TOROMONT

First Quarter 2013 **April 24, 2013**

TOROMONT ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2013 AND REGULAR QUARTERLY DIVIDEND

Toromont Industries Ltd. (TSX: TIH) reported financial results for the three-month period ended March 31, 2013, with revenues up 11% and net earnings up 5% compared to the first quarter of 2012.

	Three months ended March 31		
millions, except per share amounts	**2013**	2012	**% change**
Revenues	**$ 313.1**	$ 281.5	**11%**
Operating income	**$ 25.4**	$ 24.1	**5%**
Net earnings	**$ 17.8**	$ 17.0	**5%**
Earnings per share - basic	**$ 0.23**	$ 0.22	**5%**

The Company delivered good results in the first quarter, traditionally the weakest due to seasonality. Revenues were up 11% from a year ago, fueled by increased equipment sales, rentals and product support. Earnings also increased, a testimony to the Company's strong market position and product diversity following a period of heavy contributions from mining equipment sales. Gross margins were dampened by competitive equipment markets driven by a global surplus of new equipment, and additional costs associated with the growth of the product support organization.

Highlights:

- Equipment Group revenues for the quarter were $267 million, up 9% from 2012 on higher new equipment sales, product support and rentals. Operating income increased 7% compared to last year on the higher revenues. Heavy construction and power systems reported strong activity levels.

- Equipment Group backlogs were $147 million at March 31, 2013 compared to $128 million at December 31, 2012 and $260 million at this time last year. Backlogs have declined from this time last year due to significant mining deliveries during 2012 and improved equipment availability. Bookings were $145 million in the first quarter of 2013 compared to $155 million for the same period last year.

- CIMCO revenues of $46 million in the quarter were 30% higher than a year ago. Traditionally, results at CIMCO are softer in the first quarter due to the seasonality of construction schedules. Operating income decreased 18% in the quarter on lower gross margins resulting from tighter bids, more favourable contract close-outs last year, and the mix of product support revenues to total. Given this normal seasonal pattern, it was still a good first quarter and CIMCO's third best for profitability.

- CIMCO bookings in the first quarter of 2013 were $34 million, down 55% versus the first quarter of 2012. Excluding orders from Maple Leaf Foods totalling a record $50 million in the prior year, bookings were 35% higher than 2012 on stronger industrial activity. Backlogs were $107 million at March 31, 2013.

- Net earnings were $17.8 million in the quarter ($0.23 per share basic), up 5% from $17.0 million reported last year, reflecting higher revenues and good expense control, partially offset by lower gross margins.

- Equipment Group inventory levels have been a focus this year. These inventories were reduced $46 million from a year ago and $3 million from December 31, 2012. The reduction from year-end represents continued focus as the normal seasonal trend would have levels increasing during the first quarter.

- Total debt net of cash to total capitalization was 26%, well within stated capital targets.

- The Board of Directors announced the regular quarterly dividend of 13 cents per share on outstanding common shares, payable July 2, 2013 to shareholders of record on June 13, 2013. The regular quarterly dividend was previously increased 8% to 13 cents per share effective with the dividend paid April 1, 2013.

Management is encouraged with the results for the first quarter of the year, the best ever first quarter. Activity levels and sentiment in the core construction markets, rental segments and improved performance at Power Systems were healthy. In the short term, mining will not repeat the substantial contribution to results achieved last year, however growing product support and rental activity are expected to provide a measure of counter balance. At CIMCO, recreational bookings recovered to more normal levels and the order backlog position bodes well for performance this year.

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") comments on the operations, performance and financial condition of Toromont Industries Ltd. ("Toromont" or the "Company") as at and for the three months ended March 31, 2013, compared to the preceding year. This MD&A should be read in conjunction with the attached unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2013, the annual MD&A contained in the 2012 Annual Report and the audited annual consolidated financial statements for the year ended December 31, 2012.

The unaudited condensed interim consolidated financial statements reported herein have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. The information in this MD&A is current to April 24, 2013.

Additional information is contained in the Company's filings with Canadian securities regulators, including the Company's 2012 Annual Report and 2013 Annual Information Form. These filings are available on SEDAR at www.sedar.com and on the Company's website at www.toromont.com.

CONSOLIDATED RESULTS OF OPERATIONS

	Three months ended March 31			
($ thousands, except per share amounts)	**2013**	2012	$ change	% change
Revenues	**$ 313,132**	$ 281,459	$ 31,673	11%
Cost of goods sold	**237,213**	206,214	30,999	15%
Gross profit	**75,919**	75,245	674	1%
Selling and administrative expenses	**50,568**	51,177	(609)	(1%)
Operating income	**25,351**	24,068	1,283	5%
Interest expense	**2,102**	2,121	(19)	(1%)
Interest and investment income	**(1,192)**	(1,195)	3	(0%)
Income before income taxes	**24,441**	23,142	1,299	6%
Income taxes	**6,593**	6,172	421	7%
Net earnings	**$ 17,848**	$ 16,970	$ 878	5%
Earnings per share (basic)	**$ 0.23**	$ 0.22	$ 0.01	5%
Key ratios:				
Gross profit as a % of revenues	**24.2%**	26.7%		
Selling and administrative expenses as a % of revenues	**16.1%**	18.2%		
Operating income as a % of revenues	**8.1%**	8.6%		
Income taxes as a % of income before income taxes	**27.0%**	26.7%		

Revenues were 11% higher in the first quarter of 2013 compared to 2012. Equipment Group revenues increased 9% on new equipment sales, product support and rentals. CIMCO revenues increased 30% on higher Canadian industrial package sales revenue.

Gross profit margins declined 250 basis points in comparison with the first quarter of 2012. Lower margins were reported in both Groups. The Equipment Group experienced lower gross margins on very competitive market conditions and higher costs including compensation and warranty. CIMCO gross profit margins were lower on lower package margins and sales mix, with a lower proportion of product support sales to total.

Selling and administrative expenses decreased $0.6 million, or 1.0%, from 2012 in contrast to the increase in revenues. While employee costs increased marginally from 2012, most expense categories exhibited modest changes year over year due to a continuing focus on cost containment. Selling and administrative expenses as a percentage of revenues were 16.1% in the first quarter of 2013 versus 18.2% in the comparable period of 2012.

Operating income increased 5% in the quarter compared to the prior year as a result of higher revenues and lower expense levels. Operating income as a percentage of revenues was 8.1% for the quarter compared to 8.6% in the similar period of 2012.

Interest expense and interest income was largely unchanged from the prior year. Interest expense reflects higher average debt balances largely offset by lower average borrowing rates.

The effective income tax rate for 2013 was 27.0%, largely unchanged from the prior year.

Net earnings in the quarter were $17.8 million ($0.23 per share), 5% higher than last year.

Comprehensive income in the first quarter of 2013 was $18.4 million, comprised of net earnings of $17.8 million and other comprehensive income of $0.6 million. Other comprehensive income was largely a result of a gain on foreign exchange derivative contracts designated as cash flow hedges which arose on the weakening of the Canadian dollar in the quarter.

