



## CORPORATE PRESENTATION – *NOVEMBER 21, 2011*

**Stephen King, CFA**

President and Chief Executive Officer, Alaris

**Darren Driscoll, CA**

Chief Financial Officer, Alaris

[www.alarisroyalty.com](http://www.alarisroyalty.com)



# NON-IFRS MEASURES

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The terms EBITDA, earnings coverage & distributable cash per share (collectively the "**Non-IFRS Measures**") are financial measures used in this presentation that are not standard measures under International Financial Reporting Standards ("**IFRS**"). The Company's method of calculating the Non-IFRS Measures may differ from the methods used by other issuers. Therefore, the Company's Non-IFRS Measures may not be comparable to similar measures presented by other issuers.

**EBITDA** refers to net earnings (loss) determined in accordance with IFRS, before depreciation and amortization, net of gain or loss on disposal of capital assets, interest expense and income tax expense. EBITDA is used by management and many investors to determine the ability of an issuer to generate cash from operations. Management believes EBITDA is a useful supplemental measure from which to determine the Company's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and dividends.

Management of Alaris uses an annual **earnings coverage ratio** (the "**Earnings Coverage Ratio**") to evaluate the ability for one of its Private Company Partners to pay its distributions to Alaris. The Earnings Coverage Ratio is defined as EBITDA divided by interest, principal repayments, maintenance capital expenditures, and distributions to Alaris.

**Distributable cash per share** ("**DCPS**") means Alaris' net income prepared in accordance with IFRS excluding non-cash items that include stock-based compensation expense, future income taxes, and depreciation and amortization divided by the weighted average number of Common Shares issued and outstanding in the share capital of the Company over such period.

## ELIGIBLE DIVIDENDS

All dividends are designated by the Company to be eligible dividends for the purpose of the Income Tax Act (Canada) and any similar provincial or territorial legislation.

## DATE OF PRESENTATION

Information contained herein is given as of November 21, 2011 unless otherwise stated.

# FORWARD LOOKING STATEMENTS

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This presentation contains forward-looking statements. Statements other than statements of historical fact contained in this presentation are forward-looking statements, including, without limitation, management's expectations, intentions and beliefs concerning the growth, results of operations, performance, business prospects and opportunities of the Corporation and the companies with which the Corporation has partnered (collectively, the "Private Company Partners"), the general economy, the amount and timing of the payment of dividends by the Corporation, the future financial position or results of the Corporation, goals, business strategy, growth opportunities, budgets, projected costs and plans and objectives of or involving the Corporation or the Private Company Partners. Many of these statements can be identified by looking for words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. In particular, this investor presentation contains forward-looking statements regarding the anticipated financial and operating performance of the Private Company Partners in 2011 and beyond, the anticipated impact on the dividends and distributions to be received by the Corporation in 2011, the goals, strategies and business plans for the Corporation, and the financial outlook for the Corporation. In addition to the general factors outlined above, the forward-looking statements assume that the Private Company Partners will continue to have favorable operating results; the state of the general North American economy will improve; and that Alaris will have sufficient personnel to accomplish its goals. The forward-looking statements also contain assumptions concerning the uniqueness of the Corporation's structure and the yields expected by the Corporation. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur.

Statements containing forward-looking information by their nature involve numerous assumptions and significant known and unknown facts and uncertainties of both a general and a specific nature. Key assumptions include, but are not limited to assumptions that: the Canadian and U.S. economies will continue to grow moderately in 2011; the Company will be able to identify and close new opportunities with new and existing Private Company Partners; interest rates will remain stable; more private companies will require access to alternative sources of capital; and capital markets will continue to improve. In determining the Company's expectations for economic growth, management primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies. The information contained in this presentation, including the information set forth under the heading "Risk Factors" in the Company's Annual Information Form dated March 25, 2011 (a complete copy of which can be found on SEDAR at [www.sedar.com](http://www.sedar.com)) identifies additional factors that could affect the operating results and performance of the Company and may cause the actual results of the Company to differ materially from those anticipated in forward-looking statements.

**Forward-looking statements are subject to risks, uncertainties and assumptions and should not be read as guarantees or assurances of future performance. Accordingly, readers are cautioned not to place undue reliance on any forward-looking information contained in this presentation as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Statements containing forward-looking information reflect management's current beliefs and assumptions based on information in its possession on the date of this presentation. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.**

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this presentation are made as of the date of this presentation and Alaris does not undertake or assume any obligation to update or revise such statements to reflect new events or circumstances except as expressly required by applicable securities legislation.

# MARKET PROFILE

Exchange Listing	Toronto Stock Exchange - TSX
Symbol	TSX: AD
Date of Listing	November 19, 2008
Total Shares Outstanding	16,968,380 basic 18,091,680 fully diluted
Average Shares Traded/day (last 52 weeks)	24,580
Current Share Price	\$16.64  52 week high \$17.47   52 week low \$10.51
Current Dividend/Share	\$0.095 per month   \$1.14 annualized <i>This is an eligible dividend for tax purposes</i>
Market Capitalization	\$282,353,843
Shareholder Breakdown	Retail - 56 % Institutional - 12% Directors & Officers - 32% <i>(numbers are approximates)</i>
Research Coverage	Acumen Capital Finance Partners Limited Cormark Securities Inc. Canaccord Genuity  <i>(all share data as at end of day November 21, 2011)</i>

# DEFINING THE CORPORATION

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Alaris' long term goal is to create the optimal dividend stream available for investors.

