MEDIAGRIF

Interim Condensed Consolidated Financial Statements
for the three and six months ended
September 30, 2016, and 2015

(unaudited and not reviewed by independent auditors)

MEDIAGRIF

Interim Condensed Consolidated Statements of Income

Unaudited and not reviewed by independent auditors

	Three months ended September 30,		Six months ended September 30,	
In thousands of Canadian dollars, except per share amounts	**2016** **$**	**2015** **$**	**2016** **$**	**2015** **$**
Revenues (Note 5)	19,509	17,953	38,475	35,662
Cost of revenues	3,621	3,498	7,407	7,041
Gross margin	15,888	14,455	31,068	28,621
Operating expenses				
General and administrative	2,288	2,068	4,584	4,450
Selling and marketing	3,926	3,656	7,892	7,518
Technology	3,515	2,614	6,902	5,419
	9,729	8,338	19,378	17,387
Operating profit	6,159	6,117	11,690	11,234
Other revenues (Note 11b))	274	762	112	616
Financial expenses (Note 11c))	(264)	(198)	(466)	(394)
Share of profit of a joint venture	64	72	58	112
Profit before income taxes	6,233	6,753	11,394	11,568
Income tax expense	1,689	1,664	3,116	3,059
Profit for the period	4,544	5,089	8,278	8,509
Earnings per share				
Basic and diluted	0.30	0.34	0.55	0.56
Weighted average number of shares outstanding				
Basic and diluted	14,998,979	15,093,299	14,998,979	15,275,711
Number of shares outstanding at end of period	14,998,979	15,016,246	14,998,979	15,016,246

Interim Condensed Consolidated Statements of Comprehensive Income

Unaudited and not reviewed by independent auditors

	Three months ended September 30,		Six months ended September 30,	
	2016	**2015**	**2016**	**2015**
In thousands of Canadian dollars	**$**	**$**	**$**	**$**
Profit for the period	4,544	5,089	8,278	8,509
Items that may be reclassified subsequently in profit or loss				
Change in unrealized losses on foreign currency forward contracts, net of deferred taxes	(119)	(595)	(99)	(517)
Reclassification of realized losses on foreign currency forward contracts, net of deferred taxes	1	229	187	526
	(118)	(366)	88	9
Comprehensive income for the period	4,426	4,723	8,366	8,518

MEDIAGRIF

Interim Condensed Consolidated Statements of Financial Position

Unaudited and not reviewed by independent auditors

In thousands of Canadian dollars	**As at Sept. 30, 2016 $**	**As at March 31, 2016 $**
Assets		
Current assets		
Cash and cash equivalents	11,961	10,901
Cash held for the benefit of third parties	991	1,011
Accounts receivable	5,978	5,927
Income taxes receivable	92	996
Tax credits receivable	4,726	5,128
Prepaid expenses and deposits	1,354	1,145
Derivative financial instruments	51	-
	25,153	25,108
Non-current assets		
Property, plant and equipment	2,622	2,545
Intangible assets	4,124	3,617
Acquired intangible assets (Note 6)	66,283	57,238
Goodwill (Note 6)	107,047	100,280
Investment in a joint venture	308	250
Deferred taxes	4,879	5,091
	210,416	194,129
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	6,328	8,220
Other accounts payable	1,818	1,706
Income taxes payable	-	716
Deferred revenues	17,072	16,774
Derivative financial instruments	-	69
Current portion of deferred lease inducement	132	143
	25,350	27,628
Non-current liabilities		
Long-term debt (Note 7)	38,831	26,311
Deferred lease inducement	813	781
Deferred taxes	16,251	15,604
	81,245	70,324
Shareholders' equity		
Share capital (Note 8)	78,840	78,695
Reserves	3,252	3,164
Retained earnings	47,079	41,801
	129,171	123,805
	210,416	194,129

