CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

MANAGEMENT DISCUSSION AND ANALYSIS

This interim Management Discussion and Analysis ("MD&A") supplements the financial statements and contains financial highlights but does not reproduce the Company's complete interim financial statements. It presents management's assessment of the Company's results for the period reported in the financial statements, as well as its financial position and any material changes to it.

The Company's annual and compounded returns expressed in this MD&A are net of expenses and income taxes while returns by activity or investment profile represent returns before expenses and income taxes.

This disclosure document contains management's analysis of forward-looking statements. Caution should be exercised in the interpretation of this analysis and these statements since management often makes reference to objectives and strategies that contain risks and uncertainties. Due to the nature of the Company's operations, the associated risks and uncertainties could cause actual results to differ from those anticipated in forward-looking statements. The Company disclaims any intention or obligation to update or revise such statements based on any new information or new event that may occur after the reporting date.

Copies of the interim financial statements may be obtained free of charge, on request, by calling 514-281-2322 or (toll free) 1-866-866-7000, extension 2322, by writing to 2 Complexe Desjardins, P.O. Box 760, Desjardins Station, Montréal, Québec H5B 1B8, or from our website at capitalregional.com or SEDAR at www.sedar.com.

Annual financial information may be obtained in the same way.

FINANCIAL HIGHLIGHTS

The following charts present key financial data and are intended to assist in understanding the Company's financial results for the preceding five fiscal years and for the six-month period ended June 30, 2015. This information is derived from the Company's audited annual and interim financial statements. Financial information for fiscal 2014 and the first six months of fiscal 2015 is presented in accordance with International Financial Reporting Standards ("IFRS"). Financial information for fiscal 2013 has been restated to conform to IFRS presentation and ensure comparability with information presented for fiscal 2014. This restatement resulted in no change in the Company's net assets and net earnings. Financial information for fiscal years 2010 to 2012 is presented in accordance with Canadian generally accepted accounting principles ("GAAP") then in effect.

RATIOS AND SUPPLEMENTAL DATA

(in thousands of $, unless indicated otherwise)

	JUNE 30, 2015 (IFRS)	DEC. 31, 2014 (IFRS)	DEC. 31, 2013 (IFRS)	DEC. 31, 2012 (GAAP)	DEC. 31, 2011 (GAAP)	DEC. 31, 2010 (GAAP)
Revenue	**22,263**	44,422	51,982	53,491	46,894	44,970
Gains (losses) on investments	**15,979**	42,884	10,670	42,376	117,757	8,032
Net earnings	**20,790**	49,245	24,950	53,435	122,588	18,696
Net assets	**1,592,650**	1,502,462	1,470,576	1,356,446	1,220,427	1,019,846
Common shares outstanding (number, in thousands)	**130,541**	124,665	126,165	118,243	110,776	102,908
Total operating expense ratio[1] (%)	**1.8**	2.1	2.0	2.4	3.0	2.8
Total expense and common share issue expense ratio[1] (%)	**2.1**	2.2	2.2	2.4	3.0	2.8
Portfolio turnover rate:						
– Investments impacting the Québec economy (%)	**9**	19	16	23	28	11
– Other investments (%)	**77**	102	108	67	110	112
Trading expense ratio[2] (%)	**0.0**	0.0	0.0	0.0	0.0	0.0
Number of shareholders (number)	**100,277**	96,236	100,861	103,052	106,577	111,476
Issues of common shares	**131,207**	62,906	149,995	149,994	153,955	180,982
Common share issue expenses, net of related taxes	**1,516**	764	1,739	–	–	–
Redemption of common shares	**60,293**	79,501	59,075	67,410	75,962	85,753
Investments impacting the Québec economy at cost	**718,143**	675,355	671,547	625,414	498,984	473,331
Fair value of investments impacting the Québec economy	**737,351**	710,923	733,907	659,045	541,909	439,550
Funds committed but not disbursed	**144,745**	193,764	227,593	142,350	151,822	200,485

[1] Total operating expense ratio is calculated by dividing total expenses (before income taxes) as shown on the statement of comprehensive income as at the end of the period or, for the financial year, by average net assets, pursuant to Section 68 of the *Regulation respecting Development Capital Investment Fund Continuous Disclosure*.
The total operating expense and common share issue expense ratio is computed on the same basis but adding the common share issue expenses as shown on the statement of changes in net assets to total expenses.

[2] Trading expense includes brokerage fees and other portfolio transaction costs. These expenses are not material to the Company.

CHANGES IN NET ASSETS PER COMMON SHARE

	JUNE 30, 2015 (IFRS)	DEC. 31, 2014 (IFRS)	DEC. 31, 2013 (IFRS)	DEC. 31, 2012 (GAAP)	DEC. 31, 2011 (GAAP)	DEC. 31, 2010 (GAAP)
	($)	($)	($)	($)	($)	($)
Net assets per common share, beginning of period/year	**12.05**	**11.66**	**11.47**	**11.02**	**9.91**	**9.73**
Increase attributable to operations	**0.16**	**0.40**	**0.20**	**0.46**	**1.15**	**0.19**
Interest, dividends and negotiation fees	**0.17**	0.36	0.41	0.46	0.43	0.45
Operating expenses	**(0.11)**	(0.25)	(0.23)	(0.28)	(0.31)	(0.27)
Income taxes and capital tax	**(0.02)**	(0.06)	(0.07)	(0.09)	(0.07)	(0.07)
Realized gains (losses)	**0.31**	0.52	0.03	0.48	0.20	(0.36)
Unrealized gains (losses)	**(0.19)**	(0.17)	0.06	(0.11)	0.90	0.44
Difference attributable to common share issues and redemptions	**(0.01)**	**(0.01)**	**(0.01)**	**(0.01)**	**(0.04)**	**(0.01)**
Net assets per common share, end of period/year	**12.20**	**12.05**	**11.66**	**11.47**	**11.02**	**9.91**

OVERVIEW

The Company closed the first six months of fiscal 2015 with net earnings of $20.8 million ($32.4 million for the same period in 2014), representing a non-annualized return of 1.4% (2.2% as at June 30, 2014), resulting in an increase of net assets per share to $12.20 based on the number of common shares outstanding as at June 30, 2015, compared with $12.05 at the end of fiscal 2014. The Company aims to strike an appropriate balance between shareholder return and its mission of Québec economic development. The financial asset management strategy adopted by the Company several years ago allows it to limit volatility in periods of substantial market turbulence. Accordingly, the Company has generated sound returns over the last 13 six month periods.

