For Immediate Release

DATA GROUP LTD. ANNOUNCES
SECOND QUARTER RESULTS FOR 2014

HIGHLIGHTS

Q2 2014

- Second quarter 2014 ("Q2") Revenues of $76.8 million, Q2 Gross Profit of $17.8 million and Q2 Net Income of $0.3 million (includes a Q2 restructuring charge of $0.9 million)
- Q2 Adjusted EBITDA of $4.7 million (See Table 2 and "Non-GAAP Measures" below)

YTD 2014

- Year to Date 2014 ("YTD") Revenues of $154.7 million, YTD Gross Profit of $36.6 million and YTD Net Income of $1.0 million (includes a YTD restructuring charge of $1.7 million)
- YTD Adjusted EBITDA of $10.1 million (See Table 2 and "Non-GAAP Measures" below)

Brampton, Ontario – August 8, 2014 – DATA Group Ltd. (TSX: DGI) ("DATA Group") announced its consolidated financial and operating results for the second quarter ended June 30, 2014.

We continue to make progress on our Transformation Plan and remain focused on creating long-term enterprise value appreciation for our shareholders. **In the second quarter of 2014, we continued to reduce our costs, generate significant revenue from new business in the selected growth areas management has targeted and make progress on debt reduction.** At the same time, we continued to experience challenges due to the technological changes that are having an adverse effect on financial results in our industry.

Why is a Transformation Plan Required?

Our industry has seen wholesale changes over the last number of years, mostly due to rapid technological advances. The competitive environment in which we operate has become even more challenging as our industry transforms to more digital forms of communications and adapts to new client demands for blended print and digital solutions. These factors adversely impacted our financial results for 2013 and the first half of 2014. **DATA Group has responded with a Transformation Plan that establishes clear goals, all of which aim to enhance shareholder value.** Our Transformation Plan is beginning to show results in the three key areas we have targeted; cost reduction, debt reduction and revenue stabilization. In summary:

Cost Reduction

We reduced our cost structure by $13 million in 2013 and anticipate eliminating another $20 - $25 million in 2014 and 2015, mostly through a further reduction in locations, raw material costs and the number of employees. In the second quarter of

2014, we realized modest incremental cost savings while continuing to make progress on a number of initiatives that will generate significant additional savings in the future. The cost savings we have realized since the beginning of 2013 have been offset by a reduction in revenue, changes in our product mix and pricing pressures, driven by competitive activity and the technological change described above.

Debt Reduction

We reduced our long-term indebtedness by $8.0 million since the beginning of 2013, including a $1.5 million reduction in the second quarter of 2014, and we intend to further reduce debt going forward. At the same time, our bank overdraft increased by $2.9 million and our working capital increased by $2.6 million in the second quarter of 2014 due to an increase in order volumes. We have also commenced a normal course issuer bid for the purchase of up to $4.476 million of our outstanding 6.00% Convertible Unsecured Subordinated Debentures due June 30, 2017.

Revenue Stabilization

Our intent in 2014 is to stabilize our revenue and position ourselves for longer term growth. Our plan to achieve this goal is based on;

- Adding new sales talent
- Winning market share in our traditional print business
- Investing in the key growth areas we have identified; labels, marketing print and digital communications
- Bundling our digital services with our print offerings to increase the value we provide to our customers and increase the contribution these services make to our overall revenue and profitability

Our results in the second quarter reflected progress towards this goal, with strong new business development results and overall revenue similar to last year's second quarter. During the second quarter of 2014, we generated strong revenue from new business and continued to make encouraging progress on a number of new business sales opportunities in the retail, financial services and transportation markets.

The significant changes we have made to our management and sales team in the past year have given us an aggressive focus on new business development and the talent to lead our Transformation Plan. In the second quarter we continued to make personnel changes to strengthen our sales team and to make prudent investments to expand our capabilities in the growth areas we have targeted.

