Alaris Royalty Corp.
Management's Discussion & Analysis
March 13, 2009

This management's discussion and analysis (MD&A) should be read in conjunction with the audited financial statements for Alaris Royalty Corp., formerly 6550568 Canada Inc. ("Alaris" or the "Corporation") for the years ended December 31, 2008 and December 31, 2007. The financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Certain dollar amounts in the MD&A have been rounded to the nearest thousands of dollars.

This MD&A contains forward-looking statements that are not historical in nature and involve risks and uncertainties. Forward-looking statements are not guarantees as to the Corporation's future results since there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. See "Forward Looking Statements" for a discussion of the risks, uncertainties and assumptions relating to those statements. Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, the factors described under "Risk Factors". This MD&A also refers to certain non-GAAP measures, including EBITDA and normalized EBITDA, to assist in assessing the Corporation's financial performance. The terms EBITDA and normalized EBITDA (collectively the "Non-GAAP Measures") are financial measures used in this MD&A that are not standard measures under GAAP. The Corporation's method of calculating Non-GAAP Measures may differ from the methods used by other issuers. Therefore, the Corporation's Non-GAAP measures may not be comparable to similar measures presented by other issuers. See "Results of Operations" for a reconciliation of EBITDA and normalized EBITDA to net income (loss).

EBITDA refers to net earnings (loss) determined in accordance with GAAP, 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 Corporation's ability to generate cash available for debt service, working capital, capital expenditures, income taxes and dividends.

Normalized EBITDA refers to EBITDA excluding items that are non-recurring in nature. Items include expenses incurred in connection with the Acquisition and include non-cash stock option and other transaction related costs.

The Corporation has provided a reconciliation of net income (loss) to EBITDA and Normalized EBITDA in this MD&A. These Non-GAAP measures should only be used in conjunction with the Corporation's annual audited and quarterly financial statements, excerpts of which are available below, while complete versions are available on SEDAR at www.sedar.com.

Overview

On July 31, 2008, Alaris completed the acquisition (the "Acquisition") of Alaris Income Growth Fund L.P. ("Alaris L.P."), a partnership that was indirectly owned by Alaris Income Growth Fund (the "Fund") and management. Alaris has continued the business and operations of Alaris L.P. For accounting purposes, the acquisition has been accounted for as a reverse take-over with Alaris L.P. being considered the acquiring entity.

Immediately prior to the closing of the Acquisition, Alaris satisfied the release conditions of its previously completed subscription receipt financing and issued an aggregate of 4,607,213 common shares (on a post consolidation basis) to the former holders of subscription receipts in accordance with the terms of the subscription receipts. The subscription receipts had been issued at price of $12 per subscription receipt for aggregate gross proceeds of $55,286,556 before share issue costs of $3,622,225.

The Corporation earns its revenues by investing capital in private businesses (individually, a "Finance Group Member" and collectively the "Finance Group"). The Corporation's revenue consists of royalties and preferred distributions received in regular monthly payments that are contractually agreed to between the Corporation and each Finance Group Member. These payments are set for twelve months at a time and adjusted annually based on the performance of each Finance Group Member's gross revenue, gross margin, same store sales, or other similar "top-line" performance measure.

The Corporation has limited general and administrative expenses with only seven employees. Interest costs have historically been significant, as the Corporation's transactions were initially funded entirely by debt until the changes to the capital structure on July 31, 2008 resulting from the Acquisition and the subscription receipt financing.

Results of Operations

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

The results for the year ended December 31, 2008 reflect full royalties and distributions from each of the four transactions with Finance Group Members that closed prior to December 31, 2007. In the period, revenues from these transactions totaled $18,934,364 and were received from LifeMark Health Limited Partnership ("LifeMark Health") ($7,465,464), Lower Mainland Steel Limited Partnership ("Lower Mainland Steel") ($8,904,210), End of the Roll Carpet & Vinyl ("End of the Roll") ($1,434,137) and MEDIchair Ltd. ("MEDIchair") ($1,130,553). During the year ended December 31, 2007, revenues from the Finance Group were $11,368,381 and were received from LifeMark Health ($7,250,066), Lower Mainland Steel ($1,276,576), End of the Roll ($1,355,426), MEDIchair ($1,062,147) and Palliser Lumber ($424,166). The increase over the prior year was because the Corporation did not close a major portion of the Lower Mainland Steel transaction until the end of 2007. Additionally, each of LifeMark Health (3.1%), End of the Roll (7.8%) and MEDIchair (6.1%) recorded same store sales increases in 2008 that increased the annual royalty or distributions. The investment in Palliser Lumber was sold at its original cost early in the second quarter of 2007.

Interest expense of $8,881,023 was significantly higher in 2008 compared to $5,419,619 in 2007 because of a change in capital structure and the timing of transactions with Finance Group Members. In December 2007, Alaris L.P. refinanced its debt facilities concurrently with another $36 million transaction with Lower Mainland Steel. The refinancing reduced senior debt to $25 million and a company owned by Alaris L.P.'s then largest unitholder provided a $90 million subordinated debt facility at 13% per annum interest compared to $75 million of senior debt outstanding at an interest rate of the lenders' prime rate plus 0.50% during most of 2007. The subordinated debt was reduced to $6.5 million on July 31, 2008.

The Corporation recorded $8,232,105 in non-cash stock based compensation expenses in 2008. $7.9 million related to the difference in the exercise price and fair value of management options that were granted and exercised into shares of Alaris GP prior to the Acquisition. The Corporation also recorded non-cash stock-based compensation expenses of $11,544 to recognize the fair value of outstanding stock options, $252,933 to amortize the 2008 portion of the fair value of the Restricted Share Unit Plan (the "RSU Plan") and $51,417 for shares issued to management under the RSU Plan.

Salaries and benefits were 30% ($230,000) higher for the year ended December 31, 2008 as the Corporation increased salaries by 5% effective January 1, 2008, paid staff bonuses of $60,000 and paid a management bonus of $125,000 on July 31, 2008.

