Third Quarter 2015 **November 2, 2015**

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

Toromont Industries Ltd. (TSX: TIH) reported its financial results for the third quarter ended September 30, 2015.

millions, except per share amounts	Three months ended September 30			Nine months ended September 30		
	2015	2014	**% change**	**2015**	2014	**% change**
Revenues	**$ 505.6**	$ 467.4	**8%**	**$ 1,330.3**	$ 1,194.7	**11%**
Operating income	**$ 62.3**	$ 56.2	**11%**	**$ 142.8**	$ 122.7	**16%**
Net earnings	**$ 44.7**	$ 40.0	**12%**	**$ 101.3**	$ 87.5	**16%**
Earnings per share - basic	**$ 0.58**	$ 0.52	**12%**	**$ 1.30**	$ 1.14	**14%**

Toromont reported steady performance through these times of challenging and highly competitive market conditions. In the Equipment Group, product support, heavy rents and power rentals continued to fuel growth, benefitting from focus and the increased installed base of equipment. At CIMCO, the growth in both equipment and product support revenues have also led to improved profitability.

Highlights:

- Equipment Group revenues increased 7% to $439.3 million in the third quarter driven by increased product support and, to a lesser extent, increased heavy equipment and power rental revenues. Equipment sales were flat against a year ago as sales of construction equipment declined against a difficult comparator in 2014, which included $43.0 million of sales into a single project. This was offset by increased sales into mining and agriculture (benefitting from recent acquisitions), even though both markets continue to experience very tight conditions. The weaker Canadian dollar provides a positive impact on revenue as pricing is adjusted to reflect the higher cost of US sourced equipment and parts. Operating income increased 9% compared to last year, reflecting the higher revenues and good expense management. Lower utilization levels in the expanded light equipment rental fleet together with extremely challenging conditions in the agricultural equipment market, were offsets to the improved profitability.

- Equipment Group revenues were up 11% to $1.2 billion year-to-date. Equipment sales were up $44.6 million or 8% on increased sales into construction, agricultural and mining markets and the weaker Canadian dollar. Product support revenues increased to a new high for the first nine months of the year on strong parts and services growth, reflecting higher activity levels and the weaker Canadian dollar. Operating income increased 16% compared to last year on the higher revenues, slightly improved gross profit margins and good expense management.

- Equipment Group backlogs were $131.0 million at September 30, 2015 compared to $102.0 million at December 31, 2014 and $111.0 million at this time last year. Substantially all of the backlog is expected to be delivered this year. Bookings increased 17% in the quarter to $176.0 million and 11% year-to-date to $614.0 million.

- CIMCO revenues were up 18% to $66.2 million in the quarter on increased package sales and continued product support growth. Operating income increased 38% reflecting the higher revenues and improved project execution and was 9.4% as a percentage of revenues.

- CIMCO revenues were up 10% to $166.7 million year-to-date. Product support revenues increased 11% to $80.3 million and surpassed the previous record set last year. Operating income margin of 5.7% was 80 basis points higher than last year.

- CIMCO bookings were up 50% in the quarter and 24% year-to-date. Backlogs of $86.0 million at September 30, 2015 were up from $67.0 million at December 31, 2014 and $70.0 million at September 30, 2014. All market segments were up in both Canada and the US with approximately half of the backlog expected to translate to revenue over the remainder of the year.

- Net earnings increased 12% in the quarter to $44.7 million and 16% to $101.3 million year-to-date largely due to the higher revenues, improved gross profit margins and a relatively lower expense ratio.

- Earnings per share (basic) increased 12% or $0.06 in the quarter to $0.58 and 14% or $0.16 to $1.30 year-to-date, both records for the respective periods.

- Toromont's financial position remains strong. Net debt to total capitalization was 22%, well within stated capital targets.

- During the quarter, the Company amended and increased its existing $200.0 million committed credit facility to $250.0 million and extended the term of the agreement to September 2020.

- On September 30, 2015, the Company issued $150.0 million in senior debentures due in 2025 and bearing interest at 3.71% per annum. Proceeds were used to fund the maturity of $125.0 million in 4.92% senior debentures, which came due subsequent to quarter end, together with general corporate purposes.

- The Board of Directors announced the regular quarterly dividend of 17 cents per common share, payable January 4, 2016 to shareholders of record on December 10, 2015. The regular quarterly dividend was previously increased 13% to 17 cents per share effective with the dividend paid April 1, 2015.

Toromont's Equipment Group continued to perform well in the quarter, however there has been some softening in construction markets in recent months as evidenced by lower total industry unit sales. Infrastructure investment continues and there is potential for further long-term growth if the new Federal government follows through on its commitment to increase spending. The tight conditions experienced in mining markets are expected to continue. In the near-term, the weakened Canadian dollar exacerbating heightened competitive market conditions, together with lower utilization levels in the expanded light equipment rental fleet, are expected to exert downward pressure on earnings. CIMCO's results were encouraging with the strides made in both Canadian and US market segments. Product support growth continued in both the US and Canada and remains a strategic focus. Across all of our businesses, diversity of opportunity continues to be a strength.

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 and nine months ended September 30, 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 and nine months ended September 30, 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 November 2, 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 September 30				Nine months ended September 30			
			Change				Change	
($ thousands, except per share amounts)	**2015**	2014	$	%	**2015**	2014	$	%
REVENUES	**$ 505,553**	$ 467,432	$ 38,121	8%	**$ 1,330,282**	$ 1,194,739	$ 135,543	11%
Cost of goods sold	**381,604**	353,622	27,982	8%	**1,006,214**	907,886	98,328	11%
Gross profit	**123,949**	113,810	10,139	9%	**324,068**	286,853	37,215	13%
Selling and administrative expenses	**61,605**	57,621	3,984	7%	**181,231**	164,185	17,046	10%
OPERATING INCOME	**62,344**	56,189	6,155	11%	**142,837**	122,668	20,169	16%
Interest expense	**2,347**	2,060	287	14%	**6,432**	6,217	215	3%
Interest and investment income	**(653)**	(444)	(209)	47%	**(2,278)**	(2,406)	128	(5%)
Income before income taxes	**60,650**	54,573	6,077	11%	**138,683**	118,857	19,826	17%
Income taxes	**15,920**	14,535	1,385	10%	**37,421**	31,331	6,090	19%
NET EARNINGS	**$ 44,730**	$ 40,038	$ 4,692	12%	**$ 101,262**	$ 87,526	$ 13,736	16%
EARNINGS PER SHARE (BASIC)	**$ 0.58**	$ 0.52	$ 0.06	12%	**$ 1.30**	$ 1.14	$ 0.16	14%
KEY RATIOS:								
Gross profit margin	**24.5%**	24.3%			**24.4%**	24.0%		
Selling and administrative expenses as a % of revenues	**12.2%**	12.3%			**13.6%**	13.7%		
Operating income margin	**12.3%**	12.0%			**10.7%**	10.3%		
Income taxes as a % of income before income taxes	**26.2%**	26.6%			**27.0%**	26.4%		

Revenues increased in the quarter and year-to-date, with good growth in both the Equipment Group and CIMCO. Activity levels remain strong in most areas particularly with product support. The weaker Canadian dollar has served to increase reported revenues year-over-year, in part due to the translation of CIMCO's US operations. Additionally, the majority of equipment and parts sold through the Equipment Group are sourced from the US with end prices adjusted to reflect the higher cost.

