ADVANTEX MARKETING INTERNATIONAL INC.
CONSOLIDATED FINANCIAL STATEMENTS
For the three and nine months ended March 31, 2015

The accompanying consolidated financial statements have been prepared by management and approved by the Board of Directors of the company. Management is responsible for the information and representations contained in these consolidated financial statements and other sections of this report.

An auditor has not performed a review of these consolidated financial statements.

Advantex Marketing International Inc.
Interim Condensed Consolidated Statements of Financial Position – (unaudited)
(expressed in Canadian dollars)

	March 31, 2015	June 30, 2014
Assets		
Current assets		
Cash and cash equivalents	$ 1,125,951	$ 1,815,805
Accounts receivable	431,044	809,189
Transaction credits (note 5)	8,194,542	10,278,706
Inventory	174,876	90,425
Prepaid expenses and sundry assets	256,168	179,412
	$10,182,581	**$13,173,537**
Non-current assets		
Property, plant and equipment	$ 185,311	$ 237,420
Intangible assets	559,105	529,892
	$ 744,416	**$ 767,312**
Total assets	**$10,926,997**	**$13,940,849**
Liabilities		
Current liabilities		
Loan payable (note 6)	$ 5,984,059	$ 6,454,174
Accounts payable and accrued liabilities	4,236,422	4,219,904
	$ 10,220,481	**$10,674,078**
Non-current Liabilities		
12% Non-convertible debentures payable (note 8)	**$ 4,808,006**	**$ 4,661,833**
Total Liabilities	**$15,028,487**	**$15,335,911**
Shareholders' deficiency		
Share capital (note 9)	$ 24,530,555	$ 24,530,555
Contributed surplus	4,090,382	4,090,382
Accumulated other comprehensive income	(47,383)	(47,383)
Deficit	(32,675,044)	(29,968,616)
Total deficiency	**$ (4,101,490)**	**$(1,395,062)**
Total liabilities and deficiency	**$ 10,926,997**	**$13,940,849**

Economic and Financial dependence (note 2)
Commitments and contingencies (note 12)

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

Approved by the Board:

Director: Signed "William Polley" **Director:** Signed "Kelly Ambrose"

William Polley Kelly E. Ambrose

Advantex Marketing International Inc.
Interim Condensed Consolidated Statements of Income and Comprehensive Income – (unaudited)
For the three and nine months ended March 31, 2015 and March 31, 2014
(expressed in Canadian dollars)

	Three months ended March 31		Nine months ended March 31	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Revenues	2,718,764	3,625,013	10,048,351	12,782,054
Direct expenses	1,967,321	1,436,273	4,125,883	4,776,276
	751,443	2,188,740	5,922,468	8,005,778
Operating Expenses				
Selling and marketing	820,678	840,528	2,643,615	2,737,975
General and administrative	1,152,658	1,147,159	3,465,240	3,509,167
Restructuring cost (note 17)	805,892	-	805,892	-
Earnings from operations before depreciation, amortization and interest	(2,027,785)	201,053	(992,279)	1,758,636
Interest expense:				
Stated interest expense – loan payable, and debentures	373,050	435,165	1,215,124	1,462,813
Non-cash interest expense on debentures	56,133	51,611	170,379	155,944
	(2,456,968)	(285,723)	(2,377,782)	139,879
Depreciation of property, plant and equipment, and amortization of intangible assets	125,187	110,343	328,646	405,081
Net income / (loss) and Comprehensive income / (loss)	**$(2,582,155)**	**$(396,066)**	**$(2,706,428)**	**$(265,202)**
Earnings per share				
Basic and Diluted (note 13)	**$0.00**	**$0.00**	**$0.00**	**$0.00**

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

Advantex Marketing International Inc.
Interim Condensed Consolidated Statements of Changes in Deficiency – (unaudited)
For the nine months ended March 31, 2015 and March 31, 2014
(expressed in Canadian dollars)

