MEDIAGRIF

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2015

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The following Management's Discussion and Analysis ("MD&A"), which has been prepared as at November 10, 2015, of the financial position and operating results of Mediagrif Interactive Technologies Inc. ("Mediagrif" or the "Company") should be read in conjunction with the unaudited Interim Condensed Consolidated Financial Statements and accompanying notes thereto for the quarter ended September 30, 2015, as well as the Company's MD&A, audited consolidated financial statements and accompanying notes thereto for the year ended March 31, 2015. This management's discussion and analysis compares performance for the quarters ended September 30, 2015 and 2014. The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). Unless indicated otherwise, all dollar amounts are expressed in Canadian dollars. This MD&A was approved by the Board of Directors of Mediagrif.

In addition to providing profit measures in accordance with IFRS, the Company's statement of income shows operating profit and earnings before interest, taxes, depreciation, amortization, foreign exchange gain (loss) and other revenue (expenses) ("Adjusted EBITDA") as supplementary earnings measures. Operating profit and adjusted EBITDA are not intended to be measures that should be regarded as an alternative to other financial operating performance measures prepared in accordance with IFRS. Those measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Operating profit and adjusted EBITDA are provided to assist investors in determining the Company's ability to generate profitability from its operations and to evaluate its financial performance.

COMPANY PROFILE

Mediagrif (TSX: MDF) is a Canadian leader in information technology, owner of several recognized web and mobile platforms including Jobboom, LesPAC, Réseau Contact, MERX, InterTrade, Carrus and BidNet. Mediagrif's e-commerce solutions are used by millions of consumers and businesses in North America and around the world. The Company has offices in Canada, the United States and China.

MISSION STATEMENT

Our mission is to provide to our customers innovative and efficient technological solutions. In doing so, we seek to create value for our customers, our employees and our shareholders.

FINANCIAL HIGHLIGHTS – SECOND QUARTER ENDED SEPTEMBER 30, 2015

- Revenue increased 3% to reach $18.0 million for the second quarter of 2016, compared to $17.5 million for the second quarter of 2015.
- Adjusted EBITDA[1] of $7.5 million or 42% of revenue for the second quarter of 2016, compared to $7.1 million or 41% of revenue for the second quarter of 2015.
- Profit of $5.1 million ($0.34 per share) for the second quarter of 2016, compared to $3.9 million ($0.24 per share) for the second quarter of 2015.
- Repurchase, under the normal course issuer bid in place, of 108,300 shares during the second quarter of fiscal 2016 for a consideration of $1.8 million.

[1] See reconciliation of Adjusted EBITDA and profit.

CONSOLIDATED STATEMENTS OF INCOME AND SELECTED FINANCIAL INFORMATION

In thousands of Canadian dollars, except per share amounts. *Unaudited and not reviewed by independent auditors.*	**Three months ended September 30** **2015** **$**	**2014** **$**	**Six months ended September 30** **2015** **$**	**2014** **$**
REVENUE	**17,953**	17,512	**35,662**	35,243
GROSS MARGIN	**14,455**	13,906	**28,621**	28,157
OPERATING EXPENSES				
General and administrative	**2,068**	2,187	**4,450**	4,277
Selling and marketing	**3,656**	3,356	**7,518**	7,034
Technology	**2,614**	3,164	**5,419**	6,756
TOTAL OPERATING EXPENSES	**8,338**	8,707	**17,387**	18,067
OPERATING PROFIT	**6,117**	5,199	**11,234**	10,090
Other revenue	**762**	378	**616**	63
Financial expenses	**(198)**	(291)	**(394)**	(613)
Share of profit of a joint venture	**72**	74	**112**	115
Income tax expense	**(1,664)**	(1,498)	**(3,059)**	(2,661)
PROFIT	**5,089**	3,862	**8,509**	6,994
AJUSTED EBITDA (see reconciliation of adjusted EBITDA and profit)	**7,539**	7,137	**14,017**	13,756
CASH FLOWS GENERATED BY OPERATING ACTIVITIES	**5,190**	5,580	**9,150**	9,613
EARNINGS PER SHARE – BASIC AND DILUTED	**0.34**	0.24	**0.56**	0.44
Declared dividends per share	**0.10**	0.10	**0.20**	0.20
Weighted average number of shares outstanding (in thousands):				
Basic and diluted	**15,093**	15,814	**15,276**	15,815

In thousands of Canadian dollars. *Unaudited and not reviewed by independent auditors.*	**September 30, 2015** **$**	**March 31, 2015** **$**
TOTAL ASSETS	**191,680**	191,155
LONG-TERM DEBT	**31,050**	26,100

