BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS

Second Quarter and Six Months Ended June 30, 2014

BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS

Second Quarter and Six Months Ended June 30, 2014

To Our Unitholders,

We are pleased to report our financial results for the second quarter of 2014.

Boyd Group Income Fund continued the strong growth trends experienced in previous quarters, which resulted in increases in both revenue and Adjusted EBITDA[1]. This growth was a result of the increased volume attributed to achieving our growth plans, along with same-store sales gains, in part arising from the carry-over of favourable weather conditions experienced in many of our markets. The second quarter also benefitted from strong glass sales from the expanded Glass America glass business.

In the second quarter, the Fund added two multi-shop operations ("MSOs") for a total of 41 locations located in four states, as well as three new single locations. One additional single location was added subsequent to quarter end. Since the beginning of 2014 we have added 48 locations consisting of two MSOs and seven single locations. In May, we also acquired the third party administrator Netcost Claims Services, which complements our Gerber National Glass Services business and includes a call centre and roadside assistance business.

Total sales for the quarter were $202.8 million, up 48.2% from the $136.9 million we achieved in the second quarter of 2013. The increase consisted of $37.8 million from acquisitions; incremental sales of $12.8 million from the glass business and same store sales increases of $9.1 million. As with last quarter, all of our northern U.S. locations experienced strong sales volume as a result of the severe weather and poor road conditions at the beginning of 2014. Sales also increased $7.5 million from foreign currency translation as a result of the strengthened U.S. currency.

Earnings before interest, income taxes, depreciation and amortization, adjusted for fair value adjustments to financial instruments and acquisition, transaction and process improvement costs ("Adjusted EBITDA")[1] for the second quarter in 2014 totalled $18.1 million, or 8.9% of sales, compared to Adjusted EBITDA[1] of $9.2 million, or 6.7% of sales, in the prior year. The 97.0% increase in Adjusted EBITDA[1] was primarily the result of same-store sales growth, higher back-end paint discounts and increased contributions from the glass business, Hansen, Collision Revision and Collex acquisitions along with other single location growth.

In the second quarter of 2014, the Fund recorded a net loss of $11.2 million, compared to a net loss of $2.6 million in the same quarter last year. The net loss was the result of non-cash expenses for fair value adjustments to financial instruments that are caused primarily by increases in our unit value. Excluding the impact of fair value adjustments, acquisition, transaction and process improvement costs, and brand name amortization, net earnings would have increased to $8.5 million, or 4.2% of sales compared to $3.8 million or 2.8% of sales in the same period of 2013.

The Fund generated adjusted distributable cash[1] of $16.7 million in the second quarter of 2014 and declared distributions and dividends of $1.8 million, resulting in a payout ratio based on adjusted distributable cash[1] of 11.0%. This compares with a payout ratio of 29.0% a year ago. The increase in adjusted distributable cash[1] and decreased payout ratio were largely

---

([1]) EBITDA, Adjusted EBITDA, distributable cash, adjusted distributable cash and adjusted net earnings are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to revenue, net earnings and cash flows, the supplemental measures of distributable cash, adjusted distributable cash, adjusted net earnings, EBITDA and Adjusted EBITDA are useful as they provide investors with an indication of earnings from operations and cash available for distribution, both before and after debt management, productive capacity maintenance and non-recurring and other adjustments. Investors should be cautioned, however, that EBITDA, Adjusted EBITDA, distributable cash, adjusted distributable cash and adjusted net earnings should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Fund's performance. Boyd's method of calculating these measures may differ from other public issuers and, accordingly, may not be comparable to similar measures used by other issuers. For a detailed explanation of how the Fund's non-GAAP measures are calculated, please refer to the Fund's MD&A filing for the period ended June 30, 2014, which can be accessed via the SEDAR Web site (www.sedar.com).

due to an increase in cash flow from operations, and changes in working capital. We believe that maintaining a conservative payout ratio, along with the financial flexibility to continue to grow, is important to our long-term success.

With respect to our balance sheet, the Fund held total debt, net of cash, of $109.9 million at June 30, 2014, compared to $44.8 million at March 31, 2014 and $48.4 million at December 31, 2013. The increase was due to additional seller loans and draws on the revolving bank debt facility related to the acquisitions of Collision Revision and Collex. We continue to monitor our capital resources to ensure they continue to be sufficient to meet future growth, working capital, capital expenditure and distribution requirements.

The second quarter of 2014 demonstrated the effectiveness of our three-pronged growth strategy and our ability to deliver enhanced value, particularly in favourable market conditions. Going forward, we anticipate market conditions to return to levels that reflect historic norms.

There continue to be many attractive single store operations in the fragmented auto collision repair industry and we are confident that we will reach our goal of adding 16 to 26 new single locations in 2014. The environment for MSO acquisitions continues to be competitive, however we were able to complete two high quality acquisitions in Collision Revision and Collex this quarter and we will remain disciplined to focus on those acquisitions that we believe will be accretive to the Fund. Finally, due to our leading presence in key markets in the U.S. and Canada as well as our ongoing investment in facility and process improvements, we expect continued growth through same-store sales.

On behalf of the Trustees of the Boyd Group Income Fund and Boyd Group employees, I would like to thank you for your continued support.

Sincerely,

(signed)

Brock Bulbuck
President & Chief Executive Officer

Management's Discussion & Analysis

OVERVIEW

Boyd Group Income Fund (the "Fund"), through its operating company, The Boyd Group Inc. and its subsidiaries ("Boyd" or the "Company"), is the largest operator of non-franchised collision repair centres in North America in terms of number of locations and one of the largest in terms of sales. The Company currently operates locations in five Canadian provinces under the trade name Boyd Autobody & Glass, as well as in 15 U.S. states under the trade names Gerber Collision & Glass, Collision Revision and Collex Collision Experts. Collision Revision and Collex will be rebranded within the next six to twelve months as part of the Company's single brand strategy. The Company is also a major retail auto glass operator in the U.S. with locations across 28 U.S. states under the trade names Gerber Collision & Glass, Glass America, Auto Glass Services, Auto Glass Authority and S&L Glass. The Company also operates two third party administrators that offer first notice of loss, glass and related services. Gerber National Glass Services is an auto glass repair and replacement referral business with approximately 3,000 affiliated service providers throughout the U.S. under the "Gerber National Glass Services" name and "Netcost Claims Services" which, in addition to its referral business, also owns and operates its own call center and offers roadside assistance services. The following is a geographic breakdown of the collision repair locations by trade name.

BOYD AUTOBODY & GLASS	38 centers
Manitoba	14
Alberta	12
British Columbia	9
Saskatchewan	2
Ontario	1

gerber COLLISION & GLASS	223 centers		
Florida	38	Maryland	10
Illinois	33	Michigan	25
North Carolina	25	Indiana	10
Arizona	17	Ohio	9
Georgia	15	Pennsylvania	5
Washington	15	Nevada	4
Colorado	13	Oklahoma	3
		Kansas	1

collex COLLISION EXPERTS	16 centers
Michigan	13
Florida	3

Collision Revision	25 centers
Illinois	22
Indiana	2
Florida	1

Boyd provides collision repair services to insurance companies, individual vehicle owners, as well as fleet and lease customers, with a high percentage of the Company's revenue being derived from insurance-paid collision repair services. In Canada, government-owned insurers operating in Manitoba, Saskatchewan and British Columbia, dominate the insurance-paid collision repair markets in which they operate. In the U.S. and Canadian markets other than Manitoba and Saskatchewan, private insurance carriers compete for consumer policyholders, and in many cases significantly influence the choice of collision repairer through Direct Repair Programs ("DRP's").

The following review of the Fund's operating and financial results for the three and six months ended June 30, 2014, including material transactions and events up to and including August 13, 2014, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2014, as well as the audited annual consolidated financial statements, management discussion and analysis ("MD&A") and annual information form of Boyd Group Income Fund for the year ended December 31, 2013 as filed on SEDAR at www.sedar.com. The Fund's units trade on the Toronto Stock Exchange under the symbol TSX: BYD.UN.

SIGNIFICANT EVENTS

On January 31, 2014, the Company announced that it entered into a letter of intent with its existing paint supplier for a new or amended agreement. Under the new agreement, the Company continued to benefit from a back-end purchase discount structure that was put in place as part of the amendment and restructuring of its paint supply agreement in October 2013.

On January 31, 2014, the Company completed the acquisition of Kustom Koachworks, Inc., a two-location collision repair business in Phoenix, Arizona.

On February 5, 2014, as part of a new start-up, the Company commenced operations in a new collision repair facility in Ellicott City, Maryland.

On March 24, 2014, the Board of Trustees of the Fund adopted a Majority Voting Policy in respect to the election of trustees of the Fund and directors of subsidiaries at the Annual General Meeting of Unitholders. If a candidate receives more votes withheld than are voted in his or her favour, the candidate shall submit his/her resignation to the Board, to be effective on the date if and when accepted by the Board.

On March 31, 2014, the Fund finalized and executed a new definitive agreement with its existing paint supplier. Under the new agreement, Boyd continues to benefit from the back-end purchase discount structure that was originally put in place as part of the amendment and restructuring of its paint supply agreement in October 2013.

On April 2, 2014, as part of a new start-up, the Company commenced operations in a new collision repair facility in Fayetteville, North Carolina.

On April 7, 2014, the Company ceased operations in one of its collision repair facilities in Glenview, Illinois.

On April 14, 2014, the Company signed a definitive agreement and concurrently completed the acquisition of Dora Holdings, Inc. and Collision Revision 13081 Inc., which collectively owned and operated 25 collision repair centers in Illinois, Indiana and Florida under the trade name "Collision Revision". Collision Revision generated sales of approximately $50 million U.S. for the trailing twelve months ended December 31, 2013.

On April 30, 2014, the Company ceased operations in its collision repair facilities in Rockdale and Spring Grove, Illinois.

On May 1, 2014, the Company completed the acquisition of Performance Restorations, Inc., a single-location collision repair business in Mundelein, Illinois.

On May 30, 2014, the Company signed a definitive agreement and concurrently completed the acquisition of Netcost 866netglass LLC, operating as Netcost Claims Services (“Netcost”). Netcost is a third party administrator that offers first notice of loss, glass and related services. Netcost generated sales of approximately $25 million U.S. in 2013.

On June 6, 2014, the Company signed a definitive agreement and concurrently completed, effective June 2, 2014, the acquisition of Collex Collision Experts Inc. and Collex Collision Experts of Florida Inc. ("Collex"), which own and operate 16 collision repair centres in Michigan and Florida. Collex generated sales of approximately $46 million U.S. for the trailing twelve months ended January 2014.

On June 30, 2014, the Company acquired the assets of Crawford Auto Construction, Inc., doing business as Crawford Auto Construction, a single location collision repair business on Kedzie Avenue in Chicago, Illinois.

On June 30, 2014, the Company ceased operations in a facility in British Columbia and a facility in Cicero, Illinois.

On August 12, 2014, the Company acquired the collision repair assets of LaFontaine Subaru, Inc., in Commerce Township, Michigan.

OUTLOOK

Boyd continues to execute on its growth strategy of new single locations. Single location growth opportunities continue to be available and a great avenue for accretive growth with attractive pricing and development costs within Boyd’s targeted range. The Company has announced seven new locations in 2014 with a number of others in progress. Boyd will maintain its target to grow with single location growth by 6% to 10% annually for the foreseeable future. For 2014, this translates into 16 to 26 new locations. As well, the Company remains both positive and patient for additional opportunities to grow by acquiring multi-shop operations (“MSO’s”). While the Company remains opportunistic in its strategy to acquire MSO’s, there has been more competition for these types of acquisitions. The Company maintains its position of being disciplined and selective in its identification and assessment of all acquisition opportunities.

Boyd furthered its MSO growth strategy with the acquisition of Collision Revision in April of 2014, a 25 location acquisition based in Illinois, Indiana and Florida. In June of 2014, Boyd also acquired Collex Collision Experts, a 16 location acquisition based in Michigan and Florida.

