Tuckamore Announces 2015 Annual and Fourth Quarter Financial Results

Toronto – March 29, 2016 – Tuckamore Capital (TSX: TX) today announced its results for three months and year ended December 31, 2015.

Year-End Results

($ millions, except per share amounts)	2015	2014[1]
Revenue	416.1	557.8
Gross profit	83.3	114.3
Selling, general & administrative expenses	(51.6)	(61.2)
Net (loss) income from continuing operations	(64.4)	8.3
EBITDA from continuing operations	30.0	46.6
Adjusted EBITDA from continuing operations	31.9	56.6
(Loss) income per share from continuing operations	(0.59)	0.09
Net loss and comprehensive loss	(124.9)	(17.2)
Net loss and comprehensive loss per share	(1.14)	(0.19)

[1] Restated for discontinued operations.

CONTINUING OPERATIONS

Revenues for the year ended December 31, 2015 were $416.1 million compared to $557.8 million in 2014, a decrease of 25.4% from 2014. Revenue reductions in 2015 reflect lower business volumes at ClearStream, and pricing reductions, as a result of the decline in oil prices. Gross profit for the year ended December 31, 2015 was $83.3 million compared to $114.3 million in 2014. Gross margins were 20.0%, which is slightly lower than the 20.5% gross margin achieved in 2014. Gross margin percentage decreases in 2015 reflect client pricing reductions, offset where possible by service delivery cost rationalization.

Tuckamore's net loss from continuing operations for the year ended December 31, 2015 included several one-time, non-recurring items including the following:

i. Restructuring costs of $7.5 million. This amount includes severance costs relating to a reduction in personnel headcount and the closing of locations within the ClearStream group of companies and severance costs relating to the pending closing of the Tuckamore head office.

Non-cash items that impacted the results were depreciation and amortization, and the write-down of property, plant and equipment and the write-down of intangibles and goodwill.

i. Depreciation and amortization was $14.3 million for the year ended December 31, 2015 compared to $15.5 million for the prior year.

ii. During the year ended December 31, 2015 carrying values of property, plant and equipment, intangibles and goodwill were written down in the amounts of $5.6 million and $41.7 million at ClearStream, following a review of the recoverability of the value of those assets in light of the decline in oil prices particularly in the fourth quarter of the year.

Adjusted EBITDA which excludes the above noted items decreased 43.6 percent to $31.9 million versus $56.6 million in 2014.

The net loss from continuing operations for 2015 was $64.4 million versus net income of $8.3 million in 2014.

DISCONTINUED OPERATIONS

On July 31, 2015 Tuckamore Capital sold its 80% interest in IC Group for proceeds of $2.5 million, resulting in an accounting loss of approximately $0.9 million.

On September 30, 2015, Tuckamore Capital sold its 100% interest in Gemma Communications for approximately $2.5 million, resulting in an accounting loss of approximately $1.6 million.

At December 31, 2015, Tuckamore had identified interested parties and had commenced negotiations with prospective buyers for Quantum Murray. Quantum Murray was recorded as an asset held for sale in discontinued operations for the year ended December 31, 2015 and as such, it was written down to its fair value less cost to sell which resulted in a non-cash impairment of the assets of Quantum Murray in the amount of approximately $15.4 million.

Prior to the recording of the aforementioned investments as discontinued operations or assets held for sale, in discontinued operations, these assets recorded operating losses before taxes of approximately $37.4 million. These losses included several one-time, non-recurring expenses, including the following:

i. Restructuring costs of $6.2 million. This included severance costs relating to a reduction in personnel headcount and costs associated with changing the scope of the business and processes at Quantum Murray.

ii. A $5.5 million write-down in the carrying values of property, plant and equipment and intangibles, following a review of the recoverability of the value of those assets in light of the declines in business volumes experienced by Quantum Murray in 2015.

iii. Provisions recorded of $13.3 million against cost overruns on a fixed price contract.

