PER SHARE				
Net income (loss) for the period attributable to common shareholders	**$**	**2,873**	$	(30,814)
Weighted average number of shares		**1,027,343,591**		23,490,592
Basic earnings (loss) per share	**$**	**0.00**	$	(1.31)
DILUTED EARNINGS (LOSS) PER SHARE				
Net income (loss) for the period attributable to common shareholders	**$**	**2,873**	$	(30,814)
Weighted average number of shares		**1,028,724,021**		23,490,592
Diluted earnings (loss) per share	**$**	**0.00**	$	(1.31)

6.00% Convertible Debentures in the aggregate principal amount of $11,175 (2015 – $11,175) and the related interest expense were excluded from the computation of diluted earnings per share as their effect would have been anti-dilutive. Options to purchase up to 1,174,500 common shares were excluded from the computation of diluted earnings per share because their exercise price was higher than the market price of the common shares.

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14 Changes in working capital

		For the three months ended June 30, 2016		For the three months ended June 30, 2015
Trade receivables	**$**	**1,804**	$	2,678
Inventories		**701**		3,024
Prepaid expenses and other current assets		**(424)**		440
Trade payables		**1,558**		751
Deferred revenue		**1,839**		(1,980)
	$	**5,478**	$	4,913

		For the six months ended June 30, 2016		For the six months ended June 30, 2015
Trade receivables	**$**	**7,545**	$	6,977
Inventories		**(733)**		1,665
Prepaid expenses and other current assets		**(126)**		1,503
Trade payables		**(1,686)**		(720)
Deferred revenue		**36**		(849)
	$	**5,036**	$	8,576

15 Commitments

DATA and its subsidiary are subject to various claims, potential claims and lawsuits. While the outcome of these matters is not determinable, DATA's management does not believe that the ultimate resolution of such matters will have a material adverse impact on DATA's financial position.

DATA makes contributions to the Québec Graphics Communications Supplemental Retirement and Disability Fund of Canada (the "SRDF") based on a percentage of the wages of its unionized employees covered by the respective collective bargaining agreements, all of whom are employed at DATA facilities located in the Province of Québec. The SRDF is a negotiated contribution defined benefit, multi-employer pension plan which provides retirement benefits to unionized employees in the printing industry. The SRDF is jointly-trusteed by representatives of the employers of SRDF members and the unions which represent SRDF members in collective bargaining. Based upon the terms of those applicable collective agreements, DATA's estimated annual funding obligation for the SRDF for 2016 is $546. The most recent funding actuarial report (as at December 31, 2013) in respect of the Québec members of the plan disclosed a solvency deficiency and a gap between the minimum total contributions required under applicable Québec pension legislation and total employer contributions determined pursuant to collective agreements.

Under Québec pension legislation applicable prior to December 31, 2014, DATA would have been required to fund any outstanding solvency deficiency in respect of its employees, pensioners and vested deferred members if DATA had withdrawn from the plan or if the plan had been terminated. On February 18, 2015, Bill 34 (An Act to amend the Supplemental Pension Plans Act with respect to the funding and restructuring of certain multi-employer pension plans) was tabled in the Québec legislature. Bill 34, which was adopted on April 2, 2015 with effect from December 31, 2014, amends and clarifies the Québec pension legislation for the SRDF to, among other things:

- limit required employer contributions only to those amounts specified in the applicable collective agreements negotiated with the relevant unions;
- eliminate the employer's obligation to fund solvency deficiencies;

(in thousands of Canadian dollars, except percentages, shares and per share amounts, unaudited)

- allow for the reduction of accrued benefits; and
- remove the responsibility of participating employers to fund their share of the solvency deficit upon withdrawal from the plan or termination of the plan, except in certain circumstances when withdrawal from the plan or termination of the plan occurs within five years of Bill 34 being adopted.

