Rating Report

Veridian Corporation

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Insight beyond the rating.

Rating(s)

Debt	Rating	Rating Action	Trend
Issuer Rating	A	Confirmed	Stable

Rating Update

DBRS Limited (DBRS) has confirmed the Issuer Rating of Veridian Corporation (Veridian or the Company) at "A" with a Stable trend. The confirmation reflects Veridian's track record of prudently managing its regulatory risk and reasonable financial profile.

Veridian's business risk profile has remained in the "A" rating range and DBRS does not anticipate any material change in the Company's business risk profile in the foreseeable future. The Company's low-risk, regulated distribution operations are expected to continue to account for over 98% of consolidated earnings in 2015 as minimal growth is planned for Veridian's higher-risk, non-regulated businesses. Following the sale of its water heater business in 2011, the Company's non-regulated activities have been limited to rooftop solar installation with total assets of less than 1% of consolidated assets as at December 31, 2014. Furthermore, recent regulatory decisions for recovery of ice storm-related costs in December 2013 and 4th Generation Incentive Rate-setting (Price Cap IR) were in line with DBRS's expectations. In March 2015, the Ontario Energy Board (OEB) approved 100% of the ice storm costs that the Company submitted for recovery in August 2014. The ice storm cost claim will be recovered through a fixed-rate rider on a 12-month recovery period ending in February 2016. In addition, DBRS views key parameters for the Price Cap IR released by the OEB in March 2015 as reasonable to ensure adequate earnings stability over the next four years under the Price Cap IR. With moderate customer growth and reasonable parameters, incremental revenues in 2015 should suffice to offset general cost inflation pressure and unfunded amortization (resulted by excess capital spending (capex) over depreciation) and, thus, achieve a return on equity (ROE) close to the deemed ROE of 9.36% in 2015. DBRS notes, however, that regulatory risk under the Price Cap IR will be modestly higher than under the previous 3rd Generation Incentive Rate Mechanism. The longer Price Cap IR term (four years versus three years) is expected to result in greater regulatory lag and could potentially weaken profitability until rebasing in 2019.

Veridian's financial risk profile is reflective of the "A" rating category, with all key credit metrics in line with the current rating. Operating cash flow is expected to cover the bulk of capex and dividends. As a result, cash flow deficits are expected to be moderate in 2015 and no material changes are expected in the results of operations. In addition, the Company continues to have significant financial flexibility for the current rating category as approximately 48% of total debt is owed to its shareholders.

Financial Information

(Consolidated)	For the year ended December 31					
(CA$ millions)	2014	2013	2012	2011	2010	2009
Total debt in capital structure[1]	51.6%	53.0%	52.5%	51.6%	48.1%	46.6%
Cash flow/Total debt	15.8%	14.4%	15.4%	19.5%	26.8%	30.1%
EBIT interest coverage (times)	2.06	2.23	3.00	2.34	2.41	2.51

1 Includes operating leases.

Issuer Description

Veridian Corporation is a municipally owned holding company that owns and operates Veridian Connections Inc. (VCI), a predominately regulated electricity distribution company that services nine municipalities in Eastern Ontario. Veridian is 41%-owned by the City of Pickering, 32.1% by the Town of Ajax, 13.6% by the Municipality of Clarington, and 13.3% by the City of Belleville. Its service area is an amalgamation of the former municipal electric utilities of the aforementioned municipalities as well as the municipalities of Brock, Port Hope, Uxbridge, Gravenhurst and Scugog.

Rating Considerations

Strengths

1. Stable regulated operations
Over 98% of Veridian's earnings is generated from its regulated distribution business, which operates under a reasonable regulatory framework.

2. Reasonable financial profile
Veridian's key credit metrics have remained relatively reasonable for the "A" rating category.

3. Supportive shareholders
Approximately 48% of Veridian's total debt is owed to its shareholders in the form of promissory notes, which are subordinated to the Company's credit facilities. Shareholders also have the option to convert $17.2 million of the promissory notes into equity, which provides the Company with more financial flexibility.