Refreshed Governance

As part of our Transformation Plan, earlier this year we began recruiting to refresh our board with new directors who could assist in our progress and represent the best interests of all shareholders. After a thorough process, in June we were pleased to have four eminently qualified new board nominees, who replaced three retiring directors, join our board; Michael Blair, Rod Philips, Harinder S. Takhar and J.R. Kingsley Ward. Our four new directors join Tom Spencer (Chairman), Bill Albino and Michael Suksi on our refreshed board.

RESULTS OF OPERATIONS

All financial information in this press release is presented in Canadian dollars and in accordance with generally accepted accounting principles ("GAAP") measured under International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") for publicly accountable entities, unless otherwise noted.

Table 1 The following table sets out selected historical consolidated financial information for the periods noted.

For the periods ended June 30, 2014 and 2013 *(in thousands of Canadian dollars, except per share amounts, unaudited)*	**Apr. 1 to June 30, 2014 $**	**Apr. 1 to June 30, 2013 $**	**Jan. 1 to June 30, 2014 $**	**Jan. 1 to June 30, 2013 $**
Revenues	76,773	77,822	154,676	160,685
Cost of revenues	58,936	58,066	118,036	119,191
Gross profit	17,837	19,756	36,640	41,494
Selling, general and administrative expenses	14,407	15,315	29,087	31,001
Restructuring expenses	869	5,247	1,734	6,014
Amortization of intangible assets	479	2,311	958	4,621
Income (loss) before finance costs and income taxes	2,082	(3,117)	4,861	(142)
Finance costs				
Interest expense	1,539	1,635	3,088	3,273
Interest income	(4)	(6)	(9)	(8)
Amortization of transaction costs	140	147	279	290
	1,675	1,776	3,358	3,555
Income (loss) before income taxes	407	(4,893)	1,503	(3,697)
Income tax expense (recovery)				
Current	-	281	-	1,553
Deferred	153	(1,512)	453	(2,437)
	153	(1,231)	453	(884)
Net income (loss) for the period	254	(3,662)	1,050	(2,813)
Net income (loss) attributable to common shareholders	254	(3,652)	1,050	(2,799)
Basic and diluted earnings (loss) per share	0.01	(0.16)	0.04	(0.12)
Number of common shares outstanding	23,490,592	23,490,592	23,490,592	23,490,592

As at June 30, 2014 and December 31, 2013 *(in thousands of Canadian dollars, unaudited)*	**As at June 30, 2014 $**	**As at Dec. 31, 2013 $**
Current assets	80,853	78,717
Current liabilities	45,369	42,545
Total assets	165,326	166,597
Total non-current liabilities	103,023	105,977
Shareholders' equity	16,934	18,075

Table 2 The following table provides a reconciliation of net income (loss) to Adjusted EBITDA for the periods noted. See "Non-GAAP Measures".

Adjusted EBITDA Reconciliation

For the periods ended June 30, 2014 and 2013 *(in thousands of Canadian dollars, unaudited)*	**Apr. 1 to June 30, 2014** **$**	**Apr. 1 to June 30, 2013** **$**	**Jan. 1 to June 30, 2014** **$**	**Jan. 1 to June 30, 2013** **$**
Net income (loss) for the period	254	(3,662)	1,050	(2,813)
Interest expense	1,539	1,635	3,088	3,273
Interest income	(4)	(6)	(9)	(8)
Amortization of transaction costs	140	147	279	290
Current income tax expense	-	281	-	1,553
Deferred income tax expense (recovery)	153	(1,512)	453	(2,437)
Depreciation of property, plant and equipment	1,244	1,323	2,552	2,651
Amortization of intangible assets	479	2,311	958	4,621
EBITDA	3,805	517	8,371	7,130
Restructuring expenses	869	5,247	1,734	6,014
Adjusted EBITDA	4,674	5,764	10,105	13,144