Investments impacting the Québec economy posted a non-annualized return of 3.7% for the six-month period ended June 30, 2015 compared with a non-annualized return of 4.0% for the same period a year earlier. As at June 30, 2015, the cost of Investments impacting the Québec economy disbursed totalled $718.1 million, with $94.9 million made during the first six months of fiscal 2015. As at June 30, 2015, commitments made but not disbursed, which represent investments already agreed upon with companies, cooperatives or funds to be disbursed at a later date, amounted to $144.7 million. New commitments for the period were $45.9 million.

Other investments generated a non-annualized return of 1.7% for the first six months of 2015, compared with a non-annualized return of 3.3% for the same period of 2014. Return for the first six months of fiscal 2015 stemmed primarily from the sharp decline in bond rates during the period.

In the first half of the year, issues of common shares totalled $131.2 million. Share redemptions amounted to $60.3 million. The balance of shares eligible for redemption as at June 30, 2015 totalled more than $477 million. Net assets amounted to $1,592.7 million, up 6.0% from December 31, 2014. The number of shareholders as at June 30, 2015 was 100,277.

THE COMPANY'S VISION FOR QUÉBEC ENTREPRENEURSHIP

A recent study[1] states that various indicators show that Québec's performance lags behind that of other Canadian provinces. Among the reasons cited, a culture less inclined toward entrepreneurship and a heavy administrative burden are stressed in particular. Québec must devote significant effort to developing the entrepreneurial spirit and culture of Québecers.

Business transfers and the survival of existing businesses are also key issues. So deploying entrepreneurial energy to take over the helm for a business is crucial for Québec.

Last, Québec faces a huge challenge – developing and growing existing businesses. Businesses in Québec tend to remain too small and to overleverage themselves, putting a healthier capital structure at risk. Undercapitalization has serious repercussions on their performance, including low productivity and a low level of activity in international markets, which ultimately lowers Québec's ability to create and retain its fair share of highly paid jobs – jobs that are needed for the tax base to maintain healthy public finances for the province.

In carrying out its mission, the Company aims to stand tall and play a unique role in addressing these diverse issues that guide its actions every day.

ECONOMIC ENVIRONMENT

The slump in oil prices early in the year failed to perk up the global economy as anticipated and the United States posted only weak real GDP growth in the first quarter. The euro zone economy is improving, however, and showing modest signs of picking up speed quarter over quarter. Also, personal and business loans are increasing more rapidly in the common currency zone, with inflation on the rise and negative interest rates less conspicuous. The Japanese economy improved in early 2015, posting annualized real GDP growth of 3.9% in contrast with last year's short recession brought on by increased sales taxes. Of the main emerging countries, India is faring best. In China, the slowdown continues. Monetary authorities are attempting to limit the weakness with a variety of measures to ease monetary policy. Global real GDP growth is expected to be 3.3% in 2015 and 3.9% in 2016.

Economic conditions in the U.S. are improving. After growing 0.6% in the first quarter of 2015, real GDP advanced 2.3% over the spring. Consumer spending, car sales in particular, and the housing sector are strengthening. In addition, job creation remains strong, household confidence indexes are on the rise despite higher gas prices and wages are showing the first signs of gathering speed. Shrinking oil industry investment and a strong greenback are dragging on U.S. economic growth. Impacted by the weakness early in the year, annual real GDP growth is likely to be a mere 2.4% in 2015. Growth of 3.0% is still expected for next year.

In Canada, economic conditions deteriorated significantly over the winter. Among other things, real GDP shed 0.6% at an annualized pace in the first quarter of 2015, falling well short of expectations. Not only did non-residential investment plummet due to the hardships in the energy sector, but consumer purchases of durable goods slumped sharply. In addition, exports lagged slightly as a number of issues — such as lower investment in the energy sector and the labour disputes in West Coast ports which disrupted cargo handling — bit into U.S. demand. Real GDP could slump again in the second quarter, which would plunge Canada's economy into a technical recession that would, however, be concentrated in the industrial sectors and regions with a higher focus on energy and natural resources. But the forecasts are brighter for the second half of 2015 as stronger U.S. demand and a weaker Canadian dollar are likely to create favourable conditions for foreign trade. Manufacturing provinces such as Ontario are expected to benefit the most. Last, Canadian real GDP could grow 1.1% in 2015, compared with a gain of 2.4% in 2014.

[1] Desjardins Group and CIRANO, *For a more entrepreneurial and prosperous Quebec*, April 2014

Québec's economy posted growth of 1.6% at an annualized rate in the first quarter of 2015. Certain indicators were negatively impacted by the harsh winter, in particular housing starts and retail sales. Higher electricity production, however, led to higher economic activity. The 0.4% drop in real GDP in April dampened hopes for the second quarter.

Québec has some positive points going for it. Investment statistics are more favourable than Canada's and the upward trend in the province's exports seems to be holding. Québec's industrial structure shows that the economy is less affected by the lower oil prices. And the province is benefiting from a weak Canadian dollar and strength in the U.S. and Ontario economies.

The intensely cold winter of 2015 hurt housing starts considerably, amplifying the downward trend already plaguing construction, but the situation is beginning to turn around. Existing home sales also got off to a relatively slow start in 2015, but activity has picked up in the meantime. Housing prices are tending to stabilize and the Québec market is showing a slight surplus, for condos in particular.

Bond rates in the industrialized countries rose considerably over the second quarter of 2015. After falling to 0.05% in mid-April, the German 10-year rate has risen to about 0.85%. The 10-year and 30-year rates in the U.S. and Canada surged more than 0.30% over the second quarter. Rising oil prices contributed to higher bond rates, lessening fears of deflation. The release of encouraging economic statistics at the end of the second quarter also put upward pressure on bond rates by increasing the likelihood that the Federal Reserve would begin to tighten monetary policy at its meeting next September. Any hikes to U.S. key rates, however, are likely to be very gradual, which should limit upward pressure on bond rates. After a tougher-than-expected start to the year for the Canadian economy, the Bank of Canada lowered its key rates in mid-July, which put further downward pressure on the loonie. The Bank will likely leave its monetary policy unchanged for many quarters to come. North American stock markets have not shown any clear trend over the last few months given that investors have been reacting to the ups and downs in the negotiations between the Greek government and its creditors, among other things.

MANAGEMENT'S DISCUSSION OF FINANCIAL PERFORMANCE

OPERATING RESULTS

COMPANY NET RESULTS AND RETURNS

The Company ended the first half of the year on June 30, 2015 with net earnings of $20.8 million, or a non-annualized return of 1.4% compared with net earnings of $32.4 million (non-annualized return of 2.2% for the same period of 2014). Based on the number of shares outstanding, this brings net assets per share to $12.20 as at the end of the six-month period, compared with $12.05 at the end of fiscal 2014. For information purposes, at a price of $12.20 effective August 19, 2015, shareholders who invested seven years earlier would obtain an annual after-tax return of more than 11.9%, taking into account the 50% income tax credit as per the rate applicable on August 19, 2008.