Gross profit margin increased 20 basis points in the quarter mainly due to a favorable sales mix of product support revenues to total and improved heavy rental and power contributions, partially offset by lower product support margins and utilization of the larger light equipment rental fleet. On a year-to-date basis, margins were up 40 basis points on a favorable sales mix. Margin pressures were noted across all areas of the business, exacerbated by the weaker Canadian dollar.

Selling and administrative expenses increased $4.0 million or 7% in the quarter. The increase was mainly related to higher compensation costs (up $1.5 million), increased costs associated with the expanded agriculture business (up $1.2 million), higher bad debt expenses (up $0.6 million) and mark-to-market adjustments on Deferred Share Units ("DSUs") (up $0.3 million).

Selling and administrative expenses increased $17.0 million or 10% year-to-date. The largest drivers of the increase were higher compensation costs (up $7.2 million), mark-to-market on DSUs (up $1.4 million), expanded agriculture dealership costs (up $3.6 million) and bad debt expenses (up $1.4 million). Certain other expense categories such as occupancy, travel and entertainment, professional fees and foreign exchange translations were higher reflecting the increased business levels.

As a percentage of revenues, selling and administrative expenses were lower by 10 basis points in both the quarter (down to 12.2% from 12.3%) and year-to-date (down to 13.6% from 13.7%).

Operating income margin increased to 12.3% in the quarter and 10.7% year-to-date reflecting the slight increases in gross profit margins and improved expense ratios.

Interest expense increased in the quarter and year-to-date on higher average debt balances. Interest income increased in the quarter mainly on higher conversions of equipment on rent with a purchase option ("RPO") but was lower year-to-date on lower RPO conversions and interest on cash balances.

The effective income tax rate was 26.2% in the quarter and 27.0% year-to-date.

Earnings per share increased $0.06 or 12% in the quarter to $0.58. For the first nine months of the year, earnings per share were $1.30, up $0.16 or 14%.

Comprehensive income in the quarter was $45.3 million and $102.8 million year-to-date, comprised mainly of net earnings.

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 September 30				Nine months ended September 30			
			Change				Change	
($ thousands)	**2015**	2014	$	%	**2015**	2014	$	%
Equipment sales and rentals								
New	**$ 173,214**	$ 175,593	$ (2,379)	(1%)	**$ 437,318**	$ 411,648	$ 25,670	6%
Used	**51,377**	49,388	1,989	4%	**146,466**	127,533	18,933	15%
Rental	**68,639**	66,061	2,578	4%	**161,195**	157,098	4,097	3%
Total equipment sales and rentals	**293,230**	291,042	2,188	1%	**744,979**	696,279	48,700	7%
Power generation	**2,930**	2,772	158	6%	**8,479**	8,668	(189)	(2%)
Product support	**143,145**	117,263	25,882	22%	**410,082**	338,614	71,468	21%
Total revenues	**$ 439,305**	$ 411,077	$ 28,228	7%	**$ 1,163,540**	$ 1,043,561	$ 119,979	11%
Operating income	**$ 56,085**	$ 51,666	$ 4,419	9%	**$ 133,312**	$ 115,205	$ 18,107	16%
KEY RATIOS:								
Product support revenues as a % of total revenues	**32.6%**	28.5%			**35.2%**	32.4%		
Operating income margin	**12.8%**	12.6%			**11.5%**	11.0%		
Group total revenues as a % of consolidated revenues	**86.9%**	87.9%			**87.5%**	87.3%		

In a challenging economic and competitive environment, Equipment Group results improved on excellent product support growth.

There are two factors which impact the comparability of new equipment revenues year-over-year.

- Significant equipment was delivered in 2014 in support of the Keeyask Hydroelectric project in Manitoba ($43.0 million in the quarter and $55.0 million year-to-date).
- The majority of the new equipment and parts sold by the Equipment Group is sourced from the United States. The Canadian dollar was down 20% on average in the third quarter and 15% year-to-date, increasing the reported amount of revenues and cost of goods sold on a year-over-year basis. Pricing to customers is customarily adjusted to reflect changes in the foreign exchange rates. The impact of changes in foreign exchange rates is mitigated in the short-term by foreign exchange hedging practices and inventory on hand.

Construction activity was strong, increasing $7.9 million (11%) in the quarter and $54.4 million (27%) year-to-date with many infrastructure projects underway. Mining sales were also strong, up $30.7 million (221%) in the quarter and $9.2 million (17%) year-to-date. Agriculture revenues increased $7.6 million (81%) in the quarter and $19.1 million (123%) year-to-date, benefitting from acquisitions, but limited by the very weak conditions seen in the agricultural market. Power Systems revenues were down $9.1 million (39%) in the quarter and $5.5 million (11%) year-to-date mainly on timing of project completions.

Used equipment sales increased in the quarter (up 4%) and year-to-date (up 15%) on dispositions of aged agriculture equipment inventory and rental fleet. Other markets were down versus a year ago.

Rental revenues increased 4% in the quarter and 3% year-to-date on strong heavy equipment and power rentals. Heavy equipment rentals were up 15% in the quarter and 10% year-to-date on higher utilization and larger fleet. Power rentals increased significantly in the quarter (up 56%) and year-to-date (up 17%) benefitting from good activity during the Toronto Pan-Am games and increased penetration of the entertainment market. Light equipment rentals were relatively flat in the quarter and up just 1% year-to-date with same store rental growth down 1% in the quarter and flat year-to-date. Three new rental branches opened over the past year (Goose Bay, NL, North Bay, ON and Brantford, ON). A significant drop in activity related to renewable energy projects has contributed to reduced overall financial utilization as the light equipment fleet was challenged to efficiently absorb the increased investment and associated costs. Equipment on rent with a purchase option ("RPO") was down in the quarter (8%) and year-to-date (4%) on a lower fleet (down $5.5 million or 9% to $52.2 million at September 30, 2015 versus September 30, 2014).

Product support revenues were strong in the quarter (up 22%) and year-to-date (up 21%), increasing to new highs for the respective periods. Parts sales were up 25% in the quarter and 22% year-to-date with increases across most industries but most significantly in construction, mining and agriculture. Service revenues increased 13% in the quarter and 18% year-to-date, also with good increases from construction, mining and agriculture. Product support was further buoyed by increased rebuild activity in mining and construction. Product support revenues benefit from the larger installed base of equipment in our territory and good activity levels of equipment in the field.

Gross profit margins were unchanged in the quarter as a favorable sales mix, with a higher proportion of product support revenues to total was offset by lower equipment and product support margins. On a year-to-date basis, gross margins improved 20 basis points as a favorable sales mix and improved product support margins were partially offset by lower equipment and rental margins. Equipment and rental margins remained under pressure in both the quarter and year-to-date on very competitive market conditions.

Selling and administrative expenses increased $2.9 million (6%) in the quarter and $13.1 million (9%) year-to-date compared to similar periods in 2014. The expanded agricultural business increased expenses by approximately $1.2 million in the quarter and $3.6 million year-to-date. Compensation costs were higher year-over-year on annual increases, additional headcount to support growth and higher profit sharing accrual on the higher earnings, accounting for approximately 25% of the increase in total expenses for the quarter and approximately 31% year-to-date. Bad debt expenses were relative flat in the quarter while up $0.5 million year-to-date. Other expense categories increased relative to the higher sales activity. As a percentage of sales, expenses were lower 30 basis points year-to-date (13.0% vs. 13.3% in 2014).

Operating income margin increased to 12.8% in the quarter and 11.5% year-to-date on the higher gross margins and lower relative expense levels.