RECONCILIATION OF AJUSTED EBITDA AND PROFIT *In thousands of Canadian dollars.* *Unaudited and not reviewed by independent auditors.*	**Three months ended September 30** **2015** **$**	 **2014** **$**	**Six months ended September 30** **2015** **$**	 **2014** **$**
PROFIT	**5,089**	3,862	**8,509**	6,994
Income tax expense	**1,664**	1,498	**3,059**	2,661
Depreciation of property, plant and equipment and amortization of intangible assets	**509**	392	**972**	745
Amortization of acquired intangible assets	**881**	1,504	**1,775**	2,868
Amortization of deferred financing costs	**-**	48	**-**	96
Amortization of deferred lease inducement	**(40)**	(32)	**(76)**	(62)
Foreign exchange gain	**(762)**	(378)	**(612)**	(63)
Interest on long-term debt	**198**	243	**394**	517
Gain on disposal of property, plant and equipment	**-**	-	**(4)**	-
ADJUSTED EBITDA	**7,539**	7,137	**14,017**	13,756

Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, foreign exchange gain (loss) and other revenue (expenses) as historically calculated by the Company.

THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2015, "SECOND QUARTER OF FISCAL 2016" COMPARED TO THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2014, "SECOND QUARTER OF FISCAL 2015"

REVENUE

For the second quarter of fiscal 2016, revenue reached $18.0 million, an increase of 3% or $0.4 million when compared to the second quarter of fiscal 2015. The following items explain the variation in revenue:

- Increase in revenue from MERX, Market Velocity, InterTrade and BidNet for an amount of $0.7 million.
- Increase of $0.8 million in revenue attributable to changes in the Canadian dollar against the U.S. dollar, combined with hedges in place.
- Decrease in revenue from The Broker Forum, Jobboom, Power Source On-Line and LesPAC for a total amount of $1.0 million.
- Decrease in revenue from software development for an amount of $0.1 million.

During the second quarter of fiscal 2016, revenue earned in Canadian dollars represented 61% of total revenue, compared to 65% for the second quarter of fiscal 2015.

COSTS OF REVENUE

Cost of revenue totaled $3.5 million during the second quarter of fiscal 2016 compared to $3.6 million during the second quarter of fiscal 2015. This decrease is primarily due to lower commissions paid of $0.1 million in connection with lower advertising revenue and to a decrease in document printing costs of $0.1 million. These decreases were partially offset by higher labor costs of $0.1 million, mainly due to the conversion of these costs from the US subsidiaries to Canadian dollars.

GROSS MARGIN

Based on the information above, gross margin for the second quarter of fiscal 2016 slightly increased to 80.5% compared to 79.4% during the second quarter of fiscal 2015.

OPERATING EXPENSES

Operating expenses for the second quarter of fiscal 2016 totaled $8.3 million, compared to $8.7 million for the second quarter of fiscal 2015. Changes in operating expenses are explained as follows:

- General and administrative expenses totaled $2.1 million during the second quarter of fiscal 2016 compared to $2.2 million during the second quarter of fiscal 2015. The decrease is mainly due to lower charges related to employment contract termination benefits of $0.1 million.

- Selling and marketing expenses totaled $3.7 million during the second quarter of fiscal 2016, compared to $3.4 million for the second quarter of fiscal 2015. The increase is primarily due to higher advertising and promotion costs of $0.1 million, to higher labor costs of $0.3 million, including charges related to employment contract termination benefits of $0.2 million, and partly due to the conversion of these costs from the US subsidiaries to Canadian dollars. These items were partially offset by a reduction in amortization expense of $0.1 million.

- Technology expenses totaled $2.6 million during the second quarter of fiscal 2016, compared to $3.2 million during the same quarter of 2015. This decrease is primarily due to the recording of higher tax credits in the amount of $0.2 million, to higher internally developed software for an amount of $0.2 million and to lower depreciation expense mainly related to acquired intangible assets of $0.5 million. These items were partially offset by an increase in the technology workforce of $0.3 million.

OPERATING PROFIT

Based on the information above, operating profit reached $6.1 million during the second quarter of fiscal 2016, compared to $5.2 million during the second quarter of fiscal 2015.

FOREIGN EXCHANGE GAIN

During the second quarter of fiscal 2016, the Company realized a foreign exchange gain on assets denominated in U.S. dollars of $0.8 million, compared to $0.4 million realized during the second quarter of fiscal 2015.

