

Constellation Software Inc. Announces Results for the Third Quarter Ended September 30, 2011

TORONTO, ONTARIO (November 2, 2011) -- Constellation Software Inc. (TSX:CSU) ("Constellation" or the "Company") today announced its financial results for the three and nine months ended September 30, 2011. Please note that all dollar amounts referred to in this press release are U.S. Dollars unless otherwise stated.

The following press release should be read in conjunction with the Unaudited Condensed Consolidated Interim Financial Statements for the three and nine months ended September 30, 2011 and the accompanying notes, and with our annual Consolidated Financial Statements and our annual MD&A for the year ended December 31, 2010 which can be found on SEDAR at www.sedar.com and on the Company's website www.csisoftware.com. Additional information about the Company is also available on SEDAR at www.sedar.com.

Q3 2011 Highlights:

- Revenue grew 24% compared to Q3 2010. Organic revenue growth was 11% in Q3 2011 compared to negative 3% in Q3 2010.
- Adjusted EBITDA grew 40% compared to Q3 2010.
- Adjusted EBITDA margin was 22% in Q3 2011 compared to 19% in Q3 2010.
- Adjusted net income grew 76% compared to Q3 2010.
- Two acquisitions were completed in the quarter for net cash consideration of \$2 million.
- Subsequent to September 30, 2011, the Company completed three acquisitions for aggregate cash consideration of \$2.6 million.

Total revenue for the quarter ended September 30, 2011 was \$202 million, an increase of 24%, or \$38 million, compared to \$164 million for the comparable period in 2010. For the first nine months of 2011 total revenues were \$575 million, an increase of 24%, or \$113 million, compared to \$462 million for the comparable period in 2010.

Constellation acquired the Public Transit Solutions business ('PTS') from Continental Automotive AG ('Continental') on November 2, 2009. Given the substantial amount of non-recurring revenue historically earned by PTS, gross revenue from PTS has fluctuated significantly in the past and will continue to do so in the future. As well, a number of acquired contracts were recorded at their estimated fair value as of the date of acquisition. Under this treatment, excess profits or costs relative to estimated normalized profitability are recorded as acquired contract assets or liabilities and amortized against revenues over the remaining life of the contract. As a result, the revenue and costs of these contracts reflected through profit or loss will differ from the revenue and costs that would have been recognized under normal course percentage of completion contract accounting. As such, management has chosen to provide supplemental organic growth disclosure to provide greater clarity regarding the impact of PTS on Constellation's consolidated financial results. Excluding PTS, organic growth for Constellation was 6% in Q3 2011 and 6% for the nine months ended September 30, 2011.

The following table provides a summary of the impact of PTS on Constellation's organic revenue growth:

Organic Revenue Growth		
	Three months ended September 30, 2011	Nine months ended September 30, 2011
Constellation	11%	10%
Constellation excluding PTS	6%	6%

Adjusted EBITDA for the third quarter 2011 was \$44 million, a 40% increase compared to the prior year's third quarter Adjusted EBITDA of \$32 million. Third quarter Adjusted EBITDA per share on a fully diluted basis increased 40% to \$2.10, compared to \$1.50 for the same period last year. Adjusted EBITDA for the nine month period ended September 30, 2011 was \$121 million, an increase of 45% over last year's Adjusted EBITDA of \$84 million for the same period. Adjusted EBITDA per share on a fully diluted basis for the nine month period ended September 30, 2011 increased 45% to \$5.72, compared to \$3.95 for the same period in 2010.

Adjusted net income for the third quarter 2011 was \$40 million, compared to the prior year's third quarter Adjusted net income of \$23 million, a 76% increase. Third quarter Adjusted net income per share on a fully diluted basis increased 76% to \$1.87 compared to \$1.06 for the prior year's third quarter. Adjusted net income for the nine month period ended September 30, 2011 was \$100 million, an increase of 64% over last year's Adjusted net income of \$61 million for the same period. Adjusted net income per share on a fully diluted basis for the nine month period ended September 30, 2011 increased 64% to \$4.73, compared to \$2.88 for the same period in 2010.

