

Unaudited Condensed Interim
Consolidated Financial
Statements of

**CERVUS EQUIPMENT
CORPORATION**

For the three and six month periods ended June 30, 2016 and 2015

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim consolidated financial statements for the three and six month periods ended June 30, 2015.

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Financial Position

As at June 30, 2016 and December 31, 2015

(\$ thousands)	Note	June 30, 2016	December 31, 2015
Assets			
Current assets			
Cash and cash equivalents		\$ 8,163	\$ 11,955
Trade and other accounts receivable		61,594	59,071
Inventories	5	308,551	317,726
Income taxes receivable		1,924	-
Current portion finance lease receivables		457	584
Derivative financial asset		1,050	7,195
Assets held for sale	6	2,602	9,247
Total current assets		384,341	405,778
Non-current assets			
Long-term receivables		987	2,165
Investments in associates, at equity		5,260	5,762
Deposits with manufacturers		2,646	2,657
Property and equipment		135,435	141,799
Intangible assets		48,859	51,008
Goodwill	7	20,524	20,616
Total non-current assets		213,711	224,007
Total assets		\$ 598,052	\$ 629,785

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Financial Position (continued)

As at June 30, 2016 and December 31, 2015

(\$ thousands)	Note	June 30, 2016	December 31, 2015
Liabilities			
Current liabilities			
Trade and other accrued liabilities		\$ 78,882	\$ 77,938
Customer deposits		2,684	3,004
Floor plan payables	8	147,807	168,643
Dividends payable		1,097	3,317
Income taxes payable		-	142
Current portion of term debt	8	37,106	17,917
Derivative financial liability		1,043	7,180
Current portion of finance lease obligation		5,034	5,713
Liabilities associated with assets held for sale	6	965	4,037
Total current liabilities		274,618	287,891
Non-current liabilities			
Term debt	8	68,959	87,661
Finance lease obligation		12,938	16,351
Debenture payable		33,409	32,941
Deferred income tax liability		12,058	11,648
Total non-current liabilities		127,364	148,601
Total liabilities		401,982	436,492
Equity			
Shareholders' capital	9	89,093	88,270
Deferred share plan		7,766	7,098
Other reserves		5,195	5,182
Accumulated other comprehensive income		1,077	1,831
Retained earnings		91,440	89,413
Total equity attributable to equity holders of the Company		194,571	191,794
Non-controlling interest		1,499	1,499
Total equity		196,070	193,293
Total liabilities and equity		\$ 598,052	\$ 629,785

Approved by the Board: "Peter Lacey" Director "Angela Lekatsas" Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

For the three and six month periods ended June 30, 2016 and 2015

(\$ thousands)	Note	Three month periods ended June 30		Six month periods ended June 30	
		2016	2015	2016	2015
Revenue					
Equipment sales		\$ 219,323	\$ 223,822	\$ 358,951	\$ 391,032
Parts		50,253	52,887	95,350	99,930
Service		20,251	21,101	39,450	40,168
Rentals		4,945	5,178	9,563	10,280
Total revenue		294,772	302,988	503,314	541,410
Cost of sales		(246,984)	(247,732)	(416,308)	(441,842)
Gross profit		47,788	55,256	87,006	99,568
Other income (loss)	10	586	(101)	4,777	(1,274)
Selling, general and administrative expense		(41,758)	(47,512)	(79,981)	(91,783)
Income from operating activities		6,616	7,643	11,802	6,511
Net finance costs	11	(2,726)	(2,758)	(5,560)	(5,344)
Share of (loss) profit of equity accounted investees, net of income tax		(252)	43	(501)	364
Income before income tax expense		3,638	4,928	5,741	1,531
Income tax expense	12	(1,153)	(37,117)	(1,523)	(36,695)
Income (loss) for the period		2,485	(32,189)	4,218	(35,164)
Other comprehensive income:					
Foreign currency translation differences for foreign operations		66	(1,502)	(754)	(640)
Total comprehensive income (loss) for the period		2,551	(33,691)	3,464	(35,804)
Income (loss) attributable to:					
Shareholders of the Company		2,485	(32,203)	4,218	(35,099)
Non-controlling interest		-	14	-	(65)
Income (loss) for the period		2,485	(32,189)	4,218	(35,164)
Total comprehensive income (loss) attributable to:					
Shareholders of the Company		2,551	(33,705)	3,464	(35,739)
Non-controlling interest		-	14	-	(65)
Total comprehensive income (loss) for the period		\$ 2,551	\$ (33,691)	\$ 3,464	\$ (35,804)
Net income (loss) per share attributable to shareholders of the Company:					
Basic	13	\$ 0.16	\$ (2.08)	\$ 0.27	\$ (2.28)
Diluted	13	\$ 0.15	\$ (2.08)	\$ 0.26	\$ (2.28)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Changes in Equity
For the six month periods ended June 30, 2016 and 2015

