Management's Discussion & Analysis
(Expressed in Canadian Dollars)

people CORPORATION

Experience the Benefits of People

As at and for the three and nine months ended May 31, 2015

PEOPLE CORPORATION

Management's Discussion & Analysis
As at and for the three and nine months ended May 31, 2015

This Management's Discussion and Analysis ("**MD&A**") has been prepared with an effective date of July 15, 2015 and provides an update on matters discussed in, and should be read in conjunction with the audited annual consolidated financial statements of the Company, including the notes thereto, as at and for the year ended August 31, 2014, which were prepared in accordance with International Financial Reporting Standards ("**IFRS**") and the unaudited interim condensed consolidated financial statements as at and for the three and nine months ended May 31, 2015 (the "May 31, 2015 Interim Consolidated Financial Statements"), unless otherwise specified. Annual references are to the Company's fiscal year which ends August 31. The financial data discussed in this MD&A, including financial data relating to comparative periods in the prior year, has been prepared in accordance with IFRS. All amounts contained within this MD&A are in Canadian dollars unless otherwise specified. Amounts set forth in this MD&A are stated in thousands of dollars except for per share, issued and outstanding share data, and unless otherwise noted. Certain totals, subtotals and percentages may not reconcile due to rounding.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on SEDAR at www.sedar.com and on the Company's website at www.peoplecorporation.com.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements" within the meaning of applicable securities laws, such as statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Use of words such as "may", "will", "expect", "believe", "intends", "likely", or other words of similar effect may indicate a "forward-looking" statement. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described in the Company's publicly filed documents (available on SEDAR at www.sedar.com) and in this MD&A under the heading "Risks and Uncertainties". Those risks and uncertainties include the ability to maintain profitability and manage organic or acquisition growth, reliance on information systems and technology, reputation risk, dependence on key clients, reliance on key professionals and general economic conditions. Many of these risks and uncertainties can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statement made by the Company or on its behalf. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. All forward-looking statements in this MD&A are qualified by these cautionary statements. These statements are made as of the date of this MD&A and, except as required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Company, its financial or operating results or its securities.

Readers are cautioned that net income before finance expense, income tax expense, depreciation and amortization ("**EBITDA**") or EBITDA before non-recurring acquisition, integration and restructuring costs ("**Adjusted EBITDA**"), operating income before corporate costs ("**Operating Income before Corporate Costs**"), corporate costs, Operating Working Capital and Available Operating Working Capital, hereinafter defined, and other similar terms do not have standardized meanings as prescribed by IFRS and may not be comparable to similar measures presented by other companies. Further, readers are cautioned that EBITDA, Adjusted EBITDA and Operating Income before Corporate Costs should not replace net income or loss or cash flows from operating, investing and financing activities (as determined in accordance with IFRS), as an indicator of the Company's performance. See the "Non-IFRS Financial Measures" section for further commentary.

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People Corporation (the "**Company**") is an employee benefit, pension and human resource consulting firm in Canada. With a growing national footprint, the Company is bringing together leading consultants in the industry to offer innovative and customized product solutions to clients. The Company is listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "PEO".

FINANCIAL HIGHLIGHTS

	May 31, 2015		May 31, 2014	
	Three months ended	**Nine months ended**	**Three months ended**	**Nine months ended**
Revenue	$ 10,487.6	$ 33,526.0	$ 11,577.0	$ 32,567.5
Adjusted EBITDA	$ 2,142.5	$ 6,803.0	$ 1,964.8	$ 6,147.4
Adjusted EBITDA per share (Basic)	$ 0.052	$ 0.169	$ 0.054	$ 0.180
Net Income	$ (351.1)	$ 343.8	$ 142.8	$ 1,966.0
Net income per share (Basic)	$ (0.009)	$ 0.009	$ 0.004	$ 0.058
Net income per share (Diluted)	$ (0.009)	$ 0.008	$ 0.004	$ 0.054

For the nine months ended May 31, 2015, the Company experienced revenue growth of $958.5 or 2.9%. The Company recognized acquired growth of $587.0 (1.8%) and organic growth of $371.6 (1.1%). Organic growth included increases in revenue resulting from the addition of new clients and natural inflationary factors offset by reduced sales volumes in the Human Resource Solutions division, differences in the timing of revenue received from carriers for certain disability benefit products and the effect of a depressed labour market in Alberta on certain premium product lines.

For the three months ended May 31, 2015, the Company experienced a decrease in revenue of $1,089.4 or 9.4%. Excluding acquired growth of $200.1 (1.7%), the decrease was $1,289.5 (11.1%). This decrease was primarily driven by differences between periods of the timing of certain revenue received from carriers this year compared to the same quarter last year. Other factors in the decrease include reduced sales volumes in the Human Resource Solutions division and the effect of a depressed labour market in Alberta on certain premium product lines, partially offset by continued organic growth in the Company's other divisions.

For the nine months ended May 31, 2015, the Company reported Adjusted EBITDA growth of $655.6 or 10.7%, primarily resulting from organic and acquired growth in the business. Growth in the Adjusted EBITDA for the nine month period was driven by the increase in revenue, as discussed above, offset by increased operating and corporate costs, including professional fees and claims administration costs, net of a reduction in certain compensation expenses.

Adjusted EBITDA for the third quarter of fiscal 2015 was $2,142.5, representing an increase of 9.0% or $177.7, as compared to the same period in fiscal 2014. Growth in the Adjusted EBITDA for the three month period was primarily driven by reductions in variable compensation expenses tied directly to the lower revenue, as well as lower fixed compensation expense and non-acquisition travel expenses. These cost reductions were partially offset by the reduction in revenue, as discussed above. The Company can experience fluctuations in timing of revenue between quarters and, as a result, Adjusted EBITDA as a percentage of revenue is less meaningful on a quarterly basis.

BUSINESS OVERVIEW

The Company delivers employee group benefit consulting, third-party benefits administration, group retirement consulting, strategic human resource consulting and recruitment services to help companies attract, retain and reward employees. The Company achieves this through its approximately 400 professionals and support staff with thirty offices and satellite offices in seven provinces and earns its revenues from a diverse base of clients in various industries. The Company's priority is the continued profitable expansion of existing operations through a focus on organic growth and the acquisition of synergistic companies with a view to maximize value for its stakeholders: i) shareholders, ii) clients, iii) acquisition partners, and iv) employees.

The Company maintains a corporate strategic plan, a financial plan and an ongoing annual planning process that enables the Company to continue to grow and execute on its vision. The Company has a funnel of potential acquisitions in place and available financial and management resources to execute these acquisitions in accordance with its corporate strategic plan.

The Company is organized in order to emphasize integration of all of its practice areas, which are as follows:

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CONSULTING SOLUTIONS		BENEFIT SOLUTIONS	SHARED SERVICES	HUMAN RESOURCE SOLUTIONS
Gallivan & Associates Student Networks	Investment Guild	HealthSource Plus	Integrated Solutions	People First HR Services
JSL Inc.	White Willow	Prosure Group	Group Retirement Solutions	KWA Partners
Buffett Taylor	W.B. & Associés	BHL	Business Development	
Bencom fsgi	Fairles Benefit Services	Coughlin	Wellness Solutions	
Hamilton + Partners				

The Company has offices across Canada; each led by a team of experts and backed by the resources of a public company. The Company's diverse team of experienced consultants have industry-specific expertise and can provide businesses with insight to customize an innovative suite of services specific for their business requirements. The Company is committed to helping businesses attract, retain and reward their people thereby assisting in the achievement of the client's goals.

While the Company continues to go-to-market with the various brands acquired through acquisition, the Company is organized in such a way so as to leverage the capabilities of the entire organization. People Corporation can help businesses attract the right talent for the job and provide the right incentives to motivate employees to excel, enabling client businesses to prosper.

People Corporation helps businesses:

Attract	The Company's employee benefit, group retirement and HR divisions are led by experts who understand a client's business and can help a client attract the best people for their industry, helping position them as top employers.
Reward	Proprietary solutions offered by the Company's benefit consulting and third-party administration platform ensures that a client's staff has access to health, wellness, dental, and retirement plans that make financial sense for their families, as well as for the client's business.
Prosper	The Company can help make a client's organization a place where the best people will want to build their careers while also ensuring cost containment for the client's benefit, HR and group retirement plans.

Whether a client needs a simple benefits package or a comprehensive solution, the Company's experts can customize a program for its client's unique needs.

Expertise	The Company's consultants are recognized industry leaders who can create unparalleled value for a client’s organization. Through the experience of working with hundreds of clients, the Company's consultants have developed broad, as well as specialized, product, insurance and industry expertise.
Custom Solutions	The Company's broad range of innovative and proprietary group benefit solutions can be tailored to suit organizations of any size, in any sector. This is achieved through the Company’s partner relationships, its ability to leverage its various systems and platforms and through the expertise of its consultants and staff.
Industry Leading Pricing	As a national provider, the Company's buying power allows it to offer clients the best products on the best terms.
Independent Guidance	The Company's expert advice is unbiased and independent. The Company works with all major insurers to provide clients with the best customized solution for its clients' businesses and people.
National Servicing	With offices across the country, the Company can provide clients with servicing on a localized basis.