Corporate and office expenses were $215,000 higher in 2008 and include office rent, travel and corporate administrative expenses. Corporate administrative expenses increased significantly starting in August due to new public company costs that included preparing and distributing corporate documents including information circulars and press releases as well as new investor agent fees. Legal and accounting fees were $665,000 for the period, up from $524,000 in 2007. The increase is due to a significant increase in costs related to regulatory requirements leading up to and after the Acquisition that include preparing quarterly financial statements and legal fees related to the information circulars filed in the second half of 2008.

Amortization and depreciation include the amortization of the Finance Group Members and the depreciation of capital assets. The Corporation amortizes its intangible assets over the term of the transaction and depreciates capital assets according to GAAP. The Corporation does not amortize preferred interests in limited partnerships. Since these transactions are treated as financial instruments, they are assessed for objective evidence of impairment at each balance sheet date. The Corporation recorded depreciation of $61,663 and amortization of $173,233 in 2008, similar to amounts recorded in 2007.

The Corporation recorded a net loss of $3.0 million, EBITDA of $7.8 million and normalized EBITDA of $16.2 million for the year ended December 31, 2008 compared to $1.8 million of net income and $7.5 million of EBITDA and normalized EBITDA for the year ended December 31, 2007. The increase in normalized EBITDA and net income is almost entirely attributable to the significant increase in distributions from Lower Mainland Steel in 2008. Adjustments to net income include $1.7 million in income tax expense due mostly to the difference between the book value and the undepreciated capital cost of the transactions, and $8.2 million in non-cash stock-based compensation expenses and transaction costs relating to the Acquisition.

Reconciliation of Net Income to EBITDA (thousands)	**Year ending Dec 31, 2008**	**Year ending Dec 31, 2007**
Net Income (Loss)	($3,052)	$1,844
Adjustments to Net Income:		
Amortization	235	239
Interest	8,881	5,420
Income tax timing difference expense	1,696	-
EBITDA	**$7,760**	**$7,503**
Normalizing Adjustments:		
Transaction related costs:		
Non-cash stock-based compensation	7,933	-
Tax and financial diligence costs	491	-
Normalized EBITDA	**$16,184**	**$7,503**

Effective July 31, 2008, Alaris began paying monthly dividends. Dividends were declared for August, September, October, November and December at $0.12 per common share (voting and non-voting) totalling $5,479,076 for the year. Prior to the Acquisition, Alaris L.P. paid $1.44 per unit in distributions ($2,166,000) to its unitholders in 2008. For the year ended December 31, 2007, there were no regular distributions paid and Alaris L.P. paid a one-time special distribution of $1.04 per unit ($1,560,000).

Cash held at December 31, 2008 of $1.7 million was to satisfy the dividend declared in December 2008 (payable January 15th, 2009) and trade payables leaving residual working capital of approximately $250,000.

Shareholders' capital includes the net proceeds from the $55 million raised in the private placement that closed July 31, 2008, $8 million of non-voting common shares owned by management as a result of options exercised on July 31, 2008 and $32 million of subordinated debt that was purchased for voting common shares at the private placement issue price of $12.00 per share also on July 31, 2008.

The Corporation has a $25 million senior debt facility with a two member Canadian bank syndicate, which was fully drawn at December 31, 2008. Interest is paid monthly at the lenders' prime rate plus three percent per annum (6.5% at December 31, 2008). At December 31, 2008, the Corporation also had a $6.5 million demand subordinated debt facility from a company owned by the Corporation's largest shareholder. Interest is paid monthly at 13% per annum.

The Corporation has recorded a $25 million future income tax asset on its balance sheet to reflect the accounting value of unused tax pools based on the Corporation's internal projections. An offsetting liability has been recorded as a deferred charge for the amount of the tax asset less the fair value of the shares held by the shareholders of the Corporation prior to the July 31, 2008 transaction.

Three Months Ended December 31, 2008 Compared to Three Months Ended December 31, 2007

Revenues for the three months ended December 31, 2008 reflect full royalties and distributions from transactions involving each of the four Finance Group Members that closed prior to December 31, 2007. In the period, revenues from the Finance Group totaled $4,756,694 and were received from LifeMark Health ($1,866,366), Lower Mainland Steel ($2,259,750), End of the Roll ($346,638) and MEDIchair ($283,940). In the three months ended December 31, 2007, revenues from the Finance Group were $2,886,617 and were received from LifeMark Health ($1,820,955), Lower Mainland Steel ($462,646), End of the Roll ($331,870) and MEDIchair ($271,146). The increase over the prior period was because Alaris L.P. did not close the final portion of the Lower Mainland Steel transaction until late in 2007. Additionally, each of LifeMark Health (3.1%), End of the Roll (7.8%) and MEDIchair (6.1%) recorded same store sales increases in 2008 that increased the annual royalty or distribution.

Interest expense of $602,779 was significantly lower in the fourth quarter of 2008 compared to $1,552,018 in the fourth quarter of 2007 because of a change in capital structure. In December 2007, Alaris L.P. refinanced its debt facilities concurrently with an additional $36 million transaction with Lower Mainland Steel. The refinancing reduced senior debt to $25 million and a company owned by Alaris L.P.'s then largest unitholder provided a $90 million subordinated debt facility at 13% per annum interest compared to $75 million of senior debt outstanding at an interest rate of the lenders' prime rate plus 0.50% during most of the fourth quarter in 2007. The $90 million of subordinated debt was reduced to $6.5 million on July 31, 2008 as part of the Acquisition of Alaris L.P and utilizing the equity funds raised in July 2008, significantly reducing the debt levels of the Corporation for the fourth quarter of 2008.

In the fourth quarter, the Corporation recorded $401,061 in non-cash stock based compensation expenses in 2008 that included $11,544 to recognize the fair value of outstanding stock options; $252,933 to amortize the 2008 portion of the fair value of the Restricted Share Unit Plan ("RSU Plan"); $85,167 in payments in lieu of dividends under the RSU Plan; and $51,417 to recognize the fair value of shares issued to management in lieu of dividends under the RSU Plan.

Salaries and benefits were 5.8% higher ($226,866) for the three months ended December 31, 2008 as Alaris increased salaries by 5% effective January 1, 2008.

Corporate and office expenses were $149,790 higher compared to the prior year period and include office rent, travel and corporate administrative expenses. Corporate administrative expenses increased significantly in the fourth quarter due to new public company costs that included a repurchase of odd-lot shares that included the filing of an information circular, and significant new transfer agent fees.