Net income for the quarter ended September 30, 2011 was \$22 million compared to net income of \$9 million for the same period in 2010. On a per share basis this translated into a net income per diluted share of \$1.03 in the quarter ended September 30, 2011 vs. a net income per diluted share of \$0.41 in the quarter ended September 30, 2010. For the first nine months of 2011, net income was \$145 million or \$6.83 per diluted share compared to \$19 million or \$0.90 per diluted share in the first nine months of 2010. Net income in the three months ended September 30, 2011 was positively impacted by the growth in our Adjusted EBITDA and gains on sale of available-for-sale equity securities, offset by an increase in amortization of intangible assets. Net income in the nine months ended September 30, 2011 was positively impacted by the growth in our Adjusted EBITDA, gains on sale of available-for-sale equity securities, and increase in future tax recovery, offset by an increase in amortization of intangible assets.

The following table displays our revenue by reportable segment and the percentage change for the three and nine months ended September 30, 2011 compared to the same periods in 2010:

	Three months ended September 30,				Period-Over- Period Change					Nine months ended September 30,				Period-Over-Period Change			
	2011	2010	\$	%						2011	2010	\$	%				
	(\$000, except percentages)									(\$000, except percentages)							
Public Sector																	
Licenses	9,832	9,044	788	9%						30,592	25,375	5,217	21%				
Professional services	36,706	35,470	1,236	3%						109,200	105,850	3,350	3%				
Hardware and other	29,035	17,772	11,263	63%						74,311	46,013	28,298	62%				
Maintenance	74,269	58,878	15,391	26%						212,929	169,291	43,638	26%				
	149,842	121,164	28,678	24%						427,032	346,529	80,503	23%				
Private Sector																	
Licenses	4,713	3,761	952	25%						13,927	9,362	4,565	49%				
Professional services	9,018	7,624	1,394	18%						25,929	20,941	4,988	24%				
Hardware and other	3,019	2,541	478	19%						8,847	6,074	2,773	46%				
Maintenance	35,661	28,498	7,163	25%						99,249	79,073	20,176	26%				
	52,411	42,424	9,987	24%						147,952	115,450	32,502	28%				

Public Sector

For the quarter ended September 30, 2011, total revenue in the public sector reportable segment increased 24%, or \$29 million, to \$150 million, compared to \$121 million for the quarter ended September 30, 2010. For the nine months ended September 30, 2011, total revenue increased by 23% or \$80 million, to \$427 million, compared to \$347 million for the comparable period in 2010. The

increases for both the three and nine month periods were significant across our license, hardware and other, and maintenance revenue streams. Revenue growth from acquired businesses was significant for both the three and nine month periods as we completed seventeen acquisitions since the beginning of 2010 in our public sector segment. Revenues increased organically by 12% in Q3 2011 and 10% in the nine months ended September 30, 2011 compared to the same periods in 2010. Excluding PTS, revenues increased organically by 5% in Q3 2011 and 4% in the nine months ended September 30, 2011.

Organic Revenue Growth		
	Three months ended September 30, 2011	Nine months ended September 30, 2011
Public Sector	12%	10%
Public Sector excluding PTS	5%	4%

The organic revenue change was primarily driven by the following:

- **Volaris operating group (formerly the Trapeze operating group)** (increase of approximately \$15 million in Q3 2011 and an increase of approximately \$33 million for the nine months ended September 30, 2011). For both the three and the nine months ended September 30, 2011, organic growth was primarily driven from strong revenue from existing clients and new customers in its transit and agricultural business units.

Private Sector

For the quarter ended September 30, 2011, total revenue in the private sector reportable segment increased by 24%, or \$10 million, to \$52 million, compared to \$42 million for the quarter ended September 30, 2010. For the nine months ended September 30, 2011 total revenue increased by 28% or \$33 million, to \$148 million, compared to \$115 million for the comparable period in 2010. Revenue growth from acquired businesses was significant for both the three and nine month periods ended September 30, 2011 as we completed twenty acquisitions since the beginning of 2010 in our private sector segment. Revenues increased organically by 9% in Q3 2011 and 10% in the nine months ended September 30, 2011 compared to the same periods in 2010.