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

Unaudited and not reviewed by independent auditors

Six months ended September 30, 2016

		Reserves				
In thousands of Canadian dollars	Share capital $	Equity-settled employee benefits $	Cash flow hedging $	Total $	Retained earnings $	Total $
Balance as at March 31, 2016	78,840	3,213	(49)	3,164	41,801	123,805
Profit for the period	-	-	-	-	8,278	8,278
Other comprehensive income for the period, net of income tax	-	-	88	88	-	88
Comprehensive income for the period	-	-	88	88	8,278	8,366
Dividends declared on common shares	-	-	-	-	(3,000)	(3,000)
Balance as at September 30, 2016	78,840	3,213	39	3,252	47,079	129,171

Six months ended September 30, 2015

		Reserves				
In thousands of Canadian dollars	Share capital $	Equity-settled employee benefits $	Cash flow hedging $	Total $	Retained earnings $	Total $
Balance as at March 31, 2015	81,695	3,213	(1,046)	2,167	38,241	122,103
Profit for the period	-	-	-	-	8,509	8,509
Other comprehensive income for the period, net of income tax	-	-	9	9	-	9
Comprehensive income for the period	-	-	9	9	8,509	8,518
Repurchase of common shares for cancellation (Note 8)	(2,765)	-	-	-	(6,064)	(8,829)
Dividends declared on common shares	-	-	-	-	(3,019)	(3,019)
Balance as at September 30, 2015	78,930	3,213	(1,037)	2,176	37,667	118,773

Interim Condensed Consolidated Statements of Cash Flows

Unaudited and not reviewed by independent auditors

In thousands of Canadian dollars	Three months ended September 30, 2016 $	Three months ended September 30, 2015 $	Six months ended September 30, 2016 $	Six months ended September 30, 2015 $
Cash flows related to				
Operating activities				
Profit for the period	4,544	5,089	8,278	8,509
Adjustments for the following items:				
Amortization and depreciation (Note 10)	1,943	1,390	3,552	2,747
Amortization of deferred lease inducement	(38)	(40)	(220)	(76)
Amortization of deferred financing costs	10	-	20	-
Interest expense	254	198	446	394
Foreign exchange	(108)	(564)	(124)	(405)
Share of profit of a joint venture	(64)	(72)	(58)	(112)
Deferred taxes	459	701	340	1,145
Loss (gain) on disposal of property, plant and equipment	-	-	171	(4)
Income tax expense recognized in profit	1,230	963	2,776	1,914
Changes in non-cash working capital items (Note 11 a))	(1,014)	(1,101)	(1,773)	(1,108)
Interest paid	(263)	(200)	(479)	(397)
Income taxes paid	(1,071)	(1,174)	(2,588)	(3,457)
	5,882	5,190	10,341	9,150
Investing activities				
Consideration transferred on business acquisition (Note 6)	-	-	(17,238)	-
Working capital adjustments related to a business acquisition (Note 6)	93	-	93	-
Acquisition of property, plant and equipment (Note 11a))	(151)	(128)	(564)	(351)
Acquisition of intangible assets	(561)	(408)	(1,197)	(1,351)
Distribution from a joint venture	-	-	-	500
Proceeds on disposal of property, plant and equipment	-	-	-	4
	(619)	(536)	(18,906)	(1,198)
Financing activities				
Increase of long-term debt	-	1,830	14,700	8,829
Repayment of long-term debt	(2,200)	(2,080)	(2,200)	(3,879)
Repurchase of share capital for cancellation (Note 8)	-	(1,830)	-	(8,829)
Cash dividends paid on common shares	(1,500)	(1,513)	(3,000)	(3,067)
	(3,700)	(3,593)	9,500	(6,946)
Net change in cash and cash equivalents for the period	1,563	1,061	935	1,006
Impact of exchange rate changes on cash and cash equivalents	73	283	105	188
Cash and cash equivalents at beginning of period	11,316	8,062	11,912	8,212
Cash and cash equivalents at end of period	12,952	9,406	12,952	9,406
Cash and cash equivalents consist of the following statement of financial position items:				
Cash and cash equivalents	11,961	8,333	11,961	8,333
Cash held for the benefit of third parties	991	1,073	991	1,073

1 Incorporation and nature of operations

Mediagrif Interactive Technologies Inc. (the "Company") provides e-business solutions to consumers and businesses. It operates its activities through its wholly-owned subsidiaries. The Company also owns interests in a joint venture.