# BENEFITS OF THE ALARIS STRUCTURE

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## How do private companies benefit from Alaris' structure?

- Alaris offers passive non-voting preferred equity
- Alaris has an indefinite investment horizon without the need for a forced exit
- The dividend/royalty paid to Alaris is pre-tax therefore very tax efficient to our Private Company Partners
- Alaris has a lower participation in growth than traditional private equity

Alaris is a capital provider using an innovative structure that fills a niche in the private capital markets. To our knowledge, Alaris is the only capital provider in the world using this unique structure for funding private companies.

# STRATEGY

Alaris'  
Optimal  
Cash Flow  
Stream

## Low Volatility

Based on top-line performance, paid in priority, large cash-flow buffer, protective covenants and monthly cash returns.

## Visibility

Alaris adjusts its royalty received from each Partner on an annual basis and monitors the financial health each month. This provides unprecedented visibility to our revenue stream.

## Diversification

Alaris' long-term goal is to have no single revenue source greater than 10% of total revenue.

## Liquidity

Increasing Alaris' float will increase shareholder liquidity and open the door to a broader shareholder base.

## Growth

Organic royalty growth as well as accretive new investments have led to two dividend increases in the past 12 months.

# PRIVATE COMPANY PARTNER UPDATE

# PARTNER COMPANY FACTS



*“LifeMark has proven to be an exceptional partner to Alaris over the past 6 years and will continue to provide Alaris shareholders with consistent, stable returns. The LifeMark partnership is a perfect example of how Alaris is the best source of capital for management and owner’s of a growing private business”.*

*Steve King, CEO, Alaris Royalty Corp.*

LifeMark Health is one of Canada’s largest private health care providers with over 120 clinics across Canada. Alaris initially partnered with LifeMark in 2005 and has since provided capital an additional 6 times. LifeMark provides rehabilitation and physiotherapy services to private users, worker’s compensation and safety boards, private insurance companies and Government Agencies. Since their inception in 1979, LifeMark has posted stable results regardless of the economic conditions or Government insurance funding levels. Alaris’ financial interest was reduced by approximately half in June of 2011 after receiving \$65 million in cash from Centric Health Corporation (“Centric”). As a result of this transaction, LifeMark is now a division of Centric.



**Asset Class:**

-Healthcare Services



**Total Alaris Capital Injected:**

- \$67,500,000 (7 tranches)



**Partnership Highlights:**

-LifeMark plans to continue to grow by acquisition under Centric as it works towards consolidating this fragmented industry.

- LifeMark has grown from 30 clinics to over 120 clinics with over 1600 dedicated healthcare staff, consultants and medical doctors across Canada (except Quebec). The majority of their clinics are free-standing outpatient physiotherapy clinics.

-LifeMark’s revenue base is very diverse geographically as well as by customer. Alaris’ monthly payment is now also guaranteed by the much larger revenue base of Centric.

- LifeMark’s royalty to Alaris has grown organically since 2005 with the smallest percentage increase being -1% and the largest increase being 5%. LifeMark’s current royalty payment is \$6.75 million and will automatically increase by 4% per year hereafter.

- Centric’s fiscal year end is December 31<sup>st</sup>.

**LifeMark Management:**

Craig Gattinger, CEO  
Ron Lowe, President  
Dan McCrimmon, CFO

**Head Office:**

Calgary, Alberta  
www.lifemark.ca

In June of 2011, Centric Health Corporation ("Centric") acquired LifeMark in a transaction that resulted in Alaris receiving \$65M in cash in exchange for a portion of our interest in LifeMark and all of our interest in MEDIchair

## Transaction Benefits

- Alaris realized a significant gain on investment:
  - Total cash received was \$65M.
  - Royalty payments collected from LifeMark/MEDIchair to date total \$60 million.
  - A purchase option for Alaris' remaining financial interests in LifeMark is \$65.5M as of June 2013.
- Revenue rebalancing upon reinvestment of proceeds has improved cash flow diversification.
- Increased visibility for Alaris' shareholders as LifeMark's annual royalty is guaranteed to increase by 4% per year going forward.

# PARTNER COMPANY FACTS



*“LMS felt the full effects of the global financial crisis we all experienced. It has made it through those events with a strong balance sheet and an even stronger platform for success. LMS has a great future ahead of it as it is the supplier of choice in Western Canadian infrastructure and high rise development projects. We are looking forward to the future with LMS as our partner.*

*Steve King, CEO, Alaris Royalty Corp.*

LMS Reinforcing Steel Group is a Western Canadian based concrete reinforcing steel contractor and fabricator. LMS fabricates and installs rebar for construction projects primarily in British Columbia, Alberta and Saskatchewan. As an installer and supplier, LMS has the advantage of having very low fixed costs and fixed assets, which allows the company to be profitable during a downturn as it can adjust its labour force to match the activity level. Its core management group has remained unchanged since the company’s inception and founders Ron McNeil and Ivan Harmatny have attracted and retained a team of skilled professionals, each of whom contribute to LMS’s success and are rewarded for their excellence.