($ millions)	**2015**	2014	$ change	% change
Bookings - three-months ended September 30	**$ 176**	$ 151	$ 25	17%
Bookings - nine-months ended September 30	**$ 614**	$ 553	$ 61	11%
Backlogs - as at September 30	**$ 131**	$ 111	$ 20	18%

The dollar value of equipment bookings increased in both the quarter and year-to-date, partly due to the weaker Canadian dollar. For the quarter, increases were reported across all industries, with construction up 8%, power systems up 76%, mining up 89% and agriculture up 29%. On a year-to-date basis, bookings were strong against a tough prior year comparator, increasing 11% to $614.0 million with increases reported across all industries except power systems.

Backlogs were a healthy $131.0 million, up 18% from this time last year, also lifted by the weaker Canadian dollar. The majority of the backlog related to construction (51%), power systems (34%) and mining (12%), substantially all of which is expected to be delivered over the remainder of the year.

CIMCO

	Three months ended September 30				**Nine months ended September 30**			
			Change				**Change**	
($ thousands)	**2015**	2014	$	%	**2015**	2014	$	%
Package sales	**$ 35,251**	$ 28,882	$ 6,369	22%	**$ 86,416**	$ 78,643	$ 7,773	10%
Product support	**30,997**	27,473	3,524	13%	**80,326**	72,535	7,791	11%
Total revenues	**$ 66,248**	$ 56,355	$ 9,893	18%	**$ 166,742**	$ 151,178	$ 15,564	10%
Operating income	**$ 6,259**	$ 4,523	$ 1,736	38%	**$ 9,525**	$ 7,463	$ 2,062	28%
KEY RATIOS:								
Product support revenues as a % of total revenues	**46.8%**	48.7%			**48.2%**	48.0%		
Operating income margin	**9.4%**	8.0%			**5.7%**	4.9%		
Group total revenues as a % of consolidated revenues	**13.1%**	12.1%			**12.5%**	12.7%		

CIMCO's results improved in the third quarter and year-to-date versus a year ago on good revenue growth in both Canada and the US as well as modest gross profit improvements.

Package revenues increased 22% in the quarter and 10% year-to-date compared to similar periods of 2014. In Canada, both recreational (up 34% in the quarter and 7% year-to-date) and industrial were higher (up 26% in the quarter and 16% year-to-date). In the US, industrial revenues were up in the quarter (39% on $ basis, 17% in US$) and year-to-date (67%, 39% US$) while recreational revenues were lower both in the quarter (down 22%, 38% US$) and year-to-date (down 38%, 48% US$). Package revenues reflect seasonality in addition to customer construction schedules.

Product support revenues increased 13% in the quarter and 11% year-to-date with continued growth in both the US and Canada. For the quarter, all regions in Canada reported higher revenues while on a year-to-date basis, Western Canada was the only region with lower revenues, reflective of the weaker economic conditions in that market. Activity within the US was up in both the quarter (27%, 6% US$) and year-to-date (29%, 12% US$) on continued activities aimed at expanding US service operations.

Gross profit margins increased 60 basis points for the quarter with improvements in package margins (up 30 basis points) and product support margins (up 50 basis points) partially offset by an unfavorable sales mix with a lower proportion of product support revenues to total (down 20 basis points). Margins improved generally on reduced warranty costs and good execution. Year-to-date, gross margins were up 160 basis points mainly on improved package margins from improved execution.

Selling and administrative expenses increased $1.1 million or 12% in the quarter mainly on translation of US operations at a weaker Canadian dollar (up $0.4 million) and higher compensation costs (up $0.6 million). Year-to-date, selling and administrative expenses increased $4.0 million or 15% largely due to higher bad debt expense (up $1.3 million), a negative foreign exchange impact (up $0.6 million), insurance proceeds received in 2014 ($0.6 million) and higher compensation costs (up $1.0 million). Certain other expense categories were higher in the quarter and year-to-date reflective of the increased activity levels. Selling and administrative expenses as a percentage of sales were 15.8% in the quarter versus 16.6% last year and 17.9% year-to-date compared to 17.1% in 2014.

Operating income margin increased to 9.4% in the quarter and 5.7% year-to-date largely reflecting the improved gross margins.

($ millions)	**2015**	2014	$ change	% change
Bookings - three-months ended September 30	**$ 42**	$ 28	$ 14	50%
Bookings - nine-months ended September 30	**$ 104**	$ 84	$ 20	24%
Backlogs - as at September 30	**$ 86**	$ 70	$ 16	23%

Bookings were strong in both the quarter (up 50%) and year-to-date (up 24%) on good growth in both recreational and industrial in Canada, while increased US recreational bookings were partially offset by lower US industrial. Booking comparators can vary substantially from period to period due to relative activity levels.

Backlogs were up 23% to $86.0 million on increases across all market segments in the US and Canada. In the US, growth in recreational markets were strong (up 109%, 94% in US$) while industrial was weaker (up 33%, down 17% in US$). Canadian backlogs were up 6% with increases in both recreational (up 13%) and industrial (up 2%) activity. Backlogs are considered to be at a healthy level for this time of the year with approximately half expected to revenue over the remainder of the year.

CONSOLIDATED FINANCIAL CONDITION

The Company maintained a strong financial position. At September 30, 2015, the ratio of net debt to total capitalization was 22%, compared to 17% at September 30, 2014 and 6% at December 31, 2014.

Non-Cash Working Capital

The Company's investment in non-cash working capital was $497.5 million at September 30, 2015. The major components, along with the changes from September 30 and December 31, 2014, are identified in the following table.

$ thousands	**September 30 2015**	September 30 2014	Change $	Change %	December 31 2014	Change $	Change %
Accounts receivable	**$ 309,803**	$ 258,884	$ 50,919	20%	$ 239,772	$ 70,031	29%
Inventories	**514,542**	390,679	123,863	32%	367,193	147,349	40%
Other current assets	**2,529**	2,994	(465)	(16%)	4,228	(1,699)	(40%)
Accounts payable, accrued liabilities and provisions	**(256,796)**	(223,977)	(32,819)	15%	(227,187)	(29,609)	13%
Income taxes payable	**(8,955)**	(4,157)	(4,798)	115%	(3,886)	(5,069)	130%
Derivative financial instruments	**3,921**	2,851	1,070	38%	1,683	2,238	133%
Dividends payable	**(13,235)**	(11,575)	(1,660)	14%	(11,584)	(1,651)	14%
Deferred revenues	**(54,359)**	(43,486)	(10,873)	25%	(34,852)	(19,507)	56%
Total non-cash working capital	**$ 497,450**	$ 372,213	$ 125,237	34%	$ 335,367	$ 162,083	48%

Accounts receivable increased 20% compared to September 30, 2014, on the 8% increase in revenues in the quarter and slower collections. Days sales outstanding ("DSO") increased 3 days to 51 at September 30, 2015 compared to 48 at September 30, 2014 with deteriorations in both the Equipment Group (3 days) and CIMCO (6 days).

In comparison to December 31, 2014, accounts receivable increased 29% on higher trailing revenues (9% higher) and higher DSO. DSO was 42 at December 31, 2014.

Inventories at September 30, 2015 were 32% higher compared to September 30, 2014 with increases in both Groups.

- Equipment Group inventories were 33% or $123.2 million higher than last year, with increases in equipment (up $99.2 million), parts (up $23.6 million) and service work-in-process (up $0.4 million). The higher inventory levels were a result of the following factors:
    - Expanded agriculture business with two acquisitions in 2014, leading to a $33.5 million increase in inventories year-over-year.
    - The impact of the weaker Canadian dollar on equipment and parts inventories sourced from the US. This is estimated to have increased inventories by approximately $24.0 million.
    - Certain inventory held in advance of customer-specified delivery dates later in the year; and
    - Higher parts inventory levels required at remote mine sites ($8.3 million) to support higher activity levels and location specific shipping schedules.
- CIMCO inventories were 4% or $0.7 million higher than this time last year with increases in both work-in-process, on the timing or advancement of projects, and replacement parts.