	Class A preferen-ce shares	Common shares	Contribut-ed surplus	Equity portion of debentures	Warrants	Deficit	Accumulated Other comprehensi-ve income / (loss)	Total
	$	$	$	$	$	$		
Balance – July 1, 2013	**3,815**	**24,106,281**	**808,167**	**2,114,341**	**1,167,874**	**(29,253,371)**	**-**	**(1,052,893)**
Net income/(loss) and comprehensive income/(loss) for the period						(265,202)	-	(265,202)
Transfer to Contributed surplus			3,282,215	(2,114,341)	(1,167,874)			-
Issue of common shares as part of refinancing of debentures (note 7 and 8)		420,459						420,459
Balance – March 31, 2014	**3,815**	**24,526,740**	**4,090,382**	**-**	**-**	**(29,518,573)**	**-**	**(897,636)**
Balance – July 1, 2014	**3,815**	**24,526,740**	**4,090,382**	**-**	**-**	**(29,968,616)**	**(47,383)**	**(1,395,062)**
Net income/(loss) and comprehensive income/(loss) for the period						(2,706,428)	-	(2,706,428)
Balance – March 31, 2015	**3,815**	**24,526,740**	**4,090,382**	**-**	**-**	**(32,675,044)**	**(47,383)**	**(4,101,490)**

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

Advantex Marketing International Inc.
Interim Condensed Consolidated Statements of Cash Flow – (unaudited)
For the nine months ended March 31, 2015 and March 31, 2014
(expressed in Canadian dollars)

	31-03-2015	**31-03-2014**
	$	$
Cash flow provided by (used in)		
Operating activities		
Net income/(loss) for the period	$(2,706,428)	$(265,202)
Adjustments for:		
Depreciation of property, plant & equipment, and amortization of intangible assets	328,646	405,081
Accretion charge for debentures	170,379	155,944
	(2,207,403)	295,823
Changes in items of working capital		
Accounts receivable	378,145	(350,081)
Transaction credits	2,084,164	1,034,627
Inventory	(84,451)	38,055
Prepaid expenses and sundry assets	(76,756)	3,690
Accounts payable and accrued liabilities	16,518	676,741
	2,317,620	1,403,032
Net cash provided by (used in) operating activities	**110,217**	**1,698,855**
Investing activities		
Purchase of property, plant and equipment, and intangible assets	(305,750)	(269,718)
Net cash (used in) investing activities	**(305,750)**	**(269,718)**
Financing activities		
Proceeds from loan payable	(470,115)	663,900
Payments on maturity / retirement of debentures (notes 7 and 8)	-	(7,895,967)
Proceeds from refinancing debentures (note 8)	-	5,159,000
Transaction costs to close debenture refinancing (note 8)	(24,206)	(180,513)
Net cash (used in) generated from financing activities	**(494,321)**	**(2,253,580)**
Increase (decrease) in cash and cash equivalents during the period	$(689,854)	$(824,442)
- From continuing operations	(689,854)	(681,789)
- From discontinued operations (note 16)	-	(142,654)
Increase (decrease) in cash and cash equivalents during the period	$(689,854)	$(824,443)
Cash and cash equivalents – Beginning of period	1,815,805	1,773,672
Cash and cash equivalents – End of period	1,125,951	949,229
Additional Information		
Interest paid	$ 1,352,224	$ 1,521,082
For purposes of the cash flow statement, cash comprises:		
Cash	$ 1,120,951	$ 944,229
Term deposits	$ 5,000	$ 5,000
	$ 1,125,951	$ 949,229

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

1 General information

Advantex Marketing International Inc. and its subsidiaries (together the “company” or “Advantex”) is a public company with common shares listed on the Canadian Securities Exchange (trading symbol ADX). Advantex operates in the marketing services industry. The company develops and manages loyalty programs for financial institutions and other major organizations through which their customers earn frequent flyer miles or points on purchase at participating merchants. Under the umbrella of each program, Advantex provides merchants with marketing, customer incentives and additionally pre-purchase of merchants’ future sales through its Advance Purchase Marketing (APM) product. Advantex is incorporated and domiciled in Canada, and the address of its registered office is Suite 606, 600 Alden Road, Markham, Ontario, L3R 0E7.

2 Economic and Financial dependence

Economic Dependence

During year ended June 30, 2014 about 85% (2013 94%) of the company’s revenues were generated by a merchant based loyalty program operated in partnership with Canadian Imperial Bank of Commerce (“CIBC”). Until mid-August 2014 this program was entirely dependent upon the company’s agreement with CIBC. In June 2014, the company entered into an agreement with The Toronto-Dominion Bank (“TD”). The two agreements enable the company to develop and manage a merchant based loyalty program (“CIBC/TD program”) under which the company markets participating merchants to the entire portfolio of designated CIBC and TD aeroplan credit cards. On behalf of participating merchants the company awards incremental rewards - over and above those issued by CIBC and TD – to holders of designated credit cards when they complete purchases at their establishments. The company earns its revenue when CIBC and TD aeroplan credit cards holders complete purchases at participating merchants.

