

FIRAN TECHNOLOGY GROUP CORPORATION
Interim Consolidated Balance Sheets

(unaudited) (in thousands of dollars)	August 31, 2012	November 30, 2011	December 1, 2010
ASSETS			
Current assets			
Cash	\$ 720	\$ 1,944	\$ 305
Accounts receivable	9,415	9,592	9,332
Taxes receivable	174	378	448
Inventories	8,268	7,973	8,726
Prepaid expenses	511	349	669
	19,088	20,236	19,480
Non-current assets			
Plant and equipment, net	5,093	4,474	4,024
Goodwill	1,039	1,039	1,039
Deferred income taxes	1,375	1,375	667
Intangible and other assets	354	293	336
Total assets	\$ 26,949	\$ 27,417	\$ 25,546
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank indebtedness	\$ 842	\$ -	\$ 109
Accounts payable and accrued liabilities	6,618	8,123	7,420
Provisions	341	485	544
Unearned revenue	260	714	152
Customer deposit, net of deferred development	141	-	-
Current portion of long-term bank debt	-	1,458	3,059
	8,202	10,780	11,284
Non-current liabilities			
Subordinated loan	3,545	2,444	1,746
Government assistance	1,346	1,065	914
Total liabilities	13,093	14,289	13,944
Contingencies and commitments			
Shareholders' equity			
Deficit	\$ (9,208)	\$ (10,032)	\$ (11,506)
Accumulated other comprehensive (loss) income	(124)	12	-
	(9,332)	(10,020)	(11,506)
Share capital			
Common shares	12,681	12,681	12,681
Preferred shares	2,218	2,218	2,218
Contributed surplus	8,289	8,249	8,209
Total shareholders' equity	13,856	13,128	11,602
Total liabilities and shareholders' equity	\$ 26,949	\$ 27,417	\$ 25,546

FIRAN TECHNOLOGY GROUP CORPORATION
Interim Consolidated Statements of Earnings

(unaudited) (in thousands of dollars, except per share amounts)	Three months ended		Nine months ended	
	August 31, 2012	August 26, 2011	August 31, 2012	August 26, 2011
Sales	\$ 14,057	\$13,662	\$ 41,927	\$39,749
Cost of sales				
Cost of sales	10,516	10,062	30,912	28,945
Depreciation of plant and equipment	419	453	1,245	1,389
Total cost of sales	10,935	10,515	32,157	30,334
Gross margin	3,122	3,147	9,770	9,415
Expenses				
Selling, general and administrative	1,962	2,003	6,382	6,218
Research and development costs	778	732	2,168	2,303
Recovery of research and development costs	(64)	(30)	(224)	(94)
Depreciation/amortization of office equipment and intangible assets	35	28	99	84
Interest expense on short-term debt	11	46	56	133
Interest expense on long-term debt	69	60	204	166
Severance	54	-	54	-
Foreign exchange loss (gain)	116	(24)	199	42
Total expenses	2,961	2,815	8,938	8,852
Earnings before income taxes	161	332	832	563
Income tax expense	6	-	8	2
Net earnings	\$ 155	\$ 332	\$ 824	\$ 561
Earnings per share				
Basic	\$ 0.01	\$ 0.02	\$ 0.05	\$ 0.03
Diluted	\$ 0.01	\$ 0.02	\$ 0.04	\$ 0.03

FIRAN TECHNOLOGY GROUP CORPORATION
Interim Consolidated Statements of Comprehensive (Loss) Income

(unaudited) (in thousands of dollars)	Three months ended		Nine months ended	
	August 31, 2012	August 26, 2011	August 31, 2012	August 26, 2011
Net earnings	\$ 155	\$ 332	\$ 824	\$ 561
Other comprehensive (loss) income				
Foreign currency translation adjustments	(213)	195	(136)	(119)
	(213)	195	(136)	(119)
Total comprehensive (loss) income	\$ (58)	\$ 527	\$ 688	\$ 442

FIRAN TECHNOLOGY GROUP CORPORATION
Interim Consolidated Statements of Changes in Shareholders' Equity
Nine months ended August 31, 2012 and August 26, 2011

(unaudited) (in thousands of dollars)	Common Shares	Preferred Shares	Deficit	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
Balance, December 1, 2010	\$ 12,681	\$ 2,218	\$ (11,506)	\$ 8,209	\$ -	\$ 11,602
Net earnings	-	-	561	-	-	561
Stock-based compensation	-	-	-	29	-	29
Foreign currency translation adjustments	-	-	-	-	(119)	(119)
Balance, August 26, 2011	12,681	2,218	(10,945)	8,238	(119)	12,073
Net earnings	-	-	913	-	-	913
Stock-based compensation	-	-	-	11	-	11
Foreign currency translation adjustments	-	-	-	-	131	131
Balance, November 30, 2011	12,681	2,218	(10,032)	8,249	12	13,128
Net earnings	-	-	824	-	-	824
Stock-based compensation	-	-	-	40	-	40
Foreign currency translation adjustments	-	-	-	-	(136)	(136)
Balance, August 31, 2012	\$ 12,681	\$ 2,218	\$ (9,208)	\$ 8,289	\$ (124)	\$ 13,856

FIRAN TECHNOLOGY GROUP CORPORATION
Interim Consolidated Statements of Cash Flows

(unaudited) (in thousands of dollars)	Three months ended		Nine months ended	
	August 31, 2012	August 26, 2011	August 31, 2012	August 26, 2011
Net inflow (outflow) of cash related to the following:				
Operating activities				
Net earnings	\$ 155	\$ 332	\$ 824	\$ 561
Items not affecting cash:				
Stock-based compensation	15	11	40	29
Gain from disposal of plant and equipment	-	-	(2)	(1)
Effect of exchange rates on U.S. dollar Canadian debt	-	5	(17)	(76)
Depreciation of plant and equipment	442	469	1,308	1,437
Amortization of intangible assets	12	12	36	36
Amortization of deferred financing costs	7	-	43	28
AMIS interest accretion	69	44	183	104
Amortization of government assistance	(111)	(71)	(291)	(190)
Changes in non-cash operating working capital	(407)	(129)	(2,280)	(632)
	182	673	(156)	1,296
Investing activities				
Additions to plant and equipment	(487)	(471)	(1,966)	(1,959)
Proceeds from disposals of plant and equipment	-	-	3	27
Additions to deferred financing costs	-	-	(108)	-
Net change to customer deposits/deferred development	(48)	-	141	-
	(535)	(471)	(1,930)	(1,932)
Financing activities				
Increase in bank indebtedness	842	278	842	706
Proceeds from subordinated loan and government assistance	-	-	1,490	960
Repayments of long-term debt	-	(208)	(1,423)	(1,316)
	842	70	909	350
Effects of foreign exchange rate changes on cash flow	(87)	(113)	(47)	140
Net cash flow	402	159	(1,224)	(146)
Cash, beginning of period	318	-	1,944	305
Cash, end of period	\$ 720	\$ 159	\$ 720	\$ 159
Disclosure of cash payments				
Payment for interest	\$ 12	\$ 62	\$ 78	\$ 195
Payments for income taxes	\$ 6	\$ -	\$ 8	\$ 2