**Asset Class:**

- Industrials and Materials (Rebar Installation and Supply)



**Total Alaris Capital Injected**

- \$51,000,000



**Partnership Highlights:**

- LMS works on some 70 projects at any given time, installing its own rebar for the most part but in some cases serving strictly as a trusted supplier.

-LMS ensures a steady supply of steel for its fabricating yard and, by extension, its customers. This is achieved thanks to strong ties with local and offshore steel sources.

-LMS projects include infrastructure, commercial and residential.

-Current royalty payment to Alaris is \$1.7M.

-Fiscal year end is September 30<sup>th</sup>.

## LMS Executive Team:

Ron McNeil, Co-Chair & Founder  
Ivan Harmatny, Co-Chair & Founder  
Norm Streu, COO  
Darryl Hebert, CFO  
Greg Hubbard, VP Operations

## **Office and Yard Locations:**

Surrey, British Columbia  
Calgary, Alberta  
[www.lmsgroup.ca](http://www.lmsgroup.ca)

# PARTNER COMPANY FACTS



*“End of the Roll is a perfect example of how Alaris’ capital can be used for generational transfer without giving up control. Alaris provided capital to End of the Roll founders so that they could slowly exit the company while training their sons to take over the business upon their retirement. This company is exactly what we look for in new partnerships”.*

*Steve King, CEO, Alaris Royalty Corp.*

End of the Roll is Canada's largest dedicated flooring retailer. EOR targets "budget minded" customers who prefer to purchase in smaller quantities and coordinate private installation in order to save on the costs of using a full service retailer. The discount renovation market is constantly growing as the trend towards home renovations increases. EOR experienced stable sales during the recession because it does not supply new home builders with flooring.



**Asset Class:**

-Consumer Discretionary (Discount Floor Covering)



**Total Alaris Capital Injected:**

-\$7,200,000



**Partnership Highlights:**

- End of the Roll was incorporated in 1990 and began offering franchise locations in 1994.

- Currently, End of the Roll collects franchise royalties from over 55 franchisees nationwide.

- End of the Roll is the only dedicated flooring franchise system in Canada.

- 2011 same store sales declined by 13% due to the elimination of the home renovation tax credit. 2010 same store sales were +1%.

- Prior to 2009, End of the Roll had posted 17 straight years of same store sales growth.

- Current royalty payment to Alaris is \$1.18M.

- Fiscal year end for End of the Roll is April 30<sup>th</sup>.

**End of the Roll Management:**

Urs Steinmann - President

Duane Ortynski - Senior VP

Gary Steinmann - National Director  
of Franchise Development

Cory Ortynski - National Director of  
Computer Support Systems

Ted Cartier, CFO

**Head Office:**

Surrey, British Columbia

[www.endoftheroll.ca](http://www.endoftheroll.ca)

# PARTNER COMPANY FACTS



*“Our third partner in the healthcare field, KMH is one of Canada’s leaders in the cardiology diagnostics field. We hope to continue to fund accretive acquisitions for KMH as they grow their footprint throughout North America and even overseas. Medical diagnostics is a growing industry but with very few private management teams with the skills or funding to expand aggressively. We are very pleased to partner with a company with such huge potential in front of it”.*

*Steve King, CEO, Alaris Royalty Corp.*

KMH Partnership (“KMH”) is a Canadian-based privately held healthcare provider with operations in Canada and the United States. The partnership is comprised of 12 clinics: 8 in Canada and 4 in the United States. KMH’s services include nuclear medicine, cardiology and magnetic resonance imaging diagnostic services. Since inception in 1988, KMH has administered more than 600,000 cardiology, nuclear cardiology and nuclear medicine diagnostic tests and more than 40,000 MRI scans. According to management, KMH believes it is the largest provider of nuclear cardiology services in North America and, out of approximately 900, the third largest independent health facility in Canada.

- **Asset Class:**
- **Total Alaris Capital Injected:**
- **Partnership Highlights:**

- Healthcare Services

- \$27,400,000 (2 tranches)

- KMH plans to continue to grow both by acquisition, evaluating options in Canada, the United States and overseas, and by the purchase of new equipment to expand services offered.

-KMH has a significant and growing market demand; cardiovascular disease is recognized as Canada’s leading cause of morbidity and mortality annually accounting for more than 50% of deaths and 21% of total healthcare costs. The prevalence of the disease is anticipated to grow by 35% over the next ten years.

-As the baby boomer generations age, there will be an increased demand for diagnostic services and quality health care (same clinic sales increase for past 2 years was greater than 6%).

-Same clinic sales for the year ended November 30, 2010 were flat

-Current annual royalty to Alaris \$4.19M (proforma Dec 30, 2011).

-KMH’s fiscal year end is November 30<sup>th</sup>.