The company has a two decade relationship with CIBC. In September, 2013 the company renewed its existing arrangement with CIBC, and signed a new agreement (“new agreement”) for an initial term through September 30, 2016. CIBC may, at its option, renew, on the same terms and conditions for up to two additional one year periods. The new agreement can be terminated by CIBC under certain conditions during the initial and renewal terms.

The agreement with TD has an initial term of two years and expires in June 2016. The agreement renews automatically for additional one year terms unless TD provides notice not to renew. The agreement can be terminated by TD under certain conditions during the initial and renewal terms.

The company’s revenue from the CIBC/TD program is dependent on the number of merchants participating in the program, dollar spending by holders of CIBC and TD aeroplan credit cards at participating merchants and the economic environment. Since the dollar spending by holders of CIBC and TD aeroplan credit cards is partially dependent upon the banks credit card portfolio, the company believes that the agreements with two banks mitigate the risk of dependence on one partner.

During year ended June 30, 2014 the company earned 15% (2013 – 6%) of its revenues from the Aeroplan program. This segment is dependent on the company’s agreement with Aimia Canada Inc. (“Aimia”). The company operates Aimia’s Aeroplan loyalty program in the independent merchant business segment, primarily as a re-seller of aeroplan miles. In November 2014 the company renewed its agreement (“renewed agreement”) with Aimia for a five year term ending April 30, 2019. The agreement can be extended for one additional period of five years by mutual consent. Per the renewed agreement the company has an annual commitment to purchase minimum aeroplan miles (note 12). The renewed agreement can be terminated by Aimia under certain conditions during the term of the agreement.

The company successfully completed, during nine months ended March 31, 2014, a pilot merchant based loyalty program, in a test market in the USA, for Caesars Entertainment Corporation ("Caesars"). The company and Caesars signed a multi-year agreement to launch a full program ("program") on a graduated basis across the US. The agreement expires December 31, 2017. The program expansion was first launched in February 2015 in Philadelphia market

The company's segment reporting is provided in note 15.

Financial Dependence

The company is funded by debt. The sources of debt are a line of credit facility, and a non-convertible debentures.

The company has access to a line of credit facility under its loan payable (note 6). The loan payable is used exclusively to expand the company's APM program ("transaction credits" on consolidated statements of financial position). In October 2014 the term of the loan payable was renewed for a one year term expiring in December 2015. The relationship was established in 2007.

On December 30, 2013, the company re-financed its two debentures – 14% non-convertible debentures payable (note 7) and 12% non-convertible debentures payable (note 8) – totalling $7.9 million into a single 12% non-convertible debentures payable ("new 12% debentures") (note 8) for $5.2 million. The new 12% debentures mature September 30, 2016. The new 12% debentures are used to meet working capital requirements.

3 Basis of preparation

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

These interim consolidated financial statements do not include all the information and notes required by IFRS for annual financial statements and therefore, should be read in conjunction with the audited consolidated financial statements and notes for the company's year ended June 30, 2014, which are available on SEDAR at www.sedar.com.

These interim consolidated financial statements and related notes have been reviewed by the company's audit committee and approved by the company's board of directors on May 29, 2015.

Accounting standards issued but not yet applied

The IASB has issued the following applicable standards which have not yet been adopted by the company. The company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated interim financial statements or whether to early adopt any of the new requirements.

The following is a description of the new standards:

IFRS 15, Revenue from Contracts with Customers

In May 2014, IASB issued IFRS 15, Revenue from Contracts with Customers, which supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions Involving Advertising Services. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods and services. IFRS 15 will require enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (particularly, service revenue and contract modifications) and improve guidance for multiple –element arrangements. IFRS 15 will be effective for the Corporations fiscal year beginning on April 1, 2017 with earlier adoption permitted. The company has not yet assessed the impacts of adopting this standard on its consolidated financial statements.