PORTFOLIO OPERATIONAL REVIEW

CLEARSTREAM

Market conditions have continued to adversely affect the Western Canadian oil and gas industry throughout the year and ClearStream's performance for the full year reflected this. Activity levels and pricing from all customers were down compared to 2014 due to low oil prices. Overall revenues were down due to a decrease in demand as customers delayed or cancelled projects.

Offsetting the decline in revenues, margins remained consistent with 2014 as cost controls and operational efficiency initiatives implemented throughout 2015 were realized. Margins were maintained or bettered in most of the divisions due to increased demand in some situations within the wear and fabrication divisions, but also due to more efficient communication, processes and systems, as well as better equipment utilization and purchasing practices. In the Oilsands division, there was some margin pressure as more competitive rates were agreed with clients to secure new work.

Lower SG&A expenses in 2015 reflect the cost cutting initiatives, such as headcount reduction, compensation adjustments and office closures throughout 2015.

OTHER

Gusgo had a strong performance with revenues increased from the prior year as a result of increased business volumes from their existing client base. As at December 31, 2015, Titan was recorded as an asset held for sale.

Fourth Quarter Results

($ millions, except per share amounts)	2015	2014[1]
Revenue	89.0	140.7
Gross profit	15.6	28.4
Selling, general & administrative expenses	(13.5)	(14.2)
Net (loss) income from continuing operations	(68.8)	2.5
EBITDA from continuing operations	(55.8)	14.4
Adjusted EBITDA from continuing operations	2.4	15.0
Loss per share from continuing operations	(0.63)	0.02

[1] Restated for discontinued operations.

Revenues for the three months ended December 31, 2015 were $89.0 million compared to $140.7 million in 2014, a decrease of 36.7%. Revenue reductions in the fourth quarter of 2015 reflect lower business volumes at ClearStream, and pricing reductions, as a result of the decline in oil prices. Gross profit for the quarter ended December 31, 2015 was $15.6 million compared to $28.4 million in 2014. For the quarter ended December 31, 2015, gross margins were 17.5% in comparison to 20.2% for the same period in the prior year. Gross margin percentage decreases in 2015 reflect client pricing reductions, offset where possible by service delivery cost rationalization.

Tuckamore's net loss from continuing operations for the quarter ended December 31, 2015 included several one-time, non-recurring items including the following:

i. Restructuring costs of $4.5 million. This amount includes severance costs relating to a reduction in personnel headcount and the closing of locations within the ClearStream group of companies and severance costs relating to the pending closing of the Tuckamore head office.

ii. During the quarter ended December 31, 2015 carrying values of property, plant and equipment, intangibles and goodwill were written down in the amounts of $5.6 million and $41.7 million at ClearStream, following a review of the recoverability of the value of those assets in light of the decline in oil prices particularly in the fourth quarter of the year.

Contingency

In March 2015, the Company was advised by Brompton Corp. ("Brompton") that Brompton has received notices of reassessment from the Canada Revenue Agency (the "CRA") in which the CRA has denied the deduction to Brompton of certain non-capital losses and other tax attributes in computing Brompton's income for the 2010 to 2014 taxation years. Brompton is seeking indemnification in the amount of $4,099 thousand (which includes interest) and costs from Tuckamore Holdings LP, representing approximately 40% of its taxes, losses or costs, pursuant to certain agreements entered into by Tuckamore Holdings LP prior to the sale of its interest in Brompton.

Tuckamore previously announced, in September 2014, that it had been notified by Brompton that in the event that Brompton is subject to taxes assessed by CRA or incurs losses or costs associated with the CRA's review, it would be seeking indemnification for approximately 40% of these taxes, losses or costs pursuant to agreements entered into by Tuckamore Holdings LP. Tuckamore Holdings LP, a wholly-owned subsidiary of Tuckamore, previously held approximately 40% of the outstanding equity of Brompton. Tuckamore Holdings LP sold its Class A shares in Brompton in September 2011.

