



EVERTZ TECHNOLOGIES LIMITED

ANNUAL INFORMATION FORM

For the fiscal year ended April 30, 2007

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EVERTZ TECHNOLOGIES LIMITED

INFORMATION INCORPORATED BY REFERENCE

Certain of the information contained in this Annual Information Form (AIF) may be found in other documents filed by us with Canadian securities regulators, including our 2007 Management's Discussion & Analysis and 2007 Annual Financial Statements, which are documents we make available via SEDAR and which can be accessed at www.sedar.com. See also the section in this AIF entitled "Additional Information".

Unless otherwise noted, the information contained in this AIF is given as at April 30, 2007. Unless otherwise noted or the context otherwise indicates, "Evertz", the "Company", "we", "us", "our" and "our company" refers to Evertz Technologies Limited and its direct and indirect subsidiaries. Unless otherwise indicated, all dollar amounts in this AIF are expressed in Canadian dollars.

FORWARD-LOOKING STATEMENTS

Certain statements in this AIF, particularly statements regarding future economic performance and finances, plans, expectations and objectives of management, are "forward-looking" statements which reflect the Company's current views with respect to future events and financial performance. When used in this AIF, such forward-looking statements use words such as "may", "will", "expect", "believe", "anticipate", "plan", "intend", "estimate", "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, including, but not limited to, the factors discussed under "Risk Factors" and in other sections of this AIF.

Many of the factors that will determine the Company's future results, performance or achievements are beyond its ability to control or predict. The Company cannot assure investors that actual results will be consistent with the forward-looking statements in this AIF and investors are cautioned not to put undue reliance on any forward-looking statements.

The forward-looking statements appearing in this AIF reflect current expectations regarding future events and operating performance and speak only as of the date of this AIF. The Company and the Underwriters disclaim any intention or obligation to publicly update or revise any forward-looking statements after they distribute this AIF, whether as a result of new information, future events or other circumstances, except as may be required pursuant to applicable securities laws.

CORPORATE STRUCTURE

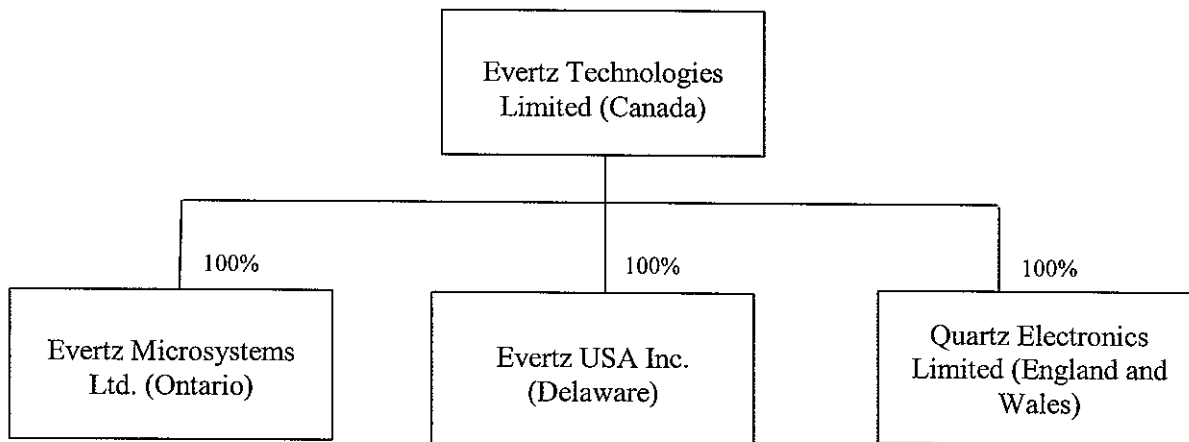
Name, Incorporation and Facilities

Evertz Technologies Limited was incorporated under the name Evertz Microsystems Inc. under the *Canada Business Corporations Act* by certificate of incorporation dated May 28, 1981. Evertz Microsystems Ltd., the principal wholly-owned operating subsidiary of Evertz Technologies Limited, was incorporated under the name DynaQuip Electron Devices Limited under the laws of the Province of Ontario by letters patent dated July 29, 1966 and became a wholly-owned subsidiary of Evertz Technologies Limited in 1983 by way of share exchange.

Evertz Technologies Limited's current authorized share capital consists of an unlimited number of Common Shares without par value and an unlimited number of preference shares ("Preference Shares"), issuable in one or more series.

The Company's head and registered office is at 5288 John Lucas Drive, Burlington, Ontario, Canada, L7L 5Z9 and its telephone number is (905) 335-3700. The Company also maintains offices in Washington, D.C. (United States), Los Angeles (United States), Reading (United Kingdom) and Hong Kong. The Company's corporate website is www.evertz.com. The information contained on the website is not incorporated by reference into this document.

The Company conducts business through Evertz Microsystems Ltd. and the other material operating subsidiaries of Evertz Technologies Limited set out in the chart below, each of which is wholly-owned, directly, by the Company.



GENERAL DEVELOPMENT OF THE COMPANY

Overview

Founded in 1966, Evertz is a leading equipment provider to the television broadcast industry. Evertz designs, manufactures and markets 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 support their increasingly complex multi-channel digital and HDTV broadcast environments and by telecommunications companies to roll-out IPTV. 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.

The Company made early research and development investments to establish itself as a leading supplier to the television broadcast industry and address the industry's ongoing transition to digital technology and HDTV infrastructure. The Company has maintained its track record of rapid innovation and is an early leader in the expanding IPTV market. The Company is committed to maintaining its leadership position, and as such, a significant portion of the Company's staff is focused on research and development to ensure that the Company's products are at the forefront of the industry. This commitment contributes to the Company being consistently recognized as a leading broadcast equipment industry innovator by its customers.

Three Year History

Evertz' innovative product offering and commitment to its customers enabled it to grow profitably throughout the past three years. Over the three fiscal years ended April 30, 2007, the Company's sales grew from approximately \$65 million to \$ 201 million, representing a compound annual growth rate ("CAGR") of approximately 46%, while its adjusted earnings before tax grew from approximately \$24 million to \$84 million, representing a CAGR of approximately 52%.

With the acquisition of United Kingdom-based Quartz Electronics Limited ("Quartz") in October 2005, the Company augmented its portfolio of media playout products with master control products, which enable broadcasters to switch between multiple sources such as programming and advertising, and other high performance routing products.

The Company has made investments of \$15.9 million, \$10.7 million and \$9.1 million in the aggregate for research and development during fiscal 2007, fiscal 2006 and fiscal 2005, respectively. As the Company continues to grow, the Company expects to add further software and networking specialists to its research and development team.

In June 2006 we completed an initial public offering and secondary offering. The company generated approximately \$42.5 million including the over allotment option but excluding funds from the secondary offering. Following completion of our initial public offering our common shares were listed on the Toronto stock exchange under the symbol ET.

Growth Strategy

We provide high performance hardware and software equipment to broadcasters, specialty channels and television service providers enabling them to streamline their operations, improve their productivity and enhance their on-air presentation. Our objective is to be a leader in multiple key growth sub-segments of the broadcast equipment industry. We seek to achieve and sustain market leadership through:

Broaden Product Offering through Rapid Product Innovation

Many customers are demanding more complete and integrated solutions, and are seeking to reduce the number of vendors with whom they deal. Management believes that the Company has a track record of rapidly bringing product innovation to market by working with customers to determine their future needs and by integrating new technologies. The Company intends to continue developing new products with increasing functionality and performance, thereby expanding its product line and further solidifying the Company's position as a key supplier of broadcast solutions.

Focusing on Market Growth Opportunities

The Company will continue to target its sales and product development resources towards the growth opportunities arising from the transition to digital and HDTV broadcasting formats, the deployment of IP-based technology by new television service providers such as telecommunications companies to deliver video content and the development of multi-channel facilities.

Expanding Global Sales and Distribution Capabilities

The Company plans to continue to expand its direct sales force to strengthen the Company's relationships with its customer base and to increase repeat sales. The Company intends to leverage its relationships with its distributor network and with systems integrators to increase the Company's global sales and distribution capabilities.

Pursue Selective Acquisitions which Leverage Evertz Market Presence

The Company has and will selectively consider opportunities to broaden and enhance its product and market scope through acquisitions. The Company's growth has been primarily organic, with the exception of our acquisition of Quartz, which expanded the breadth of the Company's high performance routing and master control systems for the broadcast market and increasing its worldwide HDTV presence.

