Partners in Performance

Operational Excellence

2009 ANNUAL REPORT

CORPORATE PROFILE

Firan Technology Group Corporation is a North American supplier of aerospace and defence electronic products and subsystems. It is a publicly traded Corporation on the Toronto Stock Exchange listed as "FTG".

With facilities in Canada and the United States, FTG provides integrated design assistance, prototype development and manufacturing services complemented by quick-turn-around production runs. FTG is currently setting up a facility in the People's Republic of China to serve the Asian market.

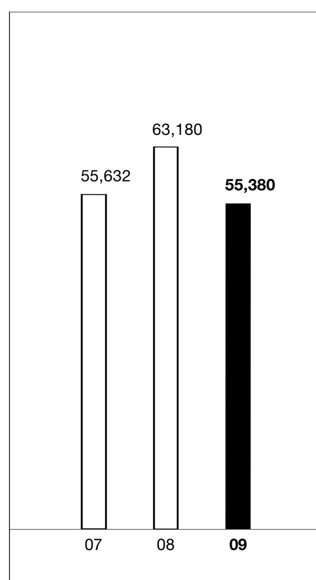
FTG has two operating units:

FTG Aerospace
Manufactures illuminated cockpit panels, keyboards and bezels for original-equipment manufacturers of avionics products, as well as airframe manufacturers.

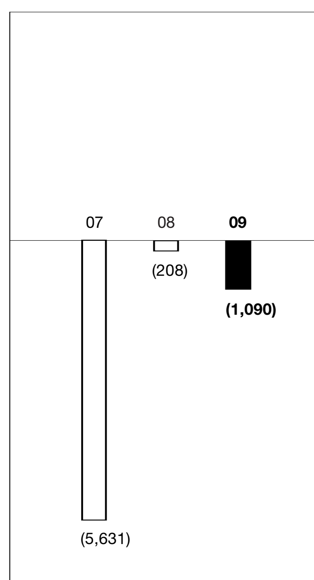
FTG Circuits
Manufactures high technology/high reliability printed circuit boards within the North American marketplace for technological and market leaders in the aviation, defence and other high technology industries.

FINANCIAL HIGHLIGHTS

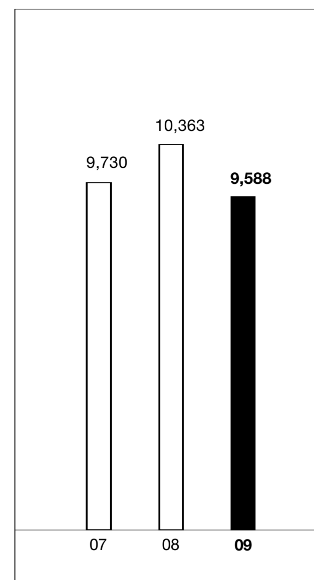
(thousands of dollars except per share data)	**2009**	2008	2007
Sales	**$ 55,380**	$ 63,180	$ 55,632
Net (Loss)	**(1,090)**	(208)	(5,831)
Common and preferred shares (in thousands)	**19,578**	19,578	19,578
(Loss) Per Share – Basic	**(0.06)**	(0.01)	(0.33)
(Loss) Per Share – Diluted	**(0.06)**	(0.01)	(0.33)
At year end:			
Total Assets	**29,093**	37,388	30,806
Total Bank Debt	**7,451**	10,914	7,668



Sales
(thousands of dollars)



Net Loss
(thousands of dollars)



Working Capital
(thousands of dollars)

CEO Message

FTG remains clearly positioned as an aerospace and defence electronics company. We are now engaged with most of the top aerospace and defence prime contractors in North America. Our focus on this market is based on a belief that we can provide a unique solution to our customers and attain a sustainable competitive advantage.

In 2009, the commercial aerospace market experienced a downturn due to the global economic slowdown, tightening credit markets, reduced air travel and the weak financial conditions of many airlines.

The defence market was stable in the U.S. in 2009. In Canada, defence spending also remained solid with a number of significant programs underway. Canadian spending creates opportunities directly and via offset agreements with the equipment suppliers.

While 2009 proved to be a challenging year due to the reduced demand across our customer base, we did nevertheless accomplish many strategic objectives. We continued to increase the percentage of our business from specialized circuit boards such as HDI, rigid flex and RF products. We continued to penetrate new accounts and new programs.

FTG Aerospace delivered a series of higher level assemblies as we moved up the value chain. These higher value solutions are critical to the long term success of this business. We also made progress on our initiative to create FTG Aerospace – Tianjin. As we get this business set up and running, it will create another platform for growth.

Looking forward for FTG, there is continued uncertainty in the market but there are also opportunities.

FTG continues to focus on technologies necessary for new programs. FTG has content on some new civil aviation programs such as the Boeing 787. Similarly in the defence market, FTG has captured content on new programs such as the F 35 Joint Strike Fighter.

Finally, FTG will continue to drive towards ***Operational Excellence*** in all operations. Most customers are actively measuring supplier performance and reward good results with increased opportunities. FTG is focused on exceeding customer expectations and competing on performance and technology rather than price.

Sincerely,

Brad Bourne
President and CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts stated in Canadian dollars 000's unless otherwise specified)

This report is management's discussion and analysis ("MD&A") of Firan Technology Group Corporation's (the "Corporation" or "FTG") financial results for the years ended November 30, 2009 and 2008. MD&A should be read in conjunction with the Audited Consolidated Financial Statements as at, and for, the years ended November 30, 2009 and 2008, and Accompanying Notes. The Financial Statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are presented in Canadian dollars unless otherwise stated.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this MD&A other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the current expectations of FTG. These statements include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of FTG, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "considers", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". Forward-looking statements are provided for the purpose of conveying information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes.

Forward-looking information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including FTG's perception of historical trends, current conditions and expected future developments, as well as other factors FTG believes are appropriate in the circumstances.

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of material factors, many of which are beyond FTG's control, affect the operations, performance and results of FTG and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: impact or unanticipated impact of general economic, political and market factors in North America and internationally; intense business competition and uncertain demand for products; technological change; customer concentration; foreign currency exchange rates; dependence on key personnel; ability to retain and develop sufficient labour and management resources; ability to complete strategic transactions, integrate acquisitions and implement other growth strategies; litigation and product liability proceedings; increased demand from competitors with lower production costs; reliance on suppliers; credit risk of customers; compliance with environmental laws; possibility of damage to manufacturing facilities as a result of unforeseeable events, such as natural disasters or fires; fluctuations in operating results; possibility of intellectual property infringement claims; demand for the products of FTG's customers; ability to obtain continued debt and equity financing on acceptable terms, ability of significant shareholder to influence matters requiring shareholder approval; historic volatility in the market price of the Corporation's common shares and risk of price decreases; production warranty and casualty claim losses; conducting business in foreign jurisdictions; income and other taxes; and government regulation and legislation and FTG's ability to successfully anticipate and manage the foregoing risks.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect any of FTG's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

Other than as specifically required by law, FTG undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results otherwise.

The risks, uncertainties and other factors that could influence actual results are described in this MD&A based on information available as of January 29, 2010, and the Corporation's Annual Information Form (including documents incorporated by reference) dated February 24, 2010, which is available on SEDAR at www.sedar.com.

CORE BUSINESS AND STRATEGY

Firan Technology Group is a North American supplier of aerospace and defence electronics products and subsystems. It is a publicly traded Corporation on the Toronto Stock Exchange listed as "FTG".

FTG has two operating segments, FTG Aerospace and FTG Circuits.

FTG Aerospace manufactures illuminated cockpit panels, keyboards, bezels and sub assemblies for original-equipment manufacturers, as well as airframe manufacturers.

FTG Circuits is a leading manufacturer of high technology/high reliability printed circuit boards within the North American marketplace. Its customers are technological and market leaders in the aviation, defence and related industries.

Continuing into 2009, the Corporation remains committed to the progress and direction of the ***Operational Excellence*** strategic initiative, initiated during 2005. FTG continues to expand its market share by streamlining its operations, improving production efficiencies and yields, attracting and retaining key employees while fostering new long-term relationships with some of the top aerospace and defence companies in North America.

The Corporation's goal is simple. By weaving ***Operational Excellence*** into the day-to-day operations, FTG is creating a new corporate culture where ***quality products***, ***on-time delivery*** and ***customer service*** are the paramount forces driving the Corporation forward.

The FTG management team is focused and committed to running a healthy business, offering stability to its customers, suppliers and employees while delivering long-term value to all of its stakeholders.

SELECTED ANNUAL INFORMATION

(thousands of dollars except per share amounts)	**2009**	2008	2007
Sales	**$ 55,380**	$ 63,180	$ 55,632
Net (loss)	**(1,090)**	(208)	(5,831)
Common and preferred shares, in aggregate (in thousands)	**19,578**	19,578	19,578
Net (loss) per share – basic and diluted	**$ (0.06)**	$ (0.01)	$ (0.33)
Total assets	**29,093**	37,388	30,806
Total bank debt	**7,451**	10,914	7,668

OVERVIEW OF HISTORICAL QUARTERLY RESULTS

(thousands of dollars except per share amounts and exchange rates)	Q1-08	Q2-08	Q3-08	Q4-08	**Q1-09**	**Q2-09**	**Q3-09**	**Q4-09**
Circuit Segment Sales	$10,569	$12,747	$12,746	$13,870	**$11,486**	**$11,715**	**$10,679**	**$10,445**
Aerospace Segment Sales	3,029	3,711	3,002	3,506	**3,208**	**2,919**	**2,251**	**2,677**
Total Sales	13,598	16,458	15,748	17,376	**14,694**	**14,634**	**12,930**	**13,122**
Net (Loss)/ Earnings	(1,047)	206	190	443	**(67)**	**(540)**	**(265)**	**(218)**
Net (Loss)/ Earnings per share – Basic & Diluted	$ (0.06)	$ 0.01	$ 0.01	$ 0.03	**$ 0.00**	**$ (0.03)**	**$ (0.02)**	**$ (0.01)**
Quarterly Average $U.S. Exchange Rates	$1.0046	$1.0058	$1.0250	$1.1432	**$1.2325**	**$1.2193**	**$1.1162**	**$1.0676**

The Corporation's sales are derived from major technological and market leaders in the aviation, defence and other high technology industries. The principal markets served over the last eight quarters continue to be primarily Canada and the United States. Sales in Canada have increased from 17.7% in 2008 to 19.7% in 2009. The United States sales have remained at a constant 76.0% and continue to have a major impact on the Corporation's results. Sales in Europe and Asia, denominated in U.S. dollars, account for the other 4.3% of 2009 sales, down from 6.3% in 2008.

Most of the Corporation's sales are denominated in U.S. dollars, which has a significant adverse effect on the sales and overall profitability of the Corporation when the U.S. dollar weakens, and the opposite effect when it strengthens.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF HISTORICAL QUARTERLY RESULTS (continued)

During the first quarter of fiscal 2008, the Corporation acquired substantially all of the assets of Filtran Microcircuits Inc. ("Filtran"), a Canadian printed circuit board manufacturer based in Ottawa, Ontario whose focus has been on printed circuit boards for high-frequency applications. The net loss reflected $1,047 for the first quarter of 2008 was a combination of the restructuring and operating loss at the Filtran facility of $368 coupled with the impact of the indirect inefficiencies related to the acquisition and closing of the Filtran facility.

Sales increased during most of 2008 as a result of the Filtran acquisition which added new customers to both FTG Circuits facilities (Toronto, Ontario and Chatsworth, California) despite the weakness of the U.S. dollar during the first three quarters of 2008.

The Corporation achieved the highest sales in its history of $17,376 in the fourth quarter of 2008 arising from the strength of the U.S. dollar, the Filtran acquisition and the introduction of new customers.

The acquisition of Filtran assisted in mitigating the overall customer concentration with no overlap in the customer base. The transition was completed in 2008 and continues to have a positive impact in 2009. FTG has now been qualified on a number of key new accounts in the high-speed radio frequency ("RF") circuit board market.

