



CONSTELLATION SOFTWARE INC. ANNOUNCES RIGHTS OFFERING OF DEBENTURES

Toronto, Ontario – March 23, 2015 – Constellation Software Inc. (TSX: CSU) (the “**Company**”) has announced a rights offering (the “**Rights Offering**”) pursuant to which the Company intends to distribute rights (the “**Rights**”) that will entitle holders of common shares (“**Common Shares**”) of the Company (the “**Shareholders**”) on the applicable record date to purchase up to C\$200 million aggregate principal amount of unsecured subordinated floating rate debentures of the Company (the “**Debentures**”).

The Debentures are expected to be issued as an additional tranche of, and treated as a single series with, the outstanding C\$96 million aggregate principal amount of unsecured subordinated floating rate debentures, Series 1 of the Company.

The net proceeds of the Rights Offering are expected to be used by the Company to pay down indebtedness under its existing credit facility (the “**Credit Facility**”) and for future acquisitions.

The Rights are expected to be issued in satisfaction of a dividend to be declared by the Company on the Common Shares in the amount of one Right per Common Share. For every 10.596 Rights held, the holder of such Rights will be entitled to subscribe for C\$100 principal amount of Debentures. The Rights and the Debentures will be qualified for distribution in each province and territory of Canada by way of a short form prospectus.

The Rights will be exercisable until 4:30 p.m. (Toronto time) on September 15, 2015 at a price to be established prior to the filing of the Company’s final short form prospectus. Based on the current trading price of the unsecured subordinated floating rate debentures, Series 1 of the Company on the Toronto Stock Exchange, the Company anticipates that the Debentures will be issued at a premium to their principal amount.

The Debentures will have a maturity date of March 31, 2040 (the “**Maturity Date**”). The Debentures will be issuable only in denominations of C\$100 and integral multiples thereof and, from and including the date of issue to but excluding March 31, 2016, will bear interest at a rate of 8.5% per annum (the “**Current Rate**”). From and including March 31, 2016 to but excluding the Maturity Date, the interest rate applicable to the Debentures will be reset on an annual basis on March 31 of each year, at a rate equal to the annual average percentage change in the All-items Consumer Price Index during the 12 month period ending on December 31 in the prior year (which amount may be positive or negative) plus 6.5% (the “**Floating Interest Rate**”). Notwithstanding the foregoing, the interest rate applicable to the Debentures will not be less than 0%. Interest, if any, will be payable quarterly in arrears in equal instalments on March 31, June 30, September 30 and December 31 in each year, commencing on December 31, 2015. The Current Rate will only apply to the Debentures in respect of the first and second interest payments on December 31, 2015, and March 31, 2016,

respectively. Effective March 31, 2016, the interest rate payable on the Debentures will be based on the applicable Floating Interest Rate.

All payments in respect of the Debentures will be subordinated in right of payment to the prior payment in full of all senior indebtedness of the Company, which includes the Credit Facility.

During the period beginning on March 16 and ending on March 31 of each year, the Company will have the right, at its option, to give notice to holders of Debentures of its intention to redeem the Debentures, in whole or in part, on March 31 in the year that is five years following the year in which notice is given, at a price equal to the principal amount thereof plus accrued and unpaid interest up to but excluding the date fixed for redemption. For example, if the Company chooses to exercise its right to redeem the Debentures in March 2016, the Company would be required to deliver notice of such redemption to holders of Debentures during the period beginning on March 16, 2016 and ending on March 31, 2016, and the effective date of redemption would be March 31, 2021. Given the foregoing, the first possible redemption date is March 31, 2021.

During the period beginning on March 1 and ending on March 15 of each year, holders of Debentures will have the right, at their option, to give notice to the Company of their intention to require the Company to repurchase (or to “put”) the Debentures, in whole or in part, on March 31 in the year that is five years following the year in which notice is given, at a price equal to the principal amount thereof plus accrued and unpaid interest up to but excluding the date fixed for repurchase. For example, if a holder of Debentures chooses to exercise its rights to have the Company repurchase such holder’s Debentures in March 2016, the holder would be required to deliver notice of such repurchase to the Company during the period beginning on March 1, 2016 and ending on March 15, 2016, and the effective date of repurchase would be March 31, 2021. Given the foregoing, the first possible repurchase date will be March 31, 2021.

The Company’s ability to redeem or repurchase the Debentures will be subject to compliance with the terms of its senior indebtedness, including the Credit Facility, at the time of redemption or repurchase.

Further details regarding the Rights Offering and the Debentures can be found in the preliminary short form prospectus of the Company which has been filed on SEDAR at www.sedar.com.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities of the Company.

Forward Looking Statements

The statements contained in this press release which are not historical facts are forward-looking statements, which involve risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Words such as “may”, “will”, “expect”, “believe”, “plan”, “intend”, “should”, “anticipate” and other similar terminology are intended to identify forward-looking statements. These statements reflect current assumptions and expectations regarding future events and speak only as of the date of this press release. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of

whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward-looking statements.

About Constellation Software Inc.

The Common Shares are listed on the TSX under the symbol “CSU”. The unsecured subordinated floating rate debentures, Series 1 of the Company are listed on the TSX under the symbol “CSU.DB”. The Company acquires, manages and builds vertical market software businesses.

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