



**MOSAID Technologies Incorporated**

**For Immediate Release**

## **MOSAID Reports Fourth Quarter and Year-end Results for Fiscal 2008 and Dividend**

*Company records fourth consecutive year of profitability, sets stage for fifth*

**OTTAWA, Ontario** – June 26, 2008 – MOSAID Technologies Incorporated (TSX:MSD) today announced financial results for the fourth quarter and fiscal year ended April 30, 2008.

### **Q4 Fiscal 2008 Results**

- Q4 revenues of \$17.0 million, compared to \$12.2 million in Q4 fiscal 2007
- Q4 pro forma income of \$6.1 million, or \$0.57 per diluted share, compared to \$3.8 million or \$0.34 per diluted share in Q4 fiscal 2007
- Q4 GAAP net income of \$5.4 million or \$0.50 per diluted share, compared to \$9.0 million or \$0.81 per diluted share in Q4 fiscal 2007

Revenues of \$17.0 million for the fourth quarter of fiscal 2008 represent a 39% increase from revenues of \$12.2 million in the fourth quarter a year ago. Pro forma income of \$6.1 million was up 59% from the year earlier period. Q4 GAAP net income of \$5.4 million included \$1.5 million in net profit from discontinued operations. In the comparative period, GAAP net income of \$9.0 million included \$7.8 million in net profit from discontinued operations.

### **Fiscal Year 2008 Results**

- Fiscal 2008 revenues of \$55.1 million, compared to \$60.0 million in fiscal 2007
- Fiscal 2008 pro forma income of \$20.2 million, or \$1.83 per diluted share, compared to \$25.3 million or \$2.24 per diluted share in fiscal 2007
- Fiscal 2008 GAAP net income of \$18.5 million or \$1.67 per diluted share, compared to \$24.7 million or \$2.18 per diluted share in fiscal 2007

“I am very pleased to report that in fiscal 2008, MOSAID recorded a fourth consecutive year of profitability and positive cash flow, which we achieved while completing our transition to a pure-play intellectual property company focused on patent licensing and innovation,” said John Lindgren, President and CEO, MOSAID. “Although a strong Canadian dollar exerted downward pressure on revenues, we successfully met or surpassed our financial and operational objectives, including signing our first wireless patent license, re-licensing our first term licensee, and further diversifying our Semiconductor patent portfolio through an exclusive sub-licensing agreement with LSI Corporation.”

“Building on our substantial amount of booked revenue and growing deal pipeline, we are guiding for revenue growth and another year of substantial profitability in fiscal 2009,” said Lindgren. “By executing on our patent portfolio growth and licensing strategies, we see significant, long-term upside revenue potential going forward, based on wireless licensing, new semiconductor licenses, and license renewals. This will enable us to continue to invest in the future through research and development in innovative Flash memory technologies, and to return value to shareholders.”

MOSAID had cash and marketable securities of \$58.4 million at the end of the fourth quarter of fiscal 2008, compared with \$50.8 million at the end of the third quarter of fiscal 2008.

During the fourth quarter, the Company returned \$2.7 million to shareholders in quarterly dividend payments. Subsequent to quarter end, MOSAID announced on May 30, 2008, an amendment to the terms of its NCIB, to increase the number of common shares to be purchased from 559,583 to 1,118,731, or 10% of the public float of common shares issued and outstanding as of September 13, 2007.

On June 26, 2008, MOSAID declared a quarterly dividend of \$0.25 per share. The dividend, which is an eligible dividend, is payable on July 24, 2008 to shareholders of record as July 10, 2008.

A reconciliation of pro forma income to Canadian generally accepted accounting principles (GAAP) net income is included in the Notes to the Financial Statements accompanying this press release.

## **Fiscal 2008 Operational Highlights**

**Wireless Licensing:** signed first wireless patent license with Matsushita Electric Industrial Co., Ltd., commonly known as Panasonic.