BUSINESS SEGMENT OPERATING RESULTS

The accounting policies of the segments are the same as those of the consolidated entity. Management evaluates overall business segment performance based on revenue growth and operating income relative to revenues. Corporate expenses are allocated based on each segment's revenue. Interest expense and interest and investment income are not allocated.

Equipment Group

($ thousands)	Three months ended March 31 2013	2012	$ change	% change
Equipment sales and rentals				
New	**$ 103,334**	$ 92,587	$ 10,747	12%
Used	**23,556**	25,891	(2,335)	(9%)
Rental	**39,829**	33,724	6,105	18%
Total equipment sales and rentals	**166,719**	152,202	14,517	10%
Power generation	**2,915**	3,071	(156)	(5%)
Product support	**97,182**	90,526	6,656	7%
Total revenues	**$ 266,816**	$ 245,799	$ 21,017	9%
Operating income	**$ 24,105**	$ 22,547	$ 1,558	7%
Key ratios:				
Product support revenues as a % of total revenues	**36.4%**	36.8%		
Group total revenues as a % of consolidated revenues	**85.2%**	87.3%		
Operating income as a % of revenues	**9.0%**	9.2%		

Demand for the Company’s products and services was healthy in the first quarter.

New equipment sales were 12% higher in the first quarter. Revenues from construction industries increased principally due to activity with large road building and other infrastructure-related contractors. Power systems revenues continue to increase with good demand for prime and back-up systems. Mining revenues are down 40% due to the significant deliveries in 2012 to the Detour Gold project.

Used equipment inventories were lower in 2013 than at this time last year, resulting in lower sales in the current period. Used equipment sales vary on factors such as product availability, both new and used, customer demands and the general pricing environment.

Light equipment rentals increased 12% on improved time utilization. Heavy equipment rentals more than doubled those reported last year on the larger fleet (13% higher on a gross cost basis) and improved utilization. Equipment on rent with a purchase option increased 12%. Power rentals were 42% lower on lower utilization of larger units. Rental rates were fairly consistent in both years with continuing competitive market conditions.

Power generation revenues from Toromont-owned plants represents decreased revenue at the Sudbury facility.

Product support revenues increased 7% in the first quarter. Product support revenues benefited from the larger installed base of equipment in our territory. Power Systems product support activity was lower year over year.

Operating income was up 7% in the quarter compared to 2012, in part reflecting the 9% increase in revenues. Gross profit as a percentage of revenues decreased 210 basis points compared to the similar quarter of 2012 reflecting more competitive markets significantly due to a global surplus of new equipment. Higher warranty costs together with higher costs related to the expanded service business also contributed to the decreased gross margins. Selling and administrative expenses decreased 3.5% despite higher revenues, due to continuing focus on cost containment. Operating income as a percentage of revenues was 9.0% in the quarter compared to 9.2% in the same period of 2012.

($ millions)		**2013**		2012		$ change	% change
Bookings - three-months ended March 31	**$**	**145**	$	155	$	(10)	(6%)
Backlogs - as at March 31	**$**	**147**	$	260	$	(113)	(43%)

Equipment bookings were lower year over year however they still represent the third highest bookings level of any first quarter in the past ten years. Backlogs were $147 million, down 44% from March 31, 2012 on deliveries against mining orders through the latter part of 2012, lower bookings and generally improved equipment availability.

CIMCO

		Three months ended March 31					
($ thousands)		**2013**		2012		$ change	% change
Package sales	**$**	**26,981**	$	16,821	$	10,160	60%
Product support		**19,335**		18,839		496	3%
Total revenues	**$**	**46,316**	$	35,660	$	10,656	30%
Operating income	**$**	**1,246**	$	1,521	$	(275)	(18%)
Key ratios:							
Product support revenues as a % of total revenues		**41.7%**		52.8%			
Group total revenues as a % of consolidated revenues		**14.8%**		12.7%			
Operating income as a % of revenues		**2.7%**		4.3%			

CIMCO's results are influenced by well established seasonal factors, leading to generally weaker results in the first quarter than in the balance of the year.

Package revenues were up 60% in the quarter compared to 2012. Canadian Industrial activity has strengthened with revenues more than double last year. Recreational revenues in Canada were softer, down 19% compared to the similar period of 2012. Revenues from US operations were 7% higher.

Product support revenues increased 3% in the quarter compared to the prior year on increased activity in the United States.

CIMCO reported operating income of $1.2 million in the quarter, down from $1.5 million realized in the similar period of 2012. Gross margins as a percentage of revenue were 450 basis points lower, in part due to sales mix, with a lower proportion of product support revenues to total. Equipment package gross margins were also lower due to tighter bids and more favourable project close-outs experienced in the first quarter of 2012. Project execution continues to be solid this year. Selling and administrative expenses increased 12% in 2013 compared to last year on the 30% higher revenues.

($ millions)		2013		2012		$ change	% change
Bookings - three-months ended March 31	**$**	**34**	$	75	$	(41)	(55%)
Backlogs - as at March 31	**$**	**107**	$	110	$	(3)	(3%)

Bookings in 2012 included $49.8 million in orders from Maple Leaf Foods with respect to their announced facilities expansion program. Excluding these, bookings were 35% higher compared to the first quarter of 2012. Backlogs were $107 million at March 31, 2013, largely unchanged from this time last year.

CONSOLIDATED FINANCIAL CONDITION

The Company maintained a strong financial position. At March 31, 2013, the ratio of total debt net of cash to total capitalization was 26%, compared to 26% at March 31, 2012 and 25% at December 31, 2012.

Working Capital

The Company's investment in non-cash working capital was $300.2 million at March 31, 2013. The major components, along with the changes from March 31 and December 31, 2012, are identified in the following table.

$ thousands	March 31 2013	March 31 2012	Change $	Change %	December 31 2012	Change $	Change %
Accounts receivable	$ 212,308	$ 176,253	$ 36,055	20%	$ 231,518	$ (19,210)	(8%)
Inventories	323,071	364,962	(41,891)	(11%)	327,785	(4,714)	(1%)
Other current assets	3,423	5,230	(1,807)	(35%)	4,086	(663)	(16%)
Accounts payable, accrued liabilities and provisions	(176,457)	(246,187)	69,730	(28%)	(194,304)	17,847	(9%)
Income taxes receivable (payable)	4,373	2,714	1,659	61%	(3,130)	7,503	n/m
Derivative financial instruments	482	(3,221)	3,703	n/m	(219)	701	n/m
Dividends payable	(9,951)	(9,224)	(727)	8%	(9,164)	(787)	9%
Deferred revenue	(54,944)	(50,475)	(4,469)	9%	(54,664)	(280)	1%
Current portion of long-term debt	(2,095)	(1,325)	(770)	58%	(1,372)	(723)	53%
Total non-cash working capital	$ 300,210	$ 238,727	$ 61,483	26%	$ 300,536	$ (326)	(0%)

Accounts receivable increased 20% compared to March 31, 2012, reflecting in part the 11% increase in revenues. Accounts receivable decreased 8% compared to December 31, 2012 reflecting lower trailing revenues. Revenues for the first quarter of 2013 were 27% lower than in the fourth quarter of 2012, a normal seasonal trend. Lower revenues will generally result in lower accounts receivable balances. Days sales outstanding were modestly improved from this time last year.