The Company's performance is driven primarily by Investments impacting the Québec economy and Other investments, which generated non-annualized returns of 3.7% and 1.7%, respectively, while expenses, net of administrative charges and income taxes had an impact of 1.2% on the Company's non-annualized return.

The Company's asset allocation strategy allows it to enjoy a more balanced overall portfolio profile, while actively contributing to Québec's economic development. This should limit the volatility of the Company's returns in periods of substantial market turbulence.

RETURN BY ACTIVITY	**JUNE 30, 2015**				JUNE 30, 2014			
	Average assets under management ($M)	**Weighting (%)**	**Non-annualized return 6 months (%)**	**Non-annualized contribution 6 months (%)**	Average assets under management ($M)	Weighting (%)	Non-annualized return 6 months (%)	Non-annualized contribution 6 months (%)
Activities related to Investments impacting the Québec economy*	**728**	**47.5**	**3.7**	**1.7**	748	51.7	3.9	1.9
Other investments and cash	**805**	**52.5**	**1.7**	**0.9**	699	48.3	3.3	1.6
	1,533	**100.0**	**2.6**	**2.6**	1,447	100.0	3.5	3.5
Expenses, net of administrative charges			**(1.0)**	**(1.0)**			(1.1)	(1.1)
Income taxes			**(0.2)**	**(0.2)**			(0.2)	(0.2)
Company's return			**1.4**	**1.4**			2.2	2.2

* Includes Investments impacting the Québec economy, amounts receivable on disposal of investments, notes payable and foreign exchange contracts.

INVESTMENTS IMPACTING THE QUÉBEC ECONOMY

Investments of $94.9 million and disposals of $82.1 million were made for a net balance of $12.8 million. Combined with realized and unrealized net gains of $13.2 million, these net investments brought the fair value of the investment portfolio, including foreign exchange contracts, to $736.9 million as at June 30, 2015 ($710.9 million as at December 31, 2014). Investments in the funds comprising the entrepreneurial ecosystem, as described below, in the amount of $18.2 million, and a $71.5 million aggregate investment in two manufacturing companies, mainly accounted for the investments of $94.9 million made during the first half of the year.

Investments impacting the Québec economy should also be measured taking into account funds committed but not disbursed, which amounted to $144.7 million as at June 30, 2015, compared with $193.8 million as at December 31, 2014. Total commitments at cost as at June 30, 2015, amounted to $862.9 million in 121 companies, cooperatives and funds, of which $718.1 million was disbursed. As at June 30, 2015, backed by its entrepreneurial ecosystem, the Company directly supported growth in 388 companies, cooperatives and funds.

Notes payable and financial liabilities with a fair value of $22.7 million ($22.1 million as at December 31, 2014) were largely attributable to the November 30, 2010 acquisition of certain investments from Desjardins Venture Capital L.P. Their fair value is adjusted according to changes in the fair value of these investments held by the Company. As the Company did not repay any notes during the six months ended on June 30, 2015, the fair value of notes and financial liabilities was adjusted upwards by $0.6 million, arising from gains generated on underlying investments.

During the first six months of fiscal 2015, the Investments impacting the Québec economy portfolio generated a positive contribution of $25.9 million, for a return of 3.7%, compared with $27.9 million for the same period of 2014 (a return of 3.9%).

CONTRIBUTION GENERATED BY INVESTMENTS IMPACTING THE QUÉBEC ECONOMY (in thousands of $)	SIX MONTHS ENDED JUNE 30, 2015	SIX MONTHS ENDED JUNE 30, 2014
Revenue	**13,528**	13,300
Gains and losses	**12,354**	14,555
	25,882	27,855

Revenue, consisting of interest, dividends and negotiation fees related to Investments impacting the Québec economy, provides a solid income base that promotes overall portfolio profitability. Negotiation fees, which amounted to $1.6 million for the six-month period ended June 30, 2015 ($1.1 million for the same period in 2014), are earned by the manager, Desjardins Venture Capital (DVC), and a credit for that amount is applied against the management fees paid to DVC by the Company. Negotiation fees are included in the contribution generated by the Investments impacting the Québec economy as they are included in the profitability analysis of the investments. The profile of the investments held by the Company is changing over time and the amounts earmarked for the funds in its ecosystem are increasingly larger (refer to the following section for further information). Therefore, investments held by these ecosystem funds generate revenue in addition to the revenue generated by the Company. This revenue, of which the Company's share amounted to $5.7 million for the first six months of fiscal 2015 ($5.3 million for the first half of 2014), is reported as "Gains and losses" as it makes a positive contribution to the fair value of the Company's interest in these funds.

The Company accounts for its Investments impacting the Québec economy at fair value. Two comprehensive portfolio reviews are carried out each year, with one covering the six-month period ending June 30 and the other covering the six-month period ending December 31.

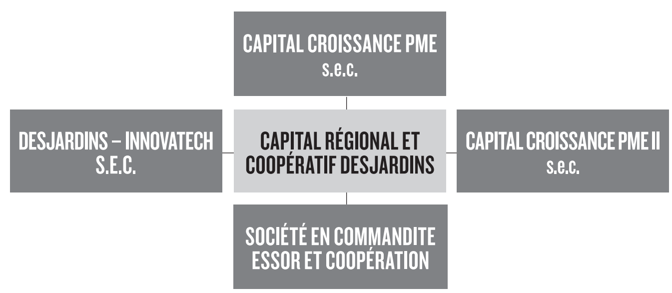
The Company recorded in its results for the six-month period a realized and unrealized gain of $12.4 million compared with a gain of $14.6 million for the same period in 2014. These favourable changes in fair value on the Company's results are explained by the sound performance of a number of portfolio companies, despite the more difficult economic environment that affected certain companies.

As at June 30, 2015, the overall risk level of the Investments impacting the Québec economy portfolio had improved slightly compared with its December 31, 2014 level, as discussed in the Credit and counterparty risk section.

ENTREPRENEURIAL ECOSYSTEM

The Company invests directly in Québec companies and also fulfils its economic development role via investments through the funds it has helped create, each of which has a specific mission. With this approach of seeking capital from various partners, the Company can leverage its resources, thereby enhancing its positive impact on Québec's economic development.

