May 7, 2014

Altus Group Reports First Quarter Financial Results for 2014

Altus Group Achieves Double-Digit Revenue and Adjusted EBITDA Growth

ARGUS Software Achieves 34.2% Revenue Growth and 73.8% Adjusted EBITDA Growth

TORONTO, ONTARIO (Marketwired – May 7, 2014) Altus Group Limited ("Altus Group" or "the Company") (TSX: AIF) today announced financial and operating results for the first quarter ended March 31, 2014.

The execution of the Company's growth strategy drove double-digit year over year increases in gross revenue and adjusted EBITDA, with solid first quarter performance from ARGUS Software, Geomatics, and North America Property Tax. Gross revenues for the quarter were $86.7 million, compared to $76.2 million for the same period in 2013, representing a 13.8% increase over the prior year. Adjusted EBITDA was $14.9 million, up 21.5% from $12.3 million in the same period last year. First quarter gross revenue and adjusted EBITDA growth was driven primarily by increased license sales from ARGUS Software, higher activity levels in Western Canada's oil and gas and pipeline sector that strengthened demand for Geomatics' services, and strong organic and acquisition growth from North America Property Tax.

"I am pleased with the consistent improvement in our financial performance from the execution of our growth strategy, which drove double-digit growth in revenues and adjusted EBITDA, and resulted in strong performance from ARGUS Software, Geomatics and North America Property Tax during the quarter," said Robert Courteau, Chief Executive Officer, Altus Group. "The growth achieved during the quarter also benefited from a particularly strong cycle across all of our business units."

Highlights from the quarter:

- Achieved 16.7% gross revenue growth and 12.3% adjusted EBITDA growth from Global Asset and Investment Management ("GAIM") market focused businesses:
  - Rising license sales at ARGUS Software drove a year over year 34.2% increase in gross revenues and 73.8% increase in adjusted EBITDA.
  - New client additions and favourable exchange rate differences supported 8.5% year over year gross revenue growth in North America RVA, while ongoing investments in the US operations established foundation for growth in the GAIM marketplace.
- Increased activity levels in the oil and gas and pipeline sector in Western Canada drove record first quarter performance for Geomatics, where year over year gross revenues increased by 20.9% and adjusted EBITDA rose by 37.7%.
- Strong organic growth in Canada and continued organic and acquisition growth in the US drove record first quarter performance at North America Property Tax, where year over year gross revenues increased by 22.7% and adjusted EBITDA increased by 52.7%.
- Restructuring activities in Cost Consulting and Project Management resulted in a 29.0% improvement in adjusted EBITDA in North America, while global operations continue to focus on higher margin opportunities.

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- Adjusted basic earnings per share were $0.26 for the quarter, compared to $0.25 in the first quarter of 2013.
- Declared dividends of $0.15 per common share.
- Acquired a 29.7% interest in Voyanta Limited ("Voyanta"), a provider of cloud-based data management and analytics solutions to the global real estate industry, and acquired a perpetual and non-exclusive license to use their platform.

Summary of financial and operating performance:

ARGUS Software's sustained growth momentum and strong quarterly performance was driven primarily by increased license sales, and benefitted from an improvement in the exchange rate against the Canadian Dollar. The Company continues to experience increased adoption of its ARGUS Enterprise ("AE") product and in late March surpassed the 200 customer milestone for its AE platform. Subsequent to quarter end, AE 10 was launched, strengthening ARGUS' focus on European GAIM markets. Gross revenue was $11.6 million, up by 34.2% or $3.0 million from $8.6 million in the same period in 2013. Adjusted EBITDA was $3.7 million, up 73.8% or $1.6 million from $2.1 million in the same period in 2013.

The steady performance from North America RVA benefitted from new client additions, the ongoing right of way and economic advisory work, and favourable exchange rate differences. Gross revenue was $20.3 million, up 8.5% or $1.6 million from $18.7 million in the same period in 2013. Adjusted EBITDA was $4.4 million, down 13.4% or $0.6 million from $5.0 million in the same period in 2013. Earnings in the quarter were impacted by investments in the US operations to support future revenue growth. In addition, media tax credits of $0.4 million, which benefitted the Canadian operations in 2013, did not reoccur in 2014.

North America Property Tax practice experienced a robust first quarter with strong organic growth in Canada and continued organic and acquisition growth in the US. In the UK, gross revenues rose due to exchange rate improvements and acquisition growth. North America Property Tax gross revenue was $18.6 million, up 22.7% or $3.4 million from $15.2 million in the same period in 2013. UK Property Tax gross revenue was $6.2 million, up 18.1% or $1.0 million from $5.2 million in the same period in 2013. North America Property Tax adjusted EBITDA was $5.0 million, up 52.7% or $1.7 million from $3.3 million in the same period in 2013. UK Property Tax adjusted EBITDA was $1.5 million, up 17.4% or $0.2 million from $1.3 million in the same period in 2013.