## **KMH Management:**

Neena Kanwar, President  
and CEO

Vijay Kanwar, President and  
CFO

## **Head Office:**

Mississauga, Ontario  
www.kmhlabs.com



In October of 2011, Alaris announced that we completed a \$22.4M funding in KMH in support of its growth program. This is the second capital contribution Alaris has made into the Partnership since its origination in May 2010. KMH has used the proceeds to acquire 2 profitable medical imaging clinics in the United States.

## Transaction Benefits

- Significantly increases KMH's EBITDA and free cash flow therefore improving the coverage on Alaris' monthly distribution.
- KMH now accounts for approximately 18% of Alaris' revenue stream; increasing the contribution balance between Alaris Private Company Partners.
- The acquisition of each clinic was accretive to KMH.
- Post-contribution, Alaris has now fully replaced the revenue received from the LifeMark transaction.

Steve King, CEO, Alaris Royalty Corp.

*“Solowave is a world class manufacturer of a product that households will continue to use for many generations. They have become an exclusive supplier to some of the world’s largest retailers through their unparalleled commitment to quality, innovation and customer service. Alaris is proud to be associated with such an outstanding enterprise.”*

**Solowave Design Inc.** (“Solowave”) is a manufacturer of residential, ready-to-assemble wooden play centers. Solowave’s products are sold under the brand names Big Backyard and Cedar Summit Premium Play sets. Based in Ontario, Solowave has operations in the United States and Asia, and sells globally in North America, Europe, Australia and the UAE. Solowave was founded in 2005 and currently employs 118 employees in Canada, 11 in China and 1 in Buffalo. Through new product development, quality and innovation, Solowave has established itself as the leading manufacturer of wooden play centers in the United States.



**Asset Class:**

- Sporting Goods , Children’s Active Play



**Total Alaris Capital Injected**

- \$32,500,000



**Partnership Highlights:**

- Established in 2005, the company has tripled in size over the past six years and has identified significant growth opportunities through international sales expansion and entry into new markets.
- Solowave sells their play sets to major retail dealers such as Toys R Us, Costco, Target, Rona, and Canadian Tire.
- Focused expansion into new markets and channels, and growth from the acquisition of new customers will result in a reduction of the existing customer concentration.
- Current annual royalty to Alaris is \$5.0 million with the annual reset based off of the change in “same customer net sales” over the immediately previous fiscal years audited sales revenue. This metric has an annual collar of +/- 6%.
- Fiscal year end is October 31<sup>st</sup>.

**Solowave Executive Team:**

Richard Boyer  
Chief Executive Officer  
& Founder

Mat Wolf  
Vice President of Finance

**Head Office Location:**  
Mount Forest, Ontario  
[www.bigbackyard.com](http://www.bigbackyard.com)  
[www.cedarsummitplay.com](http://www.cedarsummitplay.com)

# PARTNER COMPANY FACTS



*"We are very excited at the prospect of partnering with an impressive management team and for the opportunity to fund a world class company.*

*Killick offers all of the criteria that we look for in a new partner: steady historic earnings from a required service; low levels of term debt and capital expenditures; a large buffer of free cash flow; and opportunities for future growth."*

*Steve King, CEO, Alaris Royalty Corp.*

Killick Limited Partnership, together with its various subsidiaries, (collectively, "Killick") is a privately owned, rapidly growing participant in the global aircraft maintenance, repair and overhaul industry ("MRO"). Located in Carrollton, Texas, Killick specializes in the sale, distribution, trade and service of aircraft engines and spare parts. Killick operates in Asia, Europe and the United States, where it employs a combined 130 people. Established in 2006, its operating subsidiaries Prime Turbines and Kansas Aviation, have been operating since 1984 and 1992, and CT Aerospace since 2002. The product and service offerings of Killick's subsidiaries can be segmented into two markets: (i) MRO of small aircraft engines and engine accessories, and (ii) the distribution of commercial jet engines, frame parts and engine accessories.



**Asset Class:**

- Aircraft Maintenance, Repair, Overhaul and Inventory Management



**Total Alaris Capital Injected:**

-\$27,250,000



**Partnership Highlights:**

- Killick's strategy focuses on segments of the MRO market that feature stable demand profiles and attractive long term economic prospects largely driven by industry regulation and requirement.

- Killick is committed to the highest performance in terms of service and quality standards required in the aerospace industry.

- Owned, managed and staffed by industry veterans, Killick is capitalizing on the fragmentation, undercapitalization and inefficiencies that have historically been characteristics of specific segments within the MRO market.

- Current first year royalty to Alaris is \$4.30 million with the annual reset based on the change in gross revenue over the immediately previous fiscal year's audited gross revenue. Alaris' royalty from Killick has a collar of +/- 4% per year.

- Killick's fiscal year end is December 31

**Killick Management:**

Russell Starr, President & CEO  
Bruce Weaver, CFO

**Head Office:**

Carrollton, TX

[www.ctaerospace.com](http://www.ctaerospace.com)  
[www.primeturbines.com](http://www.primeturbines.com)  
[www.kansasaviation.com](http://www.kansasaviation.com)



# PARTNER COMPANY FACTS

*“The specialized wholesale and inventory management services Quetico provides, as well as the robust customers it provides these services to, have made it a recession resistant business. This has been proven by consistency and profitability Quetico has displayed over the past 17 years, and especially since 2007. These were the major factors that drove our decision to partner with them.”*

*Steve King, CEO, Alaris Royalty Corp.*

Founded in 1994, Quetico has created a highly specialized and proprietary wholesale and inventory management niche within the logistics industry. Quetico provides specialized wholesale, inventory management and third party logistics services of consumer products to big box retailers and brand name manufacturers in North America and abroad. Based in Chino, California, Quetico operates approximately 400,000 square feet of warehouse space and employs approximately 400 people at its peak output.



