

Attention Business/Financial Editors:

Evertz Technologies reports Record Revenues in Fiscal 2014 – Fourth Quarter Revenue up 33%.

Burlington, June 11, 2014, Evertz Technologies Limited (TSX:ET), the leader in Software Defined Video Network (“SDVN”) technology, today reported its results for the fourth quarter and year ended April 30, 2014.

Fiscal 2014 Highlights

- Record annual revenue of \$325.5 million
- Fully diluted earnings per share of \$0.85
- Continued growth in R&D with a gross investment of \$60.2 million
- Net earnings of \$63.5 million for the year
- Annual dividends during the year of \$2.04 per share, including a special dividend of \$1.40 per share

Fourth Quarter 2014 Highlights

- Revenue \$87.2 million up 33% from Q4 2013
- Net Earnings \$14.8 million up \$6.6 million from Q4 2013

Selected Financial Information

Consolidated Statement of Earnings Data

(in thousands of dollars, except per share amounts)

	<u>Q4'14</u>	<u>YE'14</u>	<u>Q4'13</u>	<u>YE'13</u>
Revenue	\$ 87,237	\$ 325,524	\$ 65,415	\$ 316,305
Gross margin	49,083	186,186	37,079	181,866
Earnings from operations	18,538	83,163	10,522	86,758
Net earnings	14,754	63,539	8,133	65,163
Fully-diluted earnings per share	\$ 0.20	\$ 0.85	\$ 0.11	\$ 0.88

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q4 ' 14</u>	<u>YE ' 13</u>
Cash and instruments held for trading	\$ 101,956	\$ 220,668
Working capital	273,914	352,164
Total assets	401,280	465,307
Shareholders' equity	333,478	406,797

Revenue

For the quarter ended April 30, 2014, revenues were \$87.2 million as compared to revenues of \$65.4 million for the quarter ended April 30, 2013. For the quarter, revenues in the United States/Canada region were \$43.2 million, an increase of \$9.8 million or 29% when compared to the same quarter last year. The International region had revenues of \$44.1 million, an increase of \$12.0 million or 37% when compared to the same quarter last year.

For the year ended April 30, 2014, sales were \$325.5 million, an increase of \$9.2 million or 3% as compared to sales of \$316.3 million for the prior year.

Gross Margin

For the quarter ended April 30, 2014 gross margin was \$49.1 million compared to \$37.1 million in the same quarter last year. Gross margin percentage was approximately 56.3% compared to 56.7% in the quarter ended April 30, 2013.

For the year ended April 30, 2014, gross margin was \$186.2 million as compared to \$181.9 million for the year ended April 30, 2013. Gross margin percentage was approximately 57.2% for the year ended April 30, 2014 compared to 57.5% for the prior year.

Earnings

For the quarter ended April 30, 2014 net earnings were \$14.8 million up 81% when compared to \$8.1 million in the corresponding period last year.

For the year ended April 30, 2014, net earnings were \$63.5 million as compared to \$65.2 million in the corresponding period last year.

For the quarter ended April 30, 2014, earnings per share on a fully-diluted basis were \$0.20, up 82% when compared to \$0.11 in the same period in 2013.

For the year ended April 30, 2014, earnings per share on a fully-diluted basis were \$0.85 as compared to \$0.88 in the same period in 2013.

Operating Expenses

For the quarter ended April 30, 2014 selling and administrative expenses were \$15.0 million compared to \$14.0 million for the quarter ended April 30, 2013.

For the year ended April 30, 2014, selling and administrative expenses were \$55.2 million compared to \$53.1 million for the year ended April 30, 2013.

For the quarter ended April 30, 2014 gross research and development expenses increased by \$1.7 million or 11% as compared to the corresponding period in 2013. Gross research and development expenses represented approximately 19.6% of revenue for the quarter ended April 30, 2014.

For the year ended April 30, 2014, gross research and development expenses increased by 14% or \$7.3 million as compared to the prior year. Research and development expenses represented approximately 18.5% of sales.

Liquidity and Capital Resources

The Company's working capital as at April 30, 2014 was \$273.9 million as compared to \$352.2 million on April 30, 2013.

Cash and instruments held for trading were \$102.0 million as at April 30, 2014 as compared to \$220.7 million on April 30, 2013.

Cash used for operations was \$1.3 million for the quarter ended April 30, 2014 as compared to cash provided of \$11.3 million for the quarter ended April 30, 2013. Before taking into account taxes and the changes in non-cash working capital, the Company generated \$17.5 million from operations for the quarter ended April 30, 2014 compared to \$11.8 million for the same period last year.

Cash provided by operations was \$35.5 million for the 2014 fiscal year as compared to cash provided by operations of \$89.6 million for the 2013 fiscal year. Before taking into account taxes and the changes in non-cash working capital, the Company generated \$74.2 million from operations for fiscal 2014 as compared to \$78.6 million for fiscal 2013.