Inventories at March 31, 2013 were 11% lower compared to March 31, 2012.

- Equipment Group inventories were 13% lower than last year. Equipment Group inventory levels were higher in 2012 due to additional inventory held of some models in light of availability issues and inventory received in advance of customer-specified delivery dates. Inventory levels were higher than desired through most of 2012.
- CIMCO inventories were $5 million higher than last year on significant levels of work in process for Canadian industrial projects.

Inventories at March 31, 2013 were 1% lower compared to December 31, 2012 with declines in both Groups. In the Equipment Group, inventory levels during 2012 were higher than desired and steps have been in place to reduce these levels. CIMCO inventory is lower compared to December 31 on lower work in process due to advancement of several projects during the quarter.

Accounts payable and accrued liabilities at March 31, 2013 were lower than at March 31, 2012 largely on reduced purchasing of inventory given recent levels. Compared to December 31, 2012, the decrease largely reflects the payout of annual performance incentive bonuses.

Income taxes receivable (payable) reflect amounts owing for current corporate income taxes less instalments made to date as well as refunds to be received for prior taxation years' corporate income tax.

Derivative financial instruments represent the fair value of foreign exchange contracts. Fluctuations in the value of the Canadian dollar have led to a cumulative net gain of $0.5 million as at March 31, 2013. This is not expected to affect net income, as the unrealized gain will offset future losses on the related hedged items.

Dividends payable increased compared to March 31 and December 31, 2012 reflecting the higher dividend rate. The dividend rate was increased from $0.12 per share to $0.13 per share effective with the April 1, 2013 dividend payment, an increase of 8%.

Deferred revenues represent billings to customers in excess of revenue recognized. In the Equipment Group, deferred revenues arise on sales of equipment with residual value guarantees, extended warranty contracts and other customer support agreements as well as on progress billings on long-term construction contracts.   In CIMCO, deferred revenues arise on progress billings in advance of revenue recognition.

The current portion of long-term debt reflects scheduled principal repayments due within the next twelve months.

Legal and Other Contingencies

Due to the size, complexity and nature of the Company's operations, various legal matters are pending. Exposure to these claims is mitigated through levels of insurance coverage considered appropriate by management and by active management of these matters. In the opinion of management, none of these matters will have a material effect on the Company's consolidated financial position or results of operations.

Outstanding Share Data

As at the date of this MD&A, the Company had 76,572,638 common shares and 2,398,675 share options outstanding.

Dividends

The Company paid dividends of $9.2 million, $0.12 per share, for the three months ended March 31, 2013 (March 31, 2012 – $8.4 million, $0.11 per share).

The quarterly dividend was increased to $0.13 per share effective with the dividend paid on April 1, 2013.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

Toromont's liquidity requirements can be met through a variety of sources, including cash generated from operations, long-term and short-term borrowings and the issuance of common shares. Borrowings are obtained through a variety of sources including senior debentures, notes payable and committed long-term credit facilities.

As at March 31, 2013, $37.8 million was drawn on the Canadian facility. Letters of credit utilized an additional $24.2 million of the facility.

The Company expects that continued cash flows from operations in 2013, and currently available credit facilities will be more than sufficient to fund requirements for investments in working capital and capital assets.

Principal Components of Cash Flow

Cash from operating, investing and financing activities, as reflected in the Consolidated Statements of Cash Flows, are summarized in the following table:

	Three months ended March 31	
$ thousands	**2013**	2012
Cash, beginning of period	$ 2,383	$ 75,319
Operations	27,737	24,514
Change in non-cash working capital and other	2,871	(65,119)
Cash provided by (used in) operating activities	30,608	(40,605)
Cash used in investing activities	(34,360)	(38,520)
Cash provided by financing activities	4,376	6,932
Effect of foreign exchange on cash balances	63	(44)
Increase (decrease) in cash in the period	687	(72,237)
Cash, end of period	$ 3,070	$ 3,082

Cash Flows from Operating Activities

Operating activities provided $31 million in the first quarter of 2013 compared to using $41 million in the comparable period of 2012. Net earnings adjusted for items not requiring cash were 13% higher than last year on higher revenues. Non-cash working capital and other provided $3 million compared to using $65 million in 2012. Inventory levels increased $63 million in the first quarter of 2012 compared to a reduction of $5 million in the similar period of 2013.

The components and changes in working capital are discussed in more detail in this MD&A under the heading "Consolidated Financial Condition."

Cash Flows from Investing Activities

Net rental fleet additions (purchases less proceeds of disposition) totalled $29.2 million in the quarter compared to $32.4 million last year. Additional investments in the rental fleet were made in both years in light of stronger demand and the Company's strategy to expand heavy rental operations.

Investments in property, plant and equipment in the quarter totalled $4.7 million compared to $6.1 million in the comparable period last year. Additions in the current quarter included $1.0 million for buildings for expanded branches, $0.9 million for machinery and equipment and $2.2 million for service vehicles.

Cash Flows from Financing Activities

The term credit facility was drawn by $37.8 million as at March 31, 2013 to fund investments in working capital and rental equipment.

Dividends paid to common shareholders in the first quarter of 2013 totalled $9.2 million ($0.12 per share) compared to $8.4 million ($0.11 per share) paid in the comparable period of the prior year.

Cash received on the exercise of share options totalled $2.3 million in the quarter compared to $3.6 million in the first quarter of 2012. The decrease reflects a lower number of stock options exercised.

OUTLOOK

Excess global inventories have increased the competitiveness for new equipment sales in the Equipment Group's markets, and this is expected to continue through 2013. The emphasis placed on infrastructure investment in the 2013 Federal Budget is a good indicator that construction spending levels should continue to be healthy. Management continues to track a number of large construction projects, which should also contribute to future results. The increased investment in the rental business, together with improved performance in the Power Systems Group, is expected to continue to contribute to growth.

Capital markets sentiment towards mining has hardened, which is expected to impact project timing, although there have been no new project cancellations to date and existing mines continue to produce. The product support contribution and opportunity should remain positive, however 2013 will not see a replication of the record 2012 equipment sales into mining projects. The opportunity is good for a future resumption of larger deliveries, dependent on projects advancing and Toromont's success in winning the business. The timing of mining projects is expected to have an impact on the earnings pattern.

The parts and service business has seen significant growth and provides a measure of stability, driven by the larger installed base of equipment in the field. This bodes well for the Company's continued success. The number of service technicians has increased, service shops are very active and work-in-process levels remain strong.

Toromont's expanded product offering contributes to growth on multiple fronts. Firstly, the Equipment Group benefits from Caterpillar's expanding product line-up including the former

Bucyrus, vocational trucks and MWM products, which the Company now represents. In addition, the Equipment Group represents complementary product lines with recent and expanding opportunities including SITECH and Metso. CIMCO has also expanded its product offering to include CO_2-based solutions, which are also expected to contribute to its growth.

At CIMCO, good industrial bookings and an uptick in recreational bookings are an encouraging sign with respect to future prospects, although markets remain competitive. Recreational bookings picked up in the quarter and are expected to ramp back up over time, due in part to a recently introduced Quebec provincial program to replace CFC and HFC refrigerants in recreational facilities. The product support business remains a focus for growth with encouraging results in the United States.

