EVERTZ TECHNOLOGIES LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year ended April 30, 2012

The following management's discussion and analysis is a review of results of the operations and the liquidity and capital resources of the Company. It should be read in conjunction with the selected consolidated financial information and other data and the Company's consolidated financial statements and the accompanying notes contained on SEDAR. The consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian dollars. The fiscal year of the Company ends on April 30 of each year. Certain information contained herein is forward-looking and based upon assumptions and anticipated results that are subject to risks, uncertainties and other factors. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected.

FORWARD-LOOKING STATEMENTS

The report contains forward-looking statements reflecting Evertz's objectives, estimates and expectations. Such forward-looking statements use words such as "may", "will", "expect", "believe", "anticipate", "plan", "intend", "project", "continue" and other similar terminology of a forward-looking nature or negatives of those terms.

Although management of the Company believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors. Accordingly, there are or will be a number of significant factors which could cause the Company's actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

The report is based on information available to management on May 18, 2012.

OVERVIEW

Evertz is a leading equipment provider to the television broadcast industry. Founded in 1966, Evertz designs, manufactures and distributes video and audio infrastructure equipment for the production, post-production, and transmission of television content. The Company's solutions are purchased by content creators, broadcasters, specialty channels and television service providers to enable and enhance the transition to a complex multi-channel digital and HDTV broadcast environment. The Company's equipment allows customers to generate additional revenue while reducing costs through the more efficient distribution and management of content as well as the automation of previously manual processes.

The Company's growth strategy is based on capitalizing on its strong customer position and innovative integrated product line. The Company's financial objectives are to achieve profitable growth with our existing customers and with new customers who were converting to HDTV, building out IPTV infrastructures, or in need of advanced video solutions.

Our plan is to bring to market the new technologies that we have invested heavily in for the past several years. These technologically superior solutions help to enable our broadcast, cable, telco, satellite and content creator customers to address and implement their video infrastructure requirements.

Our broadcast customers continue to operate in a challenging economic environment which impacts their ability to incur capital expenditures and often results in projects being scaled back or postponed to later periods.

While it does appear that industry conditions are showing some improvement. In certain geographical areas it is unclear what the time frame will be for our customers to convert this to equipment purchases.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Canadian Accounting Standards Board requires Canadian publicly accountable enterprises to adopt IFRS in 2011 to replace Canadian Generally Accepted Accounting Principles ("GAAP"). Accordingly, the financial statements have been prepared in accordance with IFRS, with a transition date of May 1, 2010 to allow for comparative financial information. Financial information disclosed in this MD&A for periods ending prior to May 1, 2010 has not been restated.

The Company's IFRS conversion plan was comprehensive and addressed matters including staff training, changes in accounting policies, restatement of comparative periods, internal controls and procedures, disclosure controls, and business activities in general. The changeover to IFRS did not result in a material impact to the Company's business functions and activities including internal controls and procedures.

Although IFRS employs a conceptual framework that is similar to Canadian GAAP, there are differences in recognition, measurement and disclosure. The "First Time Adoption of IFRS" section of this MD&A provides a summary of the transitional exemptions and elections taken by the Company, as well as relevant differences in accounting policies between Canadian GAAP and IFRS.

The note also provides reconciliations of assets, liabilities, shareholders' equity and net earnings for specified periods previously prepared under Canadian GAAP to that under IFRS. The information provided in this MD&A and in the financial statements with respect to the transition to IFRS reflects current views, assumptions and expectations.

SIGNIFICANT ACCOUNTING POLICIES

Outlined below are those policies considered particularly significant:

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

Basis of Consolidation

These financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of are included in the consolidated statements of earnings and comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-Company transactions, balances, income and expenses are eliminated in full on consolidation.

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Company. The acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the acquisition date. Acquisition-related costs are recognized in earnings as incurred. Any contingent consideration is measured at fair value on date of the acquisition and is included as part of the consideration transferred. The fair value of the contingent consideration liability is re-measured at each reporting date with corresponding gain/loss recognized in earnings. The excess of the consideration over the fair value of the net identifiable assets and liabilities acquired is recorded as goodwill.

On an acquisition by acquisition basis, any non-controlling interest is measured either at the fair value of the non-controlling interest or at the fair value of the proportionate share of the net identifiable assets acquired. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable, net of discounts and after eliminating intercompany sales.

Where revenue arrangements have separately identifiable components, the consideration received or receivable is allocated to each identifiable component and the applicable revenue recognition criteria are applied to each of the components.

Revenue is derived from the sale of hardware and software solutions including related services, training and commissioning. Revenue from sales of hardware and software are recognized upon shipment, provided that the significant risks and rewards of ownership have been transferred to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue can be reliably measured and its probable that the economic benefits will flow to the Company. Service revenue is recognized as services are performed

Certain of the Company's contracts are long-term in nature. When the outcome of the contract can be assessed reliably, the Company recognizes revenue on long-term contracts using the percentage of completion method, based on costs incurred relative to the estimated total contract costs. When the outcome of the contract cannot be assessed reliably contract costs incurred are immediately expensed and revenue is recognized only to the extent that costs are considered likely to be recovered.

Interest revenue

Interest revenue is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and in the bank, net of outstanding bank overdrafts.