Sales in the first two quarters of 2009 were positively impacted by the strengthening of the U.S. dollar which has been tempered by the softened demand from commercial aerospace customers for the Corporation's products as a result of the global economic slowdown.

Sales in the third and fourth quarters of 2009 were negatively impacted by the weakening of the U.S. dollar combined with the continued softened demand for the Corporation's products. The slowdown during most of 2009 has presented some immediate challenges as legacy customers have been lowering inventory levels versus placing new orders.

Earnings over the last eight quarters were erratic with profitable quarters when the sales and U.S. dollar were strong, and losses when the sales and U.S. dollar weakened. FTG is a high fixed cost, volume-driven business where operational leverage materializes on higher volumes and throughput.

The key external drivers for the Corporation continue to be the impact of the economy on end customer demand for commercial and business aircraft, defence spending, the weakness of the U.S. dollar on the sales side and commodity pricing on the cost side.

RESULTS OF OPERATIONS FOR THE 2009 FISCAL YEAR

(thousands of dollars except per share amounts)

Current Economic Downturn

Despite the current world-wide economic downturn which has affected FTG during all of 2009, the Corporation has taken many steps to preserve or attract new business in light of the soft demand from its commercial aerospace customers. These actions include, but are not limited to, the following:

- Management of the supply chain by leveraging FTG's corporate-wide buying power for materials, equipment, supplies and identifying alternate materials and technologies to reduce FTG's costs;
- Introduction of a work-share program to reduce costs by $37 and maintain FTG's skill set;
- 10% temporary salary reduction program for management and staff at all levels resulting in savings of $613 until conditions improve;
- Cost containment, lean manufacturing and yield improvement programs;
- Permanent reduction in the workforce across all three FTG facilities;
- Maintained research and development costs at historical run rates to invest in new technologies and capture new business;
- Investment in capital assets to increase FTG's capabilities and capacity;
- Capacity expansion at FTG Circuits – Chatsworth to 35,000 square feet;
- Renewal of FTG's U.S. $6,000 revolving facility for a further three years;
- Reduction in total bank debt by $3,463;
- Reduction in interest expense by $142;
- Expansion of FTG's currency-hedging program to lock-in rates through 2009 above $1.20, contributing over $1,152 of additional sales;

- Introduced internal measures to conserve energy and water consumption;
- Negotiated a new contract with Canada's largest contract manufacturer;
- Qualified as a supplier to a third major business unit within the General Electric Company;
- Captured a second customer for FTG Aerospace's Lighting Power Supply;
- Renewed cockpit product contract with Rockwell Collins, Inc. for three additional years with increased part numbers;
- Selected for the supply of cockpit panels for Bombardier Inc.'s C Series aircraft;
- Increased sales of higher level assemblies at FTG Aerospace; and
- Increased sales of rigid flex circuit boards in the FTG Circuits – Chatsworth facility.

All of the above initiatives will position the Corporation favourably when the economy recovers from the current economic downturn.

Consolidated Sales

Sales for 2009 were $55,380, a decrease of $7,800 or 12.3% over fiscal 2008. This was primarily the result of reduced demand across both of the Canadian production facilities, partially offset by the positive impact of the strength of the U.S. dollar during the first two quarters of 2009 and less so during the final two quarters. The average exchange rate for 2009 was $1.1589 versus $1.0447 for 2008.

The duration of the global economic downturn is uncertain and, coupled with the tightening of the credit markets experienced during most of 2009, has softened the demand for the Corporation's products. This has presented some immediate challenges as legacy customers are lowering inventory levels versus placing new orders. This is more evident in each of the Canadian production facilities as they have been impacted by the slowdown in the commercial avionics, air transport, business jet and very light jet markets.

Notwithstanding the overall drop in sales due to the reduced customer demand on repeat or production orders, there was continued strength in activity for new part numbers and new customers. This bodes well for future sales when the base business returns to more normal levels.

Segment Sales

Sales for the FTG Circuits segment were $44,325 for fiscal 2009, a decrease of $5,607 or 11.2% over fiscal 2008. The FTG Circuits – Toronto facility experienced a year-over-year sales decrease of $7,006 or 20.2% as more commercial avionics, air transport and business jet activity, which has seen the greatest negative impact due to the economic downturn, is performed in that facility. Conversely, the FTG Circuits – Chatsworth facility experienced a year-over-year growth in sales of $1,399 or 9.2% as a result of the higher foreign exchange on sales, increased volume in the RF product line, increased rigid flex activity as a result of the more stable demand for the military product manufactured in that facility for the defence market.

The top five customers represented 43.6% of the FTG Circuits segment sales for fiscal 2009 versus 47.8% in fiscal 2008.

Sales for the FTG Aerospace segment were $11,055 for fiscal 2009, a decrease of $2,193 or 16.6% over fiscal 2008. The decrease in this segment was the result of the decline in the legacy activity revolving around the regional, business and general aviation markets. Reduced production rates occurred with legacy customers such as Bombardier Inc., Bell Aviation, Inc. and Diamond Aircraft Industries Inc. in the general aviation market. The cycle time of quoting to shipment is longer in this segment which has impacted the recovery in activity. During the fourth quarter of 2008, the FTG Aerospace segment captured some key new programs where the equipment being supplied includes higher end assemblies requiring both hardware and software development. During the latter part of 2009, the segment saw the initial shipments of the first assemblies incorporating higher level hardware and software designs for cockpit assemblies for CAE Electronics (a subsidiary of CAE, Inc.) for use in both commercial and military simulators. Also, the Corporation's lighting power supply has been qualified for a second customer. Overall, there has been a shift in product mix from the traditional production orders to higher value assembly business.

The top five customers represented 65.3% of the FTG Aerospace segment sales for fiscal 2009 versus 61.1% in fiscal 2008.

RESULTS OF OPERATIONS FOR THE 2009 FISCAL YEAR (continued)

The Corporation's consolidated sales by location of its customers are as follows:

	Year-to-Date			
	2009	**%**	2008	%
Canada	**$ 10,913**	**20**	$ 11,208	18
United States	**41,825**	**75**	48,001	76
Asia	**2,178**	**4**	3,272	5
Europe	**349**	**1**	683	1
Other	**115**	**0**	16	0
Total	**$ 55,380**	**100**	$ 63,180	100

Sales to Europe and Asia are mainly denominated in U.S. dollars. The Corporation is attempting to introduce the Euro currency in our sales contracts so as to spread the currency risk. The Corporation's top five customers represent 43.0% of total sales for fiscal 2009 versus 45.0% for the same fiscal period in 2008. In fiscal 2009, the Corporation's two largest customers accounted for 13.0% (12.0% in 2008) and 12.0% (12.0% in 2008) of sales, respectively.

The Corporation continues to believe that the long-term fundamental market demand for its products remains strong and will continue to focus its efforts in these niche military and aerospace markets. While the current business environment remains challenging, the Corporation is in a strong position to continue to serve its customer base and focus on the key opportunities herein.

Gross Margin

The gross margin percentage on a consolidated basis decreased by 1.6% in fiscal 2009 to $12,987, or 23.5% of sales versus $15,858 or 25.1% of sales for fiscal 2008.

The decrease in the gross margin on a dollar basis for fiscal 2009 was due to the lower fixed costs absorption on the decreased throughput for both of the Corporation's business segments. The third quarter and fourth quarter of 2009 were the first full quarters of the work-share and 10% salary reduction programs which were implemented in May of 2009. The impact of these programs improved the gross margin by $448 during these periods.

The FTG Circuits – Toronto facility is a high fixed-cost, volume-driven business where the operational leverage materializes on higher volumes and throughput. The decrease in the underlying activity during fiscal 2009 negatively impacted the gross margin while the FTG Circuits – Chatsworth facility experienced the opposite effect as both sales and gross margin have improved for fiscal 2009 versus fiscal 2008.

The FTG Aerospace segment's gross margin for fiscal 2009 decreased over fiscal 2008 as a result of lower fixed-costs absorption on the decreased activity and throughput. The overall cycle time of quoting to shipment is longer in this segment which has negatively impacted the recovery in activity. The facility was shut down for a two-week period during the third quarter due to lack of work. In the short-term, the investments made in product development, training, lean manufacturing and other measures to increase the capacity of the facility over the last few years have added to the cost structure. Management feels that the created benefits of these investments will return as the economy recovers.

During the first quarter of 2009, the Corporation applied to Human Resources Development Canada for their work-sharing program for both its Toronto facilities and continues to rationalize costs during the current economic slowdown. The work-sharing program enables the Corporation to save variable days of payroll costs per week, with employment insurance benefits available for employees. The Corporation's total workforce was reduced by approximately 30 people or 8.0% with reductions happening at all three facilities. Management and staff at all levels of the Corporation have taken a temporary 10.0% salary reduction until economic conditions improve. The Corporation is uncertain to what extent the above actions will offset current market conditions and will continue to monitor the economic situation and modify plans accordingly.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") for fiscal 2009 were $6,948 or 12.5% of sales as compared to $8,203 or 13.0% of sales for fiscal 2008. This represents a decrease of $1,255 or 15.3% over fiscal 2008.

Most of the decreased SG&A costs resulted from the favourable billing adjustment for employee benefits covering the years 2003 to 2008 of $277, the cancellation of 2008 bonus payments for executive management of $100, lower 2009 bonus accruals of $359, lower professional fees of $183 and $202 as a result of the 10% salary reduction program.

Research and Development Costs

Research and development ("R&D") costs include the cost of direct labour, materials and an allocation of overhead. Generally, these costs represent specific activities regarding the technical uncertainty of production processes and exotic materials.

R&D costs for fiscal 2009 were $3,509 or 6.3% of sales as compared to $4,158 or 6.6% for the same period last year. The 2009 amounts were slightly lower than fiscal 2008 which saw increased activity with the introduction of the Filtran product line into the FTG Circuits segment.

Recovery of Research and Development Costs

Recoveries of research and development costs for 2009 were $140 and consisted of $125 Ontario Innovation Tax Credit ("OITC") receivable and a grant of $15 from the Canadian Manufacturers and Exporters ("CME"). There were no recoveries for the same period last year.

Amortization of Capital Assets

Amortization of capital assets for 2009 was $2,390 compared to $2,652 for 2008.

Amortization is lower, year-over-year, reflecting lower additions in prior years, excluding the Filtran acquisition, along with more equipment becoming fully amortized.

Amortization of Other Intangible Assets

Amortization of other intangible assets for fiscal 2009 was $47 versus $48 for the same period last year. The intangible asset represents strategic customer relationships related to the acquisition of Filtran. These intangibles are being amortized over their estimated useful lives of 10 years using the straight-line method.

Interest Costs

Interest costs for fiscal 2009 were $559 versus $701 for fiscal 2008. The decrease of $142 or 20.2% over fiscal 2008 is the result of the lower operating line borrowings throughout 2009, lower interest rates and a lower amount of term debt as a result of ongoing debt repayments.

Severance Costs

Severance costs for 2009 were $231 as a result of the employee downsizing due to current market conditions. This compares to $266 of severance costs and $325 of restructuring costs associated with integrating and closing the Filtran facility during 2008.

Foreign Exchange Loss

The foreign exchange loss for fiscal 2009 was $721 versus a $114 gain for the same period last year. This loss is mainly the result of re-valuing the U.S. dollar assets and liabilities on the closing balance sheet as the U.S. dollar weakened in 2009. See Note 15(b)(i) of the Audited Consolidated Financial Statements of the Corporation as at and for the years ended November 30, 2009 and 2008 for further details on foreign exchange losses.

Income Tax Provision

There is no current income tax provision recorded for the Canadian operation in either 2009 or 2008 as a result of the Corporation's loss position. In 2009, the $4 tax provision related to the U.S. subsidiary's minimum tax payable in the State of California.

Income Tax Provision (continued)

On November 6, 2009, the United States government signed into law the Worker, Homeownership, and Business Assistance Act of 2009 ("Act"), allowing businesses with net operating losses ("NOLs") for any single taxable year ending after December 31, 2007 and beginning before January 1, 2010 to carry back those losses for up to five years rather than the current two-year period. In 2008, the deferred tax asset related to the federal NOLs of $564 was set against a valuation allowance, as management believed that it was more likely than not that the NOL would not be realized. Under the new Act, the Corporation will be able to utilize the NOL by carrying it back to the year ending November 30, 2005. Therefore, a tax benefit of $192 was recognized as of November 30, 2009.