On June 12, 2015, Brompton served Tuckamore and certain of its affiliates with a Statement of Claim seeking among other things, indemnification in the amount of 40% of the CRA's notices of reassessment for the 2010-2012 taxation years. On July 13, 2015, Tuckamore and its affiliates served their Statement of Defence denying Brompton's allegations and relying on, among other things, a corresponding warranty and indemnity provided by Brompton to Tuckamore. Brompton has brought a motion for summary judgment, which it is seeking to have heard in the summer of 2016. The Company has not provided for any amount with respect to this matter in its consolidated audited financial statements for the year ended December 31, 2015.

Refinancing

On March 23, 2016 Tuckamore Captial announced the completion of certain refinancing transactions originally announced on January 26, 2016, as well as the completion of certain asset sales originally announced on March 4, 2016. Please refer to the company's press release dated March 23, 2016.

2016 First Quarter Outlook

The sharp decline in oil prices in the 4th quarter of 2015, has seen oil price per barrel dipping below $30, and has resulted in ClearStream management anticipating that this low price environment will be lower for longer. As a result, further cost savings measures are being put into place that will help mitigate the decline in customer activity levels forecasted for the Western Canadian Sedimentary basin in which the company operates. ClearStream's maintenance-heavy platform is more resilient to the downturn, however continued customer maintenance delays and deferrals combined with client pressure for additional price concessions are expected to continue well into the first half of 2016. ClearStream is working diligently with its customers to ensure business is retained, operated safely, and new ways to provide services are delivered more cost effectively. ClearStream and all oilfield services companies in North America are facing a difficult operating environment. Management is focussed on delivering a more efficient leaner organization that retains and gains a greater portion of market compared to our competitors.

This financial outlook is provided for the purpose of presenting information about management's current expectations and plans related to the future and readers are cautioned that such statements may not be appropriate for other purposes.

About Tuckamore Capital Management Inc.

The primary business of Tuckamore is now that of ClearStream Energy Holdings LP and its direct and indirect subsidiaries ("ClearStream"). ClearStream is a fully integrated provider of upstream, midstream and downstream production services to the energy industry in Western Canada. For more information about Tuckamore, please visit http://tuckamore.ca. For more information about ClearStream, please visit www.ClearStreamEnergy.ca.

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Forward-looking information

This press release contains certain forward-looking information. Certain information included in this press release may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results and may include statements or information regarding the future plans or prospects of Tuckamore or the Operating Partnerships and reflects management's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of Tuckamore and the Operating Partnerships. Without limitation, information regarding the future operating results and economic performance of Tuckamore and the Operating Partnerships constitute forward-looking information. Such forward-looking information reflects management's current beliefs and is based on information currently available to management of Tuckamore and the Operating Partnerships. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including risks related to investments, conditions of capital markets, economic conditions, commodity prices, dependence on key personnel, limited customer bases, interest rates, regulatory change, ability to meet working capital requirements and capital expenditures needs of the Operating Partners, factors relating to the weather and availability of labour. These factors should not be considered exhaustive. In addition, in evaluating this information, investors should specifically consider various factors, including the risks outlined under "Risk Factors," which may cause actual events or results to differ materially from any forward-looking statement. In formulating forward-looking information herein, management has assumed that business and economic conditions affecting Tuckamore and the Operating Partnerships will continue substantially in the ordinary course, including without limitation with respect to general levels of economic activity, regulations, taxes and interest rates. Although the forward-looking information is based on what management of Tuckamore and the Operating Partnerships consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. This forward-looking information is made as of the date of this press release, and Tuckamore does not assume any obligation to update or revise it to reflect new events or circumstances except as required by law. Undue reliance should not be placed on forward-looking information. Tuckamore is providing the forward-looking financial information set out in this press release for the purpose of providing investors with some context for the "2015 Outlook" presented. Readers are cautioned that this information may not be appropriate for any other purpose.