QUARTERLY RESULTS

The following table summarizes unaudited quarterly consolidated financial data for the eight most recently completed quarters. This quarterly information is unaudited but has been prepared on the same basis as the 2012 annual audited consolidated financial statements, except for the change in accounting policy as described in note 1 to the unaudited interim condensed financial statements for the period ending March 31, 2013.

$ thousands, except per share amounts	Q2 2012	Q3 2012	Q4 2012	Q1 2013
Revenues				
Equipment Group	$ 334,300	$ 362,393	$ 367,402	$ 266,816
CIMCO	45,307	52,646	63,666	46,316
Total revenues	$ 379,607	$ 415,039	$ 431,068	$ 313,132
Net earnings	$ 25,383	$ 32,463	$ 44,657	$ 17,848
Per share information:				
Earnings per share - basic	$ 0.33	$ 0.43	$ 0.58	$ 0.23
Earnings per share - diluted	$ 0.33	$ 0.42	$ 0.58	$ 0.23
Dividends paid per share	$ 0.12	$ 0.12	$ 0.12	$ 0.12
Weighted average common shares outstanding - Basic (in thousands)	76,761	76,289	76,352	76,495

$ thousands, except per share amounts	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Revenues				
Equipment Group	$ 289,191	$ 315,120	$ 371,046	$ 245,799
CIMCO	55,453	52,169	37,386	35,660
Total revenues	$ 344,644	$ 367,289	$ 408,432	$ 281,459
Net earnings				
Continuing operations	$ 23,722	$ 30,930	$ 34,223	$ 16,970
Discontinued operations	135,960	-	-	-
	$ 159,682	$ 30,930	$ 34,223	$ 16,970
Per share information:				
Earnings per share - basic				
Continuing operations	$ 0.31	$ 0.40	$ 0.44	$ 0.22
Discontinued operations	1.77	-	-	-
	$ 2.08	$ 0.40	$ 0.44	$ 0.22
Earnings per share - diluted				
Continuing operations	$ 0.30	$ 0.40	$ 0.44	$ 0.22
Discontinued operations	1.76	-		
	$ 2.06	$ 0.40	$ 0.44	$ 0.22
Dividends paid per share	$ 0.10	$ 0.10	$ 0.11	$ 0.11
Weighted average common shares outstanding - Basic (in thousands)	77,204	77,095	76,604	76,786

Interim period revenues and earnings historically reflect some seasonality.

The Equipment Group has historically had a distinct seasonal trend in activity levels. Lower revenues are recorded during the first quarter due to winter shutdowns in the construction industry. The fourth quarter has typically been the strongest quarter in part due to the timing of customers' capital investment decisions, delivery of equipment from suppliers for customer-specific orders and conversions of equipment on rent with a purchase option. In the future, the increase in mining-related business may distort this trend somewhat due to the timing of significant deliveries, including parts to remote mine sites and major repairs, in any given quarter.

CIMCO also has historically had a distinct seasonal trend in results due to timing of construction activity, with the first quarter reporting lower revenues on winter shutdowns.

As a result of the historical seasonal sales trends, inventories increase through the year in order to meet the expected demand for delivery in the fourth quarter of the fiscal year, while accounts receivable are highest at year end.

RISKS AND RISK MANAGEMENT

In the normal course of business, Toromont is exposed to risks that may potentially impact its financial results in either or both of its business segments. The Company and each operating segment employ risk management strategies with a view to mitigating these risks on a cost-effective basis. There have been no material changes to the operating and financial risk assessment and related risk management strategies as described in the Company's 2012 Annual Report.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The significant accounting policies used in the preparation of the accompanying unaudited interim consolidated financial statements are consistent with those used in the Company's 2012 audited annual consolidated financial statements, and described in Note 1 therein, except as noted below.

The Company adopted revisions to IAS 19 - *Employee Benefits* ("IAS 19R") effective January 1, 2013. As a result, expected returns on plan assets of defined benefit plans are not recognized in net earnings. Instead, interest on net defined benefit obligation is recognized in net earnings, calculated using the discount rate used to measure the net pension obligation or asset.

The change in accounting policy has been applied retrospectively. As all components of other comprehensive income related to employee benefits were previously recognized in retained earnings, there was no impact on the January 1, 2012 statement of financial position for the adoption of IAS 19R.

The following is a summary of the impact of the adjustments related to the adoption of IAS 19R on the respective financial statements:

As at and for the three months ended March 31, 2012:

- Increase in pension expense and accrued pension liability - $368
- Decrease in income tax expense and increase in deferred tax assets - $98
- Decrease in net earnings - $270, $0.00 per share

As at and for the year ended December 31, 2012:

- Increase in pension expense - $1,470
- Decrease in income tax expense - $390
- Decrease in net earnings - $1,080, $0.01 per share basic
- Decrease in other comprehensive loss - $1,080
- No change to accrued pension liability or deferred tax assets

The Company also adopted the following new standards effective January 1, 2013. The adoption of these standards did not have a significant effect on the financial statements of the Company.

- IFRS 10 – *Consolidated Financial Statements*
- IFRS 11 – *Joint Arrangements*
- IFRS 12 – *Disclosure of Interests in Other Entities*
- IFRS 13 – *Fair Value Measurement*
- Amendments to IAS 27 – *Separate Financial Statements*
- Amendments to IAS 28 – *Investments in Associates*
- IAS 1 **–** *Presentation of Financial Statements*

The preparation of financial statements in conformity with IFRS requires estimates and assumptions that affect the results of operations and financial position. By their nature, these judgments are subject to an inherent degree of uncertainty and are based upon historical experience, trends in the industry and information available from outside sources. Management reviews its estimates on an ongoing basis. Different accounting policies, or changes to estimates or assumptions could potentially have a material impact, positive or negative, on Toromont's financial position and results of operations. There have been no material changes to the critical accounting estimates as described in Note 2 to the Company's 2012 audited annual consolidated financial statements, contained in the Company's 2012 Annual Report.

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF DIRECTORS

Management is responsible for the information disclosed in this MD&A and the accompanying consolidated financial statements, and has in place appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. In addition, the Company's Audit Committee, on behalf of the Board of Directors, provides an oversight role with respect to all public financial disclosures made by the Company, and has reviewed and approved this MD&A and the accompanying consolidated financial statements. The Audit Committee is also responsible for determining that management fulfills its responsibilities in the financial control of operations, including disclosure controls and procedures and internal control over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The President & Chief Executive Officer and the Chief Financial Officer, together with other members of management, have designed the Company's disclosure controls and procedures ("DC&P") in order to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries would have been known to them and by others within those entities.

Additionally, they have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting ("ICFR") and the preparation of financial reporting in accordance with IFRS. The control framework used in the design of both DC&P and ICFR is the internal control integration framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

There have been no significant changes in the design of the Company's internal controls over financial reporting during the three-month period ended March 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

While the Officers of the Company have designed the Company's disclosure controls and procedures and internal control over financial reporting, they expect that the controls and procedures may not prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

NON-IFRS FINANCIAL MEASURES

The success of the Company and business unit strategies is measured using a number of key performance indicators, which are outlined below. These measures are also used by management in its assessment of relative investments in operations. These key performance indicators are not measurements in accordance with IFRS. It is possible that these measures will not be comparable to similar measures prescribed by other companies. They should not be considered as an alternative to net income or any other measure of performance under IFRS.