The organic revenue change was primarily driven by the following:

- **Jonas operating group** (increase of approximately \$3 million in Q3 2011 and an increase of approximately \$7 million for the nine months ended September 30, 2011). Jonas' organic growth was driven by strong sales to both existing and new customers primarily in its health club and food services verticals.
- **Homebuilder operating group** (increase of approximately \$2 million in Q3 2011 and approximately \$6 million for the nine months ended September 30, 2011). The organic growth was primarily driven by strong sales to both existing and new customers in Homebuilders' pulp and paper manufacturer and lease management verticals.

Constellation's bank indebtedness, net of cash, decreased to \$18 million at September 30, 2011 as compared to \$15 million at December 31, 2010, mainly due to a \$43 million dividend payment and acquisitions of \$36 million, offset by \$81 million in cash flow from operations.

As disclosed in the Company's press release dated April 4, 2011, the Board of Directors is currently undertaking a review of strategic alternatives for the Company with the objective of enhancing shareholder value. As part of this strategic review process, the Board of Directors has been evaluating a broad range of strategic options, including but not limited to the sale of the Company and various financial restructuring options. Given current market conditions, the Board of Directors has determined not to pursue a sale transaction at this time. However, the Board of Directors is continuing to develop and assess a variety of strategic options with the objective of enhancing shareholder value. No decision on any particular strategic alternative has been reached at this time. There is no defined timeline for completion of this strategic review and there can be no assurance that this review will result in any specific action.

Outlook

For fiscal 2011, the Company expects gross revenue to be in the range of \$765 million to \$775 million and Adjusted EBITDA to be in the range of \$160 million to \$170 million. These statements are "forward looking statements" and are based on various assumptions which management believes are reasonable under the current circumstances. Although management believes the assumptions are reasonable in the current circumstances, they are subject to various risks and uncertainties and there are several factors that could cause actual results to differ materially from those specified above. See "Forward Looking Statements".

Conference Call and Webcast

Management will host a conference call at **8:30 a.m. (ET) on Thursday, November 3, 2011** to answer questions regarding the results. The teleconference numbers are 416-340-2216 or 866-226-1792. The call will also be webcast live and archived on Constellation's web site at www.csisoftware.com.

A replay of the conference call will be available as of 11:30 a.m. ET the same day until 11:59 p.m. ET on November 16, 2011. To access the replay, please dial 905-694-9451 or 800-408-3053 followed by the passcode 5430585#.

Forward Looking Statements

Certain statements herein may be "forward looking" statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Constellation or the industry to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Specifically, the statements included under "Outlook" above are forward looking and are based on the assumptions that revenue growth will be in the range of 21%-23% for fiscal 2011 (which includes the impact of all companies acquired to date and organic growth consistent with the recent performance of the Company), Adjusted EBITDA margins will be in the range of 21-22% for fiscal 2011 (which is consistent with the recent performance of the Company), no material acquisitions will be completed during the remainder of fiscal 2011 and general economic and market conditions will remain consistent with those in effect on November 2, 2011. Forward looking statements involve significant risks and uncertainties, and 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, including the risk that revenue can fluctuate significantly based on the demand for our software products, level of product and price competition, the geographical mix of our sales together with fluctuations in foreign currency, changes in mix and pricing of software solutions that

our customers demand, our ability to successfully implement projects, order cancellations, renewal of maintenance agreements with customers, and patterns of spending and changes in budgeting cycles of our customers, and the risk that Adjusted EBITDA can fluctuate significantly based on the pricing and mix of software solutions that we sell, our customer demand, the geographical mix of our sales and cost base together with fluctuations in foreign currency exchange rates, and employee bonuses which are based on the performance of the Company. These forward looking statements reflect current assumptions and expectations regarding future events and operating performance and are made as of the date hereof and Constellation assumes no obligation, except as required by law, to update any forward looking statements to reflect new events or circumstances.

Non-IFRS Measures

This press release includes certain measures which have not been prepared in accordance with IFRS such as Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income and Adjusted net income margin.

The term “Adjusted EBITDA” refers to net income before deducting finance income, finance costs, income taxes, impairment of non-financial assets, depreciation, amortization, and foreign exchange loss (gain). The Company believes that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company’s main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation and the other items listed above. “Adjusted EBITDA margin” refers to the percentage that Adjusted EBITDA for any period represents as a portion of total revenue for that period.

