



## NEWS RELEASE

# MIRANDA REPORTS 2009 FOURTH QUARTER AND YEAR-END RESULTS

**Montreal, February 24, 2010** – Miranda Technologies Inc. (TSX: MT), a global developer, manufacturer and marketer of high-performance hardware and software for the television broadcast industry, today reported results for the fourth quarter and fiscal year ended December 31, 2009.

### Highlights: 2009 versus 2008

- Q4 2009 revenues up 9% to \$35.7 million; Q4 net income was \$2.1 million or 9 cents per fully diluted share, compared to \$7.4 million and 31 cents respectively in 2008
- Q4 2009 gross margin as a percentage of sales was 53%, down from 63% in 2008. Decline largely due to currency fluctuations, which negatively impacted gross margin by 7.1 percentage points
- Fiscal year 2009 sales were \$131.8 million compared to \$130.0 in 2008 and net income was \$5.5 million or 24 cents per fully diluted share, compared to \$22.7 million and 92 cents respectively last year

Fourth quarter revenues came in at \$35.7 million, up 9% over 2008. Quarterly net income was \$2.1 million or 9 cents per diluted share, compared to \$7.4 million and 31 cents respectively last year. The steps taken during the year to strengthen the business and mitigate the market downturn are working, with quarterly revenues and net income coming in at the highest levels for the year. As well, cash flows were strong with the Company generating \$2.6 million of cash from operating activities and ending the quarter with cash, cash equivalents and temporary investments of over \$49 million.

Sales for the year were \$131.8 million driven by the NVISION acquisition and stronger International sales, largely offset by lower sales in North American where broadcast markets were hardest hit by the economic downturn. For the first time, International sales surpassed those to the United States, reflecting the benefits of having a global reach. International sales grew 16% over last year, coming in at \$68.3 million, while sales to the United States were down 7% to \$56.9 million. EBITDA<sup>1</sup> came in at 15.0 million, down from \$34.8 million in 2008. Net income for the year was \$5.5 million or 24 cents per diluted share, versus \$22.7 million and 92 cents respectively in 2008. When excluding 2009 restructuring costs of \$1.5 million and \$0.9 million of one-time charges, net income for the year would have been \$7.0 million, translating into fully diluted earnings per share (EPS) of 30 cents and adjusted EBITDA of \$17.3 million.

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<sup>1</sup> Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP financial measure. See comment on non-GAAP financial measures which follows.

## **Operational Highlights**

“It was a difficult year for broadcast markets, but we are now stronger financially, operationally and competitively,” said Mr Goodship, Miranda’s President and Chief Executive Officer. “Although markets were below historical levels, we have seen improvements in our sales volume as we strengthened our business over the course of the year. In particular, the successful integration of NVISION helped us to be more competitive by broadening our portfolio of solutions and allowing us to win a growing number of combined deals. We have seen sequential improvements in the revenue contribution of the NVISION line throughout the year.”

To mitigate the impact of the downturn, we took a series of measures to improve productivity which included workforce reductions and the consolidation of NVISION’s electronic assembly operations into our Montreal manufacturing facilities. This was made possible by our recent expansion of our Montreal headquarters. We now have the capacity and efficiency to deliver quality products even more rapidly.

We continued to invest in R&D to build our future and introduced a series of new award winning products, such as the Kaleido-X16 and the Kaleido-Modular. These products helped us win new customers in the USA, and internationally, and strengthened our position with some major accounts. With the recent rise of 3D TV, we demonstrated 3D enabled products, worked with a number of pioneering customers and actively participated on the standardisation of 3D for television.

Recently Miranda won a prize for best corporate governance among mid-sized companies in Quebec. Now in its eighth year, the award is sponsored by Korn Ferry, an international executive search firm, and Magazine Commerce. This year’s focus was on companies exhibiting good corporate governance practices in the area of executive remuneration.

## **Year-over-year quarterly operating highlights: Q4 2009 versus Q4 2008**

### **Revenue**

Revenues totalled \$35.7 million for the quarter, up 9% over 2008, driven largely by the acquisition of NVISION.