4 Summary of significant accounting policies

The company has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2014 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on or after 1 July, 2014, and will be adopted in the 2015 annual financial statements.

5 Transaction credits

Under its APM product the company acquires the rights to cash flow from future designated credit card transactions at a discount from participating merchants (“transaction credits”). These transaction credits are generally estimated to be fully extinguishable within 30 – 210 days. The company, in the normal course of business, is exposed to credit risk on collection of the transaction credits.

The transaction credits are net of applicable allowance for delinquent accounts, which is established based on the specific credit risk associated with the customer and other relevant information.

The transaction credits and the allowance for delinquent accounts is as follows:

	March 31, 2015	June 30, 2014
	$	$
Transaction credits	10,683,094	11,361,349
Allowance	(2,488,552)	(1,082,643)
Per statement of financial position	8,194,542	10,278,706

The transaction credits that are considered delinquent and the related allowance is as follows:

	March 31, 2015	June 30, 2014
	$	$
Delinquent transaction credits	2,749,172	2,167,222
Allowance	(2,488,522)	(1,082,643)
Delinquent transaction credits not allowed for	260,650	1,084,579

6 Loan payable

	March 31, 2015	June 30, 2014
Opening balance	**$6,454,174**	**$7,099,371**
(Decline) / Additional borrowing	(470,115)	(645,197)
Closing balance	**$5,984,059**	**$6,454,174**

The loan payable is a line of credit facility ("facility") provided by Accord Financial Inc. ("Accord"). The facility limit is $8.5 million. The company is paying interest rate on the entire facility equivalent to prime rate of a certain Canadian bank plus 11.5% per annum. The term of facility is to December 2015. In certain circumstances the loan payable amount is repayable on demand to Accord.

The facility is used by the company exclusively to acquire transaction credits, under its APM product, from establishments that are in business segments available to the company under its agreements with CIBC, TD and Aimia.

The interest cost during the period ended March 31, 2015 was $691,890 (2014 - $813,483).

7 14% Non-convertible debentures payable

The 14% non-convertible debentures payable ("14% debentures"), issued in May 2011, were repaid in December 2013. The 3,444,400 common share purchase warrants of the company (each a "warrant") issued with the 14% debentures were not exercised and expired as of December 31, 2013.

Stated interest charges and accretion charges with respect to the 14% debentures are as follows:

Period ended March 31, 2015		**Period ended March 31, 2014**	
Stated Interest	Accretion charges	Stated Interest	Accretion charges
$-	$-	$123,084	$7,702

8 12% Non-convertible debentures payable

The 12% non-convertible debentures payable ("old 12% debentures"), issued in May 2011, were repaid in December 2013. The 87,056,491 common share purchase warrants of the company (each a "warrant") issued with the old 12% debentures were not exercised and expired as of December 31, 2013.

On December 30, 2013, the company completed a refinancing by way of a private placement of 12% non-convertible debentures ("new 12% debentures") in the principal amount of $5,159,000.

The new 12% debentures are issued as units. Each unit comprises (i) $1,000 face value secured non-convertible debentures of the company bearing interest at 12% per annum, payable semi-annually, and maturing September 30, 2016, and (ii) 8,150 common shares in the capital of the company. The company issued 5,159 units and 42,045,850 common shares.

Under the agreement, the proceeds of the new 12% debentures are to be used for working capital purposes. The new 12% debentures are secured by a general security interest over the assets of the company and its subsidiaries. The significant financial covenants of the new 12% debentures require the company to meet (i) commencing the quarter ended December 31, 2013, on a quarterly basis a defined level of designated current assets, and interest coverage, and (ii) commencing January 31, 2014, on a monthly basis a defined level of credit card spend, on which the company earns its revenue, at merchants participating in its loyalty programs. In June 2014, the debenture holders agreed to a) re-set the financial covenants and b) defer the semi-annual interest due June 15, 2014 and into two equal instalments due October 15, 2014 and November 15, 2014. The company agreed to pay a fee of $65,000 to the debenture holders for the above changes to the new 12% debentures

The company met the financial covenants as at September 30, 2014 and December 31, 2014.

The company was in breach of all its financial covenants for the quarter ended March 31, 2015. The debenture holders have waived the breach of financial covenants at March 31, 2015.