Inventories at September 30, 2015 were 40% higher compared to December 31, 2014 with increases in both Groups.

- Equipment Group inventory 40% higher with increases in all categories. 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 48% higher mainly on higher work-in-process for both Canadian and US projects, principally due to seasonal factors.

Accounts payable and accrued liabilities at September 30, 2015 were higher than at September 30, 2014 on timing of inventory purchases and related payments for other supplies as well as the impact of the weaker Canadian dollar on accounts payable to US based vendors. 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 payable represents amounts owing for current corporate income taxes less installments made to date.

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 $3.9 million as at September 30, 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 September 30 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.

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 77,883,381 common shares and 2,609,190 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
June 11, 2015	July 2, 2015	$0.17	$13.2
September 11, 2015	October 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.

Effective September 18, 2015, the Company amended its existing $200.0 million committed credit facility to $250.0 million and extended the term of the agreement to September 7, 2020. Debt under the facility is unsecured and ranks pari passu with debt outstanding under Toromont's existing debentures. The facility includes covenants, restrictions and events of default typical for credit facilities of this nature.

As at September 30, 2015, $25.0 million was drawn on the facility (December 31 and September 30, 2014 - $nil). Letters of credit utilized an additional $21.9 million of the facility (December 31, 2014 - $22.6 million, September 30, 2014 - $22.7 million).

On September 30, 2015, the Company issued senior unsecured debentures in an aggregate principal amount of $150.0 million (the "Debentures"). The Debentures mature in 2025 and bear interest at a rate of 3.71% per annum, payable semi-annually. The Debentures are unsecured, unsubordinated and rank pari passu with other unsecured, unsubordinated debt. Toromont used the net proceeds to pay the principal and interest owing on the outstanding $125.0 million senior debentures which matured on October 13, 2015.

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 September 30 2015	2014	Nine months ended September 30 2015	2014
Cash, beginning of period	$ 33,689	$ 25,754	$ 85,962	$ 70,769
Operations	58,853	49,052	137,177	118,763
Change in non-cash working capital and other	(93,457)	(53,054)	(165,287)	(87,579)
Cash (used in) provided by operating activities	(34,604)	(4,002)	(28,110)	31,184
Cash used in investing activities	(14,364)	(8,869)	(104,805)	(70,226)
Cash provided by (used in) financing activities	112,745	(10,833)	144,294	(29,686)
Effect of foreign exchange on cash balances	(108)	22	17	31
Increase (decrease) in cash in the period	63,669	(23,682)	11,396	(68,697)
Cash, end of period	$ 97,358	$ 2,072	$ 97,358	$ 2,072

Cash Flows from Operating Activities

Operating activities used $34.6 million in the third quarter of 2015 compared to $4.0 million in the comparable period of 2014. Net earnings adjusted for items not requiring cash were 20% higher than last year on higher net earnings, and other non-cash items such as depreciation and amortization. Non-cash working capital and other used $93.5 million compared to $53.1 million in 2014 mainly due to significantly higher inventory and accounts receivable.

Operating activities used $28.1 million year-to-date compared to $31.2 million provided in the comparable period of 2014. Net earnings adjusted for items not requiring cash were 16% higher than last year on higher net earnings, and other non-cash items such as depreciation and amortization and accrued pension liability partially offset by higher deferred income taxes. Non-cash working capital and other used $165.3 million compared to $87.6 million in 2014 mainly due to significantly higher inventory and accounts receivable partially offset by higher accounts payable and accrued liabilities.

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 $7.7 million in the quarter (2014 - $1.1 million) and $84.5 million in the first nine months of the year (2014 – $50.7 million). Continued investment in the rental fleet reflects the Company's strategic focus on this area, together with the existing fleet age profile. 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 $7.0 million (2014 - $5.3 million) and $22.4 million in the first nine months of the year (2014 - $18.0 million).

Additions in the current quarter included:

- $3.3 million in land and buildings for new and expanded branches (2014 - $2.2 million);
- $1.6 million for service vehicles (2014 - $1.7 million);
- $1.2 million for machinery and equipment (2014 - $0.9 million); and
- $0.7 million for upgrades to information technology infrastructure (2014 - $0.3 million).

Additions in the first nine months of the year included:

- $9.4 million for service vehicles (2014 - $6.9 million);
- $7.0 million in land and buildings for new and expanded branches (2014 - $6.5 million);
- $3.0 million for machinery and equipment (2014 - $2.5 million); and
- $2.4 million for upgrades to information technology infrastructure (2014 - $1.6 million).

Cash Flows from Financing Activities

Financing activities provided $112.7 million in the third quarter of 2015 (2014 – used $10.8 million) and $144.3 million in the first nine months of the year (2014 - used $29.7 million).

Significant sources and uses of cash in the current quarter included:

- Issuance of long-term senior debentures $150.0 million (2014 - $nil);
- Decrease in the term credit facility of $25.0 million (2014 - $nil);
- Financing costs of $1.7 million (2014 - $nil) associated with the issuance of long-term senior debentures and amendments to the credit facility;
- Dividends paid to common shareholders of $13.2 million or $0.17 per share (2014 - $11.6 million or $0.15 per share);
- Cash received on exercise of share options of $3.5 million (2014 - $1.5 million); and
- Repayment of long-term debt $0.8 million (2014 - $0.7 million).

Significant sources and uses of cash in the first nine months of the year included:

- Issuance of long-term senior debentures $150.0 million (2014 - $nil);
- Increase in the term credit facility of $25.0 million (2014 - $nil);
- Financing costs of $1.7 million (2014 - $nil) associated with the issuance of long-term senior debentures and amendments to the credit facility;
- Dividends paid to common shareholders of $38.0 million or $0.49 per share (2014 - $33.1 million or $0.43 per share);
- Cash received on exercise of share options of $10.6 million (2014 - $4.9 million); and
- Repayment of long-term debt $1.6 million (2014 - $1.5 million).

OUTLOOK

In the Equipment Group, the parts and service business has experienced significant growth driven by the larger installed base of equipment in the field, providing a measure of stability. Service shops remain busy and the Company continues to hire new technicians to address the increased demand. Broader product lines, investment in rental, the expanded agricultural businesses and developing product support technologies supporting remote diagnostics and telemetrics will also contribute to future growth.

Toromont's Equipment Group continued to perform well in the quarter; however there has been some softening in construction markets in recent months, as evidenced by lower total industry unit sales. Although the roster of projects is expected to continue to be strong, this could be indicative of near-term prospects. The new Federal government's commitment to significantly increase infrastructure spending also bodes well for long-term prospects. Heightened competitive conditions, a tight pricing environment, stagnant economic growth and the weaker Canadian dollar are expected to weigh on prospects, as is the near-term pressure stemming from lower RPO inventory levels and reduced light equipment rental utilization against costs associated with the increased investment.

While market conditions in mining remain challenging, mine production continues and opportunities for sales in support of new mine development, mine expansion and equipment replacement exist. With the substantially increased base of installed equipment, product support activity should continue to grow so long as mines remain active.

The newly formed AgWest business unit will expand the Company's reach into the important agricultural equipment market. Focus remains on business integration and sales coverage to generate favorable returns over the longer-term, although end markets are currently very weak. This factor combined with the increased costs associated with the larger business will dampen results in the near-term.

