



REPORT on business

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Rising Stock:
7 Companies Worth Investing In...

Making Waves:
Small Businesses Making a Big Splash...

Spotting Trends:
How to Buy Low and Sell High...



Financial
Dere...

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BREAKING NEWS
Daily News Updates
& Headlines @ 7:00



OPERATING RESULTS

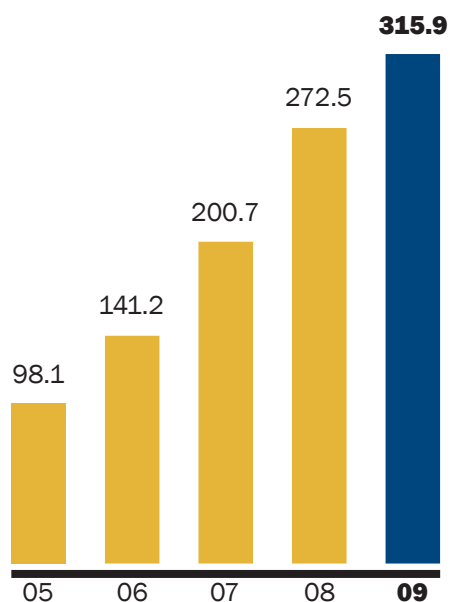
(in thousands of dollars except gross margin percentage)	2009	2008	2007
OPERATING RESULTS			
Sales	\$ 315,905	\$ 272,505	\$ 200,681
Gross Margins	194,019	161,641	121,618
% of Sales	61%	59%	61%
FINANCIAL POSITION			
Net Earnings	\$ 100,717	\$ 87,294	\$ 60,663
Working Capital	216,539	164,147	89,991
Inventory	86,518	53,760	43,084
Shareholders' Equity	268,376	188,220	112,444
SHAREHOLDERS' EQUITY			
Net Earnings:			
Basic	1.39	1.21	0.85
Fully Diluted	1.36	1.17	0.83

FINANCIAL HIGHLIGHTS

Year ended April 30, 2009

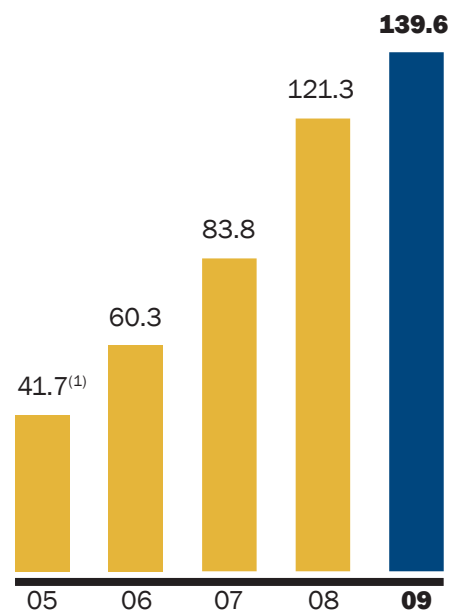
SALES

\$ millions



EARNINGS BEFORE INCOME TAXES

\$ millions



⁽¹⁾ Earnings before income taxes plus shareholder/management fee

Execution in Manufacturing



Evertz continues to reinvest in the latest manufacturing technologies and in the training of our staff to ensure that we possess both the knowledge and capacity to deliver the high quality and innovative new products our customers have grown to expect from Evertz.

During this past year, we expanded into a new state-of-the-art manufacturing facility in Burlington, and established additional Ontario based facilities which enable Evertz' manufacturing capacity to more than double.

AWARDS AND ACHIEVEMENTS

We are very proud of Evertz' accomplishments which are exemplified this past year through the following awards:



2008 PRIMETIME EMMY® ENGINEERING AWARD WINNER: TESTAMENT OF RESEARCH AND DEVELOPMENT

The Academy of Television Arts and Sciences presented Evertz with **The Philo T. Farnsworth Corporate Achievement Award**. Named after Philo T. Farnsworth the inventor of television, the award honors a company whose contributions over a long period of time have significantly affected the state of television technology and engineering. **Evertz is only the third** recipient of this prestigious award since its inception in 2003. The award is a testament not only to the accomplishments of Evertz research and development, but also to the efforts of our manufacturing, customer support and sales teams.



Broadcast Engineering – Pick Hit for **IntelliTrak™** an innovative technology solution developed by Evertz to address the industry wide problem known as lip sync error. IntelliTrak™ continuously monitors and precisely measures any timing errors between the audio and video content arising via their different transport and processing paths. Together with Evertz VistaLINK® network management system, IntelliTrak™ can automatically respond to correct the timing and eliminate lip sync errors or simply report the measured error to facilitate manual adjustment. This non-intrusive patent-pending technology is ideally suited for mobile applications, broadcast playout facilities, Direct to Home Satellite and IPTV service providers.