Operating Income and Operating Margin

Each business segment assumes responsibility for its operating results as measured by, amongst other factors, operating income, which is defined as income before income taxes, interest income and interest expense. Financing and related interest charges cannot be attributed to business segments on a meaningful basis that is comparable to other companies. Business segments and income tax jurisdictions are not synonymous, and it is believed that the allocation of income taxes distorts the historical comparability of the performance of the business segments. Consolidated and segmented operating income is reconciled to net earnings in the accompanying unaudited interim condensed financial statements.

Operating income margin is calculated by dividing operating income by total revenue.

Working Capital and Non-Cash Working Capital

Working capital is defined as current assets less current liabilities. Non-cash working capital is defined as working capital less cash and equivalents.

Net Debt to Total Capitalization

Net debt is defined as total long-term debt less cash and cash equivalents. Total capitalization is defined as net debt plus shareholders' equity. The ratio of net debt to total capitalization is determined by dividing net debt by total capitalization.

Advisory

Information in this press release that is not a historical fact is "forward-looking information". Words such as "plans", "intends", "outlook", "expects", "anticipates", "estimates", "believes", "likely", "should", "could", "will", "may" and similar expressions are intended to identify statements containing forward-looking information. Forward-looking information in this press release is based on current objectives, strategies, expectations and assumptions which management considers appropriate and reasonable at the time including, but not limited to, general economic and industry growth rates, commodity prices, currency exchange and interest rates, competitive intensity and shareholder and regulatory approvals.

By its nature, forward-looking information is subject to risks and uncertainties which may be beyond the ability of Toromont to control or predict. The actual results, performance or achievements of Toromont could differ materially from those expressed or implied by forward-looking information. Factors that could cause actual results, performance, achievements or events to differ from current expectations include, among others, risks and uncertainties related to: business cycles, including general economic conditions in the countries in which Toromont operates; commodity price changes, including changes in the price of precious and base metals; changes in foreign exchange rates, including the Cdn$/US$ exchange rate; the termination of distribution or original equipment manufacturer agreements; equipment product acceptance and availability of supply; increased competition; credit of third parties; additional costs associated with warranties and maintenance contracts; changes in interest rates; the availability of financing; and, environmental regulation.

Any of the above mentioned risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied in the forward-looking information and statements included in this press release. For a further description of certain risks and uncertainties and other factors that could cause or contribute to actual results that are materially different, see the risks and uncertainties set out in the "Risks and Risk Management" and "Outlook" sections of Toromont's most recent annual or interim Management Discussion and Analysis, as filed with Canadian securities regulators at www.sedar.com and may also be found at www.toromont.com. Other factors, risks and uncertainties not presently known to Toromont or that Toromont currently believes are not material could also cause actual results or events to differ materially from those expressed or implied by statements containing forward-looking information.

Readers are cautioned not to place undue reliance on statements containing forward-looking information that are included in this press release, which are made as of the date of this press release, and not to use such information for anything other than their intended purpose. Toromont disclaims any obligation or intention to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)

($ thousands)	Note	March 31 2013	December 31 2012	March 31 2012
				Restated See Note 1
Assets				
Current assets				
Cash		$ **3,070**	$ 2,383	$ 3,082
Accounts receivable	2	**212,308**	231,518	176,253
Inventories	3	**323,071**	327,785	364,962
Income taxes receivable		**4,373**	-	2,714
Derivative financial instruments		**482**	43	-
Other current assets		**3,423**	4,086	5,230
Total current assets		**546,727**	565,815	552,241
Property, plant and equipment	4	**158,345**	157,993	154,119
Rental equipment	4	**182,121**	158,932	163,704
Other assets	5	**8,182**	12,614	8,302
Deferred tax assets		**13,655**	13,697	13,898
Goodwill and intangible assets	6	**27,612**	27,119	13,450
Total assets		$ **936,642**	$ 936,170	$ 905,714
Liabilities				
Current liabilities				
Accounts payable, accrued liabilities and provisions	7	$ **186,408**	$ 203,468	$ 255,411
Deferred revenues		**54,944**	54,664	50,475
Current portion of long-term debt	8	**2,095**	1,372	1,325
Derivative financial instruments		**-**	262	3,221
Income taxes payable		**-**	3,130	-
Total current liabilities		**243,447**	262,896	310,432
Deferred revenues		**10,364**	11,337	10,683
Long-term debt	8	**169,039**	158,395	144,798
Accrued pension liability		**25,959**	26,840	25,705
Derivative financial instruments		**-**	127	261
Shareholders' equity				
Share capital	9	**273,790**	270,900	269,944
Contributed surplus		**5,871**	5,957	5,291
Retained earnings		**207,382**	199,486	139,389
Accumulated other comprehensive income (loss)		**790**	232	(789)
Shareholders' equity		**487,833**	476,575	413,835
Total liabilities and shareholders' equity		$ **936,642**	$ 936,170	$ 905,714

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS
(Unaudited)

($ thousands, except share amounts)	Note		Three months ended March 31 2013		2012 *Restated See Note 1*
Revenues		**$**	**313,132**	$	281,459
Cost of goods sold			**237,213**		206,214
Gross profit			**75,919**		75,245
Selling and administrative expenses			**50,568**		51,177
Operating income			**25,351**		24,068
Interest expense	11		**2,102**		2,121
Interest and investment income	11		**(1,192)**		(1,195)
Income before income taxes			**24,441**		23,142
Income taxes	12		**6,593**		6,172
Net Earnings		**$**	**17,848**	$	16,970
Earnings per share					
Basic	13	**$**	**0.23**	$	0.22
Diluted	13	**$**	**0.23**	$	0.22
Weighted average number of shares outstanding					
Basic			**76,495,141**		76,785,655
Diluted			**77,088,916**		77,474,755

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

($ thousands)	Three months ended March 31 **2013**	2012 *Restated See Note 1*
Net earnings	**$ 17,848**	$ 16,970
Other comprehensive income to be reclassified to net earnings in subsequent periods:		
Change in fair value of derivatives designated as cash flow hedges, net of income taxes [Income taxes (recovery) 2013 - $306; 2012 - ($851)]	**866**	(2,017)
(Gains) losses on derivatives designated as cash flow hedges transferred to net income in the current period, net of income taxes [Income taxes (recovery) 2013 - ($151); 2012 - $161]	**(423)**	433
Unrealized gain (loss) on translation of financial statements of foreign operations	**115**	(97)
Other comprehensive income (loss)	**558**	(1,681)
Comprehensive income	**$ 18,406**	$ 15,289