Attributable to equity holders of the Company									
(\$ thousands)	Note	Share capital	Deferred share plan	Other reserves	Cumulative translation account	Retained earnings	Total	Non-controlling interest	Total equity
Balance December 31, 2014		\$ 83,814	\$ 7,559	\$ 6,433	\$ 192	\$ 130,036	\$ 228,034	\$ 1,457	\$ 229,491
Comprehensive loss for the period									
(Loss)		-	-	-	-	(35,099)	(35,099)	(65)	(35,164)
Other comprehensive income									
Foreign currency translation adjustments		-	-	-	(640)	-	(640)	-	(640)
Total comprehensive income (loss) for the period		-	-	-	(640)	(35,099)	(35,739)	(65)	(35,804)
Transactions with owners, recorded directly in equity									
Dividends to equity holders		-	-	-	-	(6,581)	(6,581)	-	(6,581)
Shares issued through reserve		508	-	(508)	-	-	-	-	-
Shares issued through DRIP		581	-	-	-	-	581	-	581
Shares issued through deferred share plan		416	(416)	-	-	-	-	-	-
Shares issued through option plan		572	-	(202)	-	-	370	-	370
Share-based payment transactions		-	490	446	-	-	936	-	936
Transactions with owners		2,077	74	(264)	-	(6,581)	(4,694)	-	(4,694)
Balance June 30, 2015		\$ 85,891	\$ 7,633	\$ 6,169	\$ (448)	\$ 88,356	\$ 187,601	\$ 1,392	\$ 188,993
Balance December 31, 2015		\$ 88,270	\$ 7,098	\$ 5,182	\$ 1,831	\$ 89,413	\$ 191,794	\$ 1,499	\$ 193,293
Comprehensive income for the period									
Profit		-	-	-	-	4,218	4,218	-	4,218
Other comprehensive income									
Foreign currency translation adjustments		-	-	-	(754)	-	(754)	-	(754)
Total comprehensive income for the period		-	-	-	(754)	4,218	3,464	-	3,464
Transactions with owners, recorded directly in equity									
Dividends to equity holders		-	-	-	-	(2,191)	(2,191)	-	(2,191)
Shares issued through DRIP	9	456	-	-	-	-	456	-	456
Shares issued through deferred share plan	9	367	(367)	-	-	-	-	-	-
Share-based payment transactions		-	1,035	13	-	-	1,048	-	1,048
Transactions with owners		823	668	13	-	(2,191)	(687)	-	(687)
Balance June 30, 2016		\$ 89,093	\$ 7,766	\$ 5,195	\$ 1,077	\$ 91,440	\$ 194,571	\$ 1,499	\$ 196,070

CERVUS EQUIPMENT CORPORATION

Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the six month period ended June 30, 2016 and 2015