**Semiconductor Licensing:** signed patent licenses with Etron Technology, Inc. and ProMOS Technologies Inc., re-signed Winbond Electronics Corporation to a new term license, and settled patent infringement litigation with Mosel Vitelic, Inc.

**Licensing Initiatives:** signed an exclusive patent licensing agreement with LSI Corporation.

**Restructuring:** completed the sale of the Semiconductor IP product business to Synopsys, Inc. for US\$15.3 million, and sold the Company's Ottawa real estate for \$10.5 million.

**Innovation:** publicly launched HLNAND (Hyperlink NAND) Flash architecture as a technology licensing and internal patent generation initiative.

## **Q1 and Fiscal 2009 Guidance**

Management offers the following guidance for the first quarter of fiscal 2009:

- Q1 revenues of \$12.0 million to \$13.0 million
- Q1 pro forma income of \$3.2 million to \$4.0 million, or \$0.29 to \$0.36 per diluted share

Management is guiding for the following financial results for fiscal 2009:

- Fiscal 2009 revenues of \$59.0 million to \$61.0 million
- Fiscal 2009 pro forma income of \$20.0 million to \$21.0 million, or \$1.90 to \$2.00 per diluted share

MOSAID's revenues result primarily from intellectual property agreements, which by their nature may actually close on dates other than those projected. MOSAID's priority and focus is on obtaining the best terms possible under its agreements, rather than on the particular timing of agreement closure.

#### **Conference Call and Webcast**

*Management will hold a conference call and webcast on **Thursday, June 26, 2008 at 5:00 p.m. EDT.** The webcast will be live at [www.mosaid.com](http://www.mosaid.com) and may also be accessed by dialing 1-866-436-9172. The webcast will be available on MOSAID's web site for 90 days following the event.*

#### **About MOSAID**

MOSAID Technologies Inc. is one of the world's leading intellectual property companies. MOSAID develops semiconductor memory technology and licenses patented intellectual property in the areas of semiconductors, and wired and wireless communications systems. MOSAID counts many of the world's largest semiconductor companies among its licensees. Founded in 1975, MOSAID is based in Ottawa, Ontario.

Pro forma income, a non-GAAP measure, is GAAP net income adjusted for stock-based compensation, patent amortization and imputed interest, foreign exchange gains and losses on "Other long-term liabilities," and any other non-recurring items. The Company uses pro forma measures internally to evaluate and manage operating performance as well as to forecast and plan. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

For more information on the Company, visit [www.mosaid.com](http://www.mosaid.com).

#### **Forward Looking Information**

This document and certain other public documents incorporated by reference in this document, contain forward-looking statements to the extent they relate to MOSAID or its management, including those identified by the expressions "anticipate," "believe," "foresee," "estimate," "expect," "intend," "could," "may," "plan," "will," "would" and similar expressions. Similarly, statements in this document that describe MOSAID's business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. These forward-looking statements are not historical facts, but rather reflect MOSAID's current expectations regarding future events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results, performance or achievements to differ materially from those in such forward-looking statements. Assumptions made in preparing forward-looking statements and financial guidance include, but are not limited to, the following: MOSAID's continued expansion of its patent portfolio and of its opportunities for future patent licensing revenue as a result of MOSAID's acquisition of patents from third parties and from development of new inventions; DRAM manufacturers continuing to infringe MOSAID's patents; the timing and amount of MOSAID's litigation expenses; MOSAID's ability to sign new patent licensees; current assumptions as to the identification of products that are unlicensed to MOSAID's wireless patents; and the timing and amount of MOSAID's Research & Development expenses.