Industry Drivers

Management plans to continue the Company's growth by capitalizing on the following industry drivers that are causing content creators, broadcasters, specialty channels and television service providers to upgrade their equipment:

- global transition to digital television ("DTV") and HDTV, driven by an increasing availability of high-definition programming, declining prices for HDTV sets, and the establishment of regulatory deadlines for analog-to-digital conversion;

- introduction of IPTV services by telecommunications companies, which are in the initial phases of deploying television infrastructure as a competitive response to cable companies which are now providing traditional telephony services;
- consolidation of broadcasting facilities as companies attempt to reduce costs and achieve greater economies of scale; and
- emerging markets and the adoption of HDTV and IPTV in markets such as China.

Management believes that broadcasters will continue to choose the Company's products because of its reputation for innovation and reliability. The Company's products are used at some of the most advanced broadcasting facilities, including ESPN's 120,000 square foot state-of-the-art facilities in Bristol, Connecticut and DirecTV's broadcast centre in Los Angeles, California.

To respond to the growing international demand for its products, the Company has been actively increasing its direct presence in key markets around the world. This allows the Company greater control over relationships with end-users and leading systems integrators. The Company currently has sales offices in Canada, the United States and the United Kingdom in addition to a worldwide network of distributors and dealers.

The Company's strategy is to establish and sustain market leadership in key industry growth segments through rapid product innovation as well as extending the breadth of its product line and market reach, both organically and through selective acquisitions.

NARRATIVE DESCRIPTION OF OUR BUSINESS

Evertz' Solutions

The Company develops, manufactures and markets a broad range of high performance hardware and software products that help broadcasters and television service providers 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;
- monitor, control, route and distribute 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 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. They are also used to carry out numerous signal processing functions, whether it be conversion from analog to digital or from standard definition ("SD") to high definition ("HD"). The 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 the KEYLOG TRACKER graphical user interface software which centralizes control of the film footage related data and provides extensive data management capabilities.
- ***Signal Routing:*** Evertz, together with Quartz, has developed a comprehensive portfolio of high quality routing products, which includes a wide variety of sizes, signal formats and transmission standards. Management believes the Company's flagship EQX large size routers (3G) 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. Available in a 26RU version for

576X576 and a 16RU version for 288X288 inputs and outputs, the EQX follows in the footsteps of 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 now be optionally ordered with full support for 3Gbs data rate, needed for the anticipated 1920X1080p progressive scan television format. Evertz/Quartz routers are trusted by and integrated into many of the world's major broadcast and telecommunications networks.

- **FacilityLINK Fiber Optic Platform:** Evertz has introduced a comprehensive set of fiber optic conversion and transmission products for video, audio, control and telecommunication applications. The modular line of products fit into standard Evertz rack frames and can be mixed with other non-fiber equipment. In general, fiber optic transmission has many advantages over conventional copper wiring such as the ability to build much longer point-to-point links using fiber (up to several kilometres), the data carrying capacity is much higher, it is free from electromagnetic interference and optical fiber is lighter and occupies less space than conventional wiring. These advantages are frequently key requirements for applications including:
 - facility and studio linking;
 - metropolitan links;
 - studio to transmitter links;
 - outdoor or remote event connection; and
 - low cost signal aggregation.

Monitoring and Control Equipment

The Company's monitoring and control products enable customers to efficiently view and monitor a large number of television signals in a customer's broadcast facility. The primary products in this category are Evertz' multi-image video processors and monitoring and control products.

- **Multi-image Video Processors:** In response to broadcasters' needs to build large monitor walls to simultaneously view a large number of video signals, the Company has introduced its multi-image video processor ("MVP") that allows the use of large scale multi-image displays. Management believes the Company's MVP leads the multi-display marketplace with a highly flexible, intuitive, yet comprehensive approach to video wall display and signal monitoring applications. Management believes the most advanced and comprehensive multi-display and signal monitoring system is realized with MVP, which has the following features:
 - hardware based solutions with no on board personal computers;
 - no failure-prone mechanical hard-drives;
 - simple real-time operating systems;
 - a modular, expandable, non frame-based; and

- true Hot-swappable, front accessible input and output modules.
- **Network Management Products:** Evertz' VistaLINK simple network management protocol ("SNMP") application communicates with Evertz' products and with selected other third party products, to provide real time configuration and monitoring. VistaLINK provides a complete, uncomplicated and cost-effective network monitoring and configuration solution. It is also an effective local and remote monitoring tool for both incoming and departing signals at strategic locations throughout a video network enterprise.

Master Control and Branding

The Company's master control switchers allow users to assemble program streams and insert interstitials such as advertising and promotions for upcoming programs. Switching between the sources (e.g. programming and advertising) allows users to perform voice-overs, wipes, fades, fades to black and a host of other functions.

Channel Branding products allow users to create a consistent and unique look in order to brand or differentiate their content from that of their competition and to ensure that their content will not be rebroadcast without consent. The Company's products enable the simultaneous display of graphics such as station logos, digital clocks, date logos, temperature logos, text teasers and information crawls.

- **Master Control Systems:** Master control is the heart of a broadcast facility. Traditional demands for reliability, signal protection, and serviceability continue to be essential. Evertz' master control family of products offers a unique approach to master control. With many options and a broad selection of configurable control panels, master control systems can be assembled to meet any size requirements as systems can scale from a single channel up to complex multi-channel installations. Evertz' master control family of products can be easily controlled under automation or with familiar manual control panels, such as the new QMC-CP, recently developed by Evertz and Quartz engineers with input from master control operators in major television networks.
- **Channel Branding Equipment:** The Company's Channel Branding systems are capable of inserting one or many static or animated graphics over their respective video signals. Systems are available for analog, serial digital and high definition. The Company's Channel Branding equipment is designed to manage and store multiple logos, the size of each logo can range from 1/25th to full screen. The position of the logo, fade rates and animation rates are user controllable and audio enabled units can also simultaneously insert a digitally stored audio clip. The onboard preview allows users to cue their logos for position and content verification prior to going "on air". The Company's equipment may also be used to create text crawls which are used for announcing upcoming programming and breaking news items.

IPTV Solutions

Management believes that the Company has one of the most comprehensive suites of products for IPTV Headends, network/video operation centres and video Hub offices. Evertz is relied upon by its customers as a leading supplier of equipment and solutions for IPTV applications. The Company's products include solutions for:

- signal and content ingest – satellite, terrestrial and fiber;

- redundancy and protection switching;
- signal conversion and processing;
- signal distribution and routing;
- multi-image display walls;
- comprehensive local and remote signal monitoring; and
- thumbnails and streaming over IP.

Along with the MVP and VIP multi-input display processors, Evertz offers a wide selection of 100% SNMP-enabled signal distribution, video and audio processors, converters, frame synchronizers, HD/SD routers and fiber equipment for IPTV deployments. VistaLINK PRO and VistaLINK PRO PLUS unify Evertz' SNMP-enabled equipment and other third party modules.

Through Evertz' VistaLINK, thousands of network nodes can be monitored and configured world-wide via SNMP. VistaLINK PRO and VistaLINK PRO PLUS unite SNMP-based equipment from Evertz and other equipment suppliers beyond providing monitoring and configuration capabilities for mission critical needs. Management believes VistaLINK is one of the most complete and comprehensive of all SNMP-based signal monitoring and equipment configuration solutions.

Competition

The Company competes with a large number of companies in the broadcast equipment market. Competitors vary in size, product breadth, market expertise and geographic presence. Most competitors are relatively small in size and focus on specific sub-segments of the overall market, while others – typically divisions of large conglomerates – may have a broader product offering. Competition is based on a number of factors, including product innovation and development, reliability of product performance, breadth of product line, service and support, market presence and price. The Company competes with different companies across its product categories. Its principal competitors include:

- Thomson S.A., France;
- Harris Corporation, United States;
- Miranda Technologies Inc. (Canada);
- Pro-Bel Ltd. (United Kingdom);
- Sony Corporation (Japan).

Although some of these competitors are larger and better capitalized than Evertz, management believes that the Company's commitment to innovation and customer service allow it to compete effectively.

Sales, Marketing and Distribution

The Company sells primarily to technically sophisticated customers on the basis of product performance and features. The sales team is organized by geographical territory and product specialty, and targets major networks, multi-channel facilities and centralized broadcasting opportunities. The team sells directly to end-users and to broadcast industry systems integrators. The Company also uses distributors primarily in international and smaller North American markets. The distributors are experienced industry experts, familiar with the equipment and their local customer base.

Manufacturing

The Company designs, assembles, manufactures, develops, tests, packages and ships its products from its facilities located in Burlington, Ontario and Reading, United Kingdom. The majority of the Company's products are designed and manufactured in Burlington with the exception of master control and routing products which are designed and assembled primarily at the Company's Reading facility. The Company performs most of the critical manufacturing related functions in-house, including final integration and testing. An in-house surface mount facility in Burlington performs most of the Company's board assembly.

