

Consolidated Statement of Financial Position

As at March 31

(amounts in millions of Canadian dollars)

	Notes	2013	2012
Assets			
Cash and cash equivalents		\$ 293.2	\$ 287.3
Accounts receivable	5	399.5	308.4
Contracts in progress : assets	11	247.3	245.8
Inventories	6	186.6	153.1
Prepayments		56.3	47.7
Income taxes recoverable		141.9	95.5
Derivative financial assets	30	9.0	10.3
Total current assets		\$ 1,333.8	\$ 1,148.1
Property, plant and equipment	7	1,498.6	1,293.7
Intangible assets	8	799.2	533.2
Deferred tax assets	17	39.4	24.1
Derivative financial assets	30	6.4	7.2
Other assets	9	201.3	177.4
Total assets		\$ 3,878.7	\$ 3,183.7
Liabilities and equity			
Accounts payable and accrued liabilities	10	\$ 695.5	\$ 597.6
Provisions	12	49.2	21.6
Income taxes payable		13.7	10.9
Contracts in progress : liabilities	11	117.9	104.6
Current portion of long-term debt	13	113.0	136.0
Derivative financial liabilities	30	13.5	12.7
Total current liabilities		\$ 1,002.8	\$ 883.4
Provisions	12	8.3	6.0
Long-term debt	13	1,097.0	685.6
Royalty obligations	30	160.6	161.6
Employee benefits obligations	15	136.1	114.2
Deferred gains and other non-current liabilities	16	194.6	186.0
Deferred tax liabilities	17	131.6	91.8
Derivative financial liabilities	30	13.2	12.9
Total liabilities		\$ 2,744.2	\$ 2,141.5
Equity			
Share capital	18	\$ 471.7	\$ 454.5
Contributed surplus		21.9	19.2
Accumulated other comprehensive loss	19	(16.6)	(9.8)
Retained earnings		625.7	558.0
Equity attributable to equity holders of the Company		\$ 1,102.7	\$ 1,021.9
Non-controlling interests		31.8	20.3
Total equity		\$ 1,134.5	\$ 1,042.2
Total liabilities and equity		\$ 3,878.7	\$ 3,183.7

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Income Statement

Years ended March 31

(amounts in millions of Canadian dollars, except per share amounts)

	Notes	2013	2012
Revenue	32	\$ 2,104.5	\$ 1,821.2
Cost of sales		1,482.8	1,221.1
Gross profit		\$ 621.7	\$ 600.1
Research and development expenses		60.6	62.8
Selling, general and administrative expenses		269.9	256.4
Other gains – net	22	(23.4)	(21.2)
Restructuring, integration and acquisition costs	23	68.9	-
Operating profit		\$ 245.7	\$ 302.1
Finance income	24	(7.3)	(6.6)
Finance expense	24	75.5	69.2
Finance expense – net		\$ 68.2	\$ 62.6
Earnings before income taxes		\$ 177.5	\$ 239.5
Income tax expense	17	35.1	57.5
Net income		\$ 142.4	\$ 182.0
Attributable to:			
Equity holders of the Company		\$ 139.4	\$ 180.3
Non-controlling interests		3.0	1.7
		\$ 142.4	\$ 182.0
Earnings per share from continuing operations attributable to equity holders of the Company			
Basic and diluted	18	\$ 0.54	\$ 0.70

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Consolidated Statement of Comprehensive Income

Years ended March 31

(amounts in millions of Canadian dollars)

	2013	2012
Net income	\$ 142.4	\$ 182.0
Foreign currency translation		
Net currency translation difference on the translation of financial statements of foreign operations	\$ 10.6	\$ 13.5
Net losses on certain long-term debt denominated in foreign currency and designated as hedges of net investments in foreign operations	(8.8)	(3.9)
Income taxes	0.7	0.8
	\$ 2.5	\$ 10.4
Net changes in cash flow hedges		
Effective portion of changes in fair value of cash flow hedges	\$ (2.5)	\$ (8.7)
Reclassifications to net income or to the related non-financial assets or liabilities	(10.2)	(4.7)
Income taxes	3.5	3.1
	\$ (9.2)	\$ (10.3)
Defined benefit plan actuarial losses		
Defined benefit plan actuarial losses	\$ (30.8)	\$ (64.9)
Income taxes	8.3	17.4
	\$ (22.5)	\$ (47.5)
Other comprehensive loss	\$ (29.2)	\$ (47.4)
Total comprehensive income	\$ 113.2	\$ 134.6
Attributable to:		
Equity holders of the Company	\$ 110.1	\$ 132.8
Non-controlling interests	3.1	1.8
	\$ 113.2	\$ 134.6

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Consolidated Statement of Changes in Equity