The Corporation recorded net income of $2.5 million and EBITDA of $3.3 million for the three months ended December 31, 2008 compared to a net loss of $1.5 million and $69,000 of EBITDA for the three months ended December 31, 2007. The increase in net income and EBITDA is attributable to the significant increase in distributions from Lower Mainland Steel increasing net income in 2008 as well as a $1.5 million financing fee decreasing net income December 2007 to set up the subordinated debt facility.

Reconciliation of Net Income to EBITDA (thousands)	**3 months ending Dec 31,2008**	**3 months ending Dec 31,2007**
Net Income (Loss)	$2,491	$(1,543)
Adjustments to Net Income:		
Amortization	59	60
Interest	603	1,552
Income taxes	153	
EBITDA	**$3,306**	**$69**

Effective July 31, 2008, Alaris began paying monthly dividends. Dividends were declared and paid for October, November and December at $0.12 per common share (voting and non-voting) totalling $3,283,347 for the quarter.

Liquidity and Capital Resources

The Corporation has a fully-drawn $25 million senior credit facility provided by two Canadian chartered banks and a $6.5 million subordinated debt demand facility provided by a company owned by the Corporation's largest shareholder (see "Transactions with Related Parties"). The senior credit facility is a 364-day revolving loan that is due December 19, 2009. The facility carries a three-year term out option in the event the loan is not renewed. Therefore at December 31, 2008, none of the facility is shown as a current liability in the financial statements. The senior facility was renewed on December 20, 2008 and the variable interest rate was increased by 1% per annum to the Canadian prime interest rate plus 3% as a result of current economic conditions. At December 31, 2008, the Corporation met all of its covenants as required by the senior credit facility.

The Corporation has 9.122 million common shares outstanding at December 31, 2008 including the voting common shares issued pursuant to a private placement that closed on July 31, 2008, which raised $55 million in equity priced at $12 per share. The net proceeds of the private placement ($51.5 million), as well as the issue of voting common shares of the Corporation (valued at $32 million) were used to pay down the subordinated debt facility to $6.5 million. The Corporation had working capital of approximately $250,000 at December 31, 2008, which is sufficient for the Corporation's needs.

Internal Controls over Financial Reporting

A. Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Corporation's management (including the CEO and CFO) of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures, as defined in National Instrument 52-109. Based on that evaluation, the Corporation's management (including the CEO and CFO) concluded that the Corporation's disclosure controls and procedures were designed to provide a reasonable level of assurance over disclosures of material information and are effective as of December 31, 2008.

B. Management Report on Internal Controls over Financial Reporting

The Corporation's management, (including the CEO and CFO) have assessed and evaluated the design and effectiveness of the Corporation's internal controls over financial reporting as defined in National Instrument 52-109 as of December 31, 2008. The Corporation's assessment included documentation, evaluation and testing of its internal controls over financial reporting. Based on that evaluation, the Corporation's management concluded that the Corporation's internal controls over financial reporting are effective and provide reasonable assurance regarding the reliability of the Corporation's financial reporting and its preparation of financial statements for external purposes in accordance with Canadian GAAP and are effective as of December 31, 2008.

Internal controls over financial reporting, no matter how well designed, have inherent limitations and can only provide reasonable assurance with respect to financial statement presentation and may not prevent or detect all misstatements.

Summary of Contractual Obligations

Other than the credit facilities described under "Liquidity and Capital Resources", the only material contractual obligation of the Corporation is its lease for office space. The Corporation's lease on its current location expires in June 2009 and subsequent to December 31, 2008, the Corporation agreed to a new seven-year lease at a new location commencing July 2009. Annual lease payments are currently $90,000 and the new location annual leasing costs will be approximately $135,000.

Contractual Obligations	Total	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Long term debt	0	0	0	0	0
Office lease	45,174	45,174	0	0	0
Other long-term obligations	0	0	0	0	0
Total Contractual Obligations	45,174	45,174	0	0	0

Transactions with Related Parties

In December 2007, Alaris L.P. borrowed $90 million from a company owned by Mr. Clay Riddell, its then largest unitholder. The loan included a fee of $1.5 million (1.67%) and the annual interest rate is fixed at 13%. On July 31, 2008, the Corporation used proceeds from the transaction described in the “Overview” section of this MD&A to reduce the outstanding debt to this company to $6.5 million. For the twelve months ended December 31, 2008, the Corporation paid interest of $7,162,646 to this company (2007 - $352,603).

Pursuant to the transaction described in the “Overview” section of this MD&A, the Corporation acquired (i) the 750,000 issued and outstanding units (the “Alaris L.P. Units”) of the Partnership owned by an entity owned by Mr. Riddell, by the issuance of 666,667 voting common shares in the Corporation; and (ii) all of the outstanding shares of Alaris IGF Corp. (“Alaris GP”), the general partner of the Partnership, from the holders thereof, which included Messrs King, Driscoll and Reid, officers, and in the case of Mr. King, a director of the Corporation, by issuance of 666,668 non-voting common shares in the Corporation. Alaris GP owns 750,010 Partnership Units, being the remaining issued and outstanding Partnership Units, and therefore, upon the completion of the Acquisition the Corporation acquired directly and indirectly 100% of the issued and outstanding Alaris L.P. Units.

Critical Accounting Estimates and Policies

Management is required to make estimates when preparing the financial statements. Significant estimates include the amount of liabilities for services provided but not yet invoiced, stock-based compensation expenses and future income tax amounts.

The Corporation capitalizes legal and accounting costs relating to a specific transaction once a letter of intent has been signed. The Corporation's transactions structured as limited partnerships are not amortized and will be assessed for objective evidence of impairment at each balance sheet date. The Corporation's intangible assets are being amortized over the 80-year term of the agreements on a straight-line basis.

