

Attention Business/Financial Editors:

Evertz Technologies reports Results for the Second Quarter Ended October 31, 2014.

Burlington, December 3, 2014, Evertz Technologies Limited (TSX:ET), the leader in Software Defined Video Network (“SDVN”) technology, today reported its results for the second quarter of its fiscal 2015.

Quarterly Highlights

- Revenue of \$82.9 million, up 2% year over year
- United States / Canada region revenue up 19% to \$45.4 million, compared to the same quarter last year
- Net earnings of \$14.3 million for the quarter
- Fully diluted earnings per share of \$0.19
- Quarterly dividend increase of 13% to \$0.18 per share, payable on or about December 19, 2014

Selected Financial Information

Consolidated Statement of Earnings Data

(in thousands of dollars, except per share amounts)

	<u>Q2 ' 15</u>	<u>Q2 ' 14</u>
Revenue	\$ 82,889	\$ 81,244
Gross Margin	46,565	46,652
Earnings from operations	19,528	20,855
Net earnings	14,343	15,620
Fully-diluted earnings per share	\$ 0.19	\$ 0.21

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q2 ' 15</u>	<u>YE ' 14</u>
Cash and cash equivalents	\$ 90,384	\$ 101,956
Working capital	285,253	273,914
Total assets	398,949	401,280
Shareholders' equity	345,575	333,478

Revenue

For the quarter ended October 31, 2014, revenues were \$82.9 million as compared to revenues of \$81.2 million for the quarter ended October 31, 2013. For the quarter, revenues in the United States/Canada region were \$45.4 million, an increase of \$7.3 million or 19% when compared to the same quarter last year. The International region had revenues of \$37.5 million compared to \$43.1 million in the same quarter last year.

Gross Margin

For the quarter ended October 31, 2014 gross margin was \$46.6 million compared to \$46.7 million in the same quarter last year. Gross margin percentage was approximately 56.2% compared to 57.4% in the quarter ended October 31, 2013.

Earnings

For the quarter ended October 31, 2014 net earnings were \$14.3 million, compared to \$15.6 million in the corresponding period last year.

For the quarter ended October 31, 2014, earnings per share on a fully-diluted basis were \$0.19 compared to \$0.21 in the corresponding period last year.

Operating Expenses

For the quarter ended October 31, 2014 selling and administrative expenses were \$15.1 million compared to \$13.7 million for the quarter ended October 31, 2013.

For the quarter ended October 31, 2014 gross research and development expenses increased by \$0.5 million or 3% as compared to the corresponding period in 2013. Gross research and development expenses represented approximately 18.2% of revenue for the quarter ended October 31, 2014.

Liquidity and Capital Resources

The Company's working capital as at October 31, 2014 was \$285.3 million as compared to \$273.9 million on April 30, 2014.

Cash and cash equivalents were \$90.4 million as at October 31, 2014 as compared to \$102.0 million on April 30, 2014.

Cash used in operations was \$0.7 million for the quarter ended October 31, 2014 as compared to cash provided of \$9.7 million for the quarter ended October 31, 2013. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$17.5 million from operations for the quarter ended October 31, 2014 compared to \$19.4 million for the same period last year.

The Company used cash of \$2.0 million in investing activities largely a result of purchases in capital assets of \$2.0 million, compared to \$1.6 million in capital assets purchased for the quarter ended October 31, 2013.

For the quarter ended October 31, 2014, the Company used cash in financing activities of \$10.5 million which was principally a result of the payment of dividends.

Shipments and Backlog

At the end of November 2014, purchase order backlog was in excess of \$64 million and shipments during the month of November 2014 were \$26 million.

Dividend Declared

On December 3, 2014, the Evertz Board of Directors approved a 13% increase of the dividend to \$0.18 per share from \$0.16 per share. This is the 7th dividend increase in the past seven years reflecting the underlying strength of the Company's cash flow and business outlook.

The dividend is payable to shareholders of record on December 12, 2014 and will be paid on or about December 19, 2014.

Selected Consolidated Financial Information

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

	Three month period ended October 31,		Six month period ended October 31,	
	2014	2013	2014	2013
Revenue	\$ 82,889	\$ 81,244	\$ 180,903	\$ 145,102
Cost of goods sold	36,324	34,592	78,517	61,736
Gross margin	46,565	46,652	102,386	83,366
Expenses				
Selling and administrative	15,103	13,671	28,502	25,283
General	1,323	1,465	3,133	2,927
Research and development	15,121	14,625	30,941	28,084
Investment tax credits	(2,387)	(3,008)	(4,853)	(5,865)
Foreign exchange gain	(2,123)	(956)	(1,380)	(3,465)
	27,037	25,797	56,343	46,964
Earnings before undemoted	19,528	20,855	46,043	36,402
Finance income	201	603	394	1,224
Finance costs	(76)	(112)	(143)	(214)
Other income and expenses	(113)	(92)	27	(85)
Earnings before income taxes	19,540	21,254	46,321	37,327
Provision for (recovery of) income taxes				
Current	5,249	5,345	14,560	11,715
Deferred	(52)	289	(2,288)	(1,824)
	5,197	5,634	12,272	9,891
Net earnings for the period	\$ 14,343	\$ 15,620	\$ 34,049	\$ 27,436
Net earnings attributable to non-controlling interest	194	198	489	281
Net earnings attributable to shareholders	14,149	15,422	33,560	27,155
Net earnings for the period	\$ 14,343	\$ 15,620	\$ 34,049	\$ 27,436
Earnings per share				
Basic	\$ 0.19	\$ 0.21	\$ 0.45	\$ 0.37
Diluted	\$ 0.19	\$ 0.21	\$ 0.45	\$ 0.37
Consolidated Balance Sheet Data			As at October 31, 2014	As at April 30, 2014
Cash and cash equivalents	\$	90,384	\$	101,956
Inventory	\$	150,105	\$	134,561
Working capital	\$	285,253	\$	273,914
Total assets	\$	398,949	\$	401,280
Shareholders' equity	\$	345,575	\$	333,478
Number of common shares outstanding:				
Basic		74,454,346		74,310,146
Fully-diluted		79,299,846		79,513,846
Weighted average number of shares outstanding:				
Basic		74,341,160		74,064,205
Fully-diluted		74,895,569		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 December 3, 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) 1-888-253-4709.

For those unable to listen to the live call, a rebroadcast will also be available until January 3, 2015. The rebroadcast can be accessed at 1-416-915-1035 or toll-free 1-866-245-6755. The pass code for the rebroadcast is 130013.

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.