

Consolidated Statement of Financial Position

<i>(amounts in millions of Canadian dollars)</i>	Notes	March 31 2012	March 31 2011	April 1 2010
Assets			(Note 2)	(Note 2)
Cash and cash equivalents		\$ 287.3	\$ 276.4	\$ 312.9
Accounts receivable	5	308.4	296.8	238.2
Contracts in progress : assets	11	245.8	230.5	205.5
Inventories	6	153.1	124.3	126.8
Prepayments		47.7	43.5	24.2
Income taxes recoverable		95.5	58.8	30.7
Derivative financial assets	29	10.3	18.9	27.9
Total current assets		\$ 1,148.1	\$ 1,049.2	\$ 966.2
Property, plant and equipment	7	1,293.7	1,211.0	1,197.1
Intangible assets	8	533.2	375.8	290.4
Deferred tax assets	17	24.1	20.7	24.7
Derivative financial assets	29	7.2	11.6	15.1
Other assets	9	177.4	149.0	97.8
Total assets		\$ 3,183.7	\$ 2,817.3	\$ 2,591.3
Liabilities and equity				
Accounts payable and accrued liabilities	10	\$ 597.6	\$ 551.9	\$ 493.0
Provisions	12	21.6	20.9	32.1
Income taxes payable		10.9	12.9	6.5
Contracts in progress : liabilities	11	104.6	125.8	167.4
Current portion of long-term debt	13	136.0	86.2	68.5
Derivative financial liabilities	29	12.7	12.4	9.3
Total current liabilities		\$ 883.4	\$ 810.1	\$ 776.8
Provisions	12	6.0	10.4	8.2
Long-term debt	13	685.6	574.0	600.9
Royalty obligations	29	161.6	161.6	148.0
Employee benefits obligations	15	114.2	62.8	81.4
Deferred gains and other non-current liabilities	16	186.0	187.6	129.3
Deferred tax liabilities	17	91.8	64.5	13.2
Derivative financial liabilities	29	12.9	13.4	15.1
Total liabilities		\$ 2,141.5	\$ 1,884.4	\$ 1,772.9
Equity				
Share capital	18	\$ 454.5	\$ 440.7	\$ 436.3
Contributed surplus		19.2	17.1	14.2
Accumulated other comprehensive (loss) income	19	(9.8)	(9.8)	11.4
Retained earnings		558.0	466.4	338.5
Equity attributable to equity holders of the Company		\$ 1,021.9	\$ 914.4	\$ 800.4
Non-controlling interests		20.3	18.5	18.0
Total equity		\$ 1,042.2	\$ 932.9	\$ 818.4
Total liabilities and equity		\$ 3,183.7	\$ 2,817.3	\$ 2,591.3

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	2012	2011
Revenue	31	\$ 1,821.2	\$ 1,630.8
Cost of sales		1,221.1	1,082.0
Gross profit		\$ 600.1	\$ 548.8
Research and development expenses		62.8	44.5
Selling, general and administrative expenses		256.4	239.9
Other (gains) losses – net	22	(21.2)	(18.2)
Operating profit		\$ 302.1	\$ 282.6
Finance income	23	(6.6)	(4.4)
Finance expense	23	69.2	64.4
Finance expense – net		\$ 62.6	\$ 60.0
Earnings before income taxes		\$ 239.5	\$ 222.6
Income tax expense	17	57.5	61.7
Net income		\$ 182.0	\$ 160.9
Attributable to:			
Equity holders of the Company		\$ 180.3	\$ 160.3
Non-controlling interests		1.7	0.6
		\$ 182.0	\$ 160.9
Earnings per share from continuing operations attributable to equity holders of the Company			
Basic and diluted	18	\$ 0.70	\$ 0.62

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Consolidated Statement of Comprehensive Income

Years ended March 31

(amounts in millions of Canadian dollars)

	2012	2011
Net income	\$ 182.0	\$ 160.9
Other comprehensive income (loss)		
Foreign currency translation		
Net currency translation difference on the translation of financial statements of foreign operations	\$ 13.5	\$ (23.7)
Net change in (losses) gains on certain long-term debt denominated in foreign currency and designated as hedges of net investments in foreign operations	(3.9)	5.2
Reclassifications to income	-	(0.6)
Income taxes	0.8	(1.3)
	\$ 10.4	\$ (20.4)
Net changes in cash flow hedges		
Effective portion of changes in fair value of cash flow hedges	\$ (8.7)	\$ 9.1
Net change in fair value of cash flow hedges transferred to net income or to related non-financial assets or liabilities	(4.7)	(10.2)
Income taxes	3.1	0.5
	\$ (10.3)	\$ (0.6)
Net change in available-for-sale financial instruments		
Net change in fair value of available-for-sale financial assets	\$ -	\$ (0.1)
	\$ -	\$ (0.1)
Defined benefit plan actuarial (losses) gains		
Defined benefit plan actuarial (losses) gains	\$ (64.9)	\$ 8.6
Income taxes	17.4	(2.3)
	\$ (47.5)	\$ 6.3
Other comprehensive loss	\$ (47.4)	\$ (14.8)
Total comprehensive income	\$ 134.6	\$ 146.1
Total comprehensive income attributable to:		
Equity holders of the Company	\$ 132.8	\$ 145.4
Non-controlling interests	1.8	0.7
Total comprehensive income	\$ 134.6	\$ 146.1

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Consolidated Statement of Changes in Equity