In the fourth quarter of 2013 the Company amended its agreement with its paint supplier changing its current paint supply arrangement away from a pre-purchase rebate system to a post-purchase discount system. The amendment was effective October 1, 2013 and provided the Company with the immediate benefit of higher value post-purchase discounts which have since reduced the cost of paint materials and supplies and increased gross margins and EBITDA margins. A new agreement was signed with its paint supplier on March 31, 2014 that secures the continuation of these arrangements and their related benefits.

As performance based DRP programs with insurance companies continue to develop and evolve it is becoming increasingly important that top performing collision repairers, including Boyd, continue to drive towards higher levels of operating performance as measured primarily by customer satisfaction ratings, repair cycle times and average cost of repair. To this end, Boyd has undertaken incremental investments to enhance its processes and operational performance. Additional investments in 2014 are expected to total approximately $3 million including costs incurred to date.

In response to the recent trend of aluminum based components becoming more prevalent in new vehicles, the Company is in the process of investing in specialized aluminum repair equipment. This equipment will allow the Company to support this anticipated market need. The Company believes that expenditures in this area over the next six to twelve months may utilize $2.5 - $3.0 million of cash resources in excess of normal budget levels. Additional investments in the future may also be required as the prevalence of aluminum components in the North American fleet increases.

Management remains confident in its business model and its ability to increase market share by expanding its presence in both the U.S. and Canada through strategic acquisitions alongside organic growth from Boyd's existing operations. Accretive growth remains the Company's focus whether it is through organic growth or acquisitions. The North American collision repair industry remains highly fragmented and offers attractive opportunities for industry leaders to build value through focused consolidation and economies of scale. As a growth company offering yield, Boyd's objective continues to be to maintain a conservative distribution policy that will provide the financial flexibility necessary to support growth initiatives while gradually increasing distributions over time. The Company remains confident in its management team, systems and experience. This, along with a strong statement of financial position and financing options, will continue to position Boyd well for success into the future.

BUSINESS ENVIRONMENT & STRATEGY

As at August 13, 2014, the business environment of the Company and strategies adopted by management remain unchanged from those described in the Fund's 2013 annual MD&A.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Statements made in this interim report, other than those concerning historical financial information, may be forward-looking and therefore subject to various risks and uncertainties. Some forward-looking statements may be identified by words like "may", "will", "anticipate", "estimate", "expect", "intend", or "continue" or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on such statements, as actual results may differ materially from those expressed or implied in such statements.

The following table outlines forward-looking information included in this MD&A:

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
The stated objective of adding new locations to grow the business 6% - 10% per year for the foreseeable future	Opportunities continue to be available and are at attractive prices Financing options continue to be available at reasonable rates and on acceptable terms and conditions New and existing customer relationships are expected to provide acceptable levels of revenue opportunities Anticipated operating results would be accretive to overall Company results	Acquisition market conditions change and repair shop owner demographic trends change Credit and refinancing conditions prevent or restrict the ability of the Company to continue growth strategies Changes in market conditions and operating environment Significant declines in the number of insurance claims Integration of new stores is not accomplished as planned Increased competition which prevents achievement of acquisition and revenue goals
Boyd remains confident in its business model to increase market share by expanding its presence in both the U.S. and Canada through strategic acquisitions alongside organic growth from Boyd's existing operations	Continued stability in economic conditions and employment rates Pricing in the industry remains stable The Company's customer and supplier relationships provide it with competitive advantages to increase sales over time Market share growth will more than offset systemic changes in the industry and environment	Poor economic conditions Loss of one or more key customers Significant declines in the number of insurance claims Inability of the Company to pass cost increases to customers over time Increased competition which may prevent achievement of revenue goals Changes in market conditions and operating environment Changes in weather conditions
Stated objective to gradually increase distributions over time	Growing profitability of the Company and its subsidiaries The continued and increasing ability of the Company to generate cash available for distribution Balance sheet strength & flexibility is maintained and the distribution level is manageable taking into consideration bank covenants, growth requirements and maintaining a distribution level that is supportable over time No change in the Fund's structure	The Fund is dependent upon the operating results of the Company and its ability to pay interest and dividends to the Fund Economic conditions deteriorate Changes in weather conditions Decline in the number of insurance claims Loss of one or more key customers Changes in government regulation

We caution that the foregoing table contains what the Fund believes are the material forward-looking statements and is not exhaustive. Therefore when relying on forward-looking statements, investors and others should refer to the "Risk Factors" section of the Fund's annual information form, the "Business Risks and Uncertainties" and other sections of our MD&A and our other periodic filings with Canadian securities regulatory authorities. All forward-looking statements presented herein should be considered in conjunction with such filings.

NON-GAAP FINANCIAL MEASURES[1]

EBITDA AND ADJUSTED EBITDA

Earnings before interest, taxes, depreciation and amortization ("EBITDA") is not a calculation defined in International Financial Reporting Standards ("IFRS"). EBITDA should not be considered an alternative to net earnings in measuring the performance of the Fund, nor should it be used as an exclusive measure of cash flow. The Fund reports EBITDA and Adjusted EBITDA because it is a key measure that management uses to evaluate performance of the business and to reward its employees. EBITDA is also a concept utilized in measuring compliance with debt covenants. EBITDA and Adjusted EBITDA are measures 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 EBITDA is used to assist in evaluating the operating performance and debt servicing ability of the Fund, investors are cautioned that EBITDA and Adjusted EBITDA as reported by the Fund may not be comparable in all instances to EBITDA as reported by other companies.

The CPA's Canadian Performance Reporting Board defined standardized EBITDA to foster comparability of the measure between entities. 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 amortization and impairment charges, and income taxes. Adjusted EBITDA is calculated to exclude items of an unusual nature that do not reflect normal or ongoing operations of the Fund and which should not be considered in a valuation metric or should not be included in assessment of ability to service or incur debt. Included in this category of adjustments are the fair value adjustment to exchangeable shares, the fair value adjustment to unit options, the fair value adjustment to convertible debenture conversion feature and the fair value adjustment to the non-controlling interest put option. These items can be settled with units of the Fund and are not expected to have any cash impact on the Fund. Also included as an adjustment to EBITDA are acquisition, transaction and process improvement costs which do not relate to the current operating performance of the business units but are typically costs incurred to expand operations. From time to time, the Fund may make other adjustments to its Adjusted EBITDA for items that are not expected to recur.

	For the three months ended June 30,		**For the six months ended June 30,**	
(thousands of Canadian dollars)	**2014**	2013	**2014**	2013
Net (loss) earnings	**$ (11,191)**	$ (2,567)	**$ (12,866)**	$ (2,537)
Add:				
Finance costs (net of Finance income)	**1,725**	1,422	**3,084**	2,804
Income tax expense	**3,525**	1,137	**6,066**	1,539
Depreciation of property, plant and equipment	**3,259**	2,077	**6,164**	3,998
Amortization of intangible assets	**1,381**	849	**2,581**	1,903
Standardized EBITDA	**$ (1,301)**	$ 2,918	**$ 5,029**	$ 7,707
Add (deduct):				
Fair value adjustments	**17,542**	5,776	**24,938**	8,800
Acquisition, transaction and process improvement costs	**1,824**	476	**3,140**	838
Adjusted EBITDA	**$ 18,065**	$ 9,170	**$ 33,107**	$ 17,345

Included in acquisition, transaction and process improvement costs are process improvement costs for the three months ended June 30, 2014 of $750 (2013 - $nil) and for the six months ended June 30, 2014 of $1,522 (2013 - $nil).

[1] *EBITDA, Adjusted EBITDA, distributable cash, adjusted distributable cash and adjusted net earnings are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to revenue, net earnings and cash flows, the supplemental measures of distributable cash, adjusted distributable cash, adjusted net earnings, EBITDA and Adjusted EBITDA are useful as they provide investors with an indication of earnings from operations and cash available for distribution, both before and after debt management, productive capacity maintenance and non-recurring and other adjustments. Investors should be cautioned, however, that EBITDA, Adjusted EBITDA, distributable cash, adjusted distributable cash and adjusted net earnings should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Fund's performance. Boyd's method of calculating these measures may differ from other public issuers and, accordingly, may not be comparable to similar measures used by other issuers.*

ADJUSTED NET EARNINGS

In addition to EBITDA and Adjusted EBITDA, the Fund believes that certain users of financial statements are interested in understanding net earnings excluding certain fair value adjustments and other unusual or infrequent adjustments. This can assist these users in comparing current results to historical results that did not include such items. The following is a reconciliation of the Fund's net (loss) earnings to adjusted net earnings:

(thousands of Canadian dollars, except per unit and per share amounts)	For the three months ended June 30, 2014	2013	For the six months ended June 30, 2014	2013
Net (loss) earnings	**$ (11,191)**	$ (2,567)	**$ (12,866)**	$ (2,537)
Add:				
Fair value adjustments	**17,542**	5,776	**24,938**	8,800
Acquisition, transaction and process improvement costs	**1,824**	476	**3,140**	838
Amortization of acquired brand names	**291**	98	**510**	344
Adjusted net earnings	**$ 8,466**	$ 3,783	**$ 15,722**	$ 7,445
Weighted average number of units	**14,941,599**	12,540,938	**14,938,937**	12,539,990
Adjusted net earnings per unit	**$ 0.567**	$ 0.302	**$ 1.052**	$ 0.594
Units and Class A common shares outstanding	**15,313,640**	12,927,485	**15,313,640**	12,927,485
Adjusted net earnings per unit and Class A common share	**$ 0.553**	$ 0.293	**$ 1.027**	$ 0.576

Included in acquisition, transaction and process improvement costs are process improvement costs for the three months ended June 30, 2014 of $750 (2013 - $nil) and for the six months ended June 30, 2014 of $1,522 (2013 - $nil).

DISTRIBUTABLE CASH

During the first six months of 2014, the Fund declared and paid distributions to unitholders and dividends to Boyd Group Holdings Inc.'s Class A shareholders as follows:

(thousands of Canadian dollars, except per unit and per share amounts) **Record date**	**Payment date**	**Dividend per Unit / Share**	**Distribution amount**	**Dividend amount**
January 31, 2014	February 26, 2014	$ 0.0400	$ 597	$ 15
February 28, 2014	March 27, 2014	0.0400	597	15
March 31, 2014	April 28, 2014	0.0400	598	15
April 30, 2014	May 28, 2014	0.0400	597	15
May 31, 2014	June 26, 2014	0.0400	598	15
June 30, 2014	July 29, 2014	0.0400	598	15
		$ 0.2400	$ 3,585	$ 90

Maintaining Productive Capacity

Productive capacity is defined by Boyd as the maintenance of the Company's facilities, equipment, signage, courtesy cars, systems, brand names and infrastructure. Although most of Boyd's repair facilities are leased, funds are required to ensure facilities are properly repaired and maintained to ensure the Company's physical appearance communicates Boyd's standard of professional service and quality. The Company's need to maintain its facilities and upgrade or replace equipment, signage, systems and courtesy car fleets forms part of the annual cash requirements of the business. The Company manages these expenditures by annually reviewing and determining its capital budget needs and then authorizing major expenditures throughout the year based upon individual business cases. The Company manages its cash maintenance capital expenditures up to approximately 0.8% of sales.

Although maintenance capital expenditures may remain within budget on an annual basis, the timing of these expenditures often varies significantly from quarter to quarter.

In addition to normal maintenance capital expenditures, the Company is in the process of investing in specialized aluminum repair equipment. This equipment will allow the Company to support an anticipated market need as more vehicle components are produced using aluminum. The Company believes that expenditures in this area over the next six to twelve months may utilize $2.5 - $3.0 million of cash resources in excess of historical levels. Additional investments in the future will likely be required as the prevalence of aluminum components in the North American fleet increases.

In many circumstances, large equipment expenditures including automobiles, shop equipment and computers can be financed using either operating or finance leases. Cash spent on maintenance capital expenditures plus the repayment of operating and finance leases, including the interest thereon, form part of the distributable cash calculations.

Non-recurring and Other Adjustments

Non-recurring and other adjustments may include, but are not limited to, post closure environmental liabilities, restructuring costs and acquisition, transaction and process improvement costs. Management is not currently aware of any environmental remediation requirements. Acquisition, transaction and process improvement costs are added back to distributable cash as they occur.