Net Loss

The net loss for fiscal 2009 was $1,090 or basic and diluted loss per share of $0.06. This is compared with the fiscal 2008 loss of $208 or basic and diluted earnings per share of $0.01.

The net loss for fiscal 2009 reflects lower production activity throughout the Corporation as a result of the general economic slowdown being experienced by the Corporation's customers.

The Corporation remains committed to the long-term strategy of focusing its efforts in the aerospace and defence electronics market, investing in technologies necessary for success on new programs, creating a Far East presence to address the need for Far East content on new commercial aerospace platforms and maintaining a conservative financial structure.

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2009, the Corporation's primary source of liquidity included cash of $20, accounts receivable of $9,490, inventory of $7,618 and U.S. $5,852 of availability remaining on its revolving line of credit. Working capital at November 30, 2009 was $9,588 as compared to $10,363 at November 30, 2008. Compared to November 30, 2008, accounts receivable days outstanding were 62 versus 84, inventory turns were 5.6 versus 5.2, and accounts payable days outstanding were 58 versus 76.

The Corporation's U.S. subsidiary, Firan Technology Group (USA) Corporation, utilized U.S. $148 (approximately Cdn. $157) of the revolving facility at November 30, 2009 (2008 – U.S. $1,500 or approximately Cdn. $1,855 at November 30, 2008). The Canadian operations utilized $ nil (2008 – Cdn. $1,122) of the revolving facility during the same period. The revolving credit facility is secured by a first charge on all of the property and assets of the Corporation.

The Corporation was in compliance with all of its bank covenants as at November 30, 2009 and has sufficient liquidity and capital resources to meet its obligations for the foreseeable future. Specifically, management is confident that the Corporation has sufficient liquidity to fund current operations, meet its debt maturity and capital expenditure plans. The Corporation's original revolving facility was to expire July 12, 2009 and the Corporation signed a three-year renewal on March 16, 2009 to extend the U.S. $6,000 revolving facility until March 31, 2012.

The following is a table that outlines the contractual obligations of the Corporation.

Contractual Obligations	Payments Due By Period (in thousands of dollars)					
	Total	2010	2011	2012	2013	2014 & beyond
Long-term Debt	**$ 7,294**	$ 2,075	$ 3,627	$ 1,020	$ 528	$ 44
Operating Leases	**$ 4,987**	$ 922	$ 927	$ 866	$ 882	$ 1,390
Foreign currencies	**$ 2,281**	$ 2,281	—	—	—	—

CAPITAL EXPENDITURES

For fiscal 2009, the Corporation invested $1,548 versus $666 for fiscal 2008 (excluding the assets of Filtran $1,070). The current year's additions were mainly technology-driven in a conscious effort to improve the Corporation's technological roadmap to support its customers' requirements. The most significant acquisition was a Laser Direct Imaging ("LDI") system for the FTG Circuits – Toronto facility which will enable the Corporation to increase its capabilities to produce high-density interconnect products and bid on new programs in the aerospace and defence markets.

CASH FLOW

Operating Activities

Cash provided by operating activities in fiscal 2009 amounted to $3,285 versus $620 for the same period last year. The change from 2008 was primarily driven by the improvement in the change in working capital, primarily the collection of accounts receivable. Refer to Note 14 of the Audited Consolidated Financial Statements of the Corporation as at and for the years ended November 30, 2009 and 2008.

Investing Activities

Investing activities in fiscal 2009 resulted in the use of cash of $1,548 versus $2,128 for the same period in 2008. The current year's usage related to the acquisition of capital assets (LDI system for the FTG Circuits – Toronto facility) compared to the use of cash for the acquisition of capital assets and the acquisition of Filtran in 2008.

Financing Activities

Cash used by financing activities in fiscal 2009 amounted to $2,218 which included proceeds of $2,217 from the drawdown of the capital expenditure facility, less debt repayments of $1,746 and a reduction of the operating line of $2,689. In the same period of 2008, cash provided by financing activities was $1,352 which included an increase of $2,268 in the operating line to finance the acquisition of Filtran along with an increase in the capital expenditure facility of $501. The latter items were reduced by repayments of $1,417 for long-term debt.

RELATED PARTY TRANSACTIONS

There were no related party transactions during 2009 and 2008.

FINANCIAL RISK MANAGEMENT

Disclosures regarding the nature and extent of the Corporation's exposure to risks arising from financial instruments, including credit risk, liquidity risk, foreign-currency risk and interest-rate risk and how the Corporation manages those risks can be found under the heading "Financial Instruments" in Note 15 to the Audited Consolidated Financial Statements of the Corporation as at and for the years ended November 30, 2009 and 2008, and are designed to meet the requirements of the CICA Handbook Section 3862 "Financial Instruments Disclosures", which apply to the annual financial statements related to fiscal years beginning on or after October 1, 2007.

OUTSTANDING SHARES

The authorized capital of the Corporation consists of an unlimited number of common shares and an unlimited number of preference shares issuable in series. As at November 30, 2009, the Corporation had outstanding 17,803,201 common shares (the "Common Shares") and 1,775,000 voting convertible preference shares, Series 1 (the "Preferred Shares"). The Preferred Shares are convertible into Common Shares on a one-for-one basis. Each Common Share and Preferred Share carries the right to one vote. Holders of Preferred Shares are entitled to a preference over holders of Common Shares in respect of any distribution of assets in connection with the liquidation, dissolution or winding up of the Corporation. Holders of Preferred Shares shall be entitled to receive an amount equal to $2.50 per Preferred Share before any amount is paid or any assets of the Corporation are distributed to the holders of Common Shares.

RISK FACTORS

FTG operates in a dynamic and rapidly changing environment and industry, which exposes the Corporation to numerous risk factors. Additional information about the Corporation, including risks and uncertainties about FTG's business, is provided in the Corporation's Annual Information Form dated February 24, 2010, which is available on SEDAR at www.sedar.com.

CONTINGENCIES

The Corporation is, from time to time, involved in litigation in the ordinary course of its business. The Corporation maintains liability insurance that it considers adequate to insure claims related to usual risks associated with its business.

CONTINGENCIES (continued)

The Corporation is a co-defendant to a claim originally filed at the Ontario Superior Court of Justice by Emmanuel Tannenbaum and June Realty Ltd. on June 16, 2006, and amended on September 15, 2006. The other co-defendants are Glendale International Corp. and Living World Missionary Church Incorporated. The plaintiff seeks damages for the alleged migration of chemicals, bi-products and related constituents from a property at one time owned by a predecessor to the Corporation, onto the plaintiff's land. The plaintiff is seeking $5 million in total damages. The proceedings are being contested. A defense to the claim was filed by the defendants in August 2007 and discovery proceedings are in process.

Pursuant to a Merger Agreement among Circuit World Corporation, Glendale International Corp. and Firan Technology Group Incorporated, dated June 5, 2003, Glendale International Corp. is responsible for any claim, demand, legal proceeding, and action, cause of action, damage, loss, costs and liability of expenses brought against Circuit World Corporation. Pursuant to the merger of Firan Technology Group Inc. and Circuit World Corporation to form the Corporation, the Corporation succeeded to the rights of Circuit World Corporation under the Merger Agreement. Glendale International Corp. has assumed responsibility for the Corporation's defence and has acknowledged its responsibility to fully indemnify the Corporation pursuant to the Merger Agreement.

On January 19, 2010 Glendale International Corp. announced it had filed a voluntary assignment in bankruptcy under the Bankruptcy and Insolvency Act (Canada). Accordingly, the Corporation's ability to recover from Glendale under its indemnification obligation may be limited. The Corporation may also be required to reassume the defence of the action commenced by the plaintiffs. At this time, it is not reasonably possible to determine the extent of the alleged damages for which the Corporation may be liable, and the Corporation intends to vigorously defend against any alleged liability. The Corporation has filed a proof of claim against the estate of Glendale International Corp. for any liability.

FOURTH QUARTER

Sales

Sales for the fourth quarter of 2009 were $13,122, a decrease of $4,254 or 24.5% from the fourth quarter of 2008 and a modest sequential increase of $192 or 1% over the third quarter of 2009. The FTG Aerospace segment saw a quarter-over-quarter sequential growth of $426 or 18.9% over the third quarter of 2009. Sales in the Circuits segment was $234 or 2.2% lower than the third quarter of 2009.

Net Loss

The Corporation lost $218 during the fourth quarter of 2009 versus earnings of $443 in the fourth quarter of 2008 when the Corporation recorded the highest sales in its history. The fourth quarter of 2008 saw a combination of increased throughput to absorbed fixed overhead costs coupled with a stronger U.S. dollar.

Cash Flow

Operating Activities

Cash provided by operating activities during the fourth quarter of 2009 amounted to $1,324 versus $451 for the same period last year. The change from 2008 was primarily driven by the improvement in the change in working capital, primarily the collection of accounts receivable.

Investing Activities

Investing activities during the fourth quarter of 2009 resulted in the use of cash of $246 versus $155 for the same period in 2008 for the addition of capital assets.

Financing Activities

Cash used by financing activities during the fourth quarter of 2009 amounted to $1,970 which included long-term debt repayments of $403 and a reduction of the operating line of $1,567. In the same period of 2008, cash used by financing activities was $242 which included an increase of $191 in the operating line and long-term debt repayments of $433.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates. Estimates and assumptions have been made in connection with the provisions for accounts receivable, inventory obsolescence, warranty and amortization based on useful lives of capital assets, and valuation of investment tax credits, future income tax assets, goodwill, and other intangible assets.

Accounts Receivable

The Corporation provides customary credit terms to its customers and does not require collateral. Management performs ongoing credit evaluations of the financial condition of its customers and maintains an allowance for doubtful accounts based on historical collection experience and expected collectability of accounts. Actual bad debts may differ from management's estimates.

Inventory Obsolescence

Provisions are made to reduce excess and obsolete inventories to their estimated net realizable value. Inventory requirements may change based on the product characteristics of projected customer demand, changes due to market conditions, technological and product life cycle changes or longer or shorter than expected usage periods which could affect the valuation of inventory. An inventory obsolescence allowance is made based on current and historical experience and information.

Estimated Useful Lives of Capital Assets

The estimated useful life of capital assets is based on the Corporation's historical experience and industry standards.

Warranty Accrual Estimate

The Corporation provides its customers with a limited right of return for defective product printed circuit boards, illuminated panels, keyboards and assemblies. A warranty accrual estimate is made at the time of sale based on historical experience and information.

Investment Tax Credits / Future Tax Assets

Future income tax assets are reviewed for each reporting period for recoverability and valuation allowances are provided, when necessary, to increase or decrease the future tax assets to the amounts expected to be realized. Should management's expectations of taxable income change in future periods, it may be necessary to adjust the valuation allowance, which could affect the results in the period such a determination was made.

Goodwill

The Corporation uses an estimate of the future discounted net cash flows in measuring whether the Canadian and U.S. subsidiary goodwill assets are recoverable. If the forecasts and assumptions used to support the realizability of the goodwill assets change in the future, impairment charges could result in adverse affect on the earnings of the Corporation. FTG Circuits – Chatsworth and Firan Technology Group (USA) Corporation are considered self-sustaining subsidiaries. Accordingly, their goodwill is translated at exchange rates in effect at the balance sheet date. The resulting translation gain or loss is included in the accumulated other comprehensive loss section of shareholders' equity until there is a realized reduction in the net investment.

Other Intangible Assets

The Corporation uses an estimate of the future undiscounted net cash flows in measuring whether the Canadian intangible assets are recoverable. If the forecasts and assumptions used to support the realizability of the intangible assets change in the future, impairment charges could result in adverse affect on the earnings of the Corporation.