Below is a summary of the Company’s various operating brands within group benefits:

Consulting Solutions

The Company's Consulting Solutions division has offices across the country, each backed by a team of experienced benefit consultants, employees and professionals who have industry-specific expertise with insight to guide and advise clients in customizing a suite of services for their organization.

Gallivan & Associates

Gallivan & Associates ("**Gallivan**"), established in 1993, provides professional advice and service infrastructure to post-secondary student organizations in order to offer group benefit programs to students. Gallivan operates on a national basis with offices and satellite offices across the country and provides Student Health and Dental Plans to post-secondary student organizations representing over 250,000 students.

The Investment Guild

The Investment Guild ("**TIG**"), established in 1981, specializes in mid-market corporate benefits, association plan benefits, group retirement solutions and individual insurance products.

Buffett Taylor & Associates

Buffett Taylor & Associates ("**Buffett Taylor**"), established in 1981, is a consulting firm specializing in providing service to a predominately public sector and not-for-profit clientele. Buffett Taylor is versed in all areas of group benefits insurance and benefit plans. Using an integrated approach to the design and cost management planning of group benefit programs with a proven track record in servicing clients across Ontario has enabled Buffett Taylor to maximize the investment that their clients have made in their employee benefit plans.

White Willow Benefits Consultants

White Willow Benefit Consultants ("**White Willow**"), established in 1988, is a boutique group benefits consulting firm that provides services to mid-market to large corporate clients with group benefit plans and group retirement solutions. White Willow has special expertise in servicing legal firms and organizations within the financial services sector.

Les Assurances W.B. Inc.

Les Assurances W.B. Inc. ("**LAWB**") provides group benefit advisory services to clients based in the Québec City area and northern Québec. LAWB leverages the HSP platform, hereinafter described, to provide its clients with third-party administration of group benefit programs including billing services, client services, employee data management and claims management. In addition to providing third-party administration services, LAWB also provides traditional group benefit programs to its clients.

JSL

JSL ("**JSL**"), established in 1976, provides group benefit solutions to clients based in southern Ontario and specializes in mid-market corporate clients. JSL takes a partnership approach with clients to develop customized employee benefits programs that meet the changing needs of their businesses and employees.

Prosure Group Administrators and Prosure Insurance Agencies

Prosure Group Administrators and Prosure Insurance Agencies (collectively, "**Prosure**"), established in 1987, provides employee benefits solutions, consulting services and third-party administration services to over 300 mid-market corporate clients, the majority of which are located in Ontario.

Bencom Financial Group Services Inc.

Bencom Financial Services Group Inc. ("**Bencom**"), established in 1982, provides group benefit, group retirement and individual benefit advisory services to approximately 200 mid-market corporate clients located primarily in Ontario.

Fairles Benefit Services

Fairles Benefit Services ("**Fairles**"), established in 1991, provides group benefits and group retirement consulting to a broad range of clients in the Southwestern Ontario region. Fairles was acquired by Bencom in 2014 and now operates in close association with Bencom.

Hamilton + Partners Inc.

Hamilton + Partners Inc., established in 1984, consists of three operating companies, Employee Benefits Inc. ("**EBI**"), Disability Concepts Inc. ("**DCI**") and 6814409 Canada Incorporated ("**681**"), (collectively "**H+P**"). EBI is a group benefits consulting firm that provides service predominantly to Alberta based small to large corporate clients with group benefit plans and group retirement solutions. DCI provides unique disability and critical illness solutions designed to balance employer interests of cost savings and product enhancements with employee concerns and adequate coverage. 681 provides specialized medical insurance products which expedites access to medical imaging and rapid second opinion as well as coverage for private medical treatments.

Group Benefit Solutions

The Company's Group Benefit Solutions division has several third-party administration ("**TPA**") service platforms allowing it to administer benefit plans on behalf of clients and insurance carrier partners. These administration platforms allow the Company to develop specialized, unique and customized benefit solutions for its clients. TPA services include employee data management, billing services, consolidated billing services where a client has multiple insurance carriers associated with its plan, customized reporting, customized plan design services, underwriting services, communication services and booklet printing services. In addition, through its various partners, the TPA platforms also provide claims adjudication services and claims management.

HealthSource Plus

HealthSource Plus ("**HSP**"), established in 1992, provides TPA of group benefit programs, including billing services, client services, employee data management and claims management through a proprietary platform. As a TPA, HSP is able to provide customized benefits solutions based on the needs of the client, including complex plan design, customized reporting, alternative funding models and hybrid plans. HSP has offices in Toronto, Montreal, Niagara and Winnipeg and typically serves businesses with 25 to 5,000 employees.

Prosure

In addition to providing group benefit advisory services, as discussed above, Prosure operates a specialized TPA platform for the administration of Health Spending Accounts and Cost-plus Accounts.

Bryan H. Lupe and Associates

Bryan H. Lupe and Associates ("**BHL**"), established in 1969, provides group benefits and consulting and administration services to a broad range of clients, and has established a solid reputation for outstanding client service and creativity in providing group benefits solutions to clients primarily based in Manitoba.

Coughlin & Associates Ltd.

On June 12, 2015, subsequent to the end of the quarter, the Company acquired Coughlin & Associates Ltd. ("Coughlin"). Coughlin, established in 1958, provides group benefit consulting, pension consulting, administrative solutions and claims management services to many of Canada's most respected corporations, unions and public service organizations.

Human Resource Solutions

The Company's Human Resource Solutions division has deep expertise and the ability to take advantage of the entire organization's resources to provide executive search and recruiting, career management and human resource consulting services.

People First HR Services Ltd.

People First HR Services Ltd. (“**PFHR**”), established in 2000, is Manitoba's largest full service human resource provider. PFHR through its various brands delivers high quality leadership and organizational solutions and contributes to the success of its clients by working with them to: recruit top talent; discover the full potential of each of their employees; realize the collective strength of a highly engaged workforce; and support employees and employers during times of change. They leverage the experience base of the firm and the efficiency of its processes to create workable and timely solutions that deliver great value for clients.

Corporate Shared Services

Through its corporate shared service divisions, the Company helps its subsidiaries and divisions by providing resources to attract clients and retain clients. The corporate shared service divisions were created to ensure that the Company's subsidiaries and divisions have access to advanced product experts, proprietary products and services not normally available to mid-size employee benefit firms and thereby ensuring that clients are receiving the best possible consulting advice, and that the Company's subsidiaries have a unique value proposition allowing them a competitive edge to attract and retain clients.

Integrated Solutions

Integrated Solutions ("**IS**") provides group benefit advisory services with a focus on unique strategic and tax effective compensation solutions designed to realign the competing needs of the business and the people in it. IS provides its specific expertise through a network of third party insurance brokers who do not traditionally serve group benefit needs.

Group Retirement Solutions

Group Retirement Solutions focuses on enhancing and expanding upon the Company's existing group retirement products and client service model. The mandate of the division is to provide support services to the Company's benefit consultants to facilitate and help them expand their service offering to clients by adding Group Retirement Solutions.

Business Development Representatives

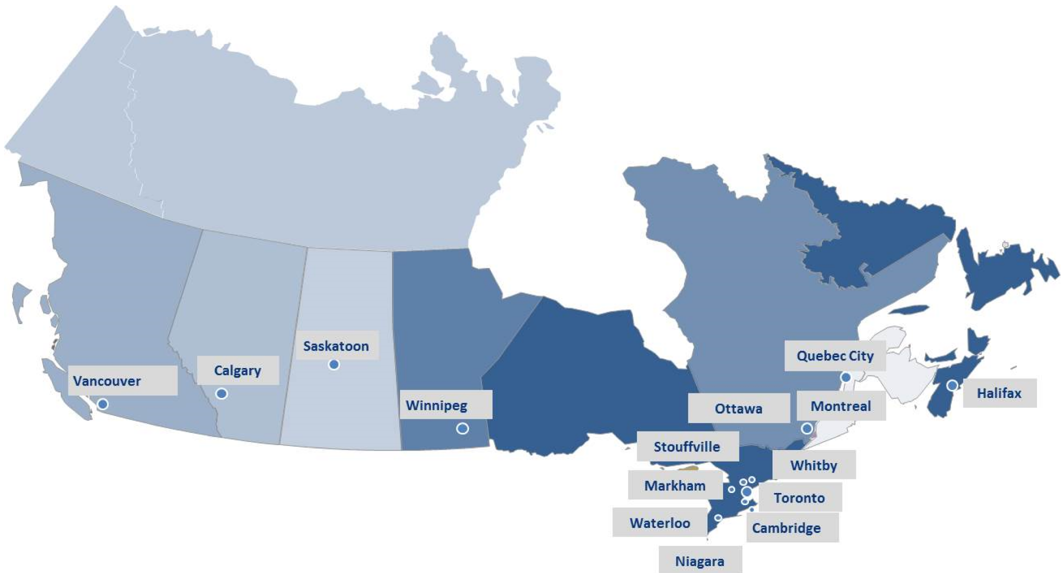
The Business Development Representatives ("**BDR**") division is an inside sales department responsible for generating qualified leads for the Company's benefit consultants. BDR identifies companies and their decision makers in order to qualify, create, and develop sales opportunities. The purpose of the department is to create and heighten People Corporation awareness to potential prospects as well as to generate leads for the consultants to ultimately increase revenues.