Revenues

For the quarter ended June 30, 2014, DATA Group recorded revenues of $76.8 million, a decrease of $1.0 million or 1.3% compared with the same period in 2013. The decrease, before intersegment revenues, was the result of a $1.4 million decrease in the DATA East and West segment and was partially offset by a $0.5 million increase in the Multiple Pakfold segment. For the six months ended June 30, 2014, DATA Group recorded revenues of $154.7 million, a decrease of $6.0 million or 3.7% compared with the same period in 2013. The decrease, before intersegment revenues, was the result of a $6.6 million decrease in the DATA East and West segment and was partially offset by a $0.7 million increase in the Multiple Pakfold segment. The decrease in revenues for the three and six months ended June 30, 2014 in the DATA EAST and West segment was primarily due to orders from existing customers for print-related products and services which did not repeat in 2014, aggressive pricing by DATA Group's competitors supplying similar products and services and a change in product mix. The segment continued to experience revenue gains from new business, which partially offset declines in revenues from existing customers due to non-repeating orders, technological change and competitive activity. The increase in revenues for the three and six months ended June 30, 2014 in the Multiple Pakfold segment was attributable to new business which arose as a result of the bankruptcy of a competitor.

Cost of Revenues and Gross Profit

For the quarter ended June 30, 2014, cost of revenues increased to $58.9 million from $58.1 million for the same period in 2013. Gross profit for the quarter ended June 30, 2014 was $17.8 million, which represented a decrease of $2.0 million or 9.7% from $19.8 million for the same period in 2013. The decrease in gross profit for the quarter ended June 30, 2014 was attributable to a gross profit decrease of $2.0 million in the DATA East and West segment and was partially offset by a gross profit increase of $0.2 million in the Multiple Pakfold segment. Gross profit as a percentage of revenues decreased to 23.2% for the quarter ended June 30, 2014 compared to 25.4% for the same period in 2013. For the six months ended June 30, 2014, cost of revenues decreased to $118.0 million from $119.2 million for the same period in 2013. Gross profit for the six months ended June 30, 2013 was $36.6 million, which represented a decrease of $4.9 million or 11.7% from $41.5 million for the same period in 2013. The decrease in gross profit for the six months ended June 30, 2014 was attributable to a gross profit decrease of $5.0 million in the DATA East and West segment and was partially offset by a gross profit increase of

$0.1 million in the Multiple Pakfold segment. Gross profit as a percentage of revenues decreased to 23.7% for the six months ended June 30, 2014 compared to 25.8% for the same period in 2013.

Selling, General and Administrative Expenses and Restructuring Expenses

Selling, general and administrative ("SG&A") expenses, excluding amortization of intangible assets, for the quarter ended June 30, 2014 decreased $0.9 million to $14.4 million compared to $15.3 million in the same period in 2013. As a percentage of revenues, these costs were 18.8% of revenues for the quarter ended June 30, 2014 compared to 19.7% of revenues for the same period in 2013. SG&A expenses, excluding amortization of intangible assets, for the six months ended June 30, 2014 decreased $1.9 million to $29.1 million compared to $31.0 million for the same period of 2013. As a percentage of revenues, these costs were 18.8% of revenues for the six months ended June 30, 2014 compared to 19.3% of revenues for the same period in 2013. The decrease in SG&A expenses for the three and six months ended June 30, 2014 was attributable to cost saving initiatives implemented in 2013. For the three and six months ended June 30, 2014, DATA Group incurred restructuring expenses related to headcount reductions of $0.9 million and $1.7 million, respectively, as part of its ongoing restructuring initiatives. For the three and six months ended June 30, 2013, DATA Group incurred restructuring expenses related to headcount reductions and lease exit charges of $5.2 million and $6.0 million, respectively, as part of its 2013 restructuring initiatives. The restructuring initiatives included closing facilities in Brockville, Ontario and Anjou, Québec and transferring the operations of The Fulfillment Solutions Advantage Inc. from Markham, Ontario to DATA Group's existing facility in Mississauga, Ontario.