Main funds of the entrepreneurial ecosystem



These funds, which are also managed by the Company's manager, DVC, are:

- Capital croissance PME s.e.c. (CCPME), created on July 1, 2010, whose main goal is to invest in Québec's small- and medium-sized businesses, primarily in the form of subordinated debt securities for amounts not exceeding $5 million. The Company and the Caisse de dépôt et placement du Québec (CDPQ), as sponsors of the fund, agreed to invest equal amounts totalling a maximum of $220 million. As at June 30, 2015, the Company had disbursed $102.5 million of its total commitment of $110 million. As CCPME's investment period closed on December 31, 2013, funds committed but not disbursed totalling $7.5 million will be used for reinvestment and to pay the Fund's operating expenses until its scheduled winding up date of July 1, 2021. As at June 30, 2015, CCPME had made commitments of $118.8 million to support a total of 160 companies and funds. Since its inception, CCPME has injected $188.3 million to support a total of 183 companies.

- In 2013, the Company announced the renewal of the partnership agreement with CDPQ, establishing the Capital croissance PME II s.e.c. fund (CCPME II) as of January 1, 2014. A maximum additional amount of $230 million, most of which will be invested over a three-year period, will allow the two partners to continue supporting small- and medium-sized enterprises in Québec. The Company's interest in CCPME II is 50%. As at June 30, 2015, the Company had disbursed $48.0 million of its total commitment of $115 million. As at that date, CCPME had made commitments of $96.1 million to support a total of 93 companies and funds. Since its inception, CCPME II has injected $90.2 million to support a total of 89 companies.

- The Company is also the sponsor of the Desjardins – Innovatech S.E.C. fund (DI). DI has undertaken to inject a total of $85 million to support Québec technology or innovation businesses through each stage of their development. DI has participated in the creation of innovative business accelerators in partnership with specialized organizations located in various regions of Québec, enabling it to support businesses from the embryonic stage through commercialization. As at June 30, 2015, DI had made commitments of $57.5 million to support a total of 38 companies and funds. The Company's interest in DI is 54.5%.

- The objective of the Société en commandite Essor et Coopération (Essor et Coopération) is to support the creation, growth and capitalization of cooperatives in Québec. The Company and another partner have made commitments to invest $40 million and $4 million, respectively, for a total capitalization of $44 million. The partnership also entered into an agreement with the Business Development Bank of Canada and the Sociétés d'aide au développement des collectivités and Centres d'aide aux entreprises network to make joint investments into projects, thereby making available a total amount of almost $60 million to Québec cooperatives. In addition, during the first half of the year, the Company confirmed its interest in increasing its commitment to Essor et Coopération on terms and conditions that remain to be determined. Since inception of the Essor et Coopération fund on January 1, 2013, the Company has disbursed $20.0 million of its total commitment of $40 million, allowing the Essor et Coopération fund to support the development of 13 cooperatives.

As at June 30, 2015, CRCD and its ecosystem supported the growth of 388 companies, cooperatives and funds in various industries spanning all Québec regions with commitments of $900.2 million, while helping to create and retain 62,000 jobs.

The investments earmarked for these funds are increasing over time. To better manage and keep track of its operations, the Company monitors changes in asset allocation and performance by investment profile.

Each investment profile includes the assets held by the Company and similar assets held by funds in its ecosystem according to their respective interests.

The investment profiles related to Investments impacting the Québec economy are:

- Debt: investments in the form of advances and/or mainly unsecured loans and/or preferred shares;

- Equity: investments comprising common shares that may be combined with advances and/or mainly unsecured loans in companies other than those included under the Venture capital profile;

- External funds: investments in funds outside the Company's entrepreneurial ecosystem;

- Venture capital: investments in companies specializing in technological innovations.

ENTREPRENEURIAL ECOSYSTEM PERFORMANCE

RETURN BY INVESTMENT PROFILE	JUNE 30, 2015				JUNE 30, 2014			
	Average assets under management ($M)	**Weighting (%)**	**Non-annualized return 6 months (%)**	**Non-annualized contribution 6 months (%)**	Average assets under management ($M)	Weighting (%)	Non-annualized return 6 months (%)	Non-annualized contribution 6 months (%)
Debt	**238**	**15.5**	**3.6**	**0.6**	186	12.8	3.1	0.4
Equity	**386**	**25.2**	**4.2**	**1.0**	447	30.9	5.1	1.5
External funds	**37**	**2.4**	**11.4**	**0.3**	34	2.4	1.9	0.0
Venture capital	**23**	**1.5**	**(7.0)**	**(0.2)**	30	2.1	(5.4)	(0.1)
Investment profiles subtotal	**684**	**44.6**	**3.8**	**1.7**	697	48.2	4.0	1.8
Other asset items held by ecosystem funds	**44**	**2.9**	**1.0**	**0.0**	51	3.5	2.7	0.1
Ecosystem total	**728**	**47.5**	**3.7**	**1.7**	748	51.7	3.9	1.9

The entrepreneurial ecosystem's sound performance stems primarily from the Equity and Debt investment profiles, which posted gains of 4.2% and 3.6%, respectively. These gains are attributable to the higher profitability of some portfolio companies and given the large amount of assets allocated to these profiles, they made a major contribution to the ecosystem's return of 3.7% for the first six months of 2015. Due to their volume, the External funds and Venture capital investment profiles have a very limited impact on the portfolio's total return.

OTHER INVESTMENTS

Managing the Other investments portfolio involves the portion of assets not earmarked for Investments impacting the Québec economy, including temporarily available cash resources prior to their investment in companies.

This portfolio, consisting primarily of bonds, money market instruments, real estate funds and preferred shares, provides stable current revenue for the Company and ensures the necessary liquidity to fund common share redemptions and investments.

As at June 30, 2015, the Company's Other investments portfolio, including cash but excluding foreign exchange contracts, totalled $831.5 million compared with $778.7 million as at December 31, 2014. These funds were invested mainly in the fixed-income securities market in highly liquid, low-credit risk instruments. As at June 30, 2015, 66% of portfolio bond securities were government-guaranteed, unchanged from December 31, 2014.

Other investments accounted for 52% of the portfolio's total net assets as at the end of the first six months of 2015, unchanged from December 31, 2014. Commitments already made but not disbursed of $144.7 million, representing 9% of net assets, will eventually be covered from the Company's Other investments portfolio and allocated to Investments impacting the Québec economy.

The Company expects Other investments portfolio over the long term to represent around 35% of total net assets as the pace of redemptions levels off as anticipated. In keeping with its core mission, this will allow an increase in funds allocated to Investments impacting the Québec economy.

The Company has implemented liquidity management strategies for the Other investments portfolio to optimize potential return while retaining the required liquidities to meet liquidity needs arising from redemption requests from shareholders and Investments impacting the Québec economy it expects to make.

CONTRIBUTION GENERATED BY OTHER INVESTMENTS (in thousands of $)	SIX MONTHS ENDED JUNE 30, 2015	SIX MONTHS ENDED JUNE 30, 2014
Revenue	**9,764**	10,229
Gains and losses	**3,627**	13,291
	13,391	23,520

Revenue consists of interest, dividends and trading activities related to Other investments. Interest income (primarily from bonds) is recognized at the bond rate in effect at the acquisition date.

