

Consolidated Interim Financial Statements of

**TUCKAMORE CAPITAL MANAGEMENT INC.**

Three Months Ended March 31, 2013 and 2012  
(Unaudited)

These statements have not been reviewed by an independent firm of  
Chartered Accountants.

**TUCKAMORE CAPITAL MANAGEMENT INC.**

## Consolidated Interim Balance Sheets

(In thousands of Canadian dollars)

(unaudited)

	March 31, 2013	December 31, 2012
		Restated*
<b>Assets</b>		
<b>Current Assets:</b>		
Cash	\$ 18,582	\$ 10,549
Cash and short-term investments held in trust	2,935	2,935
Accounts receivable	140,786	162,915
Inventories	12,855	16,073
Prepaid expenses	4,413	4,520
Other current assets	3,188	2,942
<b>Total current assets</b>	<b>\$ 182,759</b>	<b>\$ 199,934</b>
Property, plant and equipment (note 3)	63,066	64,473
Long-term investments (note 5)	25,463	24,994
Goodwill	63,839	63,839
Intangible assets	58,757	61,464
Other assets	685	685
<b>Total assets</b>	<b>\$ 394,569</b>	<b>\$ 415,389</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	59,746	73,434
Deferred revenue	412	2,705
Current portion of obligations under finance leases	4,893	4,789
<b>Total current liabilities</b>	<b>\$ 65,051</b>	<b>\$ 80,928</b>
Obligations under finance leases	12,258	11,756
Senior credit facility (note 4)	89,463	89,300
Secured debentures (note 4)	154,542	152,860
Unsecured debentures (note 4)	20,136	18,781
Deferred tax liability (note 6)	5,600	8,513
Shareholders' equity	47,519	53,251
<b>Total liabilities &amp; shareholders' equity</b>	<b>\$ 394,569</b>	<b>\$ 415,389</b>

\*Certain amounts shown here do not correspond to the annual consolidated financial statements as at December 31, 2012 and reflect adjustments made as detailed in note 5.

See accompanying notes to unaudited consolidated interim financial statements.

**TUCKAMORE CAPITAL MANAGEMENT INC.**

## Consolidated Interim Statements of Loss and Comprehensive Loss

(In thousands of Canadian dollars, except per share amounts)

(unaudited)

	Three months ended March 31, 2013	Three months ended March 31, 2012 Restated*
Revenues	\$ 145,365	\$ 157,103
Cost of revenues	(117,128)	(128,964)
Gross profit	28,237	28,139
Selling, general and administrative	(23,679)	(23,635)
Amortization of intangible assets	(2,707)	(2,663)
Depreciation	(3,896)	(3,022)
Income from long-term investments	1,565	1,729
Interest expense, net	(8,176)	(8,549)
Loss on de-recognition of debt (note 4)	-	(1,534)
Loss before income taxes	\$ (8,656)	\$ (9,535)
Income tax expense - current	(158)	-
Income tax recovery - deferred (note 6)	2,912	2,386
Net loss from continuing operations	\$ (5,902)	\$ (7,149)
Income from discontinued operations (net of income tax)	-	30
Net loss and comprehensive loss	\$ (5,902)	\$ (7,119)
Loss per share (note 7)		
Basic & Diluted:		
Continuing operations	\$ (0.08)	\$ (0.10)
Net loss	\$ (0.08)	\$ (0.10)

\*Certain amounts shown here do not correspond to the interim consolidated financial statements as at March 31, 2012 and reflect adjustments made as detailed in note 5.

See accompanying notes to unaudited consolidated interim financial statements.