Debt Management

In addition to finance lease obligations arranged to finance growth and maintenance expenditures on property and equipment, the Company has historically utilized long-term debt to finance the expansion of its business, usually through the acquisition and start-up of collision and glass repair and replacement businesses. Repayments of this debt do not form part of distributable cash calculations. Boyd’s bank facilities include restrictive covenants, which could limit the Fund’s ability to distribute cash. These covenants, based upon current financial results, would not prevent the Fund from paying future distributions at conservative and sustainable levels. These covenants will continue to be monitored in conjunction with any future anticipated distributions.

The following is a standardized and adjusted distributable cash calculation for 2014 and 2013.

Standardized and Adjusted Distributable Cash [1]								
(thousands of Canadian dollars, except per unit and per share amounts)	**For the three months ended June 30,**				**For the six months ended June 30,**			
		2014		2013		**2014**		2013
Cash flow from operating activities before changes in non-cash working capital items	**$**	**11,858**	$	5,686	**$**	**21,727**	$	11,010
Changes in non-cash working capital items		**5,228**		(52)		**7,331**		(2,371)
Cash flows from operating activities		**17,086**		5,634		**29,058**		8,639
Less adjustment for:								
Sustaining expenditures on plant, software and equipment [2]		**(1,234)**		(674)		**(2,912)**		(1,612)
Standardized distributable cash	**$**	**15,852**	$	4,960	**$**	**26,146**	$	7,027
Standardized distributable cash per average unit and Class A common share								
Per average unit and Class A common share	**$**	**1.035**	$	0.384	**$**	**1.707**	$	0.544
Per diluted unit and Class A common share [6]	**$**	**1.035**	$	0.384	**$**	**1.707**	$	0.544
Standardized distributable cash from above	**$**	**15,852**	$	4,960	**$**	**26,146**	$	7,027
Add (deduct) adjustments for:								
Collection of rebates [3]		**-**		412		**-**		819
Acquisition, transaction and process improvement costs [4]		**1,824**		476		**3,140**		838
Proceeds on sale of equipment and software		**57**		104		**75**		261
Principal repayments of finance leases [5]		**(984)**		(743)		**(1,982)**		(1,380)
Adjusted distributable cash	**$**	**16,749**	$	5,209	**$**	**27,379**	$	7,565
Adjusted distributable cash per average unit and Class A common share								
Per average unit and Class A common share	**$**	**1.094**	$	0.403	**$**	**1.788**	$	0.585
Per diluted unit and Class A common share [6]	**$**	**1.094**	$	0.403	**$**	**1.788**	$	0.585
Distributions and dividends paid								
Unitholders	**$**	**1,793**	$	1,467	**$**	**3,585**	$	2,934
Class A common shareholders		**45**		45		**90**		91
Total distributions and dividends paid	**$**	**1,838**	$	1,512	**$**	**3,675**	$	3,025
Distributions and dividends paid								
Per unit	**$**	**0.120**	$	0.117	**$**	**0.240**	$	0.234
Per Class A common share	**$**	**0.120**	$	0.117	**$**	**0.240**	$	0.234
Payout ratio based on standardized distributable cash		**11.6%**		30.5%		**14.1%**		43.0%
Payout ratio based on adjusted distributable cash		**11.0%**		29.0%		**13.4%**		40.0%

(1) As defined in the non-GAAP financial measures section of the MD&A.

(2) Includes sustaining expenditures on plant and equipment, information technology hardware and computer software but excludes capital expenditures associated with acquisition and development activities including rebranding of acquired locations. In addition to the maintenance capital expenditures paid with cash, during 2014 the Company acquired a further $1,009 (2013 - $1,101) in capital assets which were financed through finance leases and did not affect cash flows in the current period.

(3) The Company received prepaid rebates, under its previous trading partner arrangements, in quarterly installments until cancelled at September 30, 2013 as part of its renegotiation with its paint supplier.

(4) The Company has added back to distributable cash the costs related to acquisitions, completing transactions and process improvement initiatives.

(5) Repayments of these leases represent additional cash requirements to support the productive capacity of the Company and therefore have been deducted when calculating adjusted distributed cash.

(6) Per diluted unit and Class A common share amounts have been calculated in accordance with definitions of dilution and anitdilution contained in IAS 33, *Earnings per Share*. Diluted distributable cash amounts will differ from average distributable cash amounts on a per unit basis if earnings per unit calculations show a dilutive impact.

RESULTS OF OPERATIONS

Results of Operations	**For the three months ended June 30,**			**For the six months ended June 30,**		
(thousands of Canadian dollars, except per unit amounts)	**2014**	% change	2013	**2014**	% change	2013
Sales - Total	**202,815**	48.2	136,878	**386,457**	44.5	267,517
Same-store sales - Total (excluding foreign exchange)	**133,276**	7.3	124,191	**263,315**	7.3	245,403
Sales - Canada	**20,019**	2.0	19,636	**40,521**	3.9	38,996
Same-store sales - Canada	**18,784**	(1.1)	19,002	**38,053**	0.3	37,953
Sales - U.S.	**182,796**	55.9	117,242	**345,936**	51.4	228,521
Same-store sales - U.S. (excluding foreign exchange)	**114,492**	8.8	105,189	**225,262**	8.6	207,450
Gross margin %	**46.9**	3.3	45.4	**46.8**	3.5	45.2
Operating expense %	**38.0**	(1.8)	38.7	**38.2**	(1.5)	38.8
Adjusted EBITDA (1)	**18,065**	97.0	9,170	**33,107**	90.9	17,345
Acquisition, transaction and process improvement costs	**1,824**	283.2	476	**3,140**	274.7	838
Depreciation and amortization	**4,640**	58.6	2,926	**8,745**	48.2	5,901
Fair value adjustments	**17,542**	203.7	5,776	**24,938**	183.4	8,800
Finance costs	**1,725**	21.3	1,422	**3,084**	10.0	2,804
Income tax expense	**3,525**	210.0	1,137	**6,066**	294.2	1,539
Adjusted net earnings (1)	**8,466**	123.8	3,783	**15,722**	111.2	7,445
Adjusted net earnings per unit (1)	**0.567**	87.7	0.302	**1.052**	77.1	0.594
Adjusted net earnings per unit and Class A common share (1)	**0.553**	88.7	0.293	**1.027**	78.3	0.576
Net loss	**(11,191)**	336.0	(2,567)	**(12,866)**	407.1	(2,537)
Basic (loss) earnings per unit	**(0.749)**	265.4	(0.205)	**(0.861)**	326.2	(0.202)
Diluted (loss) earnings per unit	**(0.749)**	265.4	(0.205)	**(0.861)**	326.2	(0.202)
Standardized distributable cash (1)	**15,852**	219.6	4,960	**26,146**	272.1	7,027
Adjusted distributable cash (1)	**16,749**	221.5	5,209	**27,379**	261.9	7,565
Distributions and dividends paid	**1,838**	21.6	1,512	**3,675**	21.5	3,025

(1) As defined in the non-GAAP financial measures section of the MD&A.

2nd Quarter Comparison – Three months ended June 30, 2014 vs. 2013

Sales

Sales totalled $202.8 million for the three months ended June 30, 2014, an increase of $65.9 million or 48.2% compared to the same period last year. The increase in sales was the result of the following:

- $37.8 million of incremental sales were generated from 18 new single locations as well as 25 Hansen Collision ("Hansen") locations, 25 Collision Revision locations and 16 Collex locations.

- The glass business, which generates its strongest sales during the spring and summer months, contributed incremental sales of $12.8 million over the $10.3 million contributed in the same period last year, primarily due to the acquisition of Glass America.
- Same-store sales excluding foreign exchange increased $9.1 million or 7.3%, and increased a further $7.5 million due to the translation of same-store sales at a higher U.S. dollar exchange rate.
- Sales were affected by the closure of under-performing facilities which decreased sales by $1.3 million.

Same-store sales are calculated by including sales for stores that have been in operation for the full comparative period.

Sales by Geographic Region *(thousands of Canadian dollars)*	**For the three months ended June 30, 2014**	June 30, 2013
Canada	**$ 20,019**	$ 19,636
United States	**182,796**	117,242
	$ 202,815	$ 136,878
Canada	**9.9%**	14.3%
United States	**90.1%**	85.7%

Sales in Canada for the three months ended June 30, 2014 totalled $20.0 million, which was $0.4 million above sales for the same period last year. Increased sales resulted from a $0.9 million of sales from one new location offset by a $0.2 million or 1.1% same-store sales decline. The closure of one under-performing glass facility decreased sales by $0.3 million.

Sales in the U.S. for the three months ended June 30, 2014 totalled $182.8 million, an increase from 2013 of $65.6 million or 55.9% when compared to $117.2 million for same period last year. Increased sales in the U.S. resulted from the following:

- $7.1 million of sales were generated from 17 new locations acquired or started since April 1, 2013.
- $11.9 million of incremental sales were generated by 25 Hansen locations.
- $13.7 million of incremental sales were generated by 25 Collision Revision locations in the two and a half months of operation.
- $4.2 million of incremental sales were generated by 16 Collex locations in one month of operations.
- The glass business, which generates its strongest sales during the spring and summer months, contributed incremental sales of $12.8 million. The increase is primarily due to the acquisition of Glass America.
- Same-store sales increased $9.3 million or 8.8% excluding foreign exchange, and increased $7.5 million due to the translation of same-store sales at higher U.S. dollar exchange rates.
- Closures of underperforming repair facilities resulted in sales decreases of $1.0 million.

Gross Profit

Gross Profit was $95.0 million or 46.9% of sales for the three months ended June 30, 2014 compared to $62.2 million or 45.4% of sales for the same period in 2013. Gross profit dollars increased as a result of higher sales compared to the prior period. The gross margin percentage increased when compared with the prior period due to higher back-end paint discounts as well as higher margins in the glass business and the impact of a higher mix of these higher margin glass sales in relation to collision sales. Lower margin hail sales in the second quarter combined with the integration of recent acquisitions partly offset improvements.

Operating Expenses

Operating Expenses for the three months ended June 30, 2014 increased $24.0 million to $77.0 million from $53.0 million for the same period of 2013, primarily due to the acquisition of new locations. Excluding the impact of foreign currency translation of approximately $4.1 million, expenses increased $17.2 million from 2013 as a result of new locations and the expanded glass business as well as a further $3.1 million increase at same-store locations due primarily to same-store sales growth. Closed locations lowered operating expenses by a combined $0.4 million.

Operating expenses as a percentage of sales was 38.0% for the three months ended June 30, 2014 compared to 38.7% for the same period in 2013. The decrease in operating expenses as a percentage of sales were primarily due to the impact of higher sales levels leveraging the fixed component of operating expenses offset by higher operating expenses associated with the Company's expanded glass business.

Acquisition, Transaction and Process Improvement Costs

Acquisition, Transaction and Process Improvement Costs for the three months ended June 30, 2014 were $1.8 million compared to $0.5 million recorded for the same period of 2013. The costs in the second quarter of 2014 included approximately $0.8 million of process improvement costs related to an investment in consulting fees to enhance operating performance. The balance of the costs relate to the acquisition of Collision Revision, Collex and other completed or potential acquisitions. The costs in 2013 primarily relate to the acquisition of Glass America with the balance related to the acquisition of other completed or potential acquisitions.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to the exchangeable share liability, unit option liability, convertible debenture conversion feature and non-controlling interest put option, as well as acquisition, transaction and process improvement costs ("Adjusted EBITDA")[1] for the three months ended June 30, 2014 totalled $18.1 million or 8.9% of sales compared to Adjusted EBITDA of $9.2 million or 6.7% of sales in the same period of the prior year. The increase of $8.9 million was the result of improvements in same-store sales which contributed $3.6 million, combined with $4.8 million of incremental EBITDA contribution from the acquisition of the glass business, Hansen, Collision Revision, Collex and other single location growth. Changes in U.S. dollar exchange rates in 2014 offset by the closure of underperforming stores increased Adjusted EBITDA by $0.5 million.