Inventories

Inventories consist of raw materials, work in progress and finished goods. Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes raw materials, the cost of direct labour applied to the product and the overhead expense.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognized impairment loss. Where the costs of certain components of an item of property, plant and equipment are significant in relation to the total cost of the item, they are accounted for and depreciated separately. Depreciation expense is calculated based on depreciable amounts which is the cost of an asset less residual value and is recognized in earnings on a straight-line basis over the estimated useful life of the related asset. Borrowing costs are capitalized to the cost of qualifying assets that take a substantial period of time to be ready for their intended use.

The estimated useful lives are as follows:

Asset	**Basis**	**Rate**
Office furniture and equipment	Straight-line	10 years
Research and development equipment	Straight-line	5 years
Machinery and equipment	Straight-line	5 - 15 years
Leaseholds	Straight-line	5 years
Building	Straight-line	10 - 40 years
Airplanes	Straight-line	10 - 20 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in earnings.

The Company reviews the residual value, estimated useful life and the depreciation method at each reporting period.

Impairment of non-financial assets

Goodwill is tested for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount may be more than its recoverable amount. At each reporting period, the Company reviews the carrying amounts of its other non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash inflows that are largely independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Goodwill is allocated to a group of CGU's based on the level at which it is monitored for internal reporting purposes.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss relating to a CGU to which goodwill has been allocated, is allocated to the carrying amount of the goodwill first. An impairment loss is recognized immediately in earnings.

An impairment loss in respect of goodwill is not reversed. Where an impairment loss subsequently reverses for other non-financial assets, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in earnings.

Intangible Assets

Intangible assets
Intangibles assets represent intellectual property acquired through business acquisitions and are recorded at cost less any impairment loss and are amortized using the straight–line method over a four–year period. The estimated useful life and amortization method are reviewed at the end of each reporting period.

Research and development
All research and development expenditures are expensed as incurred unless a development project meets the criteria for capitalization. Development expenditures are capitalized only if development costs can be measured reliably, the product of process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No internally generated intangible assets have been recognized to date.

Research and development expenditures are reduced by investment tax credits and related government grants. Investment tax credits for scientific research and experimental development are recognized in the period the qualifying expenditures are incurred if there is reasonable assurance that they will be realized.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of financial position as a finance lease obligation.

Rentals payable under operating leases are charged to earnings on a straight-line basis over the term of the relevant lease.

Foreign Currency Translation

The individual financial statements of each subsidiary entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are presented in Canadian dollars ('CDN'), which is the functional currency of the parent Company and the presentation currency for the financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognized in earnings in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Foreign currency gains and losses are recognized in other comprehensive income. The relevant amount in cumulative foreign currency translation adjustment is reclassified into earnings upon disposition or partial disposition of a foreign operation and attributed to non-controlling interests as appropriate.

Income Taxes

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net earnings as reported in the statement of earnings because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on unused tax losses and credits, as well as differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which unused tax losses, credits and other deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is charged or credited to earnings, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Share Based Compensation

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 16 of the financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period of the option based on the Company's estimate of the number of equity instruments that will eventually vest. At each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in earnings such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share based payment reserve.

Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data for its common shares. Basic EPS is calculated by dividing the net earnings attributable to shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the net earnings attributable to shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares, which is comprised of share options granted to employees with an exercise price below the average market price.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in earnings in the period in which they are incurred.

Investment Tax Credits

The Company is entitled to investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Investment tax credits relate entirely to the Company’s research and development expenses in the consolidated statement of earnings but are presented separately in the consolidated statement of earnings for information purposes. Investment tax credits are recognized when there is reasonable assurance they will be received.

Financial Instruments

The Company’s financial assets and liabilities which are initially recorded at fair value and subsequently measured based on their assigned classifications as follows:

Asset/Liability	Category	Measurement
Cash and cash equivalents	Loans and receivables	Amortized cost
Instruments held for trading	Fair value through profit or loss	Fair value
Trade and other receivables	Loans and receivables	Amortized cost
Trade and other payables	Other liabilities	Amortized cost
Current portion of long term debt	Other liabilities	Amortized cost
Long term debt	Other liabilities	Amortized cost
Contingent consideration	Fair value through profit or loss	Fair value

Financial Assets

All financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specific categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in earnings.

Transaction costs in respect of financial instruments are fair value through profit or loss are recognized in earnings immediately. Transaction costs in respect of other financial instruments are included in the initial measurement of the financial instrument.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment of a financial asset can include a significant or prolonged decline in the fair value of an asset, default or delinquency by a debtor, indication that a debtor will enter bankruptcy or financial re-organization or the disappearance of an active market for a security.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in earnings.

Financial liabilities and equity instruments issued by the Company
Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in earnings. The net gain or loss recognized in earnings incorporates any interest paid on the financial liability and is included in the "other income and expenses" line item in the consolidated statements of earnings.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Other financial liabilities, including long term debt, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Consequently, actual results could differ from those estimates. Those estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant estimates include the determination of the allowance for doubtful accounts for trade receivables, provision for inventory obsolescence, the useful life of property, plant and equipment for depreciation, amortization and evaluation of net recoverable amount of property, plant and equipment, determination of fair value for share-based compensation, evaluating deferred income tax assets and liabilities, the determination of fair value of financial instruments and the likelihood of recoverability determination of implied fair value of goodwill and implied fair value of assets and liabilities for purchase price allocation purposes and goodwill impairment test purposes.