**TUCKAMORE CAPITAL MANAGEMENT INC.**

Consolidated Interim Statements of Shareholders' Equity  
(In thousands of Canadian dollars, except per share amounts)  
(unaudited)

	Number of shares	Shareholders' Capital	Deficit	Contributed Surplus	Total Shareholders' Equity
Balance - December 31, 2012	71,631,431	\$ 414,884	\$ (369,726)	\$ 8,093	\$ 53,251
Net loss for the period	-	-	(5,902)	-	(5,902)
Stock-based compensation	-	-	-	170	170
Balance - March 31, 2013	71,631,431	\$ 414,884	\$ (375,628)	\$ 8,263	\$ 47,519

	Number of shares	Shareholders' Capital	Deficit Restated*	Contributed Surplus	Total Shareholders' Equity
Balance - December 31, 2011	71,631,431	\$ 414,884	\$ (345,864)	\$ 6,917	\$ 75,937
Net loss for the period	-	-	(7,119)	-	(7,119)
Stock-based compensation	-	-	-	528	528
Balance - March 31, 2012	71,631,431	\$ 414,884	\$ (352,983)	\$ 7,445	\$ 69,346

\*Please refer to note 1 and 5 for more details.

See accompanying notes to unaudited consolidated interim financial statements.

**TUCKAMORE CAPITAL MANAGEMENT INC.**Consolidated Interim Statements of Cash Flows  
(In thousands of Canadian dollars)  
(unaudited)

	Three months ended March 31, 2013	Three months ended March 31, 2012 Restated*
Cash provided by (used in):		
Operating activities:		
Net loss for the period	\$ (5,902)	\$ (7,119)
Items not affecting cash:		
Income from discontinued operations (note 2)	-	(30)
Amortization of intangible assets	2,707	2,663
Depreciation	3,896	3,022
Deferred income tax recovery (note 6)	(2,912)	(2,386)
Income from equity investments, net of cash received	(468)	(84)
Non-cash interest expense	3,037	2,598
Amortization of deferred financing costs (note 4)	163	156
Loss on extinguishment of debt (note 4)	-	1,534
Stock based compensation expense	170	528
Changes in non-cash working capital	9,224	(9,386)
Total cash provided by (used in) operating activities	\$ 9,915	\$ (8,504)
Investing activities:		
Proceeds on disposal of investment	-	2,500
Purchase of property, plant and equipment (note 3)	(444)	(1,460)
Net proceeds on disposal of property, plant and equipment	191	48
Purchase of software	-	(14)
Increase in other assets	-	(309)
Total cash (used in) provided by investing activities	\$ (253)	\$ 765
Financing activities:		
Repayment of long-term debt	-	(2,400)
Decrease in cash held in trust	-	1,682
Repayment of finance lease obligations	(1,629)	(1,269)
Total cash used in financing activities	\$ (1,629)	\$ (1,987)
Increase (decrease) in cash	8,033	(9,726)
Cash, beginning of period - continuing operations	10,549	26,656
Cash, end of period	\$ 18,582	\$ 16,930
Cash, end of period - continuing operations	\$ 18,582	\$ 16,930
Supplemental cash flow information:		
Interest paid	1,330	11,724
Supplemental disclosure of non-cash financing and investing activities:		
Acquisition of property, plant and equipment through finance leases	2,235	2,299

\*Certain amounts here do not correspond to the interim consolidated financial statements as at March 31, 2012 and reflect adjustments made as detailed in note 5.

See accompanying notes to unaudited consolidated interim financial statements.

## TUCKAMORE CAPITAL MANAGEMENT INC.

Notes to Consolidated Interim Financial Statements

(In thousands of Canadian dollars)

Three months ended March 31, 2013 and 2012

(unaudited)

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Tuckamore Capital Management Inc. ("Tuckamore"), is a corporation formed pursuant to the Business Corporations Act (Ontario). The registered office is located in Toronto, Ontario. Tuckamore was created to indirectly invest in securities of private businesses, either in limited partnerships or in corporations (collectively the "Operating Partners").

The consolidated interim financial statements were authorized for issue in accordance with a resolution of the directors of Tuckamore on May 13, 2013.

### 1. Significant accounting policies

#### a) Basis of Presentation

These consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" as issued by the International Financial Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed.

These consolidated interim financial statements have been presented in Canadian dollars rounded to the nearest thousand unless otherwise indicated.

These consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2012.

#### **New standards, interpretations and amendments adopted by the Company**

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2012, except for the adoption of new standards and interpretations effective as of January 1, 2013.