Suppliers

The Company's principal suppliers are manufacturers of discrete electronic components, such as Gennum Corporation, and component distributors, such as Arrow Electronics Canada Ltd., Avnet International (CA) Ltd. and Future Electronics Inc. The Company cooperates with component manufacturers in order to obtain advanced information on their technological developments. In designing its equipment, the Company attempts to procure components from a number of alternate suppliers wherever possible.

Research and Development

The Company believes that research and development is a principal competitive advantage in its industry and that much of the Company's future success will depend on its ability to maintain its technological leadership by:

- identifying and responding to emerging technological trends in the industry and the Company's target sectors;
- designing, developing and maintaining competitive solutions to respond to end-users' changing needs; and
- enhancing the Company's existing products by improving performance and adding features and functionality to meet specific end-user requirements thereby differentiating its products from those of its competitors.

The Company's research and development organization incorporates detailed feedback from its sales, and service departments, as well as from its end-users, to improve the Company's products. The Company also continuously improves its product designs in an effort to lower manufacturing costs.

Key Industry Drivers

The rapidly growing sub-markets of the larger broadcast equipment that we address are driven by key industry trends such as:

High Definition Television

Network operators have begun offering HDTV programming, which offers greater resolution than standard definition digital video. HDTV is typically delivered in a wide-screen format and may be accompanied by digital surround-sound. Consumer demand for the superior quality of the HDTV viewing experience has led to a rapid expansion of HDTV programming offered by network operators and to increased sales of HD-compatible television sets.

HDTV is quickly moving into the homes of an increasing number of television viewers. While the U.S. and Japan are leading the transition to HDTV, the trend is increasingly becoming a global one. The drivers of HDTV adoption include a number of factors, such as:

- Declining HDTV set prices;
- Increasing availability of HDTV content;
- Local broadcasters making HDTV content available to viewers; and
- Plans by Satellite and Cable operators to offer more HDTV local channels.

The production of and demand for HDTV programming is steadily increasing and prices for DTVs are steadily falling.

A significant number of major sporting events are now broadcast in HDTV including the Fifa World Cup, Fifa U20 World Cup (held recently in Canada) Superbowl, NCAA Basketball Tournament and UEFA Champions League Final along with most NFL, MLB and NBA games. The Summer Olympics in China in 2008 are scheduled to be broadcast in HDTV and are expected to provide a further catalyst for HDTV adoption worldwide.

The increase in consumer adoption of HDTV is expected to continue to motivate broadcast networks and other television service providers to invest in HDTV infrastructure. While a majority of U.S. networks are involved in HDTV production and are broadcasting in HDTV, most network affiliates have only made investments to pass through the network's HDTV feed when available. With HDTV audiences growing, local affiliates are also increasingly making the decision to upgrade their broadcast facilities to implement HDTV. News programming at the local affiliate level is in the initial stages of deployment and is expected to grow over the next 12 months.

The bandwidth requirements of HDTV have typically limited the amount of local HDTV programming cable operators and satellite providers have offered to subscribers. Many satellite providers are currently upgrading their networks to a new compression standard (MPEG4), which offers approximately twice the channel carrying capacity as the old standard (MPEG2). The cable industry is expected to adopt the MPEG4 compression standard as well.

Digital Television and Information Technology Standards

The broadcast industry is benefiting from a range of new digital and information technologies that are enhancing many aspects of television production, playout and delivery. For instance, new generations of cameras and editing systems are reducing cost and time of program production by streamlining workflow. New content storage and network distribution systems are improving media management, and new control technologies are improving multi-facility monitoring.

The global transition to digital television transmission is enabling broadcasters to transmit multiple, higher quality television channels in the bandwidth previously needed for a single analog channel. Digital technologies are also assisting in the roll-out of interactive, pay per view, mobile TV and video-on-demand television services. Together, these developments can expand the range of broadcasters' services and revenues; both key drivers for broadcast equipment investment.

Television Service Providers' Reach into Production and Broadcasting

According to the Consumer Electronics Association, nearly 87% of US homes are now serviced by television service providers, as opposed to "over the air" broadcast networks. As the delivery of content from creators to viewers becomes simpler and more cost efficient, television service providers are increasingly able to migrate into program creation by dealing directly with specialty channels and media groups, services traditionally performed by broadcasters. This broadening of activities to strengthen revenues requires additional spending on broadcast equipment.

Telecommunication Companies' Entrance into the Television Delivery Market

Telecommunications companies worldwide are, in many cases, making large investments in broadcasting equipment for IPTV, along with their established telephone and internet services. This expansion of services is often aimed at completing directly against cable companies, which themselves are expanding into local telephone services, in many cases.

In the United States, significant telecommunications companies, such as SBC and Verizon, are in the process of deploying large IPTV systems. Many small telecommunications companies have deployed IPTV with over 40% penetration in some communities. In Asia, telecommunications companies have been successful at implementing IPTV in Hong Kong, Japan, Taiwan and South Korea. In Western Europe, where the penetration of IPTV is expected by Screen Digest to be the highest, a number of telecommunications companies are innovating with new services over IPTV, such as video-on-demand, pay-per-view and gaming.

Centralized Broadcasting Facilities and Increasing Number of Channels

The increasing competition in the broadcast industry is driving consolidation of major broadcasters. A key development is the centralization of many core broadcast functions in order to achieve economies of scale. This change in the broadcast workflow model has stimulated the purchase of a new generation of broadcast equipment that is better adapted to highly automated, more centralized, multi-channel operations.

Large media conglomerates, such as ABC/Disney and NBC Universal, are forming "station groups" seeking to find synergies between TV, radio, print and Internet. These changes result in a physical consolidation of broadcast facilities. Digital technology enables this consolidation by making it possible

to operate complex multi-channel services from one site. This presents a substantial opportunity for broadcast equipment providers to supply complex systems to enable these multi-channel sites.

Emerging Markets

Deregulation and the growth of emerging markets present important additional opportunities in the broadcast equipment industry. China is a rapidly growing market that is beginning to adopt HDTV, IPTV and other digital standards.

China is installing HDTV infrastructure and is making the transition to digital radio and television prior to the 2008 Olympic Games. China's cable television industry is one of the most promising markets in the world. The Company expects the Chinese central, provincial, and municipal cable television stations to upgrade their networks within the next several years, providing a significant opportunity for broadcast equipment providers.

Employees

The Company focuses on identifying, attracting and retaining talented, highly motivated, customer-focused, team-oriented employees to support its growth. Management views the Company's employees as an important competitive advantage. Historically, the Company has been highly successful in retaining its key employees, including members of management, by placing a high priority on creating and fostering a rewarding, stimulating and secure work environment. As of April 30, 2007, the Company employed 599 people.

Foreign Operations

We currently have operations in Canada, U.S., U.K. and Hong Kong.

Intellectual Properties

In accordance with industry practice, the Company protects its proprietary product rights through a combination of patent, copyright, trade-mark and trade secret laws and contractual provisions.

Patent law offers some protection for the Company's current and future products. The Company maintains an active program regarding patent protection for novel elements of its products to improve the Company's competitive position. The Company's patent portfolio includes seven patent families. Two of these patent families include issued U.S. patents and Canadian patent applications. The remaining five patent families include U.S. or Canadian patent applications with the right to file in both countries.

The source code for the Company's software products and proprietary software embedded in its hardware products is protected under trade secret law and as unpublished copyrighted works. The Company recognizes, however, that effective copyright protection may not be available in some countries in which it distributes its products.

It is the Company's general practice to enter into confidentiality and non-disclosure agreements with its, consultants, manufacturers, channel partners and others to attempt to limit access to and distribution of its proprietary information. In addition, the Company licenses the use of its software products to its end-users and channel partners. These licenses, among other things, contain terms and conditions prohibiting the unauthorized reproduction, disclosure, reverse engineering or transfer of the Company's software products. In addition, the Company relies on agreements with end-users, manufacturers, suppliers, channel partners, employees and consultants in an attempt to protect its proprietary information.

Regulatory Environment

The Company's target markets are regulated by the Federal Communications Commission ("FCC") in the United States and by the Canadian Radio Television and Telecommunications Commission ("CRTC") in Canada. Many markets around the world have similar regulatory bodies. These agencies set policies governing the content and transmission of television broadcasting. In the United States, the FCC has mandated a transition to digital signal transmission.