Depreciation and Amortization

Depreciation of property, plant and equipment totalled $3.3 million or 1.6% of sales for the three months ended June 30, 2014, an increase of $1.2 million when compared to the $2.1 million or 1.5% of sales recorded in the same period of the prior year. The increase was primarily due to acquisitions of Glass America, Hansen and Collision Revision as well as new location growth.

Amortization of intangible assets for the three months ended June 30, 2014 totalled $1.4 million or 0.7% of sales, an increase of $0.5 million when compared to the $0.9 million or 0.6% of sales expensed for the same period in the prior year. The increase is primarily the result of recording additional intangible assets as a result of the acquisitions of Glass America, Hansen and Collision Revision.

Fair Value Adjustments

Fair value adjustment to the convertible debenture conversion feature resulted in non-cash expense related to the associated liability of $10.0 million, compared to $2.6 million in the same period last year. The fair value for the convertible debenture conversion feature is estimated using a Black-Scholes valuation model. The increase in the liability and the related expense is primarily the result of an increase in the market value of the Fund's units over conversion price.

Fair value adjustment to exchangeable Class A common shares resulted in a non-cash expense related to the increase in the associated liability of $2.6 million for the second quarter of 2014 compared to $1.5 million in the same period of the prior year. The exchangeable Class A common shares of BGHI are exchangeable into units of the Fund. This exchangeable feature results in the shares being presented as a financial liability of the Fund. The liability represents the value of the Fund attributable to these shareholders. Exchangeable Class A common shares are measured at the market price of the units of the Fund as of the statement of financial position date. The increase in the liability and the related expense for both periods is the result of increases in the market value of the Fund's units.

---

(1) As defined in the non-GAAP financial measures section of the MD&A.

Fair value adjustment to unit based payment obligation was a non-cash expense related to an increase in the associated liability of $4.0 million for the second quarter of 2014 compared to $1.6 million in the same period of the prior year. Similar to the exchangeable share liability, the unit option liability is impacted by changes in the market value of the Fund's units. The cost of cash-settled unit-based transactions is measured at fair value using a Black-Scholes model and expensed over the vesting period with the recognition of a corresponding liability. The increase in the liability and the related expense is primarily the result of an increase in the market value of the Fund's units.

Fair value adjustment to non-controlling interest put options resulted in a non-cash expense of $1.0 million for the second quarter of 2014 compared to $nil in the same period of the prior year. The expense relates to agreements the Fund entered into on May 31, 2013, in connection with the acquisition of Glass America, which provide the non-controlling interest partners with the right to require the Company to purchase their retained interest according to valuation formulas defined in the agreements. The value of the put options is determined by discounting the estimated future payment obligations at each statement of financial position date.

Finance Costs

Finance Costs of $1.7 million or 0.9% of sales for 2014, compared to $1.4 million or 1.0% of sales for the prior year. The finance cost is primarily the result of interest on seller notes, convertible debentures and draws on the revolving credit facility.

Income Tax Expense

Current and deferred income tax expense of $3.5 million in 2014 compares to an expense of $1.1 million in 2013. Income tax expense is impacted by permanent differences such as mark to market adjustments which impacts the tax computed on accounting income.

Net Loss and Loss Per Unit

Net loss for the three months ended June 30, 2014 was $11.2 million compared to a net loss of $2.6 million last year. The loss in 2014 was significantly impacted by fair value adjustments to financial instruments of $17.5 million as well as acquisition, transaction and process improvement costs of $1.8 million. Excluding the impact of these adjustments as well as the amortization of brand names, net earnings would have increased to $8.5 million or 4.2% of sales. This compares to adjusted earnings of $3.8 million or 2.8% of sales for the same period in 2013 if the same items were adjusted. The increase in the adjusted net earnings for the year is the result of the contribution of new acquisitions and new location growth as well as increases in same-store sales.

Basic and Diluted Loss Per Unit was a loss of $0.749 per unit for the three months ended June 30, 2014 compared to a loss of $0.205 per unit in the same period in 2013. The increase to the basic and diluted loss per unit amounts is primarily due to the impact of the fair value adjustments. Excluding the impact of the fair value adjustments, acquisition, transaction and process improvement costs and brand name amortization, basic and diluted earnings per unit would have increased to $0.567 for the three months ended June 30, 2014 compared to $0.302 for the same period in the prior year.

Year-to-date Comparison – Six months ended June 30, 2014 vs. 2013

Sales

Sales totalled $386.5 million for the six months ended June 30, 2014, an increase of $118.9 million or 44.5% compared to the same period last year. The increase in sales was the result of the following:

- $60.6 million of incremental sales were generated from 23 new single locations as well as 25 Hansen Collision ("Hansen") locations, 25 Collision Revision locations and 16 Collex locations.
- The glass business, which generates its strongest sales during the spring and summer months, contributed incremental sales of $24.3 million over the $16.7 million contributed in the same period last year, primarily due to the acquisition of Glass America.
- Same-store sales excluding foreign exchange increased $17.9 million or 7.3%, and increased a further $18.0 million due to the translation of same-store sales at a higher U.S. dollar exchange rate.
- Sales were affected by the closure of under-performing facilities which decreased sales by $1.9 million.

Same-store sales are calculated by including sales for stores that have been in operation for the full comparative period.

Sales by Geographic Region *(thousands of Canadian dollars)*	For the six months ended June 30, **2014**	2013
Canada	**$ 40,521**	$ 38,996
United States	**345,936**	228,521
	$ 386,457	$ 267,517
Canada	**10.5%**	14.6%
United States	**89.5%**	85.4%

Sales in Canada for the six months ended June 30, 2014 totalled $40.5 million, which was $1.5 million above sales for the same period last year. Increased sales resulted from a $2.1 million of sales from one new location and by a $0.1 million or 0.3% same-store sales increase. The closure of one under-performing glass facility decreased sales by $0.7 million.

Sales in the U.S. for the six months ended June 30, 2014 totalled $345.9 million, an increase from 2013 of $117.4 million or 51.4% when compared to $228.5 million for same period last year. Increased sales in the U.S. resulted from the following:

- $16.5 million of sales were generated from 22 new locations acquired or started since January 1, 2013.
- $24.1 million of incremental sales were generated by 25 Hansen locations.
- $13.7 million of incremental sales were generated by 25 Collision Revision locations in the two and a half months of operation.
- $4.2 million of incremental sales were generated by 16 Collex locations in one month of operations.
- The glass business, which generates its strongest sales during the spring and summer months, contributed incremental sales of $24.3 million. The increase is primarily due to the acquisition of Glass America.
- Same-store sales increased $17.8 million or 8.6% excluding foreign exchange, and increased $18.0 million due to the translation of same-store sales at higher U.S. dollar exchange rates.
- Closures of underperforming repair facilities resulted in sales decreases of $1.2 million.

Gross Profit

Gross Profit was $180.7 million or 46.8% of sales for the six months ended June 30, 2014 compared to $121.0 million or 45.2% of sales for the same period in 2013. Gross profit dollars increased as a result of higher sales compared to the prior period. The gross margin percentage increased when compared with the prior period due to higher back-end paint discounts, higher margins in the glass business and the impact of a higher mix of these higher margin glass sales in relation to collision sales.

Operating Expenses

Operating Expenses for the six months ended June 30, 2014 increased $43.9 million to $147.6 million from $103.7 million for the same period of 2013, primarily due to the acquisition of new locations. Excluding the impact of foreign currency translation of approximately $9.4 million, expenses increased $29.6 million from 2013 as a result of new locations and the expanded glass business as well as a further $5.6 million increase at same-store locations due primarily to same-store sales growth. Closed locations lowered operating expenses by a combined $0.7 million.

Operating expenses as a percentage of sales was 38.2% for the six months ended June 30, 2014 compared to 38.8% for the same period in 2013. The decrease in operating expenses as a percentage of sales was primarily due to the impact of higher sales levels leveraging the fixed component of operating expenses offset by higher operating expenses.

Acquisition, Transaction and Process Improvement Costs

Acquisition, Transaction and Process Improvement Costs for the six months ended June 30, 2014 were $3.1 million compared to $0.8 million recorded for the same period of 2013. The costs in the first six months of 2014 included approximately $1.5 million of process improvement costs related to an investment in consulting fees to enhance operating performance. The balance of the costs relate to the acquisition of Collision Revision, Collex and other completed or potential acquisitions. The costs in 2013 primarily relate to the acquisition of Glass America with the balance related to the acquisition of other completed or potential acquisitions.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to the exchangeable share liability, unit option liability, convertible debenture conversion feature and non-controlling interest put option, as well as acquisition, transaction and process improvement costs ("Adjusted EBITDA")[1] for the six months ended June 30, 2014 totalled $33.1 million or 8.6% of sales compared to Adjusted EBITDA of $17.3 million or 6.5% of sales in the same period of the prior year. The increase of $15.8 million was the result of improvements in same-store sales which contributed $7.1 million, combined with $7.5 million of incremental EBITDA contribution from the acquisition of the glass business, Hansen, Collision Revision, Collex and other single location growth. Changes in U.S. dollar exchange rates in 2014 offset by the closure of underperforming stores increased Adjusted EBITDA by $1.2 million.

Depreciation and Amortization

Depreciation of property, plant and equipment totalled $6.2 million or 1.6% of sales for the six months ended June 30, 2014, an increase of $2.2 million when compared to the $4.0 million or 1.5% of sales recorded in the same period of the prior year. The increase was primarily due to acquisitions of Glass America, Hansen and Collision Revision as well as new location growth.

Amortization of intangible assets for the six months ended June 30, 2014 totalled $2.6 million or 0.7% of sales, an increase of $0.7 million when compared to the $1.9 million or 0.7% of sales expensed for the same period in the prior year. The increase is primarily the result of recording additional intangible assets as a result of the acquisitions of Glass America, Hansen and Collision Revision.

Fair Value Adjustments

Fair value adjustment to the convertible debenture conversion feature resulted in non-cash expense related to the associated liability of $13.1 million, compared to $3.5 million in the same period last year. The fair value for the convertible debenture conversion feature is estimated using a Black-Scholes valuation model. The increase in the liability and the related expense is primarily the result of an increase in the market value of the Fund's units over conversion price.

Fair value adjustment to exchangeable Class A common shares resulted in a non-cash expense related to the increase in the associated liability of $3.5 million for the first six months of 2014 compared to $2.6 million in the same period of the prior year. The exchangeable Class A common shares of BGHI are exchangeable into units of the Fund. This exchangeable feature results in the shares being presented as a financial liability of the Fund. The liability represents the value of the Fund attributable to these shareholders. Exchangeable Class A common shares are measured at the market price of the units of the Fund as of the statement of financial position date. The increase in the liability and the related expense for both periods is the result of increases in the market value of the Fund's units.

Fair value adjustment to unit based payment obligation was a non-cash expense related to an increase in the associated liability of $5.6 million for the first six months of 2014 compared to $2.7 million in the same period of the prior year. Similar to the exchangeable share liability, the unit option liability is impacted by changes in the market value of the Fund's units. The cost of cash-settled unit-based transactions is measured at fair value using a Black-Scholes model and expensed over the vesting period with the recognition of a corresponding liability. The increase in the liability and the related expense is primarily the result of an increase in the market value of the Fund's units.

---

(1) As defined in the non-GAAP financial measures section of the MD&A.

Fair value adjustment to non-controlling interest put options resulted in a non-cash expense of $2.8 million for the first six months of 2014 compared to $nil in the same period of the prior year. The expense relates to agreements the Fund entered into on May 31, 2013, in connection with the acquisition of Glass America, which provide the non-controlling interest partners with the right to require the Company to purchase their retained interest according to valuation formulas defined in the agreements. The value of the put options is determined by discounting the estimated future payment obligations at each statement of financial position date.

Finance Costs

Finance Costs of $3.1 million or 0.8% of sales for 2014, compared to $2.8 million or 1.0% of sales for the prior year. The finance cost is primarily the result of interest on seller notes, convertible debentures and draws on the revolving credit facility.

Income Tax Expense

Current and deferred income tax expense of $6.1 million in 2014 compares to an expense of $1.5 million in 2013. Income tax expense is impacted by permanent differences such as mark to market adjustments which impacts the tax computed on accounting income.