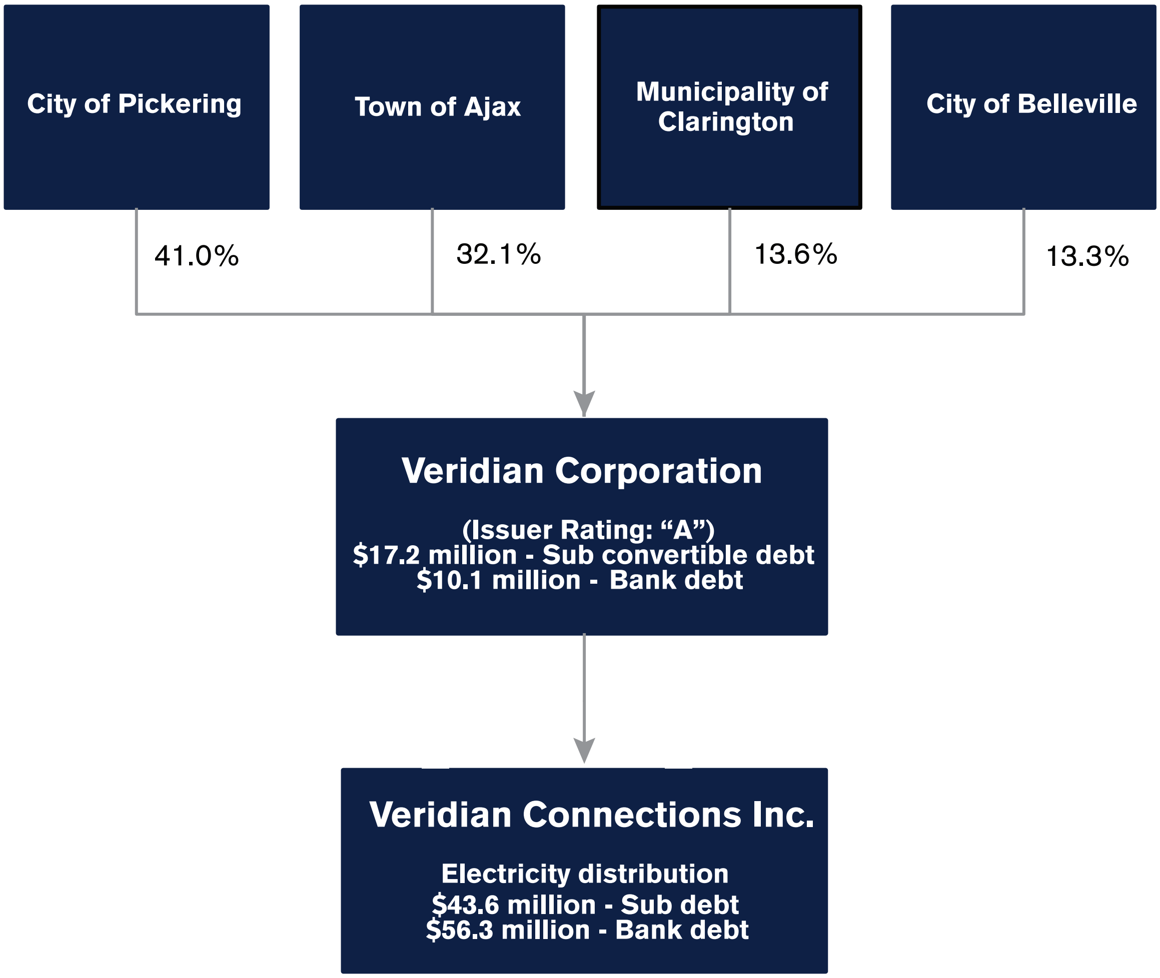
Challenges

1. Volume risk
Earnings and cash flow for electricity distribution companies are partially dependent on the volume of electricity sold and, therefore, on revenue earned from electricity sales. Seasonality, economic cyclicality and year-over-year (YOY) changes in weather patterns directly affect the volume of electricity sold and the revenue earned from electricity sales. This volume risk is, however, expected to become minimal by 2019. In April 2015, the OEB announced the implementation timeline for revenue decoupling which will remove weather sensitivities and the majority of volume risk for all Ontario-based local electricity distribution companies (LDCs), including Veridian's regulated operations. The OEB plans to increase the fixed monthly rate gradually over the next four years. By 2019, the majority of LDC revenues (could potentially be 100% of LDC revenues) is expected to be generated from a fixed monthly rate.