Significant items requiring the use of judgment in application of accounting policies and assumptions include the determination of the Canadian dollar as the functional currency, classification of financial instruments, classification of leases, application of the percentage of completion method on long-term contracts, degree of componentization applied when calculating amortization of property, plant and equipment, and identification of cash generating units for impairment testing purposes.

Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company reviewed its operations and determined that it operates a single reportable segment, the television broadcast equipment market. The single reportable operating segment derives its revenue from the sale of hardware and software solutions including related services, training and commissioning.

Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale and are not depreciated. Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. The assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

New and Revised IFRSs Issued but Not Yet Effective

Following is a listing of amendments, revisions and new International Financial Reporting Standards (IFRSs) issued but not effective until annual periods beginning after May 1, 2012. Unless otherwise indicated, earlier application is permitted.

Financial Instruments

IFRS 9 Financial instruments ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company has not yet determined the impact of IFRS 9 on its financial statements.

Consolidated Financial Statements

IFRS 10, *Consolidated Financial Statements* ("IFRS 10") establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12, *Consolidation – Special Purpose Entities* and IAS 27, *Consolidated and Separate Financial Statements.* IFRS 10 is effective for annual periods beginning on or after January 1, 2013. The Company has not yet determined the impact of IFRS 10 on its financial statements.

Joint Arrangements

IFRS 11, *Joint Arrangements* ("IFRS 11") provides a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form as is currently the case. IFRS 11 replaces SIC-13, *Jointly Controlled Entities – Non-Monetary Contribution by Venturers* and IAS 31, *Interests in Joint Ventures.* IFRS 11 is effective for annual periods beginning on or after January 1, 2013. The Company has not yet determined the impact of IFRS 11 on its financial statements.

Disclosure of Interests in Other Entities

IFRS 12, *Disclosure of Interests in Other Entities* ("IFRS 12") is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. The Company has not yet determined the impact of IFRS 12 on its financial statements.

Fair Value Measurements

IFRS 13, *Fair Value Measurements* ("IFRS 13") provides new guidance on fair value measurement and disclosure requirements. IFRS 13 is effective for annual periods beginning on or after January 1, 2013. The Company has not yet determined the impact of IFRS 13 on its financial statements.

Income Taxes

The amendments to IAS 12, *Income Taxes* ("IAS 12") relate to the measurement of deferred taxes for investment property carried at fair value. IFRS 12 is effective for annual periods beginning on or after January 1, 2012. The Company has not yet determined the impact of the changes to IAS 12 on its financial statements.

Presentation of Financial Statements

Amendments to IAS 1, *Presentation of Financial Statements* (“IAS 1”), which are effective for annual periods beginning on or after July 1, 2012, are to be applied retroactively. The amendments require that an entity present separately the items of other comprehensive income that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. The Company has not yet determined the impact of the changes to IAS 1 on its financial statements.

YEAR END HIGHLIGHTS

Revenue decreased by 5% for the year ended April 30, 2012 when compared to the same period ended April 30, 2011.

Net earnings for the year ended April 30, 2012 were $60.0 million as compared to $78.3 million for the year ended April 30, 2011, a decrease of 24%. Fully-diluted earnings per share were $0.81 for the year ended April 30, 2012 as compared to $1.04 for the year ended April 30, 2011.

Gross margin during the year ended April 30, 2012 was 56.6% as compared to 57.7% for the year ended April 30, 2011.

Selling and administrative expenses for the year ended April 30, 2012 was $47.1 million compared to the year ended April 30, 2011 of $37.6 million. As a percentage of revenue, selling and administrative expenses totaled 16.1% for the year ended April 30, 2012 as opposed to 12.1% for the year ended April 30, 2011.

Research and development (“R&D”) expenses increased by $8.5 million or approximately 24% compared to the year ended April 30, 2011.

Cash and instruments held for trading were $185.7 million and working capital was $325.7 million as at April 30, 2012 as compared to cash and instruments held for trading of $192.0 million and working capital of $326.0 million as at April 30, 2011.

Selected Consolidated Financial Information
(in thousands of dollars except earnings per share and share data)

	Year Ended April 30,		
	2012	2011	2010 *
Revenue	$ 293,400	$ 309,259	$ 286,455
Cost of goods sold	127,232	130,950	119,482
Gross margin	166,168	178,309	166,973
Expenses			
Selling and administrative	47,118	37,583	36,118
General	6,788	6,680	9,197
Research and development	44,200	35,719	32,026
Investment tax credits	(9,872)	(8,410)	(8,270)
Foreign exchange (gain) loss	(2,342)	2,592	7,969
	85,892	74,164	77,040
	80,276	104,145	89,933
Finance income	1,915	1,080	636
Finance costs	(197)	(187)	(276)
Other income and expenses	(154)	3,308	(18)
Earnings before income taxes	81,840	108,346	90,275
Provision for income taxes			
Current	21,669	29,207	24,391
Deferred	215	880	4,403
	21,884	30,087	28,794
Net earnings for the year	$ 59,956	$ 78,259	$ 61,481
Net earnings attributable to non-controlling interest	416	545	(21)
Net earnings attributable to shareholders	59,540	77,714	61,502
Net earnings for the year	$ 59,956	$ 78,259	$ 61,481
Earnings per share			
Basic	$ 0.81	$ 1.05	$ 0.84
Diluted	$ 0.81	$ 1.04	$ 0.83