Other investments made a contribution of $13.4 million in the first six months of 2015 compared with a contribution of $23.5 million a year earlier. Current revenue was down slightly compared with the same period of 2014, due to generally lower bond interest rates.

For the first six months of 2015, the Company recorded a net gain of $3.6 million on its Other investments portfolio. On the one hand, the preferred share portfolio posted a loss of $4.9 million as a result of a massive market sell-off of adjustable rate securities following the anticipated reduction in bond interest rates and the downgrading of the credit rating of one of the portfolio issuers. On the other, the bond portfolio recorded a solid gain of $8.5 million due mainly to lower bond rates during the period. Five-year Government of Canada benchmark bonds posted yields of 0.81% as at June 30, 2015, due to a sharp decline of 53 basis points during the six-month period.

Over the last few years, the fair value of the bond portfolio benefited from repeated interest rate decreases. A potential rise in rates will have a negative impact on unrealized changes in value. The Company's financial asset management strategy is to match the average maturity of Other investments with the average maturity of expected cash outflows, thereby limiting the long-term effect of bond rates on the Company's results.

CAPITAL RAISING

The Company offers its common shares exclusively through the Desjardins caisse network.

On February 28, 2014, the Company reached its capitalization limit. Despite the provisions of its constituting act in respect of the Company's capitalization, the Minister of Finance of Québec in his Budget Speech of June 4, 2014, authorized the Company exceptionally to raise a maximum of $150 million for the 2015 issue and simultaneously set the provincial tax credit granted for purchasing shares at 45%.

To allow as many shareholders as possible to buy Company shares, the maximum annual allowable was capped at $3,000 per investor for the 2015 issue, for a tax credit of $1,350.

As of the date of this report, purchases of the Company's shares entitle shareholders to receive a non-refundable tax credit of 45% against Québec tax only.

This tax credit was 50% for shares purchased from November 10, 2007 to February 28, 2014, inclusively and before March 24, 2006, and 35% for shares purchased from March 24, 2006 to November 9, 2007, inclusively.

The minimum holding period for shares of the Company before a shareholder would normally be eligible for a redemption is seven years to the day from the date of purchase. Note however that shareholders who withdraw some or all of their shares after the seven-year holding period may no longer claim a tax credit for any subscription for which the tax credit would apply in the current tax year or in any subsequent tax year.

Each 12-month capitalization period begins on March 1 of each year. A special tax is payable by the Company if it fails to comply with the authorized issuance amounts, and control mechanisms have been implemented by the Company to ensure compliance.

As at June 30, 2015, the Company had $1,358.2 million in share capital for 130,540,525 outstanding shares.

On May 25, 2015, the Company began to accept subscriptions for its 2015 share issue. During the first six months of 2015, the Company had raised $131.2 million on an authorized amount of $150 million, while at the same date last year share sales for the 2014 issue had not yet begun. The 2014 issue sold out during the second half of fiscal 2014, raising $63 million, or the authorized maximum.

During the first six months of fiscal 2015, share redemptions totalled $60.3 million ($43.3 million for the same period of 2014).

As at June 30, 2015, the balance of shares eligible for redemption totalled over $477 million. During the second half of fiscal 2015, additional shares with an approximate value of $19 million will also become eligible for redemption, bringing potential redemptions close to $496 million for fiscal 2015. The Company feels that the current economic conditions and low interest rates in particular are behind the low volume of redemptions in the last few years.

Subscriptions and redemptions during the six months of 2015 brought the number of shareholders to 100,277 as at June 30, 2015, compared with 96,236 as at December 31, 2014.

The Company's policy is to reinvest income from operations rather than pay dividends to its shareholders in order to increase the capital available for investment in eligible entities and to create share value appreciation.

EXPENSES AND INCOME TAXES

EXPENSES (in thousands of $)	**SIX MONTHS ENDED JUNE 30, 2015**	SIX MONTHS ENDED JUNE 30, 2014
Management fees	**12,447**	12,210
Other operating expenses	**1,004**	1,594
Shareholder services	**1,017**	1,018
	14,468	14,822

The Company has entrusted DVC with its management and operations, in accordance with the strategies and objectives approved by the Board of Directors. The five-year management agreement is effective January 1, 2013. The agreement provides for the invoicing of separate fees for the Desjardins caisse network's contribution in distributing the Company's shares. Negotiation fees, which amounted to $1.6 million for the six-month period ended June 30, 2015, are earned by DVC and a credit for that amount is applied against the management fees paid by the Company.

Under this agreement, the Company is committed until December 31, 2015 to pay management fees equal to 2.02% of the Company's annual average asset value, less any amounts payable related to Investments impacting the Québec economy and Other investments. These fees will be renegotiated between the Company and its manager for fiscal 2016. An adjustment is made to the management fees charged to the Company to avoid double billing relative to the Company's interest in some funds.

The $0.6 million decrease in Other operating expenses results mainly from the reduction in costs related to the implementation process for new investment management software. This system, implemented in November 2014, manages increases in direct and indirect investments. Also, professional fees related to investment were lower compared with the first six months of 2014.

The Company has appointed Desjardins Trust Inc. as shareholder registrar and share transfer agent. Desjardins Trust also acts as an intermediary for various shareholder support services. Since the Company began operations, Desjardins Trust has represented the largest component of the Company's shareholder service expenses. The agreement, which expired on June 30, 2015, was renewed at the same conditions until December 31, 2015 except for the fee rate, which was adjusted on January 1, 2015 and will continue to apply to any renewal or new agreement until December 31, 2019.

The Company has appointed Fédération des caisses Desjardins du Québec to distribute its shares through the Desjardins caisse network. The term of the agreement is one year, unless terminated by agreement of the parties. It will be renewed from year to year, unless written notice is given by one or the other of the parties three months in advance. Moreover, share issue expenses of $1.5 million payable to the Desjardins caisse network for the 2015 issue have been recognized as a reduction of share capital.

Income taxes for the first six months of fiscal 2015 amounted to $3.0 million, compared with $3.3 million for the same period in 2014. Revenue type has a significant impact since, unlike business income, capital gains are eligible for deductions and mechanisms allowing for income tax refunds.

LIQUIDITY AND CAPITAL RESOURCES

For the six month period ended June 30, 2015, cash inflows from subscriptions net of redemptions totalled $70.9 million, compared with cash outflows from redemptions amounted to $43.3 million for the same period of 2014. Operating activities generated net cash outflows of $95.3 million, compared with cash inflows of $46.7 million for the same period in 2014.