**Asset Class:**

- Inventory Management



**Total Alaris Capital Injected:**

- \$27,661,000



**Partnership Highlights:**

- Quetico has created service offerings that are unique to the industry along with a “one stop shop” approach to servicing their customers, allowing the company to gain a large share of the traditional service market.
- Quetico’s founding partners have over 50 years of combined experience in their industry and have long-standing relationships with the complete management team in various multi-national big box retailers and brands.
- Customers of Quetico are multi-national, financially stable, industry leading companies.
- Current first year distribution to Alaris is \$4.37M with the annual reset based on the percent change in gross profit over the immediately previous fiscal year’s audited gross profit. Alaris’ royalty from Quetico has a ceiling of +10% and a floor of -20% per year.
- Quetico’s fiscal year end is December 31

**Quetico Management:**

Tom Fenchel, Co-CEO  
Nick Agakanian Co-CEO  
Alan Mazursky, CFO

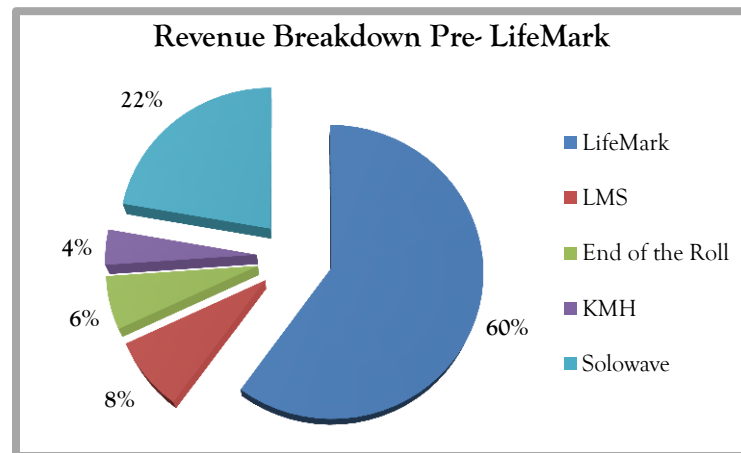
**Head Office:**  
Chino, CA

[www.queticollc.com](http://www.queticollc.com)

# ROYALTY REVENUE SUMMARY

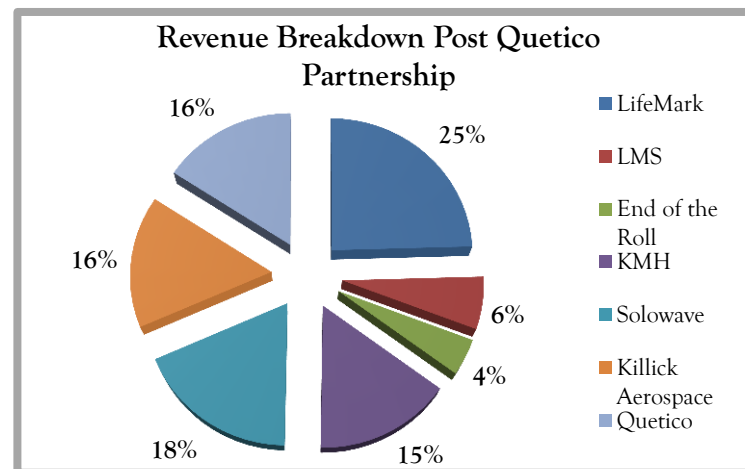
Alaris Royalty revenue in summary, prior to the events of 2011: the Alaris transaction with LifeMark Health, partnership formation with Killick Capital, contribution to KMH Health and partnership formation with Quetico.

Partners Revenue Summary	Pre- LifeMark
LifeMark	\$ 13.50
LMS	\$ 1.80
End of the Roll	\$ 1.33
KMH	\$ 0.88
Solowave	\$ 5.00
<b>Total Revenue</b>	<b>\$ 22.50</b>



Alaris contractual revenue on a “run rate” basis, inclusive of the LifeMark Transaction, Killick Partnership, KMH Contribution and Quetico Partnership formation.