FINANCIAL EXPENSES

Financial expenses totaled $0.2 million during the second quarter of fiscal 2016 compared to $0.3 million during the corresponding period of fiscal 2015. These costs consist primarily of interest expenses and standby fees on the long-term debt and of amortization of deferred financing costs. The decrease in financial expenses is mainly due to the amortization of deferred financing costs which ended during the fiscal year ended March 31, 2015 and to lower interest rate during the second quarter of fiscal 2016 when compared to the corresponding quarter of fiscal 2015.

INCOME TAX EXPENSE

For the second quarter of fiscal 2016, income tax expense totaled $1.7 million, representing an effective tax rate of 24.6%, compared to the statutory rate of 26.9%. During the second quarter of fiscal 2015, the effective tax rate stood at 27.9% compared to a statutory rate of 26.9%.

During the second quarter of fiscal 2016, the decrease in the effective tax rate compared to the statutory tax rate is mainly due to the fact that certain foreign exchange gains realized by the Company are non-taxable. This item was partially offset by the fact that a portion of revenue is taxable in the United States, a jurisdiction where the statutory tax rate is higher.

During the second quarter of fiscal 2015, the increase in the effective tax rate compared to the statutory tax rate was mainly due to the fact that a portion of revenue was taxable in the United States, a jurisdiction where the statutory tax rate is higher.

PROFIT

Profit for the second quarter of fiscal 2016 totaled $5.1 million ($0.34 per share), compared to $3.9 million ($0.24 per share) during the second quarter of fiscal 2015.

SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2015 "FIRST SIX MONTHS OF FISCAL 2016" COMPARED TO THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2014 "FIRST SIX MONTHS OF FISCAL 2015"

REVENUE

For the first six months of fiscal 2016, revenue reached $35.7 million, an increase of 1% or $0.4 million when compared to the first six months of fiscal 2015. This increase in revenue was mainly due to the following items:

- Increase in revenue from Merx, Market Velocity, InterTrade and BidNet for an amount of $1.4 million.
- Increase of $1.4 million in revenue attributable to variation in the Canadian dollar against the U.S. dollar, combined with hedges in place.
- Decrease in revenue from The Broker Forum, Power Source Online, Jobboom, LesPAC and Réseau Contact for a total amount of $2.1 million.
- Decrease in revenue from software development for an amount of $0.3 million.

During the first six months of fiscal 2016, revenue earned in Canadian dollars represented 63% of total revenue, compared to 66% for the first six months of fiscal 2015.

COSTS OF REVENUE

Cost of revenue totaled $7.0 million during the first six months of fiscal 2016 compared to $7.1 million during the first six months of fiscal 2015. This decrease is primarily due to lower document printing costs of $0.2 million and to a decrease in commissions paid of $0.1 million in connection with lower advertising revenue. These decreases were partially offset by higher labor costs of $0.2 million, mainly due to the conversion of these costs from the US subsidiaries to Canadian dollars.

GROSS MARGIN

Based on the information above, gross margin for the first six months of fiscal 2016 increased slightly to 80.3%, compared to 79.9% during the first six months of fiscal 2015.

OPERATING EXPENSES

Operating expenses for the first six months of fiscal 2016 totaled $17.4 million, compared to $18.1 million for the first six months of fiscal 2015. Changes in operating costs are explained as follows:

- General and administrative expenses totaled $4.5 million during the first six months of fiscal 2016 compared to $4.3 million for the first six months of fiscal 2015. This increase is primarily due to non-recurring due diligence expenses of $0.3 million that were incurred during the first six months of fiscal 2016, which was partially offset by lower labor costs of $0.1 million.

- Selling and marketing expenses totaled $7.5 million during the first six months of fiscal 2016, compared to $7.0 million for the first six months of fiscal 2015. The increase in selling and marketing expenses is mainly due to higher labor costs of $0.5 million, including charges related to employment contract termination benefits of $0.2 million, and partly due to the conversion of these costs from the US subsidiaries to Canadian dollars.

- Technology expenses totaled $5.4 million during the first six months of fiscal 2016, compared to $6.8 million during the first six months of fiscal 2015. This decrease is mainly due to the recording of higher tax credits in the amount of $0.6 million, to higher internally developed software for an amount of $0.5 million and to a decrease in amortization expense of $0.9 million. These items were partially offset by an increase in the technology workforce of $0.6 million.

OPERATING PROFIT

Based on the information above, operating profit reached $11.2 million during the first six months of fiscal 2016, compared to $10.1 million during the first six months of fiscal 2015.

FOREIGN EXCHANGE GAIN

During the first six months of fiscal 2016, the Company realized a foreign exchange gain on assets denominated in U.S. dollars of $0.6 million, compared to $0.1 million during the first six months of fiscal 2015.