Net Loss and Loss Per Unit

Net loss for the six months ended June 30, 2014 was a loss of $12.9 million compared to a loss of $2.5 million last year. The loss in 2014 was significantly impacted by fair value adjustments to financial instruments of $24.9 million as well as acquisition, transaction and process improvement costs of $3.1 million. Excluding the impact of these adjustments as well as the amortization of brand names, net earnings would have increased to $15.7 million or 4.1% of sales. This compares to adjusted earnings of $7.4 million or 2.8% of sales for the same period in 2013 if the same items were adjusted. The increase in the adjusted net earnings for the year is the result of the contribution of new acquisitions and new location growth as well as increases in same-store sales.

Basic and Diluted Loss Per Unit was a loss of $0.861 per unit for the six months ended June 30, 2014 compared to a loss of $0.202 per unit in the same period in 2013. The decrease to the basic and diluted earnings per unit amounts is primarily due to the impact of the fair value adjustments. Excluding the impact of the fair value adjustments, acquisition, transaction and process improvement costs and brand name amortization, basic and diluted earnings per unit would have increased to $1.052 for the six months ended June 30, 2014 compared to $0.594 for the same period in the prior year.

Summary of Quarterly Results *(in thousands of Canadian dollars, except per unit and percentage amounts)*	**2014 Q2**	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3
Sales	**$ 202,815**	$ 183,642	$ 161,127	$ 149,616	$ 136,878	$ 130,639	$ 115,000	$ 109,080
Adjusted EBITDA [1]	**$ 18,065**	$ 15,042	$ 13,533	$ 10,622	$ 9,170	$ 8,175	$ 8,601	$ 7,471
Adjusted EBITDA % [1]	**8.9%**	8.2%	8.4%	7.1%	6.7%	6.3%	7.5%	6.8%
Net earnings (loss)	**$ (11,191)**	$ (1,675)	$ (6,901)	$ (2,157)	$ (2,567)	$ 30	$ 2,356	$ 1,504
Basic earnings (loss) per share	**$ (0.749)**	$ (0.112)	$ (0.480)	$ (0.191)	$ (0.205)	$ 0.002	$ 0.188	$ 0.119
Diluted earnings (loss) per share	**$ (0.749)**	$ (0.112)	$ (0.480)	$ (0.191)	$ (0.205)	$ 0.002	$ 0.188	$ 0.119
Adjusted net earnings [1]	**$ 8,466**	$ 7,256	$ 6,422	$ 4,590	$ 3,783	$ 3,662	$ 4,995	$ 3,269
Adjusted net earnings per unit [1]	**$ 0.567**	$ 0.486	$ 0.446	$ 0.346	$ 0.302	$ 0.292	$ 0.398	$ 0.261
Adjusted net earnings per unit and Class A common share [1]	**$ 0.553**	$ 0.474	$ 0.419	$ 0.334	$ 0.293	$ 0.283	$ 0.386	$ 0.253

[1] As defined in the non-GAAP financial measures section of the MD&A.

The above table demonstrates the significant growth of the Company with sales and Adjusted EBITDA showing steady increases. The increase in Adjusted EBITDA percentage in recent quarters is primarily the result of higher back-end paint discounts which began at the beginning of the fourth quarter of 2013 as well as growth in same-store sales. The net earnings (loss) since the first quarter of 2013 have been significantly impacted by the fair value adjustments for exchangeable Class A

common shares, unit options and the convertible debenture conversion feature, which reduced net earnings. Net earnings (loss) have also been negatively impacted by expensing acquisition, transaction and process improvement costs.

LIQUIDITY AND CAPITAL RESOURCES

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 requirements, capital expenditures and distributions. At June 30, 2014, the Fund had cash, net of operating line draws, outstanding deposits and cheques, held on deposit in U.S. bank accounts totaling $31.1 million (December 31, 2013 - $19.3 million). The net working capital ratio (current assets divided by current liabilities) was 0.96:1 at June 30, 2014 (December 31, 2013 – 1.05:1).

At June 30, 2014, the Fund had total debt outstanding, net of cash, of $109.9 million compared to $44.8 million at March 31, 2014, $48.4 million at December 31, 2013, $70.5 million at September 30, 2013 and $56.2 million at June 30, 2013. Debt, net of cash increased in the second quarter of 2014 as a result of additional seller loans and draws on the revolving bank debt facility related to the acquisitions of Collision Revision and Collex.

Total debt, net of cash *(thousands of Canadian dollars)*	**June 30, 2014**	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013
Bank debt	**$ 49,756**	$ 5,069	$ -	$ 30,102	$ 31,158
Convertible debenture	**31,269**	31,116	30,971	30,807	30,648
Seller notes [1]	**51,306**	27,968	27,129	25,814	18,830
Obligations under finance leases	**8,684**	9,286	9,588	9,297	8,334
Total debt	**$ 141,015**	$ 73,439	$ 67,688	$ 96,020	$ 88,970
Cash	**31,122**	28,680	19,304	25,565	32,777
Total debt, net of cash	**$ 109,893**	$ 44,759	$ 48,384	$ 70,455	$ 56,193

[1] Seller notes are loans granted to the Company by the sellers of businesses related to the acquisiton of those businesses.

Operating Activities

Cash flow generated from operations, before considering working capital changes, was $11.9 million for the three months ended June 30, 2014 compared to $5.7 million for the same period in 2013. The increase was primarily due to increased Adjusted EBITDA in the second quarter of 2014 resulting from the acquisitions of Glass America, Hansen, Collision Revision, Collex and other new single locations as well as same-store sales growth and higher back-end paint discounts.

For the second quarter of 2014, changes in working capital items provided net cash of $5.2 million compared with using net cash of $0.1 million in 2013. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures. The change in working capital for 2014 benefited by the growth in an accrual for income taxes of approximately $3.0 million as a result of the higher current income tax expense recorded in the quarter.

Cash flow generated from operations, before considering working capital changes, was $21.7 million for the six months ended June 30, 2014, compared to $11.0 million for the same period in 2013. This increase reflected higher Adjusted EBITDA due to acquisitions and same-store sales growth and higher back-end paint discounts.

For the six months ended June 30, 2014, changes in working capital items provided net cash of $7.3 million compared with using net cash of $2.4 million in 2013. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures. The change in working capital for 2014 benefited by the growth in an accrual for income taxes of approximately $3.0 million as a result of the higher current income tax expense in the second quarter and the draw down of income tax instalments of approximately $1.5 million as a result of the current income tax expense recorded in the first quarter. Working capital in the first quarter of 2013 was negatively impacted by $0.7 million, due to a timing difference between receipt of funds from employees under the senior managers unit loan program and outflow of these funds.

Financing Activities

Cash provided by financing activities totalled $41.6 million for the three months ended June 30, 2014 compared to cash used by financing activities of $2.3 million in the second quarter of the prior year. During 2014, cash was provided by a draw of long-term debt in the amount of $13.2 million to fund part of the purchase price associated with Collision Revision and a further $43.6 million to fund the majority of the purchase price of Collex. Cash was used to repay the revolving credit facility in the amount of $10.9 million and long-term debt on seller notes in the amount of $1.4 million, to repay finance leases in the amount of $1.0 million and distributions paid to unitholders and dividends to Class A common shareholders totaling $1.8 million. Cash used in financing activities for the same period in 2013 included repayment of long-term debt totaling $1.3 million, the repayment of finance leases in the amount of $0.7 million and distributions paid to unitholders and dividends to Class A common shareholders totaling $1.5 million, partially offset by rebates received of $1.2 million.

Cash provided by financing activities totalled $43.8 million for the six months ended June 30, 2014 compared to cash used by financing activities of $3.9 million for the same period of the prior year. During 2014, cash was provided by a draw of long-term debt in the amount of $6.0 million to fund the remaining purchase price associated with Hansen, $13.2 million to fund part of the purchase price associated with Collision Revision and a further $43.6 million to fund the majority of the purchase price of Collex. Cash was used to repay the revolving credit facility in the amount of $10.9 million and long-term debt on seller notes in the amount of $2.4 million, to repay finance leases in the amount of $2.0 million and distributions paid to unitholders and dividends to Class A common shareholders totaling $3.7 million. Cash used in financing activities for the same period in 2013 included repayment of long-term debt totaling $2.5 million, the repayment of finance leases in the amount of $1.4 million and distributions paid to unitholders and dividends to Class A common shareholders totaling $3.0 million, partially offset by rebates received of $1.6 million and $1.4 million proceeds from a sale-leaseback transaction of owned real estate for a facility located in Garner, North Carolina. The Garner property was acquired in the last quarter of 2012 with the intention to enter into a lease with a third party, which did not occur until the first quarter of 2013.

Debt Financing

On December 20, 2013, the Company entered into a new five year $100 million U.S. revolving credit facility, with an accordion feature which can increase the facility to a maximum of $135 million U.S. The facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as by guarantees of the Fund and BGHI. During the first quarter of 2014, the Company drew approximately $6.0 million on the facility in the U.S. ($5.5 million U.S.). During the second quarter of 2014, the Company drew approximately $56.8 million on the facility in the U.S. ($52.0 million U.S.) and repaid approximately $10.9 million ($10 million).

The Company supplements its debt financing by negotiating with sellers in certain acquisitions to provide financing to the Company in the form of term notes. The notes payable to sellers are typically at favourable interest rates and for terms of 5-10 years. This source of financing is another means of supporting the Fund's growth, at a relatively low cost. During the first quarter of 2014, the Company drew $0.8 million in new debt from sellers. In the second quarter, the Company drew $19.1 million in new debt in association with the acquisition of Collision Revision and $5.0 million in new debt in association with Collex.

The Fund has traditionally used finance leases to finance a portion of both its maintenance and expansion capital expenditures. During the first six months of 2014, the Fund entered into or assumed through acquisition, finance leases for vehicles and equipment in the amount of $1.0 million (2013 - $3.3 million). In the first six months of 2013, $1.8 million in finance leases were assumed as part of the acquisition of Glass America. At June 30, 2014, the Fund owed $8.7 million in finance lease obligations compared to $9.6 million at December 31, 2013.

Investing Activities

Cash used in investing activities totalled $55.9 million for the three months ended June 30, 2014, compared to $9.1 million used in the prior year. The activity in both periods relates primarily to acquisitions and new location growth that occurred during these periods as well as spending to maintain the Company's productive capacity.

Cash used in investing activities totalled $60.8 million for the six months ended June 30, 2014, compared to $12.0 million used in the prior year. The activity in both periods relates primarily to acquisitions and new location growth that occurred during these periods as well as spending to maintain the Company's productive capacity.

Sustaining Capital Expenditures

The Fund spent approximately $2.9 million or 0.8% of sales on the acquisition of software, equipment and facility upgrades during the first six months of 2014, compared to $1.6 million or 0.6% of sales during the same period in 2013.

RELATED PARTY TRANSACTIONS

The Fund has not entered into any new related party transactions beyond the items disclosed in the 2013 annual report.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements that present fairly the financial position, financial condition and results of operations in accordance with Canadian generally accepted accounting principles requires that the Fund make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the statement of financial position date and reported amounts of sales and expenses during the reporting period. Actual results could differ materially from these estimates.

The critical accounting estimates are substantially unchanged from those identified in the 2013 annual MD&A.

FUTURE ACCOUNTING STANDARDS

The following is an overview of accounting standard changes that the Fund will be required to adopt in future years:

IFRS 15, *Revenue from Contracts with Customers*, was issued by the International Accounting Standards Board on May 28, 2014 and will replace current guidance found in IAS 11, *Construction Contracts* and IAS 18, *Revenue*. IFRS 15 outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers and is effective for reporting periods beginning on or after January 1, 2017 with early application permitted. A choice of retrospective application or a modified transition approach is provided. The Fund is currently evaluating the impact of adopting IFRS 15 on its financial statements.

