WesternOne Inc. Reports 2014 Q1 Results

VANCOUVER, BC (May 14, 2014) WesternOne Inc. ("WesternOne") (Toronto Stock Exchange: WEQ, WEQ.DB and WEQ.DB.C) today announced the release of its financial results for the three months ended March 31, 2014.

The results, consisting of WesternOne's audited financial statements for the three months ended March 31, 2014 and Management's Discussion and Analysis ("MD&A") dated May 14, 2014, are available on SEDAR (www.sedar.com).

2014 Q1 financial highlights and recent events are as follows:

- WesternOne recorded consolidated revenue of $116.6 million, gross profit of $23.7 million and adjusted EBITDA(1) of $12.9 million.
- WesternOne's North American operations recorded revenue of $99.0 million and adjusted EBITDA of $14.2 million, representing year-over year organic growth of 82.5% and 13.2% respectively.
- WIS, WesternOne's infrastructure services division, recorded revenue of $29.2 million and adjusted EBITDA of $10.3 million, representing year-over-year organic growth of 48.3% and 40.4%, respectively. The growth was driven by (i) higher rental rates and fuel sales due to cold winter; (ii) returns from incremental fleet investments; and (iii) contribution from a new branch in Fort McMurray, Alberta which was launched in the fall of 2013.
- Britco, WesternOne's modular construction and rental division, recorded revenue and adjusted EBITDA of $87.4 million and $4.0 million, respectively. Revenue grew 52.6% while adjusted EBITDA declined 38.3% year-over year. The revenue growth was due to (i) increase in site construction work relating to the Manitoba Hydro Keeyask workforce accommodations project; and (ii) higher production volume from Britco's operations in the United States. The decline in the adjusted EBITDA was due to (i) operating losses from APB; and (ii) lower modular construction margin in Canada due to sales product mix.
- Corporate overhead for Q4 for adjusted EBITDA purposes was $1.4 million, compared with $1.2 million in Q1 of 2013.
- Q1 net income attributable to shareholders was $2.4 million ($0.08 per share), compared with $0.7 million ($0.03 per share) in Q1 of 2013.
- Operating cash flow was $9.7 million, which increased from $7.2 million in Q1 of 2013.
- Q1 consolidated payout percentage(2) was 69.2%.

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"We are pleased to see the strong organic growth from our North American operations in the first quarter, in particular the WIS platform which delivered significant growth in revenue and adjusted EBITDA due to strategic fleet investments and expansions into new niche markets. The Britco platform continued to execute on both on-site and off-site workforce accommodation projects in Western Canada. For future work camp projects we will partner with other service providers so that we can focus on the off-site modular manufacturing work," said Mr. Rob King, Chief Executive Officer. "We continue to execute our long-term strategic plan that is focused on growth in the energy, construction and infrastructure sectors."

Summary Financial Overview *($ millions except per share amounts)*	**Three months ended March 31,**	
	2014	**2013**
Revenue	**$ 116.6**	**$ 77.0**
Gross Profit	23.7	21.1
Adjusted EBITDA (1) (2)	**12.9**	**12.7**
Net Income Attributable to Shareholders	**2.4**	**0.7**
Earnings per Share (2)		
- Basic and Diluted	0.08	0.03
Distributable Cash Generated (1)	**6.8**	**8.4**
Dividends Declared	4.7	3.4
Distributable Cash per Share (4)	0.22	0.37
Dividends Declared per Share	0.15	0.15
Payout Percentage (3)	**69.2%**	**41.2%**

Notes:
(1) "Adjusted EBITDA" and "Distributable Cash" are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS. "Adjusted EBITDA" refers to net income (loss) before interest, taxes, depreciation, amortization, gain/loss on financial derivatives relating to changes in the fair market value of the fixed interest rate swap, business acquisition and trust conversion costs, debenture issuance costs, gain/loss on debentures relating to changes in their fair values, share based compensation, foreign exchange gains/losses, and write-down of capital assets, intangible assets and goodwill. "Distributable Cash" refers to cash available for paying dividend to the shareholders by WesternOne. For a full description of Adjusted EBITDA and Distributable Cash refer to "Non-IFRS Measures" in the MD&A dated May 14, 2014.
(2) Represents amount attributable to shareholders.
(3) Amounts calculated using distributable cash and dividends declared for the related period, not on per share amounts. Calculated as dividend declared divided by distributable cash generated.
(4) Calculated based on basic weighted average number of shares.

Conference Call

Rob King, CEO of WesternOne and the management team will host a conference call at 4:30pm (Eastern time) or 1:30pm (Pacific time), on Wednesday, May 14, 2014, to review the financial results and corporate developments for the three months ended March 31, 2014.

To participate in this conference call, please dial one of the following numbers approximately 10 minutes prior to the commencement of the call, and ask to join the WesternOne conference call.

Dial in numbers: Toll Free 1-888-390-0546
International or Local Toronto 1-416-764-8688

Conference Call Replay

If you cannot participate on May 14, 2014, a replay of the conference call will be available by dialing one of the following replay numbers. You will be able to dial in and listen to the conference two hours after the meeting end time, and the replay will be available until May 21, 2014. Please enter the Replay ID number 070495 followed by the # key.

Replay Dial-In:	Toll Free	1-888-390-0541
	International or Local Toronto	1-416-764-8677

Forward-looking Information

Certain statements in this press release may constitute "forward-looking" information that involves known and unknown risks, uncertainties and other factors, and it may cause actual results, performance or achievements or industry results, to be materially different from any future results, performance or achievements or industry results expressed or implied by such forward-looking information. Forward-looking information is identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such information includes, without limitation, statements with respect to: Britco's strategy to focus on the off-site modular manufacturing portion of future projects and the growth prospects in sectors where WesternOne's businesses are conducted and the related long-term strategic plan that WesternOne will implement. Actual events or results may differ materially.

Forward-looking information contained in this press release is based on certain key expectations and assumptions made by WesternOne, including, without limitation: the outlook of WesternOne's business and the economy in Western Canada, the US and Australia, the supply and demand for WesternOne's products and services and management's assessment of future plans and operations. Although the forward-looking information contained in this press release is based upon what the WesternOne's management believes to be reasonable assumptions, WesternOne cannot assure investors that actual results will be consistent with such information. Forward-looking information reflects current expectations of management regarding future events and operating performance as of the date of this press release. Such information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, and a description of these factors can be found under "Risk Factors" in WesternOne's Annual Information Form dated March 28, 2014 and Management's Discussion and Analysis dated May 14, 2014, which are available on SEDAR (www.sedar.com).

The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. Forward-looking information reflects management's current beliefs and is based on information currently available to WesternOne. The forward-looking information is made as of the date of this press release and WesternOne assumes no obligation to update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

About WesternOne

WesternOne seeks to acquire and grow businesses in the construction and infrastructure services sectors in order to generate stable and growing dividends to its shareholders and to achieve capital appreciation.

Additional Information

Additional information relating to WesternOne and other public filings, is available on SEDAR at www.sedar.com or on WesternOne's website at www.weq.ca.

For more information about this press release, please contact:

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Trading Symbols

Toronto Stock Exchange: WEQ, WEQ.DB and WEQ.DB.C