Factors that could cause actual results to differ materially from expected results include, but are not limited to, the following: the extent of embedded DRAM proliferation in the System-on-a-Chip markets; legal rulings and/or regulatory investigations or complaints having an adverse impact on the validity, enforceability, potential royalty rates, and strength or breadth of coverage of MOSAID's essential and/or nonessential patents (including, but not limited to, adverse results from litigation or proceedings in patent offices and government regulatory agencies in various countries around the world); judicial, legislative or regulatory changes that impair the ability of patent holders to earn licensing revenues; economic, social, and political conditions in the countries in which MOSAID or patent licensees operate, including security risks, health conditions, possible disruptions in transportation networks and fluctuations in foreign currency exchange rates; non-payment or delays in payment by, or insolvency of, licensees; variability in patent licensees' sales of licensed products, failure to maintain and enforce MOSAID's existing patent portfolio, or failure to obtain valuable patents as a result of research and development activities, or failure to acquire valuable patents from third parties; MOSAID's ability to recruit and retain skilled personnel; change in MOSAID's financial position; consolidation of MOSAID's licensees; natural events, such as severe weather and earthquakes in the locations in which MOSAID or patent licensees operate; and changes in the tax rate applicable to MOSAID as the result of changes in the tax law in the jurisdictions in which profits are determined to be earned and taxed, the outcome of tax audits and the ability to realize deferred tax assets.

MOSAID assumes no obligation to update or revise any forward-looking statements. Additional information identifying risks and uncertainties affecting MOSAID's business and other factors that could cause MOSAID's financial results to fluctuate are contained in MOSAID's Annual Information Form, under the section entitled "Risk Factors," and in MOSAID's other public filings available online at [www.sedar.com](http://www.sedar.com).

#### **Investor and Media Inquiries**

Michael Salter  
Director, Investor Relations and Corporate Communications  
613-599-9539 x1205  
[salter@mosaid.com](mailto:salter@mosaid.com)

### **FINANCIAL STATEMENTS AND NOTES TO FOLLOW**

**MOSAID TECHNOLOGIES INCORPORATED**

(Subject to the Canada Business Corporations Act)

**CONSOLIDATED PRO FORMA STATEMENTS OF OPERATIONS**

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

(Unaudited)

	Quarter Ended April 30,		Year Ended April 30,	
	2008	2007	2008	2007
<b>Revenues</b>	<b>\$16,959</b>	\$12,204	<b>\$55,072</b>	\$59,981
<b>Operating expenses</b>				
Patent portfolio management	<b>1,246</b>	1,136	<b>4,834</b>	4,243
Patent licensing and litigation	<b>5,261</b>	2,071	<b>13,643</b>	7,768
Research and development	<b>603</b>	336	<b>2,351</b>	1,182
General and administration	<b>870</b>	1,891	<b>4,146</b>	7,043
Foreign exchange loss	<b>91</b>	590	<b>606</b>	461
Special committee	-	848	<b>147</b>	2,812
	<b>8,071</b>	6,872	<b>25,727</b>	23,509
Pro forma income from operations	<b>8,888</b>	5,332	<b>29,345</b>	36,472
Net interest income	<b>562</b>	559	<b>2,130</b>	2,399
Pro forma income before income tax	<b>9,450</b>	5,891	<b>31,475</b>	38,871
Income tax expense (Note 3)	<b>3,362</b>	2,055	<b>11,242</b>	13,558
Pro forma income (Note 6)	<b>\$6,088</b>	\$3,836	<b>\$20,233</b>	\$25,313
<b>Pro forma earnings per share</b>				
Basic	<b>\$0.57</b>	\$0.35	<b>\$1.85</b>	\$2.28
Diluted	<b>\$0.57</b>	\$0.34	<b>\$1.83</b>	\$2.24
<b>Weighted average number of shares</b>				
Basic	<b>10,721,721</b>	11,023,860	<b>10,962,648</b>	11,103,185
Diluted	<b>10,770,415</b>	11,216,133	<b>11,057,861</b>	11,321,298

See accompanying Notes to the Consolidated Financial Statements

**MOSAID TECHNOLOGIES INCORPORATED**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS**  
(In thousands of Canadian Dollars, except per share amounts)  
(Unaudited)

