

Attention Business/Financial Editors:

Evertz Technologies reports Record Revenue of \$101 million for the Second Quarter Fiscal 2016.

Burlington, December 2, 2015, Evertz Technologies Limited (TSX:ET), the leader in Software Defined Video Network (“SDVN”) technology, today reported its results for the second quarter ended October 31, 2015.

Quarterly Highlights

- Revenue of \$100.6 million, an increase of 21% year over year
- United States / Canada region revenue up 35% year over year to \$61.2 million
- The increase was predominantly driven by the adoption of the Evertz newly released technologies and products
- International revenue of \$39.3 million, up 5% year over year
- Net earnings of \$19.6 million for the quarter, up 37%
- Fully diluted earnings per share of \$0.26 for the quarter, up 37% year over year

Selected Financial Information

Consolidated Statement of Earnings Data

(in thousands of dollars, except per share amounts)

	<u>Q2 ' 16</u>	<u>Q2 ' 15</u>
Revenue	\$ 100,560	\$ 82,889
Gross Margin	57,534	46,565
Earnings from operations	26,715	19,528
Net earnings	19,619	14,343
Fully-diluted earnings per share	\$ 0.26	\$ 0.19

Selected Financial Information

Consolidated Balance Sheet Data

(in thousands of dollars)

	<u>Q2 ' 16</u>	<u>YE ' 15</u>
Cash and cash equivalents	\$ 97,491	\$ 100,681
Working capital	305,757	294,895
Total assets	431,751	426,162
Shareholders' equity	364,379	353,471

Revenue

For the quarter ended October 31, 2015, revenues were \$100.6 million compared to revenues of \$82.9 million for the quarter ended October 31, 2014. For the quarter, revenues in the United States/Canada region were \$61.2 million compared to \$45.4 million in the same quarter last year. The International region had revenues of \$39.3 million compared to \$37.5 million in the same quarter last year.

Gross Margin

For the quarter ended October 31, 2015 gross margin was \$57.5 million compared to \$46.6 million in the same quarter last year. Gross margin percentage was approximately 57.2% compared to 56.2% in the quarter ended October 31, 2014.

Earnings

For the quarter ended October 31, 2015 net earnings were \$19.6 million, compared to \$14.3 million in the corresponding period last year.

For the quarter ended October 31, 2015, earnings per share on a fully-diluted basis were \$0.26 compared to \$0.19 in the corresponding period last year.

Operating Expenses

For the quarter ended October 31, 2015 selling and administrative expenses were \$14.8 million compared to \$15.1 million for the quarter ended October 31, 2014.

For the quarter ended October 31, 2015 gross research and development expenses increased by \$1.0 million or 7% as compared to the corresponding period in 2014. Gross research and development expenses represented approximately 16% of revenue for the quarter ended October 31, 2015.

Liquidity and Capital Resources

The Company's working capital as at October 31, 2015 was \$305.8 million as compared to \$294.9 million on April 30, 2015.

Cash and cash equivalents were \$97.5 million as at October 31, 2015 as compared to \$100.7 million on April 30, 2015.

Cash generated from operations was \$23.7 million for the quarter ended October 31, 2015 as compared to cash used of \$0.7 million for the quarter ended October 31, 2014. Before taking into account taxes and the changes in non-cash working capital and current taxes, the Company generated \$22.2 million from operations for the quarter ended October 31, 2015 compared to \$17.5 million for the same period last year.

For the quarter, the Company used \$1.1 million in investing activities largely a result of purchases in capital assets.

For the quarter ended, the Company used cash in financing activities of \$21.6 million which was principally a result of the payment of dividends of \$14.0 million and the repurchase of Capital Stock costing \$7.5 million.

Shipments and Backlog

At the end of November 2015, purchase order backlog was in excess of \$66 million and shipments during the month of November 2015 were \$30 million.

Dividend Declared

Evertz Board of Directors declared a regular quarterly dividend on December 2, 2015 of \$0.18 per share.