Consolidated Balance Sheet Data	As at April 30,		
	2012	2011	2010 *
Cash and instruments held for trading	$ 185,669	$ 192,025	$ 145,029
Inventory	109,211	106,422	91,745
Working capital	325,677	326,029	264,161
Total assets	431,864	410,511	345,787
Shareholders' equity	378,417	372,209	312,169
Number of common shares outstanding:			
Basic	73,225,786	74,470,606	73,607,506
Fully-diluted	77,904,086	78,577,206	77,703,006
Weighted average number of shares outstanding:			
Basic	73,612,759	73,989,997	73,324,244
Fully-diluted	73,812,767	74,879,139	74,223,642

*financial data prior to May 1, 2010, the date of transition to IFRS, is presented under Canadian GAAP.

Consolidated Statement of Operations Data (in thousands of dollars except earnings per share and share data)			
	2012	**2011**	**2010 ***
Revenue	100.0%	100.0%	100.0%
Cost of goods sold	43.4%	42.3%	41.7%
Gross margin	56.6%	57.7%	58.3%
Expenses			
Selling and administrative	16.1%	12.1%	12.6%
General	2.3%	2.2%	3.2%
Research and development	15.1%	11.6%	11.2%
Investment tax credits	(3.3%)	(2.7%)	(2.9%)
Foreign exchange (gain) loss	(0.8%)	0.8%	2.8%
	29.4%	24.0%	26.9%
	27.2%	33.7%	31.4%
Finance income	0.7%	0.3%	0.1%
Finance costs	(0.0%)	(0.1%)	(0.0%)
Other income and expenses	(0.0%)	1.1%	(0.0%)
Earnings before income taxes	27.9%	35.0%	31.5%
Provision for (recovery) of income taxes			
Current	7.4%	9.4%	8.5%
Deferred	0.1%	0.3%	1.5%
	7.5%	9.7%	10.0%
Net earnings for the period	20.4%	25.3%	21.5%
Net earnings attributable to non-controlling interest	0.1%	0.2%	0.0%
Net earnings attributable to shareholders	20.3%	25.1%	21.5%
Net earnings for the period	20.4%	25.3%	21.5%
Earnings per share:			
Basic	$ 0.81	$ 1.05	$ 0.84
Diluted	$ 0.81	$ 1.04	$ 0.83

*financial data prior to May 1, 2010, the date of transition to IFRS, is presented under Canadian GAAP.

REVENUE AND EXPENSES

Revenue

The Company generates revenue principally from the sale of its broadcast equipment solutions to content creators, broadcasters, specialty channels and television service providers.

The Company markets and sells its products and services through both direct and indirect sales strategies. The Company's direct sales efforts focus on large and complex end-user customers. These customers have long sales cycles typically ranging from four to eight months before an order may be received by the Company for fulfillment.

The Company monitors revenue performance in two main geographic regions: (i) United States/Canada and (ii) International.

The Company currently generates approximately 45% to 55% of its revenue in the United States/Canada. The Company recognizes the opportunity to more aggressively target markets in other geographic regions and intends to invest in personnel and infrastructure in those markets.

While a significant portion of the Company's expenses are denominated in Canadian dollars, the Company collects substantially all of its revenues in currencies other than the Canadian dollar and therefore has significant exposure to fluctuations in foreign currencies, in particular the US dollar. Approximately 65-75% of the Company's revenues are denominated in US dollars.

Revenue

(In thousands of Canadian dollars)		Year Ended April 30,	
	2012	2011	2010
United States/Canada	$ 149,884	$ 172,110	$ 154,000
International	143,516	137,149	132,455
	$ 293,400	$ 309,259	$ 286,455

Total revenue for the year ended April 30, 2012 was $293.4 million, a decrease of 5.1% or $15.9 million as compared to revenue of $309.3 million for the year ended April 30, 2011.

Revenue in the United States/Canada region decreased to $149.9 million for the year ended April 30, 2012, a decrease of 12.9% or $22.2 million as compared to revenue of $172.1 million for the year ended April 30, 2011.

Revenue in the International region increased to $143.5 million for the year ended April 30, 2012, an increase of 4.6% or $6.4 million as compared to revenue of $137.1 million for the year ended April 30, 2011.

Cost of Sales

Cost of sales consists primarily of costs of manufacturing and assembly of products. A substantial portion of these costs is represented by components and compensation costs for the manufacture and assembly of products. Cost of sales also includes related overhead, certain depreciation, final assembly, quality assurance, inventory management and support costs. Cost of sales also includes the costs of providing services to clients, primarily the cost of service-related personnel.

Gross Margin

(In thousands of Canadian dollars)		Year Ended April 30,	
	2012	2011	2010
Gross margin	$ 166,168	$ 178,309	$ 166,973
Gross margin % of sales	56.6%	57.7%	58.3%

Gross margin for the year ended April 30, 2012 was $166.2 million, compared to $178.3 million for the year ended April 30, 2011. As a percentage of revenue, the gross margin was 56.6% for the year ended April 30, 2012, as compared to 57.7% for the year ended April 30, 2011.