Year ended March 31, 2012 (amounts in millions of Canadian dollars, except number of shares)	Attributable to equity holders of the Company								
	Notes	Number of shares	Common shares Stated value	Contributed surplus	Accumulated other comprehensive (loss) income	Retained earnings	Total	Non- controlling interests	Total equity
Balances, beginning of year		256,964,756	\$ 440.7	\$ 17.1	\$ (9.8)	\$ 466.4	\$ 914.4	\$ 18.5	\$ 932.9
Net income		-	-	-	-	180.3	180.3	1.7	182.0
Other comprehensive income (loss):									
Foreign currency translation		-	-	-	10.3	-	10.3	0.1	10.4
Net changes in cash flow hedges		-	-	-	(10.3)	-	(10.3)	-	(10.3)
Defined benefit plan actuarial losses		-	-	-	-	(47.5)	(47.5)	-	(47.5)
Total comprehensive income		-	\$ -	-	\$ -	\$ 132.8	\$ 132.8	\$ 1.8	\$ 134.6
Stock options exercised		538,600	4.4	-	-	-	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	-	3.7
Dividends	18	-	-	-	-	(33.4)	(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

Year ended March 31, 2011 (amounts in millions of Canadian dollars, except number of shares)	Attributable to equity holders of the Company								
	Notes	Number of shares	Common shares Stated value	Contributed surplus	Accumulated other comprehensive (loss) income	Retained earnings	Total	Non- controlling interests	Total equity
Balances, beginning of year		256,516,994	\$ 436.3	\$ 14.2	\$ 11.4	\$ 338.5	\$ 800.4	\$ 18.0	\$ 818.4
Net income		-	-	-	-	160.3	160.3	0.6	160.9
Other comprehensive income (loss):									
Foreign currency translation		-	-	-	(20.5)	-	(20.5)	0.1	(20.4)
Net changes in cash flow hedges		-	-	-	(0.6)	-	(0.6)	-	(0.6)
Net change in available-for-sale financial instruments		-	-	-	(0.1)	-	(0.1)	-	(0.1)
Defined benefit plan actuarial gains		-	-	-	-	6.3	6.3	-	6.3
Total comprehensive income (loss)		-	\$ -	-	\$ (21.2)	\$ 166.6	\$ 145.4	\$ 0.7	\$ 146.1
Stock options exercised		394,850	2.8	-	-	-	2.8	-	2.8
Stock dividends	18	52,912	0.6	-	-	(0.6)	-	-	-
Transfer upon exercise of stock options		-	1.0	(1.0)	-	-	-	-	-
Share-based payments		-	-	3.9	-	-	3.9	-	3.9
Acquisition of non-controlling interests		-	-	-	-	(0.2)	(0.2)	(0.2)	(0.4)
Dividends	18	-	-	-	-	(37.9)	(37.9)	-	(37.9)
Balances, end of year		256,964,756	\$ 440.7	\$ 17.1	\$ (9.8)	\$ 466.4	\$ 914.4	\$ 18.5	\$ 932.9

The total retained earnings and accumulated other comprehensive (loss) income for the year ended March 31, 2012 was \$548.2 million (2011 – \$456.6 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	2012	2011
Operating activities			
Net income		\$ 182.0	\$ 160.9
Adjustments to reconcile net income to cash flows from operating activities:			
Depreciation of property, plant and equipment		92.3	85.2
Amortization of intangible and other assets		33.5	24.5
Financing cost amortization	23	1.6	1.8
Deferred income taxes	17	36.4	52.0
Investment tax credits		(14.5)	(17.7)
Share-based payments	24	4.7	16.2
Defined benefit pension plans	15	(13.1)	(12.0)
Amortization of other non-current liabilities		(12.0)	(8.7)
Other		(5.3)	3.1
Changes in non-cash working capital	25	(71.7)	(79.0)
Net cash provided by operating activities		\$ 233.9	\$ 226.3
Investing activities			
Business combinations, net of cash and cash equivalents acquired	3	\$ (126.0)	\$ (71.3)
Joint venture, net of cash and cash equivalents acquired	4	(27.6)	(1.9)
Capital expenditures for property, plant and equipment		(165.7)	(111.3)
Proceeds from disposal of property, plant and equipment		34.4	1.5
Capitalized development costs		(42.8)	(22.6)
Enterprise resource planning (ERP) and other software		(17.3)	(18.5)
Other		5.0	(6.8)
Net cash used in investing activities		\$ (340.0)	\$ (230.9)
Financing activities			
Net borrowing under revolving unsecured credit facilities	13	\$ 14.2	\$ -
Net effect of current financial assets program	30	4.9	32.2
Proceeds from long-term debt, net of transaction costs	13	195.0	44.5
Repayment of long-term debt	13	(36.1)	(44.2)
Proceeds from finance lease	13	-	11.0
Repayment of finance lease	13	(32.8)	(33.5)
Dividends paid		(33.4)	(37.9)
Common stock issuance	18	4.4	2.8
Other		(0.7)	(2.8)
Net cash provided by (used in) financing activities		\$ 115.5	\$ (27.9)
Net increase (decrease) in cash and cash equivalents		\$ 9.4	\$ (32.5)
Cash and cash equivalents, beginning of year		276.4	312.9
Effect of foreign exchange rate changes on cash and cash equivalents		1.5	(4.0)
Cash and cash equivalents, end of year		\$ 287.3	\$ 276.4
Supplemental information:			
Dividends received		\$ 4.7	\$ 6.8
Interest paid		49.4	48.5
Interest received		4.7	3.7
Income taxes paid		26.9	14.9

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