The Company's operations are also subject to a variety of federal, provincial and local environmental laws and regulations. Such laws and regulations relate to, among other things, the discharge of contaminants into water and air and onto land, the disposal of waste, and the handling, storage and transportation of hazardous materials. The Company uses a limited amount of hazardous materials in its operations and management believes that the Company has conducted and is conducting its business in compliance with all applicable environmental laws in all material respects. In particular, the Company has taken steps to comply with Waste Electrical and Electronic Equipment ("WEEE") and Reduction of Hazardous Substances ("RoHS") Directives in the European Union. The Company has developed new products and redesigns existing products as needed to eliminate lead solders where required by the RoHS Directive, which became effective in July 2006. The Company expects to discontinue selling products containing lead in all markets when their lead-free replacements become available and the noncompliant inventory is depleted. See "Risk Factors".

The Company's products are also subject to standards set by industry groups such as the SMPTE (Society of Motion Picture and Television Engineers), ATSC (Advanced Television Systems Committee), EBU (European Broadcast Union) and AES (Audio Engineering Society). While not legally binding, these standards are generally accepted by the industry and are followed as a matter of practice.

Although the Company's products are not normally designed for general consumer use, the Company has taken the extra step of securing approval from Underwriters Laboratories Inc., Canadian Standards Association and Conformité Européene for most of its products.

RISK FACTORS

The Company is exposed to a variety of risks in the normal course of operations that could significantly affect our performance and could cause our actual results to differ in material respects from our anticipated results. These risks are discussed below and are in addition to those outlined elsewhere in this Annual Information Form and in our filings with the Canadian securities regulatory authorities, including management's discussion and analysis of financial condition and results of operations for the year ended April 30, 2007, available on SEDAR at www.sedar.com.

Risks Related to Us and Our Business

Failure to manage the Company's growth successfully may adversely impact its operating results

The growth of the Company's operations places a strain on managerial, financial and human resources. The Company's ability to manage future growth will depend in large part upon a number of factors, including the ability of the Company to rapidly:

- Build a network of channel partners to create an expanding presence in the evolving marketplace for the Company's products and services in North America and around the world;
- Build a sales team to keep end-users, distributors and systems integrators informed regarding the technical features, issues and key selling points of its products and services;
- Attract and retain qualified technical personnel in order to continue to develop reliable and flexible products and provide services that respond to evolving customer needs;
- Develop support capacity for end-users as sales increase, so that the Company can provide post-sales support without diverting resources from product development efforts; and
- Expand the Company's internal management and financial controls significantly, so that the Company can maintain control over its operations and provide support to other functional areas as the number of personnel and size increases.

The Company's inability to achieve any of these objectives could harm the Company's business, financial condition and results of operations.

The Company may infringe on the intellectual property rights of others

The Company's commercial success depends, in part, upon the Company not infringing intellectual property rights owned by others. A number of the Company's competitors and other third parties have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by the Company in its products. Some of these patents may grant very broad protection to the owners of the patents. The Company cannot determine with certainty whether any existing third party patents or the issuance of any third party patents would require it to alter its technology, obtain licenses or cease certain activities. The Company may become subject to claims by third parties that its technology infringes their intellectual property rights due to the growth of products in the Company's target markets, the overlap in functionality of these products and the prevalence of products. The Company may become subject to these claims either directly or through indemnities against these claims that it routinely provides to its end-users and channel partners.

The Company has received, and may receive in the future, claims from third parties asserting infringement and other related claims. Litigation may be necessary to determine the scope, enforceability and validity of third party proprietary rights or to establish the Company's proprietary rights. Some of the Company's competitors have, or are affiliated with companies having, substantially greater resources than the Company and these competitors may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than the Company. Regardless of their merit, any such claims could:

- Be time consuming to evaluate and defend;
- Result in costly litigation;
- Cause product shipment delays or stoppages;
- Divert management's attention and focus away from the business;
- Subject the Company to significant liabilities;
- Require the Company to enter into costly royalty or licensing agreements; and/or
- Require the Company to modify or stop using the infringing technology.

The Company's quarterly revenue and operating results can be difficult to predict and can fluctuate substantially, which may harm its results of operations

The Company's revenue is difficult to forecast and is likely to fluctuate significantly from quarter to quarter. In addition, the Company's operating results may not follow any past trends. The factors affecting the Company's revenue and results, many of which are outside of its control, include:

- Competitive conditions in the industry, including strategic initiatives by the Company or its competitors, new products or services, product or service announcements and changes in pricing policy by the Company or its competitors;
- Market acceptance of the Company's products and services;
- The Company's ability to maintain existing relationships and to create new relationships with channel partners;
- The discretionary nature of purchase and budget cycles of the Company's end-users and changes in their budgets for, and timing of, purchases of television broadcast related equipment;
- The length and variability of the sales cycles for the Company's products;
- Strategic decisions by the Company or its competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;

- General weakening of the economy resulting in a decrease in the overall demand for television broadcast equipment; and/or
- Timing of product development and new product initiatives.

Because the Company's quarterly revenue may be dependent upon a relatively small number of transactions, even minor variations in the rate and timing of conversion of its sales prospects into revenue could cause it to plan or budget inaccurately, and those variations could adversely affect its financial results. Delays, reductions in the amount or cancellations of end-users' purchases could adversely affect the Company's business, results of operations and financial condition.

The Company faces intense competition and if it does not compete effectively, its revenue may not grow and could decline

The Company has experienced, and expects to continue to experience, intense competition from a number of companies. The Company's competitors may announce new products, services or enhancements that better meet the needs of end-users or changing industry standards. Further, new competitors or alliances among competitors could emerge. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Several of the Company's competitors and potential competitors have significantly greater financial, technical, marketing or service resources than the Company. Several of these companies also have a larger installed base of products, have longer operating histories or have greater name recognition than the Company.

The industry in which the Company operates is characterized by rapid technological changes, and the Company's continued success will depend upon its ability to react to such changes

The markets for the Company's products are characterized by rapidly changing technology, evolving industry standards and increasingly sophisticated customer requirements. The introduction of products embodying new technology and the emergence of new industry standards can render the Company's existing products obsolete and unmarketable and can exert price pressures on existing products. The success of the Company is dependent upon its ability to be able to anticipate and react quickly to changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products on a timely basis. The Company cannot give assurance that it will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render the Company's products obsolete. The Company's inability to develop products that are competitive in technology and price and that meet end-user needs could have a material adverse effect on the Company's business, financial condition or results of operations.

Ability to protect the Company's intellectual property

If the Company's intellectual property is not adequately protected, the Company may lose its competitive advantage. The Company's success depends in part on its ability to protect its rights in its intellectual property. The Company relies on various intellectual property protections, including patents, copyright, trademark and trade secret laws and contractual provisions, to preserve its intellectual property rights.

Despite these precautions, it may be possible for third parties to obtain and use the Company's intellectual property without its authorization. Policing unauthorized use of intellectual property is difficult, and some foreign laws do not protect proprietary rights to the same extent as the laws of Canada, the United States or the United Kingdom.

To protect the Company's intellectual property, the Company may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays, materially disrupt the conduct of the Company's business or adversely affect its revenue, financial condition and results of operations.

The Company's margins and operating results may be adversely affected if it is required to change its pricing models to compete or due to higher costs of production

The intensely competitive market in which the Company conducts its business may require it to reduce its prices. If the Company's competitors offer deep discounts on certain products or services in an effort to recapture or gain market share or to sell other products and services, the Company may be required to lower prices or offer other favourable terms to compete successfully. Any such changes would reduce the Company's margins and could adversely affect the Company's operating results.

The Company's ability to recruit and retain management and other qualified personnel is crucial to its ability to develop, market, sell and support its products and services

The Company depends on the services of its key technical, sales, marketing and management personnel. The loss of any of these key persons could have a material adverse effect on the Company's business, results of operations and financial condition. The Company's success is also highly dependent on its continuing ability to identify, hire, train, motivate and retain highly qualified technical, sales, marketing and management personnel. Competition for such personnel can be intense, and the Company cannot provide assurance that it will be able to attract or retain highly qualified technical, sales, marketing and management personnel in the future. The Company's inability to attract and retain the necessary technical, sales, marketing and management personnel may adversely affect its future growth and profitability. It may be necessary for the Company to increase the level of compensation paid to existing or new employees to a degree that its operating expenses could be materially increased.

Reliance on manufacturing and assembly facilities

The Company's revenues are dependent on the continued operations of its manufacturing and assembly facilities. The operation of the Company's manufacturing and assembly facilities in Ontario involves some risks, including the failure or substandard performance of equipment, natural disasters, delays in obtaining raw production materials and components, plant shutdowns and labour disruptions. The Company does not generally carry a large inventory of finished products, and therefore any significant interruption in production could have a material adverse effect on its business, financial condition and results of operations.