Gross margins vary depending on the product mix, geographic distribution and competitive pricing pressures. For the year ended April 30, 2012 the gross margin, as a percentage of revenue, was in the Company's projected range. The pricing environment continues to be very competitive with substantial discounting by our competition.

The Company expects that it will continue to experience competitive pricing pressures. The Company continually seeks to build its products more efficiently and enhance the value of its product and service offerings in order to reduce the risk of declining gross margin associated with the competitive environment.

Operating Expenses

The Company's operating expenses consist of: (i) selling, administrative and general; (ii) research and development and (iii) foreign exchange.

Selling expenses primarily relate to remuneration of sales and technical personnel. Other significant cost components include trade show costs, advertising and promotional activities, demonstration material and sales support. Selling and administrative expenses relate primarily to remuneration costs of related personnel, legal and professional fees, occupancy and other corporate and overhead costs. The Company also records certain depreciation amortization and share based compensation charges as general expenses. For the most part, selling, administrative and general expenses are fixed in nature and do not fluctuate directly with revenue. The Company's selling expenses tend to fluctuate in regards to the timing of trade shows, sales activity and sales personnel.

The Company invests in research and development to maintain its position in the markets it currently serves and to enhance its product portfolio with new functionality and efficiencies. Although the Company's research and development expenditures do not fluctuate directly with revenues, it monitors this spending in relation to revenues and adjusts expenditures when appropriate. Research and development expenditures consist primarily of personnel costs and material costs. Research and development expenses are presented on a gross basis (without deduction of research and development tax credits). Research and development tax credits associated with research and development expenditures are shown separately under research and development tax credits.

Selling and Administrative

(In thousands of Canadian dollars)		Year Ended April 30,	
	2012	**2011**	**2010**
Selling and administrative	$ 47,118	$ 37,583	$ 36,118
Selling and administrative % of sales	16.1%	12.1%	12.6%

Selling and administrative expenses excludes stock based compensation, operation of non-production property, plant and equipment, and amortization of intangibles. Selling and administrative expenses for the year ended April 30, 2012 were $47.1 million or 16.1% of revenue as compared to selling and administrative expenses of $37.6 million or 12.1% of revenue for the year ended April 30, 2011.

The increase of $9.5 million for the year was a result of increased sales staff and sales activity to support International sales and new product introductions, inclusion of Pharos for the full year and general overhead increases including bad debt expense of $1.3 million.

Research and Development (R&D)

(In thousands of Canadian dollars)		Year Ended April 30,				
		2012		2011		2010
Research and development expenses	$	44,200	$	35,719	$	32,026
Research and development % of sales		15.1%		11.6%		11.2%

For the year ended April 30, 2012, gross R&D expenses increased to $44.2 million, an increase of 23.7% or $8.5 million as compared to an expense of $35.7 million for the year ended April 30, 2011.

The increase of $8.5 million was predominantly a result of planned growth of R&D personnel, the inclusion of Pharos for the full year and the corresponding increase in materials, prototypes and general overhead expenses.

Foreign Exchange

For the year ended April 30, 2012, the foreign exchange gain was $2.3 million as compared to a foreign exchange loss for the same period ended April 30, 2011 of $2.6 million.

Finance Income, Costs and Other Income

For the year ended April 30, 2012, finance income, costs and other income netted to a gain of $1.6 million.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Capital Resources		Year Ended April 30,		
(in thousands of dollars except ratios)				
Key Balance Sheet Amounts and Ratios:		2012		2011
Cash and instruments held for trading	$	185,669	$	192,025
Working capital	$	325,677	$	326,029
Long-term assets	$	59,702	$	57,318
Long-term debt	$	1,875	$	2,493
Days sales outstanding in accounts receivable		77		62

Statement of Cash Flow Summary				
		Year Ended April 30,		
		2012		2011
Operating activities	$	66,643	$	73,662
Investing activities	$	(12,079)	$	(7,486)
Financing activities	$	(56,229)	$	(23,401)
Net (decrease) increase in cash and instruments held for trading	$	(2,170)	$	42,080

Operating Activities

For the year ended April 30, 2012, the Company generated cash from operations of $66.6 million, compared to $73.7 million for the year ended April 30, 2011. Excluding the effects of the changes in non-cash working capital, the Company generated cash from operations of $73.0 million for the year ended April 30, 2012, compared to $88.1 million for the year ended April 30, 2011.

Investing Activities

The Company used cash from investing activities of $12.1 million for the year ended April 30, 2012 which was predominantly the acquisition of capital assets of $16.6 million, compared to cash used of $7.5 million for the year ended April 30, 2011.

Financing Activities

For the year ended April 30, 2012, the Company used cash from financing activities of $56.2 million, which was principally driven by a repurchase of capital stock costing $25.9 million, dividends paid of $36.9 million and offset by the issuance of capital stock pursuant to the Company Stock Option Plan of $7.6 million.

WORKING CAPITAL

As at April 30, 2012, the Company had cash and instruments held for trading of $185.7 million, compared to $192.0 million at April 30, 2011.