The Company applied, for the first time, certain standards and amendments that require restatement of previous financial statements. These include IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 13 *Fair Value Measurement*. As required by IAS 34, the nature and effect of these changes are disclosed below. In addition, the application of IFRS 12 *Disclosures of Interest in Other Entities* will result in additional disclosures in the annual consolidated financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the consolidated annual or interim financial statements of the Company.

The nature and the impact of each new standard/amendment is described below:

#### **IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements**

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has

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the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by the Company.

### **IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures**

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities – Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

The application of this new standard impacted the financial position of the Company by replacing proportionate consolidation of joint ventures in Titan, Gusgo and IC Group (see note 5) with the equity method of accounting. The effect of IFRS 11 is described in more detail in note 5, which includes a quantification of the effect on the financial statements.

### **IFRS 13 Fair Value Measurement**

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted fair value measurements carried out by the Company.

## **2. Discontinued operations**

### **Marketing**

- a) On June 29, 2012 Tuckamore sold its 80% interest in Armstrong Partnership LP for cash proceeds of \$5,366 and a distribution settled of \$243. This resulted in an accounting gain of approximately \$3,186. Approximately \$3,800 of the total proceeds were used to repay the senior credit facility.

### **Industrial Services**

- a) In November 2011, the majority limited partner of Waydex Services LP ("Waydex") delivered to ClearStream an offer letter pursuant to the shotgun buy-sell provision of the limited partnership agreement governing Waydex. In December 2011 ClearStream elected to sell its 40% interest in Waydex to the majority partner. The buy-sell transaction closed on January 24, 2012 for gross proceeds of \$2,500 resulting in a nominal accounting loss. Net proceeds were used to repay senior indebtedness in the amount of \$2,400. No income or loss was recorded in 2012 related to Waydex.

## TUCKAMORE CAPITAL MANAGEMENT INC.

Notes to Consolidated Interim Financial Statements

(In thousands of Canadian dollars)

Three months ended March 31, 2013 and 2012

(unaudited)

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For the three months ended March 31, 2012

	Marketing
Revenue	\$ 2,738
Expenses	(2,717)
Loss before taxes	21
Income from equity investments	-
Income tax recovery - deferred	9
Net income from discontinued operations	30
Net income per share - basic	-
Net income per share - diluted	-

### 3. Property, plant and equipment

During the three months ended March 31, 2013, the Company acquired assets with a cost of \$2,688, including equipment under finance leases of \$2,244 (March 31, 2012 - \$3,751, including equipment under finance leases of \$2,291).

a) Collateral:

As at March 31, 2013, property, plant and equipment with a carrying amount of \$42,343 is subject to a general security agreement under the long-term debt (December 31, 2012 - \$43,813).

b) Capital Commitments:

As at March 31, 2013, Tuckamore had no capital commitments for the acquisition of new equipment (December 31, 2012 - \$nil).



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Notes to Consolidated Interim Financial Statements

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### 4. Senior credit facility and debenture

#### a) Senior credit facility

As at December 31, 2011 senior debt was \$96,955 before deferred financing charges of \$1,250.

On January 24, 2012 the sale of Waydex Services LP closed for net proceeds of \$2,400 which was used to repay senior indebtedness.

On March 9, 2012 Tuckamore completed an assignment (the "Assignment") to Bank of Montreal ("BMO") of its senior credit facility from Marret. In connection with the Assignment, BMO received an assignment of all of the rights and obligations of the Marret Lenders under the Senior Credit Facility. Tuckamore also entered into a third amended and restated credit agreement, providing improved borrowing terms to the Tuckamore group of companies (the "Amended Senior Credit Facility") and appointing BMO as agent. The maturity date of the senior credit facility is March 9, 2015.