AWARDS AND ACHIEVEMENTS (CONTINUED)



TV Technology – Star Award for **StreamLINK™** encoding and decoding technology. The StreamLINK™ family of encoding and decoding products provides high quality compressed signal processing for the transmission of standard definition and high definition video and audio over IP data networks. The high availability and high density of this Evertz engineered solution is well suited for cable TV over IP, replacement of legacy RF and QAM cable systems, digital signage, and remote monitoring applications.



Satis Award – ISatis Trophées – Paris Expo – Best of Show Award for the **HD200 Video PassPort™** which is a compact high performance video and audio conversion, synchronization, routing, monitoring and multi-image display platform. This versatile product was designed for high availability 24/7 operations and is equally suited for analog, digital, HDTV and hybrid facilities. The HD200 is an ideal choice for broadcasters transitioning to DTV and HDTV and with its simple-to-use front panel; it is perfect for electronic news gathering and satellite truck applications.

Building a Company Poised for the Future

We are encouraged by the development of the Company this past year and feel very confident that Evertz is ready to lead in these unsettled economic times and to further differentiate itself when the global economy rebounds.

Evertz recognizes the challenges as well as the opportunities created by the current global economic conditions. The Company is well positioned both structurally and financially to weather these challenges and to seize upon the most compelling opportunities that arise, building upon our solid foundations in research and development and expanding our market position.

Our goal in this economic environment is to continue to deliver the most compelling solutions for our customers. Combining solid execution, proven product management and our vision of industry direction, it is our intention to emerge as a dominant leader in the industry.

We would like to take this opportunity to thank our employees, channel partners, our customers and our shareholders for their ongoing support and look forward to an exciting, successful future.



Douglas A. DeBruin
Executive Chairman



Romolo Magarelli
President & CEO

EVERTZ – THE COMPLETE SOLUTIONS PROVIDER

4



The Company develops, manufactures and markets a broad range of high performance hardware and software products that help broadcasters and television service providers (Cable, Satellite, IPTV) reduce costs, extend their services, generate new revenues as well as transition to and operate in the new digital broadcasting environment. Essential functions that the Company's products perform include the ability to:

- implement HDTV systems;
- deliver television services over telecommunications networks, widely known as IPTV;
- route, distribute, control and monitor video and audio signals throughout large broadcast, telecommunications and government operations;
- migrate from single channel transmission to multi-channel media playout; and
- transition from analog to digital information.

Many of the Company's core products work together in systems. As a result, the sale of one type of product will often lead to sales opportunities for other Evertz' products. The Company's products may be grouped into the following categories:

Infrastructure Equipment

The Company's infrastructure equipment is used across the broadcasting industry for various signal processing, routing and distribution functions, such as conversion from analog to digital, electrical to optical or from standard definition to high definition broadcasting.

Monitoring and Control Equipment

Monitoring and control products enable customers to view, monitor and manage a large number of broadcast signals locally or across their geographically dispersed infrastructure. These products include multi-image display processors for network control centres, and IP monitoring and control products for facility monitoring environments.

Master Control and Branding Solutions

The Company's master control switchers allow a user to assemble programming from multiple input sources. Switching between the sources (e.g. programming and advertising) allows users to perform voice-overs, fades, wipes and a host of other functions. Channel Branding products enable the contemporaneous display of real-time graphics such as station logos, digital clocks and temperature indication.

INFRASTRUCTURE EQUIPMENT

The Company markets interface products that address customers' needs for high quality conversion equipment for digital television and high definition broadcasting systems. These products are used by broadcasting industry participants in the creation and packaging of television content, as well as to carry out numerous signal processing functions, whether it be conversion from analog to digital or from standard definition ("SD") to high definition ("HD"). These interfaces include:

Interfacing and Distribution:

Interfacing and distribution products constitute essential parts of a broadcasting facility. The Company's modular products interface, distribute, convert and switch audio and video signals.

Production and Post-Production:

The Company's line of production and post-production equipment ranges from versatile fiber-optic enabled camera adapter systems, high definition video graticule generators, high quality down-converters, universal film data systems, multi-resolution film post production systems, high definition production metadata encoders through to graphical user interface software, which centralizes control of the film footage related data and provides extensive data management capabilities.