(\$ thousands)	Note	Six month periods ended June 30	
		2016	2015
Income (loss) for the period		\$ 4,218	\$ (35,164)
Income tax expense	12	1,523	36,695
Depreciation		6,183	6,581
Amortization of intangibles		2,533	2,434
Equity-settled share-based payment transactions		361	772
Net finance costs	11	6,527	5,733
Unrealized foreign exchange (gain) loss	10	(2,861)	1,051
Gain on sale of property and equipment and asset held for sale	10	(1,739)	(347)
Non-cash write-down of inventories	5	4,253	986
Share of loss (profit) of equity accounted investees, net of tax		501	(364)
Change in non-cash working capital		(10,510)	(23,158)
		10,989	(4,781)
Cash taxes paid		(3,020)	(1,567)
Interest paid		(6,433)	(5,404)
Net cash provided from/(used in) operating activities		1,536	(11,752)
Cash flows from investing activities			
Interest received	11	52	89
Purchase of property and equipment		(2,153)	(11,171)
Payments for intangible assets		(610)	(419)
Final working capital payments on business combination		-	(7,997)
Proceeds from disposal of property and equipment		1,102	1,163
Proceeds from asset held for sale	6	6,676	-
Net cash provided from/(used in) investing activities		5,067	(18,335)
Cash flows from financing activities			
Net proceeds from term debt		(2,252)	31,103
Proceeds from exercise of share options		-	370
Cash dividends paid		(3,954)	(5,940)
Payment of finance lease liabilities		(4,460)	(3,654)
(Decrease)/Increase in deposits with John Deere		(14)	1,187
Net cash (used in)/provided from financing activities		(10,680)	23,066
Net decrease in cash and cash equivalents		(4,077)	(7,021)
Effect of foreign currency translation on cash		285	(193)
Cash and cash equivalents, beginning of period		11,955	18,787
Cash and cash equivalents, end of period		\$ 8,163	\$ 11,573

CERVUS EQUIPMENT CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2016 and 2015

1. Reporting entity

Cervus Equipment Corporation (“Cervus” or the “Company”) is an incorporated entity under the Canada Business Corporations Act and is domiciled in Canada. The unaudited condensed interim consolidated financial statements of the Company as at and for the period ended June 30, 2016 are comprised of the Company and its subsidiaries (“the Group”). The Company is primarily involved in the sale, after-sale service and maintenance of agricultural, transportation, construction, and industrial equipment. The Company also provides equipment rental, primarily in the construction and industrial equipment segment. The Company wholly owns and operates 64 John Deere agricultural equipment, Bobcat and JCB construction equipment and Clark, Sellick, Doosan material handling equipment and Peterbilt truck dealerships in 38 locations in Western Canada, 11 locations in Ontario, 9 locations on the north island of New Zealand and 6 locations in Victoria, Australia. The Company also holds a 21.4% investment in seven John Deere agricultural equipment dealerships operating in Western Canada. The Company’s shares are listed on the Toronto Stock Exchange (“TSX”) and trade under the symbol “CVL”.

2. Basis of preparation

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, “Interim Financial Reporting”. The unaudited condensed interim consolidated financial information should be read in conjunction with the annual financial statements prepared for the year ended December 31, 2015.

The Board of Directors authorized the issue of these unaudited condensed interim consolidated financial statements on August 9, 2016.

(b) Use of judgements and estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed interim consolidated financial statements, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2015.

3. Significant accounting policies

The accounting policies applied are consistent with those of the annual financial statements prepared for the year ended December 31, 2015.

CERVUS EQUIPMENT CORPORATION
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and six month periods ended June 30, 2016 and 2015

4. Seasonality

The Canadian, New Zealand and Australian retailing of agricultural, transportation, commercial, and industrial equipment is influenced by seasonality. Sales activity for the agricultural equipment segment is normally highest between April and September during growing seasons in Canada and July through December in New Zealand and Australia. Sales in the commercial, industrial, and transportation equipment segment are not as heavily impacted by seasonality but do see slower sales activity in the winter months. As a result, profit or losses may not accrue uniformly from quarter to quarter.