Effective November 13, 2012 Tuckamore reached an agreement to amend the financial covenants related to the Amended Senior Credit facility. The amended covenants include the interest coverage ratio, priority senior debt ratio and the minimum EBITDA ("Earnings Before Interest, Taxes, Depreciation & Amortization") amount. The amended covenants have been in effect for the three quarters commencing the quarter ended September 30, 2012. After these three quarters, the covenants will revert back to the requirements prior to the November 13, 2012 amendment. As part of this amendment, the interest rate on the Amended Senior Credit Facility was adjusted to prime plus 1.625%. This rate can be reduced when certain leverage ratios are achieved. The total cost of the amendment was 0.125% or \$113 and this amount was expensed during the year ended December 31, 2012. Without the amendment, Tuckamore would have been in default of certain covenants at September 30, 2012, resulting in the senior credit facility and debentures being due on demand.

For accounting purposes, the assignment of the senior credit facility to BMO was a de-recognition of debt. A loss on de-recognition of \$1,534 was recorded representing transaction costs and the write-off of deferred financing costs related to the de-recognized credit facility.

At March 31, 2013 Tuckamore was in compliance with its debt covenants. There is a risk that the Company may not meet certain debt covenants in the future and without an amendment from its senior lenders, the senior credit facility and debentures would be due on demand and classified as current.

Tuckamore is obligated to repay a portion of the senior credit facility prior to the maturity date of the senior credit facility based on proceeds from specified dispositions, proceeds from the issuance of equity instruments or based on excess operating cash flows as defined. Subsequent to quarter end, excess cash flows of \$118 were used to repay a portion of the term facility.

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Advances outstanding under the Amended Senior Credit Facility at March 31, 2013 total \$90,755 with \$60,000 of this amount as a revolving facility and the balance as a term facility. The full amount of the revolving facility was drawn at March 31, 2013.

<b>Total senior credit facility at December 31, 2011</b>	\$ 96,955
Repayments	(6,200)
<b>Total senior credit facility at December 31, 2012</b>	\$ 90,755
Repayments	-
Advances	-
<b>Total senior credit facility at March 31, 2013</b>	\$ 90,755
Deferred financing costs at December 31, 2011	(1,250)
Additional deferred financing costs incurred on the old facility	(403)
Deferred costs written off on de-recognition of debt	1,534
Deferred financing costs incurred on new senior credit facility	(1,961)
Amortization of deferred financing costs	625
Deferred finance costs at December 31, 2012	(1,455)
Amortization of deferred financing costs	163
Deferred finance costs at March 31, 2013	(1,292)
<b>Net Balance of senior credit facility at March 31, 2013</b>	\$ 89,463

### b) Secured and unsecured debentures

The aggregate principal amount of the Secured Debentures is \$176,228 and the maturity date of the Secured Debentures is March 23, 2016 (the "Secured Debenture Maturity Date"). The interest rate is 8% per annum, payable semi-annually in arrears on June 30 and December 31 in each year until the Secured Debenture Maturity Date. The Secured Debentures are listed on the Toronto Stock Exchange ("TSX"). Tuckamore has the option to repurchase any or all Secured Debentures outstanding at any time and Tuckamore also has the right to redeem in cash any or all Secured Debentures outstanding at any time in its sole discretion without bonus or penalty, provided all accrued interest is paid at redemption, assuming Tuckamore has cash available and subject to any restrictions in the senior credit facility. Tuckamore is also obligated to redeem a portion of the Secured Debentures prior to the Secured Debenture Maturity Date in certain circumstances based on proceeds from specified dispositions, proceeds from the issuance of equity instruments or based on excess operating cash flow as defined. The Secured Debentures have a security interest in substantially all of Tuckamore's assets which is subordinated to similar security interests granted in connection with the Senior Credit Facility or certain debt incurred in the future by Tuckamore's subsidiaries.

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The aggregate principal amount of the Unsecured Debentures is \$26,552 and the maturity date is March 23, 2014 (the "Unsecured Debenture Maturity Date"). Interest will accrue on the principal amount of the Unsecured Debentures at a non-compounding rate of 3.624% per annum, payable in cash at the Unsecured Debenture Maturity Date. The Unsecured Debentures are listed on the TSX.

Tuckamore will repay the principal amount of the Unsecured Debentures on the Unsecured Debenture Maturity Date either in cash or by delivering common shares of Tuckamore at a conversion price of \$0.2254 per common share. The total number of common shares to be issued on the repayment of the Unsecured Debentures is capped at 10% of the fully diluted common shares of Tuckamore on the repayment date. In certain circumstances Tuckamore's ability to settle the obligation through the issuance of shares will not be available.

