

Attention Business/Financial Editors:

Evertz Technologies reports Record Revenues in Fiscal 2013.

Burlington, June 12, 2013, Evertz Technologies Limited (TSX:ET), a global leader in video infrastructure solutions for production, playout and delivery systems for television broadcasters, telecom and multi-system operators, today reported its results for the fourth quarter and year ended April 30, 2013.

Fiscal 2013 Highlights

- Record annual revenue of \$316.3 million, an 8% increase over prior year
- Fully diluted earnings per share of \$0.88, an increase of 9% as compared to \$0.81 a year ago
- Continued growth in R&D with a gross investment of \$52.9 million
- Cash and instruments held for trading increased to over \$220 million
- Quarterly dividend increased to \$0.16 per share during the year
- Continued expansion through the completion of a selective acquisition and the opening of North American and International sales offices

Selected Financial Information

Consolidated Statement of Earnings Data

(in thousands of dollars, except per share amounts)

	<u>Q4'13</u>	<u>YE'13</u>	<u>Q4'12</u>	<u>YE'12</u>
Revenue	\$ 65,415	\$ 316,305	\$ 76,340	\$ 293,400
Gross Margin	37,079	181,866	42,783	166,168
Earnings from operations	10,522	86,758	17,474	80,276
Net earnings	8,133	65,163	13,490	59,956
Fully-diluted earnings per share	\$ 0.11	\$ 0.88	\$ 0.18	\$ 0.81

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>YE'13</u>	<u>YE'12</u>
Cash and instruments held for trading	\$ 220,668	\$ 185,669
Working capital	352,164	325,677
Total assets	465,307	431,864
Shareholders' equity	406,797	378,417

### Revenue

For the quarter ended April 30, 2013, revenues were \$65.4 million as compared to revenues of \$76.3 million for the quarter ended April 30, 2012. For the quarter, revenues in the United States/Canada region were \$33.3 million, a decrease of \$3.3 million or 9.1% when compared to the same quarter last year. The International region had revenues of \$32.1 million, as compared to \$39.6 million in the same quarter last year.

For the year ended April 30, 2013, sales were \$316.3 million, an increase of \$22.9 million or 7.8% as compared to sales of \$293.4 million for the prior year. The United States/Canada region increased by \$23.3 million or 15.6% when compared to the prior year, and the International region was consistent at \$143.1 million compared to \$143.5 million in the prior year.

### Gross Margin

For the quarter ended April 30, 2013 gross margin was \$37.1 million compared to \$42.8 million in the same quarter last year. Gross margin percentage was approximately 56.7%, up from 56.0% in the quarter ended April 30, 2012.

For the year ended April 30, 2013, gross margin was \$181.9 million as compared to \$166.2 million for the year ended April 30, 2012. Gross margin percentage was approximately 57.5% for the year ended April 30, 2013 up when compared to 56.6% for the prior year.

### Earnings

For the quarter ended April 30, 2013 net earnings were \$8.1 million as compared to \$13.5 million in the corresponding period last year.

For the year ended April 30, 2013, net earnings were \$65.2 million as compared to \$60.0 million in the corresponding period last year.

For the quarter ended April 30, 2013, earnings per share on a fully-diluted basis were \$0.11 as compared to \$0.18 in the same period in 2012.

For the year ended April 30, 2013, earnings per share on a fully-diluted basis were \$0.88 as compared to \$0.81 in the same period in 2012.

### Operating Expenses

For the quarter ended April 30, 2013 selling and administrative expenses were \$14.0 million compared to \$12.3 million for the quarter ended April 30, 2012.

For the year ended April 30, 2013, selling and administrative expenses were \$53.1 million compared to \$47.1 million for the year ended April 30, 2012.

For the quarter ended April 30, 2013 gross research and development expenses increased by \$2.6 million or 20.1% as compared to the corresponding period in 2012. Gross research and development expenses represented approximately 23.5% of revenue for the quarter ended April 30, 2013.

For the year ended April 30, 2013, gross research and development expenses increased by 19.6% or \$8.7 million as compared to the prior year. Research and development expenses represented approximately 16.7% of sales.

#### Liquidity and Capital Resources

The Company's working capital as at April 30, 2013 was \$352.2 million as compared to \$325.7 million on April 30, 2012.

Cash and instruments held for trading were \$220.7 million as at April 30, 2013 as compared to \$185.7 million on April 30, 2012.

Cash provided by operations was \$11.3 million for the quarter ended April 30, 2013 as compared to \$8.0 million for the quarter ended April 30, 2012. Before taking into account taxes and the changes in non-cash working capital, the Company generated \$11.8 million from operations for the quarter ended April 30, 2013 compared to \$18.2 million for the same period last year.

Cash provided by operations was \$89.6 million for the 2013 fiscal year as compared to cash provided by operations of \$66.6 million for the 2012 fiscal year. Before taking into account taxes and the changes in non-cash working capital, the Company generated \$78.6 million from operations for fiscal 2013 as compared to \$73.0 million for fiscal 2012.

