SAVARIA CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009 AND 2008

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TABLE OF CONTENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS 1

AUDITORS' REPORT 2

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of earnings 3

Consolidated statements of comprehensive earnings (loss) 4

Consolidated statements of shareholders' equity 5

Consolidated balance sheets 6

Consolidated statements of cash flows 7

Notes to consolidated financial statements 8

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements of "**SAVARIA CORPORATION**" are the responsibility of management and have been approved by the Board of Directors.

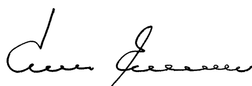
These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and necessarily include some amounts that are based on management's best estimates and judgements.

To discharge its responsibilities, the Corporation has developed and maintains systems of internal accounting controls and has established policies and procedures adapted to the industry in which it operates. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Corporation's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors must ensure that management fulfils its financial reporting responsibilities and is ultimately responsible for reviewing and approving the financial statements. The Audit Committee meets regularly with management to discuss the internal controls over the financial reporting process and financial reporting issues. The Committee also reviews the annual consolidated financial statements and the external auditors' report, and reports its findings to the Board for consideration when approving the financial statements for issuance to the Corporation's shareholders. The auditors appointed by the shareholders have full access to the Audit Committee, with or without management being present.

The consolidated financial statements as at December 31, 2009 and for the year ended on this date have been audited by the auditors appointed by the shareholders, KPMG LLP/s.e.n.c.r.l., Chartered Accountants. The consolidated financial statements as at December 31, 2008 and for the year ended on this date have been audited by PricewaterhouseCoopers s.r.l/s.e.n.c.r.l., Chartered Accountants.

Marcel Bourassa
Chairman of the Board and Chief Executive Officer



Jean-Marie Bourassa, CA
Chief Financial Officer

Laval (Québec) Canada
March 30, 2010

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AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the consolidated balance sheet of Savaria Corporation (the "Company") as at December 31, 2009 and the consolidated statements of earnings, comprehensive earnings, shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 Company as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements as at December 31, 2008 and for the year then ended were audited by other auditors, who expressed an opinion without reservation on those statements in their report, dated March 24, 2009.

KPMG LLP*

Chartered Accountants

Montréal, Canada

March 5, 2010

*CA Auditor permit no 18146

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SAVARIA CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
SALES	$ 55,172,324	$ 55,508,203
OPERATING EXPENSES		
Cost of goods sold	40,320,947	42,844,175
Selling and administrative expenses	11,262,685	11,368,049
Amortization of fixed assets	395,244	386,358
Amortization of intangible assets	438,885	409,857
Gain on the disposal of fixed assets following a restructuring (note 5)	-	(2,032,476)
	52,417,761	52,975,963
OPERATING EARNINGS	2,754,563	2,532,240
OTHER REVENUES AND EXPENSES (note 6)	147,090	626,146
EARNINGS BEFORE INCOME TAXES	2,901,653	3,158,386
INCOME TAXES (note 17B)	643,503	1,609,109
NET EARNINGS	$ 2,258,150	$ 1,549,277
Net earnings per common share		
Basic	$ 0.089	$ 0.057
Diluted	$ 0.089	$ 0.057
Average number of common shares outstanding (note 19B)		
Issued	25,398,499	27,348,997
Diluted	25,411,161	27,348,997

SAVARIA CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
NET EARNINGS	**$ 2,258,150**	$ 1,549,277
OTHER COMPREHENSIVE INCOME (LOSS)		
Change in the fair value of foreign exchange contracts designated as cash flow hedges	**6,773,642**	(7,033,325)
Future income taxes	**(1,982,987)**	2,156,730
	4,790,655	(4,876,595)
Losses on foreign exchange contracts transferred to net income in the current year	**1,862,161**	1,155,997
Future income taxes	**(572,175)**	(358,128)
	1,289,986	797,869
OTHER COMPREHENSIVE EARNINGS (LOSS)	**6,080,641**	(4,078,726)
COMPREHENSIVE EARNINGS (LOSS)	**$ 8,338,791**	$ (2,529,449)