“Adjusted net income” means net income plus non-cash expenses (income) such as amortization of intangible assets, deferred income taxes, and certain other expenses (income). The Company believes that Adjusted net income is useful supplemental information as it provides an indication of the results generated by the Company’s main business activities prior to taking into consideration amortization of intangible assets, deferred income taxes, and certain other non-cash expenses (income) incurred by the Company from time to time. “Adjusted net income margin” refers to the percentage that Adjusted net income for any period represents as a portion of total revenue for that period.

Adjusted EBITDA and Adjusted net income are not recognized measures under IFRS and, accordingly, shareholders are cautioned that Adjusted EBITDA and Adjusted net income should not be construed as alternatives to net income determined in accordance with IFRS. The Company’s method of calculating Adjusted EBITDA and Adjusted net income may differ from other issuers and, accordingly, Adjusted EBITDA and Adjusted net income may not be comparable to similar measures presented by other issuers.

The following table reconciles Adjusted EBITDA to net income:

	Three months ended September 30,		Nine months ended September 30,	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	(\$000, except percentages)		(\$000, except percentages)	
Total revenue	<u>\$ 202,253</u>	<u>\$ 163,588</u>	<u>\$ 574,984</u>	<u>\$ 461,979</u>
Net income	21,918	8,786	144,746	19,139
Add back:				
Income tax expense (recovery)	3,145	1,676	(87,255)	6,316
Foreign exchange (gain) loss	(905)	1,622	3,028	2,043
Finance income	(2,795)	(306)	(6,167)	(900)
Finance costs	1,462	1,315	4,589	3,672
Impairment of non-financial assets	518	-	518	-
Amortization of intangible assets	19,135	16,782	55,733	48,666
Depreciation	1,957	1,964	6,039	4,728
Adjusted EBITDA	44,435	31,839	121,231	83,664
Adjusted EBITDA margin	22%	19%	21%	18%

The following table reconciles Adjusted net income to net income:

	Three months ended September 30,		Nine months ended September 30,	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	(\$000, except percentages)		(\$000, except percentages)	
Total revenue	<u>\$ 202,253</u>	<u>\$ 163,588</u>	<u>\$ 574,984</u>	<u>\$ 461,979</u>
Net income	21,918	8,786	144,746	19,139
Add back:				
Amortization of intangible assets	19,135	16,782	55,733	48,666
Impairment of non-financial assets	518	-	518	-
Deferred income tax recovery	(1,854)	(3,052)	(100,731)	(6,718)
Adjusted net income	39,717	22,516	100,266	61,087
Adjusted net income margin	20%	14%	17%	13%

The following tables provide supplemental net income and cash flow information of PTS:

CONSTELLATION SOFTWARE INC.

MD&A Disclosure

For the three and nine months ended September 30, 2011

(In thousands of U.S. dollars)

Statement of Operations

For the three and nine months ended September 30, 2011

	For the three months ended September 30, 2011			For the nine months ended September 30, 2011		
(Unaudited)	Constellation Software Inc. (excluding PTS)	PTS	Consolidated	Constellation Software Inc. (excluding PTS)	PTS	Consolidated
Revenue	\$ 160,416	\$ 41,837	\$ 202,253	\$ 465,145	\$ 109,839	\$ 574,984
Expenses	123,967	33,851	157,818	363,791	89,962	453,753
Adjusted EBITDA	36,449	7,986	44,435	101,354	19,877	121,231
<i>EBITDA as % Total Revenue</i>	23%	19%	22%	22%	18%	21%
Depreciation	1,732	225	1,957	4,975	1,064	6,039
Amortization of intangible assets	19,135	-	19,135	55,733	-	55,733
Other expenses (income), net	(1,524)	(196)	(1,720)	(123)	2,091	1,968
Income before income taxes	17,106	7,957	25,063	40,769	16,722	57,491
Income taxes (recovery)						
Current	3,334	1,665	4,999	10,124	3,352	13,476
Future	(1,472)	(382)	(1,854)	(100,242)	(489)	(100,731)
Income tax expense (recovery)	1,862	1,283	3,145	(90,118)	2,863	(87,255)
Net Income	\$ 15,244	\$ 6,674	\$ 21,918	\$ 130,887	\$ 13,859	\$ 144,746