Year ended March 31, 2013 (amounts in millions of Canadian dollars, except number of shares)	Attributable to equity holders of the Company						
	Notes	Common shares Number of shares	Common shares Stated value	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Total equity
Balances, beginning of year		258,266,295	\$ 454.5	\$ 19.2	\$ (9.8)	\$ 558.0	\$ 1,021.9
Net income		-	-	-	-	139.4	139.4
Other comprehensive income (loss):							
Foreign currency translation		-	-	-	2.4	-	2.4
Net changes in cash flow hedges		-	-	-	(9.2)	-	(9.2)
Defined benefit plan actuarial losses		-	-	-	-	(22.5)	(22.5)
Total comprehensive income		-	\$ -	-	\$ (6.8)	\$ 116.9	\$ 110.1
Stock options exercised		482,250	3.9	-	-	-	3.9
Optional cash purchase		1,683	-	-	-	-	-
Stock dividends	18	1,228,831	12.1	-	-	(12.1)	-
Transfer upon exercise of stock options		-	1.2	(1.2)	-	-	-
Share-based payments		-	-	3.9	-	-	3.9
Additions to non-controlling interests		-	-	-	-	-	-
Dividends	18	-	-	-	-	(37.1)	(37.1)
Balances, end of year		259,979,059	\$ 471.7	\$ 21.9	\$ (16.6)	\$ 625.7	\$ 1,102.7
							\$ 31.8
							\$ 1,134.5
							\$ 1,042.2
							142.4

Year ended March 31, 2012 (amounts in millions of Canadian dollars, except number of shares)	Attributable to equity holders of the Company						
	Notes	Common shares Number of shares	Common shares Stated value	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Total equity
Balances, beginning of year		256,964,756	\$ 440.7	\$ 17.1	\$ (9.8)	\$ 466.4	\$ 914.4
Net income		-	-	-	-	180.3	180.3
Other comprehensive income (loss):							
Foreign currency translation		-	-	-	10.3	-	10.3
Net changes in cash flow hedges		-	-	-	(10.3)	-	(10.3)
Defined benefit plan actuarial losses		-	-	-	-	(47.5)	(47.5)
Total comprehensive income		-	\$ -	-	\$ -	\$ 132.8	\$ 132.8
Stock options exercised		538,600	4.4	-	-	-	4.4
Optional cash purchase		898	-	-	-	-	-
Stock dividends	18	762,041	7.8	-	-	(7.8)	-
Transfer upon exercise of stock options		-	1.6	(1.6)	-	-	-
Share-based payments		-	-	3.7	-	-	3.7
Dividends	18	-	-	-	-	(33.4)	(33.4)
Balances, end of year		258,266,295	\$ 454.5	\$ 19.2	\$ (9.8)	\$ 558.0	\$ 1,021.9
							\$ 20.3
							\$ 1,042.2

The total retained earnings and accumulated other comprehensive loss for the year ended March 31, 2013 was \$609.1 million (2012 – \$548.2 million).
The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

Years ended March 31

(amounts in millions of Canadian dollars)

	Notes	2013	2012
Operating activities			
Net income		\$ 142.4	\$ 182.0
Adjustments to reconcile net income to cash flows from operating activities:			
Depreciation of property, plant and equipment		107.6	92.3
Amortization of intangible and other assets		49.7	33.5
Financing cost amortization	24	1.8	1.6
Deferred income taxes	17	28.1	36.4
Investment tax credits		(22.6)	(14.5)
Share-based compensation	25	(4.2)	4.7
Defined benefit pension plans	15	(9.3)	(13.1)
Amortization of other non-current liabilities		(15.6)	(12.0)
Other		(12.1)	(5.3)
Changes in non-cash working capital	26	(61.7)	(71.7)
Net cash provided by operating activities		\$ 204.1	\$ 233.9
Investing activities			
Business combinations, net of cash and cash equivalents acquired	3	\$ (285.3)	\$ (126.0)
Joint ventures, net of cash and cash equivalents acquired	4	(0.7)	(27.6)
Capital expenditures for property, plant and equipment		(155.8)	(165.7)
Proceeds from disposal of property, plant and equipment		8.9	34.4
Capitalized development costs		(49.6)	(42.8)
Enterprise resource planning (ERP) and other software		(19.4)	(17.3)
Other		(3.0)	5.0
Net cash used in investing activities		\$ (504.9)	\$ (340.0)
Financing activities			
Net borrowing under revolving unsecured credit facilities	13	\$ 54.0	\$ 14.2
Net effect of current financial assets program	31	(37.1)	4.9
Proceeds from long-term debt, net of transaction costs	13	740.4	195.0
Repayment of long-term debt	13	(380.2)	(36.1)
Repayment of finance lease	13	(36.3)	(32.8)
Dividends paid		(37.1)	(33.4)
Common stock issuance	18	3.9	4.4
Other		(0.9)	(0.7)
Net cash provided by financing activities		\$ 306.7	\$ 115.5
Effect of foreign exchange rate changes on cash and cash equivalents		\$ -	\$ 1.5
Net increase in cash and cash equivalents		\$ 5.9	\$ 10.9
Cash and cash equivalents, beginning of year		287.3	276.4
Cash and cash equivalents, end of year		\$ 293.2	\$ 287.3
Supplemental information:			
Dividends received		\$ 2.4	\$ 4.7
Interest paid		53.6	49.4
Interest received		5.0	4.7
Income taxes paid		26.5	26.9

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