FINANCIAL EXPENSES

Financial expenses reached $0.4 million in the first six months of fiscal 2016 compared to $0.6 million during the first six months of fiscal 2015. These costs consist primarily of interest expenses and standby fees on the long-term debt and of amortization of deferred financing costs. The decrease in financial expenses is mainly due to the amortization of deferred financing costs which ended during the fiscal year ended March 31, 2015 and to the decrease in average debt during the first six months of fiscal 2016 when compared to the corresponding period of fiscal 2015.

INCOME TAX EXPENSE

For the first six months of fiscal 2016, income tax expense totaled $3.1 million, representing an effective tax rate of 26.4%, compared to the statutory rate of 26.9%.

The decrease in the effective tax rate compared to the statutory tax rate is mainly due to the fact that certain foreign exchange gains realized by the Company are non-taxable. This item was partially offset by the fact that a portion of revenue is taxable in the United States, a jurisdiction where the statutory tax rate is higher.

During the first six months of fiscal 2015, the effective tax rate stood at 27.6% compared to a statutory rate of 26.9%. The increase in the effective tax rate compared to the statutory tax rate is mainly due to the fact that a portion of revenue is taxable in the United States, a jurisdiction where the statutory tax rate is higher.

PROFIT

Profit for the first six months of fiscal 2016 totaled $8.5 million ($0.56 per share), compared to $7.0 million ($0.44 per share) during the first six months of fiscal 2015.

QUARTERLY PERFORMANCE

Selected quarterly financial information for the eight most recently completed quarters on or before September 30, 2015, is as follows:

Unaudited and not reviewed by independent auditors.	**Sept. 30 2015** $	**June 30 2015** $	**March 31 2015** $	**Dec. 31 2014** $	**Sept. 30 2014** $	**June 30 2014** $	**March 31 2014** $	**Dec. 31 2013** $
Revenue	**17,953**	17,709	17,467	17,537	17,512	17,731	17,296	16,427
Operating profit	**6,117**	5,117	5,373	5,397	5,199	4,891	4,671	4,144
Adjusted EBITDA	**7,539**	6,478	6,750	7,003	7,137	6,619	6,767	6,072
Profit	**5,089**	3,420	4,583	4,056	3,862	3,132	3,968	3,010
Basic and diluted earnings per share	**0.34**	0.22	0.30	0.26	0.24	0.20	0.25	0.19

In thousands of Canadian dollars, except per share amounts.

2016 QUARTERS

- Second quarter: Compared to the first quarter of fiscal 2016, the increase in revenue is mainly attributable to higher revenue from InterTrade, Market Velocity and Réseau Contact as well as a favorable impact of the exchange rate (CA$/US$) on revenue. These increases were partially offset by a decrease in revenue from Jobboom and by a decrease in revenue from LesPAC, of which a portion is due to seasonal variation.

  Adjusted EBITDA and operation profit increased mainly due to lower professional fees (non-recurring due diligence costs of $0.3 million incurred during the first quarter of fiscal 2016), to a decrease in advertising and promotion expenses as well as lower salaries and benefits, for a total amount of $0.5 million.

  Profit in the quarter ended September 30, 2015 also increased due to a foreign exchange gain on assets denominated in US dollars of $0.8 million compared to a foreign exchange loss of $0.2 million in the quarter ended June 30, 2015.

- First quarter: Compared to the fourth quarter of fiscal 2015, the increase in revenue is mainly due to higher revenue from LesPAC, MERX and Carrus, partially offset by a decrease in revenue from Jobboom.

  Adjusted EBITDA and operating profit decreased mainly due to non-recurring due diligence costs of $0.3 million, to higher commissions paid in connection with higher revenue and to lower tax credits.

  Profit in the quarter ended June 30, 2015 was also reduced by the recording of a foreign exchange loss of $0.2 million while a foreign exchange gain of $0.9 million was recorded during the quarter ended March 31, 2015.

2015 QUARTERS

- Fourth quarter: Compared to the third quarter of fiscal 2015, revenue and operating profit remained stable.

  Adjusted EBITDA slightly decreased mainly due to termination benefits for an amount of $0.2 million. On the other hand, operating profit remained stable due to a lower amortization expense also for an amount of $0.2 million.

  Profit increased primarily due to a higher foreign exchange gain of $0.6 million and lower financial expenses during the quarter compared to previous quarter.

- Third quarter: Compared to the second quarter of fiscal 2015, the revenue remained stable at $17.5 million.

  The adjusted EBITDA slightly decreased mainly due to higher advertising costs during the third quarter. The increase in operating profit is due to lower amortization expense related to acquired intangible assets as well as to a decrease in document printing costs. The expenses were partially offset by higher advertising and promotion costs.