5. Inventories

(\$ thousands)	June 30, 2016	December 31, 2015
New equipment	\$ 146,148	\$ 165,660
Used equipment	108,746	100,412
Parts and accessories	52,378	50,195
Work-in-progress	1,279	1,459
	\$ 308,551	\$ 317,726

Included in costs of sales are amounts related to inventory write-downs during the three and six month periods ended June 30, 2016 of \$2,561 thousand (2015 – \$628 thousand) and \$4,253 thousand (2015 – \$986 thousand), respectively.

6. Assets held for sale

In 2015, the Company committed to a plan to sell three buildings and land within Agricultural and C&I segments. Accordingly, these properties and related term debt were classified as held for sale. In June 2016, another property within our Agricultural segment was committed to a plan to sell.

In March 2016, the Company sold one of the properties for net proceeds of approximately \$6,676 thousand and a net gain of \$1,464 was recognized in other income on the sale. In addition, one of the properties and related term debt previously held-for-sale was reclassified as held-for-use.

As at June 30, 2016, land and buildings within Agricultural segment with a net book value of \$2,602 thousand remains classified as held for sale, \$965 thousand of liabilities due on the sale of these properties has also been classified as held for sale.

CERVUS EQUIPMENT CORPORATION
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and six month periods ended June 30, 2016 and 2015

7. Goodwill

The movements in the net carrying amount of goodwill are as follows:

(\$ thousands)	
Balance at January 1, 2015	\$ 19,732
Valuation adjustment on business combination	480
Impact of translation of goodwill held in foreign currencies	404
Balance at December 31, 2015	\$ 20,616
Impact of translation of goodwill held in foreign currencies	(92)
Balance at June 30, 2016	\$ 20,524

8. Capital resources

The Company has various facilities, the amount available under which are limited to the lesser of pre-approved credit limits or the available unencumbered assets. A summary of the Company's maximum pre-approved credit limits on available credit facilities as at June 30, 2016 are as follows:

(\$ thousands)	June 30, 2016		December 31, 2015	
	Total Limits	Borrowings	Total Limits	Borrowings
Operating and other bank credit facilities	\$ 100,685	\$ 56,785	\$ 100,832	\$ 52,832
Capital facilities	63,146	38,204	64,131	42,800
Floor plan facilities and rental equipment term loan financing	478,105	160,056	479,243	182,959
Total borrowing	\$ 641,936	\$ 255,045	\$ 644,206	\$ 278,591
Total current portion long term debt		(37,106)		(17,917)
Total liabilities held for sale		(965)		(4,037)
Total inventory floor plan facilities		(147,807)		(168,643)
Deferred debt issuance costs		(208)		(333)
Total long term debt	\$ 641,936	\$ 68,959	\$ 644,206	\$ 87,661

In June 2016, the Company renewed mortgages of \$9.8 million under variable rates for a one year term. As at June 30, 2016 the Company is in compliance with all of its covenants.

Operating and other bank credit facilities - Operating and other bank credit facilities include the Canadian amounts as well as the New Zealand and Australian amounts.

Floor plan facilities - The Company utilizes floor plan financing arrangements with various suppliers for inventory and rental equipment purchases.

Capital facilities - Capital facilities consist of capital asset financing primarily through credit facilities with Farm Credit Canada and Affinity Credit Union.

CERVUS EQUIPMENT CORPORATION
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and six month periods ended June 30, 2016 and 2015

9. Capital and other components of equity

The Company has unlimited authorized share capital without par value for all common shares. All issued common shares have been fully paid.

