

Consolidated Statement of Financial Position

<i>(amounts in millions of Canadian dollars)</i>	June 30 2018	March 31 2018	April 1 2017
		Restated	Restated
Assets			
Cash and cash equivalents	\$ 500.1	\$ 611.5	\$ 504.7
Accounts receivable	474.1	452.0	450.1
Contract assets	467.5	439.7	348.5
Inventories	545.7	516.1	549.0
Prepayments	51.3	50.0	63.8
Income taxes recoverable	52.4	40.7	25.6
Derivative financial assets	16.9	13.3	23.4
Total current assets	\$ 2,108.0	\$ 2,123.3	\$ 1,965.1
Property, plant and equipment	1,818.9	1,803.9	1,582.6
Intangible assets	1,050.8	1,055.6	944.0
Investment in equity accounted investees	252.2	242.7	375.8
Deferred tax assets	58.0	61.2	42.9
Derivative financial assets	10.3	11.5	16.0
Other assets	492.7	482.0	471.3
Total assets	\$ 5,790.9	\$ 5,780.2	\$ 5,397.7
Liabilities and equity			
Accounts payable and accrued liabilities	\$ 654.8	\$ 666.9	\$ 686.1
Provisions	28.7	32.1	43.2
Income taxes payable	14.1	15.3	9.6
Deferred revenue	10.7	10.0	11.4
Contract liabilities	641.6	679.5	593.4
Current portion of long-term debt	119.2	52.2	51.9
Derivative financial liabilities	19.7	18.1	15.5
Total current liabilities	\$ 1,488.8	\$ 1,474.1	\$ 1,411.1
Provisions	38.6	39.5	39.1
Long-term debt	1,192.4	1,208.7	1,203.5
Royalty obligations	144.4	140.8	138.5
Employee benefits obligations	198.6	200.6	157.7
Deferred gains and other liabilities	214.7	229.9	217.8
Deferred tax liabilities	193.4	184.7	213.0
Derivative financial liabilities	4.4	4.4	4.7
Total liabilities	\$ 3,475.3	\$ 3,482.7	\$ 3,385.4
Equity			
Share capital	\$ 639.1	\$ 633.2	\$ 615.4
Contributed surplus	24.7	21.3	19.4
Accumulated other comprehensive income	222.0	260.3	191.1
Retained earnings	1,356.8	1,314.3	1,126.2
Equity attributable to equity holders of the Company	\$ 2,242.6	\$ 2,229.1	\$ 1,952.1
Non-controlling interests	73.0	68.4	60.2
Total equity	\$ 2,315.6	\$ 2,297.5	\$ 2,012.3
Total liabilities and equity	\$ 5,790.9	\$ 5,780.2	\$ 5,397.7

Consolidated Income Statement

Three months ended June 30

(amounts in millions of Canadian dollars, except per share amounts)

	2018	2017
		Restated
Revenue	\$ 722.0	\$ 656.2
Cost of sales	503.3	452.5
Gross profit	\$ 218.7	\$ 203.7
Research and development expenses	31.3	32.3
Selling, general and administrative expenses	102.7	94.8
Other (gains) losses – net	(5.2)	0.3
After tax share in profit of equity accounted investees	(8.6)	(15.0)
Operating profit	\$ 98.5	\$ 91.3
Finance expense – net	16.0	18.2
Earnings before income taxes	\$ 82.5	\$ 73.1
Income tax expense	10.9	11.9
Net income	\$ 71.6	\$ 61.2
Attributable to:		
Equity holders of the Company	\$ 69.4	\$ 59.6
Non-controlling interests	2.2	1.6
Earnings per share attributable to equity holders of the Company		
Basic and diluted	\$ 0.26	\$ 0.22

Consolidated Statement of Comprehensive Income

Three months ended June 30

(amounts in millions of Canadian dollars)

	2018	2017
		Restated
Net income	\$ 71.6	\$ 61.2
Items that may be reclassified to net income		
Foreign currency differences on translation of foreign operations	\$ (20.8)	\$ (8.8)
Reclassification to income of foreign currency differences	(3.3)	(0.7)
Net (loss) gain on cash flow hedges	(8.4)	7.7
Reclassification to income of gains on cash flow hedges	2.4	1.2
Net (loss) gain on hedges of net investment in foreign operations	(9.7)	12.2
Income taxes	3.9	(1.1)
	\$ (35.9)	\$ 10.5
Items that will never be reclassified to net income		
Remeasurement of defined benefit pension plan obligations	\$ 4.2	\$ (27.2)
Income taxes	(1.1)	7.2
	\$ 3.1	\$ (20.0)
Other comprehensive loss	\$ (32.8)	\$ (9.5)
Total comprehensive income	\$ 38.8	\$ 51.7
Attributable to:		
Equity holders of the Company	\$ 34.2	\$ 51.2
Non-controlling interests	4.6	0.5