Adjusted EBITDA

For the quarter ended June 30, 2014, Adjusted EBITDA was $4.7 million, or 6.1% of revenues. Adjusted EBITDA for the quarter ended June 30, 2014 decreased $1.1 million or 18.9% from the same period in the prior year and the Adjusted EBITDA margin for the quarter, as a percentage of revenues, decreased from 7.4% of revenues in 2013 to 6.1% of revenues for the same period in 2014. Adjusted EBITDA for the six months ended June 30, 2014 was $10.1 million, or 6.5% of revenues. Adjusted EBITDA for the six months ended June 30, 2014 decreased $3.0 million or 23.1% from the same period in the prior year and the Adjusted EBITDA margin for the six month period, as a percentage of revenues, decreased from 8.2% of revenues in 2013 to 6.5% of revenues for the same period in 2014. The decrease in Adjusted EBITDA during the three and six months ended June 30, 2014 was due to the continued investment in DATA Group's growth strategy and a decline in revenues due to pricing concessions and changes in product mix, and was partially offset by cost savings realized as a result of its restructuring initiatives. These costs included SG&A expense related to investments to launch new products and services.

Interest Expense

Interest expense on long-term debt outstanding under DATA Group's credit facilities, DATA Group's outstanding $45.0 million aggregate principal amount of 6.00% Convertible Debentures, certain unfavourable lease obligations related to closed facilities and DATA Group's employee benefit plans was $1.5 million for the three months ended June 30, 2014 compared to $1.6 million for the same period in 2013, and was $3.1 million for the six months ended June 30, 2014 compared to $3.3 million for the same period in 2013.

Income Taxes

DATA Group reported income before income taxes of $0.4 million and a deferred income tax expense of $0.2 million for the three months ended June 30, 2014 compared to loss before income taxes of $4.9 million, current income tax expense of $0.3 million and a deferred income tax recovery of $1.5 million for the three months ended June 30, 2013. DATA Group reported income before income taxes of $1.5 million and a deferred income tax expense of $0.5 million for the six months ended June 30, 2014 compared to a loss before income taxes of $3.7 million, a current income tax expense of $1.6 million and a deferred income tax recovery of $2.4 million for the six months ended June 30, 2013. The decrease in the current income tax expense during the three and six months ended June 30, 2014 was due to the reduction in taxable income as the result of the use of non-capital loss carry-forwards. The increase in the deferred income tax expense during the three and six months ended June 30, 2014 was due to a change in estimates of future reversals of temporary differences.

Net Income

Net income for the three and six months ended June 30, 2014 was $0.3 million and $1.0 million, respectively, compared to a net loss of $3.7 million and $2.8 million, respectively, for same periods in 2013. The increase in comparable profitability for the three and six months ended June 30, 2014 was due to lower SG&A expense, restructuring expenses, amortization of intangibles and current income tax expense during the second quarter and first half of 2014, respectively. The increase in comparable profitability during the second quarter and first half of 2014, respectively, were partially offset by lower gross profit as a result of lower revenues and a larger deferred income tax expense during 2014.

INVESTING ACTIVITIES

Capital expenditures for the three months ended June 30, 2014 of $0.2 million related primarily to maintenance capital expenditures, which were financed by cash flow from operations. For the six months ended June 30, 2014, DATA Group incurred capital expenditures of $0.8 million related primarily to maintenance capital expenditures, which were financed by cash flow from operations.

FINANCING ACTIVITIES

During the three and six months ended June 30, 2014, DATA Group repaid $1.5 million and $3.5 million, respectively, of the principal amount outstanding under its Revolving Bank Facility.

About DATA Group Ltd.

DATA Group Ltd. is a managed business communications services company specializing in customized document management and marketing solutions. DATA Group develops, manufactures, markets and supports integrated web and print-based communications, information management and direct marketing products and services that help its customers reduce costs, increase revenues, maintain brand consistency and simplify their business processes. DATA Group's expertise and resources enable it to address any document requirement of its customers, from a simple mail-out to an enterprise-wide document management or direct marketing initiative. We have approximately 1,670 employees working from 35 locations across Canada and the United States to accomplish this.