Movement on the 12% non-convertible debentures payable ("new 12% debentures")

	Debt portion
Balance as at June 30, 2014	**$4,661,833**
Transaction costs	(24,206)
Accretion charge for the period	170,379
Balance at March 31, 2015	**$4,808,006**

Stated interest charges and accretion charges with respect to the debentures are as follows:

	Period ended March 31, 2015		**Period ended March 31, 2014**	
	Stated Interest	Accretion charges	Stated Interest	Accretion charges
old 12% debentures	$ -	$ -	$370,205	$96,631
new 12% debentures	$464,734	$170,379	$156,041	$ -
new 12% debentures fees	$ 58,500	$ -	$ -	$ 51,611
	$523,234	$170,379	$526,246	148,242

9 Share capital

Authorized and Issued share capital. No change during the three months and nine months ended March 31, 2015.

10 Share-based payments

Employee stock options

The company has a stock option plan for directors, officers, employees and consultants. The number of employee stock options issuable per the company's stock option plan is 16,688,546.

	Number of employee stock options	**Weighted average exercise price $**	**Weighted average remaining contractual life**
Outstanding at June 30, 2014	10,190,000	0.03	2.5 years
Outstanding at March 31, 2015	9,890,000	0.03	1.75 years
Exercisable at June 30, 2014	10,190,000	0.03	2.5 years
Exercisable at March 31, 2015	9,890,000	0.03	1.75 years

11 Related party transactions

Directors and Officers

In December 2013 the directors and officers purchased new 12% debentures (note 8), on terms and conditions applicable to the other subscribers. The holdings of debentures are tabulated:

	June 30, 2014 and March 31, 2015
Director and Chief Executive Officer – Kelly Ambrose	$500,000
Director and Chairman of the Board of Directors – Stephen Burns	$ 50,000
Director - Marc Lavine	$500,000
Director – Rob von der Porten	$ 50,000
Director – William Polley	$ 50,000
Director – Barry Wainstein	$ 25,000
Chief Financial Officer – Mukesh Sabharwal	$115,000

12 Commitments and contingencies

Commitments

As at March 31, 2015, the company is committed to minimum payments with respect to existing leases for equipment and premises:

	Equipment	Premises	Total
Not later than one year	$24,120	$95,381	$ 119,501
Later than one year and not later than five years	$26,310	$135,123	$161,433
Later than five years	$nil	$nil	$nil
Total	**$50,430**	**$230,504**	**$280,934**

The expense related to above leases is expensed in selling and marketing, and general and administrative expenses in the consolidated statements of income.

A significant portion of the commitments for premises is for the company's head office (note 1). The lease expires in September, 2017.

Additional commitments

In November 2014 the company renewed its agreement (“renewed agreement”) with Aimia for a five year term ending April 30, 2019. The renewed agreement enables the company to operate Aimia’s Aeroplan loyalty program in the independent merchant business segment, primarily as a re-seller of aeroplan miles. Per the renewed agreement the company has an annual commitment to purchase minimum aeroplan miles. The annual commitment is tabulated. The company met the calendar 2014 purchase commitment of $1,700,000. It sold the aeroplan miles and this is reflected as revenue of the Aeroplan program.

Calendar year	Annual commitment
2015	$1,870,000
2016	$2,057,000
2017	$2,262,700
2018	$2,488,970

In February 2012 the company signed an agreement with a service provider to purchase software over a three year term. The software provides an integrated platform enabling users to simultaneously manage and schedule their digital marketing campaigns. The annual purchase commitment, per agreement, is $192,000. The company sells this software to merchants participating in its programs.

Taxation

As of date hereof, the company does not have a decision to the notice it has filed with Canada Revenue Agency to confirm the appropriateness of the company’s treatment of HST/GST for the periods subsequent to fiscal 2007.

13 Earnings per share

Basic EPS is calculated by dividing the net income/(loss) for the period attributable to equity owners of the company by the weighted average number of common shares outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method. The company’s potentially dilutive common shares comprise stock options granted to employees, officers and directors (position as at March 31, 2015 tabulated under note 10).

Basic and Diluted EPS are tabulated.