Sales in Canada and the United States were down 70% and 4% respectively versus last year, while International markets continued to drive growth, increasing 28% over 2008. Canada, the United States and Other Countries generated 1%, 38% and 61% of quarterly sales respectively.

### **Gross Margin**

Gross margin as a percentage of sales was 53% for the quarter, down from 63% last year. Compared to 2008, the quarterly margin was negatively impacted by 7.1 percentage points due to currency fluctuations. The remaining decrease was due to pricing, product and customer mix.

## **Operating Expenses**

Selling, General & Administrative expenses (SG&A) were up 2% over 2008, to \$10.4 million. The increase continued to be driven by the addition of NVISION's operations, partially offset by lower provisions for incentive bonuses. SG&A as a percentage of sales was 29%, down from 31% last year.

Research and Development (R&D) investments increased slightly over 2008, coming in at \$4.9 million, versus \$4.6 million last year. R&D as a percentage of sales stood at 14%, unchanged from last year.

A foreign exchange loss of \$0.5 million was recorded for the quarter, compared to a gain of \$1.6 million in 2008. The loss largely reflects the impact of a stronger Canadian dollar in the translation of foreign currencies.

## **Net Income and EBITDA**

Quarterly net income hit a high for the year, coming in at \$2.1 million or 9 cents per fully diluted share. This compares to \$7.4 million and 31 cents per share respectively in 2008.

EBITDA also came in at a quarterly high for the year, reaching \$5.2 million or 15% of sales. This is down from \$10.3 million and 31% of sales in 2008.

## **Liquidity and Capital Resources**

Quarterly cash flows generated by operating activities were \$2.6 million. As of December 31, 2009, cash, cash equivalents and temporary investments were \$49.2 million, up from \$48.4 million at the end of Q3 2009.

To date, no shares have been purchased in connection with the Company's NCIB program, announced in August 2009. Under the terms of the program, the Company is entitled, but not required, to purchase up to 1,799,662 or approximately 8% of the Company's issued and outstanding common shares for cancellation. The NCIB ends on August 25, 2010 or on such earlier date as the Company has purchased the maximum shares permissible.

## **Outlook**

"We are cautiously optimistic that we are in the early stages of a gradual recovery and there are a number of sporting and political events in 2010 which should help support sales and position us for growth. Furthermore, we will continue to launch new products, to maintain and increase our competitiveness. Broadcast markets appear to have bottomed and sales activity has been increasing steadily during 2009, the pace and magnitude of any recovery remains uncertain, particularly in North America where sales have been hardest hit by the economic downturn." commented Mr. Goodship.

## Conference call

Miranda Technologies Inc. (TSX: MT) will hold a conference call with financial analysts to present its 2009 fourth quarter and year end results on Wednesday, February 24, 2010, at 9:00 a.m. (ET). Media and other interested parties are invited to join the conference call in listen-only mode.

**DATE:** Wednesday, February 24, 2010

**TIME:** 9:00 a.m. Eastern Time

**CALL:** (416) 359-1271 (for all Toronto and overseas participants)

(888) 228-0587 (for all other North American callers)

(Please dial in 15 minutes before the conference begins)

**WEBCAST:** On line at [www.miranda.com](http://www.miranda.com) or [www.marketwire.com](http://www.marketwire.com).

The webcast of the conference call will be available for a period of 90 days at [www.miranda.com](http://www.miranda.com) and [www.marketwire.com](http://www.marketwire.com). A recording of the conference call will also be available from 11:00 a.m. on Wednesday, February 24, 2010 to 11:59 PM on Wednesday, March 3, 2010 and can be accessed by dialling 1-800-558-5253 and entering the pass code 21457760# on your telephone keyboard.

## Non-GAAP Financial Measures

We use EBITDA (earnings before interest, taxes, depreciation and amortization) to compare our operating results from one period to another. EBITDA is not an earnings measure recognized by GAAP and does not carry standard prescribed significance for GAAP. Our method for calculating EBITDA may differ from that used by other companies under the same designation. The reader is advised that EBITDA should not be substituted for determining net income as an indicator of operating results in line with GAAP, neither for cash flows from operating and investing activities as a measure of liquidity and cash flows. The financial indicator that conforms with GAAP and is the closest to EBITDA is net income. Please refer to the reconciliation of net income to EBITDA in the following table.