Additional information relating to DATA Group Ltd. is available on www.datagroup.ca, and in the disclosure documents filed by DATA Group Ltd. on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

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FORWARD-LOOKING STATEMENTS

Certain statements in this press release constitute “forward-looking” statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of DATA Group, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. When used in this press release, words such as “may”, “would”, “could”, “will”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “plan”, and other similar expressions are intended to identify forward-looking statements. These statements reflect DATA Group’s current views regarding future events and operating performance, are based on information currently available to DATA Group, and speak only as of the date of this press release. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Many factors could cause the actual results, performance, objectives or achievements of DATA Group to be materially different from any future results, performance, objectives or achievements that may be expressed or implied by such forward-looking statements. The principal factors, assumptions and risks that DATA Group made or took into account in the preparation of these forward-looking statements include the risk that DATA Group will not be successful in reducing the size of its legacy print business, reducing costs, reducing or refinancing its long-term debt and growing its digital communications business; the risk that DATA Group may not be successful in managing its organic growth; DATA Group’s ability to invest in, develop and successfully market new products and services; competition from competitors supplying similar products and services; DATA Group’s ability to grow its sales or even maintain historical levels of its sales of printed business documents; the impact of economic conditions on DATA Group’s businesses; risks associated with acquisitions by DATA Group; increases in the costs of paper and other raw materials used by DATA Group; and DATA Group’s ability to maintain relationships with its customers. Additional factors are discussed elsewhere in this press release and under the heading “Risks and Uncertainties” in DATA Group’s management’s discussion and analysis and in DATA Group’s other publicly available disclosure documents, as filed by DATA Group on SEDAR (www.sedar.com). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this press release as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, DATA Group does not intend and does not assume any obligation to update these forward-looking statements.

NON-GAAP MEASURES

This press release includes certain non-GAAP measures as supplementary information. When used in this press release, EBITDA means earnings before interest and finance costs, taxes, depreciation and amortization. Adjusted EBITDA for the three and six months ended June 30, 2014 and 2013 means EBITDA adjusted for restructuring expenses, respectively. DATA Group believes that, in addition to net income (loss), EBITDA and Adjusted EBITDA are useful supplemental measures in evaluating the performance of DATA Group and its predecessors. EBITDA and Adjusted EBITDA are not earnings measures recognized by IFRS and do not have any standardized meanings prescribed by IFRS. Therefore, EBITDA and Adjusted EBITDA are unlikely to be comparable to similar measures presented by other issuers.

Investors are cautioned that neither EBITDA nor Adjusted EBITDA should be construed as an alternative to net income (loss) determined in accordance with IFRS as an indicator of DATA Group’s performance. For a reconciliation of net income (loss) to Adjusted EBITDA, see Table 2 above.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars, unaudited)	**June 30, 2014**	**December 31, 2013**
	$	**$**
Assets		
Current assets		
Cash and cash equivalents	-	478
Trade receivables	36,971	36,551
Inventories	39,617	37,585
Prepaid expenses and other current assets	4,217	3,929
Income taxes receivable	48	174
	80,853	78,717
Non-current assets		
Deferred income tax assets	1,991	1,687
Property, plant and equipment	15,491	17,266
Pension asset	1,706	2,684
Intangible assets	8,219	9,177
Goodwill	57,066	57,066
	165,326	166,597
Liabilities		
Current liabilities		
Bank overdraft	4,167	-
Current portion of Revolving bank facility	3,500	4,000
Trade payables	25,525	26,061
Provisions	2,599	2,369
Deferred revenue	9,578	10,115
	45,369	42,545
Non-current liabilities		
Provisions	1,640	2,368
Revolving bank facility	46,200	49,109
Convertible debentures	43,206	42,909
Other non-current liabilities	677	858
Pension obligations	8,554	8,102
Other post-employment benefit plans	2,746	2,631
	148,392	148,522
Equity		
Shareholders' equity		
Shares	215,336	215,336
Conversion options	516	516
Accumulated other comprehensive income	31	30
Deficit	(198,949)	(197,807)
	16,934	18,075
	165,326	166,597