New Accounting Policies

Effective January 1, 2008, the Corporation adopted CICA sections: 3862 Financial Instrument Disclosure; section 3863 Financial Instrument Presentation and section 1535 Capital Disclosures. Specifically, section 3862 requires disclosure of the significance of financial instruments on the Corporation’s financial statements and outlines disclosure of qualitative and quantitative information regarding exposure to risks from financial instruments. Section 1535 requires additional disclosures about the objectives, policies and processes used by the Corporation to manage its capital. During the year ended December 31, 2008, the Corporation entered into a series of agreements that resulted in the Corporation becoming a publicly owned company. As a result of the recent change in circumstances of the Corporation’s capital, management of the Corporation has not yet determined the long-term objectives or policies that will be applicable for capital management in future periods.

Financial Instruments and Off Balance Sheet Arrangements

As at December 31, 2008, the Corporation had not entered into any derivative financial instruments nor did it have any off balance sheet arrangements.

Recent Accounting Pronouncements Not Yet Adopted

The CICA's Accounting Standards Board confirmed the changeover from GAAP to IFRS (International Financial Reporting Standards) will be required for publicly accountable enterprises beginning on January 1, 2011. The impact on the Corporation is currently being reviewed. The Corporation has prepared an IFRS changeover plan that identifies the key accounting policies affected by the change, the impact on the financial statements and any financial reporting obligations, critical dates leading up to January 1, 2011, and an assessment of risk or importance of each key element. The Corporation has identified valuation of Preferred LP Units as the most significant issue relating to the changeover to IFRS.

Summary of Annual Results

Amounts are in thousands except for income (loss) per unit/share:

	2008	2007	2006
Revenue	19,031	11,386	10,580
Income (loss) from operations	(3,052)	1,844	1,200
Basic and Diluted Income (loss) per Share/Unit	Basic - $(0.65) Fully Diluted - $(0.65)	$1.23	$0.80
Total Assets	149,019	113,303	70,668
Total Financial Liabilities	31,500	115,000	70,537
Cash Dividends/Distributions declared per Share/Unit	Basic - $1.63 Fully Diluted - $1.59	$1.04	$1.72

Outstanding Shares

At December 31, 2008, the Corporation had 8,455,169 voting and 666,668 non-voting common shares issued and outstanding (9,121,837 in aggregate) and at March 11, 2009, the Corporation had 8,458,027 voting and 666,668 non-voting common shares issued and outstanding (9,124,695 in aggregate). On October 10, 2008, the Corporation held a shareholders meeting whereby a consolidation and subsequent split of the voting and non-voting common shares resulted in the repurchase of 29,911 voting shares at $12 per share ($358,932). These 29,911 voting common shares were held by over 5,000 shareholders, all with less than 50 voting common shares each that reduced the number of outstanding voting common shares to 8,452,311 (9,118,979 in aggregate) as at October 29, 2008. Under the RSU Plan, the Corporation issued 2,858 voting common shares from treasury in the quarter and has issued 2,858 voting common shares from treasury subsequent to December 31, 2008. At December 31, 2008, 379,400 restricted share units and 224,150 stock options were outstanding under the Corporation's long-term incentive compensation plans.

Outlook

Alaris' agreements with the Finance Group provide for payments estimated to provide the Corporation approximately $17.5 million of revenues in 2009. General and administrative expenses have increased as a result of additional public company costs and are currently estimated at $2.2 million annually. The senior debt facility is fully drawn to $25 million and the annual interest rate on that debt is 6.5% at December 31, 2008. $6.5 million of demand, subordinated debt is outstanding with an annual interest rate of 13%. Cash requirements after net income are expected to be minimal, as current capital expenditures consist of office furniture and computer equipment. In each month since August 2008, the Corporation declared monthly dividends of $0.12 per voting and non-voting common share that were paid on the 15th of the month following the month in which the dividend was declared.

Alaris' revenue outlook for 2009 includes a drop in revenues from current operations of approximately 8% due to a decline in 2009 distributions from Lower Mainland Steel ("LMS"). LMS experienced a dramatic shift in their business late in their fiscal 2008 year that included projects being cancelled and others being significantly delayed due to the unprecedented economic conditions that formed at that time. The end result was LMS incurring material bad debt expenses for the first time in their operating history that decreased their reported gross profit. Beyond LMS, the other three members of the Finance Group continue to perform well, even in these difficult times and we expect increased contributions from each of them compared to 2008.

For 2010, the Corporation again expects increases in its royalties and distributions in line with historical performance from each of Life Mark Health, MEDIchair and End of the Roll. However, LMS will see a significant drop in gross profit compared to the previous year. The decline is based on both reduced volumes caused by the economic environment and credit crisis as well as by temporarily depressed margins that were caused by high priced inventory that resulted from cancelled projects. A return to normal margins is expected to occur within the next three months. The net result of these two factors on LMS' operations will be a possible decline in gross profits of as much as 80% on their September 30, 2009 results which will result in a decrease to LMS' distributions to Alaris in 2010.

While results for LMS in 2009 are being conservatively forecast to account for the current economic conditions, the longer-term outlook for LMS is more positive. LMS is expected to benefit from the British Columbia provincial government's recent budget that included an announcement of $14 billion of new infrastructure projects to be completed over the next three years. With a significant share of the rebar installation market in lower mainland B.C., Lower Mainland Steel is ideally situated to recover in the coming years. As a result, it is the view of the Corporation's management that there has been no objective evidence of impairment on the value of the transaction with Lower Mainland Steel.

Dividend Reduction

Given the current economic condition, the Board of Directors of Alaris has determined to reduce the Company's monthly dividend to $0.07 per common share from $0.12 per common share, beginning with the March 2009 monthly dividend. This decision will preserve approximately $4.5 million in 2009, which will predominantly be used to reduce senior debt.

The Corporation plans to continue to seek out and enter into transactions accretive to the Corporation's earnings per share in the current Finance Group and other private businesses.

Risks and Uncertainty

Risks Relating to Transactions with Finance Group Members

Financial Health of Finance Group

The Corporation is entirely dependent on the operations and assets of the Finance Group through its indirect partnership interests and royalty arrangements. The Corporation's ability to pay dividends to its shareholders is dependent on the distributions received in respect of its transactions with the Finance Group. This is affected by many factors including the profitability and capital expenditures of the Finance Group. Distributions to Alaris from the Finance Group are generally based on a percentage of the Finance Group’s revenues, same-store sales, gross margin or other similar top-line measure. Accordingly, subject to certain conditions, to the extent that the financial performance of a Finance Group Member declines with respect to the relevant performance measure, cash payments to Alaris will decline. The failure of any Finance Group Member to fulfill its distribution obligations to Alaris could adversely affect the Corporation's financial condition and cash flows.