Cash outflows related to Investments impacting the Québec economy of $81.8 million for the first six months of 2015 ($52.9 million for the same six months of 2014), resulted mainly from two significant investments in the manufacturing sector. The Other investments portfolio recorded a net use of funds of $76.0 million, compared with net sale proceeds of $57.1 million for the same period of 2014.

As at June 30, 2015, cash and cash equivalents totalled $28.1 million ($52.5 million as at December 31, 2014).

The Company has an authorized line of credit of $10 million. In the event that liquidity needs exceed expectations, this line of credit could be used on a temporary basis to cover the Company's obligations. This additional flexibility optimizes cash levels held and reduces the risk of having to dispose of assets hastily under potentially less advantageous conditions. The line of credit was not used during the first six months ended June 30, 2015 or during fiscal 2014.

Given the management approach for Other investments of matching the average maturity of the Company's total assets with the average maturity of its expected cash outflows, the Company does not anticipate any shortfall in liquidities in the short or medium terms and expects to be able to repurchase shares issued at least seven years earlier from those shareholders who make such a request.

COMPANY VISION, MISSION, OBJECTIVES AND STRATEGIES

On the initiative of Desjardins Group, the Company was founded on July 1, 2001, following adoption of the *Act constituting Capital régional et coopératif Desjardins* by Québec's National Assembly on June 21, 2001. DVC manages the Company's activities.

The vision, mission, objectives and strategies of the Company remain substantially the same as those described in its most recent annual MD&A.

RISK MANAGEMENT

RISK GOVERNANCE

The Board of Directors (the "Board") is made up of 13 members, the majority of whom are independent, and chaired by an independent director. The Board manages the Company's business and oversees the fulfilment of its mission. To do so, its primary duties are twofold: directing and overseeing all of the Company's activities and the risks to which it is exposed.

Its guidance duties consist in particular of ensuring adherence to the Company's mission and approving broad strategic directions. Its supervisory duties involve, among others, ensuring that significant risks are managed by the different committees and monitoring strategic and reputational risks related to investment.

To do this, the Board is supported by eight committees that regularly report to it and make appropriate recommendations. Also, the manager reports on outsourced activities through its executives who attend meetings of the Board and the committees.

The roles and responsibilities of the Executive Committee, the Audit Committee, the Financial Asset Management Committee, the Ethics and Professional Conduct Committee, the Portfolio Valuation Committee and the Subordinated Debt and Equity investment committees remain substantially the same as those described in the most recent annual MD&A.

That being said, the Board of Directors revised the charters of its investment committees and created an Innovation investment committee whose general mandate is identical with the mandate of the two existing committees, which is to evaluate and approve transactions related to investments impacting the Québec economy. More specifically the Innovation investment committee reviews the files of companies requiring equity or any file requiring a combination of equity and subordinated debt and which promote technological or industrial innovation or advance new uses for existing technologies. The Innovation investment committee is made up of a minimum of five members, at least two of whom are directors.

NOTE TO THE READER

The following sections regarding market risks, credit and counterparty risks, concentration risks and liquidity risks have been reviewed by the Company's independent auditor as part of the audit of the financial statements concerning which an independent auditor's report was issued on August 19, 2015.

MARKET RISKS

Market risks pertain to the Company's role in the capital markets and, indirectly, to general changes in economic conditions. They also pertain to the impact of capital market movements on the value of the Company's assets. The various risks that make up market risks directly impacting the Company are listed below.

In accordance with the Company's global financial asset management approach, the impact of these interest rate and stock market risks and their interrelatedness are taken into account when determining overall asset allocation.

Interest rate risk

Interest rate fluctuations have a significant impact on the market value of fixed-income securities and real estate funds held in the portfolio for which fair value is determined based on market conditions. Fixed-income securities held in the Other investments portfolio include money market instruments, bonds and preferred shares with a total fair value of $814.6 million ($766.5 million as at December 31, 2014). Fixed-income securities held in the Investments impacting the Québec economy portfolio include loans and advances and preferred shares with a fair value of $263.5 million ($257.7 million as at December 31, 2014).

Money market instruments with a fair value of $43.7 million ($46.4 million as at December 31, 2014) have not been valued based on fluctuations in the interest rates due to their very short term maturity and the Company's intention to hold them until maturity.

Bonds with a fair value of $694.6 million ($648.1 million as at December 31, 2014) are directly affected by fluctuations in the interest rates. A 1% increase in interest rates would have resulted in a decrease of $30.9 million in net earnings, representing a 2.0% decrease in the Company's share price as at June 30, 2015 ($24.5 million for 1.6% as at December 31, 2014). Similarly, a 1% decrease in interest rates would have had the opposite effect, resulting in a $32.6 million increase in net earnings, representing a 2.2% increase in share price ($25.7 million for 1.7% as at December 31, 2014). Given that the Company matches the maturities of bonds held in its portfolio with the average maturity of expected cash outflows, the long-term effect of interest rates on results should be limited.

Real estate funds and preferred shares with a fair value of $3.0 million ($3.0 million as at December 31, 2014) and $76.3 million ($72.1 million as at December 31, 2014), respectively, may also be affected by interest rate fluctuations. However, unlike bonds, there is no perfect correlation between interest rate fluctuations and changes in the fair value of these two classes of assets. Also, the interest rate risk related to real estate funds and preferred shares is limited given the amounts in question.

The loans and advances and preferred shares held in the Investments impacting the Québec economy portfolio, for which the Company also holds participating shares in the same business as well as those that have been discounted, with a total fair value of $118.1 million ($105.4 million as at December 31, 2014), are not sensitive to fluctuations in interest rates. Conversely, the other loans and advances and preferred shares held in the portfolio with a total fair value of $145.4 million ($152.3 million as at December 31, 2014) are sensitive to interest rate fluctuations. However, the interest rate risk related to the other loans and advances and preferred shares held in the portfolio is limited given the amounts in question.

Stock market risk

Stock market trends have a twofold impact on the Company. In addition to the direct impact on the market values of publicly traded stocks, the valuations of some private portfolio companies may also be affected by changes in stock prices.

As at June 30, 2015, the Investments impacting the Québec economy portfolio included listed equities in the amount of $0.7 million ($0.9 million as at December 31, 2014). As a result, any stock market fluctuations would not have a significant direct impact on the Company's net income.

Currency risk

Changes in currency values have an impact on the activities of a number of the Company's partner companies. The net effect of an appreciation in the Canadian dollar is not necessarily always negative for these companies, nor is a depreciation necessarily positive. However, rapid fluctuations in the Canadian dollar heighten the difficulties faced by these companies.

Currency fluctuations impact the fair value of assets valued initially in a foreign currency and subsequently translated into Canadian dollars at the prevailing rate of exchange. These assets, whose value varies in step with fluctuations in the value of a foreign currency, represent a fair value of $57.9 million, or 3.6% of net assets as at June 30, 2015, compared with $78.6 million, or 5.2% of net assets as at December 31, 2014.

