TORONTO, Sept. 11, 2013 /CNW/ - **AlarmForce Industries Inc.** (TSX: AF) announces the following results for the nine months ended July 31, 2013:

($ in thousands, except per share and subscriber amounts)	**July 31, 2013**	**July 31, 2012**	**Change**
Total revenue	$36,479	$33,440	9%
Net income	$2,842	$455	525%
Shares outstanding, diluted	12,276	12,269	0.1%
Diluted net income per share	$0.23	$0.04	480%
Cash flows from operations	$7,154	$1,951	267%
EBITDA*	$7,582	$4,257	78%
Adjusted EBITDA* (before marketing expenses)	$17,352	$17,202	1%
Recurring monthly revenue (RMR)	$3,773	$3,487	8%
Total subscribers	139,400	132,100	6%

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*EBITDA is a non-IFRS financial measure and is defined in the disclosure section accompanying this press release.

AlarmForce closed the third quarter with year-to-date net income of $2.9 million and diluted earnings per share of $0.23. Total subscribers increased to 139,400, reflecting an annualized growth rate of 6%. Subscribers using VideoRelay bundled with alarm service grew by 173% to a total of 6,000. The Company expects the adoption rate of VideoRelay service to be approximately 20% of new alarm installations by the end of the year.

Revenue in the third quarter grew by $3 million to $36.0 million, or 9%, over the comparative period of 2012. Canadian revenue was up 4% to

$28.0 million
and US revenue was up 29% to
$8.5 million
over the comparative period of 2012.

Recurring monthly revenue (RMR) increased by 8% in the third quarter and accounted for 91% of the total revenue. RMR growth was driven by an increase in subscribers and by a 2.5% increase in average revenue per subscriber, which rose to $27.07 as compared to $26.40 in the third quarter of 2012.

EBITDA increased to $7.6 million, or 78%, due to the reduction of advertising expenses related to the launch of VideoRelay in 2012. Excluding the impact of these marketing expenses that result in a charge to operating income, adjusted EBITDA increased by 1% to
$17.4 million
from
$17.2 million
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Cash flows from operations increased from $2.0 million to $7.2 million for the nine months, an increase of $5.2 million, or 267%. We funded all growth and product development from internal cash resources and continue to operate with no debt on the balance sheet.

Mr. Pizzonia, interim President and CEO, stated that "for the remaining balance of the fiscal year, we will focus on growing our subscribers, increasing operating efficiencies, pursuing accretive investments that drive organic growth and returning excess cash to shareholders in the form of both dividends and share buybacks."

Board Appointment

AlarmForce also announces the appointment of Mr. Tobias Behrenwaldt to serve as an independent director of the Company until election at the next annual meeting of shareholders in 2014. He will also serve on the Board's audit and compensation committees.

Mr. Behrenwaldt is currently a partner in Behrenwaldt Investment GmbH and had served as vice president of finance of Flytxt Technology Private Ltd. and Flytxt Ltd. (formerly, Buongiorno Marketing Services UK, Ltd.) until 2008. Prior thereto, Mr. Behrenwaldt served as a manager at CompuCredit, a US-based specialty finance company engaged in the marketing and distribution of consumer credit products. Mr. Behrenwaldt obtained a Masters of Business Administration from the Goizueta Business School at Emory University in Atlanta in 2003.

"We are pleased to have Mr. Behrenwaldt join the Board of Directors. He brings to our Board his expertise in direct consumer marketing, capital allocation and international business development that will complement the Board." said interim President and CEO Anthony Pizzonia.

About AlarmForce

AlarmForce provides security alarm monitoring, personal emergency response monitoring, video surveillance and related services to residential and commercial subscribers throughout Canada and the United States. More information about the Company's products and services can be found at www.alarmforce.com.

Disclosure

EBITDA is defined as earnings before interest expenses, income taxes, depreciation and amortization. EBITDA is a key measure used in the security industry to assist in understanding and comparing operating results and is often referred to by our competitors. Management views EBITDA as a measure to assess the operating performance of the Company. Yet, since it does not have any standardized meaning defined by IFRS, it may not be considered in isolation of IFRS measures such as net income/loss or cash flows, as a measure of liquidity. The Company, however, utilizes these measures in making operating decisions and assessing its performance. Management believes that it allows the Company to assess its ongoing business without the impact of depreciation or amortization expenses. Since EBITDA is not a *defined term under IFRS, it is unlikely to be comparable to similar measures presented by other issuers.*

SOURCE Alarmforce Industries Inc.