SAVARIA CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Capital stock		**Contributed**	**Retained**	**Accumulated other comprehensive**	
	Number	**Amount**	**surplus**	**earnings**	**income**	**Total**
BALANCE as at December 31, 2008, before the reversal of an exercice of stock options following the issuance of an employee loan	**27,490,514**	**$ 15,815,977**	**$ 1,745,891**	**$ 4,596,187**	**$ (4,069,107)**	**$ 18,088,948**
Reversal of an exercice of stock options following the issuance of an employee loan	**(200,000)**	**(250,000)**	**-**	**-**	**-**	**(250,000)**
BALANCE as at December 31, 2008	**27,290,514**	**15,565,977**	**1,745,891**	**4,596,187**	**(4,069,107)**	**17,838,948**
Cancelled shares following issuer bid	**(5,132,295)**	**(2,932,546)**	**-**	**(1,742,784)**	**-**	**(4,675,330)**
Remuneration expense on options granted	**-**	**-**	**110,200**	**-**	**-**	**110,200**
Net earnings	**-**	**-**	**-**	**2,258,150**	**-**	**2,258,150**
Dividends on common shares	**-**	**-**	**-**	**(824,055)**	**-**	**(824,055)**
Changes in other comprehensive income in the current year, net of income taxes of $2,555,162	**-**	**-**	**-**	**-**	**6,080,641**	**6,080,641**
BALANCE as at December 31, 2009	**22,158,219**	**$ 12,633,431**	**$ 1,856,091**	**$ 4,287,498**	**$ 2,011,534**	**$ 20,788,554**

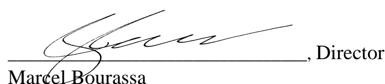
	Capital stock		Contributed	Retained	Accumulated other comprehensive	
	Number	Amount	surplus	earnings	income	Total
BALANCE as at December 31, 2007, before the reversal of an exercice of stock options following the issuance of an employee loan	28,162,414	$ 16,199,915	$ 1,539,901	$ 5,123,653	$ 9,619	$ 22,873,088
Reversal of an exercice of stock options following the issuance of an employee loan	(200,000)	(250,000)	-	-	-	(250,000)
BALANCE as at December 31, 2007	27,962,414	15,949,915	1,539,901	5,123,653	9,619	22,623,088
Cancelled shares following issuer bid	(671,900)	(383,938)	-	(339,952)	-	(723,890)
Remuneration expense on options granted	-	-	205,990	-	-	205,990
Net earnings	-	-	-	1,549,277	-	1,549,277
Dividends on common shares	-	-	-	(1,736,791)	-	(1,736,791)
Changes in other comprehensive income in the current year, net of income taxes of $1,798,602	-	-	-	-	(4,078,726)	(4,078,726)
BALANCE as at December 31, 2008	27,290,514	$ 15,565,977	$ 1,745,891	$ 4,596,187	$ (4,069,107)	$ 17,838,948