	<b>Secured Debentures</b>	<b>Unsecured Debentures</b>
Issue date	March 23, 2011	March 23, 2011
Principal Amount	\$ 176,228	\$ 26,552
Interest Rate	8.0%	3.624%
Carrying value at March 31, 2013	\$ 154,542	\$ 20,136
Accretion expense recorded in 2013	\$ 1,682	\$ 1,355
Accretion expense remaining to be recorded prior to maturity	\$ 21,686	\$ 6,416
Maturity Date	March 23, 2016	March 23, 2014

## TUCKAMORE CAPITAL MANAGEMENT INC.

Notes to Consolidated Interim Financial Statements

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### 5. Share of Investments in an associate and a joint venture

Tuckamore has a 92% interest in Titan, an 80% interest in Gusgo and an 80% interest in IC Group. Please refer to the Company's audited annual consolidated financial statements for the year ended December 31, 2012 for more information on these entities.

Under IAS 31 *Investments in Joint Ventures* (prior to the transition to IFRS 11), the Company's interest in Titan, Gusgo and IC Group were classified as jointly controlled entities and Tuckamore's share of assets, liabilities, revenue and expenses were proportionately consolidated in the consolidated financial statements. Upon adoption of IFRS 11, the Company has determined that these entities are a joint venture and as such, they are required to be accounted for using the equity method. The effect of applying IFRS 11 is as follows:

<b>Impact on the consolidated statement of income and comprehensive income</b>	<b>For the quarter ended March 31, 2012</b>
Decrease in the reported revenues	(15,871)
Decrease in the cost of revenue	10,323
Decrease in gross profit	(5,548)
Decrease in selling, general and administrative expenses	3,647
Decrease in depreciation	149
Decrease in other expenses	23
Increase in income from long-term investments	1,729
<b>Net impact on net income and comprehensive income</b>	<b>-</b>

  

<b>Impact on the consolidated balance sheet</b>	<b>As at December 31, 2012</b>
Increase in long-term investments	24,994
Decrease in cash and cash equivalents	(1,533)
Decrease in cash and short-term investments held in trust	(1,564)
Decrease in accounts receivable	(11,502)
Decrease in inventory	(9,715)
Decrease in prepaid expenses	(433)
Decrease in property, plant and equipment	(1,965)
Decrease in goodwill	(8,627)
Decrease in intangibles	(1,309)
Decrease in other assets	(1,090)
Decrease in accounts payable and accrued liabilities	6,489
Decrease in deferred revenue	5,446
Decrease in finance lease obligations	570
Decrease in deferred tax liability	239
<b>Net impact on equity</b>	<b>-</b>

There is no material impact on the consolidated interim statement of cash flows and no impact on the basic and diluted earnings per share.

## TUCKAMORE CAPITAL MANAGEMENT INC.

Notes to Consolidated Interim Financial Statements

(In thousands of Canadian dollars)

Three months ended March 31, 2013 and 2012

(unaudited)

### 6. Income taxes

The major components of income tax recovery (expense) are as follows:

Three months ended March 31	2013	2012
Total current income tax expense	\$ (158)	\$ -
Deferred income tax recovery:		
Origination and reversal of temporary differences	2,885	2,091
Deferred tax due to changes in tax rates	27	295
Deferred tax due to write down/reversal of write-down of tax asset	-	-
Total deferred income tax recovery	\$ 2,912	\$ 2,386

### 7. Loss per share

The shares issuable under the stock options are the only potentially dilutive units.

The following table sets forth the adjustments to the numerator and denominator for fully diluted income (loss) per share:

Three months ended March 31	2013	2012
Numerator:		
Loss from continuing operations	\$ (5,902)	\$ (7,149)
Income from discontinued operations	-	30
Net loss	\$ (5,902)	\$ (7,119)
Denominator:		
Weighted average number of shares outstanding (basic)	71,631	71,631
Effect of stock options vested <sup>1</sup>	-	-
Weighted average number of shares outstanding (diluted)	71,631	71,631

<sup>1</sup>The effect of stock options vested as at March 31, 2013 and March 31, 2012 was anti-dilutive.