	3 months **2015**	3 months **2014**	9 months **2015**	9 months **2014**
Net Income /(Loss)	$(2,582,155)	$(396,066)	$(2,766,428)	$(265,202)
Average number of issued common shares during the period	139,071,218	139,071,218	139,071,218	111,142,953
Basic EPS	$0.00	$0.00	$0.00	$0.00

The computation for Diluted EPS for 3 and 9 months ended March 31, 2015 and March 31, 2014 is not provided because the effect of potential exercise of the dilutive common shares would be anti-dilutive.

14 Nature of expenses

	Nine months ended March 31, 2015 $	Nine months ended March 31, 2014 $
Direct Expenses		
➢ Covering costs of a) cardholders awards, and marketing and advertising in connection with the company's merchant based loyalty programs; b) cost of sales related to sale of aeronotes; c) cost of sales of digital marketing services; and d) provision against accounts receivable and transaction credits	**$4,125,883**	**$4,776,276**
Selling and Marketing, and General & Administrative		
➢ Salaries and wages including travel	$4,863,276	4,888,420
➢ Professional fees	370.779	544,016
➢ Facilities, processing, and office expenses	819,572	757,229
➢ Other	55,228	57,477
	$6,108,855	**$6,247,142**

15 Segment reporting

The company's reportable segments include: (1) CIBC/TD program, (2) Aeroplan program and (3) Caesars program. Where applicable, corporate and other activities are reported separately as Corporate.

During period ended March 31, 2015 and 2013 the CIBC/TD program relates to the merchant based loyalty program the company developed and managed respectively for CIBC and TD, and CIBC.

The company operates Aimia's Aeroplan loyalty program in the independent merchant business segment, primarily as a re-seller of aeroplan miles. The company's Aeroplan program relates to merchant based loyalty program the company developed and managed for Aimia.

Financial information by reportable segment for period ended March 31, 2015 and 2014 is tabulated.

For the period ended March 31, 2015

	CIBC/TD program	Aeroplan program	Caesars program	Corporate	Total
	$	$		$	$
Revenues	8,329,244	1,680,612	38,495	-	10,048,351
Direct expenses	3,207,604	911,332	6,947	-	4,125,883
	5,121,640	769,280	31,548	-	5,922,468
Selling and marketing	2,027,613	356,386	259,616	-	2,643,615
General and administrative	2,535,622	521,749	-	407,869	3,465,240
Restructuring cost	-	-	-	805,892	805,892
Earnings from operations before depreciation, amortization and interest	558,405	(108,855)	(228,068)	(1,213,761)	(992,279)
Interest – Loan payable (note 6)	691,890	-	-	-	691,890
Interest – Non-convertible debentures (notes 7 and 8)	575,699	117,914	-	-	693,613
Depreciation and amortization	272,776	55,870	-	-	328,646
Segment profit / (loss)	(981,960)	(282,639)	(228,068)	(1,213,761)	(2,706,428)

For the period ended March 31, 2014

	CIBC/TD program	Aeroplan program	Caesars program	Corporate	Total
	$	$	$		$
Revenues	10,611,693	2,170,361		-	12,782,054
Direct expenses	3,546,094	1,230,182		-	4,776,276
	7,065,599	940,179		-	8,005,778
Selling and marketing	2,434,797	303,178			2,737,975
General and administrative	2,509,485	513,791		485,891	3,509,167
Earnings from operations before depreciation, amortization and interest	2,121,317	123,210		(485,891)	1,758,636
Interest – Loan payable (note 6)	813,483	-		-	813,483
Interest – Non-convertible debentures (notes 7 and 8)	668,377	136,897		-	805,274
Depreciation and amortization	336,217	68,864		-	405,081
Segment profit / (loss)	303,240	(82,551)		(485,891)	(265,202)

16 Discontinued operations

Discontinued operations are discussed in detail in note 16 to the consolidated statements for year ended June 30, 2014. The following provides details with respect to the amounts included in the statement of cash flows as discontinued operations.

	Nine months ended March 31, 2015	**Nine months ended March 31, 2014**
	$	**$**
Changes in non-cash working capital items		
Accounts payable	-	(142,654)
Movement in cash and cash equivalents	**-**	**$(142,654)**

17 Restructuring cost

As of date of these interim consolidated financial statements the company has completed the implementation of the plan it announced in January 2015 to adjust its headcount to prevailing activity level. The restructuring cost reflects the severances of staff.

18 Comparatives

Certain of comparative figures have been re-classified to conform to presentation adopted in the three and nine months ended March 31, 2015.