First Quarter 2015 **April 22, 2015**

TOROMONT ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2015 AND REGULAR QUARTERLY DIVIDEND

Toromont Industries Ltd. (TSX: TIH) reported financial results for the first quarter ended March 31, 2015.

	Three months ended March 31		
millions, except per share amounts	**2015**	2014	**% change**
Revenues	**$ 340.2**	$ 311.7	**9%**
Operating income	**$ 28.8**	$ 26.6	**8%**
Net earnings	**$ 20.1**	$ 18.6	**8%**
Earnings per share - basic	**$ 0.26**	$ 0.24	**8%**

The Company delivered growth in a relatively tough market environment. Momentum in the Equipment Group continued with increased equipment sales and strong product support levels. CIMCO results were lower on project activity and timing in a seasonally low quarter, partly offset by higher product support sales.

Highlights:

- Equipment Group revenues were $296.7 million for the quarter, up 12% from 2014 on higher equipment sales and strong product support revenues. Operating income increased 14% compared to last year, reflecting the higher revenues.

- Equipment Group backlogs were $140 million at March 31, 2015 compared to $102 million at December 31, 2014 and $134 million at this time last year. Substantially the entire backlog is expected to be delivered this year. Bookings increased $15 million, or 10%, to $164 million compared to the same period last year.

- CIMCO revenues were $43.5 million, down 9% from 2014 as strong product support growth was more than offset by lower package revenues in both Canada and the US against tough year- over-year comparators. The first quarter is typically slower than the rest of the year due to seasonality affecting construction schedules. Operating income was lower in the quarter reflecting the lower revenues and higher selling and administrative expenses.

- CIMCO bookings in the quarter were up 3% with strong activity in US market segments and Canadian recreational markets. Backlogs increased 15% to $83 million in the quarter with substantially all expected to deliver over the remainder of the year.

- Net earnings increased 8% to $20.1 million on 9% higher revenues, an increasing proportion of which came from product support, partially offset by higher selling and administrative expense levels.

- Earnings per share (basic) increased 8% or $0.02 to $0.26 in the quarter.

- Toromont's financial position remains strong. Total debt, net of cash, to total capitalization was 11%, well within stated capital targets.

- The Board of Directors announced the regular quarterly dividend of 17 cents per common share, payable July 2, 2015 to shareholders of record on June 11, 2015. The regular quarterly dividend was previously increased 13% to 17 cents per share effective with the dividend paid April 1, 2015.

In the Equipment Group, heightened competitive conditions are expected to continue throughout the year, particularly in mining markets. The Company benefits from the diversity of markets served, product support growth and added returns from the expanded investment in the rental fleet. The growing product support sales at CIMCO combined with increasing bookings and backlog are encouraging.

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, 2015, 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, 2015, the annual MD&A contained in the 2014 Annual Report and the audited annual consolidated financial statements for the year ended December 31, 2014.

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 22, 2015.

Additional information is contained in the Company's filings with Canadian securities regulators, including the Company's 2014 Annual Report and 2015 Annual Information Form. These filings are available on SEDAR at www.sedar.com and on the Company's website at www.toromont.com.

Advisory

Information in this MD&A 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 MD&A 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 MD&A. 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 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 MD&A, which are made as of the date of this MD&A, 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.

CONSOLIDATED RESULTS OF OPERATIONS

	Three months ended March 31			
($ thousands, except per share amounts)	**2015**	2014	$ change	% change
REVENUES	**$ 340,196**	$ 311,748	$ 28,448	9%
Cost of goods sold	**254,092**	234,039	20,053	9%
Gross profit	**86,104**	77,709	8,395	11%
Selling and administrative expenses	**57,310**	51,149	6,161	12%
OPERATING INCOME	**28,794**	26,560	2,234	8%
Interest expense	**2,115**	2,085	30	1%
Interest and investment income	**(936)**	(1,066)	130	(12%)
Income before income taxes	**27,615**	25,541	2,074	8%
Income taxes	**7,478**	6,912	566	8%
NET EARNINGS	**$ 20,137**	$ 18,629	$ 1,508	8%
EARNINGS PER SHARE (BASIC)	**$ 0.26**	$ 0.24	$ 0.02	8%
KEY RATIOS:				
Gross profit as a % of revenues	**25.3%**	24.9%		
Selling and administrative expenses as a % of revenues	**16.8%**	16.4%		
Operating income as a % of revenues	**8.5%**	8.5%		
Income taxes as a % of income before income taxes	**27.1%**	27.1%		

Revenues increased 9% in the quarter buoyed by strong activity within the Equipment Group. CIMCO results declined as lower package sales more than offset solid product support growth.

Gross profit margins increased 40 basis points primarily as a result of improved sales mix with a higher proportion of product support revenues to total revenues (43.8% compared to 40.6% for the comparable period in 2014). The Equipment Group experienced a 20 basis points decrease while CIMCO's gross profit margins increased 260 basis points.

Selling and administrative expenses increased 12% in the quarter, in part reflecting the 9% increase in revenues. Mark-to-market adjustments on Deferred Share Units ("DSUs") represented $1.7 million (28%) of the increase. General increases were noted in both operating segments.

Operating income increased $2.2 million or 8% in the quarter on the higher revenues and gross profits, partially offset by higher selling and administrative expenses. Operating income as a percentage of revenues was flat versus a year ago at 8.5%.