Activity at CIMCO reflects general economic activity, governmental investment levels and focus, as well as specific customer decisions and construction schedules. 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 CO_2 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 for continued growth in the long-term.

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)	Q4 2014	Q1 2015	Q2 2015	Q3 2015
REVENUES				
The Equipment Group	$ 405,194	$ 296,670	$ 427,565	**$ 439,305**
CIMCO	60,457	43,526	56,968	**66,248**
Total revenues	$ 465,651	$ 340,196	$ 484,533	**$ 505,553**
NET EARNINGS	$ 45,670	$ 20,137	$ 36,395	**$ 44,730**
PER SHARE INFORMATION:				
Earnings per share - basic	$ 0.59	$ 0.26	$ 0.47	**$ 0.58**
Earnings per share - diluted	$ 0.59	$ 0.26	$ 0.46	**$ 0.57**
Dividends paid per share	$ 0.15	$ 0.15	$ 0.17	**$ 0.17**
Weighted average common shares outstanding - Basic (in thousands)	77,195	77,422	77,625	**77,773**

($ thousands, except per share amounts)	Q4 2013	Q1 2014	Q2 2014	Q3 2014
REVENUES				
The Equipment Group	$ 351,713	$ 263,834	$ 368,650	$ 411,077
CIMCO	55,551	47,914	46,909	56,355
Total revenues	$ 407,264	$ 311,748	$ 415,559	$ 467,432
NET EARNINGS	$ 34,414	$ 18,629	$ 28,859	$ 40,038
PER SHARE INFORMATION:				
Earnings per share - basic	$ 0.45	$ 0.24	$ 0.37	$ 0.52
Earnings per share - diluted	$ 0.44	$ 0.24	$ 0.37	$ 0.51
Dividends paid per share	$ 0.13	$ 0.13	$ 0.15	$ 0.15
Weighted average common shares outstanding - Basic (in thousands)	76,737	76,895	77,032	71,117

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 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 MANAGE MENT

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 and nine month period ended September 30, 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.

DESCRIPTION OF NON-GAAP AND ADDITIONAL GAAP MEASURES

Additional GAAP Measures

IFRS mandates certain minimum line items for financial statements and also requires presentation of additional line items, headings and subtotals when such presentation is relevant to an understanding of the Company’s financial position or performance. IFRS also requires the notes to the financial statements to provide information that is not presented elsewhere in the financial statements, but is relevant to understanding them. Such measures outside of the minimum mandated line items are considered additional GAAP measures. The Company’s consolidated financial statements and notes thereto include certain additional GAAP measures where management considers such information to be useful to the understanding of the Company’s results.

Gross Profit

Gross Profit is defined as total revenues less cost of goods sold.

Operating Income

Operating income is defined as net earnings before interest expense, interest and investment income and income taxes and is used by management to assess and evaluate the financial performance of its operating segments. 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.

	Three months ended September 30		**Nine months ended September 30**	
($ thousands)	**2015**	2014	**2015**	2014
Net earnings	**$ 44,730**	$ 40,038	**$ 101,262**	$ 87,526
plus: Interest expense	**2,347**	2,060	**6,432**	6,217
less: Interest and investment income	**(653)**	(444)	**(2,278)**	(2,406)
plus: Income taxes	**15,920**	14,535	**37,421**	31,331
Operating Income	**$ 62,344**	$ 56,189	**$ 142,837**	$ 122,668

Net Debt to Total Capitalization

Net debt to total capitalization is calculated as net debt divided by total capitalization, both defined below, and is used by management as a measure of the Company's financial leverage.

Net debt is calculated as long-term debt plus current portion of long-term debt less cash. Total capitalization is calculated as shareholders' equity plus net debt.

The calculation is as follows:

($ thousands)	**September 30 2015**	December 31 2014	September 30 2014
Long-term debt	**$ 176,976**	$ 4,942	$ 129,799
Current portion of long-term debt	**126,690**	126,576	1,576
less: Cash	**97,358**	85,962	2,072
Net debt	**$ 206,308**	$ 45,556	$ 129,303
Shareholders' equity	**$ 743,800**	$ 668,075	$ 634,681
Total capitalization	**$ 950,108**	$ 713,631	$ 763,984
Net debt to total capitalization	**22%**	6%	17%

Non-GAAP Measures

Management believes that providing certain non-GAAP measures provides users of the Company's consolidated financial statements with important information regarding the operational performance and related trends of the Company's business. By considering these measures in combination with the comparable IFRS measures set out below, management believes that users are provided a better overall understanding of the Company's business and its financial performance during the relevant period than if they simply considered the IFRS measures alone.

The non-GAAP measures used by management do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Accordingly, these measures should not be considered as a substitute or alternative for net income or cash flow, in each case as determined in accordance with IFRS.

Working Capital

Working capital is defined as total current assets less total current liabilities. Management views working capital as a measure for assessing overall liquidity.

($ thousands)	**September 30 2015**	December 31 2014	September 30 2014
Total current assets	**$ 928,153**	$ 698,838	$ 657,480
less: Total current liabilities	**460,035**	404,085	284,771
Working capital	**$ 468,118**	$ 294,753	$ 372,709

Non-Cash Working Capital

Non-cash working capital is defined as total current assets (excluding cash) less total current liabilities (excluding current portion of long-term debt).

($ thousands)		**September 30 2015**		December 31 2014		September 30 2014
Total current assets	**$**	**928,153**	$	698,838	$	657,480
less: Cash		**97,358**		85,962		2,072
	$	**830,795**	$	612,876	$	655,408
Total current liabilities	**$**	**460,035**	$	404,085	$	284,771
less: Current portion of long-term debt		**126,690**		126,576		1,576
	$	**333,345**	$	277,509	$	283,195
Non-cash working capital	**$**	**497,450**	$	335,367	$	372,213

Key Performance Indicators

Management uses key performance indicators to consistently measure performance against the Company's priorities across the organization. The Company's KPIs include gross profit margin, operating margin and order bookings and backlogs. Although some of these KPIs are expressed as ratios, they are non-GAAP financial measures that do not have a standardized meaning under IFRS and may not be comparable to similar measures used by other issuers.

Gross Profit Margin

This measure is defined as gross profit (defined above) divided by total revenues.

Operating income margin

This measure is defined as operating income (defined above) divided by total revenues.

Order Bookings and Backlogs

The Company's order bookings represent new equipment unit orders that management believes are firm. Backlogs are defined as the retail value of new equipment unit ordered by customers for future deliveries. Management uses order backlog as a measure of projecting future new equipment deliveries. There are no directly comparable IFRS measures for order bookings or backlog.