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(in thousands of Canadian dollars, except per share amounts, unaudited)	**For the three months ended June 30, 2014**	**For the three months ended June 30, 2013**
	$	**$**
Revenues	76,773	77,822
Cost of revenues	58,936	58,066
Gross profit	17,837	19,756
Expenses		
Selling, commissions and expenses	8,797	9,073
General and administration expenses excluding amortization of intangible assets	5,610	6,242
Restructuring expenses	869	5,247
Amortization of intangible assets	479	2,311
	15,755	22,873
Income (loss) before finance costs and income taxes	2,082	(3,117)
Finance costs		
Interest expense	1,539	1,635
Interest income	(4)	(6)
Amortization of transaction costs	140	147
	1,675	1,776
Income (loss) before income taxes	407	(4,893)
Income tax expense (recovery)		
Current	-	281
Deferred	153	(1,512)
	153	(1,231)
Net income (loss) for the period	254	(3,662)
Net income (loss) attributable to:		
Common shareholders	254	(3,652)
Non-controlling interest	-	(10)
	254	(3,662)
Basic earnings (loss) per share	0.01	(0.16)
Diluted earnings (loss) per share	0.01	(0.16)

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(in thousands of Canadian dollars, except per share amounts, unaudited)	**For the six months ended June 30, 2014**	**For the six months ended June 30, 2013**
	$	**$**
Revenues	154,676	160,685
Cost of revenues	118,036	119,191
Gross profit	36,640	41,494
Expenses		
Selling, commissions and expenses	17,719	18,441
General and administration expenses excluding amortization of intangible assets	11,368	12,560
Restructuring expenses	1,734	6,014
Amortization of intangible assets	958	4,621
	31,779	41,636
Income (loss) before finance costs and income taxes	4,861	(142)
Finance costs		
Interest expense	3,088	3,273
Interest income	(9)	(8)
Amortization of transaction costs	279	290
	3,358	3,555
Income (loss) before income taxes	1,503	(3,697)
Income tax expense (recovery)		
Current	-	1,553
Deferred	453	(2,437)
	453	(884)
Net income (loss) for the period	1,050	(2,813)
Net income (loss) attributable to:		
Common shareholders	1,050	(2,799)
Non-controlling interest	-	(14)
	1,050	(2,813)
Basic earnings (loss) per share	0.04	(0.12)
Diluted earnings (loss) per share	0.04	(0.12)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands of Canadian dollars, unaudited)	**For the three months ended June 30, 2014** **$**	**For the three months ended June 30, 2013** **$**
Net income (loss) for the period	254	(3,662)
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net income (loss)		
Foreign currency translation	(19)	1
	(19)	1
Items that will not be reclassified to net income (loss)		
Re-measurements of post-employment benefit obligations	(526)	3,005
Taxes related to post-employment adjustment above	121	(788)
	(405)	2,217
Other comprehensive (loss) income for the period, net of tax	(424)	2,218
Comprehensive loss for the period	(170)	(1,444)
Comprehensive loss attributable to:		
Common shareholders	(170)	(1,434)
Non-controlling interest	-	(10)
	(170)	(1,444)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(in thousands of Canadian dollars, unaudited)	**For the six months ended June 30, 2014**	**For the six months ended June 30, 2013**
	$	**$**
Net income (loss) for the period	1,050	(2,813)
Other comprehensive income (loss):		
Items that may be reclassified subsequently to net income (loss)		
Foreign currency translation	1	2
	1	2
Items that will not be reclassified to net income (loss)		
Re-measurements of post-employment benefit obligations	(2,949)	4,337
Taxes related to post-employment adjustment above	757	(1,137)
	(2,192)	3,200
Other comprehensive (loss) income for the period, net of tax	(2,191)	3,202
Comprehensive (loss) income for the period	(1,141)	389
Comprehensive (loss) income attributable to:		
Common shareholders	(1,141)	403
Non-controlling interest	-	(14)
	(1,141)	389

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of Canadian dollars, unaudited)