In addition, it appears that another consequence of Bill 34 will be to require the administrator of the SRDF to propose and seek consensus on a “Recovery Plan”. However, it is unclear as to what form any such plan will take and any related implications for DATA cannot be determined at this time.

16 Employee benefit plans

Pension expense

DATA's pension expense related to its defined benefit and defined contributions plans is as follows:

	For the three months ended June 30, 2016	For the three months ended June 30, 2015	**For the six months ended June 30, 2016**	For the six months ended June 30, 2015
Net cost recognized in general and administration expenses	**$ 81**	$ 75	**$ 162**	150
Interest costs in finance expense	**66**	77	**133**	154
Defined benefit plans	**$ 147**	$ 152	**$ 295**	$ 304
Defined contribution plan	**$ 369**	$ 437	**$ 763**	$ 905
Defined benefit multi-employer plan	**$ 135**	$ 156	**$ 289**	$ 334

Other post-employment benefit plans expense

DATA's other post-employment benefit plans expense is as follows:

	For the three months ended June 30, 2016	For the three months ended June 30, 2015	**For the six months ended June 30, 2016**	For the six months ended June 30, 2015
Net cost recognized in general and administration expenses	**$ 72**	$ 71	**$ 144**	142
Interest costs in finance expense	**25**	30	**50**	60
Other post-employment benefit plans	**$ 97**	$ 101	**$ 194**	$ 202

17 Subsequent events

NAME CHANGE

On July 4, 2016 and after receiving shareholder approval at DATA’s annual and special meeting of shareholders held on June 30, 2016, DATA changed its legal name to “DATA Communications Management Corp.”

SHARE CONSOLIDATION

After receiving shareholder approval at DATA's annual and special meeting of shareholders held on June 30, 2016, DATA consolidated its issued and outstanding common shares on the basis of one post-consolidation common share for each 100 pre-consolidation common shares (the “Share Consolidation”) on July 4, 2016 and its common shares commenced trading over the facilities of the TSX under the new stock symbol of "DCM" on July 7, 2016. In addition, the outstanding 6.00% Convertible Debentures commenced trading over the facilities of the TSX on July 7, 2016 under the new stock symbol DCM.DB.

After giving effect to the Share Consolidation, the 1,197,504,525 common shares then outstanding (which includes the common shares issued pursuant to the private placement described below) were consolidated into approximately 11,975,053 common shares outstanding. No fractional common shares were issued, and any fractional share entitlements resulting from the Share Consolidation were rounded up to the nearest whole number of common shares.

The exercise price and number of common shares issuable and other entitlements under awards granted pursuant to DATA's LTIP have been proportionately adjusted to reflect the Share Consolidation. The aggregate maximum number of common shares available for issuance from DATA's treasury under the LTIP changed to 1,197,506 common shares or 10% of the issued and outstanding common shares of DATA.

Additionally, the conversion price of the 6.0% Convertible Debentures has been proportionately adjusted to reflect the Share Consolidation. As a result of the Share Consolidation, the conversion price changed to $1,220 per Share, being a conversion rate of approximately 0.8196 Shares per $1,000 principal amount of 6.00% Convertible Debentures.

PRIVATE PLACEMENT

On July 4, 2016, after receiving disinterested shareholder approval at DATA's annual and special meeting of shareholders held on June 30, 2016, DATA completed the second portion of the private placement announced on May 27, 2016 and issued 30,895,781 common shares for gross proceeds of $433, less issue expenses of $64 for net proceeds of $369.

RESTRUCTURING EXPENSES

Subsequent to the quarter ended June 30, 2016, DATA began consolidating its Alberta operations into its flagship Calgary, Alberta operations facility. As a result, it will close its Edmonton, Alberta operations facility at the end of 2016 and redistribute production from Edmonton to Calgary and other operations facilities across Canada. DATA presently expects to incur a total of approximately $3,500 in restructuring expenses in the second half of 2016 related to these consolidation plans, consisting primarily of severance costs associated with headcount reductions and, to a lesser extent, relocation of equipment.