	Quarter Ended April 30,		Year Ended April 30,	
	2008	2007	2008	2007
<b>Revenues</b>	<b>\$16,959</b>	\$12,204	<b>\$55,072</b>	\$59,981
<b>Operating expenses</b>				
Patent portfolio management	<b>1,246</b>	1,136	<b>4,834</b>	4,243
Patent licensing and litigation	<b>5,261</b>	2,071	<b>13,643</b>	7,768
Research and development	<b>603</b>	336	<b>2,351</b>	1,182
General and administration	<b>870</b>	1,891	<b>4,146</b>	7,043
Foreign exchange loss (gain)	<b>367</b>	(1,040)	<b>(3,393)</b>	(1,169)
Restructuring	-	2,284	<b>19</b>	2,284
Special committee	-	848	<b>147</b>	2,812
Stock-based compensation	<b>153</b>	653	<b>550</b>	1,140
Patent amortization and imputed interest	<b>3,254</b>	2,312	<b>13,223</b>	3,363
	<b>11,754</b>	10,491	<b>35,520</b>	28,666
Income from operations	<b>5,205</b>	1,713	<b>19,552</b>	31,315
Net interest income (Note 3)	<b>562</b>	559	<b>2,130</b>	2,399
Income before income tax expense and discontinued operations	<b>5,767</b>	2,272	<b>21,682</b>	33,714
Income tax expense	<b>1,854</b>	1,001	<b>10,827</b>	13,189
Income before discontinued operations	<b>3,913</b>	1,271	<b>10,855</b>	20,525
Discontinued operations income (net of tax) (Note 5)	<b>1,512</b>	7,772	<b>7,619</b>	4,184
<b>Net income</b>	<b>5,425</b>	9,043	<b>18,474</b>	24,709
Dividends	<b>2,680</b>	2,757	<b>10,958</b>	11,102
Normal course issuer bid	<b>173</b>	-	<b>5,120</b>	6,582
<b>Retained earnings, beginning of period</b>	<b>16,725</b>	10,615	<b>16,901</b>	9,876
<b>Retained earnings, end of period</b>	<b>\$19,297</b>	\$16,901	<b>\$19,297</b>	\$16,901
<b>Earnings per share</b> (Note 4)				
Basic – before discontinued operations	<b>\$0.36</b>	\$0.12	<b>\$0.99</b>	\$1.85
Diluted – before discontinued operations	<b>\$0.36</b>	\$0.11	<b>\$0.98</b>	\$1.81
Basic – net earnings	<b>\$0.51</b>	\$0.82	<b>\$1.69</b>	\$2.23
Diluted – net earnings	<b>\$0.50</b>	\$0.81	<b>\$1.67</b>	\$2.18
<b>Weighted average number of shares</b>				
Basic	<b>10,721,721</b>	11,023,860	<b>10,962,648</b>	11,103,185
Diluted	<b>10,770,415</b>	11,216,133	<b>11,057,861</b>	11,321,298

See accompanying Notes to the Consolidated Financial Statements

**MOSAID TECHNOLOGIES INCORPORATED**

## CONSOLIDATED BALANCE SHEETS

(In thousands of Canadian Dollars)

(Unaudited)

