



**Northampton Group Inc.**  
TSX-V: NHG

**For Immediate Release**

### **NORTHAMPTON FIRST QUARTER REVENUES IMPROVE BY 5.8%**

Toronto, Ontario – August 27, 2014 – Northampton Group Inc., an integrated Canadian hotelier, today reported its financial results for the first quarter of fiscal 2014, ended June 30, 2014. Northampton posted a quarter-over-quarter sales increase of 5.8% with improvements at nearly all properties. In addition, gross profit rose by 4.9%, while profit for the period increased by 21.7% and earnings per share by 20.6%.

“The North American economy continues to support growth in the hospitality industry,” said Vinod Patel, President and CEO of the Northampton Group. “Overall, Northampton’s properties are more than keeping pace with its competition, and while maintenance and repair costs rose, all other indicators reflect the care with which Northampton manages its expenditures.”

Industry analyst Pannell Kerr Forster Consulting (PKF) reports that two of Northampton’s major markets, Toronto and Montreal, have posted improvements in revenue per available room (RevPAR) of up to 6.0% so far in calendar 2014, with average daily rates (ADRs) forecast to improve about 3.0% and occupancy improvements of between 1.0% and 4.0% in the Toronto, Montreal, and Ottawa areas. These predictions are substantially more positive than in recent quarters, so Northampton’s properties may benefit from regional strength.

#### **Highlights of the Quarter:**

- In the first quarter, consolidated revenues rose 5.8% to \$8,253,753 from \$7,802,777 for the same period in the previous year;
- Cost of sales rose 6.6% in the quarter. Administrative expenses fell 0.7% quarter-over-quarter. Depreciation and finance costs in Q1 were \$693,526 and \$422,308 compared to \$671,574 and \$444,941 respectively in the same quarter in fiscal 2013;
- Gross profit for the first quarter of fiscal 2015 rose 4.9% to \$4,061,860 from \$3,871,227 in the prior year;
- EBITDA (earnings before income taxes, interest, depreciation, and amortization) in the quarter ended June 30, 2014 increased 11.6% to \$2,698,820 from \$2,418,159 in the prior year;
- Net income for the quarter rose 21.0% to \$775,349, up from \$641,004 for the same quarter in fiscal 2014;
- Earnings per share in the quarter rose 20.6% to \$0.030 per share compared to \$0.024 per share in the same quarter of the previous year;
- Cash flow, or net income plus amortization, increased 11.9% in the first quarter of fiscal 2015 to \$1,468,875 or \$0.056 per share from \$1,312,578 or \$0.05 per share in the prior period;
- Same-hotel sales rose for most of Northampton’s portfolio, with the exception of the Hamilton location;
- As announced by Northampton in a news release on July 9, 2014, Northampton received a proposal from an existing shareholder to purchase all outstanding shares of the company. The Board has appointed a Special Committee of independent directors to evaluate this proposal;
- On July 24, 2014, the Special Committee retained The Commercial Capital Corporation as financial advisor to advise the Special Committee in respect of this proposal among other things.

The following is a tabulated summary of Northampton's results from continuing operations:

	Three months ended June 30		
	2014	2013	% change
Revenues	8,253,753	7,802,777	5.8
Gross profit	4,061,860	3,871,227	4.9
Pre-tax profit	1,582,986	1,301,644	21.6
Profit	1,179,086	968,544	21.7
Net income	775,349	641,004	21.0
Earnings per share	0.030	0.024	20.6
Cash flow	1,468,875	1,312,578	11.9
Cash flow per share	0.056	0.050	11.6
EBITDA	2,698,820	2,418,159	11.6

For a more complete discussion of the Company's results, please see Northampton's quarterly filings on [www.sedar.com](http://www.sedar.com), or the quarterly MD&A, financials, and notes to the financial statements on the Company's website at [www.nhgi.com](http://www.nhgi.com).

#### **About Northampton**

Northampton Group Inc. is an integrated Canadian hotelier with ownership and management interests in 1,761 rooms in 15 hotels with a selective strategic development program in place. Focused on creating a solid return for all stakeholders, Northampton's proven, market-sensitive strategy is to acquire or build hotels that provide superior overnight accommodation in the mid-price market. Northampton has consistently excelled in this sector, offering services that exceed expectations.

#### **FOR FURTHER INFORMATION:**

Vinod Patel, President and CEO

*Northampton Group Inc.*

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#### **Disclaimer:**

This news release contains forward-looking statements within the meaning of the "safe harbour" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties and other factors that may cause Northampton's results to differ materially from expectations. Such risks may relate to hotel performance, market fluctuations, investee performance, and other risks more fully described in the Company's annual report, posted on the Company's website and on SEDAR. These forward-looking statements speak only as of the date hereof. Northampton Group disclaims any intent or obligation to update these forward-looking statements.

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