Share capital

(thousands)	Number of common shares	Total carrying amount
Balance at January 1, 2015	15,325	\$ 83,814
Issued under the DRIP plan	32	581
Issued under the deferred share plan	44	416
Issued under the share option plan	30	572
Issued from reserve	22	508
Balance at June 30, 2015	15,453	85,891
Issued under the DRIP plan	39	552
Issued under the deferred share plan	69	811
Issued from reserve	45	1,016
Balance at December 31, 2015	15,606	88,270
Issued under the DRIP plan	40	456
Issued under the deferred share plan	30	367
Balance at June 30, 2016	15,676	\$ 89,093

10. Other income

Other income for the three and six month periods ended June 30, 2016 and 2015 are comprised of the following:

(\$ thousands)	Three month periods ended June 30		Six month periods ended June 30	
	2016	2015	2016	2015
Net gain on sale of property and equipment	\$ 155	\$ 245	\$ 1,739	\$ 347
Unrealized foreign exchange gain (loss) (a)	154	275	2,861	(1,051)
Other income (loss)	277	(621)	177	(570)
	\$ 586	\$ (101)	\$ 4,777	\$ (1,274)

(a) – Unrealized foreign exchange gain/(loss) is due to changes in fair value of our derivative financial asset and from period close translation of floorplan payables and cash denominated in US dollars.

CERVUS EQUIPMENT CORPORATION

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six month periods ended June 30, 2016 and 2015

11. Finance income and finance costs

(\$ thousands)	Three month periods ended June 30		Six month periods ended June 30	
	2016	2015	2016	2015
Finance Income	\$ 23	\$ 32	\$ 52	\$ 89
Interest expense on convertible debenture	(754)	(734)	(1,503)	(1,463)
Interest expense on mortgage and term debt obligations	(937)	(983)	(1,864)	(1,859)
Interest expense on financial liabilities	(1,491)	(1,073)	(3,212)	(2,111)
Finance Costs	\$ (3,182)	\$ (2,790)	\$ (6,579)	\$ (5,433)
Net finance costs recognized separately	(2,726)	(2,758)	(5,560)	(5,344)
Net finance costs recognized in cost of sales	(433)	(197)	(967)	(389)
Total Net Finance Costs	\$ (3,159)	\$ (2,955)	\$ (6,527)	\$ (5,733)

12. Income taxes

Tax expense recognized in statement of comprehensive income

(\$ thousands)	Three month periods ended June 30		Six month periods ended June 30	
	2016	2015	2016	2015
Current income tax expense	\$ (1,329)	\$ (1,003)	\$ (1,113)	\$ (948)
Deferred income tax recovery (expense)	176	(992)	(410)	(625)
Derecognition of deferred tax asset due to CRA settlement	-	(31,569)	-	(31,569)
Provincial taxes payable due to CRA settlement	-	(3,553)	-	(3,553)
Income tax expense	\$ (1,153)	\$ (37,117)	\$ (1,523)	\$ (36,695)

The expense for the three and six months ended June 30, 2016 and 2015 can be reconciled to the accounting profit (loss) based on using federal and provisional statutory rates of 26.4% (2015 – 25.9%) as follows:

(\$ thousands)	Three month periods ended June 30		Six month periods ended June 30	
	2016	2015	2016	2015
Profit before income tax expense	\$ 3,638	\$ 4,928	\$ 5,741	\$ 1,531
Expected income tax expense	(960)	(1,276)	(1,516)	(397)
Derecognition of deferred tax asset due to CRA settlement	-	(31,569)	-	(31,569)
Provincial taxes payable due to CRA settlement	-	(3,553)	-	(3,553)
Non-deductible costs and other	(193)	(719)	(7)	(1,176)
Income tax expense	\$ (1,153)	\$ (37,117)	\$ (1,523)	\$ (36,695)

CERVUS EQUIPMENT CORPORATION
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and six month periods ended June 30, 2016 and 2015

