



**PRESS RELEASE**  
FOR IMMEDIATE RELEASE

**Fiscal 2010 Off to an Excellent Start at Savaria,  
with 18% Sales Growth in the 1<sup>st</sup> Quarter**

**Laval, Quebec, May 11, 2010** – Savaria Corporation (TSX: SIS), Canada's leader in the accessibility industry, today announced its results for the first quarter of 2010.

**First-Quarter Highlights**

- Sales growth of 18.4% over the first quarter of 2009;
- Operating earnings up by \$717,000 over the first quarter of 2009;
- Declaration of a dividend of 8.4 cents (\$0.084) per common share;
- Closing of the acquisition of Concord Elevator (London) Ltd. ("Concord London"), the leading Canadian retailer specializing in the installation and maintenance of elevators and platform lifts.

**A Word from the President**

"Our results for the first quarter of 2010 are most satisfactory, considering that the first quarter is historically the least profitable of the year. Sales increased by 18.4% and operating earnings rose to \$580,000, compared with a loss of \$137,000 in the first quarter of 2009," indicated Marcel Bourassa, President and Chief Executive Officer of Savaria.

"On February 1<sup>st</sup>, 2010, we closed the strategic acquisition of Concord London, which will enable us to better serve the Toronto area. Also, our balance sheet remains as solid as ever and will allow the Corporation to achieve its growth objectives," added Mr. Bourassa.

## **Operating Results**

### **Sales**

The Corporation recorded sales of \$13.2 million during the first quarter of 2010, compared with \$11.2 million in the corresponding quarter of fiscal 2009, an increase of 18.4%. Of this growth, \$684,000 or 6.1% came from the two-month contribution in operations of the new subsidiary Concord London. During the first quarter, the number of units sold in the *Accessibility* segment grew by 20% for accessibility products, as opposed to a slight decline for elevators. The *Adapted Transportation* segment's first-quarter revenues remained stable.

### **Gross Profit**

Gross profit grew by \$944,000 for the first quarter of 2010 over the same period of 2009. The strong sales growth and various measures, including enhanced productivity and a significant increase in purchases from the Chinese subsidiary Savaria Huizhou and other Chinese suppliers, enabled the Corporation to raise its gross margin to 27.7%, up from 24.3% in the first quarter of 2009.

### **Operating Earnings**

Operating earnings improved by \$717,000 in the first quarter 2010 over the first quarter of 2009, from a loss of \$137,000 to a profit of \$580,000. This favourable variation is due to the growth in gross profit, less the increase in selling and administrative expenses stemming from the addition of the new subsidiary Concord London.

### **Net Earnings**

Net earnings fell from \$555,000 in the first quarter of 2009 to \$179,000 in the same quarter of 2010, a decrease of \$376,000 primarily reflecting the unfavourable variation of \$998,000 in a put option related to restructured notes and of \$252,000 in exchange gains and losses.

### **Cash Flows**

The Corporation's operating activities generated cash flows of approximately \$507,000 during the first quarter, as opposed to cash outflow of \$172,000 in the corresponding quarter of 2009.

## **Cautionary Notice Regarding Forward-Looking Statements**

Certain information in this press release may constitute “forward-looking statement” regarding Savaria, including, without being limited thereto, understanding of the elements that might affect the Corporation’s future, relating to its financial or operating performance, the costs and schedule of future acquisitions, supplementary capital expenditure requirements and legislative matters. Most frequently, but not invariably, forward-looking statements are identified by the use of such terms as “plan”, “expect”, “should”, “could”, “budget”, “expected”, “estimated” “forecast”, “intend”, “anticipate”, “believe”, variants thereof (including negative variants) or statements that certain events, results or actions “could”, “should” or “will” occur or be achieved. Such statements involve known and unknown risks, uncertainties and other factors liable to cause Savaria’s actual results, performance or achievements to differ materially from those set forth in or underlying the forward-looking statements. Such factors notably include general, economic, competitive, political and social uncertainties. Although Savaria has attempted to identify the key elements liable to cause actual measures, events or results to differ from those described in the forward-looking statements, other factors could have an impact on the reality and produce unexpected results. The forward-looking statements contained herein are valid at the date of this press release. As there can be no assurance that these forward-looking statements will prove accurate, actual future results and events could differ materially from those anticipated therein. Accordingly, readers are strongly advised not to unduly rely on these forward-looking statements.