The Company used \$3.9 million in investing activities largely a result of purchases in capital assets of \$4.1 million during the quarter ended April 30, 2013, compared to \$1.6 million in capital assets purchased for the quarter ended April 30, 2012.

The Company invested \$3.8 million net of cash in a technology based company and \$11.0 million on the purchase of capital assets for the year ended April 30, 2013, compared to \$16.6 million in capital assets purchased for the year ended April 30, 2012.

For the quarter ended April 30, 2013, the Company used cash in financing activities of \$11.4 million which was principally a result of the payment of dividends of \$11.8 million offset by the issuance of capital stock of \$0.6 million.

For the year ended April 30, 2013, the Company used cash in financing activities of \$40.1 million as a result of the payment of dividends of \$42.9 million, repurchase of capital stock costing \$4.2 million offset by the issuance of share capital of \$8.0 million.

#### Shipments and Backlog

Purchase order backlog at the end of May 2013 was in excess of \$35 million and shipments during the month of May 2013 were \$19 million.

Dividend Declared

Evertz Board of Directors declared a dividend on June 12, 2013 of \$0.16 per share.

The dividend is payable to shareholders of record on June 21, 2013 and will be paid on or about June 28, 2013.

## Selected Consolidated Financial Information

(Unaudited)

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

	Three month periods ended		Twelve month periods ended	
	April 30,		April 30,	
	2013	2012	2013	2012
Revenue	\$ 65,415	\$ 76,340	\$ 316,305	\$ 293,400
Cost of goods sold	28,336	33,557	134,439	127,232
Gross margin	37,079	42,783	181,866	166,168
Gross margin %	56.7%	56.0%	57.5%	56.6%
Expenses				
Selling and administrative	13,988	12,320	53,106	47,118
General	1,076	2,110	5,366	6,788
Research and development	15,349	12,782	52,851	44,200
Investment tax credits	(3,609)	(2,562)	(13,178)	(9,872)
Foreign exchange (gain) loss	(247)	659	(3,037)	(2,342)
	26,557	25,309	95,108	85,892
	10,522	17,474	86,758	80,276
Finance income	807	488	2,383	1,915
Finance costs	(290)	(55)	(559)	(197)
Other income and expenses	(8)	403	264	(154)
Earnings before income taxes	11,031	18,310	88,846	81,840
Provision for income taxes				
Current	2,536	3,865	21,816	21,669
Deferred	362	955	1,867	215
	2,898	4,820	23,683	21,884
Net earnings for the period	8,133	13,490	65,163	59,956
Net earnings attributable to non-controlling interest	23	110	573	416
Net earnings attributable to shareholders	8,110	13,380	64,590	59,540
Net earnings for the period	8,133	13,490	65,163	59,956
Earnings per share				
Basic	\$ 0.11	\$ 0.19	\$ 0.88	\$ 0.81
Diluted	\$ 0.11	\$ 0.18	\$ 0.88	\$ 0.81

## Selected Consolidated Financial Information

(Unaudited)

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

	April 30, 2013	April 30, 2012	April 30, 2011
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 208,658	\$ 173,665	\$ 175,835
Instruments held for trading	12,010	12,004	16,190
Trade and other receivables	57,087	61,806	52,732
Inventories	111,619	109,211	106,422
Income tax receivable	7,233	11,695	2,014
	\$ 396,607	\$ 368,381	\$ 353,193
Assets held for sale	\$ 3,781	\$ 3,781	-
Property, Plant and Equipment	\$ 46,637	\$ 41,190	37,627
Goodwill	17,724	17,507	17,467
Intangible assets	558	1,005	2,224
	\$ 465,307	\$ 431,864	\$ 410,511
<b>Liabilities</b>			
Current liabilities			
Trade and other payables	\$ 36,237	\$ 37,034	\$ 21,814
Provisions	1,104	809	1,235
Deferred revenue	6,712	4,460	3,664
Current portion of long term debt	390	401	451
	\$ 44,443	\$ 42,704	\$ 27,164
Long term debt	\$ 1,539	\$ 1,875	\$ 2,493
Deferred taxes	9,590	7,331	7,095
	\$ 55,572	\$ 51,910	\$ 36,752
<b>Equity</b>			
Capital stock	\$ 81,453	\$ 67,458	\$ 58,882
Share based payment reserve	10,727	14,320	13,762
Accumulated other comprehensive (loss) income	(1,063)	(906)	440
Retained earnings	315,680	297,545	299,125
	\$ 314,617	\$ 296,639	\$ 299,565
Total equity attributable to shareholders	406,797	378,417	372,209
Non-controlling interest	2,938	1,537	1,550
	409,735	379,954	373,759
	\$ 465,307	\$ 431,864	\$ 410,511

## 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 June 12, 2013 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 1-416-849-6166 or toll-free (North America) 1-866-250-6267.

For those unable to listen to the live call, a rebroadcast will also be available until July 11, 2013. The rebroadcast can be accessed at 1-416-915-1035 or toll-free 1-866-245-6755. The pass code for the rebroadcast is 672047.

## 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.