  Profit increased due to lower financial expenses and lower income tax expense during the third quarter.

- Second quarter: Compared to the first quarter of fiscal 2015, the decrease in revenue during the second quarter of fiscal 2015 was primarily attributable to LesPAC and Jobboom, this decrease is mainly explained by seasonal variations. The increase in revenue from MERX and InterTrade during the quarter partially offset this decrease.

  Otherwise, the increase in operating profit and adjusted EBITDA is mainly attributable to lower seasonal advertising and promotion costs of $0.3 million, lower salary and benefits and additional tax credits.

  The profit has also increased due to foreign exchange gain of $0.4 million during the second quarter compared to foreign exchange loss of $0.3 million during the first quarter.

- First quarter: Compared to the fourth quarter of fiscal 2014, the increase in revenue is primarily attributable to higher revenue from LesPAC, partly offset by lower revenue from Jobboom. Operating profit also increased due to additional revenue, lower depreciation expense and by the recognition of internally-developed software. Furthermore, operating profit and adjusted EBITDA were affected by the increase of seasonal advertising and promotion and by reduced tax credits.

  Meanwhile, the profit has decreased due to a foreign exchange loss of $0.3 million in the current quarter compared to a foreign exchange gain of $0.4 million in the fourth quarter of fiscal 2014. In addition, the income tax expense for the first quarter of fiscal 2015 was $0.3 million higher than the fourth quarter of fiscal 2014 due to some prior years' adjustments recorded in the fourth quarter of fiscal 2014

2014 QUARTERS

- Fourth quarter: Improvement in financial results in the fourth quarter is primarily due to the increase in contribution from Jobboom, the contribution of Réseau Contact for a first full quarter and, to a lesser extent, the additional contribution from MERX and to our joint venture GWS. In addition, profit was positively impacted by a lower tax expense compared to the previous quarters.

- Third quarter: The positive impact on revenue during the third quarter of fiscal 2014 is due to the increase in the contribution from Jobboom and the addition of Réseau Contact. Operating profit and adjusted EBITDA declined, mainly due to termination benefits. Meanwhile profit has benefited from a foreign exchange gain of $0.2 million compared to a foreign exchange loss of $0.2 million in the previous quarter.

LIQUIDITY AND FINANCIAL RESOURCES

In general, the Company finances its operations, capital expenditures, dividends and business acquisitions using funds generated by its operations and cash on hand.

When necessary, the Company may also use funds on the unused portion of its credit facility (see section "Financing Activities - Credit Agreement") or issue new shares to fund its operations including acquisitions.

As at September 30, 2015, the Company had cash and cash equivalents of $8.3 million and $28.9 million available on its Revolving Facility of $60.0 million, subject to compliance with financial ratios and other customary restrictions contained in the agreement.

OPERATING ACTIVITIES

	Three months ended September 30		Six months ended September 30	
In thousands of Canadian dollars. Unaudited and not reviewed by independent auditors.	**2015 $**	**2014 $**	**2015 $**	**2014 $**
Cash flows related to operating activities before changes in non-cash working capital items	**6,291**	6,001	**10,258**	10,099
Changes in non-cash working capital items	**(1,101)**	(421)	**(1,108)**	(486)
Cash flows related to operating activities	**5,190**	5,580	**9,150**	9,613

For the second quarter of fiscal 2016, cash flows generated by operating activities reached $5.2 million, compared to $5.6 million for the second quarter of fiscal 2015. The variation in cash flows is mainly due to higher payment of accounts payable when compared to the second quarter of fiscal 2015 and to a more significant fluctuation of deferred revenue when compared to the corresponding period of fiscal 2015.

For the first six months of fiscal 2016, cash flows generated by operating activities reached $9.2 million, compared to $9.6 million in the first six months of fiscal 2015. The decrease is mainly attributable to the increase in tax credits receivable, to a decrease in accounts payable and accrued liabilities due to payment of various accrual amounts during the semester, partially offset by an increase in other accounts payable.

INVESTING ACTIVITIES

In thousands of Canadian dollars. Unaudited and not reviewed by independent auditors.	**Three months ended September 30**		**Six months ended September 30**	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Acquisition of property, plant and equipment	**(128)**	(367)	**(351)**	(553)
Acquisition of intangible assets	**(408)**	(232)	**(1,351)**	(788)
Distribution from a joint venture	**-**	-	**500**	-
Proceeds on disposal of property, plant and equipment	**-**	-	**4**	-
Cash flows related to investing activities	**(536)**	(599)	**(1,198)**	(1,341)

Cash flows used by investing activities amounted to $0.5 million for the second quarters of fiscal 2016 compared to $0.6 million during the second quarter of fiscal 2015.