2. Limited access to equity markets
Four municipalities own the Company; as a result, Veridian does not have access to the public equity markets. If equity funding is required, it must be provided by shareholders.

3. Performance pressure under Price Cap IR
Under the Price Cap IR, Veridian's annual rate increases are limited by a regulatory formula that includes inflation, a productivity factor and a stretch factor. The Company must achieve productivity at least equal to the regulatory productivity (0% in 2015), stretch factor and any unfunded amortization combined to achieve the allowed ROE.

Ownership and Organizational Structure (DECEMBER 31, 2014)



- Veridian is a municipally owned holding company that owns and operates Veridian Connections Inc., a predominately regulated electricity distribution company that services nine municipalities in Eastern Ontario.
- Veridian is 41% owned by the City of Pickering, 32.1% by the Town of Ajax, 13.6% by the Municipality of Clarington and 13.3% by the City of Belleville.
- Veridian's distribution system operates within an economically stable service territory with approximately 120,000 customers in nine municipalities in East-Central Ontario.
- Its customer base consists primarily of residential and small commercial customers, which provides reasonably stable demand loads YOY.
- Larger industrial customers, whose profiles are more cyclical, account for only 5% of Veridian's total electricity throughputs.
- Natural customer growth over the last two years has averaged 1.0% and modest growth rate of 1.0% to 2.0% on average is expected over the next several years.

Earnings and Outlook

Consolidated Income Statement

(Consolidated) (CA$ millions)	2014	2013	2012	2011	2010	2009
Net sales	49.1	49.0	50.6	47.9	47.5	49.0
Operating expenses	(26.5)	(25.5)	(25.3)	(22.8)	(22.5)	(22.8)
EBITDA	22.6	23.5	25.4	25.1	25.0	26.2
Depreciation & amortization	(10.4)	(10.3)	(8.8)	(14.2)	(13.6)	(14.4)
EBIT	12.2	13.2	16.6	10.9	11.4	11.8
Gross interest expense	(5.9)	(5.9)	(5.5)	(4.7)	(4.7)	(4.7)
Other income/expenses	3.4	3.1	3.6	1.8	1.6	1.9
Net income before non-recurring items	9.7	10.4	14.6	8.0	8.2	9.0
Non-recurring items	(3.6)	1.4	(4.4)	1.3	0.3	2.0
Net income	6.2	11.9	10.2	9.4	8.5	11.0
Net income from discontinued operations	0.1	(0.1)	(0.3)	3.9	0.4	1.8
Return on equity	8.3%	9.2%	13.5%	7.8%	8.3%	9.4%
Rate base	238	187	187	187	187	176

2014 Summary

- Veridian's earnings in 2014 were in line with DBRS's expectations.
  - Veridian's ROE on its regulated operations (after adjusting for unrealized loss on interest rate swap and all future income taxes) was 10.3% in 2014, exceeding its regulatory ROE of 9.36%.
  - The ROE gap between the regulated operations and consolidated results was largely driven by higher consolidated equity, resulting from cash holdings in the holding company. As a result, consolidated ROE was lower at 8.3%.
- Earnings in 2014 benefited from rebasing. With no disallowance in the prior 3rd Generation Incentive Rate base spending, the Company's rate base increased by approximately $52 million to $238 million in 2014.
- Earnings were, however, negatively affected by a lower deemed ROE (9.36% in 2014 versus 9.85% in 2013).
- The gap between net income before non-recurring items and reported net income was in large part due to volatility related to unrealized gains/losses on interest rate swaps (loss of $3.8 million in 2014 versus gain of $4.2 million in 2013). Reported net income in 2013 was also negatively affected by costs associated with the late-2013 North American ice storm ($0.6 million).

2015 Outlook

- DBRS views key parameters for the Price Cap IR as reasonable to ensure adequate earnings stability in 2015.
- With moderate customer growth and reasonable Price Cap IR parameters, incremental revenues in 2015 should offset general cost inflation pressure and unfunded amortization and, thus, achieve a ROE close to the deemed ROE of 9.36% for the regulated business.