Ability to manage product obsolescence

As the Company develops new products, many of its older products will reach the end of their operating life. As the Company discontinues the manufacturing and sale of these older products, it must manage the liquidation of inventory, supplier commitments and customer expectations. If the Company is unable

to properly manage the discontinuation of these older products, this could have a material adverse effect on the Company's business, financial condition and results of operations.

Product defects could adversely affect the Company's business

If any of the Company's products prove defective, the Company may be required to redesign or recall such products. A redesign or recall may cause the Company to incur significant expenses, disrupt sales and adversely affect its reputation and products, any one or a combination of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Warranty and Product liability claims

The Company provides product warranties that typically run for one year and the Company offers its customers the opportunity to purchase extended warranties. If the Company's products fail to perform as warranted and the Company is unable to resolve product quality or performance issues in a timely manner, the Company may lose sales or be forced to pay damages. In addition, because the Company's products are sold and marketed in different countries, the products must function in and meet the requirements of many different broadcast and communication environments and be compatible with various broadcast and communication systems and products. Any failure of the Company's products to meet these requirements could have a negative impact on sales and a material adverse effect on the Company's business, results of operations and financial condition. Further, there is a risk that customers may uncover latent defects in the Company's products that were not apparent at the time the product was sold. This type of defect may be discovered before or after the warranty period has expired. Performance failure due to a defect may cause loss of customers, damage to the Company's reputation for delivering high-quality products, delay in or loss of market acceptance, additional warranty expense or costs associated with product recall.

Reliance on third party suppliers

The Company relies on third-party suppliers, in some cases sole suppliers or limited groups of suppliers, to provide the Company with materials and components necessary for the manufacture of its products. As a result of worldwide demand for and shortage of components, some suppliers have from time to time limited the number of components the Company may purchase. If the Company is unable to obtain sufficient allocations of these components, its production and shipment of products will be delayed, it may lose customers and its profitability will be affected. Reliance on suppliers also reduces the Company's control over production costs, delivery schedules, reliability and quality of materials. Any inability to obtain timely deliveries of quality materials, or any other circumstances that would require the Company to seek alternative suppliers, could adversely affect the Company's ability to deliver products to its customers. In addition, the Company regularly outsources limited aspects of the manufacturing of its products to contract manufacturers and a significant increase in the price of the services provided by these manufacturers, or delays in their deliveries, could have a material adverse effect on the Company's business, financial condition and results of operations.

The timing and nature of regulatory rulings may result in unforeseen variability in revenues and operations

The broadcasting and communications industries are regulated by the Federal Communications Commission in the United States, the Canadian Radio-Television and Telecommunications Commission in Canada and by similar regulatory bodies throughout the world. These agencies have made rulings in

recent years relating to the adoption of new standards for broadcasters. The timing and nature of these rulings may impact the equipment purchased by broadcasters and telecommunications companies, which may result in the Company experiencing unforeseen variability in revenues and operations results.

Transfer pricing

The Company conducts business operations in various jurisdictions and through legal entities in Canada, the United States, and the United Kingdom. The Company and certain of its subsidiaries provides products and services to, and may from time to time undertake certain significant transactions with, other currently existing or new subsidiaries in different jurisdictions. The tax laws of these jurisdictions, including Canada, have detailed transfer pricing rules which require that all transactions with non-resident related parties be priced using arm's length pricing principles and that contemporaneous documentation must exist to support such pricing. The taxation authorities in the jurisdictions where the Company carries on business, including Canada Revenue Agency, the United States Internal Revenue Service and the United Kingdom Inland Revenue, could challenge its arm's length related party transfer pricing policies. International transfer pricing is a subjective area of taxation and generally involves a significant degree of judgment. If any of these taxation authorities are successful in challenging the Company's transfer pricing policies, the Company's income tax expense may be adversely affected and the Company could also be subjected to interest and penalty charges. Any such increase in the Company's income tax expense and related interest and penalties could have a significant impact on the Company's future earnings and future cash flows.

International sales and operations

The Company derives a significant portion of its revenues from international sales. The Company also plans to continue to expand its international sales and marketing efforts. There are a number of risks inherent in the Company's international business activities, including unexpected changes in Canadian, United States, British or other government policies concerning the import and export of goods, services and technology and other regulatory requirements, tariffs and other trade barriers, costs and risks of localizing products for foreign countries, higher credit risks, potentially adverse tax consequences, limits on repatriation of earnings and the burdens of complying with a wide variety of foreign laws. Fluctuations in currency exchange rates could materially adversely affect sales denominated in currencies other than the Canadian dollar and cause a reduction in revenues derived from sales in a particular country. The financial and/or geopolitical stability of foreign markets could also affect the Company's international sales. There can be no assurance that such factors will not materially adversely affect the revenues from the Company's future international sales and, consequently, its results of operations. In addition, revenues that the Company earns abroad may be subject to taxation by more than one jurisdiction, which could materially adversely affect the Company's earnings. Each of these factors could have an adverse effect on the Company's business, financial condition and results of operations.

Tax matters including research and development tax credits

Although management is of the view that all expenses and tax credits claimed by the Company, including research and development expenses and related tax credits, are reasonable and deductible and have been correctly determined, there can be no assurance that the Canadian taxation authorities will agree. If the Canadian taxation authorities successfully challenge such expenses or the correctness of such income tax credits claimed, the Company's operating results could be adversely affected. If the Canadian taxation authorities reduce the tax credit either by reducing the rate of the grant or the eligibility of some research and development expenses in the future, the Company's operating results will be adversely affected.

The majority of the Company's research and development activities are conducted at its headquarters in Burlington, Ontario. The Company participates in government programs with both the federal government and the Government of Ontario that provide research and development tax credits based upon qualifying research and development expenditures. These expenditures primarily consist of the salaries of the persons conducting research and development activities. If these research and development tax credits are reduced or eliminated, this may adversely affect the Company's business, financial condition and results of operations.

The Company may be unable to identify and complete acquisitions

Acquisitions, if identified and completed, could divert management's attention and financial resources, may negatively affect the Company's operating results and could cause significant dilution to shareholders

The Company recently completed its acquisition of Quartz. Additionally, in the future, the Company may engage in selective acquisitions of products or businesses that it believes are complementary to its products or business. There is a risk that the Company will not be able to identify suitable acquisition candidates available for sale at reasonable prices, complete any acquisition, or successfully integrate any acquired product or business into its operations. The Company is likely to face competition for acquisition candidates from other parties including those that have substantially greater available resources. Acquisitions may involve a number of other risks, including:

- Diversion of management's attention;
- Disruption to the Company's ongoing business;
- Failure to retain key acquired personnel;
- Difficulties in integrating acquired operations, technologies, products or personnel;
- Unanticipated expenses, events or circumstances;
- Assumption of disclosed and undisclosed liabilities; and/or
- Inappropriate valuation of the acquired in-process research and development, or the entire acquired business.

If the Company does not successfully address these risks or any other problems encountered in connection with an acquisition, the acquisition could have a material adverse effect on the Company's business, results of operations and financial condition. Problems with an acquired business could have a material adverse effect on the Company's performance or its business as a whole. In addition, if the Company proceeds with an acquisition, the Company's available cash may be used to complete the transaction, diminishing its liquidity and capital resources, or shares may be issued which could cause significant dilution to existing shareholders.

Mergers or other strategic transactions by the Company's competitors could weaken the Company's competitive position or reduce its revenue

If two or more of the Company's competitors were to merge or partner, the change in the competitive landscape could adversely affect the Company's ability to compete effectively. The Company's competitors may also establish or strengthen co-operative relationships with their respective sales channel partners or other parties with whom the Company has strategic relationships, thereby limiting the Company's ability to promote its products. Disruptions in the Company's business caused by these events could reduce revenue.

Economic and geopolitical uncertainty may negatively affect the Company

The market for the Company's products depends on economic and geopolitical conditions affecting the broader market. Global economic and geopolitical conditions are beyond the Company's control. In addition, acts of terrorism and the outbreak of hostilities and armed conflicts between countries can create geopolitical uncertainties that may affect the global economy. Downturns in the economy or geopolitical uncertainties may cause end-users to delay or cancel projects, reduce their overall broadcast equipment budgets or reduce or cancel orders for the Company's products, which could have a material adverse effect on its business, results of operations and financial condition.

Currency fluctuations may adversely affect the Company

A substantial portion of the Company's revenue is earned in US dollars, but a substantial portion of the Company's operating expenses are incurred in Canadian dollars. Fluctuations in the exchange rate between the US dollar and other currencies, such as the Canadian dollar, may have a material adverse effect on the Company's business, financial condition and operating results. Similarly, a portion of the Company's sales are realized and expenses are incurred in the United Kingdom for which the Company receives and makes payments in pounds sterling. Consequently, fluctuations in the exchange rate between the United Kingdom pound sterling and other currencies, such as the Canadian dollar, may also have an effect on the Company's business, financial condition and operating results.