Partners Revenue Summary	Total Revenue
LifeMark	\$ 6.75
LMS	\$ 1.70
End of the Roll	\$ 1.18
KMH	\$ 4.19
Solowave	\$ 5.00
Killick	\$ 4.30
Quetico	\$ 4.37
<b>Total Revenue</b>	<b>\$ 27.49</b>



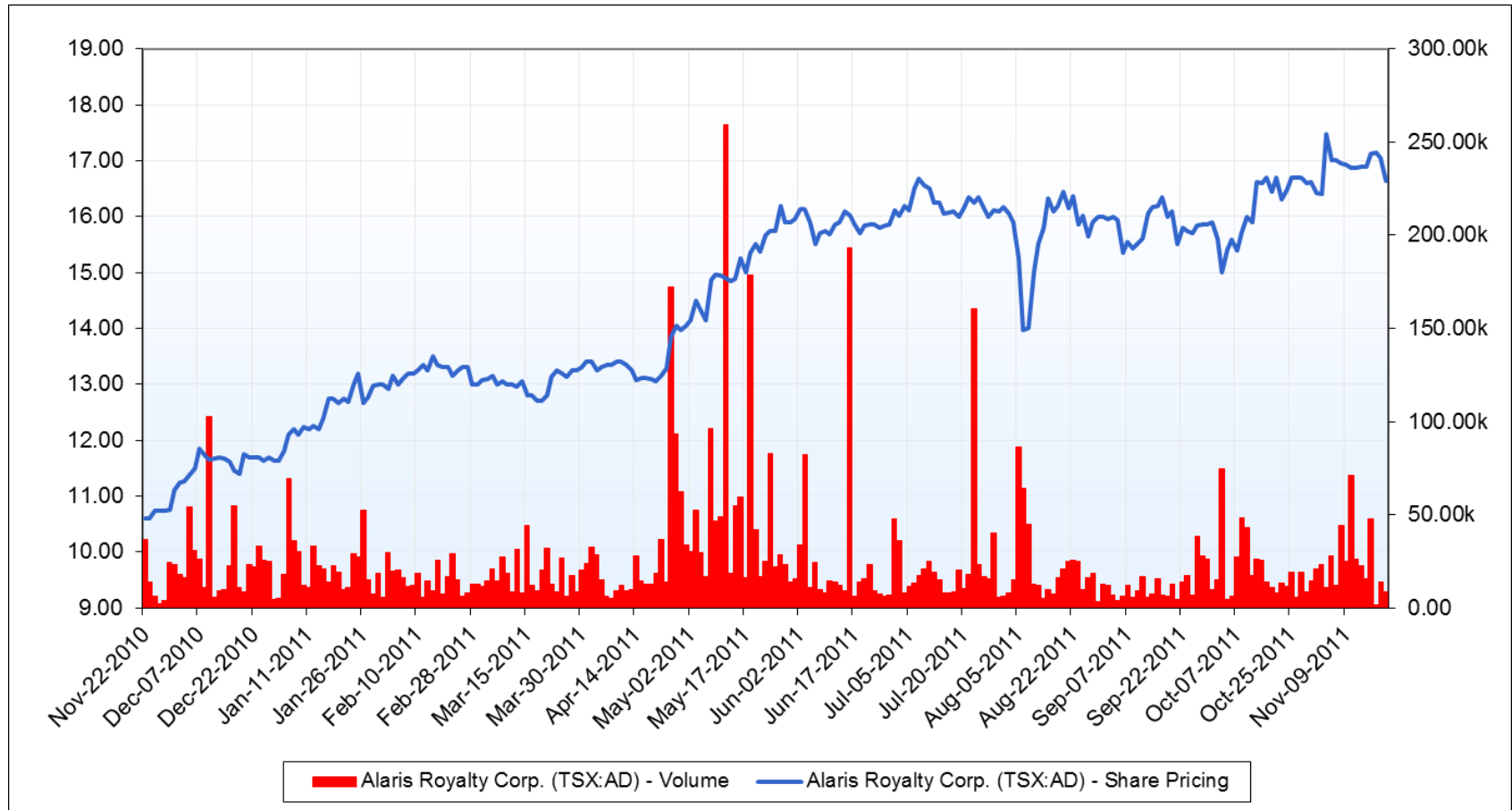
# FINANCIAL UPDATE

## 2011 YTD

- Received \$65 million of cash from LifeMark transaction (recorded gain of \$27.7 million).
- Paid off \$26.2 million of revolving credit facility resulting in an undrawn credit facility of \$30 million.
- Invested \$27.25 million in Killick Aerospace resulting in an increase to distributable cash per share of approximately \$0.25/share.
- Invested \$22.4 million in a second contribution to KMH Cardiology resulting in an increase to distributable cash per share of approximately \$0.15/share.
- Raised dividend by 11.8% October 2011.

	Nine Months Ending September 30	
	2011	2010
Revenue	\$15.7M	\$12.3M
Gain from LifeMark/MEDIchair	\$27.7M	-
G&A	\$2.6M	\$1.4M
Normalized EBITDA	\$11.3M	\$9.5M
Net Income	\$28.3M	\$5.8M
Distributable Cash	\$39.9M	\$9.7M
Dividends	\$12.9M	\$8.7M
Payout Ratio	32%	90%

# TRADING ACTIVITY



- Nov-10 Announced bought deal financing of \$26M
- Nov-10 Announced new \$32.5M Partnership with Solowave
- Nov-10 Announced increase of dividend to \$1.02/year (+6.25%)
- May-11 Announced partial reduction of interest in LifeMark
- Jul-11 Announced \$27.25M partnership with Killick Aerospace
- Oct-11 Announced \$22.4M contribution to KHM
- Oct-11 Announced increase of dividend to \$1.14/year (+12%)
- Nov-11 Announced \$27.66M partnership with Quetico, LLC