Concierge Client Service

The Company's Concierge Client Service offering is designed to ensure proper elements and commitments are in place to provide consistent service and delivery to clients on an integrated basis. The standard service level agreements between the Company and its clients provide for a common understanding about service, expectations, priorities and responsibilities, the purpose of which is to maintain quality of service and to ultimately have a positive effect on retention rates.

Wellness Solutions

Wellness Solutions focuses on providing the Company's corporate clients with a suite of proprietary products and service offerings that will help manage the increasing costs of absenteeism, presenteeism, and loss of productivity. In addition, the Company's Wellness Solutions serve to help the Company's clients attract, reward, and retain their employees.



INDUSTRY

Many companies are increasingly utilizing employer-sponsored benefits programs as one of the tools to help them attract and retain employees in today's competitive market for talent. However, they are challenged in doing so because of the increasing cost of providing such programs to employees, which is driven by rising insurance premiums as a result of factors such as increasing healthcare costs, the entry of new drugs and treatments, the advent of new medical services, higher utilization rates, and the overall aging demographics of the workforce. Given these factors, companies are looking for value-added advice with respect to plan design, and strategies to minimize the cost of plans while continuing to provide competitive benefit programs that will be appealing to employees.

Concurrent with the evolution in client demands as described above, the supplier base for group benefits and pension products and services, which is primarily the insurance carriers, continues to consolidate, leading to fewer alternatives for benefits consultants to work with when devising and pricing benefit plans. At the same time, competition has increased not only from traditional market players, but also from new players focused on technology-based solutions, as well as from market participants who have traditionally focused on other segments of the market or adjacent sectors. Finally, the regulatory environments that can impact benefit and pension programs continue to evolve, not only as it relates to the products and services themselves (e.g. pension plan regulations), but also as it relates to the provision of products and services, including matters such as fee disclosure. Given these market dynamics, scale is becoming increasingly important.

The Canadian market for group benefits, group pension and HR consulting products and services is dominated by many small players and a few large multinational firms. Historically, the market has been segregated by size: small and medium-sized enterprises have traditionally been serviced by a large number of small regional and local market players, providing a relatively narrow range of products and services, generally priced on a commission-based structure. The balance of the industry, which is focused on large employers and government accounts, has traditionally been serviced by a small number of multinational consulting firms, with a broader scope of services, primarily offered on fee-based structures. While a significant amount of consolidation has occurred among players servicing large enterprises (i.e. consolidation among the multinational consulting firms), the segment of the market servicing small- and medium-sized enterprises continues to be highly fragmented, with a significant number of small firms, many of which are encountering succession planning issues given the demographic characteristics of their consultant owners. Management believe that this, along with the increasing need for scale as described above, suggests that consolidation in this segment of the market is likely to intensify.

Management believes that the current dynamics in the group benefits, group pension and HR consulting sectors will continue to drive change within the industry, likely at an accelerating pace. In order to provide a compelling value proposition to employers, benefits, pension and HR consultants must provide innovative products, specialized services and customized solutions. Furthermore, in a highly competitive environment, consultants need to find ways to be more efficient and cost effective. As a result of these environmental factors, scale is increasingly important in these sectors.

OUTLOOK

In order to position itself for growth in this environment, the Company has made significant investments in people, technology and other organizational resources, and has developed techniques, processes and other intellectual capital to provide a compelling value proposition to its clients. Driven by these investments, the Company intends to pursue growth opportunities both organically, increasing its existing business by gaining new clients and a larger 'share of wallet' with existing clients, as well as through acquisitions in which new operating entities or subsidiaries become part of the Company. As an example, the Company's Shared Services and Shared Support divisions provide resources to enhance growth at existing operating subsidiaries, and are also a compelling reason for new entities to join People Corporation, so that they can gain access to the Company's proprietary products and operational infrastructure. Given the positive underlying industry fundamentals, the ongoing development of the Company's operating and transaction models, and the overall value proposition that the Company provides to stakeholder groups that include its clients, consultants, suppliers and employees, management currently expects to continue to generate growth in the foreseeable future.

OVERVIEW OF OPERATIONAL PERFORMANCE

As a result of a focus on executing its strategic plan, the Company continues to be successful in building upon and growing operational capabilities by investing in employees and the tools they need to provide responsive solutions which address its client's business challenges. The Company wants its clients to experience the benefits that People Corporation professionals bring to the table, to experience the benefits their people can deliver to them, and wants the client relationship to be an experience, not a transaction. The Company continued its positive momentum and strong performance during the third quarter.

<u>Operational initiatives include:</u>
i) promoting and recruiting additional leadership to execute the Company's organic growth plans;
ii) recruiting additional benefits consultants in order to expand our organic revenue generating capabilities;
iii) enhancing the client service model to promote client retention; and

iv) expanding the product portfolio to expand solutions to the Company's clients.

Strategic initiatives include:

i) pursuing possible acquisitions which align with the Company's strategic plan;
ii) enhancing investor relations activities; and
iii) expanding the Company's billing platforms and TPA platforms, thereby increasing the number of product offerings available to clients.

Results from implementation of the above strategic initiatives, momentum from past initiatives and overall improvement in revenue growth can be seen in the Company’s continued strong financial performance.

Notable milestones include:

i) Subsequent to the end of the quarter, on June 12, 2015, acquired 100% of the voting interest and 66% of the economic interest of Coughlin, one of Canada's preeminent independent full service national benefit and pension consulting and administration firms, based in Ottawa, Ontario and Winnipeg, Manitoba.

ii) Completed a bought deal private placement financing, issuing 4,232,000 common shares at $3.40 per share.

iii) Appointment of Mr. Keith McMahon, CA as the Company's Chief Financial Officer;

iv) Entered into new expanded Credit Facility with $35,000 of senior credit available, a significant increase over the Company's previous senior credit facility of $24,500. The agreement also provides for the potential to increase the facility by a further $15,000 to a total of $50,000 of available credit, effectively doubling the Company's senior credit capacity;

v) Laurie Goldberg, Chairman and CEO, named 2014 Prairie Region EY Entrepreneur of the Year for the professional and financial services category, as awarded by Ernst & Young LLP;

vi) Strengthened the organizational structure to position the Company for continued growth, including appointing Ms. Bonnie Chwartacki as President and Mr. Brevan Canning as Executive Vice President and Group Head - Benefit Solutions; and

vii) Appointment of Mr. Eric Stefanson to the Company's Board of Directors.

ACQUISITIONS

The Company intends to pursue growth opportunities both organically, increasing its existing business by gaining new clients and a larger ‘share of wallet’ with existing clients, as well as through transactions in which new operating entities or subsidiaries become part of the Company. To that end, the Company has made significant investments in people, technology and other organizational resources, and has developed techniques, processes and other intellectual capital, all with the objective of creating a compelling value proposition for new entities to join People Corporation, and enhancing the Company’s corporate development capabilities to execute transactions.

Furthermore, in the past year, the Company has taken additional actions to position itself for continued growth, particularly related to access to financial capital for execution of transactions.

- In October 2014, the Company entered into a new credit facility totalling $35,000 that provides expanded capacity and enhanced flexibility to access senior debt as a source of financing for acquisitions. The new facility includes an accordion feature giving the Company the option, subject to the satisfaction of certain terms and conditions, to increase it to a maximum of $50,000.

- In May 2015, the Company completed a $14,400 bought deal private placement of common shares, issuing 4.2 million shares at a price of $3.40 per share, to fund growth initiatives, reduce indebtedness and for general corporate purposes.

- In addition to these sources of capital, the Company also uses ‘vendor take back’ debt as an additional cost effective source of capital for transactions.

Given this depth and breadth of access to financial capital, Management believes the Company is well positioned to continue to make investments for growth.

The Company will consider acquisitions ranging in size and structure, but all share the characteristic of having a strong underlying strategic rationale, which may include enhancing the Company’s position in existing markets or providing entry into new markets, expanding the Company’s administrative and technological capabilities, providing new supplier relationships and enhancing the breadth and depth of the Company’s product and service offering. At the same time, given the financial characteristics of the underlying businesses, and the structural components and financial terms of the transactions, the Company has been able to achieve attractive financial returns.