The Company's policy is to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, the Company may not hedge entirely the exposure related to any one foreign currency, it may not hedge its exposure at all with respect to certain foreign currencies and its hedging practices may not prove effective.

The Company's share price will fluctuate

The market price of the Common Shares may be volatile and could be subject to wide fluctuations due to a number of factors, including:

- Actual or anticipated fluctuations in the Company's results of operations;
- Changes in estimates of the Company's future results of operations by it or securities analysts;
- Announcements of technological innovations or new products or services by the Company or its competitors;

- General industry changes in the market for broadcast equipment or related markets; and/or
- Other events or factors.

In addition, the financial markets have experienced significant price and value fluctuations that have particularly affected the market prices of equity securities of many technology companies and that sometimes have been unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally and in the broadcast equipment industry specifically, may adversely affect the market price of the Common Shares.

Future sales of common shares by the Company's existing shareholders could cause the Company's share price to fall

If the Company's existing shareholders sell substantial amounts of the Company's common shares in the public market, the market price of the Company's common shares could fall. The perception among investors that these sales will occur could also produce this effect.

Romolo Magarelli and Doug DeBruin maintain de facto control of the Company

The Company's Chairman and CFO, Doug DeBruin and the Company's CEO Romolo Magarelli, who is also a director beneficially own or control, directly or indirectly, in the aggregate approximately 67% of the outstanding Common Shares. If the principals act together, they will have the ability to control all matters submitted to the Company's shareholders for approval, including the election and removal of directors, amendments to the Company's articles and bylaws and the approval of any business combination, amalgamation or sale of assets. This may delay or prevent an acquisition or cause the market price of the Common Shares to decline. The principal shareholders may have interests that differ from other shareholders.

The Company may not pay significant or any cash dividends on its Common Shares in the future and therefore its shareholders may not be able to receive a return on their shares unless they sell them

The Company's policy is to retain all or most of the Company's earnings to finance expansion and to develop, license and acquire new products and otherwise to reinvest in the Company. Therefore, the Company does not anticipate paying significant cash dividends (and may not pay any) in the foreseeable future. The Company's dividend policy will be reviewed from time to time by our Board of Directors in the context of our earnings, financial condition and other relevant factors. Until the Company pays dividends, its shareholders will not be able to receive a return on their Common Shares unless they sell them.

The Company may need to complete future financings

If the Company is not able to sustain profitability, it may require additional equity or debt financing. There can be no assurances that the Company will be able to obtain additional financial resources on favourable commercial terms or at all. Failure to obtain such financial resources could affect the Company's plan for growth, or result in the Company being unable to satisfy its obligations as they become due, either of which could have a material adverse effect on the business and the financial condition of the Company.

DIVIDEND POLICY

Evertz Technologies Limited does not currently declare or pay any cash dividends on its Common Shares. The Company's current policy is to retain all or most of its earnings to fund the growth of its business. Any future determination to pay dividends will be at the discretion of the Company's Board of Directors and will depend upon the Company's results of operations, capital requirements, its business environment and other relevant factors.

DESCRIPTION OF SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares ("Common Shares") without par value and an unlimited number of preference shares ("Preference Shares"), issuable in one or more series.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend all annual and special meetings of shareholders of the Company and to one vote in respect of each Common Share held at all such meetings. The holders of the Common Shares are entitled, at the discretion of the Board of Directors, to receive out of any or all of the Company's profits or surplus properly available for the payment of dividends, any dividend declared by the Board of Directors and payable by the Company on the Common Shares. The holders of the Common Shares will participate rateably in any distribution of the Company's assets upon the Company's liquidation, dissolution or winding-up or other distribution of the Company's assets among its shareholders for the purpose of winding up the Company's affairs. Any participation in the Company's assets will be subject to the rights, privileges, restrictions and conditions attached to any of the Company's securities issued and outstanding at such time ranking in priority to the Common Shares upon the Company's liquidation, dissolution or winding-up.

Preference Shares

The Board of Directors may issue Preference Shares at any time and from time to time in one or more series. The Company's Board of Directors will have the authority to issue Preference Shares in series and determine the price, number, designation, rights, privileges, restrictions and conditions, including dividend rights, of each series without further vote or action by shareholders. With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, the Preference Shares will rank in priority to the Common Shares. At this time, the Company has no current plans to issue any Preference Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information which appears under the heading "Management's Discussion and Analysis" in our April 30, 2007 financial reports is incorporated herein by reference.

MARKET FOR SECURITIES

Our common shares are listed for trading on the Toronto Stock Exchange (symbol "ET").

The following table sets forth the reported high and low closing prices and trading volume of our common shares as reported by the Toronto Stock Exchange, on a monthly basis, for the 2006 fiscal year.

Year Ended April 30, 2007	High \$	Low \$	Volume
June, 2006	12.10	12.10	1,801,492
July	12.35	11.75	1,891,182
August	12.55	12.10	632,245
September	14.25	13.00	482,746
October	15.76	13.91	240,834
November	15.50	13.70	340,235
December	14.70	13.00	423,684
January, 2007	13.80	13.10	171,385
February	14.75	13.02	520,618
March	16.56	13.45	347,139
April	16.80	15.82	665,146

LOCK-UP AGREEMENT

Each of the Company's directors, officers, employees and shareholders have entered into lock-up agreements ("Lock-Up Agreements") with the Underwriters with respect to the Common Shares, if any, held by such person after completion of the initial public offering. Pursuant to the Lock-Up Agreement, such parties have agreed not to sell, offer, assign, transfer, encumber, contract to sell, or grant an option to purchase, or enter into any derivative instrument with respect to any Remaining Shares (or any rights or benefits related thereto) held or beneficially owned by them or announce any intention to take any of the foregoing actions for a period of 24 months after the closing date of the initial public offering (June 30, 2006), except as provided pursuant to the terms of the Lock-Up Agreement.

DIRECTORS AND OFFICERS

The following table sets out, for each of the Company's directors and executive officers, the person's name, municipality of residence, age, position within the Company, principal occupation and how long they have served as a director or officer of the Company. The term of office for each of the directors will expire at the time of the Company's next annual meeting of the shareholders. As of April 30, 2007, the Company's directors and officers as a group own, directly or indirectly, or exercised control or direction over, an aggregate of 55,560,500 Common Shares (representing 76.9% of the issued and outstanding Common Shares).

Name and Municipality of Residence	Age	Position(s) with the Company	Principal Occupation	Director or Officer Since
ROMOLO MAGARELLI, Woodbridge, Ontario	40	Director, President and Chief Executive Officer	President and Chief Executive Officer of Evertz	1997
DOUGLAS A. DEBRUIN, C.A. Burlington, Ontario	44	Director, Chairman of the Board of Directors, Executive Vice-President, Admin. and Chief Financial Officer	Executive Vice-President, Admin. and Chief Financial Officer of Evertz	1997
BRIAN CAMPBELL, Etobicoke, Ontario	45	Executive Vice-President, Business Development	Executive Vice-President, Business Development of Evertz	2005
SIMON REED, Reading, United Kingdom	43	Managing Director, Quartz	Managing Director, Quartz	2005
ERIC FANKHAUSER, Burlington, Ontario	43	Vice-President, Advanced Product Development	Vice-President, Advanced Product Development of Evertz	2000
RAKESH PATEL Burlington, Ontario	35	Vice-President Hardware	Vice-President Hardware of Evertz	2002
ALAN LAMBSHEAD Burlington, Ontario	57	Vice-President Engineering	Vice-President Engineering of Evertz	2000
ANTHONY GRIDLEY, C.A. Burlington, Ontario	42	Vice-President, Finance	Vice-President, Finance of Evertz	2005
CHRISTOPHER M. COLCLOUGH, Mississauga, Ontario ^{(1) (2)}	65	Director	Corporate Director	2005
DR. THOMAS V. PISTOR, San Francisco, California ⁽¹⁾	35	Director	President and Chief Executive Officer of Panoramic Technology Inc.	2006
DR. IAN L. McWALTER, Burlington, Ontario ^{(1) (2)}	56	Director	President of MRE Si Ltd.	2006

Notes:

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

Biographies

The following are brief profiles of the Company's executive officers and directors.