During the second quarter of fiscal 2016, the Company made acquisitions of property, plant and equipment for an amount of $0.1 million compared to $0.4 million during the corresponding quarter of fiscal 2015. Acquisitions of intangible assets for the second quarter of fiscal 2016 include an amount of $0.4 million of internally developed software compared to $0.2 million for the second quarter of fiscal 2015.

During the first six months of fiscal 2016, the Company made acquisitions of property, plant and equipment for an amount $0.4 million compared to $0.6 million during the first six months of fiscal 2015. Acquisitions of intangible assets for the first six months of fiscal 2016 include an amount of $1.0 million of internally-developed software compared to $0.5 million for the first six months of fiscal 2015. The Company also acquired external software in the amount of $0.4 million during the first six months of fiscal 2016 compared to $0.3 million during the first six months of fiscal 2015.

During the first six months of fiscal 2016, the Company received a capital distribution from a joint venture of an amount of $0.5 million while there was no distribution in the corresponding period of fiscal 2015.

FINANCING ACTIVITIES

In thousands of Canadian dollars. Unaudited and not reviewed by independent auditors.	**Three months ended September 30**		**Six months ended September 30**	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Increase of long-term debt	**1,830**	-	**8,829**	-
Repayment of long-term debt	**(2,080)**	(4,850)	**(3,879)**	(8,090)
Repurchase of common shares for cancellation	**(1,830)**	(183)	**(8,829)**	(225)
Lease inducement received	**-**	27	**-**	35
Cash dividends paid on common shares	**(1,513)**	(1,581)	**(3,067)**	(3,164)
Cash flows related to financing activities	**(3,593)**	(6,587)	**(6,946)**	(11,444)

For the second quarter of fiscal 2016, cash flows used for financing activities amounted to $3.6 million compared to $6.6 million during the second quarter of 2015.

During the second quarter of fiscal 2016, the Company used an amount of $1.8 million on its revolving credit facility in order to repurchase, under the normal course issuer bid in place, a total of 108,300 shares. Moreover, the Company repaid an amount of $2.1 million on its revolving credit facility during the quarter ended September 30, 2015.

The amount paid in dividends by the Company totaled $1.5 million during the second quarter of fiscal 2016 compared to $1.6 million during the corresponding period of fiscal 2015. The decrease in dividends paid is due to the repurchase of shares that occurred during the last year as there was no change in the dividend rate of $0.10 per share.

During the first six months of fiscal 2016, cash flows used for financing activities amounted to $6.9 million compared to $11.4 million during the second quarter of 2015. As at September 30, 2015, the Company had repaid, from its cash and cash equivalents, an amount of $3.9 million on its revolving credit facility and repurchased 526,009 shares for a total amount of $8.8 million.

The amount paid in dividends by the Company totaled $3.1 million during the first six months of fiscal 2016 compared to $3.2 million during the corresponding period of fiscal 2015.

CREDIT AGREEMENT

On November 10, 2011, the Company entered into a credit agreement, (the "Credit Agreement") with two Canadian financial institutions pursuant to which lenders made available to the Company a $60.0 million secured revolving five-year credit facility (the "Revolving Facility") for general corporate purposes, including acquisitions, and an accordion loan of $40.0 million subject to lenders' acceptance.

The Revolving Facility expires on November 9, 2016, and any outstanding amounts are due in full at maturity. Amounts under the Credit Agreement are repayable before maturity without penalty.

As at September 30, 2015, the Company's Revolving Facility stood at $31.1 million.

The Revolving Facility bears interest at a rate based either on Canadian prime rate, LIBOR or bankers' acceptance rate plus a margin in each case. This margin varies according to the ratio of total debt to earnings before interest, taxes, depreciation and amortization ("EBITDA"). As at September 30, 2015, the actual rate was 0.79% and the margin was 1.50%. In addition, the unused portion of the Revolving Facility bears interest at 0.30% as standby fees.

All obligations under the Credit Agreement are secured by a first-rank security (hypothec) on substantially all of the Company's assets, tangible and intangible, present and future.

The Credit Agreement contains certain covenants and certain events of default customary for loans of this nature, including some limitations to the levels of investments and acquisitions, capital expenditures and distributions. The Credit Agreement is also subject to restrictive covenants requiring certain financial ratios to be maintained. As at September 30, 2015, the Company was in compliance with the financial ratios prescribed under these covenants.

FINANCIAL POSITION

As a whole, the Company has a sound financial position and is able to meet its financial obligations. As at September 30, 2015, the Company had cash and cash equivalents of $8.3 million and $28.9 million available on its credit facility of $60.0 million. At that same date, total assets of the Company amounted to $191.7 million compared to $191.2 million as at March 31, 2015.