The dividend is payable to shareholders of record on December 11, 2015 and will be paid on or about December 18, 2015.

Selected Consolidated Financial Information

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

	Three month period ended October 31,		Six month period ended October 31,	
	2015	2014	2015	2014
Revenue	\$ 100,560	\$ 82,889	\$ 185,429	\$ 180,903
Cost of goods sold	43,026	36,324	80,066	78,517
Gross margin	57,534	46,565	105,363	102,386
Expenses				
Selling and administrative	14,827	15,103	29,629	28,502
General	1,643	1,323	3,238	3,133
Research and development	16,127	15,121	32,379	30,941
Investment tax credits	(2,411)	(2,387)	(4,895)	(4,853)
Foreign exchange loss (gain)	633	(2,123)	(7,079)	(1,380)
	30,819	27,037	53,272	56,343
Earnings before undemoted	26,715	19,528	52,091	46,043
Finance income	180	201	338	394
Finance costs	(200)	(76)	(322)	(143)
Other income and expenses	188	(113)	150	27
Earnings before income taxes	26,883	19,540	52,257	46,321
Provision for (recovery of) income taxes				
Current	7,995	5,249	15,968	14,560
Deferred	(731)	(52)	(1,928)	(2,288)
	7,264	5,197	14,040	12,272
Net earnings for the period	\$ 19,619	\$ 14,343	\$ 38,217	\$ 34,049
Net earnings attributable to non-controlling interest	133	194	320	489
Net earnings attributable to shareholders	19,486	14,149	37,897	33,560
Net earnings for the period	\$ 19,619	\$ 14,343	\$ 38,217	\$ 34,049
Earnings per share				
Basic	\$ 0.26	\$ 0.19	\$ 0.51	\$ 0.45
Diluted	\$ 0.26	\$ 0.19	\$ 0.51	\$ 0.45
Consolidated Balance Sheet Data	As at October 31, 2015		As at April 30, 2015	
Cash and cash equivalents	\$	97,491	\$	100,681
Inventory	\$	160,524	\$	154,259
Working capital	\$	305,757	\$	294,895
Total assets	\$	431,751	\$	426,162
Shareholders' equity	\$	364,379	\$	353,471
Number of common shares outstanding:				
Basic		74,238,646		74,459,346
Fully-diluted		78,835,146		79,195,846
Weighted average number of shares outstanding:				
Basic		74,537,638		74,399,096
Fully-diluted		74,952,462		75,033,398

Forward-Looking Statements

The report contains forward-looking statements reflecting Evertz's objectives, estimates and expectations. Such forward looking statements use words such as "may", "will", "expect", "believe", "anticipate", "plan", "intend", "project", "continue" and other similar terminology of a forward-looking nature or negatives of those terms.

Although management of the Company believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors. Accordingly, there are or will be a number of significant factors which could cause the Company's actual results, performance or achievements, or industry results to be materially different from any future results performance or achievements expressed or implied by such forward-looking statements.

Conference Call

The Company will hold a conference call with financial analysts to discuss the results on December 2, 2015 at 5:00 p.m. (EDT). Media and other interested parties are invited to join the conference call in listen-only mode. The conference call may be accessed by dialing 416-849-1967 or toll-free (North America) 1-866-253-4709.

For those unable to listen to the live call, a rebroadcast will also be available until January 2, 2016. The rebroadcast can be accessed at 416-915-1035 or toll-free 1-866-245-6755. The pass code for the rebroadcast is 299199.

About Evertz

Evertz Technologies Limited (TSX: ET) designs, manufactures and markets video and audio infrastructure solutions for the television, telecommunications and new-media industries. The Company's solutions are purchased by content creators, broadcasters, specialty channels and television service providers to support their increasingly complex multi-channel digital and high definition television ("HDTV") and next generation high bandwidth low latency IP network environments and by telecommunications and new-media companies. The Company's products allow its customers to generate additional revenue while reducing costs through the more efficient signal routing, distribution, monitoring and management of content as well as the automation of previously manual processes.