ADOPTION OF NEW ACCOUNTING STANDARDS

Effective the commencement of its 2009 fiscal year, the Corporation has adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031- Inventories, CICA Handbook Section 1400 – General Standards of Financial Statement Presentation regarding the requirements to assess and disclose an entity's ability to continue as a going concern and CICA Handbook Section 3064 – Goodwill and Intangible Assets, CICA Handbook Section 3862 – Financial Instruments Disclosures regarding enhanced disclosure on fair value measurements and liquidity risks and EIC 173 – Credit risk and fair value of financial assets and financial liabilities. Management has evaluated these requirements and has concluded that the adoption of these standards had no impact on the consolidated financial statements.

CHANGES IN ACCOUNTING POLICY

Derivative Financial Instruments

The Corporation has elected to apply hedge accounting for certain forward foreign exchange contracts used to manage foreign currency exposure on anticipated sales and has designated these as cash-flow hedges. Changes in the fair value of these derivatives are recorded as prepaid assets when they are in an asset position or as accounts payable and accrued liabilities when they are in a liability position. Gains or losses arising from hedging items are reported in the same caption on the consolidated statements of operations as those of the hedged items.

The effective portions of the change in fair value of the derivative are initially recorded in other comprehensive income on the balance sheets and are reclassified to the consolidated statements of loss when the hedged item is realized. Hedge accounting is discontinued prospectively when it is determined that the derivative is not effective as a hedge or the derivative is terminated or sold, or upon sale or early termination of the hedged item.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

International Financial Reporting Standards

On February 13, 2008, the Accounting Standards Board announced that publicly accountable entities will be required to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Corporation has commenced the initial phase of transition. Initial indications are too early to tell if there will be a significant impact on its consolidated financial statements.

Business Combinations, Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued three new accounting standards: CICA Handbook Section 1582 - Business Combinations, CICA Handbook Section 1601 - Consolidated Financial Statements, and CICA Handbook Section 1602 - Non-controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Corporation is in the process of evaluating the requirements of the new standards. Early adoption is permitted.

CICA Handbook Section 1582 replaces CICA Handbook Section 1581, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standard ("IFRS") 3 – Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

CICA Handbook Sections 1601 and 1602 together replace CICA Handbook Section 1600 – Consolidated Financial Statements. CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements. CICA Handbook Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Accounting Standard 27 – Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Financial Instruments – Recognition and Measurement

On April 29, 2009, the CICA introduced Handbook Section 3855 to amend the application of the effective interest method to previously impaired financial assets and embedded prepayment options. The amendments are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 with early adoption permitted. The Corporation is in the process of evaluating the new standards and their potential impact on the consolidated financial statements.

ETHICAL BUSINESS CONDUCT

The Board has adopted a written code of conduct for Directors, Officers and employees (the "Policy of Business Conduct") and a "Whistle Blowing Policy", which are each available on www.sedar.com. The Board monitors compliance with the Policy of Business Conduct through an annual review and sign off procedure from all of its Directors, Officers and employees.

CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Corporation.

Disclosure Controls and Procedures

An evaluation of the design of and operating effectiveness of the Corporation's disclosure controls and procedures was conducted as of November 30, 2009, under the supervision of the CEO and CFO, as required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"). The evaluation included review of documentation, enquiries and other procedures considered appropriate in the circumstances. Based on that evaluation, the CEO and the CFO have concluded that, other than as discussed below under "Internal Control Over Financial Reporting", the Corporation's disclosure controls and procedures are effective to provide reasonable assurance that information relating to the Corporation and its consolidated subsidiaries that is required to be disclosed in reports filed under provincial and territorial securities legislation is recorded, processed, summarized and reported to senior management, including the CEO and the CFO, so that appropriate decisions can be made by them regarding required disclosure within the time periods specified in the provincial and territorial securities legislation.

Internal Control Over Financial Reporting

National Instrument 52-109 requires the CEO and CFO to certify that they are responsible for establishing and maintaining internal control over financial reporting for the Corporation, that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. The CEO and CFO are also responsible for disclosing any changes to the Corporation's internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Management, including the CEO and CFO, does not expect that the Corporation's disclosure controls or internal controls over financial reporting will prevent or detect all errors and all fraud or will be effective under all potential future conditions. A control system is subject to inherent limitations and, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control systems objectives will be met.

The CEO and CFO have, using the framework and criteria established in "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission, evaluated the design and operating effectiveness of the Corporation's internal controls over financial reporting and concluded that, as of November 30, 2009, and subject to the inherent limitations described above, internal controls over financial reporting were effective to provide reasonable assurance that information related to consolidated results and decisions to be made based on those results were appropriate.

OUTLOOK

The civil aircraft and avionics industry experienced a significant downturn after September 11, 2001. In 2004, there was a strong recovery as sales levels increased and new aircraft projects were announced. The strength continued through 2008. In 2009, this market experienced a downturn due to the global economic slowdown, tightening credit markets, reduced air travel and the weak financial conditions of many airlines. The general aviation and business jet industry segment was hardest hit and saw the largest decline in business, with the large air transport market seeing a smaller reduction. The market for aircraft also varies around the world with the Far East being the region with the best prospects for aircraft sales. This is driving a demand for higher content from the Far East for aircraft sold there and this push is being seen through the whole supply chain.

This downturn impacted FTG’s Canadian facilities the most as they have a higher percentage of business in the civil aviation market, particularly in the business and regional jet segments.

The defence market remained stable in the U.S. in 2009 due to the high level of military activities around the globe. In Canada, defence spending also remained solid with a number of significant equipment acquisition programs announced or underway. Canadian spending creates opportunities for FTG both directly and via procurement offset agreements with the equipment supplier.

FTG Circuits – Chatsworth benefited from a strong focus on the defence market in 2009.

The future for both of these markets is somewhat uncertain. Civil aviation backlog of orders remains high but new orders are down substantially from prior years. As an example, Boeing shipped 481 aircraft in 2009, booked 142 new orders and had 3,375 orders in backlog at the end of the year. Production rates are being reduced for most companies and aircraft platforms.

Defence spending is coming under some pressure as Governments around the world look for ways to cut spending to reduce deficits. However, for 2010, spending levels are not expected to vary much with some programs being reduced or eliminated, offset by increases in other programs.

Looking forward for FTG, there is uncertainty in the market. Specifically in the business and regional jet market, the low demand is expected to continue through 2010.

The Corporation continues to focus on technologies necessary for the new programs and platforms. The Corporation does have content on some key new aviation programs such as the Boeing 787, Airbus A380 and Joint Strike Fighter.

The Corporation has a very wide product/technology offering in printed circuit boards. This enables the pursuit of more opportunities and is aligned with customers goals of reducing their supply base and focusing spending on fewer suppliers. In display products, FTG Aerospace has expanded into higher level assemblies, and this is opening up new opportunities as well.

To address the demand for higher Far East content, FTG is proceeding towards a wholly owned operation in China for Cockpit products for Far East content on new commercial aerospace platforms. The Corporation is also developing relationships with possible partners for printed circuit board products in China.

Finally FTG will continue to drive towards ***Operational Excellence*** in all operations. Most customers are actively measuring supplier performance and reward good results with increased opportunities. FTG is focused on exceeding customer expectations and competing on performance and technology rather than price.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information in this annual report is the responsibility of management. The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and in accordance with the accounting policies set out in Note 1 to the financial statements. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Management believes that reasonable care and judgment is applied in making such estimates and assumptions.

Management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded and reported properly. Management reviews these accounting controls on an ongoing basis and reports its findings and recommendations to the Audit Committee of the Board of Directors.

The Board of Directors carries out its responsibility for the financial statements principally through its Audit Committee, consisting of 3 members, who are outside directors. This committee reviews the financial statements with management prior to submission to the Board for approval.

The Corporation's external auditors, Deloitte & Touche LLP, have audited the financial statements and their opinion on these statements is set out on the following page.

Bradley C. Bourne
President and Chief Executive Officer
January 29, 2010

Joseph R. Ricci
Vice President, Chief Financial Officer and Secretary
January 29, 2010

AUDITORS' REPORT

We have audited the consolidated balance sheets of Firan Technology Group Corporation as at November 30, 2009 and 2008 and the consolidated statements of loss, shareholders' equity and comprehensive loss and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at November 30, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
Mississauga, Ontario
February 9, 2010

CONSOLIDATED BALANCE SHEETS

As at November 30, 2009 and 2008 (in thousands of dollars)	**2009**	2008
ASSETS		
CURRENT		
Cash	**$ 20**	$ 170
Accounts receivable	**9,490**	14,711
Taxes receivable	**450**	299
Inventories *(Note 4)*	**7,618**	9,150
Prepaid expenses	**737**	445
Future income taxes *(Note 13)*	**232**	270
	18,547	25,045
CAPITAL ASSETS *(Note 5)*	**6,099**	7,329
GOODWILL *(Note 6)*	**4,063**	4,583
OTHER INTANGIBLE ASSETS *(Note 8)*	**384**	431
	$ 29,093	$ 37,388
LIABILITIES		
CURRENT		
Bank indebtedness *(Note 9)*	**$ 157**	$ 2,977
Accounts payable and accrued liabilities	**6,727**	9,872
Current portion of long-term debt *(Note 9)*	**2,075**	1,833
	8,959	14,682
LONG-TERM DEBT *(Note 9)*	**5,219**	6,104
	14,178	20,786
CONTINGENCIES AND COMMITMENTS *(Note 17)*		
SHAREHOLDERS' EQUITY		
Deficit	**(7,782)**	(6,692)
Accumulated other comprehensive (loss) income	**(351)**	324
	(8,133)	(6,368)
Share capital		
Common shares (Note 10 (b))	**12,681**	12,681
Preferred shares (Note 10 (c))	**2,218**	2,218
Contributed surplus (Note 10 (f))	**8,149**	8,071
	14,915	16,602
	$ 29,093	$ 37,388

See accompanying notes.

Approved by the Board

Director

Director

CONSOLIDATED STATEMENTS OF LOSS

Years ended November 30, 2009 and 2008 (in thousands of dollars except per share amounts)	**2009**	2008
SALES	**$ 55,380**	$ 63,180
COST OF SALES	**42,393**	47,322
	12,987	15,858
EXPENSES		
Selling, general and administrative	**6,948**	8,203
Research and development costs *(Note 11)*	**3,509**	4,158
Recovery of research and development costs *(Note 11)*	**(140)**	—
Amortization of capital assets	**2,390**	2,652
Amortization of intangible assets	**47**	48
Interest expense on long-term debt	**468**	521
Interest expense on short-term debt	**91**	180
Severance expenses *(Note 12)*	**231**	591
Foreign Exchange loss (gain) *(Note 15(b)(i))*	**721**	(114)
	14,265	16,239
LOSS BEFORE INCOME TAXES	**(1,278)**	(381)
RECOVERY OF INCOME TAXES *(Note 13)*	**(188)**	(173)
NET LOSS	**$ (1,090)**	$ (208)
NET LOSS PER SHARE		
Basic *(Note 10(g))*	**$ (0.06)**	$ (0.01)
Diluted *(Note 10(g))*	**$ (0.06)**	$ (0.01)

See accompanying notes.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE LOSS

Years Ended November 30, 2009 and 2008 (in thousands of dollars)

	Common Shares	**Preferred Shares**	**Contributed Surplus**	**Deficit**	**Accumulated Other Comprehensive Loss ("AOCL")**	**Total Shareholders' Equity**
Balance, November 30, 2008	**$ 12,681**	**$ 2,218**	**$ 8,071**	**(6,692)**	**324**	**$ 16,602**
Net loss				**(1,090)**		**(1,090)**
Other comprehensive loss:						
Foreign currency translation adjustments *(Note 18)*					**(898)**	**(898)**
Net unrealized gain on derivative financial instruments designated as cash-flow hedges *(Note 15(b)(ii))*					**223**	**223**
Comprehensive loss						**(1,765)**
Stock-based compensation *(Note 10(f))*			**78**			**78**
Balance, November 30, 2009	**$ 12,681**	**$ 2,218**	**$ 8,149**	**$ (7,782)**	**$ (351)**	**$ 14,915**