Cash flow from operating activities

For the three and nine months ended September 30, 2011

	For the three months ended September 30, 2011			For the nine months ended September 30, 2011		
(Unaudited)	Constellation Software Inc. (excluding PTS)	PTS	Consolidated	Constellation Software Inc. (excluding PTS)	PTS	Consolidated
Cash flow s from operating activities:						
Net income	\$ 15,244	\$ 6,674	\$ 21,918	\$ 130,887	\$ 13,859	\$ 144,746
Adjustments to reconcile net income to net cash flow s from operations:						
Depreciation	1,732	225	1,957	4,975	1,064	6,039
Amortization of intangible assets	19,135	-	19,135	55,733	-	55,733
Income tax expense (recovery)	1,862	1,283	3,145	(90,118)	2,863	(87,255)
Other non-cash items	(1,559)	(161)	(1,720)	(113)	2,081	1,968
Change in non-cash operating working capital	14,968	(2,457)	12,511	(1,265)	(29,172)	(30,437)
Income taxes paid	(3,278)	(17)	(3,295)	(9,714)	(309)	(10,023)
Cash flow s from operating activities	\$ 48,104	\$ 5,547	\$ 53,651	\$ 90,385	\$ (9,614)	\$ 80,771

The following table reconciles Adjusted EBITDA to net income for PTS:

Adjusted EBITDA to net income reconciliation

For the three and nine months ended September 30, 2011

(Unaudited)	For the three months ended September 30, 2011			For the nine months ended September 30, 2011		
	Constellation Software Inc. (excluding PTS)	PTS	Consolidated	Constellation Software Inc. (excluding PTS)	PTS	Consolidated
Total revenue	<u>\$ 160,416</u>	<u>\$41,837</u>	<u>\$ 202,253</u>	<u>\$ 465,145</u>	<u>\$109,839</u>	<u>\$ 574,984</u>
Net income	15,244	6,674	21,918	130,887	13,859	144,746
Add back:						
Income tax expense	1,862	1,283	3,145	(90,118)	2,863	(87,255)
Other expenses (income)	(1,524)	(196)	(1,720)	(123)	2,091	1,968
Amortization of intangible assets	19,135	-	19,135	55,733	-	55,733
Depreciation	1,732	225	1,957	4,975	1,064	6,039
Adjusted EBITDA	36,449	7,986	44,435	101,354	19,877	121,231
Adjusted EBITDA margin	23%	19%	22%	22%	18%	21%

About Constellation Software Inc.

Constellation's common shares are listed on the Toronto Stock Exchange under the symbol "CSU". Constellation Software is an international provider of market leading software and services to a number of industries across both the public and private sectors. The Company acquires, manages and builds vertical market software businesses that provide mission-critical software solutions to address the specific needs of its customers in those industries.

For further information:

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SOURCE: CONSTELLATION SOFTWARE INC.

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statements of Financial Position
(In thousands of U.S. dollars)

(Unaudited)

	September 30, 2011	December 31, 2010	January 1, 2010
Assets			
Current assets:			
Cash	\$ 18,171	\$ 30,911	\$ 33,249
Equity securities available-for-sale	20,637	23,723	22,323
Accounts receivable	108,456	90,898	95,431
Work in progress	34,143	25,607	23,077
Inventories	16,177	15,945	14,320
Other assets	24,088	26,463	26,261
	221,672	213,547	214,661
Non-current assets:			
Property and equipment	14,473	13,469	8,226
Deferred income taxes	108,286	15,368	4,779
Other assets	26,140	23,548	13,879
Intangible assets	274,508	269,987	222,239
	423,407	322,372	249,123
Total assets	\$ 645,079	\$ 535,919	\$ 463,784
Liabilities and Shareholders' Equity			
Current liabilities:			
Bank indebtedness	\$ 35,797	\$ 46,041	\$ 41,153
Accounts payable and accrued liabilities	103,010	104,905	86,639
Deferred revenue	187,188	158,025	135,299
Provisions	2,326	2,253	8,312
Acquired contract liabilities	6,211	10,908	7,652
Acquisition holdback payments	12,631	6,920	3,587
Income taxes payable	4,711	1,424	3,757
	351,874	330,476	286,399
Non-current liabilities:			
Deferred income taxes	11,414	17,809	16,321
Acquired contract liabilities	29,333	35,633	41,482
Acquisition holdback payments	2,473	2,744	2,537
Other liabilities	6,795	6,206	4,018
	50,015	62,392	64,358
Total liabilities	401,889	392,868	350,757
Shareholders' equity:			
Capital stock	99,283	99,283	99,283
Accumulated other comprehensive income	6,299	8,522	3,004
Retained earnings	137,608	35,246	10,740
	243,190	143,051	113,027
Total liabilities and shareholders' equity	\$ 645,079	\$ 535,919	\$ 463,784