Financial Profile and Outlook

Consolidated Cash Flow Statement

	2014	2013	2012	2011	2010	2009
Net income before non-recurring items	9.7	10.4	14.6	8.0	8.2	9.0
Depreciation & amortization	11.0	10.6	8.9	15.1	14.4	15.1
Deferred income taxes and other	(0.7)	(2.4)	(4.9)	(1.4)	1.3	0.2
Cash Flow From Operations	20.1	18.6	18.5	21.8	23.9	24.3
Dividends paid	(4.7)	(4.7)	(4.7)	(6.1)	(5.2)	(8.2)
Capital expenditures	(19.3)	(20.0)	(16.5)	(25.3)	(29.1)	(31.0)
Free Cash Flow (bef. work. cap. changes)	(3.9)	(6.1)	(2.7)	(9.6)	(10.4)	(14.9)
Changes in working capital	12.2	(4.8)	(5.6)	6.7	(12.1)	(4.5)
Changes in regulatory assets/liabilities	0.7	(1.6)	1.1	(16.2)	3.6	2.4
Net Free Cash Flow	9.0	(12.4)	(7.1)	(19.1)	(18.9)	(17.0)
Other investment activities	0.0	0.0	0.0	0.1	0.0	0.2
Net equity change	0.0	0.0	0.0	0.0	0.0	0.0
Net debt change	(2.7)	9.4	8.6	22.6	8.5	20.0
Other and discontinued operations	(0.1)	(0.1)	0.1	4.4	1.0	3.2
Change In Cash	6.3	(3.2)	1.6	8.0	(9.4)	6.5
Total debt	127.2	129.9	120.5	111.9	89.2	80.8
Total debt in capital structure[1]	51.6%	53.0%	52.5%	51.6%	48.1%	46.6%
Cash flow/Total debt	15.8%	14.4%	15.4%	19.5%	26.8%	30.1%
EBIT interest coverage (times)	2.06	2.23	3.00	2.34	2.41	2.51
(Cash flow-dividends)/Capex (times)	0.80	0.70	0.84	0.62	0.64	0.52
Dividend payout ratio	48.3%	45.0%	32.2%	75.6%	63.5%	90.9%

1 Includes operating leases.

2014 Summary

- The Company's key credit metrics remained in line with the "A" rating category. Stripping out the effect of shareholder loans, debt-to-capital was low at approximately 36%.
- Operating cash flow improved in 2014 because of rebasing. Operating cash flow in 2013 was negatively affected by ice storm-related costs
- Capex remained higher than historical levels to support more system renewal projects.
- Dividends were in line with the Company's policy of $4.7 million per year for 2012 to 2016. The dividends paid may increase if earnings are favourable or if there is a cash surplus available.
- As a result, Veridian generated a modest free cash flow deficit in 2014.

2015 Outlook

- Operating cash flow is expected to remain relatively stable, benefiting from the Company's regulated electricity distribution operations that should closely track the deemed ROE of 9.36% in 2015.
- Veridian has forecast net capex spending of approximately $25 million in 2015. This increase from 2014 levels is expected to be driven largely by continued investments in system access projects by road authority work, including the Highway 407 expansion project and additional system renewal.
- Dividends are expected to continue to be in line with the Company's dividend policy of $4.7 million.
- The increase in capex will likely result in a moderate free cash flow deficit. DBRS expects this deficit to be funded with additional debt.

Long-Term Debt and Liquidity

Bank Lines and Liquidity

- Veridian has committed and uncommitted revolving credit facilities of $100 million in aggregate which are under the following conditions ($85 million available as at December 31, 2014)
  - Committed or demand-revolver facility no greater than $70 million at all times ($15 million drawn as at December 31, 2014; thus, $55 million was available out of the facility).
  - Uncommitted revolving facility no greater than $30 million with a letter of credit carve-out availability ($0 was drawn as at December 31, 2014; thus, $30 million was available out of the facility).
- Veridian has the following three committed reducing-term facilities with aggregated credit limits of $65.000 million ($13.597 million available):
  - A credit limit of $20 million and amortization term of ten years, of which $10.084 million was outstanding as at December 31, 2014.
  - A credit limit of $30.000 million and amortization term of 20 years with an optional exit strategy at ten years and 15 years, of which $26.859 million was outstanding as at December 31, 2014
  - A credit limit of $15.000 million and amortization term of 30 years with an optional exit strategy at ten years and 15 years, of which $14.460 was outstanding as at December 31, 2014
  - The committed reducing-term facilities are recorded as long-term debt (see below).