Non-standard measures

The terms ''EBITDA'' and "adjusted EBITDA" (collectively the ''Non-GAAP measures") are financial measures used in this press release that are not standard measures under IFRS. Tuckamore's method of calculating Non-GAAP measures may differ from the methods used by other issuers. Therefore, Tuckamore's Non-GAAP measures, as presented may not be comparable to similar measures presented by other issuers.

EBITDA refers to net earnings determined in accordance with IFRS, before depreciation and amortization, interest expense and income tax expense. EBITDA is used by management and the directors of Tuckamore (the "Directors") as well as many investors to determine the ability of an issuer to generate cash from operations. Management also uses EBITDA to monitor the performance of Tuckamore's reportable segments and believes that in addition to net income or loss and cash provided by operating activities, EBITDA is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and distributions. Tuckamore has provided a reconciliation of income (loss) to EBITDA in its consolidated financial statements and management's discussion and analysis.

Adjusted EBITDA refers to EBITDA excluding the loss from assets held for sale, the write-down of goodwill and intangible assets, transaction costs, write-down of property, plant and equipment, restructuring costs and the interest, taxes, depreciation and amortization of long-term investments. Tuckamore has used Adjusted EBITDA as the basis for the analysis of its past operating financial performance. Adjusted EBITDA is used by Tuckamore and management believes it is a useful supplemental measure from which to determine Tuckamore's ability to generate cash available for debt service, working capital, capital expenditures, and income taxes. Adjusted EBITDA is a measure that management believes facilitates the comparability of the results of historical periods and the analysis of its operating financial performance which may be useful to investors. Tuckamore has provided a reconciliation of income (loss) from continuing operations to Adjusted EBITDA in its management's discussion and analysis.

Investors are cautioned that the Non-standard Measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of performance or cash flows, a measure of liquidity or as a measure of actual return on the shares. These Non-standard Measures should only be used in conjunction with the financial statements included in the press release and Tuckamore's (formerly Newport Partners Income Fund) annual audited financial statements available on SEDAR at www.sedar.com or www.tuckamore.ca

TUCKAMORE CAPITAL MANAGEMENT INC.

Consolidated Balance Sheets

(In thousands of Canadian dollars)

As at	December 31, 2015	December 31, 2014
Assets		
Current Assets:		
Cash and cash equivalents	$ 24,409	$ 28,883
Cash and short-term investments held in trust	4,380	2,950
Accounts receivable	76,089	145,858
Inventories	3,114	12,721
Prepaid expenses	2,357	6,753
Other current assets	114	2,733
Current assets of discontinued operations and assets held for sale	54,310	-
Total current assets	164,773	199,898
Property, plant and equipment	30,873	62,688
Long-term investments	8,000	28,281
Goodwill	30,988	61,128
Intangible assets	18,904	49,896
Other assets	-	633
Total assets	$ 253,538	$ 402,524
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 32,132	$ 65,807
Deferred revenue	-	3,048
Current portion of obligations under finance leases	4,685	6,041
Current portion of senior credit facility	58,482	5,481
Unsecured debentures	174,311	24,819
Current liabilities of discontinued operations and assets held for sale	42,637	-
Total current liabilities	312,247	105,196
Obligations under finance leases	6,347	11,584
Senior credit facility	-	84,354
Secured debentures	-	159,700
Deferred tax liabilities	-	5,650
Shareholders' (deficit) equity	(65,056)	36,040
Total liabilities and shareholders' (deficit) equity	$ 253,538	$ 402,524

Please refer to the audited consolidated financial statements for the year ended December 31, 2015 for more information.