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Three months ended March 31 ($ thousands)	Note	2013	2012
			Restated See Note 1
Operating activities			
Net earnings		**$ 17,848**	$ 16,970
Items not requiring cash and cash equivalents			
Depreciation and amortization		**12,509**	10,965
Stock-based compensation		**489**	351
Accrued pension liability		**(881)**	(455)
Future income taxes		**(123)**	(473)
Gain on sale of rental equipment, property, plant and equipment		**(2,105)**	(2,844)
		27,737	24,514
Net change in non-cash working capital and other	16	**2,871**	(65,119)
Cash provided by (used in) operating activities		**30,608**	(40,605)
Investing activities			
Additions to:			
Rental equipment		**(34,070)**	(39,252)
Property, plant and equipment		**(4,666)**	(6,120)
Intangible assets		**(500)**	-
Proceeds on disposal of:			
Rental equipment		**4,888**	6,882
Property, plant and equipment		**64**	43
Increase in other assets		**(76)**	(73)
Cash used in investing activities		**(34,360)**	(38,520)
Financing activities			
Increase in term credit facility debt		**11,225**	12,437
Repayment of long-term debt		**-**	(629)
Dividends	9	**(9,164)**	(8,433)
Cash received on exercise of stock options		**2,315**	3,557
Cash provided by financing activities		**4,376**	6,932
Effect of exchange rate changes on cash denominated in foreign currency		**63**	(44)
Increase (decrease) in cash		**687**	(72,237)
Cash at beginning of period		**2,383**	75,319
Cash at end of period		**$ 3,070**	$ 3,082

Supplemental cash flow information (note 16)

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

($ thousands)	Note	Share Capital	Contributed Surplus	Retained Earnings	Foreign Currency Translation Adjustments	Cash Flow Hedges	Total accumulated other comprehensive income	Total
At January 1, 2013		**$ 270,900**	**$ 5,957**	**$ 199,486**	**$ 424**	**$ (192)**	**$ 232**	**$ 476,575**
Net earnings		-	-	17,848	-	-	-	17,848
Other comprehensive gain		-	-	-	115	443	558	558
Effect of stock compensation plans		2,890	(86)	-	-	-	-	2,804
Dividends	9	-	-	(9,952)	-	-	-	(9,952)
At March 31, 2013		**$ 273,790**	**$ 5,871**	**$ 207,382**	**$ 539**	**$ 251**	**$ 790**	**$ 487,833**

($ thousands) *Restated - See Note 1*	Note	Share Capital	Contributed Surplus	Retained Earnings	Foreign Currency Translation Adjustments	Cash Flow Hedges	Total accumulated other comprehensive income	Total
At January 1, 2012		**$ 265,436**	**$ 5,890**	**$ 131,643**	**$ 545**	**$ 347**	**$ 892**	**$ 403,861**
Net earnings		-	-	16,970	-	-	-	16,970
Other comprehensive loss		-	-	-	(97)	(1,584)	(1,681)	(1,681)
Effect of stock compensation plans		4,508	(599)	-	-	-	-	3,909
Dividends	9	-	-	(9,224)	-	-	-	(9,224)
At March 31, 2012		**$ 269,944**	**$ 5,291**	**$ 139,389**	**$ 448**	**$ (1,237)**	**$ (789)**	**$ 413,835**

See accompanying notes

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Toromont Industries Ltd. (the "Company" or "Toromont") is a limited company incorporated and domiciled in Canada whose shares are publicly traded on the Toronto Stock Exchange under the symbol TIH. The registered office is located at 3131 Highway 7 West, Concord, Ontario, Canada.

Toromont operates through two business segments: The Equipment Group and CIMCO. The Equipment Group includes one of the larger Caterpillar dealerships by revenue and geographic territory in addition to industry-leading rental operations. CIMCO is a market leader in the design, engineering, fabrication and installation of industrial and recreational refrigeration systems. Both segments offer comprehensive product support capabilities. Toromont employs over 3,000 people in almost 100 locations.

Basis of Preparation

These interim condensed consolidated financial statements were prepared in accordance with IAS 34 - *Interim Financial Reporting*. Accordingly, these interim condensed consolidated financial statements do not include all disclosures required for annual financial statements and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2012.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements were the same as those that applied to the Company's consolidated financial statements as at and for the year ended December 31, 2012.

The interim condensed consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest thousands, except where otherwise indicated.

These interim condensed consolidated financial statements were authorized for issue by the Audit Committee of the Board of the Directors on April 24, 2013.

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2012, except as noted below.

a. IAS 19 - *Employee Benefits*

The Company adopted revisions to IAS 19 - *Employee Benefits* ("IAS 19R") effective January 1, 2013. As a result, expected returns on plan assets of defined benefit plans are not recognized in net earnings. Instead, interest on net defined benefit obligation is recognized in net earnings, calculated using the discount rate used to measure the net pension obligation or asset.

The change in accounting policy has been applied retrospectively. As all components of other comprehensive income related to employee benefits were previously recognized in retained earnings, there was no impact on the January 1, 2012 statement of financial position for the adoption of IAS 19R.

The following is a summary of the impact of the adjustments related to the adoption of IAS 19R on the respective financial statements:

As at and for the three months ended March 31, 2012:

- Increase in pension expense and accrued pension liability - $368
- Decrease in income tax expense and increase in deferred tax assets - $98
- Decrease in net earnings - $270, $0.00 per share

As at and for the year ended December 31, 2012:

- Increase in pension expense - $1,470
- Decrease in income tax expense - $390
- Decrease in net earnings - $1,080, $0.01 per share basic
- Decrease in other comprehensive loss - $1,080
- No change to accrued pension liability or deferred tax assets

b. IFRS 10 - *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements*, IFRS 12 – *Disclosure of Interests in Other Entities* and amendments to IAS 27 - *Separate Financial Statements* and IAS 28 – *Investments in Associates*

The adoption of these standards and amendments had no impact on the financial statements of the Company.

c. IFRS 13 - *Fair Value Measurement*

IFRS 13 defines fair value and provides guidance for measuring fair value and identifies the required disclosures pertaining to fair value measurement. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Company.

d. IAS 1 - *Presentation of Financial Statements*

The amendments enhance the presentation of other comprehensive income (“OCI”) in the financial statements, primarily by requiring the components of OCI to be presented separately for items that may be reclassified to the statement of earnings from those that remain in equity. The amendment affected presentation only and had no impact on the Company’s financial position or performance.

2. ACCOUNTS RECEIVABLE

		March 31 2013		December 31 2012		March 31 2012
Trade receivables	**$**	**201,757**	$	221,999	$	171,258
Less: allowance for doubtful accounts		**(5,992)**		(5,496)		(5,653)
Trade receivables - net		**195,765**		216,503		165,605
Other receivables		**16,543**		15,015		10,648
Trade and other receivables	**$**	**212,308**	$	231,518	$	176,253

The aging of gross trade receivables at each reporting date was as follows:

		March 31 2013		December 31 2012		March 31 2012
Current to 90 days	**$**	**188,154**	$	211,750	$	159,856
over 90 days		**13,603**		10,249		11,402
	$	**201,757**	$	221,999	$	171,258

The movement in the Company's allowance for doubtful accounts was as follows:

		Three months ended March 31		
		2013		2012
Balance, beginning of period	**$**	**5,496**	$	5,574
Provisions and revisions, net		**496**		79
Balance, end of period	**$**	**5,992**	$	5,653

3. INVENTORIES

		March 31 2013		December 31 2012		March 31 2012
Equipment	**$**	**218,158**	$	219,549	$	261,856
Repair and distribution parts		**73,736**		76,783		77,066
Direct materials		**2,454**		2,598		2,867
Work-in-process		**28,723**		28,855		23,173
	$	**323,071**	$	327,785	$	364,962

The amount of inventory recognized as an expense and included in cost of goods sold accounted for other than by the percentage-of-completion method during the first quarter of 2013 was $179 million (2012 - $162 million). The cost of goods sold includes inventory write-downs pertaining to obsolescence and aging together with recoveries of past write-downs upon disposition. The net amount charged to the consolidated income statement and included in cost of goods sold during the first quarter of 2013 was $0.1 million (2012 – $0.7 million net recovery).