# DISTRIBUTABLE CASH SCORECARD

		ALARIS SHARE PRICE					
		\$17.50	\$17.00	\$16.50	\$16.00	\$15.50	\$15.00
NEW ROYALTY REVENUE	\$10MM	\$ 1.45	\$ 1.45	\$ 1.44	\$ 1.43	\$ 1.43	\$ 1.42
	\$8MM	\$ 1.41	\$ 1.40	\$ 1.40	\$ 1.39	\$ 1.38	\$ 1.38
	\$6MM	\$ 1.35	\$ 1.35	\$ 1.35	\$ 1.34	\$ 1.34	\$ 1.33
	\$4MM	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.29	\$ 1.29	\$ 1.29
	\$2MM	\$ 1.24	\$ 1.24	\$ 1.24	\$ 1.24	\$ 1.24	\$ 1.24
	\$0MM	\$ 1.18	\$ 1.18	\$ 1.18	\$ 1.18	\$ 1.18	\$ 1.18

*{today's run rate}*

Notes:

- (1) Based on 16.97M basic shares outstanding as of November 21, 2011
- (2) Assumes acquisitions purchased at an average 6.5x multiple with 75% equity, 25% debt, 6% interest rate and includes fees

The table above shows how accretive the addition of new royalty/dividend revenue can be to Alaris' distributable cash per share. On the left hand side we display the possible levels of new revenue Alaris can acquire by making new investments. On the top we display our possible share price for the issuance of new shares to fund these new investments. The bottom row represents the approximate current level of distributable cash/share Alaris has.

# BOARD OF DIRECTORS

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## **Jack C. Lee**

Chairman of the Board  
*Committee(s)- Audit, Investment*

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Mr. Lee is President of Facet Resources Ltd., a private investment company. In May 2008 he became Chairman of Sprott Inc. and in November 2010 became Lead Director. Prior thereto he was Vice Chairman of Penn West Energy Trust, Chairman of Canetic Resources Trust and President and Chief Executive Officer of Acclaim Energy Trust. Mr. Lee is on the board of Ithaca Energy Inc. and Gryphon Petroleum Corp., a private oil and gas company.

## **Clayton H. Riddell**

Director  
*Committee(s) – Corporate Governance &  
Compensation, Investment*

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Mr. Riddell has been the Chairman of the Board and Chief Executive Officer of Paramount Resources Ltd. since 1978. He is the Chairman of the Board of Perpetual Energy Operating Corp., a wholly-owned subsidiary of Perpetual Energy Inc., and Trilogy Energy Corp., a wholly owned subsidiary of Trilogy Energy Trust. Mr. Riddell is also Chief Executive Officer and director of MGM Energy Corp.

## **E. Mitchell Shier**

Director  
*Committee(s) – Corporate Governance &  
Compensation (Chair)*

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Mr. Shier is General Counsel, Corporate Secretary and Manager, Land of Paramount Resources Ltd., which he joined in November, 2008. From 2002 until January 2009 Mr. Shier practiced oil and gas and commercial law as a partner with Heenan Blaikie LLP, (a national law firm) and remains of counsel with that firm. Mr. Shier is also a director of Trilogy Energy Ltd., a wholly-owned subsidiary of Trilogy Energy Trust.

## **Mary C. Ritchie**

Director  
*Committee(s) – Audit (Chair)*

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Ms. Ritchie is President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services company. Ms. Ritchie is a member of the Canadian Institute of Chartered Accountants, and a Fellow of the Institute of Chartered Accountants of Alberta. Ms. Ritchie is the Chairman of the Financial Advisory Committees of RBC Funds Inc. and RBC Advisor Global Fund Inc. She is also a member of the Board of Directors of Industrial Alliance Ltd.

# BOARD OF DIRECTORS

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## **John P.A. Budreski**

Director

*Committee(s) – Corporate Governance & Compensation,  
Investment*

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Mr. Budreski is a Vice Chairman with Cormark Securities, which he joined in March, 2009. Prior thereto Mr. Budreski was an independent businessman and also Advisor – Special Projects with Tricor Pacific Capital, Inc., a private equity firm based in Vancouver, British Columbia. Mr. Budreski was the Chief Executive Officer of Orion Securities Inc. before its sale to the Macquarie Group. Prior thereto, Mr. Budreski was a Managing Director at Scotia Capital Inc.

## **Stephen W. King**

President and Chief Executive Officer

Director

*Committee(s) - Investment*

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Prior to joining Alaris in July 2008, Mr. King was and continues to be the President and Chief Executive Officer of Alaris IGF Corp. and its predecessor since April 2004. Prior thereto, Mr. King spent 12 years in the investment banking industry and is a Chartered Financial Analyst. Mr. King is a director of Metropolitan Investment Corporation, a private investment company, and a director of the general partner of LifeMark Health.

## **Gary Patterson**

Director

*Committee(s) - Audit*

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Since June 2003 Mr. Patterson has been the President and Chief Executive Officer of GAP Financial Ltd., a British Columbia based company which provides financial and business advisory services to corporations. Mr. Patterson was previously on the board of trustees of Art In Motion Income Fund and SUMMIT Real Estate Investment Trust and the board of directors of EarthFirst Canada Inc. and Sealiff Construction Corp. Mr. Patterson is a Fellow of the Institute of Chartered Accountants of British Columbia.