## **Compliance with Canadian Generally Accepted Accounting Principles**

The information appearing in this press release has been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). However, the Corporation uses earnings before interest, income taxes and amortization (“EBITDA”) for analysis purposes to measure its financial performance. This measure has no standardized definition in accordance with GAAP and is therefore regarded as a non-GAAP measure. This measure may therefore not be comparable to similar measures reported by other companies. A reconciliation between net earnings and EBITDA is provided in the *Financial Highlights* section below.

**Savaria Corporation** ([savariaconcord.com](http://savariaconcord.com)) is Canada’s leader and the second largest North American company in the accessibility industry focused on meeting the needs of people with mobility challenges. Savaria designs, manufactures and distributes primarily elevators for residential and commercial use, as well as stairlifts and vertical and inclined platform lifts. Through its subsidiary Van-Action, the Corporation converts and adapts automotive vehicles for the disabled and also offers scooters and motorized wheelchairs. Its line of products, one of the world’s most comprehensive, enables Savaria to stand out by proposing an integrated and customized solution for its disabled and elderly customers’ mobility needs. Its operations in China have substantially grown since 2006 and the collaboration with the other Canadian facilities increases the Corporation’s competitive edge on the market. Savaria records approximately 60% of its sales outside Canada, primarily in the United States. The Corporation has a network of some 600 retailers in North America and employs 400 people at its head office

in Laval and at its plants in Ville Saint-Laurent (Quebec), Brampton and London (Ontario) and Huizhou (China).

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**For further information:**

Hélène Bernier, CA  
Vice-President, Finance  
1-800-931-5655, ext. 248  
helene.bernier@savaria.com

Marcel Bourassa  
President and Chief Executive Officer  
1-800-661-5112  
marcel.bourassa@savaria.com

[www.savariaconcord.com](http://www.savariaconcord.com)

Financial highlights appear on the next page.

Complete financial statements and the management's report for the first quarter ended March 31, 2010 will shortly be available on Savaria's website and on SEDAR ([www.sedar.com](http://www.sedar.com)).

## Financial Highlights

(in thousands, except per-share amounts, percentages and exchange rates)	Quarters Ended March 31,		
	2010	2009	Change
Average effective exchange rate <sup>(1)</sup>	1.0849	1.0670	1.7%
Sales	\$13,243	\$11,186	18.4%
Gross profit as a % of sales	27.7%	24.3%	n/a
Selling and administrative expenses	\$2,841	\$2,659	6.8%
Selling and administrative expenses as a % of sales	21.5%	23.8%	n/a
Operating earnings	\$580	\$(137)	523%
Operating earnings as a % of sales	4.4%	(1.2)%	n/a
EBITDA <sup>(2)</sup>	\$641	\$1,097	(41.6)%
EBITDA per share	\$0.029	\$0.04	(27.5)%
Exchange gain (loss)	\$(186)	\$66	(382)%
Net earnings	\$179	\$555	(67.7)%
Net earnings per share – basic and diluted	\$0.008	\$0.02	(60)%
Dividends declared per share	\$0.084	\$0.03	n/a
Weighted average number of common shares outstanding – diluted	22,143	27,279	(18.8)%
	<b>As at March 31, 2010</b>	<b>As at Dec. 31, 2009</b>	
Total assets	\$42,438	\$39,888	
Total liabilities	\$23,262	\$19,099	
Shareholders' equity	\$19,176	\$20,789	

<sup>(1)</sup> Calculated considering foreign exchange contracts applied to the periods in question

<sup>(2)</sup> Reconciliation of EBITDA with net earnings provided in the following table

Although EBITDA is not recognized according to GAAP, it is used by management, investors and analysts to assess the Corporation's financial and operating performance.

**Reconciliation of Earnings before Interest, Income Taxes and Amortization (“EBITDA”) with Net Earnings**

(in thousands of dollars)	Quarters Ended March 31,	
	2010	2009
Net earnings	\$179	\$555
Plus:		
Interest on long-term debt	90	77
Interest expense and banking fees	40	30
Income taxes	117	265
Amortization of fixed assets	111	92
Amortization of intangible assets	133	107
Less:		
Interest income and dividends	29	29
EBITDA	\$641	\$1,097