Interest expense was relatively flat in the quarter compared to 2014. Interest income decreased by 12% from prior year reflecting lower interest rates and lower cash balances.

The effective income tax rate for 2015 was 27.1%, unchanged from the prior year.

Earnings per share for the first quarter were $0.26 per share, 8% higher than 2014.

Comprehensive income in the quarter was $24.0 million, comprised of net earnings of $20.1 million and other comprehensive income of $3.9 million. Other comprehensive income reflects a positive change in the fair value of derivatives designated as cash flow hedges.

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.

The Equipment Group

	Three months ended March 31			
($ thousands)	**2015**	2014	$ change	% change
Equipment sales and rentals				
New	**$ 89,203**	$ 80,880	$ 8,323	10%
Used	**37,176**	31,143	6,033	19%
Rental	**41,721**	42,748	(1,027)	(2%)
Total equipment sales and rentals	**168,100**	154,771	13,329	9%
Power generation	**2,735**	3,129	(394)	(13%)
Product support	**125,835**	105,934	19,901	19%
Total revenues	**$ 296,670**	$ 263,834	$ 32,836	12%
Operating income	**$ 28,632**	$ 25,143	$ 3,489	14%
KEY RATIOS:				
Product support revenues as a % of total revenues	**42.4%**	40.2%		
Operating income as a % of revenues	**9.7%**	9.5%		
Group total revenues as a % of consolidated revenues	**87.2%**	84.6%		

New equipment sales were up 10% in the quarter with higher revenues from construction (up 24%) and agriculture (up 63%) partially offset by lower mining sales (down 71%).

Used equipment sales also increased in the quarter (up 19%) with strong construction (up 17%), mining (up 59%) and agriculture (up 606%) partially offset by marginal decreases across other market segments. Used equipment sales vary on factors such as product availability (both new and used), customer demands and the general pricing environment.

Rental revenues were down 2% partly due to seasonal conditions. Higher heavy equipment rental revenues (up 3%) were more than offset by lower light equipment (down 3%), power rentals (down 7%) and equipment on rent with a purchase option ("RPO") (down 4%). RPO fleet increased to $31.6 million at March 31, 2015 from $28.6 million at March 31, 2014.

Product support revenues were strong in the quarter, increasing 19% to a new first quarter high. Parts sales were up 18% with increases across most industries but most significantly in construction (up 11%), mining (up 25%) and agriculture (up 167%). Service revenues were also good, increasing 21% in the quarter with good increases from mining (up 27%) and construction (up 5%) markets. Product support revenues benefit from the larger installed base of equipment in our territory and good activity levels of equipment in the field.

The weakened Canadian dollar partially contributed to increased new equipment and parts revenues, given that end prices generally follow U.S. dollar costing. This is substantially mitigated in the short term by hedges and inventory-on-hand. Average spot rates weakened 12.5% in the first quarter versus a year ago.

Market conditions continue to be competitive. In the quarter, a decrease of 20 basis points over last year was mainly due to lower rental margins (down 90 basis points) due to higher depreciation charges and the lower revenues partially offset by improved product support margins (up 50 basis points) and sales mix (up 20 basis points).

Selling and administrative expenses increased $4.7 million or 11% in the quarter compared to 2014 but was 20 basis points lower as a percentage of revenues (16.2% in the first quarter of 2015 versus 16.4% for the comparable period in 2014). Factors contributing to the increase included higher bad debt expense (up $1.1 million) and higher compensation costs (up $1.2 million) together with increased costs relating to the expansion of the agriculture business ($1.1 million). Certain other expense categories such as advertising, occupancy and travel were higher, reflecting the increased business levels.

Operating income was up 14% in the quarter and was 20 basis points higher as a percentage of revenues.

($ millions)	**2015**	2014	$ change	% change
Bookings - three-months ended March 31	**$ 164**	$ 149	$ 15	10%
Backlogs - as at March 31	**$ 140**	$ 134	$ 6	4%

Equipment bookings of $164 million were 10% higher than a year ago reflecting strong construction orders and increased agriculture orders on the expanded business, partially offset by lower mining and power systems orders. Backlogs were a healthy $140 million, up 4% from March 31, 2014. The majority of the backlog related to construction (44%), power systems (25%), mining (15%) and agriculture (15%). Substantially the entire backlog is expected to be delivered over the remainder of the year.

CIMCO

($ thousands)	Three months ended March 31 2015	2014	$ change	% change
Package sales	**$ 20,434**	$ 27,248	$ (6,814)	(25%)
Product support	**23,092**	20,666	2,426	12%
Total revenues	**$ 43,526**	$ 47,914	$ (4,388)	(9%)
Operating income	**$ 162**	$ 1,417	$ (1,255)	(89%)
KEY RATIOS:				
Product support revenues as a % of total revenues	**53.1%**	43.1%		
Operating income as a % of revenues	**0.4%**	3.0%		
Group total revenues as a % of consolidated revenues	**12.8%**	15.4%		

CIMCO's results declined in the first quarter versus a year ago despite continued product support growth. The first quarter represents a traditional seasonal low for CIMCO, leading to a degree of volatility.