13. Per share amounts

Per share amounts

Both basic and diluted earnings (loss) per share have been calculated using the net earnings (loss) attributable to the shareholders of the Company as the numerator. No adjustments to net earnings (loss) were necessary for the three and six month periods ended June 30, 2016 and 2015. The weighted average number of shares for the purposes of diluted earnings (loss) per share can be reconciled to the weighted average number of basic shares as follows:

(\$ thousands)	Three month periods ended June 30		Six month periods ended June 30	
	2016	2015	2016	2015
Issued common shares opening	15,622	15,426	15,606	15,325
Effect of shares issued under the DRIP plan	189	14	26	21
Effect of shares issued under the deferred share plan	183	-	9	42
Effect of shares issued under the share option plan	-	6	-	13
Effect of shares issued through reserve	-	-	-	12
Weighted average number of common shares	15,994	15,446	15,641	15,413

Diluted earnings (loss) per share

The calculation of diluted earnings (loss) per share at June 30, 2016 and 2015 was based on the profit (loss) attributable to common shareholders and the weighted average number of common shares outstanding after adjustment for the effects of dilutive potential common shares which consist of the following:

(\$ thousands)	Three month periods ended June 30		Six month periods ended June 30	
	2016	2015	2016	2015
Weighted average number of common shares (basic)	15,994	15,446	15,641	15,413
Effect of dilutive securities:				
Deferred share plan	791	-	791	-
Weighted average number of shares (diluted)	16,785	15,446	16,432	15,413

The above tables includes all dilutive instruments held by the Company, however, for the three and six months ended June 30, 2015, all deferred share units and options (723 thousand) have been excluded as they are considered anti-dilutive. In addition, the above per share amounts do not include amounts associated with the Company's convertible debenture for June 30, 2016 and 2015 as they are also considered anti-dilutive.

CERVUS EQUIPMENT CORPORATION
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and six month periods ended June 30, 2016 and 2015

14. Segment information

The Company operates under three segments: Agriculture, Commercial and Industrial, and Transportation based on the industries which they serve. These segments are managed separately, and strategic decisions are made on the basis of their respective operating results. These three business segments are considered to be the Company's three strategic business units. The three business segments offer different products and services and are managed separately as they operate in different markets and require separate strategies. For each of the strategic business units, the Company's key decision makers review internal management reports on a monthly basis.

Each of these business segment operations are supported by a single shared corporate head office. Certain corporate head office expenses are allocated to the business segments under either specific identification approach or a usage based metric. The corporate head office also incurs certain costs which are considered as public company costs, which are allocated to the segments based on the gross margin of the Canadian operations. Total corporate related expenditures, excluding income taxes, that have been allocated for the three and six month periods ended June 30, 2016 are \$1,968 thousand and \$3,721 thousand, respectively (2015 - \$1,008 thousand and \$2,763 thousand).

CERVUS EQUIPMENT CORPORATION
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and six month periods ended June 30, 2016 and 2015

14. Segment information (continued)

The following is a summary of financial information for each of the reportable segments.

(\$ thousands)	Agricultural Equipment	Transportation Equipment	Commercial and Industrial Equipment	Total
Segmented income figures				
Three months ended June 30, 2016				
Revenue	\$ 188,168	\$ 86,807	\$ 19,797	\$ 294,772
Income (loss) for the period attributable to shareholders	2,937	292	(744)	2,485
Share of loss of equity accounted investees	(252)	-	-	(252)
Depreciation and amortization	2,109	1,368	700	4,177
Finance income	20	2	1	23
Finance expense including amounts in costs of sales	(1,670)	(1,195)	(317)	(3,182)
Capital additions, including finance leases	1,109	329	59	1,497
Six months ended June 30, 2016				
Revenue	\$ 319,522	\$ 143,136	\$ 40,656	\$ 503,314
Income (loss) for the period attributable to shareholders	2,538	2,352	(672)	4,218
Share of loss of equity accounted investees	(501)	-	-	(501)
Depreciation and amortization	4,433	2,767	1,516	8,716
Finance income	49	2	1	52
Finance expense including amounts in costs of sales	(3,386)	(2,558)	(635)	(6,579)
Capital additions, including finance leases	1,528	479	146	2,153
Segmented assets as at June 30, 2016				
Reportable segment assets	\$ 385,243	\$ 154,093	\$ 58,716	\$ 598,052
Reportable segment liabilities	257,575	107,609	36,798	401,982
Investment in associates	5,260	-	-	5,260
Intangible assets	27,585	14,229	7,045	48,859
Goodwill	15,784	2,547	2,193	20,524