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Interim Statements of Comprehensive Income
(In thousands of U.S. dollars, except per share amounts)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Revenue	\$ 202,253	\$ 163,588	\$ 574,984	\$ 461,979
Expenses				
Staff	103,085	88,501	299,691	263,354
Hardware	18,723	14,138	47,607	31,812
Third party license, maintenance and professional services	13,320	10,139	37,932	26,673
Occupancy	4,948	4,257	14,251	12,240
Travel	7,221	5,530	20,679	16,687
Telecommunications	2,554	2,241	7,435	6,818
Supplies	3,451	2,824	11,747	8,408
Professional fees	2,068	1,927	6,788	5,766
Other	2,448	2,192	7,623	6,557
Income before the undernoted	44,435	31,839	121,231	83,664
Depreciation	1,957	1,964	6,039	4,728
Amortization of intangible assets	19,135	16,782	55,733	48,666
Impairment of non-financial assets	518	-	518	-
Foreign exchange (gain) loss	(905)	1,622	3,028	2,043
Finance income	(2,795)	(306)	(6,167)	(900)
Finance costs	1,462	1,315	4,589	3,672
	19,372	21,377	63,740	58,209
Profit before income tax	25,063	10,462	57,491	25,455
Current income tax expense	4,999	4,728	13,476	13,034
Deferred income tax recovery	(1,854)	(3,052)	(100,731)	(6,718)
Income tax expense (recovery)	3,145	1,676	(87,255)	6,316
Net income	21,918	8,786	144,746	19,139
Net change in fair value on available-for-sale financial assets during the period	913	870	4,478	3,354
Net unrealized foreign exchange adjustment gain (loss) on available-for-sale financial assets during the period	(308)	409	(90)	(31)
Reclassification of unrealized gain upon derecognition of available-for-sale investments	-	-	-	(696)
Amounts reclassified to profit during the period related to realized gains on available-for-sale investments	(2,770)	-	(5,882)	-
Foreign currency translation differences from foreign operations	(2,015)	1,517	(1,212)	1,888
Current tax recovery	75	-	75	-
Deferred tax recovery (expense)	430	(404)	408	(1,056)
Other comprehensive income for the period, net of income tax	(3,675)	2,392	(2,223)	3,459
Total comprehensive income for the period	\$ 18,243	\$ 11,178	\$ 142,523	\$ 22,598
Earnings per share Basic and diluted	\$ 1.03	\$ 0.41	\$ 6.83	\$ 0.90

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Statements of Changes in Equity
(In thousands of U.S. dollars)

(Unaudited)

Nine months ended September 30, 2011

	Capital stock	Accumulated other comprehensive income/(loss)		Total accumulated other comprehensive income/(loss)	Retained earnings	Total
		Cumulative translation account	Amounts related to gains/losses on available-for-sale financial assets			
Balance at January 1, 2011	\$ 99,283	\$ 1,379	\$ 7,143	\$ 8,522	\$ 35,246	\$ 143,051
<i>Total comprehensive income for the period</i>						
Net income					144,746	144,746
<i>Other comprehensive income (loss)</i>						
Net change in fair value on available-for-sale financial assets during the period			4,478	4,478	-	4,478
Net unrealized foreign exchange adjustment gain (loss) on available-for-sale financial assets during the period			(90)	(90)	-	(90)
Amounts reclassified to profit during the period related to realized gains on available-for-sale investments			(5,882)	(5,882)	-	(5,882)
Foreign currency translation differences from foreign operations		(1,212)		(1,212)	-	(1,212)
Current tax recovery		75		75		75
Deferred tax recovery		124	284	408	-	408
Total other comprehensive income (loss) for the period		(1,013)	(1,210)	(2,223)	-	(2,223)
Total comprehensive income for the period		(1,013)	(1,210)	(2,223)	144,746	142,523
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company					(42,384)	(42,384)
Balance at September 30, 2011	\$ 99,283	\$ 366	\$ 5,933	\$ 6,299	\$ 137,608	\$ 243,190