Package revenues were down 25% from a year ago with decreases in both Canada (down 26%) and the US (down 21% on a Cdn$ basis, 33% in US$). Industrial activity was good (up 3%), benefitting from strong increases in the US (up 284% Cdn$, 265% US$) partially offset by lower activity in Canada (down 9%). Removing the effect of the recently completed Maple Leaf Food ("MLF") project from both periods, Canadian industrial activity was up by 6%. Recreational activity was down 75% in the first quarter of 2015 compared to the same period in 2014 with decreases in both Canada (down 74%) and the US (78%). The first quarter of 2014 was a tough comparator as several large recreational projects in progress at the beginning of the period were completed.

Product support revenues increased 12% versus a year ago with contributions from both the US (up 41% Cdn$, 26% US$) and Canada (up 5%). Activity within the US was higher mainly as a result of greater emphasis being placed to expand US service operations, and translated to a further increase due to exchange.

Gross profit margins increased 260 basis points for the quarter due to the increased contribution from product support versus projects (230 basis points). Package margins improved (up 180 basis points) on reduced warranty costs partially offset by lower product support margins (down 160 basis points) due to relatively competitive market conditions.

Selling and administrative expenses increased $1.5 million or 19% in the quarter compared to last year mainly on higher bad debt expenses (up $0.4 million), lower insurance proceeds related to the Mobile fire ($0.6 million) and higher compensation (up $0.3 million).

Operating income decreased in the quarter largely reflecting the lower revenues and higher selling and administrative expenses.

($ millions)	2015	2014	$ change	% change
Bookings - three-months ended March 31	**$ 34**	$ 33	$ 1	3%
Backlogs - as at March 31	**$ 83**	$ 72	$ 11	15%

Bookings increased 3% over last quarter with strong US activity (up 59% Cdn$, 42% US$) partially offset by lower Canadian activity (down 8%). Recreational activity was strong in both

Canada (up 67%) and the US (up 95% Cdn$) while industrial activity was lower (down 44% in Canada and 88% Cdn$ in the US).

Backlogs were up 15% to $83 million with increases in both Canada (up 8%) and the US (up 39% Cdn$). Backlogs are considered to be at a healthy level for this time of the year with substantially all expected to revenue over the remainder of the year.

CONSOLIDATED FINANCIAL CONDITION

The Company maintained a strong financial position. At March 31, 2015, the ratio of total debt, net of cash, to total capitalization was 11%, compared to 14% at March 31, 2014 and 6% at December 31, 2014.

Working Capital

The Company's investment in non-cash working capital was $236.3 million at March 31, 2015. The major components, along with the changes from March 31 and December 31, 2014, are identified in the following table.

	March 31	March 31	**Change**		December 31	**Change**	
$ thousands	**2015**	2014	**$**	**%**	2014	**$**	**%**
Accounts receivable	$ 234,769	$ 204,181	$ 30,588	15%	$ 239,772	$ (5,003)	(2%)
Inventories	444,761	363,891	80,870	22%	367,193	77,568	21%
Other current assets	4,949	4,675	274	6%	4,228	721	17%
Accounts payable, accrued liabilities and provisions	(276,709)	(217,007)	(59,702)	28%	(227,186)	(49,523)	22%
Income taxes receivable (payable)	3,965	5,913	(1,948)	(33%)	(3,886)	7,851	n/m
Derivative financial instruments	7,517	530	6,987	n/m	1,683	5,834	n/m
Dividends payable	(13,187)	(11,542)	(1,645)	14%	(11,585)	(1,602)	14%
Deferred revenues	(43,138)	(39,533)	(3,605)	9%	(34,852)	(8,286)	24%
Current portion of long-term debt	(126,632)	(1,523)	(125,109)	n/m	(126,576)	(56)	-
Total non-cash working capital	$ 236,295	$ 309,585	$ (73,290)	(24%)	$ 208,791	$ 27,504	13%

Accounts receivable increased 15% compared to March 31, 2014, due to higher activity levels and slower collections. Days sales outstanding ("DSO") increased 2 days to 53 at March 31, 2015 with a deterioration in CIMCO (higher by 21 days) versus an improvement in the Equipment Group (lower by 1 day).

In comparison to December 31, 2014, accounts receivable decreased 2% largely on lower trailing revenues (Q1 2015 revenues were 27% lower than Q4 2014 revenues); a normal seasonal trend. Lower revenues will generally result in lower accounts receivable balances. DSO was 42 at December 31, 2014.

Inventories at March 31, 2015 were 22% higher compared to March 31, 2014 with increases in both Groups.

- Equipment Group inventories were 23% or $77.9 million higher than last year, mainly with increases in equipment, parts and service work-in-process. The increase in equipment reflects the expanded agriculture business, inventory held for certain customer-specified delivery dates later in the year, as well as advanced purchasing in anticipation of the busy summer selling period, a normal seasonal trend.
- CIMCO inventories were 25% or $3.0 million higher than last year mainly on higher work-in-process on the timing or advancement of projects.

Inventories at March 31, 2015 were 21% higher compared to December 31, 2014 with increases in both Groups.

- In addition to the factors identified for the quarter, Equipment Group inventory levels are typically lowest at the end of the fiscal year due to seasonality, with inventories building during the year in advance of the busy selling period.
- CIMCO inventory was 23% higher mainly on higher work-in-process for both Canadian and US projects.