The Company, incorporated on February 16, 1996, under the *Canada Business Corporations Act,* is listed on the Toronto Stock Exchange. Its head office is located to 1111 St-Charles West, East Tower, Suite 255, Longueuil, Quebec, Canada.

The Board of Directors approved the interim condensed consolidated financial statements on November 8, 2016. Amounts are expressed in Canadian dollars, unless indicated otherwise.

2 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting*, through the application of accounting principles that are compliant with International Financial Reporting Standards ("IFRS") and apply the same accounting policies as those described in the Company's annual consolidated financial statements for the year ended March 31, 2016.

These interim condensed consolidated financial statements do not include all of the information required for complete financial statements under IFRS, including the notes, and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended March 31, 2016. The annual financial statements of the Company are available on the SEDAR website at the following address: www.sedar.com and on the Company website at the following address: www.mediagrif.com

3 New and revised IFRS, issued but not yet effective

Standards and interpretation	Effective date for the Company	Presentation and impacts on the Company
IFRS 9, *Financial Instruments*	Annual period beginning on April 1, 2018	On July 24, 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, 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 15, *Revenue from Contracts with Customers*	Annual period beginning on April 1, 2018	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.

Standards and interpretation	**Effective date for the Company**	**Presentation and impacts on the Company**
IFRS 16, Leases	Annual period beginning on April 1, 2019	On January 13, 2016, the IASB issued IFRS 16, *Leases*, which provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17, *Leases* and its associated interpretive guidance. Significant changes were made to lessee accounting with the distinction between operating and finance leases removed and assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low-value assets). In contrast, IFRS 16 does not include significant changes to the requirements for lessors. IFRS 16 will be effective as of January 1, 2019 with earlier application permitted for companies that have also adopted IFRS 15, Revenue from Contracts with Customers. The Company has not yet examined the impacts of this new standard.

4 Segment information

The Company has only one reportable segment.

Geographical information is as follows:

In thousands of Canadian dollars	Three months ended September 30, 2016 $	Three months ended September 30, 2015 $	Six months ended September 30, 2016 $	Six months ended September 30, 2015 $
Revenues				
Canada	12,290	11,020	24,140	22,399
United States	6,628	6,330	13,190	12,053
Europe	141	152	283	307
Asia and other	450	451	862	903
	19,509	17,953	38,475	35,662

In thousands of Canadian dollars	As at Sept. 30, 2016 $	As at March 31, 2016 $
Non-current assets		
Canada	155,501	139,090
United States	24,531	24,586
Asia and other	44	4
	180,076	163,680

Revenues are attributed to geographic areas based on the location of the customers.

Non-current assets include property, plant and equipment, intangible assets, acquired intangible assets and goodwill.

5 Revenues

Revenues is detailed as follows:

	Three months ended September 30,		Six months ended September 30,	
In thousands of Canadian dollars	**2016** **$**	**2015** **$**	**2016** **$**	**2015** **$**
Revenues from rights of use	14,578	13,361	28,627	26,567
Revenues from transaction fees	2,001	2,216	4,119	4,198
Revenues from advertising	1,272	1,232	2,778	2,547
Revenues from software development	1,082	600	1,768	1,142
Revenues from integration, maintenance and hosting	401	362	826	755
Other	175	182	357	453
	19,509	17,953	38,475	35,662

6 Business combination

Description of the business combination

On May 31, 2016, the Company acquired substantially all of the assets of Advanced Software Concepts, Inc., an entity based in Ottawa, Canada, (the “Acquisition”) for a cash consideration of $17,144,603 following a definitive working capital adjustment of $1,355,397. The Acquisition was financed in its entirety by the Company’s Revolving facility.

With this strategic Acquisition, the Company will be integrating contract management capabilities to its e-procurement platforms. This will allow the Company to participate in the fast growing e-procurement space. Moreover, the Company’s expertise and financial strength will contribute to accelerate ASC Networks Inc. (“ASC”) presence in the equally fast-growing contract lifecycle management segment. A solid profitability combined with high-potential synergies with the Company’s e-commerce development and expertise were also determinant in this Acquisition.