With a flexible transaction model to address the objectives of vendors, and an operating model to support the ongoing success and growth of the underlying businesses, the Company continues to attract partners who want to join the People Corporation group of companies. In the past two fiscal years, seven transactions have been completed, and there continues to be significant momentum in this component of the Company’s overall growth strategy.

Subsequent to the end of the quarter, on June 12, 2015, People Corporation acquired 100% of the voting interest and 66% of the economic interest of Coughlin & Associates Ltd. ("Coughlin"), one of Canada’s preeminent independent full service, national benefit and pension consulting and administration firms, for consideration totaling $30,225. This was comprised of (i) a cash payment of $26,375 to the principals of Coughlin, (ii) the issuance of 626,566 common shares of People (issued at a ten-day volume weighted average trailing price of $3.99 per share) to certain of the principals for an aggregate value of $2,500 and (iii) the issuance of $1,350 of vendor-take-back notes to certain of the principals. The Company's 66% economic interest in Coughlin is held by way of a class of non-voting, non-cumulative, dividend-bearing shares of Coughlin ("PC Coughlin Shares"). The remaining 34% economic interest in Coughlin is held by certain of the principals by way of a class of non-voting, non-cumulative, dividend-bearing shares of Coughlin ("Vendor Coughlin Shares"). The Vendor Coughlin Shares held by these principals may be acquired by the Company or sold by these principals amongst themselves or to the Company in the future, after a specified hold period at a price determinable based upon pre-agreed terms, subject to certain terms and conditions. In addition, certain of the vendors have the potential to earn contingent consideration in the future subject to certain specified terms and conditions having been met and subject to achieving certain financial performance targets over the next five years. The Company paid the cash payment portion of the purchase price from a combination of existing cash resources of $10,600 and a draw-down on the Company's senior credit facility of $15,775.

OVERVIEW OF FINANCIAL PERFORMANCE

Selected Quarterly Financial Information

The selected financial information provided below is derived from the Company's unaudited quarterly financial statements for each of the last eight quarters:

	Q3 - 2015	Q2 - 2015	Q1 - 2015	Q4 - 2014	Q3 - 2014	Q2 - 2014	Q1 - 2014	Q4 - 2013
Revenue	$ 10,487.6	$ 11,961.2	$ 11,054.8	$ 9,993.3	$ 11,577.0	$ 11,208.8	$ 9,768.8	$ 9,074.6
Operating & corporate expenses	(8,345.1)	(9,500.2)	(8,855.4)	(8,598.6)	(9,612.2)	(8,876.5)	(7,918.5)	(8,155.9)
Adjusted EBITDA	2,142.5	2,461.0	2,199.4	1,394.7	1,964.8	2,332.3	1,850.3	918.7
Finance expenses	(631.4)	(584.2)	(673.2)	(437.8)	(466.3)	(283.3)	(455.3)	(472.6)
Amortization and depreciation	(903.9)	(821.6)	(845.1)	(787.6)	(801.8)	(664.1)	(619.2)	(435.7)
Write down of capital assets	-	-	-	-	(28.6)	-	-	-
Share-based compensation	(70.2)	(40.3)	(45.7)	(44.7)	(50.6)	(40.2)	(40.3)	(37.4)
Income tax expense, net	(317.6)	(352.6)	(267.3)	(509.1)	(455.1)	80.2	(301.6)	63.2
Acquisition, integration and restructuring costs	(570.5)	(275.3)	(60.0)	(40.6)	(19.6)	-	(35.5)	(617.2)
Net income	(351.1)	387.0	308.1	(425.1)	142.8	1,424.9	398.4	(581.0)
Total assets	69,808.2	57,440.7	57,838.5	56,109.4	63,356.5	52,838.0	53,349.0	53,736.3
Total loans and borrowings	9,773.5	9,986.8	10,637.0	9,660.4	16,847.5	17,688.2	18,740.1	19,249.3
Total other liabilities	19,748.9	20,495.9	20,689.1	20,427.0	20,108.4	18,937.4	19,958.6	20,310.3
Shareholders' equity	40,285.8	26,958.1	26,512.5	26,021.9	26,400.6	16,212.4	14,650.4	14,176.6
Adjusted EBITDA per share	0.052	0.062	0.055	0.039	0.054	0.070	0.028	0.028
Earnings per share (basic)	(0.009)	0.010	0.008	(0.012)	0.004	0.043	0.012	(0.018)
Earnings per share (diluted)	(0.009)	0.009	0.008	(0.012)	0.004	0.040	0.011	(0.018)

Revenue

Revenue from group benefit consulting is primarily earned as commissions which are paid by the insurance carriers. Revenues from TPA services are earned as fees which are generally charged to clients. The Company is a reseller of benefit products and services and therefore assumes no underwriting risk as the insurance policy is underwritten by the insurance carrier.

Revenue from group retirement consulting is principally earned through commissions and fees earned from pension assets under administration and is paid by the carrier which administers and invests the funds.

The human resource consulting and recruitment services offered by the Company derive revenue primarily from hourly or fixed consulting fees.

	for the three months ended				for the nine months ended			
	May 31, 2015	May 31, 2014	$ Variance	% Variance	May 31, 2015	May 31, 2014	$ Variance	% Variance
Commissions	$ 6,121.3	$ 6,969.2	$ (847.9)	(12.2)%	$ 20,522.8	$ 19,117.3	$ 1,405.5	7.4 %
Fees and other revenues	4,366.3	4,607.7	(241.4)	(5.2)%	13,003.2	13,450.2	(447.0)	(3.3)%
	$ 10,487.6	$ 11,576.9	$ (1,089.3)	(9.4)%	$ 33,526.0	$ 32,567.5	$ 958.5	2.9 %

For the nine months ended May 31, 2015, the Company experienced revenue growth of $958.5 or 2.9%. The Company recognized acquired growth of $587.0 (1.8%) representing the increase in revenue resulting from the increased contribution to run rates from 2014 acquisitions and organic growth of $371.6 (1.1%). Organic growth is primarily comprised of the increase in commission revenue resulting from the addition of new clients from the Company's existing and expanded benefits consulting team and natural inflationary factors. This is partially offset by reduced fees and other revenue from reduced sales volumes in the Human Resource Solutions division, as well as a reduction in commission revenue due to differences in the timing of revenue received from carriers for certain disability benefit products and the effect of a depressed labour market in Alberta on certain premium product lines.

For the three months ended May 31, 2015, the Company experienced a decrease in revenue of $1,089.4 or 9.4%. Excluding acquired growth of $200.1 (1.7%), the decrease was $1,289.5 (11.1%). This decrease was primarily driven by differences between periods of the timing of certain revenue received from carriers this year compared to the same quarter last year. Other factors in the decrease include reduced sales volumes in the Human Resource Solutions division and the effect of a depressed labour market in Alberta on certain premium product lines, partially offset by continued organic growth in the Company's other divisions.

Personnel and Compensation Expenses

The largest operating expense of the Company is compensation and related costs which includes salaries, bonuses and commissions, stock-based compensation, group benefits, and payroll taxes.

	for the three months ended				for the nine months ended			
	May 31, 2015	May 31, 2014	$ Variance	% Variance	May 31, 2015	May 31, 2014	$ Variance	% Variance
Salaries, bonuses and commissions	$ 5,414.0	$ 6,576.9	$ (1,162.9)	(17.7)%	$ 17,659.0	$ 18,184.1	$ (525.1)	(2.9)%
Short-term benefits	599.4	598.4	1.0	0.2 %	1,635.8	1,609.8	26.0	1.6 %
Share-based payments	70.2	50.6	19.6	38.7 %	156.3	131.1	25.2	19.2 %
	$ 6,083.6	$ 7,225.9	$ (1,142.3)	(15.8)%	$ 19,451.1	$ 19,925.0	$ (473.9)	(2.4)%

For the nine months ended May 31, 2015, personnel and compensation costs represent 58.0% of revenues (2014 - 61.2%). The Company believes that investment in its employees and associate consultant networks is key to ensuring successful execution of its strategic plans.

The decrease in salaries, bonuses and commissions for the nine months ended May 31, 2015 of $473.9 from $19,925.0 to $19,451.1 is heavily weighted by the decrease in revenue in the third quarter compared to the same period in prior year. The decrease is reflective of the variable relationship between revenue and commissions. This is consistent with management's expectations. Short-term benefits expenses have increased slightly. This is consistent with a minor increase in employee count and benefits and since benefits vary with headcount, this expense is not affected by the decrease in variable compensation.

The decrease in salary expense for the three months ended May 31, 2015 of $1,142.3, or 15.8% is primarily due to factors similar to those affecting the nine month period and is in fact more pronounced in the three months ended May 31, 2015 as a result of the decrease in revenue during this period.