	Attributable to Shareholders						
	Shares	**Conversion options**	**Accumulated other comprehensive income**	**Deficit**	**Total Shareholders' Equity**	**Non-controlling interest**	**Total Equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Balance as at December 31, 2012	215,336	516	1	(153,875)	61,978	136	62,114
Net loss for the period	-	-	-	(2,799)	(2,799)	(14)	(2,813)
Other comprehensive income for the period	-	-	2	3,200	3,202	-	3,202
Total comprehensive income (loss) for the period	-	-	2	401	403	(14)	389
Dividends declared	-	-	-	(3,524)	(3,524)	-	(3,524)
Balance as at June 30, 2013	215,336	516	3	(156,998)	58,857	122	58,979
Balance as at December 31, 2013	215,336	516	30	(197,807)	18,075	-	18,075
Net income for the period	-	-	-	1,050	1,050	-	1,050
Other comprehensive (loss) income for the period	-	-	1	(2,192)	(2,191)	-	(2,191)
Total comprehensive (loss) income for the period	-	-	1	(1,142)	(1,141)	-	(1,141)
Balance as at June 30, 2014	215,336	516	31	(198,949)	16,934	-	16,934

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars, unaudited)	**For the three months ended June 30, 2014 $**	**For the three months ended June 30, 2013 $**
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	254	(3,662)
Adjustments to net income (loss)		
Depreciation of property, plant and equipment	1,244	1,323
Amortization of intangible assets	479	2,311
Pension expense	120	236
Loss on disposal of property, plant and equipment	3	65
Provisions	869	5,247
Amortization of transaction costs	140	147
Accretion of convertible debentures	74	74
Other non-current liabilities	(79)	(95)
Other post-employment benefit plans, net	58	45
Income tax expense (recovery)	153	(1,231)
	3,315	4,460
Changes in working capital	(2,561)	882
Contributions made to pension plans	(891)	(782)
Provisions paid	(1,160)	(716)
Income taxes refunds (paid)	138	(1,073)
	(1,159)	2,771
Investing activities		
Purchase of property, plant and equipment	(191)	(343)
Proceeds on disposal of property, plant and equipment	2	75
	(189)	(268)
Financing activities		
Repayment of revolving bank facility	(1,500)	(500)
Finance costs	-	(11)
Finance lease payments	(6)	(3)
Dividends paid	-	(1,762)
	(1,506)	(2,276)
(Increase) decrease in bank overdraft during the period	(2,854)	227
Bank overdraft – beginning of period	(1,308)	(583)
Effects of foreign exchange on cash balances	(5)	2
Bank overdraft – end of period	(4,167)	(354)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars, unaudited)	**For the six months ended June 30, 2014 $**	**For the six months ended June 30, 2013 $**
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	1,050	(2,813)
Adjustments to net income (loss)		
Depreciation of property, plant and equipment	2,552	2,651
Amortization of intangible assets	958	4,621
Pension expense	241	472
(Gain) loss on disposal of property, plant and equipment	(10)	122
Provisions	1,734	6,014
Amortization of transaction costs	279	290
Accretion of convertible debentures	147	147
Other non-current liabilities	(161)	(175)
Other post-employment benefit plans, net	115	95
Income tax expense (recovery)	453	(884)
	7,358	10,540
Changes in working capital	(3,816)	2,982
Contributions made to pension plans	(1,760)	(1,541)
Provisions paid	(2,232)	(1,037)
Income taxes refunds (paid)	126	(3,886)
	(324)	7,058
Investing activities		
Purchase of property, plant and equipment	(794)	(807)
Proceeds on disposal of property, plant and equipment	21	101
	(773)	(706)
Financing activities		
Repayment of revolving bank facility	(3,500)	(2,500)
Finance costs	(38)	(12)
Finance lease payments	(12)	(3)
Dividends paid	-	(3,035)
	(3,550)	(5,550)
(Increase) decrease in bank overdraft during the period	(4,647)	802
Bank overdraft – beginning of period	478	(1,161)
Effects of foreign exchange on cash balances	2	5
Bank overdraft – end of period	(4,167)	(354)