Romolo Magarelli, President and Chief Executive Officer

Romolo Magarelli joined Evertz in 1997. Mr. Magarelli has more than 15 years of high technology design and manufacturing experience. Prior to joining Evertz, Mr. Magarelli was employed at Leitch Corporation from 1991 to 1997 most recently as Senior Manager of Hardware Development. Mr. Magarelli is a professional engineer and holds a Bachelor of Electrical Engineering degree from the

University of Waterloo and is a member of Professional Engineers of Ontario, an association that licences and regulates engineers in the province of Ontario.

Douglas A. DeBruin, Executive Vice-President, Admin. and Chief Financial Officer

Douglas DeBruin joined Evertz in 1997. Mr. DeBruin has more than 20 years of high technology, financial and manufacturing experience. Prior to joining Evertz, Mr. DeBruin was Vice-President, Controller and Corporate Secretary of Leitch Technology Corporation and served as a member of the Boards of Directors of Leitch Technology International Inc. and Leitch Europe Limited. Mr. DeBruin worked at Leitch Technology Corporation from 1990 to 1997 and was significantly involved in its initial public offering in 1994 and its public market activities. Mr. DeBruin obtained his Chartered Accountant Designation in 1989 after articling with Ernst & Young, Chartered Accountants and graduated from University of Western Ontario.

Brian Campbell, Executive Vice-President, Business Development

Brian Campbell joined Evertz in 2005 as Executive Vice-President, Business Development. Prior to joining Evertz, Mr. Campbell served eight years as Managing Director in the investment banking industry. Mr. Campbell was a member of the Operating Committee at National Bank Financial and Venture Capital Investment Committee member for the Edgestone N.B. Affiliate Funds from 2001 through 2003. In 2004, Mr. Campbell founded Campbell & Partners Capital Inc. which provides financial consulting and merger and acquisition advisory services to selected corporate clients, and has served as a director on the boards of Fuel Cells Canada, LINMOR Inc., Genesis Microchip Inc., Bulldog Group acquired by Documentum a division of EMC Corporation, Messaging Direct acquired by Transaction Systems Architects and Inverpower Controls. Mr. Campbell was employed by Allied Signal Aerospace for six years where he was a systems design group leader and project engineer. Mr. Campbell is a professional engineer and holds a B.Sc. Electrical Engineering degree from the University of Waterloo and an M.B.A. degree from the University of Western Ontario.

Simon Reed, Managing Director, Quartz

Simon Reed joined Quartz in 1992. Prior to joining Quartz, Mr. Reed worked for numerous broadcast equipment, design and manufacturers from 1985 to 1992 including Cox Electronics and Plessey Naval Displays. Mr. Reed was educated at London University from 1982 to 1985 and received a B.Sc. in Electronic Engineering.

Eric Fankhauser, Vice-President, Advanced Product Development

Eric Fankhauser joined Evertz in 2000. Prior to joining Evertz, Mr. Fankhauser worked at Gennum Corporation from 1984 to 2000 most recently as Director of Marketing, Video and Business Development. Mr. Fankhauser received an Electronics Engineering Technology Diploma from Niagara College in 1984.

Rakesh Patel, Vice-President Hardware

Rakesh Patel joined Evertz in 1998. Prior to joining Evertz, Mr. Patel worked at Leitch Corporation from 1995 to 1998, most recently as Design Engineer. Mr. Patel received a Bachelor of Engineering from University of Waterloo and is a member of Professional Engineers of Ontario, an association that licences and regulates engineers in the province of Ontario.

Alan Lambshead, Vice-President Engineering

Alan Lambshead joined Evertz in 1979. Mr. Lambshead was instrumental in Evertz being nominated in 1994 for an Emmy award for its outstanding achievement in engineering development for equipment and computer/software design enabling the widespread use of the Key Kode edgeprint film number system. Mr. Lambshead received a Bachelor of Engineering from McMaster University in 1972 and is a member of Professional Engineers of Ontario, an association that licences and regulates engineers in the province of Ontario.

Anthony Gridley, Vice-President, Finance

Anthony Gridley joined Evertz in 2005 as Vice-President, Finance. Prior to joining Evertz, Mr. Gridley worked at Ryder Logistics as Senior Manager, Finance from 2004 to 2005, at L.E. Walker Transport as Chief Financial Officer from 2002 to 2004 and at Mel Hall Transport as Vice President Finance from 1999 to 2002. Mr. Gridley graduated from the Bachelor of Commerce program at Queen's University in 1987 and received his Chartered Accountant Designation in 1989.

Directors

Christopher M. Colclough

Christopher Colclough is an engineer with extensive experience in senior management, high technology and manufacturing. Mr. Colclough founded Hazcol Metal Fabrication Ltd., a supplier of custom metalwork for the electronics industry, and managed the company as President for 13 years. He sold the company to Leitch Technology Corporation in 1995 and remained as President of a division of Leitch Technology Corporation until 1998 when he retired from office. Mr. Colclough was educated in the U.K. as a production engineer.

Dr. Thomas V. Pistor

Thomas Pistor has been President and Chief Executive Officer of Panoramic Technology Inc., a developer and global supplier of advanced optical micro lithography simulation software for the semiconductor industry, since 1999. In addition to his experience in the semiconductor company, Dr. Pistor has several years working experience as a hardware design engineer in the industrial automation, aerospace and digital video industries. Dr. Pistor received a B.A.Sc. in 1995 in electrical engineering with options in mathematics and physics from the University of Waterloo, Canada. Dr. Pistor went on to receive an M.A.Sc. in 1997 and a Ph.D. in 2001 in electrical engineering from the University of California at Berkeley.

Dr. Ian L. McWalter

Ian McWalter has an extensive background in senior management, design and development of telecommunications products and silicon technology. Dr. McWalter founded MRE Si Ltd., a private technology consulting, development and strategic investment company based in Burlington, Ontario, in early 2006. Toumaz Technology Limited, a United Kingdom-based developer of medical technology is currently a principal client for which Dr. McWalter serves as CEO. Before this, Dr. McWalter spent 14 years at Gennum Corporation, a TSX-listed corporation that supplies silicon integrated circuits and higher level products to global Audio, Video and Datacom markets. Dr. McWalter served as President and Chief

Executive Officer of Gennum Corporation from 2000 to 20005. His career started with two years at Plessey Semiconductors, a British technology and communications company, followed by 13 years at Bell Northern Research Ltd., the research and development arm of Northern Telecom and Bell Canada, where he held a variety of management positions with a focus on design and development. Dr. McWalter was awarded a Ph.D. in electrical engineering from the Imperial College of Science and Technology in London, England in 1977, and a B.Sc. in physics from the same institution in 1972.

COMMITTEES, CORPORATE GOVERNANCE AND INSURANCE

Committees of the Board of Directors

The following committees are currently in place: Audit Committee and Compensation Committee. The mandates of the Audit Committee and Compensation Committee are summarized below. All members of the Audit Committee and Compensation Committee will be “independent” within the meaning of applicable securities laws.

Audit Committee

The Audit Committee will assist the Board of Directors in fulfilling its responsibilities for oversight and supervision of financial and accounting matters. The Committee will supervise the adequacy of internal accounting controls and financial reporting practices and procedures and the quality and integrity of audited and unaudited financial statements, including through discussions with external auditors. The Committee will review business plans and operating and capital budgets. The Committee will be responsible for ensuring efficient and effective assessment of management of risk throughout the Company. The Audit Committee will comply with all requirements under applicable securities legislation and the rules of the TSX.

The Audit Committee consists of Ian McWalter, Christopher Colclough and Thomas Pistor. All three are considered independent and financially literate for purposes of applicable Canadian Corporate governance policies and the full text of the Audit Committee charter is included as Schedule A of this AIF.

External Auditor Service Fees

As set out in the Audit Committee’s charter (attached as Schedule A to this AIF) the Audit Committee is responsible for pre-approving all non-audit services to be provided to the Company by its external auditor.

The Company’s external auditor is RSM Richter LLP, Chartered Accountants. The following table set out the approximate fees for Company incurred in using the services of RSM Richter LLP for the fiscal year ended April 30, 2007 and the fiscal year ended April 30, 2006.

	Fiscal year ending April 30, 2007	Fiscal year ending April 30, 2006
Audit fees relating to annual audit of the Company’s consolidated financial statements and services normally provided in connection with statutory and regulatory filings	\$108,000	\$100,000
Audit related fees ⁽¹⁾	\$ 16,000	NIL
Tax Services consisting of tax planning services	NIL	\$ 5,000
All other fees	\$ 25,000 ⁽²⁾	\$147,000 ⁽³⁾
Total	\$149,000	\$252,000

(1) Audit related fees for the review of our interim financial statements.

(2) Non-audit services in 2007 mainly consist of compliance and advisory services.