The Company aims to systematically hedge currency risk for assets measured in foreign currency. A $5 million line of credit has been granted to the Company for its foreign exchange contract transactions. As at June 30, 2015, the Company held foreign exchange contracts under which it must deliver US$45.7 million (US$70.5 million as at December 31, 2014) at the rate of CAD/USD 1.2348 (CAD/USD 1.1629 as at December 31, 2014) on September 30, 2015.

As at June 30, 2015, the Company's net exposure to foreign currencies is limited to $0.9 million ($3.2 million as at December 31, 2014). Any fluctuation in the Canadian dollar will therefore not have a significant impact on the Company's results.

CREDIT AND COUNTERPARTY RISKS

In pursuing its Investments impacting the Québec economy mission, the Company is exposed to credit and counterparty risks related to potential financial losses if a partner company fails to fulfill its commitments or experiences a deterioration of its financial position. By diversifying its investments by investment profile, and by limiting the potential risk of each partner company, the Company has limited portfolio volatility due to the possibility of negative events.

The Company does not generally require guarantees to limit credit risk on its loans. Requiring guarantees would contravene the eligibility rules for Investments impacting the Québec economy.

Investments impacting the Québec economy, except those carried out through funds, are first ranked by risk from 1 to 9 based on the criteria defined by Moody's RiskAnalyst tool. Companies with a ranking of 7 and above are reviewed on a monthly basis to spread them across ranks 7 to 12.

Investments impacting the Québec economy made as funds are presented in the Low to acceptable risk category due to the structure of this type of product, and because they generally involve no leverage.

The table below shows an overall improvement in the Investments impacting the Québec economy portfolio. Ranked by risk, the percentage breakdown is as follows (fair value amounts):

		AS AT JUNE 30, 2015		AS AT DECEMBER 31, 2014	
Rank		**(in thousands $)**	**(as a %)**	(in thousands $)	(as a %)
1 to 6.5	Low to acceptable risk	**704,343**	**95.5**	671,168	94.4
7 to 9	At risk	**22,219**	**3.0**	17,265	2.4
10 to 12	High risk and insolvent	**10,790**	**1.5**	22,490	3.2

For the bond portfolio, which represents 85.0% of the fair value of the Other investments portfolio, credit risk is managed by diversification across numerous issuers with credit ratings as follows:

	AS AT JUNE 30, 2015	AS AT DECEMBER 31, 2014
Rank	**(in thousands of $)**	(in thousands of $)
AAA	**361,406**	301,901
AA	**125,144**	100,851
A	**137,982**	190,205
BBB	**66,610**	51,878
BB	**3,422**	3,238

Credit risk ratings are established by recognized credit agencies.

Counterparty risk is limited to the immediate short term and is associated with the Company's counterparty when entering into cash transactions.

Counterparty risk is low for foreign exchange contracts given the amounts in question and that the contract counterparty is Caisse centrale Desjardins.

CONCENTRATION RISKS

Concentration risks arise from the possibility that a significant portion of the Investments impacting the Québec economy portfolio or the Other investments portfolio might become concentrated in a single entity, industry, region or financial product, which could render the Company vulnerable to any financial difficulties experienced by such entity, industry, region or financial product.

Risk of concentration in an entity

Pursuant to its constituting act, policies and internal guidelines, the amount that the Company may invest in any one entity or in a group of associates is limited to a percentage of its assets for both the Investments impacting the Québec economy and Other investments portfolios.

The concentration of the five largest Investments impacting the Québec economy and the five largest Other investments is as follows (percentages are based on fair asset value):

	AS AT JUNE 30, 2015		AS AT DECEMBER 31, 2014	
	% of portfolio	**% of net assets**	% of portfolio	% of net assets
Investments impacting the Québec economy	**34.7**	**16.0**	36.1	17.1
Other investments*	**46.7**	**23.9**	43.3	22.1

* Government issuers accounted for 100% (100% as at December 31, 2014) of the Other investments portfolio's five largest issuers or counterparties.

Risk of concentration by region

In keeping with its mission of Québec economic development, the Investments impacting the Québec economy portfolio chiefly comprises businesses whose employees are, in the majority, residents of Québec. Furthermore, at least 35% of its investments must be made in companies located in the resource regions or in cooperatives. Portfolio performance therefore depends heavily on economic conditions in Québec and the resource regions. As at June 30, 2015, the Investments impacting the Québec economy portfolio represented 46.6% of net assets (47.3% as at December 31, 2014).

The Company has adopted a global financial asset management policy and investment guidelines to govern the Other investments portfolio activities which limits the option of holding foreign securities. As at June 30, 2015, the Other investments portfolio was made up 100% of Canadian securities (100% as at December 31, 2014). Other investments portfolio performance therefore depends heavily on economic conditions in Canada. As at June 30, 2015, the Other investments portfolio represented 52.2% of net assets (51.8% as at December 31, 2014).

Risk of concentration in a financial product

The global financial asset management policy favours global integrated management of the Investments impacting the Québec economy and Other investments portfolios. The policy establishes limits by asset class and these limits are applied by the manager. As at June 30, 2015, bond securities represented 43.6% of net assets (43.1% as at December 31, 2014). The high percentage of holdings in this asset class aims to strike an overall balance for the portfolio between risk and return as well as meet the Company's cash requirements.

The portfolio summary presented at the end of this MD&A also provides relevant information for assessing concentration risk.

LIQUIDITY RISKS

The Company must maintain sufficient liquid assets to fund share redemptions and committed Investments impacting the Québec economy. If it failed to do so, the Company would be dependent on the markets and could be forced to carry out transactions under unfavourable conditions. With liquid investments that should represent approximately 30% of assets under management once the pace of redemptions has stabilized at the expected level, and using a management approach that ensures that the average maturity of bonds is close to the average maturity of expected outflows, the Company can confirm that liquidity risks are adequately covered. Furthermore, credit facilities have also been put in place to provide greater cash management flexibility. The credit facilities were neither used during the first six months of fiscal 2015 nor during fiscal 2014.

RECENT EVENTS

INVESTMENTS – ELIGIBILITY

At the end of each fiscal year, the portion of the Company's investments in eligible entities and other eligible investments which do not entail any security or hypothec and are made as first purchaser, must represent on average at least 60% of the average adjusted net assets of the Company for the preceding year. Furthermore, a portion representing at least 35% of that percentage must be invested in entities situated in resource regions of Québec or in eligible cooperatives.