	Common Shares	Preferred Shares	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income ("AOCI")	Total Shareholders' Equity
Balance, November 30, 2007	$ 12,681	$ 2,218	$ 7,939	$ (6,484)	$ (829)	$ 15,525
Net loss				(208)		(208)
Other comprehensive income:						
Foreign currency translation adjustments *(Note 18)*					1,153	1,153
Comprehensive income						945
Stock-based compensation *(Note 10(f))*			132			132
Balance, November 30, 2008	$ 12,681	$ 2,218	$ 8,071	$ (6,692)	$ 324	$ 16,602

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended November 30, 2009 and 2008 (in thousands of dollars)	2009	2008
NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net loss	**$ (1,090)**	$ (208)
Items not affecting cash		
Stock-based compensation expense	**78**	132
Future income taxes	**—**	(173)
Effect of exchange rates on U.S. dollar Canadian debt	**(678)**	902
Amortization of capital assets	**2,390**	2,652
Amortization of intangible assets	**47**	48
Changes in non-cash operating working capital *(Note 14)*	**2,538**	(2,733)
	3,285	620
INVESTING		
Acquisition of Filtran Microcircuits Inc. *(Note 7)*	**—**	(1,462)
Additions to capital assets	**(1,548)**	(666)
	(1,548)	(2,128)
FINANCING		
(Decrease) increase in bank indebtedness	**(2,689)**	2,268
Proceeds from capital expenditure facility	**2,217**	501
Repayments of long-term debt	**(1,746)**	(1,417)
	(2,218)	1,352
Effects of foreign exchange rate changes on cash flow	**331**	92
NET CASH OUTFLOW	**(150)**	(64)
CASH, BEGINNING OF YEAR	**170**	234
CASH, END OF YEAR	**$ 20**	$ 170
DISCLOSURE OF CASH PAYMENTS		
Payments for interest	**$ 559**	$ 701
Payments for income taxes	**$ 4**	$ 4
Refund of income taxes	**$ —**	$ 73

See accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars except per share amounts)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and are presented in thousands of Canadian dollars.

Basis of Consolidation and Statement Presentation

The consolidated financial statements include the accounts of Firan Technology Group Corporation (the "Corporation") and its 100% owned subsidiaries. The Corporation has two direct wholly owned subsidiaries, Firan Technology Group (USA) Corporation, which in turn owns 100% of the voting securities of FTG Circuits Inc., and Firan Technology Group (Barbados) 1 Corporation, which in turn owns 100% of the voting securities of Firan Technology Group (Barbados) 2 Corporation.

All significant inter-company accounts and transactions have been eliminated.

Inventories

Inventories, including spare parts, are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Direct labour and an allocation of fixed and variable overheads are included in the determination of work-in-process and finished goods amounts. Net realizable value represents the estimated selling price for inventories less estimated costs of completion and the costs necessary to make the sale.

Capital Assets

Capital assets are recorded at cost, net of related government grants and investment tax credits, where applicable. The assets are amortized using the straight-line method over their estimated useful lives as follows:

Machinery and equipment	3 to 7 years
Computers and software	3 to 5 years
Furniture and fixtures	4 years
Leasehold improvements	6 months to 10 years – term of the lease plus term of first renewal option

Impairment of Long-Lived Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Goodwill

Acquired goodwill is accounted for in accordance with Section 3064 of the Canadian Institute of Chartered Accountants ("CICA") Handbook, whereby the purchase price of an acquired business is allocated to assets and liabilities based on their fair values. Any purchase price amount in excess of those fair values is recorded as goodwill. Goodwill is tested annually for impairment on a fair value basis. Goodwill impairment is recorded in the consolidated statement of loss. Goodwill was tested at November 30, 2009 and 2008 and no impairment adjustment was required. The decrease in goodwill amount as at November 30, 2009 was due to foreign exchange translation adjustments made for the U.S. self sustaining operation.

Other Intangible Assets

Other intangible assets include strategic customer relationships acquired in business combinations. The amount is amortized on a straight-line basis over 10 years. These assets are tested for recoverability whenever events or changes in circumstances indicate that the carrying value amount may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flow generated by such assets is less than the carrying value amount.

Revenue Recognition

The Corporation derives its revenue from the sale of manufactured printed circuit boards, illuminated cockpit display panels and keyboards; and research and development-related engineering services to customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For manufacturing, the Corporation uses customer-supplied engineering, specifications and design plans; whereas for engineering services, the Corporation develops engineering and design plans to customers' specifications. The sales cycle can vary between a few days to a few months. The Corporation recognizes revenue when the following conditions have been met;

- persuasive evidence of a sales arrangement exists, typically when a customer purchase order is received
- the sales terms are fixed and determinable
- title and risk of loss have transferred upon shipment
- collection is reasonably assured

Revenue for engineering services is recognized on percentage completion basis.

The Corporation provides its customers with limited right of return for defective products and the returns must be authorized by the Corporation prior to their acceptance at its facilities. The normal warranty period is one year from the date of shipment and the Corporation accrues estimates for bad debts and warranty at the time of sale based on historical information.

Translation of Foreign Currencies

Monetary assets and liabilities are translated into Canadian dollars at the year-end exchange rate. Non-monetary assets and liabilities are translated at rates prevailing at the date of the transaction. Revenues and expenses are translated at the average monthly exchange rates. Exchange gains and losses are included in the consolidated statement of loss.

FTG Circuits – Chatsworth and Firan Technology Group (USA) Corporation are considered self-sustaining subsidiaries. Accordingly, their assets and liabilities are translated at exchange rates in effect at the balance sheet date. Revenues and expenses are translated at average monthly exchange rates. The resulting translation adjustments are accumulated as a separate component in the accumulated other comprehensive income (loss) section of shareholders' equity until there is a realized reduction in the net investment.

Measurement Uncertainty

The Corporation's financial statements are prepared in accordance with Canadian generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts in revenue and expenses during the reporting year. Due to the inherent uncertainties involved in making such estimates, especially in the current economic environment, actual results reported in the near term could differ from those estimates. Estimates include provisions for accounts receivable, inventory obsolescence, warranty and amortization based on estimated useful lives of capital assets, valuation of investment tax credits, future income tax assets, other intangible assets and goodwill.

Income Taxes

The Corporation follows the liability method of accounting for income taxes. Under the liability method, future income tax assets and liabilities are recognized for losses carried forward and differences between the financial and tax bases of assets and liabilities, and are measured using the enacted and substantively enacted tax rates and laws that are expected to be in effect in the periods in which the future income tax assets or liabilities are expected to be settled or realized.

A future tax asset would be recorded only to the extent that, based on available evidence, it is more likely than not the asset would be realized. The valuation allowance is reviewed and adjusted for each reporting period. Should management estimates of taxable income change in future periods, it may be necessary to adjust the valuation allowance, and this could affect the results of operations in the period such a determination was made.

Research and Development

Research costs are expensed as incurred. Development costs are expensed as incurred unless they meet the capitalization criteria in the CICA Handbook Section 3064 and are then deferred to future periods. No development costs were capitalized in 2009 or 2008.

Investment Tax Credits

Investment tax credits are accounted for using the cost reduction method whereby the credits are applied to reduce the related qualifying expenditure. Investment tax credits have been recognized in the accounts on the basis of reasonable assurance of realization. The amounts recorded have been determined by the Corporation based on current legislation and management's best estimates. The amount that will ultimately be received may differ from the amount recorded.

Derivative Financial Instruments

The Corporation has elected to apply hedge accounting for certain forward foreign exchange contracts used to manage foreign currency exposure on anticipated sales and has designated these as cash flow hedges. Changes in the fair value of these derivatives are recorded as prepaid assets when they are in an asset position or in accounts payable and accrued liabilities when in a liability position. Gains or losses arising from hedging items are reported in the same caption on the consolidated statements of operations as those of the hedged items.

The effective portions of the change in fair value of the derivative are initially recorded in other comprehensive income and are reclassified to the consolidated statements of operations when the hedged items are realized. Hedge accounting is discontinued prospectively when it is determined that the derivative is not effective as a hedge or the derivative is terminated or sold, or upon sale or early termination of the hedged item.

Other foreign exchange contracts not included in the hedge accounting are recognized on the balance sheet at their fair value. Any resulting gain or loss on the recording of the foreign exchange contracts at fair value is included in the consolidated statement of loss as part of the foreign exchange gain or loss.

Stock Based Compensation

The Corporation uses the fair value method to measure compensation expense at the date of grant of stock options to employees. The fair value of options is determined using the Black-Scholes option pricing model and is amortized to earnings over the vesting period with an offset to contributed surplus. When options are exercised, the corresponding contributed surplus and the proceeds received by the Corporation are credited to capital stock.

Financial Instruments

The Company's financial assets and liabilities are recorded and measured as follows:

Asset / Liability	Category	Measurement
Cash	Held-for-trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Bank indebtedness and long-term debt	Other liabilities	Amortized cost

Embedded derivatives are required to be separated and measured at fair values if certain criteria are met. Embedded derivatives include elements of contracts whose cash flows move independently from the host contract. Management reviewed contracts and determined that the Corporation does not currently have any embedded derivatives in these contracts other than foreign exchange contracts detailed under derivative financial instruments above that require separate accounting and disclosure. The Corporation selected December 1, 2002 as the transition date for embedded derivatives, as such only contracts or financial instruments entered into or modified after that date were examined for embedded derivatives.

Transaction costs related to financial liabilities, classified as other than held-for-trading, are recorded as a reduction in the carrying value of the debt and included in the amortized cost measurement.

2. CHANGE IN ACCOUNTING POLICY

Effective 2009 fiscal year, the Corporation has adopted CICA Handbook Section 3031 – Inventories, Handbook Section 1400 – General Standards of Financial Statement Presentation regarding the requirements to assess and disclose an entity's ability to continue as a going concern and Handbook Section 3064 – Goodwill and Intangible Assets, Section 3862 – Financial Instruments Disclosures regarding enhanced disclosure on fair value measurements and liquidity risks and EIC 173 – Credit risk and fair value of financial assets and financial liabilities.

Management has evaluated these requirements and has concluded that the adoption of these standards had no impact on the consolidated financial statements.

The Corporation also adopted Section 3862 – Financial Instruments Disclosures regarding enhanced disclosure requirements on fair value measurements and liquidity risks in 2009. These enhanced disclosures are presented in Note 15.

3. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

International Financial Reporting Standards – IFRS

On February 13, 2008, the Accounting Standards Board announced that publicly accountable entities will be required to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011.

Business Combinations, Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued three new accounting standards: Handbook Section 1582 – *Business Combinations*, Handbook Section 1601 – *Consolidated Financial Statements*, and Handbook Section 1602 – *Non-controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011 with early adoption permitted. The Corporation is in the process of evaluating the requirements of the new standards.

Handbook Section 1582 replaces Handbook Section 1581, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standard ("IFRS") 3 – *Business Combinations*. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Handbook Sections 1601 and 1602 together replace 1600 – *Consolidated Financial Statements*. Handbook Section 1601, establishes standards for the preparation of consolidated financial statements. Handbook Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Accounting Standard 27 – *Consolidated and Separate Financial Statements* and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Financial Instruments – Recognition and Measurement

On April 29, 2009, the CICA introduced Handbook Section 3855 to amend the application of the effective interest method to previously impaired financial assets and embedded prepayment options. The amendments are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 with early adoption permitted. The Corporation is in the process of evaluating the new standards and their potential impact on the consolidated financial statements.

4. INVENTORIES

	2009	2008
Raw materials and spare parts	**$ 2,576**	$ 3,227
Work-in-process and finished goods	**5,042**	5,923
	$ 7,618	$ 9,150

The cost of inventories recognized as an expense during the year was $42,393 (2008 – $47,322). This amount included $827 (2008 – $927) as cost of inventories written down due to obsolescence. At year end, total inventory value of $7,618 (2008 – $9,150) was pledged as security for the bank facilities.