IFRS 9, *Financial Instruments*, was issued by the IASB on July 24, 2014 and will replace current guidance found in IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The new standard will come into effect on January 1, 2018 with early application permitted. The Fund is currently evaluating the impact of adoption IFRS 9 on its financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Fund's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the second quarter of 2014, there have been no changes in the Fund's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Fund's internal control over financial reporting. The design of internal controls at Collision Revision has been considered and based on the pre-existing controls in place and oversight controls implemented, no areas of immediate concern with respect to disclosure controls and procedures or internal controls have been identified. However, due to the short period since the acquisition, a full assessment has not been completed. As a result, the Fund has noted this limitation in the certificates and provides the following summary information with respect to Collision Revision. For the period of April 1, 2014 to June 30, 2014 Collision Revision reported sales of $13.7 million and net earnings of $0.3 million. As at June 30, 2014, Collision Revision reported current assets of $8.7 million, current liabilities of $8.6 million, long-term assets of $0.2 million and long-term liabilities of $4.2 million. Due to the short period since the acquisition of Collex, an assessment on this business has not been completed. The Company is also making use of the limitation for this acquisition. For the period of April 1, 2014 to June 30, 2014, Collex reported sales of $4.2 million and net earnings of $0.2 million. As at June 30, 2014, Collex reported current assets of $12.0 million, current liabilities of $11.8 million, long-term assets of $nil and long-term liabilities of $nil.

BUSINESS RISKS AND UNCERTAINTIES

Risks and uncertainties affecting the business remain substantially unchanged from those identified in the 2013 annual MD&A.

ADDITIONAL INFORMATION

The Fund's units and convertible debentures trade on the Toronto Stock Exchange under the symbols TSX: BYD.UN and TSX: BYD.DB. Additional information relating to the Boyd Group Income Fund is available on SEDAR (www.sedar.com) and our website (www.boydgroup.com).

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Brock Bulbuck, Chief Executive Officer of the Boyd Group Income Fund**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of the **Boyd Group Income Fund**, (the "issuer") for the interim period ended **June 30, 2014**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

    (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

    i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

    ii)information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

    (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsor Organizations of the Treadway Commission ("COSO") framework in Internal Control – Integrated Framework.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 **Limitation on scope of design:**

(a) the fact that the issuer's other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of

i) N/A

ii) N/A

iii) A business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and

(b) summary financial information about the proportionately consolidated entity, special purpose entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

6. ***Reporting Changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on April 1, 2014 and ended on June 30, 2014 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 14, 2014

(signed)

Brock Bulbuck
Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Dan Dott, Chief Financial Officer of the Boyd Group Income Fund**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of the **Boyd Group Income Fund**, (the "issuer") for the interim period ended **June 30, 2014**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim report do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

    (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

    (i.) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

    (ii.) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

    (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsor Organizations of the Treadway Commission ("COSO") framework in Internal Control – Integrated Framework.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 **Limitation on scope of design:**

(a) the fact that the issuer's other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of

iii) N/A

iv) N/A

iii) A business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and

(b) summary financial information about the proportionately consolidated entity, special purpose entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

6. ***Reporting Changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on April 1, 2014 and ended on June 30, 2014 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 14, 2014

(signed)

Dan Dott, C.A.
Vice President & Chief Financial Officer

BOYD GROUP INCOME FUND

Interim Condensed Consolidated Financial Statements

Three and Six Months Ended June 30, 2014

Notice: These interim condensed consolidated financial statements have not been audited or reviewed by the Fund's independent external auditors, Deloitte LLP.

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)
(thousands of Canadian dollars)

As at	Note	**June 30, 2014**	December 31, 2013
Assets			
Current assets:			
Cash		**$ 31,122**	$ 19,304
Accounts receivable		**48,586**	42,168
Current portion of note receivable		**42**	-
Income taxes recoverable		**-**	1,541
Inventory		**11,928**	11,431
Prepaid expenses		**7,698**	5,259
		99,376	79,703
Note receivable		**968**	924
Property, plant and equipment	*5*	**75,995**	63,925
Deferred income tax asset		**-**	2,389
Deferred financing costs	*9*	**-**	1,010
Intangible assets	*6*	**68,307**	60,756
Goodwill	*7*	**152,055**	73,561
		$ 396,701	$ 282,268
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 90,362**	$ 66,229
Income taxes payable		**3,005**	-
Distributions payable	*8*	**598**	597
Dividends payable	*11*	**15**	15
Current portion of long-term debt	*9*	**6,603**	4,448
Current portion of obligations under finance leases		**3,366**	3,636
Current portion of settlement accrual		**-**	820
		103,949	75,745
Long-term debt	*9*	**94,459**	22,681
Obligations under finance leases		**5,318**	5,952
Convertible debenture	*11*	**31,269**	30,971
Convertible debenture conversion feature	*11*	**27,895**	14,786
Deferred income tax liability		**7,892**	4,874
Contingent consideration liability	*4*	**2,989**	-
Exchangeable Class A common shares	*11*	**14,938**	11,689
Unit based payment obligation	*12*	**16,837**	11,256
Non-controlling interest put options	*11*	**23,103**	20,340
		328,649	198,294
Equity			
Accumulated other comprehensive earnings		**5,965**	5,685
Deficit		**(80,103)**	(63,652)
Unitholders' capital		**138,188**	137,939
Contributed surplus		**4,002**	4,002
		68,052	83,974
		$ 396,701	$ 282,268

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

Approved by the Board:

BROCK BULBUCK
Trustee

ALLAN DAVIS
Trustee

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)
(thousands of Canadian dollars, except unit amounts)

	Note	Unitholders' Capital Units	Unitholders' Capital Amount	Contributed Surplus	Accumulated Other Comprehensive Earnings (Loss)	Deficit	Total Equity
Balances - January 1, 2013		12,538,516	$ 74,865	$ 4,002	$ (1,265)	$ (35,998)	$ 41,604
Issue costs (net of tax of $992)		-	(2,809)				(2,809)
Units issued from treasury							
Units issued through public offering		2,300,000	63,480				63,480
Units issued in connection with acquisitions		83,721	2,110				2,110
Retractions	11	11,463	283				283
Conversion of convertible debenture		427	10				10
Other comprehensive earnings					6,950		6,950
Net loss						(11,595)	(11,595)
Comprehensive loss					6,950	(11,595)	(4,645)
Equity contributed by non-controlling interest						8,365	8,365
Recognition of non-controlling interest put option liabilities						(18,242)	(18,242)
Distributions to unitholders	8					(6,182)	(6,182)
Balances - December 31, 2013		14,934,127	$ 137,939	$ 4,002	$ 5,685	$ (63,652)	$ 83,974
Issue costs (net of tax of $nil)			(27)				(27)
Retractions	11	6,598	229				229
Conversion of convertible debenture		2,007	47				47
Other comprehensive earnings					280		280
Net loss						(12,866)	(12,866)
Comprehensive earnings					280	(12,866)	(12,586)
Distributions to unitholders	8					(3,585)	(3,585)
Balances - June 30, 2014		14,942,732	$ 138,188	$ 4,002	$ 5,965	$ (80,103)	$ 68,052
Balances - January 1, 2013		12,538,516	$ 74,865	$ 4,002	$ (1,265)	$ (35,998)	$ 41,604
Issue costs (net of tax of $nil)		-	(26)				(26)
Retractions	11	2,437	43				43
Other comprehensive earnings					4,846		4,846
Net loss						(2,537)	(2,537)
Comprehensive earnings					4,846	(2,537)	2,309
Equity contributed by non-controlling interest						9,943	9,943
Recognition of non-controlling interest put option liabilities						(16,389)	(16,389)
Distributions to unitholders	8					(2,934)	(2,934)
Balances - June 30, 2013		12,540,953	$ 74,882	$ 4,002	$ 3,581	$ (47,915)	$ 34,550

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

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS (Unaudited)
(thousands of Canadian dollars, except unit and per unit amounts)

	Note	Three months ended June 30, **2014**	2013	Six months ended June 30, **2014**	2013
Sales	*14*	**$ 202,815**	$ 136,878	**$ 386,457**	$ 267,517
Cost of sales		**107,770**	74,683	**205,729**	146,493
Gross profit		**95,045**	62,195	**180,728**	121,024
Operating expenses		**76,980**	53,025	**147,621**	103,679
Acquisition, transaction and process improvement costs	*4*	**1,824**	476	**3,140**	838
Depreciation of property, plant and equipment		**3,259**	2,077	**6,164**	3,998
Amortization of intangible assets		**1,381**	849	**2,581**	1,903
Fair value adjustments	*10*	**17,542**	5,776	**24,938**	8,800
Finance costs		**1,725**	1,422	**3,084**	2,804
		102,711	63,625	**187,528**	122,022
Loss before income taxes		**(7,666)**	(1,430)	**(6,800)**	(998)
Income tax expense					
Current		**2,974**	606	**4,856**	606
Deferred		**551**	531	**1,210**	933
		3,525	1,137	**6,066**	1,539
Net loss		**$ (11,191)**	$ (2,567)	**$ (12,866)**	$ (2,537)

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

	Note	Three months ended June 30, **2014**	2013	Six months ended June 30, **2014**	2013
Basic loss per unit	*15*	**$ (0.749)**	$ (0.205)	**$ (0.861)**	$ (0.202)
Diluted loss per unit	*15*	**$ (0.749)**	$ (0.205)	**$ (0.861)**	$ (0.202)
Weighted average number of units outstanding	*15*	**14,941,599**	12,540,938	**14,938,937**	12,539,990

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) EARNINGS (Unaudited)
(thousands of Canadian dollars)

	Three months ended June 30, **2014**	2013	Six months ended June 30, **2014**	2013
Net loss	**$ (11,191)**	$ (2,567)	**$ (12,866)**	$ (2,537)
Other comprehensive (loss) earnings				
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Loss				
Change in unrealized (loss) earnings on translating financial statements of foreign operations	**(4,609)**	3,082	**280**	4,846
Other comprehensive (loss) earnings	**(4,609)**	3,082	**280**	4,846
Comprehensive (loss) earnings	**$ (15,800)**	$ 515	**$ (12,586)**	$ 2,309

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

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(thousands of Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
Cash flows from operating activities				
Net loss	**$ (11,191)**	$ (2,567)	**$ (12,866)**	$ (2,537)
Items not affecting cash				
Fair value adjustments	**17,542**	5,776	**24,938**	8,800
Deferred income taxes	**551**	531	**1,210**	933
Amortization of discount on convertible debt	**180**	167	**346**	320
Amortization of deferred finance costs	**106**	-	**106**	-
Amortization of intangible assets	**1,381**	849	**2,581**	1,903
Depreciation of property, plant and equipment	**3,259**	2,077	**6,164**	3,998
Amortization of unearned rebates	**-**	(913)	**-**	(1,803)
Gain on disposal of equipment and software	**(15)**	(7)	**(22)**	(67)
Interest accrued on Exchangeable Class A common shares	**45**	46	**90**	91
Payment of accrued settlement obligation	**-**	(273)	**(820)**	(628)
	11,858	5,686	**21,727**	11,010
Changes in non-cash working capital items	**5,228**	(52)	**7,331**	(2,371)
	17,086	5,634	**29,058**	8,639
Cash flows provided by (used in) financing activities				
Issue costs	**-**	-	**(27)**	(26)
Increase in obligations under long-term debt	**45,871**	-	**51,889**	-
Repayment of long-term debt	**(1,369)**	(1,305)	**(2,389)**	(2,491)
Repayment of obligations under finance leases	**(984)**	(743)	**(1,982)**	(1,380)
Proceeds on sale-leaseback agreement	**-**	-	**-**	1,371
Dividends paid on Exchangeable Class A common shares	**(45)**	(45)	**(90)**	(91)
Distributions paid to unitholders	**(1,793)**	(1,467)	**(3,585)**	(2,934)
Increase in unearned rebates	**-**	828	**-**	828
Increase in deferred financing costs	**(52)**	-	**(52)**	-
Collection of rebates receivable	**-**	412	**-**	819
	41,628	(2,320)	**43,764**	(3,904)
Cash flows used in investing activities				
Proceeds on sale of equipment and software	**57**	104	**75**	261
Equipment purchases and facility improvements	**(1,172)**	(638)	**(2,787)**	(1,515)
Acquisition and development of businesses (net of cash acquired)	**(54,815)**	(8,579)	**(58,068)**	(9,763)
Software purchases and licensing	**(62)**	(36)	**(125)**	(97)
Senior managers unit loan program	**66**	32	**131**	(899)
	(55,926)	(9,117)	**(60,774)**	(12,013)
Effect of foreign exchange rate changes on cash	**(346)**	580	**(230)**	1,079
Net increase (decrease) in cash position	**2,442**	(5,223)	**11,818**	(6,199)
Cash, beginning of period	**28,680**	38,000	**19,304**	38,976
Cash, end of period	**$ 31,122**	$ 32,777	**$ 31,122**	$ 32,777
Income taxes paid	**$ 75**	$ 105	**$ 204**	$ 315
Interest paid	**$ 2,222**	$ 1,162	**$ 3,590**	$ 2,414