	As at April 30, 2008	As at April 30, 2007
<b>Current Assets</b>		
Cash and cash equivalents	\$22,133	\$23,396
Marketable securities	36,246	26,876
Accounts receivable	12,304	12,626
Prepaid expenses	486	618
Future income taxes recoverable	11,015	10,278
	<b>82,184</b>	73,794
<b>Capital assets</b>		
	957	1,067
<b>Acquired intangibles</b>	<b>70,130</b>	76,823
<b>Long-term receivables</b>	-	1,734
<b>Goodwill</b>	-	1,786
<b>Long-term assets held for sale</b>	-	7,028
<b>Future income taxes recoverable</b>	<b>16,988</b>	24,468
	<b>\$170,259</b>	\$186,700
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$7,723	\$16,091
Income tax payable	356	-
Deferred revenue	1,146	542
Mortgage payable	-	4,346
Other asset	318	-
Current portion of other long-term liabilities	5,345	5,239
	<b>14,888</b>	26,218
Deferred gain on sale-leaseback	1,797	-
Other long-term liabilities	31,195	38,313
	<b>47,880</b>	64,531
<b>Shareholders' Equity (Note 2)</b>		
Share capital	100,403	102,276
Contributed surplus	2,997	2,992
Retained earnings	19,297	16,901
Accumulated other comprehensive income	(318)	-
	<b>122,379</b>	122,169
	<b>\$170,259</b>	\$186,700

See accompanying Notes to the Consolidated Financial Statements

**MOSAID TECHNOLOGIES INCORPORATED**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands of Canadian Dollars)  
(Unaudited)

	Quarter Ended April 30,		Year Ended April 30,	
	2008	2007	2008	2007
<b>Operating</b>				
Income before discontinued operations	<b>\$3,913</b>	\$1,271	<b>\$10,855</b>	\$20,525
Items not affecting cash				
Amortization	<b>2,472</b>	1,772	<b>9,653</b>	3,025
Stock-based compensation	<b>153</b>	765	<b>550</b>	1,831
Loss on disposal of capital assets	<b>95</b>	1,652	<b>95</b>	1,794
Unrealized foreign exchange gain on other long-term investments	<b>(3,999)</b>	-	<b>(3,999)</b>	-
Future income tax recoverable	<b>1,691</b>	474	<b>6,743</b>	4,603
	<b>4,325</b>	5,934	<b>23,897</b>	31,778
Change in non-cash working capital items from continuing operations	<b>(3,083)</b>	13,434	<b>(9,341)</b>	(1,837)
	<b>1,242</b>	19,368	<b>14,556</b>	29,941
<b>Investing</b>				
Acquisition of capital assets and acquired intangibles	<b>1,036</b>	(18,976)	<b>(1,708)</b>	(36,175)
Acquisition of short-term marketable securities	<b>(2,906)</b>	(10,048)	<b>(119,460)</b>	(88,638)
Proceeds on disposal/maturity of short-term marketable securities	<b>77</b>	35,876	<b>110,090</b>	117,550
	<b>(1,793)</b>	6,244	<b>(11,078)</b>	(7,263)
<b>Financing</b>				
Repayment of mortgage	-	(62)	<b>(4,346)</b>	(244)
Long-term liabilities	<b>(1,632)</b>	(11,678)	<b>(4,081)</b>	-
Repurchase of shares	<b>(364)</b>	-	<b>(10,324)</b>	(9,996)
Dividends	<b>(2,680)</b>	(2,757)	<b>(10,958)</b>	(11,102)
Issue of common shares	<b>63</b>	575	<b>2,702</b>	1,745
	<b>(4,613)</b>	(13,922)	<b>(27,007)</b>	(19,597)
Net cash (outflow) inflow from continuing operations	<b>(5,164)</b>	11,690	<b>(23,529)</b>	3,081
Net cash inflow from discontinued operations	<b>9,885</b>	235	<b>22,266</b>	4,773
<b>Net cash inflow (outflow)</b>	<b>4,721</b>	11,925	<b>(1,263)</b>	7,854
<b>Cash and cash equivalents, beginning of period</b>	<b>17,412</b>	11,471	<b>23,396</b>	15,542
<b>Cash and cash equivalents, end of period</b>	<b>\$22,133</b>	\$23,396	<b>\$22,133</b>	\$23,396

See accompanying Notes to the Consolidated Financial Statements

**MOSAID TECHNOLOGIES INCORPORATED**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In thousands of Canadian Dollars)  
(Unaudited)