Consolidated Statement of Changes in Equity

<i>Three months ended June 30, 2018</i> <i>(amounts in millions of Canadian dollars,</i> <i>except number of shares)</i>	Attributable to equity holders of the Company							Total equity
	Common shares Number of shares	Common shares Stated value	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total	Non-controlling interest	
Balances, beginning of period (restated)	267,738,530	\$ 633.2	\$ 21.3	\$ 260.3	\$ 1,314.3	\$ 2,229.1	\$ 68.4	\$ 2,297.5
Net income	—	\$ —	\$ —	\$ —	\$ 69.4	\$ 69.4	\$ 2.2	\$ 71.6
Other comprehensive (loss) income	—	—	—	(38.3)	3.1	(35.2)	2.4	(32.8)
Total comprehensive (loss) income	—	\$ —	\$ —	\$ (38.3)	\$ 72.5	\$ 34.2	\$ 4.6	\$ 38.8
Stock options exercised	313,350	5.5	(0.7)	—	—	4.8	—	4.8
Optional cash purchase of shares	647	—	—	—	—	—	—	—
Common shares repurchased and cancelled	(267,100)	(0.6)	—	—	(5.9)	(6.5)	—	(6.5)
Share-based compensation expense	—	—	4.1	—	—	4.1	—	4.1
Stock dividends	35,566	1.0	—	—	(1.0)	—	—	—
Cash dividends	—	—	—	—	(23.1)	(23.1)	—	(23.1)
Balances, end of period	267,820,993	\$ 639.1	\$ 24.7	\$ 222.0	\$ 1,356.8	\$ 2,242.6	\$ 73.0	\$ 2,315.6

<i>Three months ended June 30, 2017</i> <i>(amounts in millions of Canadian dollars,</i> <i>except number of shares)</i>	Attributable to equity holders of the Company							Total equity
	Common shares Number of shares	Common shares Stated value	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total	Non-controlling interest	
Balances, beginning of period (restated)	268,397,224	\$ 615.4	\$ 19.4	\$ 191.1	\$ 1,126.2	\$ 1,952.1	\$ 60.2	\$ 2,012.3
Net income	—	\$ —	\$ —	\$ —	\$ 59.6	\$ 59.6	\$ 1.6	\$ 61.2
Other comprehensive income (loss)	—	—	—	11.6	(20.0)	(8.4)	(1.1)	(9.5)
Total comprehensive income (loss)	—	\$ —	\$ —	\$ 11.6	\$ 39.6	\$ 51.2	\$ 0.5	\$ 51.7
Stock options exercised	745,050	11.2	(1.8)	—	—	9.4	—	9.4
Optional cash purchase of shares	647	—	—	—	—	—	—	—
Common shares repurchased and cancelled	(123,300)	(0.3)	—	—	(2.4)	(2.7)	—	(2.7)
Share-based compensation expense	—	—	3.2	—	—	3.2	—	3.2
Stock dividends	23,214	0.5	—	—	(0.5)	—	—	—
Cash dividends	—	—	—	—	(21.0)	(21.0)	—	(21.0)
Balances, end of period (restated)	269,042,835	\$ 626.8	\$ 20.8	\$ 202.7	\$ 1,141.9	\$ 1,992.2	\$ 60.7	\$ 2,052.9

Consolidated Statement of Cash Flows

Three months ended June 30

(amounts in millions of Canadian dollars)

	2018	2017
		Restated
Operating activities		
Net income	\$ 71.6	\$ 61.2
Adjustments for:		
Depreciation of property, plant and equipment	30.7	31.2
Amortization of intangible and other assets	18.1	22.4
After tax share in profit of equity accounted investees	(8.6)	(15.0)
Deferred income taxes	12.4	(3.5)
Investment tax credits	(2.7)	(3.1)
Share-based compensation	(5.1)	(1.3)
Defined benefit pension plans	3.0	2.6
Amortization of other non-current liabilities	(7.7)	(12.4)
Derivative financial assets and liabilities – net	(1.5)	(6.4)
Other	7.0	6.2
Changes in non-cash working capital	(147.8)	(101.1)
Net cash used in operating activities	\$ (30.6)	\$ (19.2)
Investing activities		
Capital expenditures for property, plant and equipment	(53.1)	(49.1)
Proceeds from disposal of property, plant and equipment	2.3	5.1
Additions to intangibles	(18.0)	(11.1)
Net payments to equity accounted investees	(6.1)	—
Dividends received from equity accounted investees	—	17.1
Net cash used in investing activities	\$ (74.9)	\$ (38.0)
Financing activities		
Proceeds from long-term debt	66.9	8.7
Repayment of long-term debt	(39.0)	(7.4)
Repayment of finance lease	(2.7)	(3.6)
Dividends paid	(23.1)	(21.0)
Issuance of common shares	4.8	9.4
Repurchase of common shares	(6.5)	(2.7)
Other	(0.2)	(0.4)
Net cash provided by (used in) financing activities	\$ 0.2	\$ (17.0)
Effect of foreign exchange rate changes on cash and cash equivalents	\$ (6.1)	\$ 1.4
Net decrease in cash and cash equivalents	\$ (111.4)	\$ (72.8)
Cash and cash equivalents, beginning of period	611.5	504.7
Cash and cash equivalents, end of period	\$ 500.1	\$ 431.9
Supplemental information:		
Interest paid	\$ 7.6	\$ 7.8
Interest received	4.1	3.4
Income taxes paid	11.5	7.0