The Company had working capital of $325.7 million as at April 30, 2012 compared to $326.0 million as at April 30, 2011.

The Company believes that the current balance in cash and instruments held for trading plus future cash flow from operations will be sufficient to finance growth and related investment and financing activities in the foreseeable future.

Day sales outstanding in accounts receivable were 77 days at April 30, 2012 as compared to 62 for April 30, 2011.

SHARE CAPITAL STRUCTURE

Authorized capital stock consists of an unlimited number of common and preferred shares.

	Year Ended April 30,	
	2012	**2011**
Common shares	73,225,786	74,470,606
Stock options granted and outstanding	4,678,300	4,106,600

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, instruments held for trading, accounts receivable and accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company estimates that except for instruments held for trading, the fair value of these instruments approximate the carrying values due to their short-term nature.

Fair values and classification of financial instruments:

The following summarizes the significant methods and assumptions used in estimating the fair values of financial instruments:

I. The fair values of instruments held for trading is maintained level one hierarchy and are determined by the quoted market values for each of the investments in an active market at the reporting date. Gains and losses are included in interest and other income.
II. Contingent consideration is level three hierarchy. Liability has not changed since the acquisition.
III. The carrying amounts of cash, accounts receivable, trade and other payables approximate their fair value due to the short-term nature of these financial instruments. The carrying amount of long term debt approximates its fair value as it incurs interest at a variable rate adjusted for changes in the market rate.

The Company invests in marketable securities that are traded in an active market. Generally the investment is limited to no more than 15% of the total cash and instruments held for trading.

CONTRACTUAL OBLIGATIONS

The following table sets forth the Company's contractual obligations as at April 30, 2012:

		Payments Due by Period			
(In thousands)	Total	Less than 1 Year	2-3 Years	4-5 Years	Thereafter
Operating leases	$ 21,964	$ 3,560	$ 6,132	$ 5,834	$ 6,438
Other long-term debt	$ 2,276	$ 401	$ 694	$ 382	$ 799
	$ 24,240	$ 3,961	$ 6,826	$ 6,216	$ 7,237

OFF-BALANCE SHEET FINANCING

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

In the normal course of business, we may enter into transactions with related parties. These transactions occur under market terms consistent with the terms of transactions with unrelated arms-length third parties. The Company continues to lease a premise from a company in which two shareholders' each indirectly hold a 10% interest, continues to lease a facility from a company in which two shareholders each indirectly hold a 20% interest, continues to lease a facility for manufacturing where two shareholders indirectly own 100% interest, continues to lease a facility from a company in which two shareholders each indirectly own a 35% interest and continues to lease a facility with a director who indirectly owns 100%.

SELECTED CONSOLIDATED QUARTERLY FINANCIAL INFORMATION

The following table sets out selected consolidated financial information for each of the eight quarters ended April 30, 2012. In the opinion of management, this information has been prepared on the same basis as the audited consolidated financial statements. The operating results for any quarter should not be relied upon as any indication of results for any future period.

	Quarter Ending							
(In thousands)	2012		2011				2010	
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
(Unaudited)	Apr 30	Jan 31	Oct 31	July 31	Apr 30	Jan 31	Oct 31	July 31
Sales	$ 76,340	$ 71,445	$ 70,487	$ 75,128	$ 69,043	$ 84,073	$ 82,327	$ 73,816
Cost of goods sold	33,557	31,283	30,111	32,281	30,055	35,389	34,688	30,818
Gross margin	$ 42,783	$ 40,162	$ 40,376	$ 42,847	$ 38,988	$ 48,684	$ 47,639	$ 42,998
Operating expenses	25,309	22,805	18,393	19,385	22,955	19,639	16,515	15,056
Earnings from operations	$ 17,474	$ 17,357	$ 21,983	$ 23,462	$ 16,033	$ 29,045	$ 31,124	$ 27,942
Non-operating income (exp)	836	174	165	389	1,159	4,096	(1,975)	920
Earnings before taxes	$ 18,310	$ 17,531	$ 22,148	$ 23,851	$ 17,192	$ 33,141	$ 29,149	$ 28,862
Net earnings	$ 13,380	$ 12,637	$ 15,996	$ 17,527	$ 12,335	$ 24,238	$ 20,735	$ 20,408
Net earnings per share:								
Basic	$ 0.19	$ 0.17	$ 0.22	$ 0.23	$ 0.17	$ 0.33	$ 0.28	$ 0.28
Diluted	$ 0.18	$ 0.17	$ 0.22	$ 0.23	$ 0.16	$ 0.33	$ 0.28	$ 0.28
Dividends per share:	$ 0.14	$ 0.12	$ 0.12	$ 0.12	$ 0.10	$ 0.10	$ 0.10	$ 0.08

The Companies revenue and corresponding earnings can vary from quarter to quarter depending on the delivery requirements of our customers. Our customers can be influenced by a variety of factors including upcoming sports or entertainment events as well as their access to capital. Net earnings represents net earnings attributable to shareholders.

DISCLOSURE CONTROLS AND PROCEDURES

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Multilateral Instrument 52-109 of the Canadian Securities Administrators) as of April 30, 2012.