Accounts payable and accrued liabilities at March 31, 2015 were higher than at March 31, 2014 largely on timing of inventory purchases and related payments for other supplies. Compared to December 31, 2014, accounts payable and accrued liabilities also increased largely on timing of inventory purchases and related payments for other supplies, partially offset by the payout of annual performance incentive bonuses.

Income taxes receivable reflects amounts due to the Company as installments made exceeded current tax expense.

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 $7.5 million as at March 31, 2015. This is not expected to affect net income, as the unrealized gains will offset future losses on the related hedged items.

Dividends payable increased compared to March 31 and December 31, 2014 reflecting the higher dividend rate. The dividend rate was increased from $0.15 per share to $0.17 per share effective with the April 1, 2015 dividend payment, an increase of 13%.

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 long-term 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. Senior debentures of $125 million are due on October 13, 2015, as scheduled. It is the Company’s intention to refinance all or a portion of this maturity amount prior to the due date, with any remaining balance funded through existing cash and facilities.

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 77,575,831 common shares and 2,399,440 share options outstanding.

Dividends

The Company declared and paid the following dividends to common shareholders during 2014 and 2015.

Record Date	Payment Date	Dividend Amount per Share	Dividends Paid in Total ($ millions)
December 11, 2013	January 2, 2014	$0.13	$10.0
March 13, 2014	April 1, 2014	$0.15	$11.5
June 13, 2014	July 2, 2014	$0.15	$11.6
September 11, 2014	October 1, 2014	$0.15	$11.6
December 11, 2014	January 2, 2015	$0.15	$11.6
March 13, 2015	April 1, 2015	$0.17	$13.2

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.

The Company maintains a $200 million committed credit facility. The facility matures in September 2017. Debt incurred under the facility is unsecured and ranks on par with debt outstanding under Toromont's existing debentures. Interest is based on a floating rate, primarily bankers' acceptances and prime, plus applicable margins and fees based on the terms of the credit facility.

No amounts were drawn on the facility at March 31, 2015, December 31, 2014 or March 31, 2014. Letters of credit utilized $22.2 million of the facility (December 31, 2014 - $22.6 million, March 31, 2014 - $24.7 million).

The Company expects that continued cash flows from operations in 2015 together with 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 Interim Condensed Consolidated Statements of Cash Flows, are summarized in the following table:

$ thousands	Three months ended March 31 2015		2014	
Cash, beginning of period	$	85,962	$	70,769
Operations		32,088		28,244
Change in non-cash working capital and other		(27,817)		(25,683)
Cash provided by operating activities		4,271		2,561
Cash used in investing activities		(41,146)		(31,271)
Cash used in financing activities		(6,968)		(8,886)
Effect of foreign exchange on cash balances		158		75
Decrease in cash in the period		(43,685)		(37,521)
Cash, end of period	$	42,277	$	33,248

Cash Flows from Operating Activities

Operating activities provided $4.3 million in the first quarter of 2015 compared to $2.6 million in the comparable period of 2014. Net earnings adjusted for items not requiring cash were 14% higher than last year on higher net earnings, and other non-cash items such as depreciation and amortization and accrued pension liability. Non-cash working capital and other used $27.8 million compared to $25.7 million in 2014.

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 $37.4 million in the quarter compared to $26.1 million last year. Continued investment in the rental fleet reflects demand on improved market conditions, the existing fleet age profile and continued expansion of heavy rental operations. Additionally, rental fleet investments generally occur during the first half of the year in advance of the busy rental period.

Investments in property, plant and equipment in the quarter totalled $5.3 million compared to $6.2 million last year.

Additions in the current quarter included:

- $1.9 million for service vehicles (2014 - $2.1 million);
- $1.7 million in land and buildings for new and expanded branches (2014 - $2.2 million);
- $1.0 million for machinery and equipment (2014 - $0.7 million); and
- $0.6 million for upgrades to information technology infrastructure (2014 - $1.1 million)

Cash Flows from Financing Activities

Financing activities used $7.0 million in the first quarter of 2015 compared to $8.9 million last year.

Significant uses and sources of cash in 2015 included:

- Dividends paid to common shareholders of $11.6 million or $0.15 per share (2014 - $10.0 million or $0.13 per share);

- Cash received on exercise of share options of $5.4 million (2014 - $1.8 million); and
- Repayment of long-term debt $0.8 (2014 - $0.7 million);

OUTLOOK

Competitive pressure has heightened in Equipment markets. The weaker Canadian dollar will further challenge end markets as resultant price adjustments impact overall purchasing power. Longer term, large infrastructure investment is expected to continue and the Company remains committed to working with customers.

The newly formed AgWest business unit will expand the Company's reach into the important agricultural equipment market. Focus is on business integration to generate favorable returns over the longer term, although end markets are currently soft.

While market conditions in mining remain tight, mine production continues and opportunities for sales in support of new mine development, mine expansion and equipment replacement continue to exist. The Company remains engaged on a variety of mining projects at various stages of development within its territory. With the substantially increased base of installed equipment, product support activity should continue to grow so long as mines remain active.

The parts and service business has experienced significant growth, driven by the larger installed base of equipment in the field, and provides a measure of stability. Service shops remain busy and the Company continues to hire new technicians to address the increased demand. Broader product lines and investment in the rental business will also contribute to future growth.