Assets acquired and liabilities assumed at the acquisition date

In thousands of Canadian dollars	**May 31, 2016** **$**
Assets	
Current assets	
Accounts receivable	451
Prepaid expenses and deposits	102
	553
Non-current assets	
Acquired intangible assets	
Client base	5,130
Technology	6,220
Total	11,903
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	150
Deferred revenues	869
	1,019
Non-current liabilities	
Deferred taxes	506
Total	1,525
Identifiable net assets acquired	10,378

The purchase price allocation shown above is preliminary and based on management best estimates as at September 30, 2016. The final purchase price allocation is expected to be completed as soon as management has gathered all of the significant information available and considered necessary in order to finalize this allocation.

Sources and uses of funds at the transaction closing date

In thousands of Canadian dollars	**May 31, 2016** **$**
Sources	
Revolving facility (Note 7)	17,145
Uses	
Cash consideration transfered	18,500
Definitive working capital adjustment	(1,355)
	17,145

Costs related to the Acquisition

The total Acquisition-related costs amounted to $219,524, including $110,000 recorded during the year ended March 31, 2016, and are included in General and administrative expenses in the Interim Condensed Consolidated Statements of Income.

Determination of fair value

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at the acquisition-date fair value.

Accounts receivable, prepaid expenses and deposits and accounts payable and accrued liabilities arising from a business combination are recognized at their fair value, which is not substantially different from their gross contractual value and expected receipts and disbursements.

Deferred revenues from business combinations are recognized at fair value. This corresponds to the future costs to perform the services, the collection of which took place before the Acquisition, plus a profit margin. This profit margin is the average margin the Company realized for the delivery of the same kind of service.

The fair value of acquired intangible assets is determined as follows:

Acquired technology is evaluated using the replacement cost method. It estimates the cost to rebuild a platform by adding the estimated loss of profits during the reconstruction. The multiperiod excess earnings method is used to calculate the value of client base. The replacement cost method and the multiperiod excess earnings method are all primarily based upon expected discounted cash flows according to currently available information, such as historical and projected revenues, the probability of a renewal of each contract and certain other relevant assumptions.

Goodwill is measured as the excess of the total consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held equity interest in the acquiree (if any), over the net balance of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after remeasurement, the net balance of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the total consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously-held interest in the acquiree (if any), the excess amount is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill arising from the business combination

In thousands of Canadian dollars	**May 31, 2016** **$**
Cash consideration transferred	17,145
Less:	
Fair value of net identifiable acquired assets	10,378
Goodwill	6,767

The goodwill recognized from this business combination is deductible for tax purposes. Goodwill of $6,766,902 stems essentially from the synergies with other activities of the Company, the economic value of the expertise of the workforce acquired as well as intangible assets that do not meet the criteria for separate recognition.

Impact of the business combinations on the Company's financial performance

The Company's profit for the three months ended September 30, 2016, includes $1,446,799 in revenues, including a negative adjustment on deferred revenues at closing of $258,799 and a net loss of $84,428, generated from ASC additional business. The Company's profit for the six months ended September 30, 2016, includes $1,627,306 in revenues, including a negative adjustment on deferred revenues at closing of $392,189 and a net loss of $311,529, generated from ASC additional business.

If this business combination had been completed on April 1, 2016, the Company's consolidated revenues for the six months ended September 30, 2016, would have totaled $39,162,224, including a negative adjustment on deferred revenues at the acquisition date of $645,663. The consolidated profit for the six months ended September 30, 2016, would have totaled $8,034,418, including an additional amortization expense of $337,000 and an additional adjustment on interests on long term debt of $59,436. The Company considers the pro forma figures to be an approximate measurement of the financial performance of the combined business over a six-month period. However, pro forma information does not account for synergies or changes to historical transactions and is not necessarily indicative of the profit of the Company if the Acquisition actually occurred on April 1, 2016, nor of the profit that may be achieved in the future.

