

Attention Business/Financial Editors:

Evertz Technologies reports Results for the Second Quarter Ended October 31, 2013.

Burlington, December 3, 2013, Evertz Technologies Limited (TSX:ET), a global leader in video network innovation, today reported its results for the Second Quarter ended October 31, 2013 of its fiscal 2014 year.

Quarterly Highlights

- Revenue of \$81.2 million, up \$17.3 million sequentially from prior quarter
- Record high \$43.1 million revenue in the International region, up 18% compared to the same quarter last year
- Net earnings of \$15.6 million for the quarter
- Fully diluted earnings per share of \$0.21
- Cash and instruments held for trading in excess of \$208 million
- Over \$100 million Special Dividend subsequent distribution of excess cash

Selected Financial Information

Consolidated Statement of Earnings Data

(in thousands of dollars, except per share amounts)

	<u>Q2 ' 14</u>	<u>Q2 ' 13</u>
Revenue	\$ 81,244	\$ 83,158
Gross Margin	46,652	48,860
Earnings from operations	20,855	25,894
Net earnings	15,620	19,092
Fully-diluted earnings per share	\$ 0.21	\$ 0.26

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q2 ' 14</u>	<u>YE ' 13</u>
Cash and instruments held for trading	\$ 208,190	\$ 220,668
Working capital	360,322	352,164
Total assets	465,388	465,307
Shareholders' equity	417,729	406,797

Revenue

For the quarter ended October 31, 2013, revenues were \$81.2 million as compared to revenues of \$83.2 million for the quarter ended October 31, 2012. For the quarter, revenues in the United States/Canada region were \$38.1 million, compared to \$46.7 million in the same quarter last year. The International region had revenues of \$43.1 million, an increase of \$6.7 million as compared to \$36.4 million in the same quarter last year.

Gross Margin

For the quarter ended October 31, 2013 gross margin was \$46.7 million compared to \$48.9 million in the same quarter last year. Gross margin percentage was approximately 57.4% compared to 58.8% in the same quarter last year.

Earnings

For the quarter ended October 31, 2013 net earnings were \$15.6 million as compared to \$19.1 million in the corresponding period last year.

For the quarter ended October 31, 2013, earnings per share on a fully-diluted basis were \$0.21 as compared to \$0.26 in the same period in 2012.

Operating Expenses

For the quarter ended October 31, 2013 selling and administrative expenses were \$13.7 million, an increase of \$0.6 million or 4.4% compared to \$13.1 million for the quarter ended October 31, 2012.

For the quarter ended October 31, 2013 gross research and development expenses increased by \$2.0 million or 16.0% as compared to the corresponding period in 2012. Gross research and development expenses represented approximately 18.0% of revenue for the quarter ended October 31, 2013.

Liquidity and Capital Resources

The Company's working capital as at October 31, 2013 was \$360.3 million as compared to \$352.2 million on April 30, 2013.

Cash and instruments held for trading were \$208.2 million as at October 31, 2013 as compared to \$220.7 million on April 30, 2013.

Cash provided by operations was \$9.7 million for the quarter ended October 31, 2013 as compared to \$46.5 million for the quarter ended October 31, 2012. Before taking into account taxes and the changes in non-cash working capital, the Company generated \$19.4 million from operations for the quarter ended October 31, 2013 compared to \$22.6 million for the same period last year.

The Company used \$1.4 million in investing activities largely a result of purchases in capital assets during the quarter ended October 31, 2013, compared to \$1.4 million in capital assets purchased for the quarter ended October 31, 2012.

For the quarter ended October 31, 2013, the Company used cash in financing activities of \$11.8 million which was principally a result of the payment of dividends of \$11.8 million offset by the issuance of capital stock of \$0.2 million.

Shipments and Backlog

Purchase order backlog at the end of November 2013 was in excess of \$43 million and shipments during the month of November 2013 were \$28 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on December 3, 2013 of \$0.16 per share.

The dividend is payable to shareholders of record on December 13, 2013 and will be paid on or about December 20, 2013.

Special Dividend

As previously announced, Evertz Board of Directors declared a special dividend of \$1.40 per common share payable on December 11, 2013 to shareholders of record on December 4, 2013.

The special dividend reflects both the strong long-term operating performance of the company and its solid balance sheet, thereby enabling a distribution of cash over and above what is considered necessary to meet known commitments and maintain adequate reserves.

Selected Consolidated Financial Information

(Unaudited)

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

	Three month period ended		Six month period ended	
	October 31,		October 31,	
	2013	2012	2013	2012
Revenue	\$ 81,244	\$ 83,158	\$ 145,102	\$ 179,119
Cost of goods sold	34,592	34,298	61,736	74,604
Gross margin	46,652	48,860	83,366	104,515
Expenses				
Selling and administrative	13,671	13,090	25,283	25,459
General	1,465	1,449	2,927	2,897
Research and development	14,625	12,612	28,084	24,404
Investment tax credits	(3,008)	(2,864)	(5,865)	(6,050)
Foreign exchange gain	(956)	(1,321)	(3,465)	(1,323)
	25,797	22,966	46,964	45,387
Earnings before undernoted	20,855	25,894	36,402	59,128
Finance income	603	428	1,224	877
Finance costs	(112)	(78)	(214)	(166)
Other income and expenses	(92)	(119)	(85)	(4)
Earnings before income taxes	21,254	26,125	37,327	59,835
Provision for (recovery of) income taxes				
Current	5,345	6,324	11,715	15,312
Deferred	289	709	(1,824)	672
	5,634	7,033	9,891	15,984
Net earnings for the period	\$ 15,620	\$ 19,092	\$ 27,436	\$ 43,851
Net earnings attributable to non-controlling interest	198	185	281	355
Net earnings attributable to shareholders	15,422	18,907	27,155	43,496
Net earnings for the period	\$ 15,620	\$ 19,092	\$ 27,436	\$ 43,851
Earnings per share				
Basic	\$ 0.21	\$ 0.26	\$ 0.37	\$ 0.59
Diluted	\$ 0.21	\$ 0.26	\$ 0.37	\$ 0.59
Consolidated Balance Sheet Data		As at		As at
		October 31, 2013		April 30, 2013
Cash and instruments held for trading	\$	208,190	\$	220,668
Inventory		119,312		111,619
Working capital		360,322		352,164
Total assets		465,388		465,307
Shareholders' equity		417,729		406,797
Number of common shares outstanding:				
Basic		74,024,746		73,632,566
Fully-diluted		78,038,846		78,246,966
Weighted average number of shares outstanding:				
Basic		73,900,859		73,300,647
Fully-diluted		74,231,689		73,816,338

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 December 3, 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 January 3, 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 912080.

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.