The transaction agreements provide Alaris with certain remedies in the event of non-payment of royalty, distribution or interest by the applicable Finance Group Member. In addition, some of Alaris' transactions with certain Finance Group Members are secured by the assets of the Finance Group Member. However, Alaris' rights to payment and its security interests are usually subordinated to the payment rights and security interests of a Finance Group Member's commercial and trade lenders.

For a discussion of the particular risk factors applicable to the Finance Group, see "Risk Factors — Risks Relating to the Finance Group Members" below.

Reliance on Key Personnel

The success of Alaris and of each of the Finance Group Members depends on the abilities, experience, efforts and industry knowledge of their respective senior management and other key employees, including their ability to retain and attract skilled management and employees. The loss of the services of any key personnel could have a material adverse effect on the business, financial condition, and results of operations or future prospects of Alaris or a Finance Group Member. In addition, the growth plans of the Corporation and the Finance Group described in this MD&A may require additional employees, increase the demand on management and produce risks in both productivity and retention levels. Alaris and the Finance Group may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that Alaris or the Finance Group Members will be able to effectively manage their growth, and any failure to do so could have a material adverse effect on Alaris' business, financial condition, results of operations and future prospects.

General Economic Conditions

The Corporation's business and the business of each of the Finance Group Members are subject to changes in national or North American economic conditions, including but not limited to, recessionary or inflationary trends, equity market levels, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. Recent market events and conditions, including disruptions in the international credit markets and other financial systems have resulted in a deterioration of global economic conditions. These conditions worsened in 2008 and are continuing in 2009, causing a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. These factors have negatively impacted company valuations and will impact the performance of the global economy going forward and could have a material adverse effect on the Corporation's and the Finance Group Member's business, financial condition, results of operations and cash flows.

Failure to Complete or Realize Anticipated Benefits of Finance Group Members

A key element of the Corporation's growth plan is carrying out transactions with additional Finance Group Members and deploying further capital in the initial Finance Group Members in the future. The ability of Alaris to identify and complete new opportunities is not guaranteed. Achieving the benefits of future transactions will depend in part on successfully identifying and completing such opportunities in a timely and efficient manner and in structuring such transactions to ensure a stable and growing stream of distributions. The identification and completion of future transactions will require the dedication of management effort, time and resources, which may divert management's focus, and resources from other strategic opportunities.

Limited Diversification of Alaris' Finance Group

Alaris does not have stringent fixed guidelines for diversification of its transactions with Finance Group Members. At any given point in time, Alaris may have a significant portion of its assets invested in a single business or industry. In the event that any such business or industry is unsuccessful or experiences a downturn, Alaris could incur significant losses, which could, in turn, have a material adverse effect on Alaris' business, results from operations and financial condition.

Ability to Manage Future Growth

The ability of Alaris to sustain continued growth depends on its ability to identify, evaluate and transact with suitable private businesses that meet its criteria. Accomplishing such a result on a cost-effective basis is largely a function of Alaris' sourcing capabilities, its management of the transaction process, its ability to provide capital on terms that are attractive to private businesses and its access to financing on acceptable terms. As Alaris grows, it will also be required to hire, train, supervise and manage new employees. Failure to manage effectively any future growth could have a material adverse effect on Alaris' business, financial condition and results of operations.

Availability of Future Financing for Operations, Dividends and Growth

The Corporation expects that its principal sources of funds will be cash generated from the Finance Group. The Corporation believes that funds from these sources will provide it with sufficient liquidity and capital resources to meet its ongoing business operations at existing levels. Despite the Corporation's expectations, however, the Corporation may require additional equity or debt financing to meet its financing and operational requirements. There can be no assurance that this financing will be available when required or available on commercially favourable terms or on terms that are otherwise satisfactory to Alaris, in which event the Corporation's financial condition may be materially adversely affected.

The payout by Alaris of substantially all of its operating cash may make additional transaction capital and operating expenditures dependent on increased cash flow or additional financings in the future. Alaris will require equity or debt financing in order to acquire interests in new Finance Group Members or to deploy additional capital in the initial Finance Group Members. There can be no assurance that such financing will be available when required or on commercially favourable terms which could limit Alaris' growth.

Competition with other Investment Entities

Alaris competes with a large number of private equity funds and mezzanine funds, investment banks and other equity and non-equity based investment funds, and other sources of financing, including the public capital markets. Some of Alaris' competitors are substantially larger and have considerably greater financial resources than Alaris. Competitors may have a lower cost of funds and many have access to funding sources that are not available to Alaris. In addition, certain of Alaris' competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their market shares. There is no assurance that the competitive pressures Alaris faces will not have a material adverse effect on Alaris' business, financial condition and results of operations. Also, as a result of this competition, Alaris may not be able to take advantage of attractive transaction opportunities from time to time and there can be no assurance that Alaris will be able to identify and complete transactions that satisfy Alaris' business objectives or that it will be able to meet Alaris' business goals.

New Finance Group Member Risks

If Alaris is successful in transacting with one or more new Finance Group Members, the business of these companies may be subject to one or more of the risks referred to under "Risk Factors — Risks Relating to the Finance Group Members" or similar risks and may be subject to other risks particular to such business or businesses.

Regulation

Alaris and the Finance Group Members are subject to a variety of federal, provincial and local laws, regulations, and guidelines and may become subject to additional laws, regulations and guidelines in the future, particularly as a result of acquisitions. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a material adverse effect on Alaris' and the Finance Group Members’ business, financial condition, results of operations and cash flows. Such laws and regulations are subject to change. Accordingly, it is impossible for Alaris or the Finance Group Members to predict the cost or impact of such laws and regulations on their respective future operations.

Leverage

The ability of the Corporation to pay dividends will be subject to applicable laws and contractual restrictions in the instruments governing any of its indebtedness. The degree to which Alaris is leveraged could have important consequences for Shareholders including: (i) Alaris' ability to obtain additional financing for working capital or transactions in the future may be limited; (ii) all or part of Alaris' cash flow from operations may be dedicated to the payment of the principal of and interest on Alaris' indebtedness, thereby reducing funds available for future operations or for payment of dividends; (iii) certain of Alaris' borrowings are at variable rates of interest, which exposes Alaris to the risk of increased interest rates; and (iv) Alaris may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures. These factors may adversely impact Alaris' cash flow, and, as a result, the amount of cash available for payment of dividends.