CERVUS EQUIPMENT CORPORATION
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and six month periods ended June 30, 2016 and 2015

14. Segment information (continued)

(\$ thousands)	Agricultural Equipment	Transportation Equipment	Commercial and Industrial Equipment	Other ¹	Total
Segmented income figures					
Three months ended June 30, 2015					
Revenue	\$ 184,677	\$ 83,107	\$ 35,204		\$ 302,988
Income (loss) for the period attributable to shareholders	15	2,454	451	\$ (35,123)	(32,203)
Share of profit of equity accounted investees	43	-	-		43
Depreciation and amortization	2,189	1,291	924		4,404
Finance income	29	2	1		32
Finance expense including amounts in costs of sales	(1,620)	(922)	(445)		(2,987)
Capital additions, including finance leases	1,899	227	1,278		3,404
Six months ended June 30, 2015					
Revenue	\$ 324,759	\$ 150,902	\$ 65,749		\$ 541,410
Income (loss) for the period attributable to shareholders	(103)	116	11	\$ (35,123)	(35,099)
Share of profit of equity accounted investees	364	-	-		364
Depreciation and amortization	4,408	2,701	1,906		9,015
Finance income	77	11	1		89
Finance expense including amounts in costs of sales	(3,121)	(1,808)	(893)		(5,822)
Capital additions, including finance leases	5,127	4,345	1,699		11,171
Segmented assets as at June 30, 2015					
Reportable segment assets	\$ 377,056	\$ 202,814	\$ 107,757		\$ 687,627
Reportable segment liabilities	257,679	155,802	85,153		498,634
Investment in associates	5,604	-	-		5,604
Intangible assets	28,714	15,793	7,519		52,026
Goodwill	15,488	2,547	2,193		20,228

[1] – The impact of the CRA settlement as discussed in Note 12 have not been allocated to the business segments.

The Company primarily operates in Canada but includes subsidiaries in Australia (Cervus Australia PTY Ltd.) and, in New Zealand (Cervus NZ Equipment Ltd.) which operate 15 agricultural equipment dealerships. Gross revenues for the three and six month periods ended June 30, 2016 for the New Zealand and Australian territories were \$32,691 thousand and \$64,835 thousand, respectively (2015 – \$32,969 thousand and \$60,433 thousand). Non-current assets for the geographic territories of New Zealand and Australia as at June 30, 2016 were \$28,220 thousand (2015 - \$25,378 thousand).

CERVUS EQUIPMENT CORPORATION
Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and six month periods ended June 30, 2016 and 2015

15. Commitments and contingencies

Financing Arrangements

John Deere Credit Inc. ("Deere Credit") and other financing companies provide financing to certain of the Company's customers. A portion of this financing is with recourse to the Company if the amounts are uncollectible. At June 30, 2016 payments in arrears by such customers aggregated \$519 thousand (2015 - \$374 thousand). In addition, the Company is responsible for assuming all lease obligations held by its customers with Deere Credit and other financing companies through recourse arrangements for the net residual value of the lease outstanding at the maturity of the contract. At June 30, 2016, the net residual value of such leases aggregated \$197,239 thousand (2015 - \$175,444 thousand). Management believes that the potential liability in relation to the amounts outstanding is negligible and consequently, no accrual has been made in these financial statements in relation to any potential loss on assumed lease obligations.