### 8. Related party disclosures

#### a) Advances to operating partnerships

Tuckamore regularly provides advances to the operating partnerships to fund working capital needs. The advances bear interest at prime plus 1%, are unsecured and are due on demand. Advances are included in other current assets. The following table reflects the advances to other joint venture partners of the Operating Partnerships:

As at	March 31, 2013	December 31, 2012
Net advances to joint venture operating partners	\$ 1,408	\$ 1,359

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(In thousands of Canadian dollars)

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b) Employee loans

Employee loans were made to certain management and employees. In accordance with the terms and conditions, the loans bear interest at prime, were used to purchase shares of Tuckamore and are collateralized by shares and in certain cases personal guarantees. The loan balances were \$1,335 as at March 31, 2013 and December 31, 2012.

c) Other related party transactions

Income from long-term investments includes \$230 of rent expense paid to a company owned by the minority shareholder of Gusgo for the three months ended March 31, 2013 (2012 - \$229). Tuckamore shares space and services with a business which employs two of its directors, and paid \$82 for the quarter ended March 31, 2013 (March 31, 2012 - \$84) for such services. Interest charged to joint venture Operating Partners on advances was \$166 (March 31, 2012 - \$135). One of Tuckamore's board members is a member of the executive team for a client of Gemma. Revenues in the amount of \$2,395 were realized from this client during the quarter ended March 31, 2013, with \$877 in receivables at March 31, 2013. Another member of Tuckamore's board of directors is a senior partner at a vendor from which Tuckamore obtains services. Total expenses for services obtained during the quarter amount to approximately \$36, with approximately \$551 in payables at March 31, 2013.

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### **9. Segmented information**

Tuckamore has four reportable operating segments, each of which has separate operational management and management reporting information. A majority of Tuckamore's operations, assets and employees are located in Canada. The marketing segment represents a integrated direct marketing company and a provider of on-line promotional and loyalty programs and select insurance products. The industrial services segment includes two reportable segments and represents the investments in a fully integrated provider of mid-stream production services to the energy industry and a provider of demolition contract services and site remediation services. The other segment includes a distributor and manufacturer of heavy equipment, a container transportation business and a reverse logistics provider. The corporate segment includes head office administrative and financing costs incurred by Tuckamore. The eliminations column represents adjustments required to reconcile Tuckamore's segmented reporting to the reporting on the consolidated interim balance sheet and statement of loss and comprehensive loss. This column represents adjustments required to account for joint ventures under IFRS 11.

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Three months ended March 31, 2013	Marketing	Industrial Services	Quantum ClearStream Murray	Other	Corporate	Eliminations	Total
Revenues	\$ 8,017	\$ 115,307	\$ 25,012	\$ 13,304	-	\$ (16,275)	\$ 145,365
Cost of revenues	(5,124)	(93,627)	(20,117)	(9,096)	-	10,836	(117,128)
Gross profit	2,893	21,680	4,895	4,208	-	(5,439)	28,237
Selling, general and administrative	(2,562)	(14,063)	(6,882)	(2,768)	(1,146)	3,742	(23,679)
Amortization of intangible assets	(782)	(1,467)	(446)	-	(12)	-	(2,707)
Depreciation	(127)	(2,250)	(1,540)	(120)	(3)	144	(3,896)
Income from long-term investments	-	-	-	-	-	1,565	1,565
Interest expense	(13)	(2,900)	(51)	(173)	(5,046)	7	(8,176)
(Loss) income before income taxes	\$ (591)	\$ 1,000	\$ (4,024)	\$ 1,147	(6,207)	19	\$ (8,656)
Income tax expense - current	-	(140)	-	-	(18)	-	(158)
Income tax recovery - deferred	249	588	183	(8)	1,919	(19)	2,912
Net (loss) income from continuing operations	\$ (342)	\$ 1,448	\$ (3,841)	\$ 1,139	\$ (4,306)	\$ -	\$ (5,902)
Add back:							-
Interest expense	13	2,900	51	173	5,046	(7)	8,176
Amortization	782	1,467	446	-	12	-	2,707
Depreciation	127	2,250	1,540	120	3	(144)	3,896
Income tax expense - current	-	140	-	-	18	-	158
Income tax recovery - deferred	(249)	(588)	(183)	8	(1,919)	19	(2,912)
EBITDA	\$ 331	\$ 7,617	\$ (1,987)	\$ 1,440	\$ (1,146)	\$ (132)	\$ 6,123
Total assets as at: March 31, 2013	22,972	255,446	75,257	25,326	28,121	(12,553)	394,569
Total liabilities as at: March 31, 2013	9,237	163,229	40,422	23,489	123,226	(12,553)	347,050