Activity at CIMCO reflects general economic activity, governmental investment levels and focus, as well as specific customer decisions and construction schedules. Momentum in booking activity and current backlog bodes well for the remainder of the year. The product support business remains a focus for development and continued growth in this area is encouraging. CIMCO has a wide product offering using natural refrigerants including innovative CO2 solutions, which are expected to contribute to growth in the future replacement of CFC, HCFC and HFC refrigerants in both recreational and industrial applications.

The diversity of the business, expanding product offering and capabilities, financial strength and disciplined operating culture positions the Company well for what is generally expected to be another year of modest economic growth in Canada.

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 2014 annual audited consolidated financial statements.

($ thousands, except per share amounts)	Q2 2014	Q3 2014	Q4 2014	Q1 2015
REVENUES				
The Equipment Group	$ 368,650	$ 411,077	$ 405,194	**$ 296,670**
CIMCO	46,909	56,355	60,457	**43,526**
Total revenues	$ 415,559	$ 467,432	$ 465,651	**$ 340,196**
NET EARNINGS	$ 28,859	$ 40,038	$ 45,670	**$ 20,137**
PER SHARE INFORMATION:				
Earnings per share - basic	$ 0.37	$ 0.52	$ 0.59	**$ 0.26**
Earnings per share - diluted	$ 0.37	$ 0.51	$ 0.59	**$ 0.26**
Dividends paid per share	$ 0.15	$ 0.15	$ 0.15	**$ 0.15**
Weighted average common shares outstanding - Basic (in thousands)	77,032	77,117	77,195	**77,422**

($ thousands, except per share amounts)	Q2 2013	Q3 2013	Q4 2013	Q1 2014
REVENUES				
The Equipment Group	$ 317,052	$ 427,111	$ 351,713	$ 263,834
CIMCO	57,686	71,186	55,551	47,914
Total revenues	$ 374,738	$ 498,297	$ 407,264	$ 311,748
NET EARNINGS	$ 27,284	$ 43,485	$ 34,414	$ 18,629
PER SHARE INFORMATION:				
Earnings per share - basic	$ 0.36	$ 0.57	$ 0.45	$ 0.24
Earnings per share - diluted	$ 0.35	$ 0.56	$ 0.44	$ 0.24
Dividends paid per share	$ 0.13	$ 0.13	$ 0.13	$ 0.13
Weighted average common shares outstanding - Basic (in thousands)	76,589	76,625	76,737	76,895

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 2014 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 2014 audited annual consolidated financial statements, and described in Note 1 therein.

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 2014 audited annual consolidated financial statements, contained in the Company's 2014 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 (“COSO”).

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, 2015 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 tables where used in this MD&A.

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

Return on Equity and Return on Capital Employed

Return on equity (“ROE”) is monitored to assess the profitability of the consolidated Company. ROE is calculated by dividing net earnings by opening shareholders’ equity (adjusted for shares issued and redeemed during the year).

Return on capital employed (“ROCE”) is a key performance indicator that is utilized to assess both current operating performance and prospective investments. The numerator used for the calculation is income before income taxes, interest expense and interest income (excluding interest on rental conversions). The denominator in the calculation is the monthly average capital employed, which is defined as net debt plus shareholders’ equity.

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.

Free Cash Flow

Free cash flow is defined as cash provided by operating activities (as per the Unaudited Interim Condensed Consolidated Statement of Cash Flows), less cash used in investing activities, other than business acquisitions.

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

($ thousands)	Note	**March 31 2015**	December 31 2014	March 31 2014
Assets				
Current assets				
Cash		**$ 42,277**	$ 85,962	$ 33,248
Accounts receivable		**234,769**	239,772	204,181
Inventories		**444,761**	367,193	363,891
Income taxes receivable		**3,965**	-	5,913
Derivative financial instruments	7	**7,517**	1,683	530
Other current assets		**4,949**	4,228	4,675
Total current assets		**738,238**	698,838	612,438
Property, plant and equipment	2	**175,826**	176,398	167,732
Rental equipment	2	**225,268**	195,263	194,469
Other assets	3	**3,592**	3,546	4,228
Deferred tax assets		**7,674**	5,784	3,625
Goodwill and intangible assets		**27,965**	27,973	27,582
Total assets		**$ 1,178,563**	$ 1,107,802	$ 1,010,074
Liabilities				
Current liabilities				
Accounts payable, accrued liabilities and provisions	4	**$ 289,896**	$ 238,771	$ 228,549
Deferred revenues		**43,138**	34,852	39,533
Current portion of long-term debt	5	**126,632**	126,576	1,523
Income taxes payable		**-**	3,886	-
Total current liabilities		**459,666**	404,085	269,605
Deferred revenues		**6,781**	9,910	11,221
Long-term debt	5	**4,255**	4,942	130,316
Accrued pension liability		**22,959**	20,790	12,843
Shareholders' equity				
Share capital	6	**293,565**	287,002	281,393
Contributed surplus		**6,689**	7,212	6,494
Retained earnings		**378,731**	371,781	297,066
Accumulated other comprehensive income		**5,917**	2,080	1,136
Shareholders' equity		**684,902**	668,075	586,089
Total liabilities and shareholders' equity		**$ 1,178,563**	$ 1,107,802	$ 1,010,074