# MANAGEMENT

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**Stephen W. King** President and Chief  
Executive Officer

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Prior to joining Alaris in July 2008, Mr. King was and continues to be the President and Chief Executive Officer of Alaris IGF Corp. and its predecessor since April 2004. Prior thereto, Mr. King spent 12 years in the investment banking industry and is a Chartered Financial Analyst. Mr. King is a director of Metropolitan Investment Corporation, a private investment company and a director of the general partner of LifeMark.

**Darren J. Driscoll** Chief Financial Officer

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Prior to joining Alaris in July 2008, Darren was the Chief Financial Officer of Alaris IGF Corp. and its predecessor since November 2004. Darren has been actively involved in the development of Alaris and plays an integral role in the screening of potential investments, the due diligence process and monitoring of current investments. Before joining Alaris, Darren was the Chief Financial Officer of the Canadian Association of Petroleum Producers, the industry association for the upstream oil and natural gas industry in Canada. Darren obtained his Chartered Accountant designation in 1995 while working with KPMG LLP in Calgary.

**Rachel Colabella** Corporate Council

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Prior to joining the Corporation in September of 2008, Ms. Colabella worked at Armstrong Osinski (law firm), Burnet Duckworth and Palmer LLP (law firm) and Ernst & Young LLP (Chartered Accountants) where she worked with their tax groups. Rachel has over 13 years of experience as a lawyer (11 as a tax lawyer). Rachel received her Commerce Degree in Accounting from the University of Calgary in 1993 and her Law Degree from the University of Alberta in 1996 and was called to the Alberta Bar in 1997. Her role at Alaris includes leading the legal due diligence process, drafting corporate documents, offering legal opinions during deal screening and ensuring the Corporation meets all legal and regulatory requirements.

# MANAGEMENT

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## **Stephen Reid**

Vice President

Mr. Reid is a Calgary based independent businessman with a variety of diversified holdings and investments and is currently the President of Group West Corporation and Creative Restaurants Inc. Stephen's role with Alaris is to create and build relationships with all sources of investment leads. These relationships are an important part of Alaris' deal pipeline and will ensure there are many quality companies that Alaris has the opportunity to qualify as suitable investments. As a co-founder of Alaris IGF, Stephen has strong alignment of interests in seeing Alaris Royalty Corp. succeed.

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## **Sherri Neldner**

Vice President

Prior to joining Alaris in 2006, Sherri worked at CIBC Capital Partners in Toronto, the merchant banking group of CIBC which invests debt and equity in later stage businesses. During her five years there, Sherri moved up to a Director position and was involved with sourcing transactions, evaluating businesses for potential new investment opportunities, deal structuring and managing the financing process for initial and follow-on investments. Prior to joining CIBC, Sherri worked in the Mergers and Acquisitions group of RBC Dominion Securities for several years. Sherri uses these past skills to screen potential deals, conduct due diligence, model Alaris' capital structure needs/requirements in the future and provide insight into valuation of potential investments for Alaris. Sherri has an MBA from the University of Toronto and a BBA (honors) from Bishop's University.

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## **Curtis Krawetz**

Investment Analyst  
and Manager of  
Investor Relations

Curtis has been with Alaris for the past four years and brings a broad knowledge and experience base to the company. A Finance graduate from the University of Saskatchewan, Curtis has spent time in the Petroleum, Banking and Foreign Exchange Industries as well as the Public Sector in various management roles. With his broad knowledge Curtis is able to provide valuable input from a macroeconomic point of view during the due diligence process. His daily functions include financial modeling, due diligence, portfolio monitoring and managing the daily Investor Relations duties.

**Alaris represents a tax efficient dividend stream to investors that provides low volatility, diversification, growth and liquidity to investors.**

# PRIVATE COMPANY PARTNERS



Partner since 2004  
**\$67.5 million**  
**7 tranches**  
28 Years in Business  
*National Healthcare  
Services  
Physiotherapy*



Partner since 2007  
**\$51.0 million**  
**2 Tranches**  
20 Years in Business  
*Western Canadian Rebar  
Fabrication and Installation*



Partner since 2005  
**\$7.2 million**  
18 Years in Business  
*National Retail Flooring  
Franchise System*



Partner since May 2010  
**\$27.4 million**  
**2 Tranches**  
22 Years in Business  
*Ontario & U.S. Medical  
Imaging Clinics*



Partner since Dec 2010  
**\$32.5 million**  
6 Years in Business  
*Global Consumer Products  
Manufacturer,  
Back Yard Play Sets*



Partner since July 2011  
**\$27.25 million**  
6 Years in Business  
*Global Supplier of Aircraft  
Maintenance, Repair, Overhaul  
and Inventory Management*



Partner since November 2011  
**\$27.66 million**  
17 Years in Business  
*Specialized Wholesale, Inventory  
Management and Third Party  
Logistics Services*

*15 transactions completed in 6 years*

# CONTACT INFORMATION

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**For more information Contact:**

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**Curtis Krawetz**

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