Management has concluded that, as of April 30, 2012, the Company's disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Company would be made known to them by others within the Company, particularly during the period in which this report was being prepared.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for and has designed internal controls over financial reporting, or caused it to be designed under management's supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has concluded that, as of April 30, 2012, the Company's internal controls over financial reporting were effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes to the Company's internal controls over financial reporting during the period ended April 30, 2012 that have materially affected, or reasonably likely to materially affect, its internal controls over financial reporting.

FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

For all periods up to and including the year ended April 30, 2011, the Company prepared its financial statements in accordance with Canadian GAAP. These financial statements, for the year ended April 30, 2012, are the first annual financial statements which the Company has prepared in accordance with IFRS.

Accordingly, the Company has prepared financial statements which comply with IFRS applicable for periods beginning on or after May 1, 2010 (the date of transition) as described in the significant accounting policies in Note 2 of the consolidated financial statements. The principal adjustments made by the Company in its reconciling from Canadian GAAP balance sheet as at May 1, 2010 and its previously published Canadian GAAP financial statements for the year ended April 30, 2011 to IFRS as described below.

Exemptions applied and mandatory exceptions

IFRS 1, First-Time Adoption of International Financial Reporting Standards, allows first-time adopters certain exemptions from the general requirement to apply IFRS as effective for April 2012 year ends retrospectively. IFRS 1 also includes mandatory exceptions to the retrospective application of IFRSs.

The Company has applied the following exemptions:

IFRS 2 - Share-based payment transactions
IFRS 1 does not require first-time adopters to apply IFRS 2, Share Based Payment, to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the date of transition to IFRS. The Company has elected not to apply IFRS 2 to awards that vested prior to May 1, 2010, which had been accounted for in accordance with Canadian GAAP.

IFRS 3 - Business Combinations
IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3, Business Combinations, retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has taken advantage of this election and has applied IFRS 3 to business combinations that occurred on or after May 1, 2010. In accordance with the IFRS 1 exemption the Company has also elected to not retroactively apply IAS 21, The Effects of Changes in Foreign Exchange Rates, on fair value adjustments and goodwill arising in business combinations that occurred before May 1, 2010.

IAS 21 - Cumulative translation differences
IFRS 1 provides the option to reset the balance of the cumulative foreign currency translation adjustment to zero on the date of transition. The Company has chosen to apply this election and has eliminated the cumulative translation difference and has adjusted retained earnings by the same amount at the date of transition to IFRS. If, subsequent to adoption, a foreign operation is disposed of, the translation differences that arose before the date of transition to IFRS will not affect the gain or loss on disposal.

The Company has applied the following mandatory exceptions:

IFRS 1 - Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of May 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

Other exceptions

The three remaining mandatory exceptions to the retrospective application of IFRSs relate to the de-recognition of financial assets and liabilities, hedge accounting and assets classified as held for sale and discontinued operations. The Company has determined that these mandatory exceptions have not had a material impact on the consolidated financial statements.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. While adoption of IFRS has not changed the Company's actual cash flows, it has resulted in changes to the Company's reported financial position and results of operations. In order to allow the users of the financial statements to better understand these changes, the Company's Canadian GAAP statement of earnings, statement of comprehensive income, statement of financial position and statement of cash flows for the year ended April 30, 2011 have been reconciled to IFRS, with the resulting differences explained.

Reconciliation of equity as at April 30, 2011 and May 1, 2010:

	NOTES		April 30, 2011		May 1, 2010
Total equity under Canadian GAAP		$	371,704	$	312,169
Adjustments					
Property, plant and equipment	**1**		887		1,560
Provisions	**2**		(320)		(253)
Long-term projects	**3**		928		-
Business combinations	**4**		(172)		-
Translation of income tax	**5**		-		-
Non-controlling interest	**6**		1,550		1,408
Functional currency	**10,11**		(219)		-
			2,654		2,715
Tax effect of the above adjustments			(599)		(704)
Total adjustment to equity			2,055		2,011
Total equity under IFRSs		$	373,759	$	314,180

Reconciliation of comprehensive income for year ended April 30, 2011:

	NOTES		Year-ended April 30, 2011
Total comprehensive income under Canadian GAAP		$	78,000
Adjustments			
Property, plant and equipment	**1**		(674)
Provisions	**2**		(67)
Long-term projects	**3**		928
Business combinations	**4**		(172)
Translation of income tax	**5**		-
Non-controlling interest	**6**		542
Share based payments	**8**		252
Functional currency	**10,11**		(219)
			590
Tax effect of the above adjustments			106
Total adjustment to comprehensive income			696
Total comprehensive income under IFRSs		$	78,696

Notes to the financial statement reconciliations

(1) The Company has retroactively applied IAS 16, Property, Plant and Equipment, which requires the Company to identify the significant components of its property, plant and equipment and depreciate these parts separately over their respective useful lives. The impact of the retroactive application of the increased componentization has resulted in an increase in the net book value of capital assets and retained earnings at the date of transition and an increase in subsequent amortization expense.

(2) IAS 37, Provisions, Contingent Liabilities and Contingent Assets, requires separate disclosure of provisions on the face of the statement of financial position. This was not required under previous Canadian GAAP; therefore, all provisions were reclassified from accounts payable and accrued liabilities upon transition. Additionally, provisions as at May 1, 2010, as reported under Canadian GAAP, were re-assessed in accordance with the provisions of IAS 37. As a result of measurement differences between Canadian GAAP and IFRS, the Company increased its provision for site restoration costs.