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

($ thousands)	Note	September 30 2015	December 31 2014	September 30 2014
Assets				
Current assets				
Cash		**$ 97,358**	$ 85,962	$ 2,072
Accounts receivable		**309,803**	239,772	258,884
Inventories		**514,542**	367,193	390,679
Derivative financial instruments	7	**3,921**	1,683	2,851
Other current assets		**2,529**	4,228	2,994
Total current assets		**928,153**	698,838	657,480
Property, plant and equipment	2	**181,123**	176,398	172,333
Rental equipment	2	**253,768**	195,263	203,847
Other assets	3	**6,623**	3,546	3,796
Deferred tax assets		**16,355**	5,784	9,421
Goodwill and intangible assets		**27,680**	27,973	27,567
Total assets		**$ 1,413,702**	$ 1,107,802	$ 1,074,444
Liabilities				
Current liabilities				
Accounts payable, accrued liabilities and provisions	4	**$ 270,031**	$ 238,771	$ 235,552
Deferred revenues		**54,359**	34,852	43,486
Income taxes payable		**8,955**	3,886	4,157
Current portion of long-term debt	5	**126,690**	126,576	1,576
Total current liabilities		**460,035**	404,085	284,771
Deferred revenues		**9,893**	9,910	9,155
Long-term debt	5	**176,976**	4,942	129,799
Accrued pension liability		**22,998**	20,790	16,038
Shareholders' equity				
Share capital	6	**299,791**	287,002	285,126
Contributed surplus		**6,929**	7,212	6,981
Retained earnings		**433,413**	371,781	340,437
Accumulated other comprehensive income		**3,667**	2,080	2,137
Shareholders' equity		**743,800**	668,075	634,681
Total liabilities and shareholders' equity		**$ 1,413,702**	$ 1,107,802	$ 1,074,444

See accompanying notes

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

($ thousands, except share amounts)	Note	Three months ended September 30 2015	Three months ended September 30 2014	Nine months ended September 30 2015	Nine months ended September 30 2014
Revenues	13	**$ 505,553**	$ 467,432	**$ 1,330,282**	$ 1,194,739
Cost of goods sold		**381,604**	353,622	**1,006,214**	907,886
Gross profit		**123,949**	113,810	**324,068**	286,853
Selling and administrative expenses		**61,605**	57,621	**181,231**	164,185
Operating income		**62,344**	56,189	**142,837**	122,668
Interest expense	8	**2,347**	2,060	**6,432**	6,217
Interest and investment income	8	**(653)**	(444)	**(2,278)**	(2,406)
Income before income taxes		**60,650**	54,573	**138,683**	118,857
Income taxes		**15,920**	14,535	**37,421**	31,331
Net earnings		**$ 44,730**	$ 40,038	**$ 101,262**	$ 87,526
Earnings per share					
Basic	9	**$ 0.58**	$ 0.52	**$ 1.30**	$ 1.14
Diluted	9	**$ 0.57**	$ 0.51	**$ 1.29**	$ 1.13
Weighted average number of shares outstanding					
Basic	9	**77,773,042**	77,116,885	**77,606,112**	77,015,442
Diluted	9	**78,534,161**	77,775,872	**78,280,421**	77,647,692

See accompanying notes

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

($ thousands)	Three months ended September 30, 2015 Before Income Taxes	Income Taxes	Net of Income Taxes	Nine months ended September 30, 2015 Before Income Taxes	Income Taxes	Net of Income Taxes
Net earnings			$ 44,730			$ 101,262
Other comprehensive income:						
Items that may be reclassified subsequently to net earnings:						
Unrealized gain on translation of financial statements of foreign operations	$ 602	$ -	$ 602	$ 1,140	$ -	$ 1,140
Change in fair value of derivatives designated as cash flow hedges	5,290	(1,376)	3,914	11,048	(2,875)	8,173
Gains on derivatives designated as cash flow hedges transferred to net earnings	(5,356)	1,396	(3,960)	(10,448)	2,722	(7,726)
Other comprehensive income	$ 536	$ 20	$ 556	$ 1,740	$ (153)	$ 1,587
Comprehensive income			$ 45,286			$ 102,849

($ thousands)	Three months ended September 30, 2014 Before Income Taxes	Income Taxes	Net of Income Taxes	Nine months ended September 30, 2014 Before Income Taxes	Income Taxes	Net of Income Taxes
Net earnings			$ 40,038			$ 87,526
Other comprehensive income (loss):						
Items that may be reclassified subsequently to net earnings:						
Unrealized gain on translation of financial statements of foreign operations	$ 324	$ -	$ 324	$ 359	$ -	$ 359
Change in fair value of derivatives designated as cash flow hedges	3,552	(923)	2,629	1,914	(498)	1,416
Gains on derivatives designated as cash flow hedges transferred to net earnings	(23)	5	(18)	(996)	258	(738)
Items that will not be reclassified subsequently to net earnings:						
Actuarial losses on pension plans	-	-	-	(3,256)	863	(2,393)
Other comprehensive income (loss)	$ 3,853	$ (918)	$ 2,935	$ (1,979)	$ 623	$ (1,356)
Comprehensive income			$ 42,973			$ 86,170

See accompanying notes

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

($ thousands)	Note	Three months ended September 30 2015	Three months ended September 30 2014	Nine months ended September 30 2015	Nine months ended September 30 2014
Operating activities					
Net earnings		**$ 44,730**	$ 40,038	**$ 101,262**	$ 87,526
Items not requiring cash:					
Depreciation and amortization		**19,903**	17,196	**54,380**	48,435
Stock-based compensation		**650**	585	**1,952**	1,756
Accrued pension liability		**-**	35	**2,208**	(353)
Deferred income taxes		**(3,651)**	(4,310)	**(10,724)**	(6,359)
Gain on sale of rental equipment, property, plant and equipment	2	**(2,779)**	(4,492)	**(11,901)**	(12,242)
		58,853	49,052	**137,177**	118,763
Net change in non-cash working capital and other	12	**(93,457)**	(53,054)	**(165,287)**	(87,579)
Cash (used in) provided by operating activities		**(34,604)**	(4,002)	**(28,110)**	31,184
Investing activities					
Additions to:					
Rental equipment	2	**(15,674)**	(10,499)	**(110,684)**	(75,198)
Property, plant and equipment	2	**(7,013)**	(5,275)	**(22,375)**	(17,994)
Proceeds on disposal of:					
Rental equipment	2	**7,963**	9,364	**26,211**	24,481
Property, plant and equipment	2	**416**	95	**2,212**	1,159
Increase in other assets		**(56)**	(57)	**(169)**	(177)
Business acquisitions		**-**	(2,497)	**-**	(2,497)
Cash used in investing activities		**(14,364)**	(8,869)	**(104,805)**	(70,226)
Financing activities					
Issue of long-term senior debentures	5	**150,000**	-	**150,000**	-
(Decrease) increase in term credit facility debt	5	**(25,000)**	-	**25,000**	-
Financing costs		**(1,705)**	-	**(1,705)**	-
Repayment of long-term debt		**(802)**	(748)	**(1,576)**	(1,471)
Dividends	6	**(13,208)**	(11,559)	**(37,979)**	(33,088)
Cash received on exercise of stock options		**3,460**	1,474	**10,554**	4,873
Cash provided by (used in) financing activities		**112,745**	(10,833)	**144,294**	(29,686)
Effect of exchange rate changes on cash denominated in foreign currency		**(108)**	22	**17**	31
Increase (decrease) in cash		**63,669**	(23,682)	**11,396**	(68,697)
Cash, at beginning of period		**33,689**	25,754	**85,962**	70,769
Cash, at end of period		**$ 97,358**	$ 2,072	**$ 97,358**	$ 2,072

Supplemental cash flow information (note 12)

See accompanying notes

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

($ thousands)	Share Capital	Contributed Surplus	Retained Earnings	Accumulated other comprehensive income: Foreign Currency Translation Adjustments	Accumulated other comprehensive income: Cash Flow Hedges	Accumulated other comprehensive income: Total	Total
At January 1, 2015	**$ 287,002**	**$ 7,212**	**$ 371,781**	**$ 1,433**	**$ 647**	**$ 2,080**	**$ 668,075**
Net earnings	-	-	101,262	-	-	-	101,262
Other comprehensive income	-	-	-	1,140	447	1,587	1,587
Effect of stock compensation plans	12,789	(283)	-	-	-	-	12,506
Dividends declared	-	-	(39,630)	-	-	-	(39,630)
At September 30, 2015	**$ 299,791**	**$ 6,929**	**$ 433,413**	**$ 2,573**	**$ 1,094**	**$ 3,667**	**$ 743,800**