To determine the Company's pro forma consolidated revenues and profit if ASC had been acquired on April 1, 2016, the Company calculated:

- amortization of other acquired intangible assets based on the fair value arising from initial recognition of the business combination rather than the carrying amounts recognized in the pre-Acquisition financial statements;
- revenues according to the fair value of deferred revenues at the acquisition date;
- the borrowing costs on the Company's net indebtedness after the business combination;
- an additional income tax recovery to reflect the pro forma adjustments described above.

7 Long-term debt

On December 18, 2015, the Company renewed its credit agreement, which was entered into on November 10, 2011, (the "Credit Agreement") with three Canadian financial institutions pursuant to which lenders made available to the Company a $80,000,000 ($80,000,000 as at March 31, 2016) secured revolving five-year credit facility (the "Revolving Facility") and an accordion loan of $40,000,000 ($40,000,000 as at March 31, 2016) subject to lenders' acceptance.

The Revolving Facility expires on December 18, 2020, 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, 2016, the Company's Revolving Facility stood at $39,000,000 ($26,500,000 as at March 31, 2016) and the amount is due in full during the fiscal year ending March 31, 2021.

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 described below. As at September 30, 2016, the actual rate was 0.88% (0.88% as at March 31, 2016) and the margin was 1.45% (1.20% as at March 31, 2016). In addition, the unused portion of the Revolving Facility bears interest at 0.29% (0.24% as at March 31, 2016) 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, 2016 the Company was in compliance with the financial ratios prescribed under these covenants:

1. a fixed charge coverage ratio of not less than 1.20:1.00 (1.20:1.00 as at March 31, 2016) at all times; and
2. a total debt to EBITDA ratio of not more than 3.5 (3.0 as at March 31, 2016).

Fixed charge, total debt and EBITDA, which are used in the calculation of the covenants mentioned above, are defined precisely in the Credit Agreement.

Financial ratios are calculated using the financial information of the twelve-month period ending on the date the ratio is calculated.

The following table provides the long-term debt information:

In thousands of Canadian dollars	**As at Sept. 30, 2016 $**	**As at March 31, 2016 $**
Revolving credit facility, bearing interest at the bankers' acceptance rate, plus 1.45% (1.20% as at March 31, 2016), maturing in December 2020	39,000	26,500
Deferred financing costs i)	(169)	(189)
	38,831	26,311

i) The deferred financing costs are amortized using the effective interest rate method.

8 Share capital

a) Authorized and paid, unlimited number
   - Common shares.
   - Preferred shares, issuable in series with terms, conditions and dividends to be determined by the Board of Directors upon issuance.

b) The following table summarizes common share activity:

	Six months ended September 30,			
	2016		**2015**	
In thousands	**Shares**	**$**	**Shares**	**$**
Balance at beginning of period	14,999	78,840	15,542	81,695
Repurchased for cancellation i)	-	-	(526)	(2,765)
Balance at end of period	14,999	78,840	15,016	78,930

i) During the six months ended September 30, 2016, there was no transaction related to common shares. During the six months ended September 30, 2015, the Company repurchased for cancellation 526,009 of its common shares for a cash consideration of $8,829,263 in connection with its Normal Course Issuer Bid. An average issue price of $5.26 per share before repurchase was recorded as a deduction from Share capital in a total amount of $2,764,853 and the balance was charged to Retained earnings.

c) Dividends declared

Six months ended September 30, 2016
Subsequent to the period ended September 30, 2016, i.e. on November 8, 2016, the Company announced the payment of a cash dividend of $0.10 per share, payable on January 16, 2017, to shareholders of record on January 3, 2017.

On August 3, 2016, the Company announced the payment of a cash dividend of $0.10 per share, payable on October 17, 2016, to shareholders of record on October 3, 2016.

On June 7, 2016, the Company announced the payment of a cash dividend of $0.10 per share, payable on July 15, 2016, to shareholders of record on July 4, 2016.

Six months ended September 30, 2015
On August 4, 2015, the Company announced the payment of a cash dividend of $0.10 per share, payable on October 15, 2015, to shareholders of record on October 1, 2015.

On June 9, 2015, the Company announced the payment of a cash dividend of $0.10 per share, payable on July 15, 2015, to shareholders of record on July 2, 2015.