The Company generated \$9.1 million in investing activities largely a result of proceeds from the disposal of instruments held for trading of \$12.2 million, offset by purchases in capital assets of \$3.1 million during the quarter ended April 30, 2014, compared to \$4.1 million in capital assets purchased for the quarter ended April 30, 2013.

The Company generated cash from investing activities of \$1.5 million for the year ended April 30, 2014 which was predominantly from proceeds upon disposal of instruments held for trading for \$12.2 million offset by cash used for the acquisition of capital assets of \$10.8 million, compared to cash used of \$14.6 million for the year ended April 30, 2013.

For the quarter ended April 30, 2014, the Company used cash in financing activities of \$11.4 million which was principally a result of the payment of dividends of \$11.9 million offset by the issuance of capital stock of \$0.4 million.

For the year ended April 30, 2014, the Company used cash from financing activities of \$144.2 million, which was principally driven dividends paid of \$152.0 million which included a special dividend of \$104.0 million and offset by the issuance of capital stock pursuant to the Company Stock Option Plan of \$8.2 million.

Shipments and Backlog

At the end of May 2014, purchase order backlog was in excess of \$67 million and shipments during the month of May 2014 were \$28 million.

Dividend Declared

Evertz Board of Directors declared a dividend on June 11, 2014 of \$0.16 per share.

The dividend is payable to shareholders of record on June 20, 2014 and will be paid on or about June 27, 2014.

Selected Consolidated Financial Information

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

	Three month periods ended		Twelve month periods ended	
	April 30,		April 30,	
	2014	2013	2014	2013
Revenue	\$ 87,237	\$ 65,415	\$ 325,524	\$ 316,305
Cost of goods sold	38,154	28,336	139,338	134,439
Gross margin	49,083	37,079	186,186	181,866
Gross margin %	56.3%	56.5%	57.2%	57.5%
Expenses				
Selling and administrative	14,966	13,988	55,162	53,106
General	1,509	1,076	6,874	5,366
Research and development	17,063	15,349	60,196	52,851
Investment tax credits	(3,259)	(3,609)	(12,292)	(13,178)
Foreign exchange loss (gain)	266	(247)	(6,917)	(3,037)
	30,545	26,557	103,023	95,108
	18,538	10,522	83,163	86,758
Finance income	281	807	2,001	2,383
Finance costs	(123)	(290)	(398)	(559)
Other income and expenses	76	(8)	38	264
Earnings before income taxes	18,772	11,031	84,804	88,846
Provision for (recovery of) income taxes				
Current	5,142	2,536	24,529	21,816
Deferred	(1,124)	362	(3,264)	1,867
	4,018	2,898	21,265	23,683
Net earnings for the period	\$ 14,754	\$ 8,133	\$ 63,539	\$ 65,163
Net earnings attributable to non-controlling interest	\$ 55	\$ 23	\$ 404	\$ 573
Net earnings attributable to shareholders	14,699	8,110	63,135	64,590
Net earnings for the period	\$ 14,754	\$ 8,133	\$ 63,539	\$ 65,163
Earnings per share				
Basic	\$ 0.20	\$ 0.11	\$ 0.85	\$ 0.88
Diluted	\$ 0.20	\$ 0.11	\$ 0.85	\$ 0.88

Selected Consolidated Financial Information

(in thousands of dollars)

	April 30, 2014	April 30, 2013	April 30, 2012
Assets			
Current assets			
Cash and cash equivalents	\$ 101,956	\$ 208,658	\$ 173,665
Instruments held for trading	-	12,010	12,004
Trade and other receivables	87,981	53,813	59,864
Prepaid expenses	4,704	3,274	1,942
Inventories	134,561	111,619	109,211
Income tax receivable	1,735	7,233	11,695
	330,937	396,607	368,381
Assets held for sale	-	3,781	3,781
Property, Plant and Equipment	51,831	46,637	41,190
Goodwill	18,269	17,724	17,507
Intangible assets	243	558	1,005
	\$ 401,280	\$ 465,307	\$ 431,864
Liabilities			
Current liabilities			
Trade and other payables	\$ 44,888	\$ 36,237	\$ 37,034
Provisions	1,624	1,104	809
Deferred revenue	10,096	6,712	4,460
Current portion of long term debt	415	390	401
	57,023	44,443	42,704
Long term debt	1,372	1,539	1,875
Deferred taxes	6,468	9,590	7,331
	64,863	55,572	51,910
Equity			
Capital stock	92,931	81,453	67,458
Share based payment reserve	10,217	10,727	14,320
Accumulated other comprehensive income (loss)	2,966	(1,063)	(906)
Retained earnings	227,364	315,680	297,545
	230,330	314,617	296,639
Total equity attributable to shareholders	333,478	406,797	378,417
Non-controlling interest	2,939	2,938	1,537
	336,417	409,735	379,954
	\$ 401,280	\$ 465,307	\$ 431,864

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 11, 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 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, 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 886048.

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.