## TUCKAMORE CAPITAL MANAGEMENT INC.

Notes to Consolidated Interim Financial Statements

(In thousands of Canadian dollars)

Three months ended March 31, 2013 and 2012

(unaudited)

Three months ended March 31, 2012	Marketing	Industrial Services	Quantum ClearStream Murray	Other	Corporate	Eliminations	Total
Revenues	\$ 9,846	\$ 103,017	\$ 47,288	\$ 12,823	\$ -	\$ (15,871)	\$ 157,103
Cost of revenues	(6,403)	(86,216)	(38,155)	(8,513)	-	10,323	(128,964)
Gross profit	3,443	16,801	9,133	4,310	-	(5,548)	28,139
Selling, general and administrative	(2,642)	(11,489)	(8,246)	(2,680)	(2,225)	3,647	(23,635)
Amortization of intangible assets	(783)	(1,409)	(456)	-	(16)	1	(2,663)
Depreciation	(172)	(1,877)	(996)	(126)	-	149	(3,022)
Income from equity investment	-	-	-	-	-	1,729	1,729
Interest expense	(14)	(2,766)	(69)	(181)	(5,541)	22	(8,549)
Loss on debt extinguishment	-	-	-	-	(1,534)	-	(1,534)
(loss) income before income taxes	\$ (168)	\$ (740)	\$ (634)	\$ 1,323	\$ (9,316)	\$ -	\$ (9,535)
Income tax recovery (expense) - deferred	(520)	(333)	(20)	10	-	3,249	2,386
Net (loss) income from continuing operations	\$ (688)	\$ (1,073)	\$ (654)	\$ 1,333	\$ (9,316)	\$ 3,249	\$ (7,149)
Add back:							
Interest expense	14	2,766	69	181	5,541	(22)	8,549
Amortization	783	1,409	456	-	16	(1)	2,663
Depreciation	172	1,877	996	126	-	(149)	3,022
Income tax expense - current	-	-	-	-	-	-	-
Income tax expense (recovery) - deferred	520	333	20	(10)	-	(3,249)	(2,386)
EBITDA	\$ 801	\$ 5,312	\$ 887	\$ 1,630	\$ (3,759)	\$ (172)	\$ 4,699
Total assets as at:							
December 31, 2012	25,560	263,449	91,920	24,954	22,250	(12,744)	415,389
Total liabilities as at:							
December 31, 2012	11,253	172,915	53,104	23,035	114,575	(12,744)	362,138

## **TUCKAMORE CAPITAL MANAGEMENT INC.**

Notes to Consolidated Interim Financial Statements

(In thousands of Canadian dollars)

Three months ended March 31, 2013 and 2012

(unaudited)

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### **10. Comparative figures**

As a result of discontinued operations and a change in the accounting treatment of financing costs related to the assignment of debt to BMO, the comparative consolidated interim statements of loss and comprehensive loss and cash flows have been reclassified from financial statements previously presented to conform to the March 31, 2013 interim consolidated financial statements. The comparative consolidated interim statement of loss and comprehensive loss categorizes the revenues and expenses of businesses sold in 2012 as discontinued operations.

Certain amounts and balances on the consolidated financial statements were restated as a result of Tuckamore's application of IFRS 11. Please refer to note 1 and note 5 for more information.