General and Administrative Expenses

General and administrative expenses are composed of the following:

	for the three months ended				for the nine months ended			
	May 31, 2015	May 31, 2014	$ Variance	% Variance	May 31, 2015	May 31, 2014	$ Variance	% Variance
Occupancy	$ 496.8	$ 563.8	$ (67.0)	(11.9)%	$ 1,619.2	$ 1,614.1	$ 5.1	0.3 %
Claims administration fees	562.4	508.8	53.6	10.5 %	1,597.8	1,402.9	194.9	13.9 %
Office supplies & communication	427.1	398.8	28.3	7.1 %	1,235.4	1,143.0	92.4	8.1 %
Professional fees	260.2	233.6	26.6	11.4 %	920.0	509.4	410.6	80.6 %
Depreciation of property & equipment	265.8	188.4	77.4	41.1 %	690.0	335.0	355.0	106.0 %
Other	79.5	151.6	(72.1)	(47.6)%	315.3	350.5	(35.2)	(10.0)%
Public company costs	83.1	53.8	29.3	54.5 %	265.2	180.6	84.6	46.8 %
Corporate travel	28.8	133.4	(104.6)	(78.4)%	193.6	318.1	(124.5)	(39.1)%
	$ 2,203.7	$ 2,232.2	$ (28.5)	(1.3)%	$ 6,836.5	$ 5,853.6	$ 982.9	16.8 %

This increase of $982.9 in general and administrative expenses for the nine months ended May 31, 2015 is due to incremental costs incurred to support the ongoing growth strategy of the Company, specifically:

- An increase in depreciation of property and equipment resulting from increased investment in software development for the TPA platform as well as leasehold improvements at the corporate and Québec offices;
- An increase in claims administration fees directly related to increased volumes in claims adjudication on the Company's TPA;
- An increase in professional fees primarily due to recruiting costs incurred to support the investments in leadership and benefit consulting positions and accounting and legal costs incurred to execute certain strategic initiatives, including the company's new long-term incentive plan;
- An increase in public company costs is directly related to higher filing costs to report the 2015 financial information due to the increased market capital of the Company; and,
- A decrease in corporate travel which is in part due to the addition of middle management positions in Ontario offices, reducing the frequency of corporate travel required for non-acquisition business.

The decrease of $28.5 in general and administrative expenses for the three months ended May 31, 2015 is primarily due to reduced non-acquisition corporate travel, bank charges and rent following renegotiation of a primary lease agreement.

Advertising and Promotion Expenses

Advertising and promotion expenses are composed of the following:

	for the three months ended				for the nine months ended			
	May 31, 2015	May 31, 2014	$ Variance	% Variance	May 31, 2015	May 31, 2014	$ Variance	% Variance
Business Development	$ 123.1	$ 141.4	$ (18.3)	(12.9)%	$ 436.9	$ 377.2	$ 59.7	15.8 %
Travel	234.5	216.4	18.1	8.4 %	733.5	597.4	136.1	22.8 %
Advertising	36.2	35.2	1.0	2.8 %	111.3	133.1	(21.8)	(16.4)%
	$ 393.8	$ 393.0	$ 0.8	0.2 %	$ 1,281.7	$ 1,107.7	$ 174.0	15.7 %

The increase in advertising and promotion expense for the nine months ended May 31, 2015 is due primarily to incremental costs incurred to support the ongoing growth of the Company, including the expansion of the Company's team of benefit consultants and travel costs associated with prospective acquisitions and securing new clients.

The increase of $0.8 in advertising and promotion expenses for the three months ended May 31, 2015 is due to fewer business development expenses such as sponsorship expenses incurred in the recruiting and human resources divisions offset partially by an increase in advertising and promotion in benefits consulting and corporate.

Finance and Other Costs

Finance and other income and costs are comprised of the following:

	for the three months ended				for the nine months ended			
	May 31, 2015	May 31, 2014	$ Variance	% Variance	May 31, 2015	May 31, 2014	$ Variance	% Variance
Amortization of intangible assets	$ 638.1	$ 613.4	$ 24.7	4.0 %	$ 1,880.6	$ 1,750.2	$ 130.4	7.5 %
Write down of property and equipment	-	28.6	(28.6)	(100.0)%	-	28.6	(28.6)	(100.0)%
Finance expenses	631.4	466.3	165.1	35.4 %	1,888.8	1,204.8	684.0	56.8 %
Acquisition, integration and restructuring costs	570.5	19.6	550.9	2,810.7 %	905.9	55.2	850.7	1,541.1 %
	$ 1,840.0	$ 1,127.9	$ 712.1	63.1 %	$ 4,675.3	$ 3,038.8	$ 1,636.5	53.9 %

Amortization of intangible assets increased by $24.7 for the three months and $130.4 for the nine months ended May 31, 2015, resulting from intangible assets recorded in conjunction with acquisitions made in the previous year.

Finance expenses increased by $165.1 for the three months and $684.0 for the nine months ended May 31, 2015 primarily due to accretion expense and fair value adjustments to contingent consideration and the non-controlling interest put obligation.

Acquisition, integration and restructuring costs totaled $570.5 for the three months and $905.9 for the nine months ended May 31, 2015 and primarily comprised of costs related to the acquisition of Coughlin that was completed subsequent to the end of the quarter, other acquisition activity, and restructuring certain aspects of its organizational structure during the year to position the Company positively for the future.

Acquisition, integration and restructuring costs are comprised of professional fees and other non-recurring incremental costs incurred to secure and complete specific acquisitions, non-operating outlays associated with integrating acquired operations into the Company's business model subsequent to completion of an acquisition, and non-recurring outlays including consulting and recruiting fees and severance costs associated with restructuring operations to position the Company for building additional scale and to enhance operating performance. Corporate development costs that are not directly incurred to secure and complete specific acquisitions are included in operating expenses.

NON-IFRS FINANCIAL MEASURES

The Company reports non-IFRS financial measures, including Adjusted EBITDA and Operating Income before Corporate Costs, Operating Working Capital and Available Operating Working Capital, hereinafter defined as key measures used by management to evaluate performance of the business, to compensate employees and to facilitate a comparison of quarterly and annual results of ongoing operations. Adjusted EBITDA is also a concept utilized in measuring compliance with debt covenants. The Adjusted EBITDA measure is commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. While used to assist in evaluating the operating performance and debt servicing ability of the Company, readers are cautioned that Adjusted EBITDA as reported by the Company may not be comparable in all instances to Adjusted EBITDA as reported by other companies.

The CICA's Canadian Performance Reporting Board defined EBITDA to foster comparability of the measure between entities ("Standardized EBITDA"). Standardized EBITDA represents an indication of an entity's capacity to generate income from operations before taking into account management's financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their vintage, technological age and management's estimate of their useful life. Accordingly, Standardized EBITDA comprises sales less operating costs before interest expense, capital asset depreciation, intangible asset amortization and impairment charges, and income taxes. Adjusted EBITDA is calculated to exclude items of an unusual or one-time nature that do not reflect normal or ongoing operations of the Company and should not be included in assessment of ability to service or incur debt. Adjusted EBITDA excludes acquisition, integration and restructuring costs which do not relate to the current operating performance of the business but are typically costs incurred to expand operations or improve productivity and efficiency. Acquisition, integration and restructuring costs are comprised of professional fees and other non-recurring incremental costs incurred to secure and complete specific acquisitions, non-operating outlays associated with integrating acquired operations into the Company's business model subsequent to completion of an acquisition, and non-recurring outlays including consulting and recruiting fees and severance costs associated with restructuring operations to position the Company for building additional scale and to enhance operating performance.

The following is a reconciliation of the Company's Net Income to Operating Income before Corporate Costs and Adjusted EBITDA:

	May 31, 2015		May 31, 2014	
	Three months ended	Nine months ended	Three months ended	Nine months ended
Revenue	$ 10,487.6	$ 33,526.0	$ 11,577.0	$ 32,567.5
Operating costs	7,715.5	23,999.2	8,615.9	23,748.9
Operating income before corporate costs	2,772.1	9,526.8	2,961.1	$ 8,818.6
Corporate costs	629.6	2,723.8	996.3	2,671.2
Adjusted EBITDA	2,142.5	6,803.0	1,964.8	6,147.4
less:				
Share-based compensation	70.2	156.3	50.6	131.1
Depreciation of capital assets	265.8	690.0	188.4	335.0
Amortization of intangible assets	638.1	1,880.6	613.4	1,750.2
Interest and other finance costs	631.4	1,888.8	466.3	1,204.8
Acquisition, integration and restructuring costs	570.5	905.9	19.6	55.2
Write down of capital assets	-	-	28.6	28.6
Income taxes, net	317.6	937.6	455.1	676.5
Net income	**$ (351.1)**	**$ 343.8**	**$ 142.8**	**$ 1,966.0**

Operating income before corporate costs

For the nine months ended May 31, 2015, Operating income before corporate costs was $9,526.8, which represents an increase of $708.2 or 8.0% over the comparable period in the prior fiscal year. The Operating income before corporate costs margin was 28.4% for the nine months ended May 31, 2015 which is an increase compared to 26.7% for the comparable period in the prior fiscal year.