TUCKAMORE CAPITAL MANAGEMENT INC.
Consolidated Statements of Loss and Comprehensive Loss
Years Ended December 31
(In thousands of Canadian dollars, except per share amounts)

	2015	2014 Restated [1]
Revenue	$ 416,122	$ 557,788
Cost of revenue	(332,868)	(443,523)
Gross profit	83,254	114,265
Selling, general and administrative expenses	(51,584)	(61,246)
Amortization of intangible assets	(5,651)	(5,715)
Depreciation	(8,681)	(9,828)
Income from equity investments	(508)	2,904
Interest expense	(24,948)	(27,498)
Transaction costs	-	(9,057)
Restructuring costs	(7,454)	-
Write-down of property, plant and equipment	(5,574)	-
Write-down of goodwill and intangible assets	(41,727)	(308)
Write-down of long term investment	(6,379)	-
Loss before income taxes	(69,252)	3,517
Income tax expense - current	2,050	(2,050)
Income tax recovery - deferred	2,766	6,799
Loss from continuing operations	(64,436)	8,266
Loss from discontinued operations (net of income taxes)	(60,451)	(25,513)
Net loss and comprehensive loss	$ (124,887)	$ (17,247)
Loss per share		
Basic & Diluted:		
Continuing operations	$ (0.59)	$ 0.09
Net loss	$ (1.14)	$ (0.19)

[1] Please note that the December 31, 2014 consolidated statement of loss and comprehensive loss was restated as a result of the discontinued operations. Please refer to the audited consolidated financial statements for the year ended December 31, 2015 for more information.

TUCKAMORE CAPITAL MANAGEMENT INC.

Consolidated Statements of Cash Flows
Years Ended December 31
(In thousands of Canadian dollars)

	2015	2014
		Restated [1]
Operating activities:		
Net loss for the year	$ (124,887)	$ (17,247)
Loss from discontinued operations (net of income tax)	60,451	25,513
Items not affecting cash:		
Amortization of intangible assets	5,651	5,715
Depreciation	8,681	9,828
Deferred income tax recovery	(2,766)	(6,799)
Income from long-term investments	(3,434)	(2,904)
Non-cash accretion expense	7,465	8,878
Amortization of deferred financing costs	558	535
Loss from assets held for sale	6,379	-
Write-down of property, plant and equipment	5,574	-
Write-down of goodwill and intangible assets	41,727	308
Impairment of long-term investments	-	-
Changes in non-cash working capital	29,362	(13,913)
Advances to discontinued operations	(20,677)	-
Cash provided by discontinued operations	1,482	366
Total cash provided by operating activities	15,566	10,280
Investing activities:		
Distributions from long-term investments	1,740	5,186
Purchase of property, plant and equipment	(3,260)	(7,109)
Proceeds on disposition of property, plant and equipment, net	311	699
Proceeds on disposition of businesses	4,750	-
Purchase of software	(108)	(408)
Acquisition of business, net	-	(308)
Cash used in discontinued operations	(732)	(3,137)
Total cash used in investing activities	2,701	(5,077)
Financing activities:		
Repayment of long-term debt	(8,934)	(22,968)
Proceeds from issuance of common shares, net	-	12,500
Proceeds from the exercise of options for common shares	-	4,986
Increase in cash held in trust	(1,430)	-
Repayment of obligations under finance leases	(5,591)	(6,792)
Cash used in discontinued operations	(617)	902
Total cash used in financing activities	(16,572)	(11,372)
(Decrease) increase in cash	1,695	(6,169)
Cash beginning of year - continuing operations	22,847	27,147
Cash beginning of year - discontinued operations	(133)	1,736
Cash end of year	$ 24,409	$ 22,714
Cash end of year - continuing operations	$ 24,409	$ 22,847
Cash end of year - discontinued operations	$ -	$ (133)
Supplemental cash flow information:		
Interest paid	$ 16,925	$ 18,085
Supplemental disclosure of non-cash financing and investing activities:		
Acquisition of property, plant and equipment through finance leases	$ 2,003	$ 6,087

[1] Please note that the December 31, 2014 consolidated statement of cash flows was restated as a result of the discontinued operations. Please refer to the audited consolidated financial statements for the year ended December 31, 2015 for more information.