	<b>Quarter Ended</b>		<b>Year Ended</b>	
	<b>April 30,</b>		<b>April 30,</b>	
	<b>2008</b>	2007	<b>2008</b>	2007
Net income	<b>\$5,425</b>	\$9,043	<b>\$18,474</b>	\$24,709
Other comprehensive income, net of tax:				
Gains and losses on derivatives designated as cash flow hedges	<b>(54)</b>	-	<b>846</b>	-
Gains and losses on derivatives designated as cash flow hedges in prior periods transferred to net income in the current period	<b>(302)</b>	-	<b>(1,164)</b>	-
Other comprehensive income	<b>(356)</b>	-	<b>(318)</b>	-
Comprehensive income	<b>\$5,069</b>	\$9,043	<b>\$18,156</b>	\$24,709

See accompanying Notes to the Consolidated Financial Statements

**MOSAID TECHNOLOGIES INCORPORATED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**Quarter ended April 30, 2008**

(tabular dollar amounts in thousands of Canadian Dollars, except per share amounts)

**1. Basis of Presentation**

The accompanying unaudited financial statements have been prepared in accordance with Canadian generally accounting principles (GAAP) for interim financial information. Accordingly, they do not include all of the information and notes required by GAAP for annual financial statements.

In the opinion of management, all adjustments consisting of normal recurring adjustments, considered necessary for a fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the interim period presented are not necessarily indicative of the results to be expected for any subsequent quarter or for the full fiscal year ending April 30, 2008.

The accounting policies used in preparing these interim financial statements are consistent with those used in preparing the annual financial statements, except as follows:

Comprehensive Income

The CICA issued section 1530 of the CICA Handbook, Comprehensive Income. The section is effective for fiscal years beginning on or after October 1, 2006. It describes how to report and disclose comprehensive income and its components.

Comprehensive income is the change in a company's net assets that results from transactions, events and circumstances from sources other than the company's shareholders. It includes items that would not normally be included in net earnings, such as:

- changes in the currency translation adjustment relating to self-sustaining foreign operations;
- unrealized gains or losses on available-for-sale investments; and
- gains and losses on cash flow hedges.

The CICA also made changes to section 3250 of the CICA Handbook, Surplus, and reissued it as section 3251, Equity. The section is also effective for fiscal years beginning on or after October 1, 2006. The changes in how to report and disclose equity and changes in equity are consistent with the new requirements of section 1530, Comprehensive Income.

Financial Instruments – Recognition and Measurement

The CICA issued section 3855 of the CICA Handbook, Financial Instruments – Recognition and Measurement. The section is effective for fiscal years beginning on or after October 1, 2006. It describes the standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This section requires that:

- all financial assets be measured at fair value, with some exceptions such as loans and investments that are classified as held to maturity;
- all financial liabilities be measured at fair value if they are derivatives or classified as held for trading purposes. Other financial liabilities are measured at their amortized cost; and

- all derivative financial instruments be measured at fair value, even when they are part of a hedging relationship.

The CICA has also reissued section 3860 of the CICA Handbook as section 3861, *Financial Instruments – Disclosure and Presentation*, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006.

### Hedges

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006, and describes when and how hedge accounting can be used. On May 1, 2007, the Company adopted section 3865 of the CICA Handbook, Hedges on a prospective basis.

Hedging is an activity used by a company to change an exposure to one or more risks by creating an offset between:

- changes in the fair value of a hedged item and a hedging item;
- changes in the cash flows attributable to a hedged item and a hedging item; or
- changes resulting from a risk exposure relating to a hedged item and a hedging item.

Hedge accounting makes sure that all gains, losses, revenues and expenses from the derivative and the item it hedges are recorded in the statement of operations in the same period.