5. CAPITAL ASSETS

		2009	
	Cost	Accumulated Amortization	Net Book Value
Machinery and equipment	**$ 36,177**	**$ 30,753**	**$ 5,424**
Furniture and fixtures	**1,157**	**1,142**	**15**
Leasehold improvements	**4,886**	**4,226**	**660**
	$ 42,220	**$ 36,121**	**$ 6,099**

		2008	
	Cost	Accumulated Amortization	Net Book Value
Machinery and equipment	$ 35,771	$ 29,378	$ 6,393
Furniture and fixtures	1,184	1,150	34
Leasehold improvements	4,876	3,974	902
	$ 41,831	$ 34,502	$ 7,329

6. GOODWILL

Goodwill results from the Circuit World Corporation and FTG Inc. combination in fiscal 2003 of $1,039 and $3,024 from the acquisition of FTG Circuits – Chatsworth in fiscal 2005. FTG Circuits – Chatsworth is considered to be a self-sustaining subsidiary, accordingly its goodwill is translated at exchange rates in effect at the balance sheet date. The resulting translation loss of $520 is included in the accumulated other comprehensive income (loss) section of shareholders' equity.

7. ACQUISITION OF FILTRAN MICROCIRCUITS INC. ("FILTRAN")

On December 28, 2007, the Corporation acquired substantially all of the assets of Filtran Microcircuits Inc. ("Filtran"), a Canadian printed circuit board manufacturer based in Ottawa, Ontario, which focused primarily on the manufacture of microwave printed circuit boards for high-frequency applications.

The transaction was effected pursuant to an asset purchase agreement entered into between FTG, Filtran and Filtran's parent company, Merrimac Industries Inc. ("Merrimac") (AMEX:MRM). The total consideration payable by FTG is $1,450 in cash plus the assumption of certain liabilities. FTG financed the acquisition from existing cash and its bank operating line.

The allocation of the purchase price to the fair values of assets and liabilities acquired was made using the purchase method of accounting and is as follows:

Accounts receivable	$ 384
Inventories	321
Prepaid expenses	6
Capital assets	1,070
Accounts payable and accrued liabilities	(798)
Other intangible assets	479
Purchase price including acquisition cost of $59 (net of cash acquired of $47)	$ 1,462

The allocation of the purchase price was completed in 2008.

8. OTHER INTANGIBLE ASSETS

Other intangible assets relate to the strategic customer relationships acquired. These are being amortized over their estimated useful lives of 10 years using the straight-line method.

	2009	2008
Other intangible assets at cost	**$ 479**	$ 479
Less: cumulative amortization	**95**	48
	$ 384	$ 431

9. BANK INDEBTEDNESS AND LONG-TERM DEBT

Long-term debt consists of:

	2009	2008
5 year U.S. $6,000 term loan (of which U.S. $3,000 relates to the U.S. subsidiary), amortized over 7 years, repayable in equal monthly payments of U.S. $72 plus interest at a fixed rate of 8.19%. Term loan is secured by a first charge over all of the property and assets of the Corporation and matures on July 14, 2011. Principal on November 30, 2009 U.S. $3,143 (2008 - U.S. $4,000).	**$ 3,318**	$ 4,948
5 year U.S. $2,500 capital expenditure facility (of which $1,000 U.S. relates to the U.S. subsidiary), amortized over 5 years, repayable in equal monthly payments of U.S. $54 plus interest at 30-day LIBOR rate plus a margin, matures on July 14, 2012. Principal on November 30, 2009 U.S. $1,767 (2008 - U.S. $2,417).	**1,865**	2,989
5 year U.S. $2,000 capital expenditure facility, amortized over 4 years, repayable in equal monthly payment of U.S. $42 plus interest at 30-day LIBOR plus a margin, matures on December 31, 2013. Repayment to commence on January 1, 2010. Principal on November 30, 2009 U.S. $2,000 (2008 - nil).	**2,111**	—
	7,294	7,937
Less amounts due within one year	**2,075**	1,833
	$ 5,219	$ 6,104

Estimated principal repayments of long-term debt are as follows:

2010	**$ 2,075**
2011	**3,627**
2012	**1,020**
2013	**528**
2014	**44**
	$ 7,294

During 2009, the Corporation has renewed its 3-year revolving credit facility of U.S. $6,000 to mature on March 31, 2012. The revolving facilities are available by way of Prime Rate Loans, USBR Loans, BA Rate Loans and / or LIBOR Loans plus an applicable margin. Applicable margins are; Canadian Prime Rate loans plus 50 basis points, U.S. Prime Rate loans plus nil basis points, USBR Loans plus 250 basis points, BA Rate Loans plus 250 basis points and LIBOR Loans plus 250 basis points. LIBOR is subject to a floor rate of 1.5% per annum.

The U.S. subsidiary utilized U.S. $148 (Cdn. $157) of the revolving facility at November 30, 2009 (2008 - U.S. $1,500) (2008 – Cdn. $1,855). The Canadian operations did not utilize the facility at year end (2008 – Cdn. $1,122). The revolving credit facility is secured by a first charge on all of the property and assets of the Corporation.

At year-end date, the Corporation amended debt agreement by combining the two capital expenditure facilities with different tenures into one to simplify repayments with minor changes to current terms.

The Corporation was in compliance with all of its bank covenants as at November 30, 2009. Management believes the Corporation has sufficient liquidity and capital resources to meet its obligations for the foreseeable future.

10. SHARE CAPITAL

(a) Authorized Shares

The authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, with the attributes of each series to be fixed by the Board of Directors. Each common share and preferred share carries the right to one vote.

(b) Common Shares

	2009		2008	
	Number of Shares	**Stated Capital**	Number of Shares	Stated Capital
Balance, beginning and end of year	**17,803,201**	**$ 12,681**	17,803,201	$ 12,681

(c) Preferred Shares

The Corporation has 1,775,000 voting convertible Preferred Shares, Series 1, outstanding. The Preferred Shares are convertible into Common Shares on a one-for-one basis. Holders of Preferred Shares are entitled to a preference over holders of Common Shares in respect of any distribution of assets in connection with the liquidation, dissolution or winding up of the Corporation. Holders of Series 1 shares shall be entitled to receive an amount equal to $2.50 per Series 1 Share before any amount is paid or any assets of the Corporation are distributed to the holders of Common Shares.

The convertible preferred shares were issued by Circuit World Corporation prior to the reverse takeover by FTG Inc. Pursuant to the terms of the Preferred Shares, the Corporation has the option of converting the Preferred Shares into Common Shares when the Corporation has exceeded $55,000 in sales and becomes EBITDA (earnings before interest, taxes, depreciation and amortization) positive, excluding any revenues and expenses derived from, or attributable to, any business acquired after November 2, 2001. As FTG Inc., Young Electronics and Filtran were acquired after that time, the revenues and expenses attributed to such businesses are not included and, as a result, the relevant revenue threshold has not yet been met. Otherwise, the Preferred Shares are convertible into Common Shares at the discretion of the Preferred shareholder.

10. SHARE CAPITAL (continued)

(d) Common Share Options

The Corporation operates a stock option plan to encourage the ownership of common shares of the Corporation by certain Directors, senior Officers and employees of the Corporation. The number of shares reserved for issuance shall not exceed 1,780,320. Options are granted at the current market price and have a term of six years.

	2009	**Weighted-Average Exercise Price**	2008	Weighted-Average Exercise Price
Outstanding, beginning of year	**1,316,000**	**$ 1.48**	1,237,900	1.70
Grant of options	**405,000**	**0.42**	301,000	1.00
Expiration of options	**(125,000)**	**1.72**	(51,500)	2.61
Forefeiture of options	**(15,500)**	**1.86**	(171,400)	1.90
Outstanding, end of year	**1,580,500**	**$ 1.18**	1,316,000	$ 1.48

(e) Outstanding Share Options

November 30, 2009

Description	**Number of Shares**	**Exercise Price**	**Vesting**	**Expiry Date**
Stock option plan	**27,000**	**$ 2.41 - $ 2.80**	**Vested**	**2010**
Stock option plan	**9,000**	**$ 1.90 - $ 2.40**	**Vested**	**2010**
Stock option plan	**383,500**	**$ 1.70 - $ 1.89**	**Fully vested by 2010**	**2010 - 2013**
Stock option plan	**460,000**	**$ 1.30 - $ 1.69**	**Fully vested by 2011**	**2011 - 2013**
Stock option plan	**296,000**	**$ 1.00**	**Fully vested by 2010**	**2014**
Stock option plan	**405,000**	**$ 0.42**	**2010-2012**	**2015**
Balance, end of year	**1,580,500**			

November 30, 2008

Description	Number of Shares	Exercise Price	Vesting	Expiry Date
Stock option plan	31,500	$ 2.41 - $ 2.80	Vested	2010
Stock option plan	14,000	$ 1.90 - $ 2.40	Vested	2009 - 2010
Stock option plan	509,500	$ 1.70 - $ 1.89	Fully vested by 2010	2009 - 2013
Stock option plan	465,000	$ 1.30 - $ 1.69	Fully vested by 2010	2011 - 2013
Stock option plan	296,000	$ 1.00	Fully vested by 2011	2014
Balance, end of year	1,316,000			

November 30, 2009

Range of Exercise Prices	**Number Outstanding at November 30, 2009**	**Weighted-Average Remaining Contractual Life**	**Weighted-Average Exercise Price**	**Number Exercisable at November 30, 2009**
$ 2.41 – $ 2.80	**27,000**	**1.1 Years**	**$ 2.60**	**27,000**
$ 1.90 – $ 2.40	**9,000**	**0.2 Years**	**$ 2.00**	**9,000**
$ 1.70 – $ 1.89	**383,500**	**0.7 Years**	**$ 1.81**	**373,500**
$ 1.30 – $ 1.69	**460,000**	**2.4 Years**	**$ 1.34**	**419,997**
$ 1.00	**296,000**	**4.3 Years**	**$ 1.00**	**98,666**
$ 0.42	**405,000**	**5.7 Years**	**$ 0.42**	**—**
Number, end of year	**1,580,500**			**928,163**

November 30, 2008

Range of Exercise Prices	Number Outstanding at November 30, 2008	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable at November 30, 2008
$ 2.41 – $ 2.80	31,500	2.1 Years	$ 2.60	31,500
$ 1.90 – $ 2.40	14,000	0.8 Years	$ 2.00	14,000
$ 1.70 – $ 1.89	509,500	1.5 Years	$ 1.79	489,500
$ 1.30 – $ 1.69	465,000	3.4 Years	$ 1.34	278,335
$ 1.00	296,000	5.3 Years	$ 1.00	—
Number, end of year	1,316,000			813,335

(f) Contributed Surplus

	2009	2008
Balance, beginning of year	**$ 8,071**	$ 7,939
Stock-based compensation expense	**78**	132
Balance, end of year	**$ 8,149**	$ 8,071

(g) Earnings Per Share

The following table sets forth the computation of basic and diluted loss per share:

	2009	2008
Numerator		
Net loss	**$ (1,090)**	$ (208)
Numerator for basic loss per share – net loss applicable to common shares	**(1,090)**	(208)
Effect of dilutive securities	**—**	—
Numerator for diluted loss per share – net loss applicable to common shares	**$ (1,090)**	$ (208)
Denominator		
Denominator for basic loss per share – weighted average shares	**17,803,201**	17,803,201
Effect of dilutive securities		
Preferred shares – 1,775,000	**—**	—
Stock options – 1,580,500	**—**	—
Denominator for diluted loss per share – weighted average shares and assumed conversions	**17,803,201**	17,803,201
Basic loss per share	**$ (0.06)**	$ (0.01)
Diluted loss per share	**$ (0.06)**	$ (0.01)

10. SHARE CAPITAL (continued)

(g) Earnings Per Share (continued)

The Corporation has 1,775,000 voting convertible Preferred Shares outstanding. These convertible Preferred Shares are not included in calculating basic earnings per share as the Corporation incurred net losses in both 2009 and 2008 and such inclusion would be anti-dilutive.

(h) Stock-Based Compensation to Employees

The Corporation recognized stock-based compensation expense in the consolidated statement of loss of $78 for the year ended November 30, 2009 (2008 - $132). Of this amount, approximately $7 relates to options granted during the current year. The weighted average fair value per stock options granted during the year was $0.15 (2008 - $0.41).