4. PROPERTY, PLANT AND EQUIPMENT

During the three months ended March 31, 2013, the Company acquired rental assets with a cost of $34,070 and property, plant and equipment with a cost of $4,666 (2012 - $39,252 and $6,120 respectively).

Rental assets with a net book value of $2,819 and property, plant and equipment with a net book value of $30 were disposed of during the three months ended March 31, 2013 (2012 - $4,071 and $12 respectively) resulting in a net gain on disposal of $2,105 (2012 – $2,844).

During the three months ended March 31, 2013 depreciation expense of $11,220 was included in cost of goods sold (2012 - $9,471) and $1,139 was included in selling and administrative expenses (2012 - $1,275).

5. OTHER ASSETS

		March 31 2013		December 31 2012		March 31 2012
Equipment sold with guaranteed residual values	**$**	**6,948**	$	11,456	$	7,365
Other		**1,234**		1,158		937
	$	**8,182**	$	12,614	$	8,302

6. GOODWILL AND INTANGIBLE ASSETS

		March 31 2013		December 31 2012		March 31 2012
Goodwill	**$**	**13,450**	$	13,450	$	13,450
Intangible assets		**14,162**		13,669		-
	$	**27,612**	$	27,119	$	13,450

7. PAYABLES, ACCRUALS AND PROVISIONS

		March 31 2013		December 31 2012		March 31 2012
Accounts payable and accrued liabilities	**$**	**165,500**	$	183,361	$	237,237
Dividends payable		**9,951**		9,165		9,224
Provisions		**10,957**		10,942		8,950
	$	**186,408**	$	203,468	$	255,411

8. LONG-TERM DEBT

	March 31 2013	December 31 2012	March 31 2012
Bank credit facility	**$ 37,772**	$ 26,547	$ 12,437
Senior debentures	**135,883**	135,883	136,534
Debt issuance costs, net of amortization	**(2,521)**	(2,663)	(2,848)
Total long-term debt	**171,134**	159,767	146,123
Less current portion	**2,095**	1,372	1,325
	$ 169,039	$ 158,395	$ 144,798

All debt is unsecured.

At March 31, 2013, standby letters of credit issued utilized an additional $24.2 million of the credit lines (December 31, 2012 – $24.1 million; March 31, 2012 – $24.0 million).

9. SHARE CAPITAL

The changes in the common shares issued and outstanding were as follows:

	Three months ended March 31, 2013		Three months ended March 31, 2012	
	Number of Common Shares	**Common Share Capital**	Number of Common Shares	Common Share Capital
Balance, beginning of period	**76,407,658**	**$ 270,900**	76,629,777	$ 265,436
Exercise of stock options	**164,610**	**2,890**	263,655	4,508
Balance, end of period	**76,572,268**	**$ 273,790**	76,893,432	$ 269,944

Dividends

The Company paid dividends of $9.2 million, $0.12 per share, for the three months ended March 31, 2013 (March 31, 2012 – $8.4 million, $0.11 per share).

The quarterly dividend was increased on February 11, 2013 to $0.13 per share effective with the dividend paid on April 1, 2013.

10. FINANCIAL INSTRUMENTS

Financial Assets and Liabilities – Classification and Measurement

Financial assets and financial liabilities are measured on an ongoing basis at cost, fair value or amortized cost, depending on the classification. The following table highlights the carrying amounts and classifications of financial assets and liabilities:

as at March 31, 2013		Cash, loans and receivables		Derivatives used for hedging		Other financial liabilities		Total
Cash and cash equivalents	$	3,070	$	-	$	-	$	3,070
Accounts receivable		212,308		-		-		212,308
Accounts payable and accrued liabilities		-		-		(186,408)		(186,408)
Current portion of long-term debt		-		-		(2,095)		(2,095)
Derivative financial instruments		-		482		-		482
Long term debt		-		-		(169,039)		(169,039)
Total	$	215,378	$	482	$	(357,542)	$	(141,682)

Fair Value of Financial Instruments

The estimated fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and borrowings under the bank term facility approximate their respective carrying values given their short term maturities.

The fair value of senior debentures as at March 31, 2013 was $146,246 (carrying value of $135,883). The fair value was determined using the discounted cash flow method, a generally accepted valuation technique. The discounted factor is based on market rates for debt with similar terms and remaining maturities and that has been adjusted for our credit quality. The Company has no plans to prepay these instruments prior to maturity. The valuation is determined using Level 2 inputs which are observable inputs or inputs which can be corroborated by observable market data for substantially the full term of asset or liability.

During the period ended March 31, 2013, there were no transfers between Level 1 and Level 2 fair value measurements.

Derivative Financial Instruments and Hedge Accounting

Foreign exchange contracts and options are transacted with financial institutions to hedge foreign currency denominated obligations related to purchases of inventory and sales of products. The following table summarizes the Company’s commitments to buy and sell foreign currencies as at March 31, 2013.

		Notional Amount		Average Exchange Rate *	Maturity
Purchase contracts	USD	148,014	$	1.0140	April 2013 to February 2014
	EUR	39	$	1.3465	June 2013
Sales contracts	EUR	39	$	1.3465	June 2013
	GBP	440	$	1.5935	June 2013 to March 2014

* CDN $ required to purchase one denominated unit

Management estimates that a gain of $482 would be realized if the contracts were terminated on March 31, 2013. Certain of these forward contracts are designated as cash flow hedges, and accordingly, an unrealized gain of $338 has been included in other comprehensive income.

These gains are not expected to affect net income as the gains will be reclassified to net income within the next twelve months and will offset losses recorded on the underlying hedged items, namely foreign denominated accounts payable. A gain of $144 on forward contracts not designated as hedges is included in net income which offsets losses recorded on the foreign-denominated items, namely accounts payable.