(3) Non-audit services in 2006 consist of assistance to the long form prospectus prepared in contemplation of the initial offering of the Company completed in fiscal 2006, and assistance in a litigation matter.

Compensation Committee

The Compensation Committee will be responsible for ensuring that the Company has a high caliber executive management in place and a total compensation plan that is competitive, motivating and rewarding for participants. It will also be responsible for overseeing employee compensation and benefits plans. The Compensation Committee will assist the Board of Directors in fulfilling its responsibilities for oversight of compensation to senior management. The Committee will assess all aspects of compensation including salary, benefits and options, including industry comparables to ensure that compensation is fair and reasonable.

The Compensation committee consists of Christopher Colclough and Ian McWalter.

Corporate Governance

Given the small size of the Board of Directors, the Company has not established a Nominating and Corporate Governance Committee, but the entire Board of Directors will regularly review matters pertaining to governance including Committee membership and mandates, make recommendations for change and for other such initiatives that may be deemed to be in the interests of the Company in order to improve corporate governance. As a practical matter, the three unrelated members of the Board of Directors will take an active role in reviewing matters pertaining to governance; however, the board, as a whole, considers corporate governance matters at all times.

The Board of Directors is responsible for succession planning in respect of the Chief Executive Officer.

Cease Trade Orders, Bankruptcies and Penalties and Sanctions

No director, officer or control person of Evertz is, or within the ten years prior to the date of this AIF has been, a director or officer of any issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

No director, officer or control person of Evertz has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body which would be important to a reasonable investor making an investment decision.

No director, officer or control person of Evertz (or a personal holding company of any such person) is, or within the ten years prior to the date of this AIF has become, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Directors' and Officers' Liability Insurance

The Company currently maintains directors and officers' liability insurance coverage in the amount of \$10,000,000. Coverage includes derivative shareholder action suits, wrongful acts including libel, slander or defamation, securities claims and claims relating to employment and fiduciary practices. The deductible under such policy is \$50,000 per claim and the annual premium is \$80,250 (inclusive of sales tax). The Company intends to obtain increased coverage for its Board of Directors and officers if it can do so on commercially reasonable terms.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Two shareholders each indirectly hold a 10% interest in the Company's leased principal premises in Burlington, Ontario through a joint venture agreement with the landlord dated January 5, 2001. They also each own indirectly a 50% interest in a secondary leased premise. All lease terms are at fair market value.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors of the Company are RSM Richter LLP, Chartered Accountants, Toronto, Ontario. The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal transfer office in Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contract that the Company has entered into during the year ended April 30, 2007 was the Underwriting Agreement referred to under "Plan of Distribution", available on SEDAR at www.sedar.com; in the Company's prospectus.

ADDITIONAL INFORMATION

Copies of this AIF, as well as copies of Evertz's financial statements for the year ended April 30, 2007 and corresponding Management's Discussion and Analysis are available on SEDAR at www.sedar.com. The annual Report and the 2007 Management Information Circular will also be made available on sedar in conjunction with the distribution to shareholders in connection with our annual general meeting on September 17, 2007.

Additional information concerning us, including directors' and officers' remuneration and indebtedness, principal holders of securities and securities authorized for issuance under equity compensation plan is contained in our information circular for our annual meeting of shareholders to be held on September 17, 2007.

Additional information relating to us may be found on SEDAR at www.sedar.com.]

SCHEDULE "A"

MANDATE OF THE AUDIT COMMITTEE OF EVERTZ TECHNOLOGIES LIMITED

The Audit Committee is a committee of the board of directors (the "Board") of Evertz Technologies Limited (the "Corporation") which assists the Board in overseeing the Corporation's financial controls and reporting. The Audit Committee also monitors whether the Corporation complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

COMPOSITION AND QUORUM

The Audit Committee is composed of a minimum of three and a maximum of five members, for a period of up to one year commencing on the date of the receipt for the Corporation's initial public offering prospectus a majority of whom qualify as an independent director, as determined by the Board; each member of the Audit Committee must be financially literate, as determined by the Board.

The quorum at any meeting of the Audit Committee is a majority of its members.

Because of the Audit Committee's demanding role and responsibilities, the Board reviews any invitation to Audit Committee members to join the audit committee of the board of directors of any other corporation. Where a member of the Audit Committee simultaneously serves on the audit committee of more than three public companies, including the Audit Committee, the Board determines whether such simultaneous service impairs the ability of such member to effectively serve on the Audit Committee.

RESPONSIBILITIES

The Audit Committee has the following responsibilities:

With respect to accounting and financial reporting

- (1) Reviewing with management and the external auditors the annual financial statements and accompanying notes, the external auditors' report thereon and the related press release, and obtaining explanations from management on all significant variances with comparative periods, before recommending approval by the Board and the release thereof.
- (2) Reviewing with management the quarterly financial statements, and the related press release before recommending the approval by the Board and the release thereof.
- (3) Reviewing the financial information contained in the Annual Information Form, Annual Report, Management Proxy Circular, Management's Discussion and Analysis, prospectuses and other documents containing similar financial information before their public disclosure or filing with regulatory authorities.
- (4) Reviewing with management and the external auditors the quality and not just the acceptability of the Corporation's accounting policies and any changes that are proposed to be made thereto, including (i) all critical accounting policies and practices used, (ii) any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditors' preferred treatment, and (iii) any other material communications with management with respect thereto, and reviewing the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on

- financial reporting.
- (5) Reviewing with the external auditors any audit problems or difficulties and management's response thereto and resolving any disagreement between management and the external auditors regarding accounting and financial reporting.
 - (6) Periodically reviewing the Corporation's Communications Policy to ensure that it conforms with applicable legal and regulatory requirements.
 - (7) Reviewing the Audit Committee's report for inclusion in the Corporation's Management Proxy Circular, in accordance with applicable roles and regulations.

With respect to risk management and internal controls

- (1) Monitoring the quality and integrity of the Corporation's internal control, disclosure controls and procedures and management information systems, through discussions with management and external auditors.
- (2) Reviewing on a regular basis and monitoring the Corporation's risk assessment and management policies, including hedging policies through the use of financial derivative transactions.
- (3) Assisting the Board with the oversight of the Corporation's compliance with applicable legal and regulatory requirements.
- (4) Establishing procedures for the receipt, retention and treatment of complaints or concerns received by the Corporation regarding accounting, internal accounting controls, or auditing matters, including the confidential, anonymous submission by employees of concerns respecting accounting or auditing matters.

With respect to the external auditors

- (1) Reviewing the annual written statement of the external auditors regarding all their relationships with the Corporation and discussing any relationships or services that may impact on their objectivity or independence.
- (2) Reviewing the appointment and, if appropriate, the termination (both subject to shareholder approval) of the external auditors and monitoring their qualifications, performance and independence.
- (3) Approving and overseeing the disclosure of all audit services provided by the external auditors to the Corporation or any of its subsidiaries, determining which non-audit services the external auditors are prohibited from providing and, exceptionally, approving and overseeing the disclosure of permitted non-audit services to be performed by the external auditors.
- (4) Approving the basis and amount of the external auditors' fees for both audit and authorized non-audit services.
- (5) Reviewing the audit plan with the external auditors and management and approving the scope, extent and schedule of such audit plan.
- (6) Reviewing the Corporation's hiring policies for current and former partners or employees of the external auditors.
- (7) Ensuring the respect of legal requirements regarding the rotation of applicable partners of the external auditors, on a regular basis, as required.
- (8) Ensuring that the external auditors report directly to the Audit Committee and the entire Board.
- (9) Making arrangements for sufficient funds to be available to effect payment of the fees of the external auditors and of any advisors or experts retained by the Audit Committee.

METHOD OF OPERATION

- (1) Members of the Audit Committee are appointed and removed by the Board.
- (2) Meetings of the Audit Committee are held at least quarterly and as required.
- (3) The Chair of the Audit Committee develops the agenda for each meeting of the committee. The agenda and the appropriate material are provided to members of the Audit Committee on a timely basis prior to any meeting of the Audit Committee.
- (4) The Chair of the Audit Committee reports regularly to the Board on the business of the Audit Committee.
- (5) The Audit Committee has at all times a direct line of communication with the external auditors.
- (6) The Audit Committee meets as required (at least annually) without management or the external auditor.
- (7) The Audit Committee meets separately with management, the external auditors at least annually, and more frequently as required.
- (8) The Audit Committee may, in appropriate circumstances, engage external advisors and set and pay their compensation, subject to advising and obtaining approval from the Board chair thereof.
- (9) The Audit Committee annually reviews its mandate and reports to the Board on its adequacy.

Nothing contained in this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Audit Committee.