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

1. GENERAL INFORMATION

Boyd Group Income Fund (the "Fund" or "BGIF") is an unincorporated, open-ended mutual fund trust established under the laws of the Province of Manitoba, Canada on December 16, 2002. It was established for the purposes of acquiring and holding a majority interest in The Boyd Group Inc. (the "Company"). The Company is partially owned by Boyd Group Holdings Inc. ("BGHI"), which is controlled by the Fund. These financial statements reflect the activities of the Fund, the Company and all its subsidiaries including BGHI. The Company's business consists of the ownership and operation of autobody/autoglass repair facilities. At the reporting date, the Company operated locations in five Canadian provinces under the trade name Boyd Autobody & Glass, as well as in 15 U.S. states under the trade names Gerber Collision & Glass, Collision Revision and Collex Collision Experts. The Company is also a major retail auto glass operator in the U.S. with locations across 28 U.S. states under the trade names Gerber Collision & Glass, Glass America, Auto Glass Services, Auto Glass Only, Auto Glass Authority and S&L Glass. The Company also operates two third party administrators that offer first notice of loss, glass and related services. Gerber National Glass Services ("GNGS") is an auto glass repair and replacement referral business with approximately 3,000 affiliated service providers throughout the U.S. under the "Gerber National Glass Services" name and "Netcost Claims Services" which, in addition to its referral business, also owns and operates its own call center and offers roadside assistance services. The Fund's units and convertible debentures trade on the Toronto Stock Exchange under the symbols TSX: BYD.UN and TSX: BYD.DB. The head office and principal address of the Fund are located at 3570 Portage Avenue, Winnipeg, Manitoba, Canada, R3K 0Z8.

The policies applied in these interim condensed consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of August 13, 2014, the date the Board of Trustees approved the statements. Any subsequent changes to IFRS that are given effect in the Fund's annual consolidated financial statements for the year ending December 31, 2014 could result in restatement of these interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES

These interim condensed consolidated financial statements for the three and six months ended June 30, 2014 have been prepared in accordance with IAS 34, "Interim financial reporting" using the same accounting policies and methods of computation followed in the consolidated financial statements for the year ended December 31, 2013. During the three and six months ended June 30, 2014, the Fund did not adopt any changes in accounting policy that resulted in a material impact to the financial statements of the Fund. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS.

3. FUTURE ACCOUNTING STANDARDS NOT YET EFFECTIVE

The following is an overview of accounting standard changes that the Fund will be required to adopt in future years:

IFRS 15, *Revenue from Contracts with Customers*, was issued by the International Accounting Standards Board ("IASB") on May 28, 2014 and will replace current guidance found in IAS 11, *Construction Contracts* and IAS 18, *Revenue*. IFRS 15 outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers and is effective for reporting periods beginning on or after January 1, 2017 with early application permitted. A choice of retrospective application or a modified transition approach is provided. The Fund is currently evaluating the impact of adopting IFRS 15 on its financial statements.

IFRS 9, *Financial Instruments*, was issued by the IASB on July 24, 2014 and will replace current guidance found in IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The new standard will come into effect on January 1, 2018 with early application permitted. The Fund is currently evaluating the impact of adoption IFRS 9 on its financial statements.

4. ACQUISITIONS

On April 14, 2014, the Company completed a transaction acquiring Dora Holdings, Inc., which owns and operates 24 collision repair centers in Illinois and Indiana, and Collision Revision 13081 Inc., which owns and operates one collision repair center in Florida, both operating under the trade name "Collision Revision". Funding for the transaction was a combination of cash, third-party financing and seller take-back notes.

On May 30, 2014, the Company completed a transaction acquiring Netcost 866netglass LLC, operating as Netcost Claims Services ("Netcost"). Netcost expands the Company's existing third party administration business, GNGS, that offers first notice of loss, auto glass and related services through its network of auto glass providers across the U.S. Netcost also offers roadside assistance services and has the additional benefit of owning and operating its own call center. Funding for the transaction was a combination of cash, third-party financing and seller notes plus additional consideration if performance over the ensuing 3 years exceeds certain thresholds. The fair value of the contingent consideration has been calculated based on a formula defined in the purchase and sale agreement. The formula is based on earnings in years one, two and three of operations in excess of the threshold. The amount is estimated to be in the range of $2.0 million to $3.0 million. The estimated future payment obligation has been discounted to its present value using a discount rate of 9.1%.

On June 6, 2014, the Company completed a transaction through its wholly owned subsidiary, The Boyd Group (U.S.) Inc. acquiring, effective June 2, 2014, Collex Collision Experts Inc. and Collex Collision Experts of Florida Inc. ("Collex"), which own and operate 16 collision repair centers in Michigan and Florida. Funding for the transaction was a combination of cash, third-party financing and seller notes.

The Fund also completed 3 other acquisitions that added 4 locations during the six month period related to its stated objective of growing through individual locations by between six and ten percent per year.

Acquisition Date	Business and Assets Purchased	Location
January 31, 2014	Kustom Koachworks, Inc. (2 locations)	Phoenix, Arizona
May 1, 2014	Performance Restorations, Inc.	Mundelein, Illinois
June 30, 2014	Crawford Auto Restoration	Chicago, Illinois

The Fund has accounted for the acquisitions using the purchase method as follows:

Acquisitions in 2014	Collision Revision	Netcost	Collex	Other acquisitions	Total
Identifiable net assets acquired at fair value:					
Cash	$ 1,229	$ 740	$ 547	$ -	$ 2,516
Other currents assets	4,802	2,135	2,626	27	$ 9,590
Property, plant and equipment	4,237	230	4,257	2,971	$ 11,695
Identified intangible assets					$ -
Customer relationships	9,544	-	-	-	$ 9,544
Brand name	658	-	-	-	$ 658
Non-compete agreements	878	-	-	-	$ 878
Liabilities assumed	(6,809)	(4,434)	(3,335)	-	$ (14,578)
Deferrred income tax liability	(4,321)	-	-	-	$ (4,321)
Identifiable net assets acquired	$ 10,218	$ (1,329)	$ 4,095	$ 2,998	$ 15,982
Goodwill	25,435	7,632	45,888	-	$ 78,955
Total purchase consideration	$ 35,653	$ 6,303	$ 49,983	$ 2,998	$ 94,937
Consideration provided					
Cash paid or payable	$ 16,455	$ 1,087	$ 45,080	$ 2,186	$ 64,808
Contingent consideration	-	3,043	-	-	$ 3,043
Sellers notes	19,198	2,173	4,903	812	27,086
Total consideration provided	$ 35,653	$ 6,303	$ 49,983	$ 2,998	$ 94,937

The preliminary purchase prices for the 2014 acquisitions as disclosed above may be revised as additional information becomes available. Further adjustments may be recorded in future periods as purchase price adjustments are finalized. U.S. acquisition transactions are initially recognized in Canadian dollars at the rates of exchange in effect on the transaction dates. Subsequently, the assets and liabilities are translated at the rate in effect at the balance sheet date.

A significant part of the goodwill recorded on the acquisitions can be attributed to the assembled workforce, the operating know-how of key personnel and synergies existing within the acquired business. However, no intangible asset qualified for separate recognition in this respect.

Included in acquisition, transaction and process improvement costs are process improvement costs for the three months ended June 30, 2014 of $750 (2013 - $nil) and for the six months ended June 30, 2014 of $1,522 (2013 - $nil).

The results of operations reflect the revenues and expenses of acquired operations from the date of acquisition. The revenue included in the consolidated statement of loss since April 14 contributed by Collision Revision was $13,699. Collision Revision also contributed net earnings of $544 over the same period. The revenue included in the consolidated statement of loss since May 30 contributed by Netcost was $2,193. Netcost contributed a net loss of $19 over the same period. The revenue included in the consolidated statement of loss since June 2 contributed by Collex was $4,170. Collex also contributed net earnings of $267 over the same period.

5. PROPERTY, PLANT AND EQUIPMENT

As at		**June 30, 2014**		December 31, 2013
Balance, beginning of year	**$**	**63,925**	$	45,897
Additions		**18,341**		26,196
Proceeds on disposal		**(75)**		(2,147)
Gain on disposal		**22**		431
Depreciation		**(6,164)**		(9,392)
Foreign exchange		**(54)**		2,940
Balance, end of year	**$**	**75,995**	$	63,925

6. INTANGIBLE ASSETS

As at		**June 30, 2014**		December 31, 2013
Balance, beginning of year	**$**	**60,756**	$	41,271
Acquired through business combination		**11,064**		21,635
Amortization		**(2,581)**		(4,142)
Purchase price allocation adjustments within the measurement period		**(1,083)**		(1,025)
Foreign exchange		**151**		3,017
Balance, end of year	**$**	**68,307**	$	60,756

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Fund and the cost can be reliably measured.

The June 30, 2014 purchase price allocation adjustment represents a reclassification between customer relationship, brand name assets and goodwill within the acquisition measurement period for the Glass America acquisition. The December 31, 2013 purchase price allocation adjustment represents a reclassification between customer relationships and goodwill within the acquisition measurement period for The Recovery Room acquisition.

7. GOODWILL

As at		**June 30, 2014**		December 31, 2013
Balance, beginning of year	**$**	**73,561**	$	49,692
Acquired through business combination		**78,865**		19,799
Purchase price allocation adjustments within the measurement period		**1,048**		1,025
Write down of goodwill		**-**		(252)
Foreign exchange		**(1,419)**		3,297
Balance, end of year	**$**	**152,055**	$	73,561

The June 30, 2014 purchase price allocation adjustment represents a reclassification between customer relationship, brand name assets and goodwill within the acquisition measurement period for the Glass America acquisition. The December 31, 2013 purchase price allocation adjustment represents a reclassification between customer relationships and goodwill within the acquisition measurement period for The Recovery Room acquisition.

8. DISTRIBUTIONS

The Fund's Trustees have discretion in declaring distributions. The Fund's distribution policy is to make distributions of its available cash from operations taking into account current and future performance, amounts necessary for principal and interest payments on debt obligations, amounts required for maintenance capital expenditures and amounts allocated to reserves.

Distributions to unitholders were declared and paid as follows:

Record date	**Payment date**		**Dividend per Unit**		**Dividend amount**
January 31, 2014	February 26, 2014	$	0.0400	$	597
February 28, 2014	March 27, 2014		0.0400		597
March 31, 2014	April 28, 2014		0.0400		598
April 30, 2014	May 28, 2014		0.0400		597
May 31, 2014	June 26, 2014		0.0400		598
June 30, 2014	July 29, 2014		0.0400		598
		$	0.2400	$	3,585

Record date	**Payment date**		**Dividend per Unit**		**Dividend amount**
January 31, 2013	February 26, 2013	$	0.0390	$	489
February 28, 2013	March 27, 2013		0.0390		489
March 31, 2013	April 26, 2013		0.0390		489
April 30, 2013	May 29, 2013		0.0390		489
May 31, 2013	June 26, 2013		0.0390		489
June 30, 2013	July 29, 2013		0.0390		489
		$	0.2340	$	2,934

9. LONG-TERM DEBT

On December 20, 2013, the Company entered into a new five year $100 million U.S. revolving credit facility, with an accordion feature which can increase the facility to a maximum of $135 million U.S. The facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as guarantees by BGIF and BGHI. The interest rate is based on a pricing grid of the Company's ratio of total funded debt to EBITDA as determined by the credit agreement. The Company can draw the facility in either the U.S or in Canada, in either U.S or Canadian dollars and can be drawn in tranches as required. Tranches bear interest only and are not repayable until the maturity date but can be voluntarily repaid at any time. The Company has the ability to choose the base interest rate between Prime, Bankers Acceptances ("BA") or London Inter Bank offer Rate ("LIBOR"). The total syndicated facility includes a swing line up to a maximum of $3 million in Canada and $7 million in the U.S. As at June 30, 2014, $50,711 ($47,500 U.S.) had been drawn under the revolving facility and an additional $2,829 ($2,650 U.S.) under the swing line. As at December 31, 2013, neither the revolving facility nor the swing line had been drawn on.