Interest expense has been estimated for the purpose of estimating distributable cash of the Corporation based on current market conditions that are subject to fluctuations. Such fluctuations could result in an unanticipated material increase in interest rates that could in turn have a material adverse effect on cash available for dividend to Shareholders.

Transaction Termination Rights

Each of the Finance Group Members has the right to terminate agreements with Alaris through a repurchase or redemption right that arises after a fixed period of time following the closing of Alaris' transaction in the applicable Finance Group Member. Although Management believes that the repurchase or redemption purchase price would adequately compensate Alaris for the foregone payments, Alaris would be required to re-deploy the cash received including possibly investing in its own shares through the repurchase and cancellation of its Common Shares or Non-Voting Shares, in order to maintain dividend levels. There is no assurance that Alaris would be able to successfully identify and complete any such alternative transactions or complete any such share repurchase.

Risks Relating to the Finance Group Members

Risks Relating Generally to the Finance Group

Alaris invests in private businesses. There is generally no publicly available information about these businesses and the boards of directors and management of these companies are not subject to the same governance and disclosure requirements applicable to public companies. Therefore, Alaris relies on its management and consultants to investigate these businesses. There can be no assurance that Alaris' due diligence efforts will uncover all material information about the privately held businesses necessary to make fully informed decisions. Finance Group Members may have significant variations in operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position or may be adversely affected by changes in the business cycle. Numerous factors may affect the quantum of, or the ability of a Finance Group Member to service, its distribution obligations to Alaris, including the failure to meet its business plan, a downturn in its industry or negative economic conditions. Deterioration in a Finance Group Member's financial condition and prospects may be accompanied by a material reduction in the distributions or payments received by Alaris.

The following represent key risk factors challenging the businesses of each of the Finance Group Members and the industries in which they operate.

Competition

Each Finance Group Member may face intense competition, including competition from companies with greater financial and other resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel. There can be no assurance that the Finance Group Members will be able to successfully compete against their respective competitors or that such competition will not have a material adverse effect on their businesses, financial condition, results of operations and cash flows and therefore the amount of or their ability to service their obligations to the Corporation.

Supplier and Brand Reputations

Damage to the reputation of the Finance Group Members’ brands, or the reputation of the brands of suppliers of products that are offered by the Finance Group Member, could result from events out of the control of the Finance Group Member. This damage could negatively impact consumer opinion of the Finance Group Member or their related products and services, which could have an adverse effect on the Finance Group Members’ performance.

Additional Franchises and Franchise Operations

Two of the Finance Group Members, End of the Roll, and MEDIchair are franchisors. The growth of revenues of these companies is largely dependent upon their ability to maintain and grow their franchise systems and to execute their current growth strategy for both increasing the number of franchisees and increasing the number of locations. If these companies are unable to attract qualified franchisees, their operations could be adversely affected. The slowing of growth could lead potential and existing franchisees to begin to look elsewhere for better opportunities. The growth of the franchise network through adding new franchisees is somewhat dependant upon available personnel.

The franchisees that operate the businesses of the franchise systems are independent owners. The franchisees are bound by the applicable franchise agreements to maintain certain standards and to operate within the franchise system. However, the franchisees are not directly under the control of the franchisors and may not in all cases comply with the requirements of the franchisors. The failure of a number of franchisees to comply with the franchise agreements or to maintain the standards of the franchisors may have an adverse effect on the applicable franchisor's brand and operating results.

Seasonality

Businesses that generate revenue from the sale of seasonal merchandise or products are subject to the risk of changes in consumer spending behaviour as a result of unseasonable weather patterns or other seasonal factors.

Reliance on Key Personnel

Often, the success of a private business depends on the management talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on a Finance Group Member's operations or ability to access additional capital qualified personnel, expand or compete.

Leverage

Leverage may have important adverse consequences to the Finance Group and to Alaris. Finance Group Members may be subject to restrictive financial and operating covenants. The leverage may impair their ability to finance their future operations and capital needs. As a result, their flexibility to respond to changing business and economic conditions and to business opportunities may be limited. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

Risks Relating Specifically to LifeMark Health

The following represents key risk factors affecting the integrated physical rehabilitation service industry and LifeMark Health's business.

Government Regulation

Healthcare service providers in Canada are subject to various governmental regulation and licensing requirements. Unlike certain other healthcare industry segments, specifically pharmaceuticals, laboratory services and hospital management companies, LifeMark Health operates in markets that are not regulated. LifeMark Health does not require a special license or permit from any governmental body to operate, aside from the license required for the medical imaging business and those normally required for all businesses.

All of LifeMark Health's medical personnel, both physicians and registered nurses, are required to maintain the requisite professional licenses from their respective governing professional bodies. Notwithstanding that LifeMark Health operates in markets that are not currently regulated, any change in governmental regulation and licensing requirements or interpretation and application of same relating to healthcare services could have an adverse impact on the scope of LifeMark Health's activities.

Funding

LifeMark Health will continue to require additional working capital to conduct existing marketing activities and to expand its network of clinics. LifeMark Health will need to raise additional funds through collaborations with corporate partners or through private or public financings to support its long-term acquisition and marketing efforts. If adequate funds are not available, LifeMark Health would be required to curtail its business objectives in one or more areas. There can be no assurance that unforeseen developments or circumstances will not alter LifeMark Health's requirements for capital, and no assurance can be given that additional financing will be available on acceptable terms, if at all.

Customer Concentration

LifeMark Health's revenue is dependent in part on contracts from certain governmental agencies. The loss of any such contract would have a significant adverse effect on LifeMark Health.