($ thousands)	Share Capital	Contributed Surplus	Retained Earnings	Accumulated other comprehensive income: Foreign Currency Translation Adjustments	Accumulated other comprehensive income: Cash Flow Hedges	Accumulated other comprehensive income: Total	Total
At January 1, 2014	**$ 279,149**	**$ 6,329**	**$ 289,979**	**$ 831**	**$ 269**	**$ 1,100**	**$ 576,557**
Net earnings	-	-	87,526	-	-	-	87,526
Other comprehensive income (loss)	-	-	(2,393)	359	678	1,037	(1,356)
Effect of stock compensation plans	5,977	652	-	-	-	-	6,629
Dividends declared	-	-	(34,675)	-	-	-	(34,675)
At September 30, 2014	**$ 285,126**	**$ 6,981**	**$ 340,437**	**$ 1,190**	**$ 947**	**$ 2,137**	**$ 634,681**

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 3,500 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 November 2, 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.

2. PROPERTY, PLANT AND EQUIPMENT AND RENTAL EQUIPMENT

Activity within property, plant and equipment and rental equipment included:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
Additions				
Rental Equipment	**$ 15,674**	$ 10,499	**$ 110,684**	$ 75,198
Property, Plant and Equipment	**7,013**	5,275	**22,375**	17,994
	$ 22,687	$ 15,774	**$ 133,059**	$ 93,192
Disposals - NBV				
Rental Equipment	**$ 5,276**	$ 4,944	**$ 15,210**	$ 13,214
Property, Plant and Equipment	**324**	23	**1,312**	184
	$ 5,600	$ 4,967	**$ 16,522**	$ 13,398
Net gain on disposal	**$ 2,779**	$ 4,492	**$ 11,901**	$ 12,242
Depreciation				
Cost of Goods Sold	**$ 18,208**	$ 15,733	**$ 49,480**	$ 44,185
Selling and Administrative Expenses	**1,543**	1,312	**4,448**	3,799
	$ 19,751	$ 17,045	**$ 53,928**	$ 47,984

3. OTHER ASSETS

	September 30 2015	December 31 2014	September 30 2014
Equipment sold with guaranteed residual values	**$ 4,796**	$ 1,888	$ 2,196
Other	**1,827**	1,658	1,600
	$ 6,623	$ 3,546	$ 3,796

4. PAYABLES, ACCRUALS AND PROVISIONS

	September 30 2015	December 31 2014	September 30 2014
Accounts payable and accrued liabilities	**$ 242,015**	$ 213,328	$ 210,600
Dividends payable	**13,235**	11,584	11,575
Provisions	**14,781**	13,859	13,377
	$ 270,031	$ 238,771	$ 235,552

5. LONG-TERM DEBT

		September 30 2015		December 31 2014		September 30 2014
Bank credit facility	$	**25,000**	$	-	$	-
Senior debentures		**281,464**		133,040		133,040
Debt issuance costs, net of amortization		**(2,798)**		(1,522)		(1,665)
Total long-term debt		**303,666**		131,518		131,375
Less current portion		**126,690**		126,576		1,576
	$	**176,976**	$	4,942	$	129,799

All debt is unsecured.

Effective September 18, 2015, the Company amended its existing $200.0 million committed credit facility to $250.0 million and extended the term of the agreement to September 7, 2020. Debt under the facility is unsecured and ranks pari passu with debt outstanding under Toromont's existing debentures. The facility includes covenants, restrictions and events of default typical for credit facilities of this nature.

There was $25.0 million (December 31, 2014 – $nil; September 30, 2014 – $nil) drawn against this facility as at September 30, 2015. At September 30, 2015, standby letters of credit issued utilized an additional $21.9 million of the credit lines (December 31, 2014 – $22.6 million; September 30, 2014 – $22.7 million).

On September 30, 2015, the Company issued senior unsecured debentures in an aggregate principal amount of $150.0 million (the "Debentures"). The Debentures mature in 2025 and bear interest at a rate of 3.71% per annum, payable semi-annually. The Debentures are unsecured, unsubordinated and rank pari passu with other unsecured, unsubordinated debt. Subsequent to the end of the quarter, Toromont used the net proceeds to pay the principal and interest owing on the outstanding 4.92% senior debentures on their maturity on October 13, 2015 and for general corporate purposes.

Terms of the senior debentures are:

- $150,000, 3.71% senior debentures due September 30, 2025, interest payable semi-annually, principal due on maturity;
- $125,000, 4.92% senior debentures due October 13, 2015, interest payable semi-annually, principal due on maturity (repaid in full subsequent to September 30, 2015); and
- $6,464, 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.

6. SHARE CAPITAL

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

	Nine months ended September 30, 2015 Number of Common Shares		Nine months ended September 30, 2015 Common Share Capital	Nine months ended September 30, 2014 Number of Common Shares		Nine months ended September 30, 2014 Common Share Capital
Balance, beginning of period	**77,259,396**	**$**	**287,002**	**76,844,897**	**$**	**279,149**
Exercise of stock options	**620,985**		**12,789**	**321,709**		**5,977**
Balance, end of period	**77,880,381**	**$**	**299,791**	**77,166,606**	**$**	**285,126**

Normal Course Issuer Bid

In August 2015, the Company announced a Normal Course Issuer Bid ("NCIB") to purchase up to approximately 5.9 million of its common shares in the 12 month period ending August 30, 2016, representing 10% of common shares in the public float as estimated at the time of renewal. The actual number of shares purchased and the timing of any such purchases will be determined by Toromont. All shares purchased under the bid will be cancelled. The Company's NCIB announced in 2014 expired in August 2015.

The Company did not purchase any shares under the NCIB during the nine month periods ended September 30, 2015 and 2014.

Dividends

The Company paid dividends of $13.2 million ($0.17 per share) and $38.0 million ($0.49 per share) for the three and nine months ended September 30, 2015, respectively ($11.6 million or $0.15 per share and $33.1 million or $0.43 per share for the three and nine months ended September 30, 2014, respectively).

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 September 30, 2015		**Derivatives**		**Other financial liabilities**		**Total**
Current portion of long-term debt	$	-	$	(126,690)	$	(126,690)
Derivative financial instruments		3,921		-		3,921
Long-term debt		-		(176,976)		(176,976)
Total	**$**	**3,921**	**$**	**(303,666)**	**$**	**(299,745)**

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 September 30, 2015 was $282,752 with a carrying value of $281,464 (December 31, 2014 - $137,040 with a carrying value of $133,040; September 30, 2014 - $138,062 with a carrying value of $133,040). The increase in the fair and carrying value of debentures was primarily due to the issuance of the $150.0 million senior unsecured debentures on September 30, 2015 (see Note 5). 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 three and nine month periods ended September 30, 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 September 30, 2015, the Company was committed to USD purchase contracts with a notional amount of $106.4 million at an average exchange rate of $1.3012, maturing between October 2015 and April 2016.

Management estimates that a gain of $3,921 (December 31, 2014 - $1,683 gain; September 30, 2014 – $2,851 gain) would be realized if the contracts were terminated on September 30, 2015. Certain of these forward contracts are designated as cash flow hedges, and accordingly, an unrealized gain of $1,473 (December 31, 2014 - $873 gain; September 30, 2014 - $1,277 gain) has been included in other comprehensive income. This gain is not expected to affect net income as the gain will be reclassified to net income within the next twelve months and will offset losses recorded on the underlying hedged items, namely foreign currency-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 $2,448 (December 31, 2014 - $810 gain; September 30, 2014 – $1,574 gain) on forward contracts not designated as hedges is included in net income which offsets losses recorded on the foreign currency-denominated items, namely accounts payable.