(3) IAS 11, Construction Contracts, requires revenues on projects which meet the definition of a construction contract to be measured using the percentage of completion method. The Company has identified certain long-term contracts which meet the definition of construction contracts for which no revenues were previously recognized until shipment and transfer of title to customers were completed. The recognition method relating to these contracts has been restated to reflect the percentage of completion method.

(4) The Company has elected under IFRS 1 not to apply IFRS 3 retrospectively to business combinations that occurred prior to May 1, 2010. Accordingly, the Company has continued with the same accounting treatment for business combinations completed before that time under Canadian GAAP. For all business combinations that occurred on and subsequent to May 1, 2010 all business acquisitions were accounted for in accordance with IFRS 3. Under IFRS 3 all acquisition related transaction costs are expensed as incurred, as opposed to Canadian GAAP where the costs are capitalized during the purchase price allocation. Acquisitions during the year ended April 30, 2011 resulted in $172 in acquisition related transaction costs.

(5) IAS 12, Income Taxes, requires net deferred income tax assets and liabilities to be adjusted for the tax effects of revaluating foreign currency denominated non-monetary balances held by entities where the functional currency is different than the local tax currency. As this was not a requirement under Canadian GAAP, an adjustment is required upon transition.

(6) Under IFRS, any liabilities or assets relating to a non-controlling interest are required to be classified as equity and presented separately from the equity attributable to shareholders of the Company. As such, the liabilities associated with the non-controlling interest have been reclassified within the statement of financial position.

(7) Under IFRS all deferred tax balances are required to be classified as non-current, regardless of the classifications of the underlying assets or liabilities, or the expected reversal date of the temporary differences. The reclassification of all deferred tax balances to non-current also impacts the netting of deferred tax assets and liabilities within or between the taxable entities of the Company.

(8) Under IFRS future forfeiture rates relating to the percentage of options that will not vest must be estimated and recorded as a reduction in stock compensation expense. Under Canadian GAAP forfeitures are recognized and used as a reduction in the expense as incurred. As such, the Company has retroactively estimated forfeiture rates for all options vesting subsequent to the translation date and retroactively adjusted cumulative stock compensation expense.

(9) Given the change in guidance noted above under IAS 11, Construction Contracts, and other factors, deferred revenue has been determined to be a material balance requiring segregation on the balance sheet. As such, deferred revenue has been reclassified from accounts payable to its own line item.

(10) Under the requirements of IAS 21, the Company is required to assess the functional currency of all subsidiary entities no matter where the entity resides. Upon the review upon transition it was concluded a subsidiary previously accounted for as an integrated operation has a functional currency different from the parent. The impact of the adjustment has resulted in the reclassification of prior year foreign exchange adjustments from foreign exchange expense to the cumulative translation adjustment within comprehensive income.

(11) Under the requirements of IAS 21, the Company is required to assess the functional currency of all subsidiary entities no matter where the entity resides. Upon transition it was concluded an entity previously accounted for as a self-sustaining operation has a functional currency consistent with the parent. As noted under discussions related to IFRS 3, the Company has taken the IFRS 3 exemption to maintain goodwill at its historical cost. The impact of the adjustment has resulted in an adjustment of goodwill ensuring it is maintained at its historical translation rate as opposed to the spot rate used under Canadian GAAP.

(12) As noted under discussions relating to IAS 21, the Company has elected to apply the IFRS 1 election allowing for the resetting of the cumulative translation adjustment balance as at May 1, 2010 to zero.

Reconciliation of consolidated cash flows
There are no material differences between the statement of cash flows presented under IFRS and the statement of cash flows under Canadian GAAP.

HIGHLIGHTS FROM THE FOURTH QUARTER

Revenue increased by $7.3 million or 11% for the three months ended April 30, 2012 when compared to the same period ended April 30, 2011. Revenue increased in the International region by 42%. Revenue decreased in the United States/Canada region by 11%.

Fully diluted EPS was $0.18 for the three months ended April 30, 2012 as compared to $0.16 for the period ended April 30, 2011.

Selling and administrative expenses increased by $1.9 million for the three months ended April 30, 2012 when compared to the same period ended April 30, 2011. Selling and administrative expenses were approximately 16% of revenue for the three months ended April 30, 2012 as compared to approximately 15% of revenue for the same period ended April 30, 2011.

Research and development expenses increased by $2.9 million for the three months ended April 30, 2012 when compared to the same period ended April 30, 2011. Research and development expenses represented approximately 17% of revenue for the three months ended April 30, 2012 as compared to approximately 14% for the same period ended April 30, 2011.

The Company's scientific research tax credits were $2.6 million for the three months ended April 30, 2012 as compared to $2.3 million for the three months ended April 30, 2011.

OUTLOOK

Management expects on an annual basis that the Company's revenues will continue to outpace the industry growth. Gross margin percentages may vary depending on the mix of products sold, the Company's success in winning more complete projects, utilization of manufacturing capacity and the competitiveness of the pricing environment. R&D will continue to be a key focus as the Company invests in new product development.

RISKS AND UNCERTAINTIES

The Company risk factors are outlined in our AIF filed on SEDAR.