Long-Term Debt

Debt (Consolidated)

(CA$ million)	Dec. 31, 2014	Dec. 31, 2013
Notes payable to shareholders, due in 2039	43.6	43.6
Notes payable to shareholders, due in 2015	17.2	17.2
LTD from a Canadian chartered bank, due in 2031	26.9	27.9
LTD from a Canadian chartered bank, due in 2019	10.1	12.1
LTD from a Canadian chartered bank, due in 2032	14.5	14.7
LTD from a Canadian chartered bank, no sooner than 2019	15.0	0.0
Total	127.2	115.6
Less: Current portion	20.6	3.4
Total Long Term Debt	106.6	112.2

Debt Payment Schedule

Debt (Consolidated)

(CA$ million)	2015	2016	2017	2018	2019	Thereafter	Total
Long-term debt	20.6	3.5	3.5	3.6	3.7	92.3	127.197
Short-term debt (credit facility)		3.1					3.1
Total	20.6	6.6	3.5	3.6	3.7	92.3	130.3
% of Total	16%	5%	3%	3%	3%	71%	100%

As at Dec 31, 2014.

- Approximately $60.8 million (48%) of the Company's total long-term debt is due to its shareholders. This debt is in the form of promissory notes, subordinated to the credit facilities and bank debt.
- The shareholders have the option to convert the $17.2 million Promissory Notes into equity on or before maturity.
- Veridian's debt maturity is well spread with the exception of 2015, when $20.6 million comes due; however, DBRS views refinancing as manageable in 2015 since $17.2 million is owed to its shareholders.

Regulation

- Veridian has a good track record of prudently managing its regulatory risk.
- Net regulatory assets (currently negative) are expected to remain relatively low.
  - The cost of service (COS) decision in 2014 has provided for clearance of the following two largest variance accounts: (1) recovery of stranded meter amounts of approximately $4.5 million and (2) refund transitional fixed-asset account for changes in depreciation and capitalized overheads of approximately $6.2 million. Both variance accounts will be cleared by May 1, 2015.
  - The clearance of the two largest variance accounts contributed the bulk of changes in regulatory asset and liability movements.
  - Regulatory assets decreased by $4.2 million to $6.3 million in 2014 from $10.5 million in 2013, while regulatory liabilities decreased by $4.9 million to $8.9 million in 2014 from $13.8 million in 2013.
- Recent regulatory decisions for recovery of ice storm-related costs in December 2013 and the Price Cap IR were in line with DBRS's expectations.
- In March 2015, the OEB approved 100% of the ice storm costs that the Company submitted for recovery in August 2014. The ice storm cost claim will be recovered through a fixed-rate rider on a 12-month recovery period ending in February 2016.
- DBRS views key parameters for the Price Cap IR released by the OEB in March 2015 as reasonable to ensure adequate earnings stability over the next four years under the Price Cap IR.
  - The Company currently operates under the Price Cap IR with rebasing in between the Price Cap IR period, which is currently four years. During the Price Cap IR period, rates are adjusted based on a formula known as the Price Cap Index. The formula is calculated by inflation less a productivity and stretch factor.
  - The OEB set the inflation factor for 2015 rates at 1.6% and the productivity factor remains at 0.0%. The OEB also assigned Veridian a stretch factor of 0.3% based on the updated benchmarking study for use for rates effective in 2015. This should ensure that the Company's revenue grows modestly in the range of 1% to 2% over the next four years under normal weather conditions.
  - Other key parameters which were determined in the 2014 COS decision were reasonable, which are as follows: (1) leverage parameters: allowed equity component of 40% and debt component of 60%, which is composed of 56% long-term debt and 4% short-term debt; and (2) deemed ROE of 9.36% (versus 9.85% in 2013), reflecting a lower interest rate environment.
  - Under the Price Cap IR, the Company could file an Incremental Capital Module (ICM) to potentially recover any material and necessary prudently spent incremental capex during the Price Cap IR period.
  - DBRS notes, however, that regulatory risk under the Price Cap IR will still be modestly higher than under the previous 3rd Generation Incentive Rate Mechanism as the longer minimum term (four years versus three years) is expected to result in greater regulatory lag and to gradually weaken profitability through the current Price Cap IR period until rebasing in 2019. This is partially mitigated by the ability of the Company to apply for the recovery of prudently spent material and necessary incremental capex during the Price Cap IR period through an ICM. Veridian can also apply for a regulatory review if actual ROE is 300 basis points below the approved ROE.
- In April 2015, the OEB announced the implementation timeline for revenue decoupling which will remove weather sensitivities, and the majority of volume risk is considered one of the key credit challenges for all Ontario-based LDCs, including Veridian's regulated operations.
  - The OEB plans to increase the fixed monthly rate gradually over the next four years. By 2019, 100% of LDC revenues are expected to be generated from a fixed monthly rate.
- Distribution System Code amendments are underway to mandate monthly billing for all non-seasonal residential customers by December 31, 2016. This would reduce working capital requirements.