Corporate costs, which represent expenses incurred at the corporate office, such as executive remuneration, public company compliance costs, insurance and corporate development activities, for the nine months ended May 31, 2015 were $2,723.8 versus $2,671.2 incurred in the prior year. The increase of $52.6 is due to an increase in professional fees relating to recruiting costs to fill corporate positions, as well as increases in public company costs, office space and office supplies. Those increases are offset by decreases in corporate travel and salaries and wages which are related to acquisition, integration, and restructuring costs during the nine months ended May 31, 2015 and are grouped accordingly.

Corporate Costs for the three months ended May 31, 2015 were $629.6 versus $996.3 for the same period in the prior year. The decrease in Corporate Costs for the period is largely attributable to a decrease in wages in part due to vacancies in certain corporate positions and a decrease in non-acquisition corporate travel.

Adjusted EBITDA

Adjusted EBITDA for the nine months ended May 31, 2015 was $6,803.0, an increase of $655.6, or 10.7% from $6,147.4 reported for the same period in the prior year. Factors influencing the increase in Adjusted EBITDA include:

- Acquired growth of $587.0 representing the increase in revenue resulting from the increased contribution to run rates from 2014 acquisitions;
- Organic growth of $371.6 representing the increase in revenue resulting from the addition of new clients from the Company's existing and expanded benefits consulting team and natural inflationary factors, offset by reduced sales volumes in the Human Resource Solutions division, differences in the timing of revenue received from carriers for certain disability benefit products and the effect of a depressed labour market in Alberta on certain premium product lines; and,
- Partially offset by increased operating and corporate costs of $303.0 including professional fees for the long-term incentive plan and increased claims administration costs, net of a reduction in certain compensation expenses.

Adjusted EBITDA for the third quarter of fiscal 2015 was $2,142.5, representing an increase of 9.0% or $177.7, as compared to the same period in fiscal 2014. The growth in Adjusted EBITDA for the three month period was comprised of:

- A reduction in non-acquired revenue of $1,289.5, which was primarily driven by differences between periods of the timing of certain revenue received from carriers this year compared to the same quarter last year. Other factors in the decrease include reduced sales volumes in the Human Resource Solutions division and the effect of a depressed labour market in Alberta on certain premium product lines, partially offset by continued organic growth in the Company's other divisions;
- Acquired growth of $200.1 representing the increase in revenue resulting from the increased contribution to run rates from 2014 acquisitions; and,
- Cost reductions of $1,267.1 driven primarily by reductions in variable compensation expenses tied directly to the lower revenue, as well as lower fixed compensation expense and non-acquisition travel expenses.

The Company can experience fluctuations in timing of revenue between quarters and, as a result, Adjusted EBITDA as a percentage of revenue is less meaningful on a quarterly basis.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity ensures the Company has sufficient financial resources available at all times to meet its obligations. This involves effectively managing assets and liabilities while maintaining an optimal capital structure. The Company manages this risk by ensuring it has adequate cash and access to credit to meet its obligations in the most cost-effective manner possible. Cash flow from operations, together with cash on hand and unutilized credit available on existing credit facilities are expected to be sufficient to meet operating and capital expenditure requirements.

The Company also continues to actively investigate acquisition and other growth opportunities. The Company expects to finance future acquisitions from a combination of available cash, unutilized credit available on existing credit facilities, vendor financing, expanded credit facilities, issuance of equity as part of the consideration as well as equity proceeds.

Contractual Obligations

The following table summarizes, as at May 31, 2015, the Company's contractual obligation for the periods specified.

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 Year**	**1 - 3 Years**	**4 - 5 Years**	**Thereafter**
Accounts payable and accrued liabilities	$ 2,818.4	$ 2,818.4	$ -	$ -	$ -
Operating lease obligations	3,145.6	1,091.0	1,649.2	405.4	-
Obligations under finance leases	9.2	9.2	-	-	-
Vendor-take-back loans	3,044.2	410.1	2,634.1	-	-
Term loans	6,720.0	665.0	6,055.0	-	-
	$ 15,737.4	$ 4,993.7	$ 10,338.3	$ 405.4	$ -

Management believes that operations will generate sufficient cash flows to fund ongoing operations and finance its seasonal working capital needs.

Cash Flows

The following table summarizes the Company's cash flows for the three and nine months ended May 31, 2015:

For the nine months ended	**May 31, 2015**	**May 31, 2014**	**$ Variance**	**% Variance**
Net income for the period	$ 343.9	$ 1,966.1	$ (1,622.2)	(82.5)%
Add non-cash items, net	3,741.1	1,540.0	2,201.1	142.9 %
Changes in non-cash working capital	(2,430.9)	8.2	(2,439.1)	(29,745.1)%
Net cash from operating activities	1,654.1	3,514.3	(1,860.2)	(52.9)%
Net cash from (used by) investing activities	(1,122.0)	(1,859.8)	737.8	(39.7)%
Net cash from (used by) financing activities	13,736.3	7,308.3	6,428.0	88.0 %
Net increase in cash	**$ 14,268.4**	**$ 8,962.8**	**$ 5,305.6**	**59.2 %**

For the three months ended	May 31, 2015	May 31, 2014	$ Variance	% Variance
Net income for the period	$ (351.2)	$ 142.9	$ (494.1)	(345.8)%
Add non-cash items, net	1,516.3	725.7	790.6	108.9 %
Changes in non-cash working capital	(596.4)	1,297.1	(1,893.5)	(146.0)%
Net cash from (used by) operating activities	568.7	2,165.8	(1,597.1)	(73.7)%
Net cash from (used by) investing activities	(606.0)	(1,538.1)	932.1	(60.6)%
Net cash from (used by) financing activities	13,309.8	8,874.7	4,435.1	50.0 %
Net increase in cash	**$ 13,272.5**	**$ 9,502.4**	**$ 3,770.1**	**39.7 %**

Cash generated from operating activities for the nine months ended May 31, 2015 was $1,654.1, a decrease of $1,860.2 or 52.9% from the $3,514.3 of cash generated in the same period in the prior year. Significant influences of cash inflows and outflows related to operating activities for the nine months ended May 31, 2015 versus the same period in the prior year include:

- Decrease in cash resulting from changes in working capital accounts of $2,439.1 including the effect of accounts receivable, accounts and other payables, income taxes payable, and deferred revenue. Change in deferred revenue of $201.7 is the result of timing differences between when funds are received and when revenue is recognized and services are provided to customers. Change in income taxes payable of $640.2 is attributable to an increase in income tax expense. A decrease in cash of $850.7 is the result of an increase in acquisition related costs compared to the comparable period in the prior year. The remainder of the changes in working capital accounts are a result of increases in trade and accrued receivables and a decrease in trade payables.
- Increase in Adjusted EBITDA of $655.6, as compared to the prior year. Management believes Adjusted EBITDA is a valuable indicator of the Company’s ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

Cash used by operating activities was $568.7 in the three months ended May 31, 2015, a decrease of $1,597.1 from the cash generated of $2,165.8 in the same period of the prior year, primarily due to changes in working capital accounts, including a decrease in trade and other receivables of $649.7 and a decrease in trade payables and accrued and other liabilities of $1,558.3. These decreases were offset by cash from deferred revenue, income taxes payable and other current assets, as well as net cash from operations.

Cash used by investing activities for the nine months ended May 31, 2015 of $1,122.0 was used to fund acquisition of property and equipment as well as direct costs incurred related to the acquisition of customer contracts with fixed terms. Cash used by investing activities was $606.0 for the three months ended May 31, 2015.

Cash generated from financing activities for the nine months ended May 31, 2015, was $13,736.3, as compared to cash generated of $7,308.3 in the prior year. Cash outflows related to repayment of long-term debt and finance lease liabilities of $7,027.3 (2014 - $3,718.6) were offset by proceeds from the issue of a new term loan of $7,000.0 (2014 - nil), proceeds from the exercise of stock options of $161.5 (2014 - $553.4), as well as proceeds from the private placement of shares of $13,602.2 (2014 - $9,573.4).

Cash generated by financing activities for the three months ended May 31, 2015 was $13,309.8, an increase compared to $8,874.7 in the prior year primarily due to proceeds of the private placement of common shares less repayments of long-term debt.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide opportunities for growth to shareholders and benefits for other stakeholders and to maintain financial flexibility in, or to take advantage of, organic growth and new acquisition opportunities as they arise.

In the management of capital, the Company includes cash, bank financing, vendor-take-back debt and shareholders' equity in the definition of capital. The Company manages its capital structure and can adjust it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, the Company may issue new shares, issue new debt, renegotiate vendor-take-back debt or issue new debt to replace existing debt with different characteristics. The Company has the opportunity to use its operating line of credit during the year to finance cash flows related to seasonal changes in non-cash working capital items. The Company did not make use of its operating line of credit during the first nine months of the year.

