

Attention Business/Financial Editors:

Evertz Technologies reports results for the First Quarter Ended July 31, 2016.

Burlington, September 6, 2016, Evertz Technologies Limited (TSX:ET), the leader in Software Defined Video Network (“SDVN”) technology, today reported its results for the first quarter ended July 31, 2016.

Quarter Highlights

- Revenue of \$87.0 million, up 3% from the same quarter in the prior year
- US/Canada revenue up 4% to \$52.1 million from the prior year
- Net earnings of \$18.6 million for the quarter
- Fully diluted earnings per share of \$0.25 for the quarter

Selected Financial Information

Consolidated Statement of Earnings Data

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

	<u>Q1'17</u>	<u>Q1'16</u>
Revenue	\$ 87,026	\$ 84,869
Gross margin	49,866	47,829
Earnings from operations	24,790	25,376
Net earnings	18,623	18,598
Fully-diluted earnings per share	\$ 0.25	\$ 0.25
Fully-diluted shares	74,798,052	75,060,553

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q1 ' 17</u>	<u>YE ' 16</u>
Cash and cash equivalents	\$ 125,383	\$ 123,102
Working capital	318,021	314,912
Total assets	449,915	448,314
Shareholders' equity	370,295	366,205

Revenue

For the quarter ended July 31, 2016, revenues were \$87.0 million, an increase of \$2.1 million or 3%, as compared to revenues of \$84.9 million for the quarter ended July 31, 2015. For the quarter, revenues in the United States/Canada region were \$52.1 million, an increase of 4%, as compared to \$50.0 million in the same quarter last year. The International region had revenues of \$34.9 million in both the quarter and corresponding period last year.

Gross Margin

For the quarter ended July 31, 2016 gross margin was \$49.9 million as compared to \$47.8 million in the same quarter last year. Gross margin percentage was approximately 57.3% as compared to 56.4% in the quarter ended July 31, 2015.

Earnings

For the quarter ended July 31, 2016 net earnings were \$18.6 million as compared to \$18.6 million in the corresponding period last year.

For the quarter ended July 31, 2016 and corresponding period last year, earnings per share on a fully-diluted basis were \$0.25.

Operating Expenses

For the quarter ended July 31, 2016 selling and administrative expenses were \$14.9 million as compared to \$14.8 million for the quarter ended July 31, 2015.

For the quarter ended July 31, 2016 gross research and development expenses were \$17.5 million as compared to \$16.3 million in the corresponding period in 2015.

Liquidity and Capital Resources

The Company's working capital as at July 31, 2016 was \$318.0 million as compared to \$314.9 million on April 30, 2016.

Cash and cash equivalents were \$125.4 million as at July 31, 2016 as compared to \$123.1 million on April 30, 2016.

Cash generated from operations was \$19.9 million for the quarter ended July 31, 2016 as compared to cash used of \$7.8 million for the quarter ended July 31, 2015. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$19.5 million from operations for the quarter ended July 31, 2016 compared to \$20.9 million for the same period last year.

For the quarter, the Company used \$1.4 million in investing activities largely a result of purchases in capital assets.

For the quarter ended, the Company used cash in financing activities of \$13.6 million which was principally a result of the payment of dividends of \$13.7 million.

Shipments and Backlog

At the end of August 2016, purchase order backlog was in excess of \$70 million and shipments during the month of August 2016 were \$31 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on September 6, 2016 of \$0.18 per share.

The dividend is payable to shareholders of record on September 16, 2016 and will be paid on or about September 23, 2016.

Selected Consolidated Financial Information

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

	Three months ended July 31, 2016		Three months ended July 31, 2015	
Revenue	\$	87,026	\$	84,869
Cost of goods sold		37,160		37,040
Gross margin	\$	49,866	\$	47,829
Expenses				
Selling and administrative		14,886		14,802
General		1,950		1,595
Research and development		17,493		16,252
Investment tax credits		(2,649)		(2,484)
Foreign exchange gain		(6,604)		(7,712)
		25,076		22,453
Earnings before undernoted	\$	24,790	\$	25,376
Finance income		316		158
Finance costs		(53)		(122)
Other income and expenses		69		(38)
Earnings before income taxes	\$	25,122	\$	25,374
Provision for (recovery of) income taxes				
Current		8,672		7,973
Deferred		(2,173)		(1,197)
	\$	6,499	\$	6,776
Net earnings for the period	\$	18,623	\$	18,598
Net earnings attributable to non-controlling interest		230		187
Net earnings attributable to shareholders		18,393		18,411
Net earnings for the period	\$	18,623	\$	18,598
Earnings per share:				
Basic	\$	0.25	\$	0.25
Diluted	\$	0.25	\$	0.25
Consolidated Balance Sheet Data				
		As at July 31, 2016		As at April 30, 2016
Cash and cash equivalents	\$	125,383	\$	123,102
Inventory	\$	157,074	\$	155,957
Working capital	\$	318,021	\$	314,912
Total assets	\$	449,915	\$	448,314
Shareholders' equity	\$	370,295	\$	366,205
Number of common shares outstanding:				
Basic		74,197,746		74,188,746
Fully-diluted		78,560,246		78,595,246
Weighted average number of shares outstanding:				
Basic		74,193,833		74,360,423
Fully-diluted		74,798,052		74,843,493

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 6, 2016 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 416-849-1967 or toll-free (North America) 1-866-253-4709.

For those unable to listen to the live call, a rebroadcast will also be available until September 6, 2017. The rebroadcast can be accessed at 647-436-0148 or toll-free 1-888-203-1112. The pass code for the rebroadcast is 8873393.

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") and next generation high bandwidth low latency IP network 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.