Confidentiality of Personal and Health Information

The collection, use and disclosure of patient personal and health information are subject to substantial regulation by federal and, in most cases, by provincial governments. These laws provide that the individual's consent is required prior to the collection, use and disclosure of the information collected from them (with limited prescribed exceptions), that the collected information be protected with reasonable security measures and that the individual have access to the information so collected in order to ensure its accuracy. In addition, future legislation may affect the dissemination of health information that is not individually identifiable. Physicians and other persons providing patient information to LifeMark Health are also required to comply with these laws and regulations. If a client's privacy is violated, or if LifeMark Health is found to have violated any law or regulation, it could be liable for damages or for criminal fines or penalties.

Risks Relating Specifically to Lower Mainland Steel

The following represents key risk factors affecting the steel manufacturing and installation industries and Lower Mainland Steel's business.

General Economic Conditions

Lower Mainland Steel’s business has been significantly affected by current economic conditions. Those conditions will have a material impact on the year over year distributions that the Corporation receives from its transaction with Lower Mainland Steel.

Volatility of Steel Prices

The world steel markets in which Lower Mainland Steel operates can be extremely volatile and cyclical. Up to approximately 60% of Lower Mainland Steel's variable costs can be attributed to the price of steel. A failure of Lower Mainland Steel to anticipate and appropriately respond in a timely fashion to steel pricing trends in the purchasing and selling of steel products may have a material adverse effect on Lower Mainland Steel's results.

Inventory and Fixed Price Contracts

Reinforcing steel products are typically sold by means of fixed price contracts, where the reinforcing steel is provided to the customer over a period of time which may range from several weeks to several years. At any point in time, therefore, Lower Mainland Steel is contractually obligated to supply significant quantities of steel at a predetermined price. Lower Mainland Steel does not hold inventory in quantities to match these obligations. The proportion of inventory to outstanding contractual obligations varies according to management's anticipation of steel pricing trends, but in any event, a material portion of the contractual obligations will always be exposed to future steel purchase pricing risk. If contractual obligations have to be fulfilled by steel purchased at higher replacement costs, then Lower Mainland Steel will incur lower realization on those contracts which will have an adverse effect on Lower Mainland Steel's results.

Lower Mainland Steel's other steel products are sold and shipped within a very short timeframe. These sales are often supported with large inventories of raw materials. During a period of falling prices for raw materials, Lower Mainland Steel would normally expect price realization on shipments of Lower Mainland Steel's finished products to deteriorate, producing inferior returns during the period when older inventories are being sold.

Contract Cancellations

In the current economic environment, Lower Mainland Steel has seen some projects canceled or delayed. Where Lower Mainland Steel has previously purchased inventory for those projects, they are left with higher price steel that can’t be sold at normal margins in a market of declining steel prices.

Supplier Base

Lower Mainland Steel relies on key suppliers for the supply of raw materials. Disruption of any one supplier could have a material adverse effect on the ability of Lower Mainland Steel to secure its supplies, as well as an increase in the cost of those supplies adversely affecting its financial results.

Labour Relations Risk

Approximately one-half of Lower Mainland Steel's employees are unionized or governed by collective trade agreements (e.g., steelworkers or automotive). Labour disruptions could adversely affect Lower Mainland Steel's business; however, Lower Mainland Steel notes that the agreements are with multiple union locals within diverse regions.

Trade Policy Restrictions

Lower Mainland Steel is a significant importer of commodity steel products that are sourced both domestically and globally. Steel is often the subject of cross border trade disputes. Any material dispute that is not resolved in Lower Mainland Steel's favour could have a material adverse effect on Lower Mainland Steel's results.

Risks Relating Specifically to MEDIchair

The following represents key risk factors affecting the home medical equipment industry and MEDIchair's business.

Product Liability

MEDIchair, like other retail and distributing companies, is subject to a variety of potential liabilities connected with its business operations, including potential liabilities and expenses associated with possible product defects. MEDIchair's products are highly complex and sophisticated and, from time to time, contain design and manufacturing defects that are difficult to detect and correct. There can be no assurance that errors will not be found in new products after sales to consumers or, if discovered, that the manufacturers of such products will be able to successfully correct such errors in a timely manner or at all. The consequences of such errors and failures could have a material adverse affect on MEDIchair's business, financial condition and results of operations.

Consistent with industry practice, MEDIchair allows customers to return products for warranty repair, replacement or credit. Although MEDIchair will provide allowances for anticipated returns, and management believes that the policies of MEDIchair have resulted in the establishment of allowances that are adequate, there is no assurance that such product returns will not exceed such allowances in the future and as a result may have a material adverse effect on future operating results. If any of the products distributed by MEDIchair prove defective, MEDIchair may be required to refund the price of or replace the product.
MEDIchair maintains product liability and other insurance coverage which it believes to be generally in accordance with industry practices. Nevertheless, such insurance coverage may not

be adequate to protect MEDIchair fully against substantial damage claims which may arise from product defects and failures.

Government Regulation

All MEDIchair products are submitted to, and meet the requirements of the Canadian Standards Association. Although MEDIchair intends to seek any other necessary approvals for future products, there can be no assurance that the codes and standards relating to such approvals will not change, thus requiring additional approvals, or that MEDIchair will be able to secure all necessary approvals at acceptable costs or within desired time frames.

Healthcare Reimbursement

MEDIchair's ability to grow sales of accessibility equipment may depend, in part, on the extent to which reimbursement for the cost of such products will be available from government health administration authorities, private health coverage insurers, and other organizations. Third-party payors are increasingly challenging the price of medical equipment. There can be no assurance that third-party coverage will be available to assist potential buyers of MEDIchair's products.

Risks Relating Specifically to End of the Roll

The following represents key risk factors affecting the home medical equipment industry and End of the Roll's business.

Volume Rebate Policies

A portion of End of the Roll’s annual operating income comes from volume rebates from its suppliers. Although these volume rebates have been a part of End of the Roll’s business since its inception, there can be no assurances that the terms of these arrangements will remain the same. A change in the terms and arrangements with their suppliers could reduce End of the Roll's operating cash flow.

Competition

End of the Roll competes in a highly fragmented market and they compete directly with some of the national home renovation chains. Although they have been competing with the same groups for a number of years, there is a risk that one of the national chains could reduce prices to become a loss leader and reduce End of the Roll’s market share.