INFORMATION FROM STATEMENTS OF FINANCIAL POSITION *In thousands of Canadian dollars*	**September 30, 2015 $**	**March 31, 2015 $**
Cash and cash equivalents	**8,333**	7,546
Cash held for the benefit of third parties	**1,073**	666
Accounts receivable	**5,352**	5,691
Income taxe receivable	**459**	-
Tax credits receivable	**4,848**	3,947
Prepaid expenses and deposits	**2,275**	1,986
Intangible assets	**2,620**	1,719
Goodwill	**100,280**	100,280
Investment in a joint venture	**199**	587
Accounts payable and accrued liabilities	**6,100**	6,861
Other accounts payable	**1,594**	1,229
Income taxes payable	**-**	1,084
Long-term debt	**31,050**	26,100
Shareholders' equity	**118,773**	122,103

The main changes in the Company's statement of financial position between September 30, 2015, and March 31, 2015 are explained as follows:

- Cash held for the benefit of third parties reached $1.1 million as at September 30, 2015, compared to $0.7 million as at March 31, 2015. This variation is mainly attributable to the increase in transactions from Market Velocity.

- Accounts receivable reached $5.4 million as at September 30, 2015, compared to $5.7 million as at March 31, 2015 and is mainly attributable to the decrease in accounts receivable from Jobboom.

- Tax credits receivable totaled $4.8 million as at September 30, 2015, an increase of $0.9 million when compared to March 31, 2015. This increase is explained by the recording of tax credits during the six-month period ended September 30, 2015.

- Total of intangible assets increased totaled $2.6 million as at September 30, 2015, an increase of $0.9 million when compared to March 31, 2015. This increase is explained by the recording of internally developed software during the first six months of fiscal 2016.

- Investment in a joint venture stood at $0.2 million as at September 30, 2015, a decrease of $0.4 million when compared to March 31, 2015. This decrease is explained by a capital distribution from its joint venture Global Wine & Spirits of an amount of $0.5 million, partially offset by the share of profit of $0.1 million for the period.

- Accounts payable and accrued liabilities reached $6.1 million as at September 30, 2015, compared to $6.9 million as at March 31, 2015, following the payment of various accrual amounts recorded as at March 31, 2015.

- Other accounts payable reached $1.6 million as at September 30, 2015 compared to $1.2 million as at March 31, 2015. This variation is explained by the increase in cash held for the benefit of third parties following an increase in the volume of transaction at Market Velocity during the first six months of fiscal 2016.

- Long-term debt totaled $31.1 million as at September 30, 2015, compared to $26.1 million as at March 31, 2015. The increase in long-term debt is due to the repurchase of shares for an amount of $8.8 million less $3.9 million of repayments made during the first six months of fiscal 2016.

- Shareholders' equity stood at $118.8 million as at September 30, 2015, compared to $122.1 million as at March 31, 2015. This decrease is explained by the $8.5 million profit earned by the Company during the six-month period ended September 30, 2015, less the dividends declared of $3.0 million and the repurchase of shares of $8.8 million.

DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business, the Company is exposed to certain financial risks. The Company does not hold financial instruments for speculative purposes but only to reduce the volatility of its results from its exposure to these risks. The nature and the extent of the risks arising from the financial instruments and their related risk management are described in Note 24 of the Company's audited consolidated financial statements as at March 31, 2015.

The Company's hedging program will yield an average (CAD$/US$) exchange rate of 1.2120 on foreign currency forward contracts of US$11.7 million held as at September 30, 2015, which will mature over fiscal years 2016 and 2017. As at September 30, 2014, the Company had foreign currency forward contracts of US$10.9 million held at a rate of 1.0855.

During second quarter of fiscal 2016, there has been no material change to the nature of risks arising from financial instruments, related risk management and classification of financial instruments. Furthermore, there was no change in the methodology used in determining the fair value of the financial instruments that are measured at fair value in the Company's consolidated statements of financial position.

RELATED PARTY TRANSACTIONS

The Company holds a 50% ownership in the joint venture Société d'investissement M-S S.E.C. (a limited partnership), which operates under the brand Global Wine & Spirits ("GWS"), in which it shares joint control with its co-venturers. GWS operates a virtual business-to-business electronic network offering an integrated solution for the purchase and sale of wine and spirits.

During second quarter of fiscal 2016, revenue recorded by the Company from transactions with GWS remained stable at $0.4 million compared to the corresponding period of fiscal 2015. In addition, the Company recharged to GWS operating expenses in the amount of $0.1 million during second quarter of fiscal 2016 and 2015. As at September 30, 2015, and March 31, 2015, the Company's accounts receivable from GWS stood at $0.1 million.