The total stock-based compensation was recorded in selling and general administrative expenses and credited to contributed surplus. The fair values of options granted during the year were estimated at the date of the grant using the Black-Scholes valuation model with the following assumptions: risk-free rate of 2%; vested over 3 years; volatility of 55% and a dividend yield of nil.

11. RESEARCH AND DEVELOPMENT COSTS AND RECOVERIES

Research and development costs include the cost of direct labour, materials and an allocation of overhead. Generally, these costs represent specific activities regarding the technical uncertainty of production processes and exotic materials. The Corporation recorded $3,509 of research and development costs in 2009 (2008 - $4,158). This represents 6.3% of sales for 2009 as compared to 6.6% of sales for 2008.

Recoveries of research and development costs for the year of $140 (2008-$ nil) made up of $125 Ontario Innovation Tax Credit ("OITC") receivable and a grant of $15 from the Canadian Manufacturers and Exporters ("CME").

12. SEVERANCE EXPENSES

During 2009, the Corporation recorded $231 as severance costs. In 2008, the total charge of $591 included restructuring costs of $325 associated with the closing of the Filtran facility. As at November 30, 2009, an outstanding amount of $23 (2008 - $262) was included in the accrued liabilities on the consolidated balance sheet and is expected to be paid over the next 12 months.

13. INCOME TAXES

	2009	2008
Future tax asset consists of:		
Tax losses carried forward	**$ 1,927**	$ 1,107
SR&ED deductible expenditures	**3,029**	3,351
Tax attributes - R&D Tax Credits	**44**	—
Other temporary differences	**307**	187
Excess of undepreciated capital cost for tax purposes over net book value of capital assets	**2,240**	2,360
	7,547	7,005
Valuation allowance	**(7,315)**	(6,735)
Future income tax asset	**$ 232**	$ 270

A reconciliation of income taxes at the statutory tax rates to income taxes at the effective tax rate is as follows:

	2009	2008
Combined Canadian Federal and Provincial statutory rates	**31.0%**	31.5%
Provision for income taxes		
Income taxes at statutory rate	**$ (399)**	$ (120)
State Taxes	**2**	—
Rate adjustment for foreign jurisdiction	**—**	(45)
Permanent differences	**64**	72
Impact of change in tax rates	**(451)**	637
California NOL	**12**	—
SR&ED ITC	**(50)**	—
Valuation allowance	**630**	(717)
Income tax provision	**$ (192)**	$ (173)
Consisting of:		
Current	**$ 4**	$ —
Future	**(192)**	(173)
	$ (188)	$ (173)

The Corporation has available tax losses of $7,235 at November 30, 2009 which can be used to reduce future taxable income and will expire as follows:

2010	$ 315
2015	782
2027	682
2028	5,456
Total	$ 7,235

The Corporation has available Scientific Research and Experimental Development (SR&ED") tax credits (investment tax credits) of $2,685 at November 30, 2009 which can be used to reduce future tax payable and will expire as follows:

2010	$ 65
2011	223
2012	151
2013	164
2014	319
2015	235
2026 to 2028	1,528
	$ 2,685

These available SR&ED tax credits have not been recognized in these financial statements.

In addition, the Corporation has $14,400 of capital losses, which can be used to reduce income tax on future capital gains. The benefit of these capital losses has not been recorded in the accounts.

14. CHANGES IN NON-CASH OPERATING WORKING CAPITAL

The changes in non-cash operating items are comprised of the following:

	2009	2008
Accounts receivable	**$ 4,800**	$ (3,207)
Taxes receivable	**(171)**	3
Inventories	**1,091**	(632)
Prepaid expenses	**(312)**	1
Accounts payable and accrued liabilities	**(2,870)**	1,102
	$ 2,538	$ (2,733)

15. FINANCIAL INSTRUMENTS

The Corporation has adopted the requirements of the CICA Handbook Section 3862 – Financial Instruments Disclosures, and CICA Handbook Section 3863 – Financial Instruments Presentation which require disclosures to enable users to evaluate the significance of financial instruments on the entity's financial position and performance, and the nature and extent of an entity's exposure to risks arising from financial instruments, including how the entity manages those risks.

(a) Financial Instruments – Carrying Values

The carrying values of financial assets and liabilities included in the consolidated balance sheet are as follows:

	2009	2008
Financial Assets		
Held for trading financial assets:		
Cash	**$ 20**	$ 170
Forward foreign exchange contracts	**223**	—
Loans and receivables:		
Accounts receivable – trade	**9,368**	14,511
Accounts receivable – other	**122**	200
Financial Liabilities		
Held for trading financial liabilities:		
Forward foreign exchange contracts	**—**	247
Other financial liabilities:		
Accounts payable and accrued liabilities	**6,727**	9,625
Long-term debt – bearing interest at variable rates	**3,976**	2,989
Bank indebtedness	**157**	2,977
Long-term debt – bearing interest at fixed rates	**3,318**	4,948

The Corporation uses the following hierarchy to determine and disclose fair value of financial instruments:

Level 1: quoted prices in active markets for the same instruments (i.e. without modification or repackaging);

Level 2: quotes prices in active markets for the similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which no significant input is based on observable market data.

The following table presents the fair value and the levels per the fair value hierarchy where fair value is recognized in the balance sheet.

	November 30, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets				
Held for trading :				
Forward foreign exchange contracts	—	223	—	223

The Corporation has determined that the fair value of its short-term financial assets and liabilities approximates their respective carrying amounts as at the balance sheet dates because of the short-term maturity of those instruments. Fair value of forward foreign exchange contracts was determined using market values. The fair value of the long-term debt bearing interest at variable rates approximates carrying value as interest charges fluctuate with changes in the prime rates. The fair value of long-term debt bearing interest at fixed rates approximates $3,096. This amount was arrived at by discounting the remaining repayments of the loan at the estimated interest rate prevailing at year end date.

(b) Market and Credit Risks

Interest rate risk arises because of the fluctuation in interest rates. The Corporation's term loan obligation is subject to fixed interest rates and is subject to fair value risks. The Corporation's revolving credit and capital expenditure facility is subject to rates varying with the lending institution's prime rates and is subject to cash flow risks.

The Corporation's interest rate and cash-flow risks are primarily related to the Corporation's revolving credit and capital expenditure facility, for which amounts drawn are subject to varying rates at the time of borrowing, plus a margin. The interest rates on amounts currently drawn on the revolving facility and on any future borrowings will vary and are unpredictable.

Based on the value of interest-bearing financial instruments for the years ended on November 30, 2009 and 2008, an assumed 0.5 percentage point increase in interest rates during such period would have increased the net loss before tax by $23 and $46 respectively, with an equal but opposite effect for an assumed 0.5 percentage point decrease.

(i) Foreign Exchange Gain (Loss)

	2009	2008
(Loss) gain relating to financial assets and liabilities, excluding forward foreign exchange contracts	**$ (625)**	$ 490
Realized (loss) gain relating to forward foreign exchange contracts	**(96)**	(129)
Unrealized (loss) relating to forward foreign exchange contracts, including changes in fair value of open positions	**—**	(247)
Foreign exchange (loss) gain	**$ (721)**	$ 114

Foreign currency risk arises because of fluctuations in exchange rates. The Corporation conducts a significant portion of its business activities in foreign currencies, primarily United States dollars. The assets, liabilities, revenue and expenses that are denominated in foreign currencies will be affected by changes in the exchange rate between the Canadian dollar and these foreign currencies. The Corporation's long-term debt and most of the manufacturing materials are sourced in U.S. dollars, providing a natural economic hedge for a portion of the Corporation's currency exposure. For the financial year 2009, foreign currency losses were $721 as compared to gains of $114 in 2008.

15. FINANCIAL INSTRUMENTS (continued)

(ii) Derivative Financial Instruments and Hedge Accounting

Foreign exchange contracts are transacted with a financial institution to hedge part of foreign currency denominated anticipated sales of products. The following table summarizes the Corporation's outstanding commitments to buy and sell foreign currency under foreign currency forward contracts, all of which have a maturity date of less than one year as at November 30, 2009.

Currency sold	Currency bought	Notional foreign currency amount sold	Contract carryng value	Contract fair value
U.S. dollars	Canadian dollars	$ 1,500	$ 1,583	$ 1,806

These forward contracts are designated as cash flow hedges and have an unrealized gain of $223, all of which is recognized in the accumulated other comprehensive income ("AOCI") section of shareholders equity. This unrealized gain in AOCI is expected to be reclassified to earnings over the next twelve months when the sales are recorded.

All hedging relationships are formally documented, including the risk management objective and strategy. On a quarterly basis, an assessment is made as to whether the designated derivative financial instruments have been and will continue to be effective in offsetting changes in cash flows of the hedged transactions.

In addition to the above, the Corporation has other forward contracts for which hedge accounting is not applied. The table below summarizes the outstanding commitments under these forward contracts which are due for delivery within the next twelve months:

Currency sold	Currency bought	Notional foreign currency amount sold	Contract carrying value	Contract fair value
November 30, 2009				
U.S. dollars	**Canadian dollars**	**$ 450**	**$ 475**	**$ 475**
November 30, 2008				
U.S. dollars	Canadian dollars	$ 2,500	$ 2,843	$ 3,090

At November 30, 2009, the fair values of these contracts were comparable to that of the contracted amount. No gain or loss was recorded (2008 – loss of $247).

(iii) Foreign Exchange Exposure

The following tables provide an indication of the Corporation's significant foreign currency exposure during the year ended November 30, 2009, covering the period end balances of financial and monetary assets and liabilities denominated in foreign currencies, as well as the amount of sales and operating expenses during the year that were denominated in foreign currencies.

Year ended November 30, 2009 (in thousands of U.S. dollars)	Consolidated Statements	Self Sustaining Operations	Canadian Operations
Cash	**$ 6**	**$ –**	**$ 6**
Accounts receivable	**6,881**	**2,332**	**4,549**
Accounts payable and accrued liabilities	**(3,104)**	**(1,474)**	**(1,630)**
Total bank borrowings	**(7,209)**	**(2,438)**	**(4,771)**
Balance sheet exposure excluding financial derivatives	**$ (3,426)**	**$ (1,580)**	**$ (1,846)**

Year ended November 30, 2009 (in thousands of U.S. dollars)			
Sales	**$ 40,402**	**$ 14,378**	**$ 26,024**
Operating expenses	**20,079**	**11,617**	**8,462**
Net exposure	**$ 20,323**	**$ 2,761**	**$ 17,562**

The following USD to CAD exchange rates applied during the reporting period.

	USD to CAD
YTD average rate	1.1589
Reporting date rate	1.0556

Based on the Corporation's foreign currency exposures noted above, varying the above foreign exchange rates to reflect a 5% strengthening of the Canadian dollar would have (increased) decreased the net loss and other comprehensive loss as follows, assuming that all other variables remained constant:

Source of net earnings variability from changes in foreign exchange rates	Canadian Operations	Self Sustaining Operations
Financial instruments	92	79
Sales and operating expenses	(878)	(138)
(Increase) decrease in net loss before tax	(786)	(59)

An assumed 5% weakening of the Canadian dollar during the twelve months ended November 30, 2009 would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(iv) Impairment Losses Recognized on Trade Receivables

In 2009, the Corporation recorded bad debt expenses of $89 (2008 – $2) in selling, general and administration expenses in the consolidated statements of loss.

Credit risk arises from the potential that the counterparty will fail to perform its obligations. The Corporation is exposed to credit risk from customers. However, the Corporation has a significant number of customers, which minimizes concentration of credit risk, and the majority of the Corporation's customers are large multinational stable organizations. In 2009, the Corporation's largest and second largest customer accounted for 13% (12% in 2008) and 12% (12% in 2008) of sales respectively. The Corporation may also have credit risk relating to cash and forward foreign exchange contracts, which it manages by dealing with its current bank. The carrying amount of financial assets, as disclosed in Note 15(a), represents the Corporation's maximum credit exposure.

Losses under trade receivables have been insignificant. To minimize the risk of loss from trade receivables, extension of credit terms to customers requires review and approval by senior management even though the customers have generally been dealing with the Corporation for several years, and that losses have been insignificant during that period.