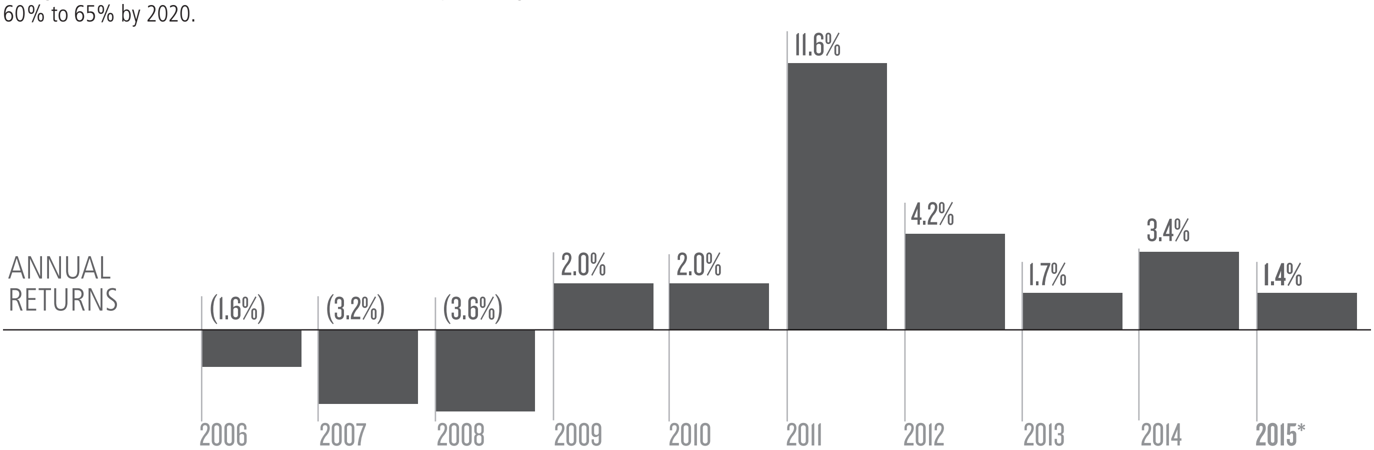
Pursuant to the provincial budget of March 2015, beginning in 2016, penalties will no longer be payable if these targets are not met, but will be replaced by a reduction of the authorized issue of capital for the capitalization period following the end of the fiscal year. The budget also stipulated an annual 1% increase in the current target of 60% for each of the next five years to reach 65% in 2020. The target for entities located in Québec's resource regions and in eligible cooperatives must remain at 35% of that percentage as it rises from 60% to 65% by 2020.

PAST PERFORMANCE

This section presents the Company's historical returns. These returns do not include the $50 administration fee paid by shareholders or the tax credit they enjoy as a result of their investment. Past performance is not necessarily indicative of future returns.

ANNUAL RETURNS

The following chart shows the Company's annual returns and illustrates the change in returns from one period to the next for the past ten fiscal years and for the six-month period ended June 30, 2015. Annual return is calculated by dividing income (loss) per share for the period by the share price at the beginning of the period.



* Non-annualized return for the six-month period ended June 30, 2015.

COMPOUNDED RETURN OF THE SHARE AS AT JUNE 30, 2015

The compounded return is calculated based on the annualized change in the price of the share over each of the periods shown.

10 YEARS	7 YEARS	5 YEARS	3 YEARS	1 YEAR
1.7%	3.1%	4.5%	2.6%	2.3%

PORTFOLIO SUMMARY

CORE INVESTMENT PROFILES

As at June 30, 2015, assets in the Investments impacting the Québec economy and Other investments portfolios were allocated, on a fair value basis, as follows:

INVESTMENT PROFILE	% OF NET ASSETS
Investments impacting the Québec economy*	
Debt	14.9
Equity	26.0
External funds	2.3
Venture capital	0.7
Other asset items held by ecosystem funds	2.7
Total – Investments impacting the Québec economy	**46.6**
Other investments	
Cash and money market instruments	3.6
Bonds	43.6
Preferred shares	4.8
Real estate funds	0.2
Total – Other investments	**52.2**

* Including foreign exchange contracts

MAIN INVESTMENTS HELD

As at June 30, 2015, on a fair value basis, the issuers of the 25 main investments held by the Company were as follows:

ISSUERS	% OF NET ASSETS
Investments impacting the Québec economy (14 issuers)*	32.1
Canada Housing Trust	6.9
Toronto – Dominion Bank NHA (CMHC guaranteed)	6.2
Province of Ontario	3.8
Merrill Lynch Canada, Inc. NHA (CMHC guaranteed)	3.5
Province of Québec	3.4
Royal Bank of Canada	2.2
The Toronto-Dominion Bank	2.1
Scotiabank	1.9
Government of Canada	1.5
Scotiabank NHA (CMHC guaranteed)	1.5
Bank of Montreal	1.4

* The 14 issuers who collectively represent 32.1% of the Company's net assets are:

- A. & D. Prévost Inc.
- ACCEO Solutions Inc.
- Agropur Coopérative
- Atis Group Inc.
- Avjet Holding Inc.
- Camso inc.
- Capital croissance PME S.E.C.
- Capital croissance PME II S.E.C.
- Congebec Logistic Inc.
- Desjardins – Innovatech S.E.C.
- Exo-s Inc.
- Fournier Industries Inc.
- La Coop fédérée
- TELECON Group

This summary of the Company's portfolio may change at any time due to transactions carried out by the Company.

August 19, 2015

MANAGEMENT'S REPORT

The Company's financial statements together with the financial information contained in this interim report are the responsibility of the Board of Directors, which delegates the preparation thereof to management.

In discharging its responsibility for the integrity and fairness of the financial statements, management has ensured that the manager maintains an internal control system to provide reasonable assurance that the financial information is reliable, that it provides an adequate basis for the preparation of the financial statements and that the assets are properly accounted for and safeguarded.

Furthermore, the Company's General Manager and Chief Financial Officer have certified that the method used to determine the fair value of each of the Investments impacting the Québec economy complies with the requirements of the Autorité des marchés financiers and have confirmed the reasonableness of the aggregate fair value of the portfolio of Investments impacting the Québec economy.

The Board of Directors fulfils its responsibility for the financial statements principally through its Audit Committee. The Committee meets with the independent auditor appointed by the shareholders with and without management present to review the financial statements, discuss the audit and other related matters and make appropriate recommendations to the Board of Directors. The Committee also analyzes the management discussion and analysis to ensure that the information therein is consistent with the financial statements.

The financial statements present the financial information available as at August 19, 2015. These statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board and audited by PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.

The Board of Directors has approved the financial statements, together with the information in the management discussion and analysis. The Financial information presented elsewhere in this report is consistent with the Company's financial statements.

(signed) Yves Calloc'h, CPA, CA

Chief Financial Officer