Suppliers

End of the Roll sells flooring products manufactured or supplied by a number of major suppliers. As is customary in the industry, End of the Roll does not have long-term contracts with any of its major suppliers. Although End of the Roll believes that it has access to similar products from competing suppliers, any disruption in End of the Roll’s sources of supply could have a material adverse effect upon End of the Roll’s business.

Risks Relating to the Structure of the Corporation

Absence of Operating History as a Public Company

Management has limited experience operating the Corporation as a public entity. To operate effectively, the Corporation will be required to continue to implement changes in certain aspects of its business, improve and expand its management information systems and develop, manage and train management level and other employees, to comply with on-going public company requirements. Failure to take such actions, or delay in the implementation thereof, could adversely affect the Corporation's business, financial condition, liquidity and results of operations.

Dependence on the Finance Group

Alaris' ability to pay dividends is entirely dependent upon its business operations, its ability to satisfy its debt service obligations and to pay its operating expenses. Alaris' sole source of cash flow is its interest in the Finance Group Members. Alaris is subject to the risks encountered in the operation of its business, and the results of operations and financial condition of the Finance Group.

Unpredictability and Volatility of Share Price

A publicly traded Corporation will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Common Shares will trade cannot be predicted. The market price of the Common Shares could be subject to significant fluctuations in response to variations in quarterly operating results and other factors.

In addition, the securities markets have experienced significant market-wide and sectoral price and volume fluctuations from time to time that often have been unrelated or disproportionate to the operating performance of particular issuers. Such fluctuations may adversely affect the market price of the Common Shares.

Dividends

The amount of dividends paid by the Corporation will depend upon numerous factors, including profitability, debt covenants and obligations, the availability and cost of acquisitions, fluctuations in working capital, the timing and amount of capital expenditures, applicable law and other factors beyond the control of the Corporation. Dividends are not guaranteed and will fluctuate with Alaris' performance and the performance of the Finance Group. There can be no assurance as to the levels of dividends to be paid by the Corporation, if any. The Corporation will also incur expenses as a public issuer. Should any estimate of such expenses prove inadequate or if unanticipated public issuer expenses are incurred, it would reduce cash available for payment of dividends. The market value of the Common Shares may deteriorate if the Corporation is unable to pay dividends in accordance with its dividend policy in the future, and such deterioration may be material.

Tax Related Risks

The Corporation has various unclaimed non-capital losses, Scientific Research and Experimental Development Expenditure pools and other deductions and credits available to it for Canadian federal income tax purposes. These unclaimed deductions and credits are subject to assessment and possible downward adjustment by Canadian tax authorities.

Ability to Recover from Finance Group Members for Defaults under Transaction Agreements

Each Finance Group Member provides certain representations and warranties and covenants to Alaris LP regarding the Finance Group Member and its business and certain other matters. Following a transaction with Alaris LP and a Finance Group Member, the Finance Group Member may distribute all or a substantial portion of the proceeds that it receives from such investments to its securityholders. In the event that Alaris LP or the Corporation suffers any loss as a result of a breach of the representations and warranties or non-compliance with any other term of a transaction agreement, Alaris LP may not be able to recover the amount of its entire loss from the Finance Group Member. The Finance Group Member may not have sufficient property to satisfy the Corporation's loss.

Conflicts of Interest

Certain directors of the Corporation are associated with other companies or entities, which may give rise to conflicts of interest. In accordance with the CBCA, directors who have a material interest in any person who is a party to a material contract or proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Corporation.

The Corporation May Issue Additional Common Shares Diluting Existing Shareholders' Interests

The Corporation may issue an unlimited number of Common Shares and Non-Voting Shares for such consideration and on such terms and conditions as shall be established by the Corporation without the approval of Shareholders. Any further issuance of Common Shares will dilute the interests of existing Shareholders. The Shareholders will have no pre-emptive rights in connection with such future issuances.

Forward-Looking Statements

This MD&A contains forward looking statements. Statements other than statements of historical fact contained in this MD&A may be forward looking statements, including, without limitation, management’s expectations, intentions and beliefs concerning the growth, results of operations, performance and business prospects and opportunities of the Corporation and the Finance Group, the general economy, the amount and timing of the declaration and payment of dividends by the Corporation, the future financial position or results of the Corporation, business strategy, proposed acquisitions, growth opportunities, budgets, litigation, projected costs and plans and objectives of or involving the Corporation or the Finance Group. In particular, this MD&A contains forward looking statements regarding the revenues anticipated to be received from the

Finance Group and the Corporation's general and administrative expenses. 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. There can be no assurance that the plans, intentions or expectations upon which these forward looking statements are based will occur. 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 MD&A. Statements containing forward looking information reflect management's current beliefs and assumptions based on information in its possession on the date of this MD&A. 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.

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. Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward looking statements contained herein include risks relating to: the dependence of the Corporation on the Finance Group; risks relating to the Finance Group Members and their businesses; reliance on key personnel; general economic conditions; failure to complete or realize the anticipated benefits of transactions; limited diversification of Alaris' transactions; management of future growth; availability of future financing; competition; government regulation; leverage and restrictive covenants under credit facilities; the ability of the Finance Group to terminate the various agreements with Alaris L.P.; unpredictability and potential volatility of the trading price of the common shares; fluctuations in the amount of cash dividends; restrictions on the potential growth of the Corporation as a consequence of the payment by Alaris L.P. of substantially all of its operating cash flow; income tax related risks; future sales of common shares by significant shareholders; ability to recover from the Finance Group for defaults under the various agreements with Alaris L.P.; potential conflicts of interest; dilution; and liquidity of Common Shares. The information contained in this MD&A, including the information set forth under "Risk Factors", identifies additional factors that could affect the operating results and performance of the Corporation. Without limitation of the foregoing assumptions and risk factors, the forward looking statements in this MD&A regarding the revenues anticipated to be received from the Finance Group and the Corporation's general and administrative expenses are based on a number of assumptions including no adverse developments in the business and affairs of the Finance Group Members that would impair their ability to fulfill their payment obligations to the Corporation and no material changes to the business of the Corporation or current economic conditions that would result in an increase in general and administrative expenses.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward looking statements included in this MD&A are made as of the date of this MD&A 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.

Additional Information

Additional information relating to the Corporation, including the Corporation's Annual Information Form, is on available on SEDAR at www.sedar.com.