15. FINANCIAL INSTRUMENTS (continued)

Although the Corporation's credit control processes have been effective in mitigating credit risks, these controls cannot eliminate credit risks and there can be no assurance that these controls will continue to be effective, or that the Corporation's low credit loss experience will continue. Most sales are invoiced with payment terms in the range of 30 to 90 days in accordance with industry practice. Customers do not provide collateral in exchange for credit.

The Corporation reviews its trade receivable accounts regularly and writes down to their expected realizable values, by making an allowance for doubtful debt, as soon as the account is determined not to be fully collectible. The allowance is charged against earnings. Shortfalls in collections are applied against this provision. Estimates for allowance for doubtful debts are determined by a customer-by-customer evaluation of collectability at each balance sheet reporting date, taking into account the amounts which are past due and any available relevant information on the customers' liquidity and going concern problems.

The Corporation's exposure to credit risk for trade receivables as at November 30, 2009 and 2008 were as follows:

	2009	2008
By geographical areas:		
Canada	**$ 1,641**	$ 2,761
United States	**7,392**	11,451
Asia	**484**	586
Europe	**205**	134
Africa	**9**	—
Allowance for doubtful accounts	**(363)**	(421)
Trade receivables	**$ 9,368**	$ 14,511
By Ageing:		
Not past due	**$ 7,032**	6,754
Past due 1 to 30 days	**1,691**	4,559
Past due 31 to 120 days	**608**	2,395
Past due 121 to 180 days	**116**	570
Past due over 180 days	**284**	654
Trade receivables by due dates	**9,731**	14,932
Less: allowance for doubtful accounts	**(363)**	(421)
Trade receivables	**$ 9,368**	$ 14,511

The movement in the allowance for doubtful accounts was as follows:

	2009	2008
Opening balance	**421**	294
Provision	**31**	129
Bad debts written off	**(89)**	(2)
Closing balance	**363**	421

(c) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 16. It also manages liquidity risk by continuously monitoring actual and projected cash flows, taking into account sales, receipts, expenditures and matching the maturity profile of financial assets and liabilities. The Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments or divestitures. The Corporation currently finances its operations through internally generated funds and the use of its credit facility.

The following are the contractual maturities of financial liabilities and obligations, excluding future interest payments but including interest accrued to November 30, 2009.

	Carrying amount	0 to 12 months	1 to 2 years	3 to 5 years	More than 5 years
Bank borrowings	**$ 157**	**$ 157**	**$ –**	**$ –**	**$ –**
Long-term debt	**3,318**	**905**	**2,413**	**–**	**–**
Long-term debt (CAPEX)	**3,976**	**1,170**	**1,214**	**1,592**	**–**
Accounts payable and accrued liabilities	**6,727**	**6,727**	**–**	**–**	**–**
Foreign currency contracts cash settlement	**2,281**	**2,281**	**–**	**–**	**–**
Operating leases	**4,987**	**922**	**927**	**2,489**	**649**
Total commitments	**$ 21,446**	**$ 12,162**	**$ 4,554**	**$ 4,081**	**$ 649**

16. MANAGEMENT OF CAPITAL

The Corporation's objective in managing capital is to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions, while at the same time taking a conservative approach towards financial leverage and management of financial risk.

The Corporation's capital is composed of interest-bearing debt and shareholders' equity. The Corporation's primary uses of capital are to finance increases in non-cash working capital, capital expenditures, as well as acquisitions. The Corporation currently funds these requirements from internally generated cash flows, cash and interest-bearing debt. The Corporation's objectives when managing capital are to ensure that the Corporation will continue to have enough liquidity so it can provide its services to its customers and returns to its shareholders.

The primary measure used by the Corporation to monitor its financial leverage is its ratio of net debt to total capital employed which it aims to maintain at a maximum of 0.3:1. Net debt and total capital employed, computed as at November 30, 2009 and 2008 are:

	November 30, 2009	November 30, 2008
Bank indebtedness	**$ 157**	$ 2,977
Current portion of long-term debt	**2,075**	1,833
Long-term debt	**5,219**	6,104
Less: cash	**(20)**	(170)
Net debt	**$ 7,431**	$ 10,744
Net debt	**$ 7,431**	$ 10,744
Shareholders' equity	**14,915**	16,602
Total capital employed	**$ 22,346**	$ 27,346
Net debt to total capital employed	**0.33:1**	0.39:1

Although the net debt to total capital employed ratio for the year under review was above the desired maximum ratio, the management is committed and focused on reducing the ratio down to its target of 0.3:1.

The Corporation does not currently pay a dividend.

The Corporation's credit facility is subject to the following bank covenants to which it was in full compliance at November 30, 2009 and November 30, 2008.

- Tangible Net Worth Ratio
- Debt Service Ratio
- Total Debt to Tangible Net Worth Ratio

17. CONTINGENCIES AND COMMITMENTS

a) Minimum net annual rentals under operating leases for plant, office premises, leased automobiles, and office and maintenance equipment are as follows:

2010	$ 922
2011	927
2012	866
2013	882
2014	741
2015 and beyond	649
	$ 4,987

b) The Corporation is a co-defendant to a claim originally filed at the Ontario Superior Court of Justice by Emmanuel Tannenbaum and June Realty Ltd. on June 16, 2006, and amended on September 15, 2006. The other co-defendants are Glendale International Corp. and Living World Missionary Church Incorporated. The plaintiff seeks damages for the alleged migration of chemicals, bi-products and related constituents from a property at one time owned by a predecessor to the Corporation, onto the plaintiff's land.

Pursuant to a Merger Agreement among Circuit World Corporation, Glendale International Corp. and Firan Technology Group Incorporated, dated June 5, 2003, Glendale International Corp. is responsible for any claim, demand, legal proceeding, action, cause of action, damage, loss, costs and liability of expenses brought against Circuit World Corporation in connection with the land. Pursuant to the merger of Firan Technology Group Incorporated and Circuit World Corporation to form the Corporation, the Corporation succeeded to the rights of Circuit World Corporation under the Merger Agreement. Glendale International Corp. has assumed responsibility for the Corporation's defence and has acknowledged its responsibility to fully indemnify the Corporation pursuant to the Merger Agreement.

On January 19, 2010 Glendale International Corp announced it had filed a voluntary assignment in bankruptcy under the *Bankruptcy and Insolvency Act (Canada)*. Accordingly, the Corporation's ability to recover from Glendale under its indemnification obligation may be limited. The Corporation may also be required to reassume the defence of the action commenced by the plaintiffs. At this time, it is not reasonably possible to determine the extent of the alleged damages for which the Corporation may be liable, and the Corporation intends to vigorously defend against any alleged liability. The Corporation has filed a proof of claim against the estate of Glendale International Corp. for any liability.

18. TRANSLATION OF FOREIGN CURRENCIES

The current year translation loss of $898 (2008 gain of $1,153) arising from self-sustaining subsidiaries, is included in the accumulated other comprehensive loss section of shareholders' equity.

19. SEGMENTED INFORMATION

The Corporation operates in two operating segments, which operate within the North American marketplace, FTG Circuits and FTG Aerospace. FTG Circuits is a leading manufacturer of high technology/high reliability printed circuit boards. FTG Aerospace is a manufacturer of illuminated cockpit panels, keyboards, bezels and sub assemblies for original equipment manufacturers of avionic products and airframe manufacturers. FTG Circuits and FTG Aerospace financial information is shown below:

	2009			
	Circuits	**Aerospace**	**Corporate Office**	**Total**
Sales	**$ 44,325**	**$ 11,055**	**$ —**	**$ 55,380**
Costs and SG&A expenses	**38,325**	**8,875**	**2,141**	**49,341**
Amortization of capital assets	**2,063**	**327**	**—**	**2,390**
Amortization of intangibles	**47**	**—**	**—**	**47**
Research and development costs	**3,001**	**508**	**—**	**3,509**
Recovery of research and development costs	**(140)**	**—**	**—**	**(140)**
Restructuring costs and severance costs	**223**	**8**	**—**	**231**
Foreign exchange gain on conversion of balance sheet assets and liabilities	**333**	**388**	**—**	**721**
Earnings (loss) before interest and taxes	**473**	**949**	**(2,141)**	**(719)**
Interest expense on long-term and short-term debt	**559**	**—**	**—**	**559**
Income taxes (recovery)	**(188)**	**—**	**—**	**(188)**
Net earnings (loss)	**$ 102**	**$ 949**	**$ (2,141)**	**$ (1,090)**
Segment assets	**$ 19,854**	**$ 9,239**	**$ —**	**$ 29,093**
Goodwill	**4,063**	**—**	**—**	**4,063**
Intangibles	**384**	**—**	**—**	**384**
Additions to capital assets	**1,459**	**89**	**—**	**1,548**

	2008			
	Circuits	Aerospace	Corporate Office	Total
Sales	$ 49,932	$ 13,248	$ —	$ 63,180
Costs and SG&A expenses	41,774	11,073	2,206	55,053
Amortization of capital assets	2,381	271	—	2,652
Amortization of intangibles	48	—	—	48
Research and development costs	3,997	161	—	4,158
Filtran operating losses	472	—	—	472
Restructuring and severance costs	591	—	—	591
Foreign exchange gain (loss) on conversion of balance sheet assets and liabilities	239	(353)	—	(114)
Earnings (loss) before interest and taxes	430	2,096	(2,206)	320
Interest expense on long-term and short-term debt	701	—	—	701
Income taxes (recovery)	(173)	—	—	(173)
Net (loss) earnings	$ (98)	$ 2,096	$ (2,206)	$ (208)
Segment assets	$ 27,930	$ 9,458	$ —	$ 37,388
Goodwill	4,583	—	—	4,583
Intangibles	431	—	—	431
Additions to capital assets	1,669	67	—	1,736

19. SEGMENTED INFORMATION (continued)

Geographic Location

(in thousands of dollars)	2009					
	Canada	**United States**	**Asia**	**Europe**	**Other**	**Total**
Sales (by location of customer)	**$ 10,913**	**$ 41,825**	**$ 2,178**	**$ 349**	**$ 115**	**$ 55,380**
Goodwill (by location of division)	**1,039**	**3,024**	**—**	**—**	**—**	**4,063**
Intangibles (by location of division)	**384**	**—**	**—**	**—**	**—**	**384**
Capital assets (by location of division)	**4,012**	**2,087**	**—**	**—**	**—**	**6,099**

	2008					
	Canada	United States	Asia	Europe	Other	Total
Sales (by location of customer)	$ 11,208	$ 48,001	$ 3,272	$ 683	$ 16	$ 63,180
Goodwill (by location of division)	1,039	3,544	—	—	—	4,583
Intangibles by location of division)	431	—	—	—	—	431
Capital assets (by location of division)	4,565	2,764	—	—	—	7,329

There were two customers in the United States that accounted for more than 10% of the total sales in each of 2009 and 2008.

20. COMPARATIVE FIGURES

Certain comparative figures in the consolidated financial statements have been reclassified to conform to the current year's presentation.

CORPORATE DIRECTORY

DIRECTORS

Bradley C. Bourne
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Firan Technology Group Corporation

Edward C. Hanna
Corporate Director

Murray L. Hannan
Consultant and Corporate Director

Ray G. Harris
Chairman, Firan Technology Group Corporation
and Corporate Consultant

Brian E. Jennings
Financial Consultant

David Masotti
Corporate Director and Business Consultant

David McLeish
Director, Special Situations
Octagon Capital Corporation

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Bradley C. Bourne
President and Chief Executive Officer
Firan Technology Group Corporation

Joseph R. Ricci
Vice-President, Chief Financial Officer
and Secretary
Firan Technology Group Corporation

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STOCK LISTING

The Company's shares are traded on the
Toronto Stock Exchange under the symbol FTG

ANNUAL GENERAL MEETING

All shareholders and other interested parties are cordially invited to attend the Annual General Meeting of Shareholders on:

May 19, 2010, 10:30am (Toronto Time) in the Gallery
at the TSX Broadcast & Conference Centre
The Exchange Tower
130 King Street West
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