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Statements of Changes in Equity
(In thousands of U.S. dollars)

(Unaudited)

Nine months ended September 30, 2010

	Capital stock	Accumulated other comprehensive income/(loss)		Total accumulated other comprehensive income/(loss)	Retained earnings	Total
		Cumulative translation account	Amounts related to gains/losses on available-for-sale financial assets			
Balance at January 1, 2010	\$ 99,283	\$ -	\$ 3,004	\$ 3,004	\$ 10,740	\$ 113,027
<i>Total comprehensive income for the period</i>						
Net income					19,139	19,139
<i>Other comprehensive income (loss)</i>						
Net change in fair value on available-for-sale financial assets during the period			3,354	3,354	-	3,354
Net unrealized foreign exchange adjustment gain (loss) on available-for-sale financial assets during the period			(31)	(31)	-	(31)
Reclassification of unrealized gain from prior periods upon derecognition of available-for-sale investments			(696)	(696)	-	(696)
Foreign currency translation differences from foreign operations		1,888	-	1,888	-	1,888
Deferred tax expense		(212)	(844)	(1,056)	-	(1,056)
Total other comprehensive income (loss) for the period		1,676	1,783	3,459	-	3,459
Total comprehensive income for the period		1,676	1,783	3,459	19,139	22,598
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company					(5,510)	(5,510)
Balance at September 30, 2010	\$ 99,283	\$ 1,676	\$ 4,787	\$ 6,463	\$ 24,369	\$ 130,115

CONSTELLATION SOFTWARE INC.

Condensed Consolidated Statements of Cash Flows
(In thousands of U.S. dollars)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Cash flows from operating activities:				
Net income	\$ 21,918	\$ 8,786	\$ 144,746	\$ 19,139
Adjustments for:				
Depreciation	1,957	1,964	6,039	4,728
Amortization of intangible assets	19,135	16,782	55,733	48,666
Impairment of non-financial assets	518	-	518	-
Finance income	(2,795)	(306)	(6,167)	(900)
Finance costs	1,462	1,315	4,589	3,672
Income tax expense (recovery)	3,145	1,676	(87,255)	6,316
Foreign exchange (gain) loss	(905)	1,622	3,028	2,043
Change in non-cash operating working capital	12,511	1,353	(30,437)	(2,628)
Income taxes paid	(3,295)	(8,710)	(10,023)	(13,926)
Net cash flows from operating activities	53,651	24,482	80,771	67,110
Cash flows from financing activities:				
Interest paid	(1,526)	(1,008)	(3,989)	(3,140)
Decrease in other non current liabilities	(1,800)	(716)	(1,959)	(209)
Decrease in bank indebtedness, net	(67,746)	(19,825)	(12,031)	(3,471)
Dividends paid	-	-	(42,755)	(5,510)
Net cash flows from financing activities	(71,072)	(21,549)	(60,734)	(12,330)
Cash flows from investing activities:				
Acquisition of businesses, net of cash acquired	(1,510)	(3,628)	(33,054)	(43,533)
Post-acquisition settlement payments, net of receipts	(1,503)	(2,667)	(2,602)	(5,560)
Purchases of available-for-sale equity securities	-	(2,163)	(5,944)	(10,411)
Proceeds from sale of available-for-sale equity securities	7,011	-	13,499	-
Decrease in restricted cash	107	-	557	1,272
Interest and dividends received	164	118	318	197
Property and equipment purchased	(1,640)	(1,926)	(5,704)	(5,149)
Cash flows provided for (used in) investing activities	2,629	(10,266)	(32,930)	(63,184)
Effect of currency translation adjustment on cash and cash equivalents	2,751	1,625	153	(191)
Decrease in cash and cash equivalents	(12,041)	(5,708)	(12,740)	(8,595)
Cash, beginning of period	30,212	30,362	30,911	33,249
Cash, end of period	18,171	\$ 24,654	\$ 18,171	\$ 24,654