See accompanying notes

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

($ thousands, except share amounts)	Note	Three months ended March 31 2015	2014
Revenues		**$ 340,196**	$ 311,748
Cost of goods sold		**254,092**	234,039
Gross profit		**86,104**	77,709
Selling and administrative expenses		**57,310**	51,149
Operating income		**28,794**	26,560
Interest expense	8	**2,115**	2,085
Interest and investment income	8	**(936)**	(1,066)
Income before income taxes		**27,615**	25,541
Income taxes		**7,478**	6,912
Net earnings		**$ 20,137**	$ 18,629
Earnings per share			
Basic	9	**$ 0.26**	$ 0.24
Diluted	9	**$ 0.26**	$ 0.24
Weighted average number of shares outstanding			
Basic	9	**77,421,511**	76,895,051
Diluted	9	**78,132,037**	77,567,084

See accompanying notes

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

($ thousands)	Three months ended March 31 **2015**	2014
Net earnings	**$ 20,137**	$ 18,629
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net earnings:		
Unrealized gain on translation of financial statements of foreign operations	**666**	263
Change in fair value of derivatives designated as cash flow hedges, net of income tax expense (2015 - $2,032; 2014 - $378)	**5,772**	1,073
Gain on derivatives designated as cash flow hedges transferred to net earnings, net of income tax expense (2015 - $914; 2014 - $457)	**(2,601)**	(1,300)
Other comprehensive income	**3,837**	36
Comprehensive income	**$ 23,974**	$ 18,665

See accompanying notes

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

Three months ended March 31 ($ thousands)	**Note**	**2015**	2014
Operating activities			
Net earnings		**$ 20,137**	$ 18,629
Items not requiring cash:			
Depreciation and amortization		**16,516**	14,428
Stock-based compensation		**651**	585
Accrued pension liability		**2,169**	(292)
Deferred income taxes		**(3,011)**	(1,110)
Gain on sale of rental equipment, property, plant and equipment		**(4,374)**	(3,996)
		32,088	28,244
Net change in non-cash working capital and other	12	**(27,817)**	(25,683)
Cash provided by operating activities		**4,271**	2,561
Investing activities			
Additions to:			
Rental equipment	2	**(45,341)**	(32,484)
Property, plant and equipment	2	**(5,328)**	(6,172)
Proceeds on disposal of:			
Rental equipment	2	**7,971**	6,432
Property, plant and equipment	2	**1,610**	1,016
Increase in other assets		**(58)**	(63)
Cash used in investing activities		**(41,146)**	(31,271)
Financing activities			
Repayment of long-term debt		**(774)**	(723)
Dividends	6	**(11,584)**	(9,987)
Cash received on exercise of stock options		**5,390**	1,824
Cash used in financing activities		**(6,968)**	(8,886)
Effect of exchange rate changes on cash denominated in foreign currency		**158**	75
Decrease in cash		**(43,685)**	(37,521)
Cash at beginning of period		**85,962**	70,769
Cash at end of period		**$ 42,277**	$ 33,248

Supplemental cash flow information (note 12)
See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

				Accumulated other comprehensive income			
($ thousands)	Share Capital	Contributed Surplus	Retained Earnings	Foreign Currency Translation Adjustments	Cash Flow Hedges	Total	Total
At January 1, 2015	**$ 287,002**	**$ 7,212**	**$ 371,781**	**$ 1,433**	**$ 647**	**$ 2,080**	**$ 668,075**
Net earnings	-	-	20,137	-	-	-	20,137
Other comprehensive income	-	-	-	666	3,171	3,837	3,837
Effect of stock compensation plans	6,563	(523)	-	-	-	-	6,040
Dividends declared	-	-	(13,187)	-	-	-	(13,187)
At March 31, 2015	**$ 293,565**	**$ 6,689**	**$ 378,731**	**$ 2,099**	**$ 3,818**	**$ 5,917**	**$ 684,902**

				Accumulated other comprehensive income			
($ thousands)	Share Capital	Contributed Surplus	Retained Earnings	Foreign Currency Translation Adjustments	Cash Flow Hedges	Total	Total
At January 1, 2014	**$ 279,149**	**$ 6,329**	**$ 289,979**	**$ 831**	**$ 269**	**$ 1,100**	**$ 576,557**
Net earnings	-	-	18,629	-	-	-	18,629
Other comprehensive income	-	-	-	263	(227)	36	36
Effect of stock compensation plans	2,244	165	-	-	-	-	2,409
Dividends declared	-	-	(11,542)	-	-	-	(11,542)
At March 31, 2014	**$ 281,393**	**$ 6,494**	**$ 297,066**	**$ 1,094**	**$ 42**	**$ 1,136**	**$ 586,089**

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 reportable segments: The Equipment Group and CIMCO. The Equipment Group includes one of the larger Caterpillar dealerships by revenue and geographic territory, industry-leading rental operations and a growing agricultural dealership in Manitoba. 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 3,300 people in more than 100 locations.

Basis of Preparation

These interim condensed consolidated financial statements were prepared in accordance with International Accounting Standards Board ("IASB"), including International Accounting Standard ("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, 2014.

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, 2014.

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 22, 2015.

