



Toromont Announces Results for the First Quarter of 2011

TORONTO, ONTARIO -- (MARKET WIRE) -- 05/10/11 -- Toromont Industries Ltd. (TSX: TIH) today reported financial results for the three-month period ended March 31, 2011.

	Three months ended March 31		

millions, except per share amounts	2011	2010	% change

Revenues	\$ 588.0	\$ 425.3	38%
Operating income	\$ 36.5	\$ 9.0	306%
Net earnings	\$ 21.6	\$ 15.5	40%
Earnings per share - basic	\$ 0.28	\$ 0.21	33%
Weighted average shares outstanding	77.2	73.9	4%

Note - In the first quarter of 2010, Toromont completed the acquisition of Enerflex Systems Income Fund and its results have been consolidated from January 20, 2010, the date of acquisition.

Toromont started the year on a very strong note, continuing the positive momentum reported in the fourth quarter of 2010. First quarter bookings were up 27%, backlogs increased year-over-year by 59% to \$1 billion, revenues were 38% higher and net quarterly earnings were 40% higher.

"Thirty-eight percent revenue growth produced a 306% increase in operating income, reflecting higher plant loading, better margins and good expense control. Product support was especially strong in what is normally a weak quarter, indicating that equipment is being put back to work in all of our markets," said Robert M. Ogilvie, Chairman and Chief Executive Officer of Toromont Industries Ltd. "The integration of Enerflex, our gas compression group, is complete as to structure and people. Expected synergies are being realized. Two non-core businesses have been sold as well as surplus inventory and real estate. As a result of asset reductions and good cash flow from operations, acquisition debt has been reduced by \$215 million in the past year, \$45 million in the past quarter alone."

First Quarter Highlights(1):

- Net earnings were \$21.6 million in the quarter, up 40% from \$15.5 million reported in the same quarter last year. Net earnings in 2010 included (all on an after-tax basis) a gain on units of Enerflex Systems Income Fund ("ESIF") held at time of acquisition of \$16.3 million partially offset by \$4.3 million in acquisition and integration expenses.
- During the quarter, inter-company dividends were declared and paid by certain foreign operations. While these dividends were not subject to income tax in Canada, withholding tax of \$3.2 million (5%) was paid in the foreign jurisdictions (\$0.04 per share). Excluding this, the effective income tax rate in the quarter was 28.5%.
- Equipment Group revenues of \$221 million were up 25% in the first quarter versus the similar period of 2010 on strong new machine sales and higher rental activities. Product support revenues reached an all time record of \$82 million. Operating income increased 51% compared to last year on higher revenues and lower relative expenses.
- Equipment Group bookings totalling \$136 million in the first quarter were even with the first quarter of 2010. Backlogs were \$287 million were up 72% compared to this time last year. Mining, power systems and road building have reported strong activity levels.
- Enerflex revenues of \$326 million were up 54% in the quarter compared to the same period last year. Product support revenues increased 43% with strong increases in Canada and Australia. Operating income was \$14.4 million for the first quarter of 2011. Enerflex reported an operating loss of \$4.9 million in the first quarter of 2010, in part due to

acquisition and integration costs of \$5.5 million.

- With the integration of the legacy Enerflex and Toromont natural gas businesses largely complete, previously announced synergies are now being realized. In addition to cost savings, capital employed has been reduced significantly from the time of acquisition. Enerflex inventory levels have been reduced from \$288 million at March 31, 2010 to \$179 million at March 31, 2011. Capital assets have also reduced from \$330 million to \$287 million and additional facilities are listed for sale.
- Enerflex bookings totalling \$252 million in the quarter were 62% higher than those reported in the first quarter of 2010. Backlogs ended the quarter at \$672 million, 4% higher than at December 31, 2010 and 60% higher than at March 31, 2010.
- During the quarter, the Company sold Enerflex Environmental Australia as it was considered not to be core to the growth initiatives of the Company.
- Refrigeration Group revenues of \$41 million were up 12% in the quarter compared to the same period last year. Operating income increased substantially to \$2.6 million, reaching a record for this time of year.
- Refrigeration Group bookings totalling \$23 million in the quarter were 29% lower than those reported in the first quarter of 2010, stemming in part from the end of the governmental stimulus program. Backlogs ended the quarter at \$67 million.
- The Company maintained a strong financial position and ended the quarter with \$81.8 million of cash, while reducing its acquisition debt by \$45 million during the quarter. Strong cash flow over the last twelve month

period has allowed the Company to repay \$215 million of the \$450 million acquisition financing since March 31, 2010. Total debt net of cash to shareholders' equity was 0.24:1.

- The Company held its Annual Meeting of Shareholders on April 21, 2011. The meeting is available via webcast of audio and slides at www.toromont.com.

- The Board of Directors declared the regular quarterly dividend of \$0.16 per common share, payable on July 1, 2011 to shareholders of record on June 10, 2011. If the previously announced spinoff of Enerflex Ltd. is effected prior to June 10, 2011, Toromont will instead pay this quarterly dividend in an amount of \$0.10 per share on its outstanding common shares. In this event, Enerflex will separately announce its dividend payable contemporaneously with Toromont's dividend. It is expected that Enerflex would declare a dividend of \$0.06 per share on its outstanding common shares to holders of record on June 10, 2011, such that the initial quarterly dividends paid by Toromont and Enerflex to their respective shareholders after the spinoff is effected will, in the aggregate, equal \$0.16 per share.