11. INTEREST INCOME AND EXPENSE

The components of interest expense were as follows:

		Three months ended March 31		
		2013		2012
Term loan facility	**$**	**407**	$	394
Senior debentures		**1,695**		1,727
	$	**2,102**	$	2,121

The components of interest and investment income were as follows:

		2013		2012
Interest income on rental conversions	**$**	**1,040**	$	1,057
Other		**152**		138
	$	**1,192**	$	1,195

12. INCOME TAXES

A reconciliation of income taxes at Canadian statutory rates with the reported income taxes was as follows:

		Three months ended March 31		
		2013		**2012**
Statutory Canadian federal and provincial income tax rates		**26.50%**		26.25%
Expected taxes on income	**$**	**6,477**	$	6,171
Increase (decrease) in income taxes resulting from:				
Higher effective tax rates in other jurisdictions		**36**		51
Manufacturing and processing rate reduction		**(32)**		(35)
Expenses not deductible (income not taxable) for tax purposes		**118**		(10)
Other		**(6)**		(5)
Provision for income taxes	**$**	**6,593**	$	6,172
Effective income tax rate		**26.98%**		26.67%

13. EARNINGS PER SHARE

	Three months ended March 31	
	2013	2012
Net earnings available to common shareholders	**$ 17,848**	$ 16,970
Weighted average common shares outstanding	**76,495,141**	76,785,655
Dilutive effect of stock option conversion	**593,775**	689,100
Diluted weighted average common shares outstanding	**77,088,916**	77,474,755
Earnings per share:		
Basic	**$ 0.23**	$ 0.22
Diluted	**$ 0.23**	$ 0.22

There were no anti-dilutive options for the three months ended March 31, 2013 or 2012.

14. STOCK BASED COMPENSATION

A reconciliation of the outstanding options was as follows:

	Three Months ended March 31			
	2013		2012	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	**2,564,355**	**$ 16.92**	2,419,060	$ 15.41
Exercised (1)	**(164,610)**	**14.06**	(263,655)	13.49
Forfeited	**(700)**	**13.87**	(8,670)	15.47
Options outstanding, end of period	**2,399,045**	**$ 17.12**	2,146,735	$ 15.64
Options exercisable, end of period	**1,044,180**	**$ 15.43**	996,250	$ 14.89

(1) The weighted average share price at date of exercise for three-month period ended March 31, 2013 was $22.55. The weighted average share price at date of exercise for three-month period ended March 31, 2012 was $22.66.

The following table summarizes stock options outstanding and exercisable as at March 31, 2013.

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	**Number Outstanding**	**Weighted Average Remaining Life (years)**	**Weighted Average Exercise Price**	**Number Outstanding**	**Weighted Average Exercise Price**
$12.42 - $14.19	289,250	2.9	$ 12.43	212,790	$ 12.43
$14.20 - $16.93	933,470	2.8	$ 16.23	721,870	$ 16.07
$16.94 - $20.76	1,176,325	5.9	$ 18.99	109,520	$ 17.10
Total	2,399,045	4.3	$ 17.12	1,044,180	$ 15.43

Deferred Share Unit Plan

A reconciliation of the DSU plan was as follows:

	Three months ended 2013			Three months ended 2012		
	Number of DSUs		**Value**	Number of DSUs		Value
Outstanding, beginning of period	**211,872**	**$**	**4,297**	193,728	$	4,093
Units taken in lieu of performance incentive awards, director fees and dividends	**51,957**		**1,148**	25,083		596
Redemptions	**-**		**-**	(7,780)		(160)
Fair market value adjustment	**-**		**662**	-		424
Outstanding, end of period	**263,829**	**$**	**6,107**	211,031	$	4,953

The liability for deferred share units is recorded in Accounts payable and accrued liabilities.

15. EMPLOYEE FUTURE BENEFITS

The net pension expense included the following components:

	Three months ended March 31			
		2013		2012
Defined benefit plans	**$**	**588**	$	621
Defined contribution plans		**2,118**		2,100
401(k) matched savings plans		**32**		29
Net pension expense	**$**	**2,738**	$	2,750

16. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31	
	2013	2012
Net change in non-cash working capital and other		
Accounts receivables	**$ 19,210**	$ 32,990
Inventories	**4,715**	(63,025)
Accounts payable, accrued liabilities and provisions	**(17,846)**	(25,324)
Deferred revenues	**(694)**	1,671
Other	**(2,514)**	(11,431)
	$ 2,871	$ (65,119)
Cash paid during the period for:		
Interest	**$ 258**	$ 648
Income taxes	**$ 14,191**	$ 17,709
Cash received during the period for:		
Interest	**$ 1,097**	$ 1,195

17. SEGMENTED INFORMATION

The Company has two reportable operating segments, each supported by the corporate office. The business segments are strategic business units that offer different products and services, and each is managed separately. The corporate office provides finance, treasury, legal, human resources and other administrative support to the business segments. Corporate overheads are allocated to the business segments based on revenue.

The accounting policies of the reportable operating segments are the same as those described in Note 1 – Significant Accounting Policies. Each reportable operating segment's performance is measured based on operating income. No reportable operating segment is reliant on any single external customer.

	Equipment Group		**CIMCO**		**Consolidated**	
Three months ended March 31	**2013**	2012	**2013**	2012	**2013**	2012
Equipment/package sales	**$ 126,890**	$ 118,478	**$ 26,981**	$ 16,821	**$ 153,871**	$ 135,299
Rentals	**39,829**	33,724	**-**	-	**39,829**	33,724
Product support	**97,182**	90,526	**19,335**	18,839	**116,517**	109,365
Power generation	**2,915**	3,071	**-**	-	**2,915**	3,071
Total revenues	**$ 266,816**	$ 245,799	**$ 46,316**	$ 35,660	**$ 313,132**	$ 281,459
Operating Income	**$ 24,105**	$ 22,547	**$ 1,246**	$ 1,521	**$ 25,351**	$ 24,068

Selected balance sheet information:

	Equipment Group	CIMCO	Corporate	Consolidated
Identifiable assets:				
As at March 31, 2013	$ 838,446	$ 57,072	$ 41,124	$ 936,642
As at December 31, 2012	$ 835,649	$ 65,530	$ 34,991	$ 936,170
As at March 31, 2012	$ 843,477	$ 42,659	$ 19,578	$ 905,714
Identifiable liabilities:				
As at March 31, 2013	$ 194,973	$ 31,833	$ 222,003	$ 448,809
As at December 31, 2012	$ 213,928	$ 38,845	$ 206,822	$ 459,595
As at March 31, 2012	$ 270,131	$ 26,217	$ 195,531	$ 491,879

Operating income from rental operations for the quarter ended March 31, 2013 was $3.9 million (2012 - $1.9 million).

18. SEASONALITY OF BUSINESS

Interim period revenues and earnings historically reflect seasonality. For the Equipment Group, the first quarter is typically the weakest due to winter shutdowns in the construction industry while the fourth quarter has consistently been the strongest quarter due to higher conversions at the Caterpillar dealership of equipment on rent with a purchase option. For CIMCO, the fourth quarter tends to be the strongest due to higher activity in recreational markets in advance of the winter recreational season.

How to get in touch with us

Tel: 416 667 5511
Fax: 416 667 5555
E-mail: investorrelations@toromont.com
www.toromont.com

How to reach our transfer agent and registrar

Investors are encouraged to contact CIBC Mellon Trust Company for information regarding their security holdings.

CIBC Mellon Trust Company
c/o Canadian Stock Transfer Company Inc.
P.O. Box 7010, Station B
Montreal, Quebec
H3B 3K3
Answer Line: 416 682 3260 or
Toll-Free North America: 1 800 387 0825
E-mail: inquiries@canstockta.com
www.canstockta.com

Common Shares
Listed on the Toronto Stock Exchange
Stock Symbol – TIH

Toromont Industries Ltd.
Corporate Office
3131 Highway 7 West
P.O. Box 5511
Concord ON L4K 1B7