## Reconciliation of net income to EBITDA

(\$ thousands)	<u>Quarters ended Dec. 31</u>		<u>Years ended</u>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Net income	2,092	7,418	5,520	22,737
Interest (income) expense	(3)	(576)	438	(2,426)
Income taxes expense	1,012	2,141	1,164	10,160
Amortization of PPE*	1,024	704	3,592	2,427
Amortization of intangible assets	1,073	584	4,275	1,926
<b>EBITDA</b>	<b>5,198</b>	<b>10,271</b>	<b>14,989</b>	<b>34,824</b>

\*PPE: Property, Plant and Equipment

## Forward-looking Statements

This media release contains forward-looking statements reflecting Miranda's objectives, estimates and expectations. Such statements may be marked by the use of verbs such as

“believe”, “anticipate”, “estimate”, “looking ahead” and “expect”, as well as the use of the conditional or future tense. By their very nature, such statements involve risks and uncertainties. Consequently, results could differ materially from the Company’s expectations. Risks that could cause results to differ materially from Miranda’s expectations are discussed under the heading Risk Factors in the Company’s Annual Information Form, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this press release represent Miranda’s current expectations and, accordingly, are subject to change. However, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statement, whether as a result of new information or events or otherwise, unless required to do so by the applicable securities legislation.

### **About Miranda**

Miranda Technologies Inc. (TSX: MT) develops, manufactures and markets high-performance hardware and software for the television broadcast industry. Its solutions are purchased by content creators, broadcasters, specialty channels and television service providers to enable and enhance the transition to a complex multi-channel digital and HD broadcast environment. This equipment allows customers to generate additional revenue while reducing costs through more efficient distribution and management of content as well as the automation of previously manual processes. Miranda employs approximately 550 people at its Montreal headquarters and in its facilities located in Wallingford (UK), Grass Valley (California, USA), Paris (France), Tokyo (Japan), Zaltbommel (Netherlands), Dubai (United Arab Emirates), Beijing (China) and Hong Kong. Miranda is listed on the Toronto Stock Exchange. For more information, please visit [www.miranda.com](http://www.miranda.com).

**Source: Miranda Technologies Inc.**

### **Contacts: Investors and Media**

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# MIRANDA TECHNOLOGIES INC.

Consolidated Balance Sheets  
(In thousands of Canadian dollars)  
(Unaudited)

	December 31, 2009	December 31, 2008
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 29,264	\$ 46,449
Temporary investments	19,904	2,047
Accounts receivable	24,955	24,094
Inventories	14,512	24,144
Income taxes and tax credits receivable	5,808	3,810
Prepaid expenses	1,552	1,446
Future income taxes	979	1,967
	<u>96,974</u>	<u>103,957</u>
Restricted cash	-	25,000
Tax credits receivable	1,870	1,098
Property, plant and equipment	30,725	25,432
Intangible assets	20,234	25,729
Goodwill	20,562	20,977
	<u>\$ 170,365</u>	<u>\$ 202,193</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued charges	\$ 16,261	\$ 21,357
Deferred revenue	2,327	2,495
Income taxes payable	1,239	5,517
Long-term debt	9	2,932
	<u>19,836</u>	<u>32,301</u>
Deferred revenue	3,601	3,627
Long-term debt	136	21,608
Future income taxes	10,489	11,183
Shareholders' equity:		
Share capital	103,165	105,883
Contributed surplus	4,491	3,826
Retained earnings	28,647	23,765
	<u>136,303</u>	<u>133,474</u>
	<u>\$ 170,365</u>	<u>\$ 202,193</u>

# MIRANDA TECHNOLOGIES INC.

Consolidated Statements of Income and Comprehensive Income

(In thousands of Canadian dollars, except per share amounts)

(Unaudited)