Working Capital

The Company's working capital (defined as current assets less current liabilities) at May 31, 2015 is set forth in the table below. The Company defines Available Operating Working Capital as current assets less current liabilities, with an exclusion of certain current liabilities from such calculation. The current liabilities excluded are comprised of:

Deferred Revenue

Deferred revenue represents the excess of retainer amounts billed over costs incurred and revenue earned on service contracts. The amount is amortized into income as services are rendered, in accordance with the revenue recognition policies described in the Company's financial statements. Group benefit commission revenue from clients where advisory services and plan administration services are provided by the Company is generally received in advance and recorded as deferred revenue. Fee revenue that is contingent on certain criteria being met is included in deferred revenue until the criteria have been met.

Deferred revenue is a non-cash liability and therefore management believes that adding back the deferred revenue provides a more accurate reflection of the liquidity and working capital position of the Company.

Loans and borrowings related to acquisitions

The Company anticipates cashflows required to service the incremental debt are to be generated through incremental cashflows earned from the existing entities, as well as the new entities acquired during the most recent year.

The table below reconciles the differences in the calculation of working capital and Available Operating Working Capital.

		May 31, 2015		Aug 31, 2014
Current assets	$	21,824.6	$	6,700.1
less:				
Current liabilities		8,728.4		11,117.9
Working capital		13,096.2		(4,417.8)
Add back:				
Deferred revenue		3,565.6		4,059.7
Operating working capital		16,661.8		(358.1)
Add back:				
Current portion of loans and borrowings related to acquisitions		2,308.3		3,056.5
Available Operating Working Capital	**$**	**18,970.1**	**$**	**2,698.4**

Available Operating Working Capital has increased by $16,271.7 to surplus of $18,970.1 compared to the available working capital surplus of $2,698.4 at August 31, 2014. The increase in Available Operating Working Capital is primarily due to an increase in cash as a result of proceeds from the private placement of shares.

The current portion of acquisition related loans and borrowings decreased by $748.2 to a balance of $2,308.3 due to the nature of repayment terms contemplated under the Company's new credit facility.

Current assets increased by $15,124.5 to a balance of $21,824.6 largely due to increases in cash balances from the net proceeds from the private placement of $13,602.2.

The Company maintains a revolving operating line of credit to facilitate management of short-term working capital requirements. As at May 31, 2015, the Company had not utilized this facility.

Credit Facilities

Effective October 31, 2014, the Company entered into a Senior Credit Facility Agreement with Canadian Imperial Bank of Commerce ("CIBC") as lead lender of a syndicated loan facility. The credit facility includes the following components:

- Operating revolver totalling $5,000.0 to fund operating cash flow needs;
- Term Loan totaling $7,000.0 used to refinance the outstanding balance of the acquisition facility under the previous credit agreement; and,
- Acquisition Revolver totalling $23,000.0 used to fund future acquisitions.

The agreement also has an Accordion Feature, which provides for an option, subject to the satisfaction of certain terms and conditions, to increase the Acquisition Revolver by up to $15,000.0 of additional capacity. This would result in an increase in the size of the Acquisition Revolver of up to $38,000.0 and overall credit capacity of up to $50,000.0.

The facility matures on October 31, 2017, and the Company has the option to extend it to October 31, 2019. The Term Loan requires quarterly principal repayments of $140.0 per quarter for the first year, $175.0 per quarter in the second year and $210.0 per quarter in the third year, with the balance due at maturity. The Operating Revolver and Acquisition Revolver do not have scheduled principal repayments prior to maturity.

The loans bear interest at a floating rate based on prime or banker's acceptances plus a credit margin based on the Company's quarterly leverage ratio. The facility is secured by a general security agreement over the assets of the Company and its subsidiaries and is subject to both financial and non-financial covenants, including maximum total leverage and senior leverage ratios and minimum fixed charge coverage ratios.

The new facility replaces the Company's previous credit facility that was entered into in 2011 and subsequently amended.

At May 31, 2015, the Company had drawn $7,000.0 on the Term Loan, had no amounts outstanding on the Operating Revolver or the Acquisition Revolver and was compliant with all financial covenants.

At May 31, 2015, the Company had unutilized and available credit of $28,000.0, including $5,000.0 on the Operating Revolver and $23,000.0 to fund acquisitions on the Acquisition Revolver.

Subsequent to the end of the year, on June 12, 2015, the Company drew $15,775.0 on the acquisition revolver in relation to the acquisition of Coughlin.

Share Capital

The Company has authorized share capital of an unlimited number of common voting shares. The Company's outstanding securities are comprised of:

	May 31, 2015	Aug 31, 2014
Common shares issued and outstanding	44,306,817	39,551,486
Stock options outstanding	1,118,647	2,763,142

Subsequent to May 31, 2015, the Company issued 626,566 common shares for an aggregate value of $2,500,000 in connection with the acquisition of Coughlin & Associates Ltd.

Contingencies

In the ordinary course of operating the Company's business it may from time to time be subject to various claims or possible claims. Although management currently believes there are no claims or possible claims that if resolved would either individually or collectively result in a material adverse impact on the Company's financial position, results of operations, or cash flows, these matters are inherently uncertain and management's view of these matters may change in the future.

RISKS AND UNCERTAINTIES

The Company operates in a well established and highly competitive industry and its results of operations, business prospects and financial condition are subject to a number of risks and uncertainties and are affected by a number of factors outside the control of management of the Company. These factors include, but are not limited to, the following:

Key Personnel

The Company is highly dependent upon the expertise and experience of its personnel, particularly those engaged in generating revenue. The Company's operations depend, in part, on the relationships and reputations these individuals have established with clients, often over many years. In the event the Company were to lose a number of key personnel, client relationships could be negatively impacted which could lead to material adverse effects on the Company's operating and financial results. In addition, many of the Company's employees have developed specialized expertise and experience in the delivery of human resource and benefit solutions. These solutions include, but are not limited to, specialized human resource consulting engagements, recruitment projects, career management, benefits plan design and administration, legislative and regulatory issues, as well as group retirement plan design.

The Company currently has many well experienced employees that have served the Company for five years or more, who hold senior positions in the Company, that have various professional designations and that have developed deep and trusted relationships with clients. While the Company provides a competitive compensation structure including stock options and an employee share ownership plan to its employees and has signed comprehensive employment agreements with its employees to protect the Company, in the event that the Company were to lose any of its key personnel, this may have a material adverse effect on the business of the Company. The ability to attract, retain and develop new employees into senior positions could affect the business of the Company.

Regulation and Certification

The Company's employee benefit and group retirement consulting and administration services are subject to laws and regulations that are constantly evolving. In addition, the laws and regulations differ from province to province and the Company is required to keep up to date with the laws and regulations of each province.

Although there are currently restrictions on the ability of Canadian banks to market insurance products in competition with the Company, such legislation is currently under review. Accordingly, dependent upon the nature of legislative reforms, Canadian banks may in the future be able to offer products which are competitive with the products offered by the Company.

Currently the provisions of recruitment services and human resource consulting engagements are not generally subject to government regulation. However, there is no certainty that regulation will not be introduced.

Any changes to laws, rules, regulations or policies could have a material adverse effect on the Company's business, financial condition and operating results.

Internal Controls

As a venture issuer, the Company is not required to certify the design and evaluation of the Company's disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR), and as such has not completed such an evaluation. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Termination of Contracts

Group insurance contracts are generally renegotiated on an annual basis with clients, pursuant to which insurance premium pricing increases or decreases. Accordingly, there can be no guarantee that insurance contracts sold through the Company in the past will be renewed on a go-forward basis. While the Company has several benefit and insurance clients with contracts that extend for one to seven years, the majority of the Company's benefit and pension revenue is derived from contracts that can be cancelled upon thirty days' notice. The Company's experience is that most clients terminate during the renewal process rather than during the policy year. No single client makes up more than 2.5% of the Company’s revenue and the clients are diversified both in size and industry. During the renewal process the benefits consulting team will provide benefits planning and consulting services which could result in decreased benefits coverage and/or decreased premiums which generally would result in decreased revenue for the Company. The Company is often paid commissions in advance from the insurance carrier. In the event that a contract is terminated by a client and the Company has been paid in advance for the year, then the Company may be required to rebate the insurance company on a pro rata basis for the amount paid to it by the insurance company.

Competitive Conditions

The insurance brokerage market is highly competitive and is composed of a large number of companies of varying size and scope of services. Insurance companies themselves also offer their products through other methods, including insurance agents and direct distribution channels, which are competitive with the insurance brokerage industry and the Company.