As a result of adopting the above, the Company has:

- recorded its foreign exchange risk management derivatives at fair value as at the reporting date on the balance sheet as “Other liabilities;”
- recorded the effective portion of its derivatives on the balance sheet in “Accumulated other comprehensive income;”
- classified all of its cash equivalents and marketable securities as “Held-for-trading” and recorded those securities at their fair value as at the reporting date, with changes in fair value being recognized in income immediately;
- accounts receivable are classified as “Loans and receivables,” which are recorded at amortized cost using the effective interest method;
- mortgage payable is classified as “Other liabilities,” which is recorded at amortized cost using the effective interest method;
- accounts payable and accrued liabilities are classified as “Other liabilities,” which are recorded at amortized cost using the effective interest method;
- classified its long-term liabilities as “Other liabilities,” which are recorded at amortized cost using the effective interest method; and
- reported comprehensive income and its components and accumulated other comprehensive income and its components in the Notes to the consolidated financial statements.

As a result of adoption of the above policies, there was no material impact on the Statement of Operations.

## 2. Shareholders' equity and other comprehensive income

The following are the changes in shareholders' equity for the year ended April 30, 2008:

	Common shares (number)	Common shares (\$)	Contributed surplus (\$)	Retained earnings (\$)	Accumulated other comprehensive income (\$)	Total (\$)
Balance at April 30, 2007	11,055,376	\$102,276	\$2,992	\$16,901	\$ -	\$122,169
Net income	-	-	-	18,474	-	18,474
Dividends	-	-	-	(10,958)	-	(10,958)
Employee Stock Option Program	219,283	3,267	(627)	-	-	2,640
Employee Share Purchase Program	4,731	64	22	-	-	86
Stock-based compensation	-	-	610	-	-	610
Normal course issuer bid	(559,583)	(5,204)	-	(5,120)	-	(10,324)
Unrealized derivative gains on cash flow hedges – net	-	-	-	-	(318)	(318)
Balance at April 30, 2008	10,719,807	\$100,403	\$2,997	\$19,297	(\$318)	\$122,379

## 3. Net Interest Income

Net interest income comprises the following:

	Quarter Ended April 30,		Year Ended April 30,	
	2008	2007	2008	2007
Interest income	\$562	\$647	\$2,361	\$2,760
Interest expense	-	88	231	361
	<b>\$562</b>	\$559	<b>\$2,130</b>	\$2,399

## 4. Earnings per Share

The following is a reconciliation of the numerator and denominator of the basic and diluted per share computations:

	Quarter Ended April 30,		Year Ended April 30,	
	2008	2007	2008	2007
Income before discontinued operations	\$3,913	\$1,271	\$10,855	\$20,525
Discontinued operations (net of tax)	1,512	7,772	7,619	4,184
Net income	<b>\$5,425</b>	\$9,043	<b>\$18,474</b>	\$24,709
Weighted average number of common shares outstanding	<b>10,721,721</b>	11,023,860	<b>10,962,648</b>	11,103,185
Net effect of stock options	<b>48,694</b>	192,273	<b>95,213</b>	218,113
Weighted average diluted number of common shares outstanding	<b>10,770,415</b>	11,216,133	<b>11,057,861</b>	11,321,298

	Quarter Ended April 30,		Year Ended April 30,	
	2008	2007	2008	2007
Earnings per share				
Basic – before discontinued operations	<b>\$0.36</b>	\$0.12	<b>\$0.99</b>	\$1.85
Diluted – before discontinued operations	<b>\$0.36</b>	\$0.11	<b>\$0.98</b>	\$1.81
Basic - net income	<b>\$0.51</b>	\$0.82	<b>\$1.69</b>	\$2.23
Diluted - net income	<b>\$0.50</b>	\$0.81	<b>\$1.67</b>	\$2.18

For the quarter ended April 30, 2008 and April 30, 2007, 261,331 and 12,500 options respectively were excluded from the calculation of diluted earnings per share as the exercise price of these options exceeded the average market price of the Company's common stock during this period and were therefore anti-dilutive.