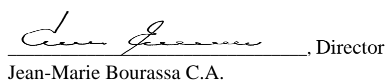
SAVARIA CORPORATION
CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 4,823,164**	$ 5,202,780
Cash and cash equivalents reserved (note 16)	**400,000**	-
Accounts receivable (note 7)	**7,455,189**	9,579,408
Foreign exchange forward contracts (note 24A)	**555,484**	-
Research and development credits receivable	**365,988**	259,541
Current portion of long-term loans (note 10)	**26,518**	99,103
Inventories (note 8)	**12,599,651**	10,380,605
Prepaid expenses	**813,613**	609,134
Future income taxes (note 17A)	**602,059**	1,924,751
	27,641,666	28,055,322
CASH AND CASH EQUIVALENTS RESERVED (note 16)	**1,500,000**	-
RESEARCH AND DEVELOPMENT CREDITS RECEIVABLE	**557,981**	465,511
OTHER ASSETS	**61,910**	-
LONG-TERM INVESTMENTS (note 9)	**5,757,785**	5,880,126
LONG-TERM LOANS (note 10)	**105,100**	152,532
FIXED ASSETS (note 11)	**1,565,784**	1,572,417
INTANGIBLE ASSETS (note 12)	**1,390,361**	1,568,235
GOODWILL	**506,230**	506,230
FUTURE INCOME TAXES (note 17A)	**801,130**	2,550,599
	$ 39,887,947	$ 40,750,972
LIABILITIES		
CURRENT LIABILITIES		
Bank loans (note 13)	**$ 1,080,000**	$ 710,000
Accounts payable (note 14)	**6,248,985**	5,984,551
Deferred revenues	**415,025**	510,361
Warranty provision (note 15)	**263,970**	289,693
Foreign exchange forward contracts (note 24A)	**-**	3,714,953
Current portion of long-term debt (note 16)	**1,844,859**	1,233,454
	9,852,839	12,443,012
WARRANTY PROVISION (note 15)	**394,494**	550,505
FOREIGN EXCHANGE FORWARD CONTRACTS (note 24A)	**-**	2,376,366
LONG-TERM DEBT (note 16)	**8,852,060**	7,542,141
	19,099,393	22,912,024
SHAREHOLDERS' EQUITY		
Capital stock (note 19)	**12,633,431**	15,565,977
Contributed surplus	**1,856,091**	1,745,891
Retained earnings	**4,287,498**	4,596,187
Accumulated other comprehensive income	**2,011,534**	(4,069,107)
	6,299,032	527,080
	20,788,554	17,838,948
	$ 39,887,947	$ 40,750,972

Commitments and contingencies (note 23)
Subsequent events (note 27)

ON BEHALF OF THE BOARD OF DIRECTORS


__________________________, Director
Marcel Bourassa


__________________________, Director
Jean-Marie Bourassa C.A.

SAVARIA CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
OPERATING ACTIVITIES		
Net earnings	**$ 2,258,150**	$ 1,549,277
Adjustments for :		
Amortization of fixed assets	**395,244**	386,358
Amortization of intangible assets	**438,885**	409,857
Put option (note 9A)	**(348,217)**	-
Change in the fair value of restructured notes (note 9A)	**(565,163)**	1,352,119
Future income taxes	**516,999**	1,548,132
Difference between the fair value and the face value of long-term debt	**-**	(395,635)
Capitalized interest on long-term debt	**133,741**	-
Remuneration expense on stock options granted	**110,200**	205,990
Foreign exchange contracts cashed-in in advance	**1,989,000**	228,000
Change in warranty provision (note 15)	**(181,734)**	55,617
Change in long-term research and development credits receivable	**(92,470)**	-
Gain on disposal of fixed assets	**(7,660)**	(1,985,511)
Non-materialized gain on foreign currency exchange on long-term monetary items	**(464,374)**	(465,599)
	4,182,601	2,888,605
Net changes in non-cash working capital items (note 4B)	**(261,060)**	(1,937,630)
Cash flows from operating activities	**3,921,541**	950,975
INVESTING ACTIVITIES		
Settlement of the net liability of a VIE (note 18)	**-**	(216,055)
Change in long-term investments	**1,035,721**	(4,100,000)
Change in cash and cash equivalents reserved	**(1,900,000)**	-
Change in other assets	**(16,515)**	-
Proceeds from disposal of fixed assets	**11,108**	4,875,957
Additions to fixed assets	**(199,170)**	(206,544)
Increase in amortizable intangible assets	**(352,349)**	(71,972)
Proceeds from long-term loans	**92,957**	113,868
Cash flows from (used in) investing activities	**(1,328,248)**	395,254
FINANCING ACTIVITIES		
Changes in bank loans	**370,000**	(230,000)
Increase in long-term debt	**7,700,095**	6,000,000
Repayment of current liability related to assets held for sale	**-**	(3,750,000)
Repayment of long-term debt	**(5,543,619)**	(518,006)
Contribution from a VIE	**-**	100,623
Dividends paid on common shares	**(824,055)**	(1,736,791)
Shares repurchased for cancellation	**(4,675,330)**	(723,890)
Cash flows used in financing activities	**(2,972,909)**	(858,064)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(379,616)**	488,165
CASH AND CASH EQUIVALENTS at the beginning of the year	**5,202,780**	4,714,615
CASH AND CASH EQUIVALENTS at the end of the year	**$ 4,823,164**	$ 5,202,780