During the first six months of fiscal 2016, recorded revenue by the Company from transactions with GWS remained stable at $0.8 million compared to the corresponding period in fiscal 2015. In addition, the Company recharged to GWS operating expenses in the amount of $0.1 million during each of the first six months of fiscal 2016 and 2015.

In addition, during the six months ended September 30, 2015 the Company received a capital distribution of $0.5 million from GWS.

These transactions occurred in the normal course of business and were measured at the amount of consideration agreed to by the parties.

RISKS AND UNCERTAINTIES

The Company is confident of its long-term prospects. However, in order to ensure that its strategy and growth objectives are met, the Company seeks to diminish the risks and uncertainties created by potentially unfavourable situations in its industry sector or its liquidity. The risks that the Company faces are technological, operational or financial in nature or are inherent to its business activities or its acquisition strategies. The description of these risks and uncertainties has not changed compared to the description in the Management Discussion & Analysis for the year ended March 31, 2015.

FUTURE CHANGES IN ACCOUNTING POLICIES

IFRS 9 FINANCIAL INSTRUMENTS

On July 24, 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* ("IFRS 9"), which replaces IAS 39 *Financial Instruments: Recognition and Measurement*. This final version of IFRS 9 represents the completion of this project and it includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. IFRS 9 does not address the specific accounting for open portfolios or macro hedging, as these items are part of a separate IASB project that is currently ongoing. This final Standard introduces a single, principles-based approach that amends both the categories and associated criteria for the classification and measurement of financial assets, which is driven by the entity's business model for the portfolio in which the assets are held and the contractual cash flows of these financial assets. Certain amendments have been made to the financial asset classification and measurement principles in prior versions of IFRS 9. This Standard introduces an amended hedging model which aligns hedge accounting more closely with an entity's risk management activities and also includes a new financial asset impairment model which has an expanded scope, is based on expected credit losses rather than incurred credit losses and generally will result in earlier recognition of losses. This new Standard supersedes all prior versions of IFRS 9. The Company has not yet examined the impacts of this new standard. IFRS 9 will apply to the Company for the annual period beginning on April 1, 2018.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 *Revenue from Contracts with Customers* establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle of the new Standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The Company has not yet examined the impacts of this new standard. IFRS 15 will apply for the Company for its annual period beginning April 1, 2018.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements with respect to the Company. These statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those expected by these forward-looking statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of the Company, may ultimately prove to be incorrect since they are subject to the risks and uncertainties that affect the Company. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

CONTROLS AND PROCEDURES

In accordance with the Canadian Securities Administrators' Regulation 52-109 respecting *Certification of Disclosure in Issuers' Annual and Interim Filings*, certificates signed by the President and Chief Executive Officer and the Chief Financial Officer have been filed. These documents confirm the adequacy of controls and procedures for disclosure of the Company and the design and effectiveness of its internal controls regarding financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

The disclosure controls and procedures of the Company have been designed in accordance with the rules of the Canadian Securities Administrators in order to provide reasonable assurance that material information related to the Company is made known to the Audit Committee and the Board of Directors and information required to be disclosed in the Company's filings is recorded, processed, summarized and reported within the time period specified in securities legislation.

Under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, management has evaluated the effectiveness of the Company's disclosure controls and procedures in accordance with the rules of the Canadian Securities Administrators and has concluded that such disclosure controls and procedures are efficient for the fiscal year ended March 31, 2015. As at September 30, 2015, there were no changes in disclosure controls and procedures of the Company and these controls and procedures are still considered efficient.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The internal control over financial reporting has been designed in order to provide reasonable assurance that the financial information reported is reliable and that the financial statements were prepared in accordance with the Company's IFRS.

Under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, management has evaluated the design and the effectiveness of the Company's internal control over financial reporting and has concluded that such controls were efficient for the fiscal year ended March 31, 2015.

As at September 30, 2015, there were no changes in internal control over financial reporting of the Company which has had, or is reasonably likely to materially affect, the Company's internal control over the financial information.

ADDITIONAL INFORMATION

This report has been prepared as at November 10, 2015.

As of that date, the number of common shares outstanding was 15,016,246.

Additional information relating to the Company, including the Annual Information Form, is available on SEDAR at www.sedar.com.

MARKET AND TICKER SYMBOL

The Company's common shares trade on the Toronto Stock Exchange under the ticker symbol "MDF".

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VIAVAR Capital Inc.

Michel Dubé
Quebec, Canada
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André Gauthier
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Holding André Gauthier Inc.

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