Deferred financing costs of $1,010 were incurred in 2013 to complete this new facility and had been recorded as a deferred cost until the new debt was drawn. As at June 30, 2014, the deferred fees have been netted against the debt. The fees will be amortized to finance costs on a straight line basis over the five year term of the debt facility.

As at June 30, 2014, the Company was in compliance with all financial covenants.

Seller notes payable of $51,306 on the financing of certain acquisitions are unsecured, at interest rates ranging from 4.0% to 8.0%. The notes are repayable from July 2014 to January 2027 in the same currency as the related note.

Repayments of long-term debt in the second quarter amounting to $1,369 (2013 - $1,305) were made in compliance with previously disclosed repayment terms. Repayments of long-term debt for the six months ended June 30, also made in compliance with previously disclosed repayment terms amounted to $2,389 (2013 - $2,491).

As at	**June 30, 2014**	December 31, 2013
Revolving credit facility (net of financing costs)	**$ 49,756**	$ -
Seller notes	**51,306**	27,129
	$ 101,062	$ 27,129
Current portion	**6,603**	4,448
	$ 94,459	$ 22,681

Principal Payments		
Less than 1 year	**$ 6,603**	$ 4,448
1 to 5 years	**75,991**	14,173
Greater than 5 years	**18,468**	8,508
	$ 101,062	$ 27,129

10. FAIR VALUE ADJUSTMENTS

	For the three months ended June 30,		For the six months ended June 30,	
	2014	2013	**2014**	2013
Convertible debenture conversion feature	**$ 10,023**	$ 2,634	**$ 13,109**	$ 3,511
Exchangeable Class A common shares	**2,584**	1,539	**3,478**	2,603
Unit based payment obligation	**3,962**	1,603	**5,581**	2,686
Non-controlling interest put options	**973**	-	**2,770**	-
Total fair value adjustments	**$ 17,542**	$ 5,776	**$ 24,938**	$ 8,800

11. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

			June 30, 2014		December 31, 2013	
	Classification	Fair value hierarchy	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets						
Cash	FVTPL (1)	1	**31,122**	**31,122**	19,304	19,304
Accounts receivable	Loans and receivables	n/a	**48,586**	**48,586**	42,168	42,168
Note receivable	Loans and receivables	n/a	**1,010**	**1,010**	-	-
Financial liabilities						
Accounts payable and accrued liabilities	Other financial liabilities	n/a	**90,362**	**90,362**	66,229	66,229
Long-term debt	Other financial liabilities	n/a	**101,062**	**101,062**	27,129	27,129
Convertible debenture	Other financial liabilities	2	**31,269**	**64,530**	30,971	49,445
Convertible debenture conversion feature	FVTPL (1)	2	**27,895**	**27,895**	14,786	14,786
Exchangeable Class A common shares	Amortized cost	1	**14,938**	**14,938**	11,689	11,689
Non-controlling interest put options	FVTPL (1)	3	**23,103**	**23,103**	20,340	20,340

(1) Fair Value Through Profit and Loss

For the Fund's current financial assets and liabilities, which are short-term in nature and subject to normal trade terms, the carrying values approximate their fair value. As there is no ready secondary market for the Fund's long-term debt, the fair value has been estimated using the discounted cash flow method. The fair value using the discounted cash flow method is approximately equal to carrying value. The fair values for forward contract derivative instruments, the exchangeable Class A common shares and the non-controlling interest put options are based on the estimated cash payment or receipt necessary to settle the contract at the statement of financial position date. Cash payments or receipts are based on discounted cash flows using current market rates and prices and adjusted for credit risk. The fair value for the convertible debenture conversion feature is estimated using a Black-Scholes valuation model with the following assumptions used: stock price $43.72, dividend yield 2.12%, expected volatility 26.63%, risk free interest rate of 1.37%, terms of four years. The fair value for the Fund's debentures will change based on the movement in bond rates.

The Fund's financial instruments measured at fair value are limited to cash, the exchangeable Class A common shares, the non-controlling interest put option and the convertible debenture conversion feature.

Collateral

The Fund's syndicated loan facility is collateralized by a General Security Agreement. The carrying amount of the financial assets pledged as collateral for this facility at June 30, 2014 was approximately $79.7 million (December 31, 2013 - $61.5 million).

Exchangeable Class A common shares

The Class A common shares of BGHI are exchangeable into units of the Fund. To facilitate the exchange, BGHI issues one Class B common share to the Fund for each Class A common share that has been retracted. The Fund in turn issues a trust unit to the Class A common shareholder. Exchangeable Class A common shares are measured at the market price of the units of the Fund as of the statement of financial position date. The market price is based on a ten day trading average for the units at such date. Exchanges are recorded at carrying value. At June 30, 2014, there were 345,477 (December 31, 2013 – 362,041) shares outstanding.

Dividends on the exchangeable Class A common shares are recorded as interest expense and were declared and paid as follows:

Record date	Payment date	Dividend per Share	Dividend amount
January 31, 2014	February 26, 2014	$ 0.0400	$ 15
February 28, 2014	March 27, 2014	0.0400	15
March 31, 2014	April 28, 2014	0.0400	15
April 30, 2014	May 28, 2014	0.0400	15
May 31, 2014	June 26, 2014	0.0400	15
June 30, 2014	July 29, 2014	0.0400	15
		$ 0.2400	$ 90

Record date	Payment date	Dividend per Share	Dividend amount
January 31, 2013	February 26, 2013	$ 0.0390	$ 16
February 28, 2013	March 27, 2013	0.0390	15
March 31, 2013	April 26, 2013	0.0390	15
April 30, 2013	May 29, 2013	0.0390	15
May 31, 2013	June 26, 2013	0.0390	15
June 30, 2013	July 29, 2013	0.0390	15
		$ 0.2340	$ 91

During 2014, an expense in the amount of $3,478 (2013 - $2,603) was recorded to earnings related to these exchangeable shares. During the second quarter, an expense in the amount of $2,584 (2013 - $1,538) was recorded to earnings related to these exchangeable shares.

Further dividends were declared for the month of July 2014 in the amount of $0.04 per share. The total amount of dividends declared after the reporting date was $15.

Non-controlling Interest Put Option

On May 31, 2013, the Fund entered into an agreement whereby Glass America contributed its auto-glass business to Gerber Glass in exchange for shares representing a 30% ownership interest in a new combined Glass America entity. The agreement contains a put option, which provides the non-controlling interest with the right to require the Fund to purchase their retained interest according to a valuation formula defined in the agreement. All changes in the estimated liability are recorded in earnings. The put option is restricted until June 1, 2015 and is exercisable anytime thereafter.

On May 31, 2013, in connection with the acquisition of Glass America, the Fund entered into an agreement that provides a member of its U.S. management team the opportunity to participate in the future growth of the Fund's U.S. glass business. Within the agreement was a put option held by the non-controlling shareholder that provided the shareholder an option to put the business back to the Fund according to a valuation formula defined in the agreement. The put option is restricted until December 1, 2016 and is exercisable anytime thereafter by the glass-business operating partner. The put option may be exercised before December 1, 2016 upon the occurrence of certain unusual events such as a change of control or resignation of the operating partner. All changes in the estimated liability are recorded in earnings.

The liability recognized in connection with both put options has been calculated using formulas defined in the agreements. The formulas are based on multiples of estimated future earnings of the combined Gerber Glass and Glass America business, and estimated future exercise dates. The estimated future payment obligation is then discounted to its present value at each statement of financial position date. The significant unobservable inputs include the put being exercised between two and four years at a probability weighted estimated EBITDA level of approximately $9.2 million using a discount rate of 9.1%. An increase in the EBITDA level or a reduction in the discount rate would increase the put liability.

The liability for non-controlling interest put options comprises the following:

	June 30, 2014	December 31, 2013
Glass-business operating partner non-controlling interest put option	**$ 5,891**	$ 4,999
Glass America non-controlling interest put option	**17,212**	15,341
	$ 23,103	$ 20,340

The change in the non-controlling interest put option liabilities is summarized as follows:

	Glass-business operating partner	Glass America non-controlling interest
Balance, beginning of year	$ **4,999**	$ **15,341**
Year-to-date statement of loss fair value adjustments	**899**	**1,871**
Foreign exchange	**(7)**	**-**
Balance, end of year	$ **5,891**	$ **17,212**

12. UNIT BASED PAYMENT OBLIGATION

Pursuant to the Fund's Option Agreement and Confirmation, the Fund has granted options to purchase units of the Fund to certain key executives. The following options are outstanding at June 30, 2014:

Date Granted	Issue Date	Number of Units	Exercise Price	Expiry Date	Fair Value
January 11, 2006	January 11, 2006	200,000	$ 1.91	January 11, 2016	$ 6,853
November 8, 2007	January 2, 2008	150,000	$ 2.70	January 2, 2018	3,802
November 8, 2007	January 2, 2009	150,000	$ 3.14	January 2, 2019	3,348
November 8, 2007	January 2, 2010	150,000	$ 5.41	January 2, 2020	2,834
		650,000			$ 16,837

The fair value of each option granted January 11, 2006 is estimated using a Black-Scholes valuation model with the following assumptions used for the options granted: stock price $43.72 dividend yield 2.12%, expected volatility 26.63% (determined as a weighted standard deviation of the unit price over the past four years), risk free interest rate 1.00%, initial term 10 years, remaining term 2 years.

The fair value of each option granted November 8, 2007 is estimated using a Black-Scholes valuation model with the following assumptions used for the options granted: stock price $43.72, dividend yield 2.12%, expected volatility 26.63%, risk free interest rates of 1.32%, 1.54% and 1.75% respectively, initial terms of 10, 11 and 12 years respectively, remaining terms of 4, 5 and 6 years respectively.

13. SEASONALITY

The Fund's financial results for any individual quarter are not necessarily indicative of results to be expected for the full year. Interim period revenues and earnings are typically sensitive to regional and local weather, market conditions, and in particular, to cyclical variations in economic activity.

14. SEGMENTED REPORTING

The Company has one reportable line of business, being automotive collision and glass repair and related services, with all revenues relating to a group of similar services. This line of business operates in Canada and the U.S. and exhibit similar long-term economic characteristics. In this circumstance, IFRS requires the Company to provide geographical disclosure. For the periods reported, all of the Company's revenues were derived within Canada or the U.S. and all reportable assets, which include property, plant and equipment, goodwill and intangible assets are located within these two geographic areas.

Reportable Assets As at	**June 30, 2014**	December 31, 2013
Canada	**$ 18,806**	$ 18,784
United States	**277,551**	179,458
	$ 296,357	$ 198,242

	For the three months ended June 30,		**For the six months ended June 30,**	
Revenues	**2014**	2013	**2014**	2013
Canada	**$ 20,019**	$ 19,636	**$ 40,521**	$ 38,996
United States	**182,796**	117,242	**345,936**	228,521
	$ 202,815	$ 136,878	**$ 386,457**	$ 267,517

15. LOSS PER UNIT

	For the three months ended June 30,		**For the six months ended June 30,**	
	2014	2013	**2014**	2013
Net loss attributable to unitholders	**$ (11,191)**	$ (2,567)	**$ (12,866)**	$ (2,537)
Basic weighted average number of units	**14,941,599**	12,540,938	**14,938,937**	12,539,990
Basic and diluted loss per unit	**$ (0.749)**	$ (0.205)	**$ (0.861)**	$ (0.202)

Class A exchangeable common shares, unit options, convertible debentures and the non-controlling interest put options are instruments that could potentially dilute basic earnings per unit in the future, but were not included in the calculation of diluted earnings per unit because they are anti-dilutive for the periods presented.