Increased oil and gas and pipeline activity levels in Western Canada continued into the first quarter and benefitted the Geomatics business as they experienced their strongest first quarter performance. Gross revenue was $19.1 million, up 20.9% or $3.3 million from $15.8 million in the same period in 2013. Adjusted EBITDA was $4.3 million, up 37.7% or $1.2 million from $3.1 million in the same period in 2013.

The core Cost business in North America saw modest gross revenue declines as a result of a decrease in lower margin infrastructure work. In Asia Pacific, operations in Australia maintained consistent gross revenue performance, while in Asia the focus remained on exiting lower margin projects. North America Cost gross revenue was $7.0 million, down 9.6% or $0.7 million from $7.7 million in the same period in 2013. Asia Pacific Cost gross revenue was $4.3 million, down 15.8% or $0.8 million from $5.1 million in the same period in 2013. North America Cost adjusted EBITDA was $1.8 million, up 29.0% or $0.4 million from $1.4 million in the same period in 2013. Asia Pacific Cost adjusted EBITDA was negative $0.1 million, down 161.6% or $0.2 million from $0.1 million in the same period in 2013.

Under IFRS accounting, profit (loss) for the quarter ended March 31, 2013 was $4.9 million, or $0.17 per share basic and diluted, compared to $6.8 million, or $0.30 per share basic, and $0.26 per share diluted, in the same period in 2013.

Corporate costs were $5.8 million for the three months ended March 31, 2014, up 38.6% or $1.6 million from $4.2 million in the same period in 2013. The increase in corporate costs was mainly due to higher accrual of variable compensation due to improved performance in the businesses.

As at March 31, 2014, the Company had $8.3 million in cash, and $92.8 million available borrowing room under its credit facility. At the end of the quarter, Altus Group's balance sheet remained strong, giving the Company the financial flexibility to pursue its growth strategy.

During the quarter, the Company acquired a 29.7% interest in Voyanta for cash consideration of $3.0 million. Voyanta is a provider of cloud-based data management and analytics solutions to the global real estate industry and the partnership is expected to strengthen Altus Group's service offering and secure additional opportunities for growth. Altus Group also acquired a license to use the Voyanta platform to enhance North America RVA's current and future data analytics services.

Subsequent to quarter end, the Company completed the acquisition of certain business assets of Maltais Geomatics Inc. ("MGI") based on an acquisition multiple of 4.5 of MGI's 2013 EBITDA. The purchase agreement provides for cash consideration of $10.75 million, the issuance of 106,440 common shares, and contingent consideration payable of $3.0 million, due on May 31, 2015, subject to certain performance targets being achieved. In addition, the purchase agreement provides for further consideration to a maximum of $3.0 million, due on May 31, 2015, subject to certain over performance targets being achieved which are calculated based on an acquisition multiple of 4.5. Once fully integrated, the Company expects that the merger will result in revenue growth from the broadened service offering and increased market share. In the past three years, MGI's revenues exceeded $10 million per year, and annual EBITDA averaged over $3 million. The acquisition is expected to be immediately accretive to adjusted basic EPS.

Conference Call and Webcast Details

Date:	Wednesday, May 7, 2014
Time:	5:00 p.m. ET
Webcast:	www.altusgroup.com (under Investor Relations)
Live Call:	1-866-226-1792 (toll-free) or 416-340-2216 (GTA & International)
Replay:	1-800-408-3053 or 905-694-9451 (passcode: 3688078)

About Altus Group Limited

Altus Group is a leading provider of independent commercial real estate consulting and advisory services, software and data solutions. We operate five Business Units, bringing together years of experience and a broad range of expertise into one comprehensive platform: Research, Valuation and Advisory; ARGUS Software; Property Tax Consulting; Cost Consulting and Project Management; and Geomatics. Our suite of services and software enables clients to analyze, gain insight and recognize value on their real estate investments.

Altus Group has over 1,900 employees in multiple offices around the world, including Canada, the United States, the United Kingdom, Australia and Asia Pacific. Altus Group's clients include financial institutions, private and public investment funds, insurance companies, accounting firms, public real estate organizations, real estate investment trusts, healthcare institutions, industrial companies, foreign and domestic private investors, real estate developers, governmental institutions and firms in the oil and gas sector.

Non-IFRS Measures

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

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

Adjusted Basic Earnings (Loss) per Share, ("Adjusted Basic EPS"), represents basic earnings per share adjusted for the effect of amortization of intangibles acquired as part of business acquisitions, non-cash finance costs (income) related to the revaluation of amounts payable to unitholders, distributions related to amounts payable to unitholders, acquisition-related expenses (income), restructuring costs, share of profit or loss of associates, unrealized foreign exchange gains (losses), gains (losses) on sale of property, plant and equipment, gains (losses) on sale of business assets, interest accretion on vendor payables, impairment charges, Executive Compensation Plan costs, gains (losses) on hedging transactions, gains (losses) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged and other expenses or income of a non-operating and/or non-recurring nature. All of the adjustments are made net of tax.