- A Special Shareholders Meeting will be held on May 16, 2011 at which time shareholders will be invited to vote on the proposed spinoff. Additional information is contained in Toromont's management information circular filed with respect of this meeting, dated April 11, 2011, and is available at www.sedar.com and www.toromont.com/spinoff.

- The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All 2010 comparative figures have been restated. Management believes that the impact to net earnings in the quarter as a consequence to the

implementation of IFRS was insignificant. For a more detailed discussion refer to Note 3 to the unaudited interim financial statements for the three month period ending March 31, 2011

"We expect that the Equipment and Refrigeration Groups will continue to benefit from the general recovery that appears to be taking hold in their respective markets," continued Mr. Ogilvie. "Enerflex bookings and backlogs were higher again this past quarter. Current prospects are encouraging and the long term outlook for natural gas has improved significantly in recent months. We encourage all of our shareholders to register their support for the spinoff transaction by completing and submitting their proxy forms prior to the vote on May 16th."

Quarterly Results Materials

The complete first quarter report for 2011, including MD&A and unaudited interim financial statements, is available on our website at www.toromont.com.

Quarterly Conference Call and Webcast

Interested parties are invited to join the quarterly conference call with investment analysts, in listen-only mode, on Tuesday, May 10, 2011 at 5:00 p.m. (ET). The call may be accessed by telephone at 1-800-355-4959 (toll free) or 416-695-6616 (Toronto area). A replay of the conference call will be available until Tuesday, May 24, 2011 by calling 1-800-408-3053 or 905-694-9451 and quoting passcode 6567856.

Both the live webcast and the replay of the quarterly conference call can be accessed at www.toromont.com.

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 or Enerflex 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 and Enerflex operate; commodity price changes, including changes in the price of precious and base metals and natural gas; 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; environmental regulation; the integration of Enerflex's operations with the gas compression operations of Toromont; and Enerflex's future dividend policy. Forward-looking information in respect of the spinoff of Enerflex as a separate, publicly traded company also entails various risks and uncertainties, including, among others, risks and uncertainties related to: obtaining approvals, rulings and consents, or satisfying other requirements, necessary or desirable to permit or facilitate completion of the spinoff; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the spinoff, the potential for a lower combined trading price of common shares of Toromont and Enerflex after the spinoff the lack of an established market for common shares of Enerflex, the possibility of a negative effect on trading prices if current shareholders of Toromont are unwilling or unable to hold common shares of Toromont or Enerflex after the spinoff, potential exposure to substantial tax liabilities if the tax-deferred spinoff requirements are not met, delays or amendments to the spinoff if certain consents and approvals are not obtained on a timely basis, potentially significant indemnification obligations on Toromont and Enerflex following the spinoff and less diverse businesses of the separate companies resulting from the spinoff.

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. Certain risks and uncertainties specific to the proposed spinoff and Enerflex are further described in the information circular dated April 11, 2011 for the special shareholder meeting at which the spinoff will be considered. 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.

About Toromont

Toromont Industries Ltd. operates through three business segments: The Equipment Group, Refrigeration Group and Enerflex. The Equipment Group includes one of the larger Caterpillar dealerships by revenue and geographic territory in addition to industry leading rental operations. Enerflex is a global leader specializing in the design, engineering, fabrication, and installation of compression systems for natural gas, coal-bed methane, fuel gas and carbon dioxide in addition to process systems. Refrigeration Group, operating as CIMCO, is a market leader in the design, engineering, fabrication and installation of industrial and recreational refrigeration systems. All segments offer comprehensive product support capabilities. This press release and more information about Toromont Industries can be found on the Web at www.toromont.com.

TOROMONT INDUSTRIES LTD.

INTERIM CONSOLIDATED INCOME STATEMENTS

(unaudited)

	Three months ended March 31	
(\$ thousands, except share amounts)	2011	2010
Revenues	\$ 588,015	\$ 425,274
Cost of goods sold	466,818	342,858
Gross profit	121,197	82,416
Selling and administrative expenses	84,731	73,434
Operating income	36,466	8,982
Interest expense	4,613	7,104
Interest and investment income	(842)	(801)
Gain on available-for-sale financial assets	-	(18,627)
Equity earnings from associate	(201)	(217)

Income before income taxes	32,896	21,523
Income taxes	12,538	4,763
Net earnings from continuing operations	20,358	16,760
Gain on disposal of discontinued operations	1,430	-
Loss from discontinued operations	(164)	(1,283)
Net Earnings	\$ 21,624	\$ 15,477

Earnings attributable to :

Common shareholders	\$ 21,841	\$ 15,489
Non-controlling interests	\$ (217)	\$ (12)

Basic earnings per share

Continuing operations	\$ 0.26	\$ 0.23
Discontinued operations	0.02	(0.02)

\$ 0.28 \$ 0.21

Diluted earnings per share

Continuing operations	\$ 0.26	\$ 0.23
Discontinued operations	0.02	(0.02)

\$ 0.28 \$ 0.21

Weighted average number of shares outstanding

Basic	77,162,569	73,866,042
Diluted	77,492,954	74,205,914

(1)Includes non-GAAP financial measures. See discussion in "Non-GAAP Financial Measures" section in the Management's Discussion and Analysis with respect to financial results for the three-month period ending March 31, 2011.

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