• The chart below reflects DBRS's assessment of the regulatory environment for Veridian based on DBRS's methodology guideline.

Criteria	Score	Analysis
(1) Deemed Equity	Excellent Good **Satisfactory** Below Average Poor	The OEB allows Veridian to have a deemed equity of 40%, which is consistent with other electricity distribution companies in Ontario. As a result of the need to maintain the regulatory capital structure, Veridian's leverage has been in line with the "A" rating range.
(2) Allowed ROE	Excellent **Good** Satisfactory Below Average Poor	Veridian has an allowed ROE of 9.36%, which is in line with the other distribution companies in Ontario. Any difference in ROE between Veridian and other distribution companies is mainly because of the timing of the regulatory filings and the interest environment prevalent at that time.
(3) Energy Cost Recovery	**Excellent** Good Satisfactory Below Average Poor	There is no power price risk for Veridian as it is not responsible for purchasing power from generation facilities or the wholesale market. Power costs are passed on to ratepayers at rates set by the OEB and Veridian collects the payments from its customers on a bi-monthly basis.
(4) Capital Cost Recovery	Excellent **Good** Satisfactory Below Average Poor	Some capital costs are pre-approved at the time of the COS application. Subsequent capital spending after the base year will not be approved until the next rate application and approval of the rate base. If incremental capital costs were significant and prudent, Veridian can file under ICM to request the recovery of the costs.
(5) COS versus IRM	Excellent Good **Satisfactory** Below Average Poor	Veridian is regulated under the Price Cap IR framework, with four years in between the COS rebasing years. During the Price Cap IR period, Veridian can also file under ICM if there are significant and prudent incremental capital needs between rebasing years. DBRS notes that Veridian's current efficiency targets have been reasonable.
(6) Political Interference	Excellent Good Satisfactory **Below Average** Poor	The government of Ontario plays a significant role in the electricity sector in Ontario, given that the majority of the utilities are government owned (Veridian is owned by four municipalities). Further, stakeholders such as Independent Electricity System Operator (rated A (high) by DBRS) is also government owned. As a result, the government has direct and indirect influence on Ontario's electricity industry.
(7) Retail Rate	Excellent **Good** Satisfactory Below Average Poor	The cost of power in Veridian's service territory is set by the OEB. On average, electricity prices for Veridian's residential customers are around 12 cents per kilowatt hour (kWh). This is lower than other service territories where rates range up to 14 cents per kWh, thus providing Veridian with greater flexibility for future rate increases.
(8) Stranded Cost Recovery	Excellent **Good** Satisfactory Below Average Poor	Minimal stranded costs exist in the Ontario market. Veridian is earning a return on smart meter assets in service and has received regulatory approval for recovery of stranded meter costs associated with smart metering. Although stranded costs have been fully recovered in the past years, assets could potentially be written down if the OEB does not approve recovery of any further stranded cost recoveries in the future.
(9) Rate Freeze	Excellent Good **Satisfactory** Below Average Poor	Distribution rates were frozen for a short time period in the early 2000s, but did not have a material impact on Veridian's financial profile. Since distribution costs represent 20% to 30% of a customer's overall electricity bill, an increase in rates would have a greater nominal impact on customers' bills. This could increase the risk of potential rate freezes.
(10) Market Structure (Deregulation)	Excellent Good **Satisfactory** Below Average Poor	Following the restructuring of Ontario Hydro in 1999, Ontario's electricity market became partially deregulated, specifically in the generation segment. Distribution (including Veridian's electricity distribution business) and transmission remain fully regulated under the OEB. DBRS notes that no single utility in Ontario is fully integrated.