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, 2014, except the following amendment that was adopted, as required, on January 1, 2015:

a. **Employee Benefits**

The amendments to IAS 19 – *Employee Benefits*, simplified the accounting for contributions to defined benefit plans that are independent of the number of years of service. For the three months ended March 31, 2015, there was no impact on the financial performance or disclosures of the Company upon adoption.

2. PROPERTY, PLANT AND EQUIPMENT AND RENTAL EQUIPMENT

During the three months ended March 31, 2015, the Company acquired rental assets with a cost of $45,341 and property, plant and equipment with a cost of $5,328 (2014 - $32,484 and $6,172, respectively).

Rental assets with a net book value of $4,244 and property, plant and equipment with a net book value of $963 were disposed of during the three months ended March 31, 2015 (2014 - $3,328 and $124, respectively) resulting in a net gain on disposal of $4,374 (2014 - $3,996).

During the three months ended March 31, 2015 depreciation expense of $14,987 was charged in cost of goods sold (2014 - $13,010) and $1,378 was charged to selling and administrative expenses (2014 - $1,268).

3. OTHER ASSETS

	March 31 2015	December 31 2014	March 31 2014
Equipment sold with guaranteed residual values	**$ 1,876**	$ 1,888	$ 2,742
Other	**1,716**	1,658	1,486
	$ 3,592	$ 3,546	$ 4,228

4. PAYABLES, ACCRUALS AND PROVISIONS

	March 31 2015	December 31 2014	March 31 2014
Accounts payable and accrued liabilities	**$ 263,323**	$ 213,328	$ 203,196
Dividends payable	**13,187**	11,584	11,542
Provisions	**13,386**	13,859	13,811
	$ 289,896	$ 238,771	$ 228,549

5. LONG-TERM DEBT

	March 31 2015	December 31 2014	March 31 2014
Senior debentures	**$ 132,266**	$ 133,040	$ 133,789
Debt issuance costs, net of amortization	**(1,379)**	(1,522)	(1,950)
Total long-term debt	**130,887**	131,518	131,839
Less current portion	**126,632**	126,576	1,523
	$ 4,255	$ 4,942	$ 130,316

All debt is unsecured.

At March 31, 2015, standby letters of credit issued utilized an additional $22.2 million of the credit lines (December 31, 2014 – $22.6 million; March 31, 2014 – $24.7 million).

Terms of the senior debentures are:

- $125,000, 4.92% senior debentures due October 13, 2015, interest payable semi-annually, principal due on maturity; and
- $7,266, 7.06% senior debentures due March 29, 2019, interest payable semi-annually through September 29, 2009; thereafter, blended principal and interest payments through to maturity.

It is the Company's intention to refinance all or a portion of the October 2015 maturity prior to the due date, with any remaining balance funded through existing cash and facilities.

6. SHARE CAPITAL

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

	Three months ended March 31, 2015		Three months ended March 31, 2014	
	Number of Common Shares	**Common Share Capital**	Number of Common Shares	Common Share Capital
Balance, beginning of period	**77,259,396**	**$ 287,002**	76,844,897	$ 279,149
Exercise of stock options	**316,435**	**6,563**	127,680	2,244
Balance, end of period	**77,575,831**	**$ 293,565**	76,972,577	$ 281,393

Dividends

The Company paid dividends of $11.6 million or $0.15 per share, for the three months ended March 31, 2015 (2014 – $10.0 million or $0.13 per share).

The quarterly dividend was increased on February 5, 2015, to $0.17 per share effective with the dividend paid on April 1, 2015.

7. 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, 2015	Derivatives	Other financial liabilities	Total
Current portion of long-term debt	-	(126,632)	(126,632)
Derivative financial instruments	7,517	-	7,517
Long term debt	-	(4,255)	(4,255)
Total	$ 7,517	$ (130,887)	$ (123,370)

Fair Value of Financial Instruments

The fair value of derivative financial instruments is measured using the discounted value of the difference between the contract's value at maturity based on the contracted foreign exchange rate and the contract's value at maturity based on the comparable foreign exchange rate at period end under the same conditions. The financial institution's credit risk is also taken into consideration in determining fair value. 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 the asset or liability, most significantly foreign exchange spot and forward rates.

The fair value of senior debentures as at March 31, 2015 was $135,358 with a carrying value of $132,265 (December 31, 2014 - $137,040 with a carrying value of $133,040; March 31, 2014 - $140,218 with a carrying value of $133,789). 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 based on Toromont's credit risk. 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, 2015, 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. As at March 31, 2015, the Company was committed to USD purchase contracts with a notional amount of $157 million at an average exchange rate of $1.2215, maturing between April 2015 and October 2015.

Management estimates that a gain of $7,517 (December 31, 2014 - $1,683; March 31, 2014 – $530) would be realized if the contracts were terminated on March 31, 2015. Certain of these forward contracts are designated as cash flow hedges, and accordingly, an unrealized gain of $5,163 (December 31, 2014 - $873; March 31, 2014 - $54) 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. Certain of those forward contracts are not designated as cash flow hedges but are entered into for periods consistent with foreign currency exposure of the underlying transactions. A gain of $2,354 (December 31, 2014 - $810; March 31, 2014 – $476) on forward contracts not designated as hedges is included in net income which offsets losses recorded on the foreign-denominated items, namely accounts payable.