	Three-month periods ended		Twelve-month periods ended	
	December 31,		December 31,	
	2009	2008	2009	2008
Sales	\$ 35,710	\$ 32,655	\$ 131,751	\$ 129,961
Cost of sales	16,748	12,033	56,933	51,152
	18,962	20,622	74,818	78,809
Operating expenses:				
Selling, general and administrative	10,445	10,198	43,368	36,654
Research and development	4,854	4,621	21,799	17,758
Research and development tax credits	(1,162)	(2,571)	(4,102)	(5,812)
Interest expense (income)	(3)	(576)	438	(2,426)
Foreign exchange loss (gain)	471	(1,626)	1,329	(3,896)
Stock-based compensation	117	339	665	1,361
Other stock-based compensation	63	94	362	347
Amortization of intangible assets	1,073	584	4,275	1,926
	15,858	11,063	68,134	45,912
Income before income taxes	3,104	9,559	6,684	32,897
Income tax expenses (recovery):				
Current	52	3,298	1,122	10,730
Future	960	(1,157)	42	(570)
	1,012	2,141	1,164	10,160
Net income and comprehensive income	\$ 2,092	\$ 7,418	\$ 5,520	\$ 22,737
Net earnings per share:				
Basic	\$ 0.09	\$ 0.31	\$ 0.24	\$ 0.93
Diluted	0.09	0.31	0.24	0.92
Basic weighted average number of shares				
outstanding	22,828,952	23,659,341	22,956,441	24,369,312
Diluted weighted average number of shares				
outstanding	23,021,548	23,910,710	23,145,458	24,632,982

# MIRANDA TECHNOLOGIES INC.

## Consolidated Statements of Cash Flows

(In thousands of Canadian dollars)

(Unaudited)

	Three-month periods ended		Twelve-month periods ended	
	December 31,		December 31,	
	2009	2008	2009	2008
<b>Cash flows from operating activities:</b>				
Net income	\$ 2,092	\$ 7,418	\$ 5,520	\$ 22,737
Adjustments for:				
Amortization of property, plant and equipment	1,024	704	3,592	2,427
Amortization of intangible assets	1,073	584	4,275	1,926
Stock-based compensation	117	339	665	1,361
Future income taxes	960	(1,157)	42	(570)
Change in fair value of financial instruments	2	-	-	-
Effect of exchange rates on long-term monetary assets and liabilities	736	-	(1,882)	-
Effect of exchange rates on cash and cash equivalents	281	(2,991)	1,636	(2,392)
	6,285	4,897	13,848	25,489
Net change in non-cash balances related to operations	(3,715)	9,340	(3,231)	10,070
	2,570	14,237	10,617	35,559
<b>Cash flows from financing activities:</b>				
Repayment of long-term debt	(4)	-	(21,773)	-
Increase of long-term debt	-	24,363	-	24,363
Redemption of shares	-	(3,639)	(3,390)	(10,152)
Issuance of share capital	34	-	34	45
	30	20,724	(25,129)	14,256
<b>Cash flows from investing activities:</b>				
Net (increase) decrease in temporary investments	(19,904)	(15)	(17,857)	25,843
Business acquisition, excluding cash	-	(49,199)	(64)	(49,199)
Restricted cash	-	(25,000)	25,000	(25,000)
Additions to property, plant and equipment	(1,504)	(1,439)	(8,116)	(4,548)
	(21,408)	(75,653)	(1,037)	(52,904)
Effect of exchange rates on cash and cash equivalents	(281)	2,991	(1,636)	2,392
Net decrease in cash and cash equivalents	(19,089)	(37,701)	(17,185)	(697)
Cash and cash equivalents, beginning of period	48,353	84,150	46,449	47,146
Cash and cash equivalents, end of period	\$ 29,264	\$ 46,449	\$ 29,264	\$ 46,449
<b>Cash and cash equivalents are comprised of:</b>				
Cash	\$ 19,464	\$ 26,622	\$ 19,464	\$ 26,622
Cash equivalents	9,800	19,827	9,800	19,827
	\$ 29,264	\$ 46,449	\$ 29,264	\$ 46,449