

Attention Business/Financial Editors:

Evertz Technologies reports Record Revenue for the First Quarter Ended July 31, 2014.

Burlington, September 8, 2014, Evertz Technologies Limited (TSX:ET), the leader in Software Defined Video Network (“SDVN”) technology, today reported its results for the first quarter of its fiscal 2015.

Quarterly Highlights

- Record quarterly revenue of \$98.0 million, up 54% year over year
- United States / Canada region revenue up \$19.6 million to \$55.5 million, compared to the same quarter last year
- International revenue up 52% to \$42.5 million when compared to the same quarter last year
- Fully diluted earnings per share of \$0.26, an increase of 63% from the same quarter last year
- Net earnings of \$19.7 million for the quarter

Selected Financial Information

Consolidated Statement of Earnings Data

(in thousands of dollars, except per share amounts)

	<u>Q1 ' 15</u>	<u>Q1 ' 14</u>
Revenue	\$ 98,014	\$ 63,858
Gross Margin	55,821	36,714
Earnings from operations	26,515	15,547
Net earnings	19,706	11,816
Fully-diluted earnings per share	\$ 0.26	\$ 0.16

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q1 ' 15</u>	<u>YE ' 14</u>
Cash and cash equivalents	\$ 103,368	\$ 101,956
Working capital	280,680	273,914
Total assets	409,766	401,280
Shareholders' equity	341,505	333,478

### Revenue

For the quarter ended July 31, 2014, revenues were \$98.0 million as compared to revenues of \$63.9 million for the quarter ended July 31, 2013. For the quarter, revenues in the United States/Canada region were \$55.5 million, an increase of \$19.6 million or 55% when compared to the same quarter last year. The International region had revenues of \$42.5 million, an increase of \$14.6 million or 52% when compared to the same quarter last year.

### Gross Margin

For the quarter ended July 31, 2014 gross margin was \$55.8 million compared to \$36.7 million in the same quarter last year. Gross margin percentage was approximately 57.0% compared to 57.5% in the quarter ended July 31, 2013.

### Earnings

For the quarter ended July 31, 2014 net earnings were \$19.7 million up 67% when compared to \$11.8 million in the corresponding period last year.

For the quarter ended July 31, 2014, earnings per share on a fully-diluted basis were \$0.26 up 63% when compared to \$0.16 in the corresponding period last year.

### Operating Expenses

For the quarter ended July 31, 2014 selling and administrative expenses were \$13.4 million compared to \$11.6 million for the quarter ended July 31, 2013.

For the quarter ended July 31, 2014 gross research and development expenses increased by \$2.3 million or 18% as compared to the corresponding period in 2013. Gross research and development expenses represented approximately 16% of revenue for the quarter ended July 31, 2014.

### Liquidity and Capital Resources

The Company's working capital as at July 31, 2014 was \$280.7 million as compared to \$273.9 million on April 30, 2014.

Cash and cash equivalents were \$103.4 million as at July 31, 2014 as compared to \$102.0 million on April 30, 2014.

Cash provided by operations was \$15.3 million for the quarter ended July 31, 2014 as compared to cash provided of \$2.7 million for the quarter ended July 31, 2013. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$21.2 million from operations for the quarter ended July 31, 2014 compared to \$12.8 million for the same period last year.

The Company used cash of \$2.5 million in investing activities largely a result of purchases in capital assets of \$2.5 million, compared to \$3.5 million in capital assets purchased for the quarter ended July 31, 2013.

For the quarter ended July 31, 2014, the Company used cash in financing activities of \$11.9 million which was principally a result of the payment of dividends.

Shipments and Backlog

At the end of August 2014, purchase order backlog was in excess of \$46 million and shipments during the month of August 2014 were \$25 million.

Dividend Declared

Evertz Board of Directors declared a dividend on September 8, 2014 of \$0.16 per share.

The dividend is payable to shareholders of record on September 19, 2014 and will be paid on or about September 26, 2014.

## Selected Consolidated Financial Information

(in thousands of dollars, except earnings per share and percentages)

	<b>Three months ended</b>		<b>Three months ended</b>	
	<b>July 31, 2014</b>		<b>July 31, 2013</b>	
Revenue	\$	98,014	\$	63,858
Cost of goods sold		42,193		27,144
Gross margin	\$	55,821	\$	36,714
Expenses				
Selling and administrative		13,399		11,612
General		1,810		1,462
Research and development		15,820		13,459
Investment tax credits		(2,466)		(2,857)
Foreign exchange loss (gain)		743		(2,509)
		29,306		21,167
Earnings before undernoted	\$	26,515	\$	15,547
Finance income		193		621
Finance costs		(67)		(102)
Other income and expenses		140		7
Earnings before income taxes	\$	26,781	\$	16,073
Provision for (recovery of) income taxes				
Current		9,311		6,370
Deferred		(2,236)		(2,113)
	\$	7,075	\$	4,257
Net earnings for the period	\$	19,706	\$	11,816
Net earnings attributable to non-controlling interest		295		83
Net earnings attributable to shareholders		19,411		11,733
Net earnings for the period	\$	19,706	\$	11,816
Earnings per share:				
Basic	\$	0.26	\$	0.16
Diluted	\$	0.26	\$	0.16
Consolidated Balance Sheet Data				
		<b>As at</b>		<b>As at</b>
		<b>July 31, 2014</b>		<b>April 30, 2014</b>
Cash and cash equivalents	\$	103,368	\$	101,956
Inventory	\$	145,297	\$	134,561
Working capital	\$	280,680	\$	273,914
Total assets	\$	409,766	\$	401,280
Shareholders' equity	\$	341,505	\$	333,478
Number of common shares outstanding:				
Basic		74,313,146		74,310,146
Fully-diluted		79,424,346		79,513,846
Weighted average number of shares outstanding:				
Basic		74,311,320		74,064,205
Fully-diluted		74,922,741		74,485,461

## 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.

## Conference Call

The Company will hold a conference call with financial analysts to discuss the results on September 8, 2014 at 5:00 p.m. (EDT). Media and other interested parties are invited to join the conference call in listen-only mode. The conference call may be accessed by dialing toll-free (North America) 1-888-417-8533.

For those unable to listen to the live call, a rebroadcast will also be available until October 8, 2014. The rebroadcast can be accessed at 1-416-915-1035 or toll-free 1-866-245-6755. The pass code for the rebroadcast is 694271.

## About Evertz

Evertz Technologies Limited (TSX: ET) designs, manufactures and markets video and audio infrastructure solutions for the television, telecommunications and new-media industries. The Company's solutions are purchased by content creators, broadcasters, specialty channels and television service providers to support their increasingly complex multi-channel digital and high definition television ("HDTV") broadcast environments and by telecommunications and new-media companies. The Company's products allow its customers to generate additional revenue while reducing costs through the more efficient signal routing, distribution, monitoring and management of content as well as the automation of previously manual processes.