Forward-Looking Information

Certain information in this press release may constitute "forward-looking information" within the meaning of applicable securities legislation. All information contained in this press release, other than statements of current and historical fact, is forward-looking information. Forward-looking information includes information that relates to, among other things, objectives, strategies and intentions, and future financial and operating performance and prospects. Generally, forward-looking information can be identified by use of words such as "may", "will", "expect", "believe", "plan", "would", "could" and other similar terminology. All of the forward-looking information in this press release is qualified by this cautionary statement.

Forward-looking information includes, but is not limited to, the discussion of Altus Group's business and operating initiatives; its expectations of future performance for its various business units and its consolidated financial results; and its expectations with respect to cash flows and its level of liquidity.

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

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

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

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Selected Financial Information	For the three months ended March 31,	
In thousands of Canadian Dollars, except for per share amounts	**2014**	2013
Operations		
Gross revenues	$ 86,691	$ 76,154
Adjusted EBITDA	14,882	12,253
Operating profit (loss)	10,111	11,724
Profit (loss)	4,883	6,843
Earnings (loss) per share:		
Basic	$0.17	$0.30
Diluted	$0.17	$0.26
Adjusted basic	$0.26	$0.25
Dividends declared per share	$0.15	$0.15

Segmented Information: Gross Revenues	Three months ended March 31,		
In thousands of Canadian Dollars	**2014**	2013	% Change
Property Tax:			
North America Property Tax	$ 18,611	$ 15,173	22.7%
UK	6,183	5,237	18.1%
Global Asset and Investment Management:			
North America RVA	20,259	18,664	8.5%
ARGUS Software	11,551	8,605	34.2%
North America Geomatics	19,095	15,794	20.9%
Cost Consulting and Project Management:			
North America Cost	6,950	7,688	(9.6%)
Asia Pacific Cost	4,257	5,054	(15.8%)
Intercompany eliminations	(215)	(61)	(252.5%)
Gross Revenues	$ 86,691	$ 76,154	13.8%

Segmented Information: Adjusted EBITDA		Three months ended March 31,	
In thousands of Canadian Dollars	2014	2013	% Change
Property Tax:			
North America Property Tax	$ 5,036	$ 3,298	52.7%
UK	1,516	1,291	17.4%
Global Asset and Investment Management:			
North America RVA	4,357	5,032	(13.4%)
ARGUS Software	3,659	2,105	73.8%
North America Geomatics	4,327	3,143	37.7%
Cost Consulting and Project Management:			
North America Cost	1,832	1,420	29.0%
Asia Pacific Cost	(77)	125	(161.6%)
Corporate	(5,768)	(4,161)	(38.6%)
Adjusted EBITDA	$ 14,882	$ 12,253	21.5%

Reconciliation of Adjusted EBITDA to Profit (Loss)	Three months ended March 31,	
In thousands of Canadian Dollars	2014	2013
Adjusted EBITDA	$ 14,882	$ 12,253
Depreciation and amortization	(4,550)	(4,649)
Acquisition related (expenses) income	(159)	(210)
Share of profit (loss) of associate	(403)	(78)
Unrealized foreign exchange gain (loss)	501	371
Gain (loss) on sale of property, plant and equipment	25	(6)
Gain (loss) on sale of certain business assets	-	5,278
Executive Compensation Plan costs	(121)	(102)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged	(69)	-
Restructuring costs	(22)	(1,133)
Other non-operating and/or non-recurring income (costs)	27	-
Operating profit (loss)	10,111	11,724
Finance (costs) income, net	(3,761)	(3,943)
Profit (loss) before income tax	6,350	7,781
Income tax recovery (expense)	(1,467)	(938)
Profit (loss) for the period	$ 4,883	$ 6,843

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
For the Three Months Ended March 31, 2014 and 2013
(Unaudited)
(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