Signal Routing:



Evertz's comprehensive portfolio of high quality routing products includes a wide variety of sizes, signal formats and transmission standards. Management believes the Company's flagship EQX large size routers (3Gb/s) based on telco standards of reliability and using 48v power supplies, are one of the most compact, expandable and robust routing switchers in the industry. It is available in a 26 rack unit (RU) version for 576X576 and a 16RU version for 288X288 inputs and outputs. The EQX large scale routing platform is complemented by the well established and highly successful Xenon range of mid-size routers, which handles up to 128X128 inputs and outputs. The Company's Topaz line of compact routers has been designed to meet the needs of both the broadcast and professional video user. All of these router types can be optionally ordered with full support for 3Gb/s data rate, needed for the 1920X1080p progressive scan television format. Evertz has expanded its routing line to also include a modular series that not only fit into the standard frame/chassis but also exhibit many similar routing and control features as the larger lines. Evertz/Quartz routers are trusted by and integrated into many of the world's major broadcast and telecommunications networks.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis is a review of results of the operations and the liquidity and capital resources of the Company. It should be read in conjunction with the selected consolidated financial information and other data and the Company's consolidated audited financial statements and the accompanying notes contained on SEDAR within our final prospectus. The consolidated financial statements of the Company are prepared in accordance with Canadian GAAP. The fiscal year of the Company ends on April 30 of each year. Certain information contained herein is forward-looking and based upon assumptions and anticipated results that are subject to risks, uncertainties and other factors. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected.

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.

The report is based on information available to management on June 12, 2009.

OVERVIEW

Evertz is a leading equipment provider to the television broadcast industry. Founded in 1966, Evertz designs, manufactures and distributes video and audio infrastructure equipment for the production, post-production, and transmission of television content. The Company's solutions are purchased by content creators, broadcasters, specialty channels and television service providers to enable and enhance the transition to a complex multi-channel digital and HDTV broadcast environment. The Company's equipment allows customers to generate additional revenue while reducing costs through the more efficient distribution and management of content as well as the automation of previously manual processes.

The Company entered fiscal 2009 with a growth strategy dedicated to capitalizing on its strong customer position and innovative integrated product line. The Company's financial objectives were to achieve profitable growth with its existing customers and with new customers who were converting to HDTV, building out IPTV infrastructures, or in need of advanced solutions for traditional broadcasting facilities.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered particularly significant:

Revenue Recognition

Revenue is derived from the sale of equipment and services. Revenue is recognized upon shipment, provided the title to the goods is transferred to customers, persuasive evidence of an arrangement exists, there are no significant uncertainties surrounding product acceptance and collectibility is reasonably assured.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly and partially owned subsidiaries and inter-company transactions and balances are eliminated on consolidation.

AUDITORS' REPORT

To the Shareholders of Evertz Technologies Limited

22

We have audited the consolidated balance sheet of Evertz Technologies Limited as at April 30, 2009 and the consolidated statement of earnings, retained earnings, comprehensive income and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at April 30, 2009 and the results of its operations and its cash flows for the fiscal year then ended in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements as at April 30, 2008 and for the year then ended were audited by other auditors, who expressed an opinion without reservation on those statements in their report, dated May 30, 2008.



Chartered Accountants
Licensed Public Accountants

Burlington, Ontario

June 17, 2009

CONSOLIDATED BALANCE SHEETS

As at April 30,

(In thousands of dollars)	2009	2008
ASSETS		
Current assets		
Cash	\$ 81,376	\$ 10,195
Short-term investments (note 3)	32,644	85,348
Accounts receivable	53,144	40,578
Inventories (note 4)	86,518	53,760
Future income taxes (note 7)	2,197	2,762
	\$ 255,879	\$ 192,643
Capital assets (note 5)		
Future income taxes (note 7)	43,145	\$ 24,082
	-	2,119
Intangibles (note 2 and 6)	3,063	1,096
Goodwill (note 2)	14,359	639
	\$ 316,446	\$ 220,579
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 32,529	\$ 17,560
Income taxes payable	5,303	10,936
Current portion of long term debt (note 8)	1,508	-
	\$ 39,340	\$ 28,496
Long term debt (note 8)		
	\$ 3,519	\$ -
Deferred credit	-	2,281
Future income taxes (note 7)	3,282	612
	\$ 46,141	\$ 31,389
Non-controlling interest		
	1,929	970
SHAREHOLDERS' EQUITY		
Capital stock (note 9)	\$ 48,261	\$ 45,687
Contributed surplus (note 9)	6,769	3,384
Accumulated other comprehensive loss (note 9)		
	(1,403)	(381)
Retained earnings	214,749	139,530
	\$ 213,346	\$ 139,149
	268,376	188,220
	\$ 316,446	\$ 220,579

See accompanying notes to the financial statements.