For the year ended April 30, 2008 and April 30, 2007, 258,331 and 12,500 options respectively were excluded from the calculation of diluted earnings per share as the exercise price of these options exceeded the average market price of the Company's common stock during this period and were therefore anti-dilutive.

There were 396,519 and 541,024 options issued and outstanding as at April 30, 2008 and April 30, 2007 respectively.

#### 5. Discontinued operations

	Quarter Ended April 30,		Year Ended April 30,	
	2008	2007	2008	2007
Revenues	<b>\$163</b>	\$8,553	<b>\$926</b>	\$22,084
Expenses				
Labour and materials	-	2,073	-	5,736
Research and development	<b>(268)</b>	5,849	<b>1,219</b>	16,240
Selling and marketing	<b>(4)</b>	2,868	<b>1,026</b>	7,899
Bad debts	-	-	-	88
Restructuring	<b>(135)</b>	7,991	<b>31</b>	7,991
	<b>(407)</b>	18,781	<b>2,276</b>	37,954
Income (loss) from operations	<b>570</b>	(10,228)	<b>(1,350)</b>	(15,870)
Gain on sale of assets	<b>903</b>	17,806	<b>10,198</b>	17,806
Gain earnings before tax	<b>1,473</b>	7,578	<b>8,848</b>	1,936
Income tax (recovery) expense	<b>(39)</b>	(194)	<b>1,229</b>	(2,248)
Discontinued operations (net of tax)	<b>\$1,512</b>	\$7,772	<b>\$7,619</b>	\$4,184

## 6. Reconciliation of pro forma income with GAAP net income

	<b>Quarter Ended April 30,</b>		<b>Year Ended April 30,</b>	
	<b>2008</b>	2007	<b>2008</b>	2007
GAAP net income	<b>\$5,425</b>	\$9,043	<b>\$18,474</b>	\$24,709
Add (deduct):				
Stock-based compensation	<b>153</b>	653	<b>550</b>	1,140
Patent amortization and imputed interest	<b>3,254</b>	2,312	<b>13,223</b>	3,363
Restructuring	-	2,284	<b>19</b>	2,284
Foreign exchange loss (gain)	<b>276</b>	(1,630)	<b>(3,999)</b>	(1,630)
Income tax expense - for the above items	<b>(1,508)</b>	(1,749)	<b>(3,584)</b>	(1,064)
Future income tax revaluation	-	695	<b>3,169</b>	695
Discontinued operations (net of tax)	<b>(1,512)</b>	(7,772)	<b>(7,619)</b>	(4,184)
Pro forma income	<b>\$6,088</b>	\$3,836	<b>\$20,233</b>	\$25,313

## 7. Stock-based Compensation

The Company has an employee stock purchase plan program whereby employees may elect to designate up to 5% of their annual salary to purchase shares of the Company at a 10% discount from the fair market value. The purchase price is deducted over a six month period via payroll.

Also, the Company has an Employee and Director Stock Option Plan. The exercise price is no lower than the market price on the date of grant. Options granted under the Plan expire within a period of six years of granting, with vesting periods determined by the Human Resources Committee.

The Company employs a fair value method of accounting for all options issued to employees or directors on or after April 27, 2002. The fair value of options issued in the quarter was calculated using the Black-Scholes option pricing model and the following assumptions:

	<b>Year Ended April 30,</b>	
	<b>2008</b>	2007
Risk free interest rate	<b>2.9%</b>	4.4%
Expected life in years	<b>5.5</b>	5.5
Expected dividend yield	<b>6.2%</b>	4.3%
Volatility	<b>53.81%</b>	66.62%

For the quarter ended April 30, 2008, the Company did not issue deferred share units in lieu of options to directors and officers of the Company under its Deferred Share Unit Plan. Deferred share units vest evenly over a four year period. Deferred share units do not have an exercise price and can only be settled using cash consideration.

## 8. Business Segment Information

The Company operates in one business segment as a developer and licensor of semiconductor and communications technologies.