9 Stock purchase plan

In July 2004, the Company established a stock purchase plan. Certain amendments to the plan have subsequently been adopted and are in effect on the date hereof for all regular full-time and part-time employees who are Canadian residents. Directors are not eligible to participate in this plan. Under the terms of the plan, employees may elect to contribute, through payroll deductions, up to 10% of their annual income up to a maximum of $20,000 annually to purchase common shares in the Company on the open market. Under the plan, the Company matches employee contributions to the plan up to a maximum contribution of $1,600 per employee ($1,400 in 2015). Employees must hold the portion of shares purchased with the Company's contribution for a period of 12 months. The purchase price of shares under the plan is equal to the market price of the Company's common shares on the purchase date.

10 Expenses by type

Operating profit includes the following items:

	Three months ended September 30,		Six months ended September 30,	
In thousands of Canadian dollars	**2016** **$**	**2015** **$**	**2016** **$**	**2015** **$**
Amortization and depreciation				
Depreciation of property, plant and equipment	279	265	557	522
Amortization of intangible assets	343	244	690	450
Amortization of acquired intangible assets	1,321	881	2,305	1,775
Total	1,943	1,390	3,552	2,747
Employee benefits expense				
Salaries and employee benefits	8,373	7,253	16,859	14,884
Termination benefits	68	244	81	282
	8,441	7,497	16,940	15,166
Tax credits	(770)	(757)	(1,425)	(1,319)
Total	7,671	6,740	15,515	13,847

During the six months ended September 30, 2016, the Company changed the comparative figures in employee benefits expense in order to conform to the current year's presentation.

11 Supplementary statements of cash flow and statements of income information

a) Changes in non-cash working capital items are as follows:

	Three months ended September 30,		Six months ended September 30,	
In thousands of Canadian dollars	**2016** **$**	**2015** **$**	**2016** **$**	**2015** **$**
Decrease (increase) in				
Accounts receivable	907	322	400	339
Tax credits receivable	(748)	(643)	402	(901)
Prepaid expenses and deposits	236	185	(74)	(286)
Increase (decrease) in				
Accounts payable and accrued liabilities	(779)	(563)	(2,042)	(714)
Other accounts payable	67	66	112	365
Deferred revenues	(697)	(468)	(571)	89
Total	(1,014)	(1,101)	(1,773)	(1,108)

During the six months ended September 30, 2016, the Company made non-cash acquisitions of property, plant and equipment for an amount of $240,824.

b) Other revenues (expenses) consists of the following:

	Three months ended September 30,		Six months ended September 30,	
In thousands of Canadian dollars	**2016** **$**	**2015** **$**	**2016** **$**	**2015** **$**
Foreign exchange gain	274	762	283	612
Gain (loss) on disposal of property, plant and equipment	-	-	(171)	4
Total	274	762	112	616

c) Financial expenses consist of the following:

	Three months ended September 30,		Six months ended September 30,	
In thousands of Canadian dollars	**2016** **$**	**2015** **$**	**2016** **$**	**2015** **$**
Amortization of deferred financing costs	10	-	20	-
Interest on long-term debt	254	198	446	394
Total	264	198	466	394

12 Related party transactions

During the three months ended September 30, 2016, the Company recorded revenues of $369,899 ($424,456 in 2015) from transactions with Société d'investissement M-S S.E.C "GWS", a 50%-joint venture owned by the Company. During the six-month period ended September 30, 2016, the Company recorded revenues of $841,178 ($834,452 in 2015) from transactions with GWS.

In addition, during the three months ended September 30, 2016, the Company recharged to GWS operating expenses in the amount of $67,709 ($34,136 in 2015) whereas this recharge was $249,733 ($73,053 in 2015) for the six months ended on September 30, 2016. These recharges were presented against operating expenses in the interim condensed consolidated statement of income. As at September 30, 2016, the Company has $77,144 of accounts receivable from GWS ($143,816 as at March 31, 2016).

In addition, during the six months ended September 30, 2015 the Company received a capital distribution of $500,000 from GWS.

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