8. INTEREST INCOME AND EXPENSE

The components of interest expense were as follows:

	Three months ended March 31	
	2015	2014
Term loan facility	**$ 470**	$ 408
Senior debentures	**1,645**	1,677
	$ 2,115	$ 2,085

The components of interest and investment income were as follows:

	Three months ended March 31	
	2015	2014
Interest income on rental conversions	**$ 668**	$ 681
Other	**268**	385
	$ 936	$ 1,066

9. EARNINGS PER SHARE

	Three months ended March 31	
	2015	2014
Net earnings available to common shareholders	**$ 20,137**	$ 18,629
Weighted average common shares outstanding	**77,421,511**	76,895,051
Dilutive effect of stock option conversion	**710,526**	672,033
Diluted weighted average common shares outstanding	**78,132,037**	77,567,084
Earnings per share:		
Basic	**$ 0.26**	$ 0.24
Diluted	**$ 0.26**	$ 0.24

There were no anti-dilutive options for the three months ended March 31, 2015 or 2014.

10. STOCK BASED COMPENSATION

A reconciliation of the outstanding options was as follows:

	Three months ended March 31, 2015			Three months ended March 31, 2014		
	Number of Options		**Weighted Average Exercise Price**	Number of Options		Weighted Average Exercise Price
Options outstanding, beginning of period	**2,715,875**	**$**	**20.50**	2,610,274	$	18.49
Exercised [1]	**(316,435)**		**17.03**	(127,680)		14.28
Forfeited	**-**		**-**	(1,500)		16.76
Options outstanding, end of period	**2,399,440**	**$**	**20.96**	2,481,094	$	18.70
Options exercisable, end of period	**938,455**	**$**	**17.82**	1,054,204	$	16.23

[1] The weighted average share price at date of exercise for three-month period ended March 31, 2015 was $29.25 (2014 - $25.60).

The following table summarizes stock options outstanding and exercisable as at March 31, 2015.

		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 - $14.75	127,100	0.9	$	12.44	127,100	$	12.44
$14.76 - $17.10	723,775	2.8	$	16.98	508,415	$	16.93
$17.11 - $23.40	1,026,565	6.2	$	21.98	302,940	$	21.56
$23.41 - $26.79	522,000	9.3	$	26.52	-	$	-
Total	2,399,440	5.6	$	20.96	938,455	$	17.82

Deferred Share Unit Plan

A reconciliation of the DSU plan was as follows:

	Three months ended March 31, 2015			Three months ended March 31, 2014		
	Number of DSUs		**Value**	Number of DSUs		Value
Outstanding, beginning of period	**334,709**	**$**	**9,527**	288,920	$	7,696
Units taken in lieu of performance incentive awards, director fees and dividends	**17,485**		**514**	24,313		627
Redemptions	**-**		**-**	(7,786)		(197)
Fair market value adjustment	**-**		**1,357**	-		(379)
Outstanding, end of period	**352,194**	**$**	**11,398**	305,447	$	7,747

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

11. EMPLOYEE FUTURE BENEFITS

The net pension expense included the following components:

	Three months ended March 31	
	2015	2014
Defined benefit plans	**$ 417**	$ 522
Defined contribution plans	**2,506**	2,255
401(k) matched savings plans	**43**	39
Net pension expense	**$ 2,966**	$ 2,816

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31	
	2015	2014
Net change in non-cash working capital and other		
Accounts receivables	**$ 5,003**	$ 36,075
Inventories	**(77,568)**	(31,768)
Accounts payable, accrued liabilities and provisions	**49,523**	(21,464)
Deferred revenues	**5,157**	(9,230)
Income taxes (receivable) payable	**(7,851)**	222
Other	**(2,081)**	482
	$ (27,817)	$ (25,683)
Cash paid during the period for:		
Interest	**$ 717**	$ 489
Income taxes	**$ 18,295**	$ 10,896
Cash received during the period for:		
Interest	**$ 849**	$ 943
Income taxes	**$ -**	$ 3,457

13. SEGMENTED INFORMATION

The Company has two reportable segments, each supported by the corporate office. These 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 segments. Corporate overheads are allocated to the segments based on revenue.

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

Three months ended March 31	The Equipment Group 2015	2014	CIMCO 2015	2014	Consolidated 2015	2014
Equipment/package sales	**$ 126,379**	$ 112,023	**$ 20,434**	$ 27,248	**$ 146,813**	$ 139,271
Rentals	**41,721**	42,748	**-**	-	**41,721**	42,748
Product support	**125,835**	105,934	**23,092**	20,666	**148,927**	126,600
Power generation	**2,735**	3,129	**-**	-	**2,735**	3,129
Total revenues	**$ 296,670**	$ 263,834	**$ 43,526**	$ 47,914	**$ 340,196**	$ 311,748
Operating Income	**$ 28,632**	$ 25,143	**$ 162**	$ 1,417	**$ 28,794**	$ 26,560
Interest expense					**2,115**	2,085
Interest and investment income					**(936)**	(1,066)
Income taxes					**7,478**	6,912
Net earnings					**$ 20,137**	$ 18,629

Operating loss from rental operations for the quarter ended March 31, 2015 was $0.3 million (2014 – operating income of $2.4 million).

14. 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

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Stock Symbol – TIH

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