Future Growth via Acquisitions

The Company’s growth and expansion plans contain a dual approach of generating organic growth through enhanced service offerings among the Company’s existing client base and through the ongoing acquisition of independent group benefit, group retirement and human resource consulting firms. There can be no assurance that an adequate number of suitable acquisition candidates will be available to the Company to meet this area of focus of its expansion plans, or in the event that such businesses are available for acquisition that they will be available at a price which would allow the Company to operate on a profitable basis. The Company competes for acquisition and expansion opportunities with entities that have substantially greater resources than the Company and these entities may be able to outbid the Company for acquisition targets.

Integration of Future Acquisitions

There can be no assurance that the businesses acquired by the Company in the future will achieve acceptable levels of revenue and profitability or otherwise perform as expected. The Company may be unable to successfully integrate any business it may acquire in the future, due to diversion of management attention, strains on the Company's infrastructure, difficulties in integrating operations and personnel, entry into unfamiliar markets, or unanticipated legal liabilities or tax, accounting or other issues. A failure to integrate acquired businesses may be disruptive to the Company's operations and negatively impact the Company's revenue or increase the Company's expenses. Risks related to the integration of acquisitions are mitigated through the Company's due diligence procedures and legal structure of the acquisitions.

Potential Undisclosed Liabilities Associated with Acquisition/Limited Indemnification

In connection with acquisitions completed by Company, there may be liabilities and contingencies that the Company failed to discover or was unable to quantify in its due diligence conducted prior to the execution of an acquisition, and the Company may not be indemnified for some or all of these liabilities and contingencies. The existence of any material liabilities or contingencies could have a material adverse effect on the Company's business, financial condition, liquidity and results of operations.

Availability of Financing

The Company relies principally on bank debt and vendor-take-back debt financing to fund its acquisitions. The Company may require additional funds to make future acquisitions of group benefit, group retirement and human resource consulting businesses and may require additional funds to market and sell its products into the marketplace. The ability of the Company to arrange such financing in the future, and to repay its existing debt, will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will have the financial basis upon which it would be able to access its Acquisition Revolver or be successful in its efforts to use additional financing, when needed, on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If additional financing is not available on terms favourable to the Company, the Company may be unable to grow or may be required to limit or halt its expansion plans. In addition, the Company's existing creditors, some of whom have security interests in the Company's assets, may exercise their rights to acquire or dispose of the Company's assets.

Interest Rate Risk

Advances under the Company's credit facilities bear interest at variable rates. The Company may incur further indebtedness in the future that also bears interest at variable rates or may be required to refinance its debt at higher rates. While the Company attempts to manage its interest rate risk, there can be no assurance that it will hedge such exposure effectively or at all in the future. Accordingly, increases in interest rates could adversely affect the Company's cash flows.

Dividends

The current intention of the Company is to retain future earnings to fund growth and operations. Any decision to pay dividends on its common shares in the future will be made by the Board of Directors on the basis of the Company's earnings, financial requirements and other conditions at such time.

Legal Risk

Legal risk is the potential for civil litigation or criminal or regulatory proceedings being commenced against the Company that, once decided, could materially and adversely affect the Company's business, operations or financial condition. In the ordinary course of business, the Company may be involved in litigation and other claims as a defendant or as a plaintiff. The outcomes of these actions could result in significant losses to the Company which could have a material adverse effect on the Company's business, financial condition and operating results.

Insurance

The Company believes that its professional errors and omissions insurance, director and officer liability insurance, and commercial general liability insurance coverage address all material insurable risks, provides coverage that is similar to that which would be maintained by a prudent operator of a similar business and is subject to deductibles, limits and exclusions which are customary or reasonable given the cost of procuring insurance and current operating conditions. However, there can be no assurance that such insurance will continue to be offered on economically feasible terms, that all events that could give rise to a loss or liability are insurable, or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the Company's assets or operations.

Brand and Reputation Risk

The Company is dependent, to a large extent, on its client relationships and its reputation with clients. In addition, the human resource consulting division of the Company is dependent upon its reputation with potential candidates that will be placed with clients through its recruitment services. The Company's reputation can be significantly damaged by failing to deliver timely and quality consulting and recruitment services or by failing to provide quality services to potential candidates. The benefit and group retirement divisions of the Company rely upon information systems and technology to maintain accurate records and to carry out its contractual administrative obligations. Failing to meets its contractual obligations to clients could result in litigation as well as significant reputation damage to the Company. With the evolution of social media, there is an increased ability for individuals to adversely affect the Company's brand or reputation. Damage to the Company's brand or reputation could result in the loss of client and candidate relationships which could result in a material adverse effect on the Company's business, financial condition and operating results. There can be no assurance that future incidents will not negatively affect the Company's brand or reputation.

Canadian Economy

The Company's future success is dependent upon the direction and state of the Canadian economy. The business, operating results and financial condition of the Company could be materially affected by a prolonged and deep recession or downturn in the Canadian economy. There is no assurance that the Company will have sufficient financial resources to withstand a prolonged and deep recession.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting policies are defined as those that are both very important to the portrayal of the Company’s financial condition and results, and require management’s most difficult, subjective or complex judgments. Management is required in preparing the Company’s financial statements, in accordance with IFRS, to make certain estimates, judgments and assumptions that it believes are reasonable based upon available information, historical information and/or forecasts. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting periods. Actual results could differ from these estimates. The accounting policies which management believes are the most critical to aid in fully understanding and evaluating the Company's reported financial results include those relating to revenue recognition, business acquisitions and accounting for the resulting customer relationships and contracts, goodwill and income taxes.

Revenue recognition

Revenue includes fees and commissions generated from administrative, advisory and consulting services provided to clients.

Generally, revenue from the rendering of services is recognized when the following criteria are met:

- The amount of revenue can be reliably measured;
- The stage of completion can be reliably measured;
- The receipt of economic benefits is probable; and
- Costs incurred and to be incurred can be reliably measured.

Concurrently with the above general principles, the Company applies the following specific revenue recognition policies:

Group benefit commission revenue from clients where advisory services and plan administration services are provided by the Company is generally received in advance and recorded as deferred revenue. Commission advances are recognized in income on a monthly basis based on the number of months for which the commission revenue was advanced, net of a provision for return commissions due to policy cancellation and adjustments. The provision is determined based on historical data.

Group benefit commission revenue from clients where the Company provides only advisory services are recognized in income at the effective or renewal date of the policy, net of a provision for return commissions due to policy cancellation and adjustments. The provision is determined based on historical data.

Fee revenue from administrative and consulting services are recognized on the percentage of completion basis.

For fee revenue that is contingent on certain criteria being met, the revenue is not recognized until the work is completed.

All other revenues are recognized upon the completion of services rendered by the Company. Other revenue includes investment income recorded on the accrual basis of accounting.

Business combinations

For acquisitions, the Company measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

Intangible assets

(i) Goodwill

Goodwill represents the excess of the purchase price paid for the acquisition of subsidiaries over the fair value of the net tangible and intangible assets acquired. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(ii) Other intangible assets

Other intangible assets consist of acquired customer relationships and contracts. Other intangible assets acquired separately are measured on initial recognition at cost. The cost of identifiable intangible assets acquired in a business combination is equal to fair value as at the date of acquisition. Following initial recognition, identifiable intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Definite life intangible assets are amortized from the date of acquisition or, for internally developed assets, from the time the asset is available for use. Amortization is recognized either on a declining balance or on a straight-line basis over the estimated useful life of the asset, and the residual values and useful lives of the assets are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets are considered to have indefinite lives where management believes that there is no foreseeable limit to the period over which the intangible assets are expected to generate net cash flows.

Future Tax

Future tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Future tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, future tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Future tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Future tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A future tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

SEASONALITY

As the Company continues to grow through acquisitions, the revenue trends from quarter to quarter may change depending on the relative significance of acquisitions in a fiscal year and the seasonal variances of the client renewals of those particular acquisitions. During fiscal 2014, the full effects of one significant acquisition in the fourth quarter of fiscal 2013 impacted the consolidated revenue trends in fiscal 2014 thereby resulting in higher consolidated revenue trends in the second and third quarter of fiscal 2014 despite the significant quarter over quarter revenue growth from fiscal 2013 to fiscal 2014. As the company continues to grow both organically and through acquisitions the revenue trends from quarter to quarter within a fiscal may continue to vary, however the annual revenue trends will increasingly be more representative of the Company's annual revenue run rate as the company achieves increasing scale.

FINANCIAL INSTRUMENTS

The financial instruments of the Company consist of basic financial instruments which are typically used in the Company's operation, including cash, restricted cash, accounts receivable, accounts payable and other liabilities, obligations under capital lease, non-controlling interest put options and long-term debt.

For the current assets and liabilities, the main risk is the credit risk associated with accounts receivable. The credit risk is reduced due to a diversified customer base. The risks associated with long-term debt include the risk of interest rate increases and the risk of potential defaults in debt payments due to insufficient cash flows.

COMPARATIVE FIGURES

Certain prior year balances have been reclassified to conform with the current year presentation. These reclassifications do not affect prior period's net income.