	Three months ended March 31	
	2014	2013
Revenues		
Gross revenues	**$ 86,691**	$ 76,154
Less: disbursements	**8,008**	7,297
Net revenue	**78,683**	68,857
Expenses		
Employee compensation	**52,318**	45,743
Occupancy	**3,574**	3,540
Office and other operating	**7,546**	7,058
Amortization of intangibles	**3,392**	3,521
Depreciation of property, plant and equipment	**1,158**	1,128
Acquisition related expenses (income)	**159**	210
Share of (profit) loss of associates	**403**	78
Restructuring costs	**22**	1,133
(Gain) loss on sale of certain business assets	**-**	(5,278)
Operating profit (loss)	**10,111**	11,724
Finance costs (income), net	**3,761**	3,943
Profit (loss) before income tax	**6,350**	7,781
Income tax expense (recovery)	**1,467**	938
Profit (loss) for the period attributable to equity holders	**$ 4,883**	$ 6,843
Other comprehensive income (loss):		
Items that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges	**161**	51
Currency translation differences	**5,543**	1,299
Share of other comprehensive income (loss) of associates	**62**	-
Other comprehensive income (loss), net of tax	**5,766**	1,350
Total comprehensive income (loss) for the period, net of tax, attributable to equity holders	**$ 10,649**	$ 8,193
Earnings (loss) per share attributable to the equity holders of the Company during the period		
Basic earnings (loss) per share	**$0.17**	$0.30
Diluted earnings (loss) per share	**$0.17**	$0.26

Interim Condensed Consolidated Balance Sheets
As at March 31, 2014 and 2013
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

		March 31, 2014		December 31, 2013
Assets				
Current assets				
Cash and cash equivalents	**$**	**8,343**	$	16,664
Trade and other receivables		**119,177**		109,589
Income taxes recoverable		**1,267**		1,294
		128,787		127,547
Non-current assets				
Trade and other receivables		**314**		304
Investment in associates		**16,892**		14,130
Deferred income taxes		**14,019**		13,018
Property, plant and equipment		**19,023**		18,213
Intangibles		**77,191**		76,964
Goodwill		**195,044**		192,262
		322,483		314,891
Total Assets	**$**	**451,270**	$	442,438
Liabilities				
Current liabilities				
Trade and other payables	**$**	**58,551**	$	59,851
Income taxes payable		**1,594**		678
Borrowings		**1,090**		1,441
Provisions		**902**		1,738
		62,137		63,708
Non-current liabilities				
Trade and other payables		**11,340**		10,981
Borrowings		**155,922**		155,420
Derivative financial instruments		**1,533**		1,637
Provisions		**103**		141
Deferred income taxes		**3,171**		2,692
Amounts payable to unitholders		**6,066**		5,646
		178,135		176,517
Total Liabilities		**240,272**		240,225
Shareholders' Equity				
Share capital		**342,635**		340,445
Equity component of convertible debentures		**6,322**		6,338
Contributed surplus		**6,394**		6,130
Accumulated other comprehensive income (loss)		**15,206**		9,440
Deficit		**(159,559)**		(160,140)
Total Shareholders' Equity		**210,998**		202,213
Total Liabilities and Shareholders' Equity	**$**	**451,270**	$	442,438

Interim Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2014 and 2013
(Unaudited)
(Expressed in Thousands of Canadian Dollars)

	Three months ended March 31	
	2014	2013
Cash flows from operating activities		
Profit (loss) before income tax	$ **6,350**	$ 7,781
Adjustments for:		
Amortization of intangibles	**3,392**	3,521
Depreciation of property, plant and equipment	**1,158**	1,128
Amortization of lease inducements	**4**	47
Tax credits recorded through employee compensation	**-**	(521)
Finance costs (income), net	**3,761**	3,943
Share-based compensation	**324**	121
Unrealized foreign exchange (gain) loss	**(501)**	(371)
(Gain) loss on sale of certain business assets	**-**	(5,278)
(Gain) loss on disposal of property, plant and equipment	**(25)**	6
(Gain) loss on equity derivative instruments recorded through employee compensation	**114**	-
Share of (profit) loss of associates	**403**	78
Net changes in operating working capital	**(13,204)**	1,194
Net cash generated by (used in) operations	**1,776**	11,649
Less: interest paid	**(931)**	(1,588)
Less: income taxes paid	**(800)**	(1,040)
Add: income taxes received	**117**	108
Net cash provided by (used in) operating activities	**162**	9,129
Cash flows from financing activities		
Proceeds from exercise of options	**816**	514
Repayment of borrowings	**(497)**	(2,513)
Dividends paid	**(3,432)**	(3,440)
Treasury shares purchased under Restricted Share Plan	**-**	(2,277)
Interest paid to other unitholders	**(50)**	(56)
Net cash provided by (used in) financing activities	**(3,163)**	(7,772)
Cash flows from investing activities		
Purchase of investment in associates	**(3,004)**	-
Purchase of intangibles	**(984)**	(16)
Purchase of property, plant and equipment	**(1,533)**	(754)
Proceeds from disposal of property, plant and equipment	**41**	15
Acquisitions	**(184)**	-
Net cash provided by (used in) investing activities	**(5,664)**	(755)
Effect of foreign currency translation	**344**	4
Net increase (decrease) in cash and cash equivalents	**(8,321)**	606
Cash and cash equivalents		
Beginning of period	**16,664**	4,703
End of period	$ **8,343**	$ 5,309