8. INTEREST INCOME AND EXPENSE

The components of interest expense were as follows:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
Term loan facility	**$ 547**	$ 375	**$ 1,060**	$ 1,188
Senior debentures	**1,800**	1,685	**5,372**	5,029
	$ 2,347	$ 2,060	**$ 6,432**	$ 6,217

The components of interest and investment income were as follows:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
Interest income - rental conversions	**$ 445**	$ 291	**$ 1,603**	$ 1,666
Other	**208**	153	**675**	740
	$ 653	$ 444	**$ 2,278**	$ 2,406

9. EARNINGS PER SHARE

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
Net earnings available to common shareholders	**$ 44,730**	$ 40,038	**$ 101,262**	$ 87,526
Weighted average common shares outstanding	**77,773,042**	77,116,885	**77,606,112**	77,015,442
Dilutive effect of stock option conversion	**761,119**	658,987	**674,309**	632,250
Diluted weighted average common shares outstanding	**78,534,161**	77,775,872	**78,280,421**	77,647,692
Earnings per share:				
Basic	**$ 0.58**	$ 0.52	**$ 1.30**	$ 1.14
Diluted	**$ 0.57**	$ 0.51	**$ 1.29**	$ 1.13

For the three months ended September 30, 2015, 520,700 outstanding share options (2014 – 6,000) with an exercise price of $36.65 (2014 - $26.79) were considered anti-dilutive (exercise price in excess of market price) and as such were excluded from the calculation. For the nine months ended September 30, 2015, 520,700 outstanding share options (2014 – 522,000) with a weighted average exercise price of $36.65 (2014 - $26.52) were considered anti-dilutive.

10. STOCK BASED COMPENSATION

A reconciliation of the outstanding options was as follows:

	Nine months ended September 30, 2015			Nine months ended September 30, 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
Granted	**520,700**		**36.65**	522,500		26.52
Exercised [1]	**(620,985)**		**17.00**	(321,709)		15.15
Forfeited	**(3,400)**		**20.77**	(2,400)		18.79
Options outstanding, end of period	**2,612,190**	**$**	**24.55**	2,808,665	$	20.36
Options exercisable, end of period	**1,053,310**	**$**	**19.68**	1,201,580	$	17.47

[1] The weighted average share price at date of exercise for nine-month period ended September 30, 2015 was $31.75 (2014 - $25.58).

The following table summarizes stock options outstanding and exercisable as at September 30, 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 - $17.10	609,515	2.2	$	16.57	502,035	$	16.45
$17.11 - $23.40	964,655	5.7	$	22.01	451,555	$	21.75
$23.41 - $26.79	517,320	8.8	$	26.52	99,720	$	26.52
$36.65	520,700	9.8	$	36.65	-	$	-
Total	2,612,190	6.3	$	24.55	1,053,310	$	19.68

Deferred Share Unit Plan

A reconciliation of the DSU plan was as follows:

	Nine months ended September 30, 2015			Nine months ended September 30, 2014		
	Number of DSUs		**Value**	Number of DSUs		Value
Outstanding, beginning of period	**334,709**	**$**	**9,527**	288,921	$	7,696
Units taken in lieu of performance incentive awards, director fees and dividends	**35,446**		**1,097**	41,834		1,093
Redemptions	**(3,160)**		**(106)**	(7,786)		(197)
Fair market value adjustment	**-**		**1,550**	-		107
Outstanding, end of period	**366,995**	**$**	**12,068**	322,969	$	8,699

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 September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
Defined benefit plans	**$ 483**	$ 460	**$ 1,508**	$ 1,388
Defined contribution plans	**2,544**	2,368	**7,670**	7,065
401(k) matched savings plans	**55**	40	**146**	118
Net pension expense	**$ 3,082**	$ 2,868	**$ 9,324**	$ 8,571

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
Net change in non-cash working capital and other				
Accounts receivable	**$ (44,136)**	$ (31,556)	**$ (70,031)**	$ (18,157)
Inventories	**(31,609)**	2,894	**(147,349)**	(49,168)
Accounts payable, accrued liabilities and provisions	**(28,017)**	(26,611)	**29,615**	(27,331)
Deferred revenues	**4,035**	(5,109)	**19,489**	(7,343)
Income taxes payable	**7,346**	236	**5,069**	10,292
Other	**(1,076)**	7,092	**(2,080)**	4,128
	$ (93,457)	$ (53,054)	**$ (165,287)**	$ (87,579)
Cash paid during the period for:				
Interest	**$ 627**	$ 498	**$ 4,634**	$ 4,224
Income taxes	**$ 14,324**	$ 10,892	**$ 45,151**	$ 32,666
Cash received during the period for:				
Interest	**$ 529**	$ 354	**$ 1,968**	$ 1,966
Income taxes	**$ 2,229**	$ 2,225	**$ 2,229**	$ 5,744

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. Each reportable segment’s performance is measured based on operating income. No reportable segment is reliant on any single external customer.

Three months ended September 30	Equipment Group 2015	2014	CIMCO 2015	2014	Consolidated 2015	2014
Equipment/package sales	**$ 224,591**	$ 224,981	**$ 35,251**	$ 28,882	**$ 259,842**	$ 253,863
Rentals	**68,639**	66,061	**-**	-	**68,639**	66,061
Product support	**143,145**	117,263	**30,997**	27,473	**174,142**	144,736
Power generation	**2,930**	2,772	**-**	-	**2,930**	2,772
Total revenues	**$ 439,305**	$ 411,077	**$ 66,248**	$ 56,355	**$ 505,553**	$ 467,432
Operating Income	**$ 56,085**	$ 51,666	**$ 6,259**	$ 4,523	**$ 62,344**	$ 56,189
Interest expense					**2,347**	2,060
Interest and investment income					**(653)**	(444)
Income taxes					**15,920**	14,535
Net earnings					**$ 44,730**	$ 40,038

Nine months ended September 30	Equipment Group 2015	2014	CIMCO 2015	2014	Consolidated 2015	2014
Equipment/package sales	**$ 583,784**	$ 539,181	**$ 86,416**	$ 78,643	**$ 670,200**	$ 617,824
Rentals	**161,195**	157,098	**-**	-	**161,195**	157,098
Product support	**410,082**	338,614	**80,326**	72,535	**490,408**	411,149
Power generation	**8,479**	8,668	**-**	-	**8,479**	8,668
Total revenues	**$ 1,163,540**	$ 1,043,561	**$ 166,742**	$ 151,178	**$ 1,330,282**	$ 1,194,739
Operating Income	**$ 133,312**	$ 115,205	**$ 9,525**	$ 7,463	**$ 142,837**	$ 122,668
Interest expense					**6,432**	6,217
Interest and investment income					**(2,278)**	(2,406)
Income taxes					**37,421**	31,331
Net earnings					**$ 101,262**	$ 87,526

Operating income from rental operations for the quarter ended September 30, 2015 was $14.9 million (2014 - $14.7 million). For the nine months ended September 30, 2015, operating income from rental operations was $21.3 million (2014 - $22.5 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.

15. SUBSEQUENT EVENT

On October 13, 2015, the $125.0 million senior debentures matured and were repaid in full (see note 5).

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