Veridian Corporation

(CA$ millions)

Assets	Dec. 31 2014	Dec. 31 2013	Dec. 31 2012	Liabilities & Equity	Dec. 31 2014	Dec. 31 2013	Dec. 31 2012
Cash & equivalents	27.2	21.0	24.1	S.T. borrowings	0.0	14.3	1.6
Accounts receivable	58.7	56.0	57.6	Current portion L.T. debt	20.6	3.4	3.3
Inventories	2.4	2.1	1.7	Accounts payable & deferred tax	44.9	31.3	36.9
Prepaid expenses & others	3.1	3.5	3.2	Regulatory liabilities	3.0	0.0	3.3
				Other current liab.	4.3	4.2	4.1
Total Current Assets	**91.4**	**82.5**	**86.6**	**Total Current Liab.**	**72.9**	**53.1**	**49.2**
Net fixed assets	195.8	187.1	177.4	Long-term debt	106.6	112.2	115.6
Future income tax assets	7.1	8.2	11.2	Regulatory liabilities	5.8	13.8	16.0
Goodwill & intangibles	13.4	13.8	14.1	Deferred income taxes	0.4	0.4	0.4
Regulatory assets	4.3	9.5	10.6	Other L.T. liab.	8.9	7.0	9.8
Investments & others	0.3	1.7	0.1	Shareholders' equity	117.7	116.2	109.1
Total Assets	**312.2**	**302.8**	**300.0**	**Total Liab. & SE**	**312.2**	**302.8**	**300.0**

Consolidated Balance Sheet

Balance Sheet & Liquidity & Capital Ratios	2014	2013	2012	2011	2010	2009
Current ratio	1.25	1.55	1.76	1.14	1.27	1.09
Total debt in capital structure	51.6%	53.0%	52.0%	51.4%	47.1%	45.4%
Total debt in capital structure[1]	51.6%	53.0%	52.5%	51.6%	48.1%	46.6%
Cash flow/Total debt	15.8%	14.4%	15.4%	19.5%	26.8%	30.1%
(Cash flow-dividends)/Capex (times)	0.80	0.70	0.84	0.62	0.64	0.52
Dividend payout ratio	48.3%	45.0%	32.2%	75.6%	63.5%	90.9%
Coverage Ratios (times)						
EBIT interest coverage (times)	2.06	2.23	3.00	2.34	2.41	2.51
EBITDA interest coverage	3.81	3.97	4.58	5.38	5.30	5.57
Fixed-charges coverage	2.06	2.23	3.00	2.34	2.41	2.51
Profitability Ratios						
EBITDA margin	46.0%	48.0%	50.1%	52.4%	52.6%	53.5%
EBIT margin	24.9%	27.0%	32.8%	22.8%	23.9%	24.1%
Profit margin	19.8%	21.3%	28.9%	16.7%	17.3%	18.4%
Return on equity	8.3%	9.2%	13.5%	7.8%	8.3%	9.4%
Return on capital	5.7%	6.2%	8.2%	5.4%	6.0%	7.0%

1 Includes operating leases.

Electricity Throughputs (GWh)	2014	2013	2012	2011	2010	2009
Residential	961	965	965	956	972	942
Commercial	1,415	1,402	1,416	1,377	1,335	1,316
Large users	127	155	192	200	217	196
Street lighting	21	21	21	20	19	20
Total	**2,523**	**2,542**	**2,594**	**2,553**	**2,543**	**2,473**

Number of Customers (thousands)	2014	2013	2012	2011	2010	2009
Residential	107,787	106,701	105,543	104,060	102,929	101,547
Commercial	10,751	10,750	10,676	10,590	10,547	10,442
Large users	2	2	4	4	5	5
Street lighting	9	9	9	9	9	9
Total	118,549	117,462	116,232	114,663	113,490	112,003

Rating History

	Current	2014	2013	2012	2011
Issuer Rating	A	A	A	A	A

Previous Report

- Veridian Corporation, Rating Report, May 12, 2014.

Notes:
All figures are in Canadian dollars unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on **www.dbrs.com**.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.