Cash and cash equivalents include bank balances and temporary investments with an initial maturity of three months or less.

1 . NATURE OF ACTIVITIES

The activities of the Corporation consist of manufacturing, installing and distributing elevators, platforms and stairlifts for people with mobility challenges as well as converting and adapting vehicles for persons with physical disabilities.

2 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and include the following significant accounting policies :

A) Principles of Consolidation

These consolidated financial statements comprise the accounts of the Corporation and its subsidiaries as listed below.

Subsidiaries	December 31, 2009 %	December 31, 2008 %
Savaria Concord Lifts Inc.	100	100
Weber Accessibility Systems, Inc. - inactive	100	100
Richardson Elevators (1191852 Ontario Limited) - dissolved	-	100
Van-Action (2005) Inc.	100	100
Concord Elevator Holdings Inc. - inactive	100	100
Savaria (Huizhou) Mechanical Equipment Manufacturing Co., LTD	100	100

Intercompany balances and transactions have been eliminated.

B) Use of Estimates

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The main estimates include the measurement of the fair value of the financial instruments, including derivatives and investments in restructured notes, the remuneration expense on stock options granted, the amortization of fixed assets and intangible assets, goodwill, future income tax balances, the allowance for doubtfull accounts, the inventory obsolescence provisions and the warranty provisions. Actual results could differ from those estimates.

C) Foreign Currencies

The US and Chinese subsidiaries are defined as integrated foreign operations. The Corporation follows the temporal method to translate its foreign currency balances and those of its US and Chinese subsidiaries. Under this method, monetary assets and liabilities are translated at the rates of exchange in effect at balance sheet date and non-monetary assets and liabilities are measured at historical rates. Revenues and expenses are translated at the exchange rate in effect at the date of the transaction. Exchange gains and losses are included in net earnings for the year.

D) Revenue Recognition

Sales are recognized when persuasive evidence of an agreement exists, products have been shipped, price is determined and ultimate collection is reasonably assured. A provision for product warranty is set up when sales are recognized. Given that most products are custom made, goods, generally, may not be returned.

E) Impairment of Long-Lived Assets

The Corporation reviews, when circumstances indicate that the asset might be impaired, the carrying values of its long-lived amortizable assets by comparing the carrying amount of the asset or group of assets to the expected future undiscounted cash flows to be generated by the asset or group of assets. An impairment loss is recognized when the carrying amount of an asset or group of assets held for use exceeds the sum of the undiscounted cash flows expected from its use or eventual disposal. The impairment loss is measured as the amount by which the asset carrying amount exceeds its fair value, based on quoted market prices, when available, or on the estimated current value of future cash flows.

2 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F) Income Taxes

The Corporation follows the liability method of accounting for income taxes, as recommended by the Canadian Institute of Chartered Accountants ("CICA"). Under this method, income taxes payable are accounted for as estimated income taxes to be paid for the current fiscal year, and future income taxes are accounted for based on the temporary differences between the tax and accounting values of the assets and liabilities. Future income tax assets and liabilities are measured using income tax rates and the enacted or substantively enacted laws which are expected to be in effect for taxable income for the years in which the assets and liabilities will be discharged or recovered. Future income tax assets which arise from deferred losses and temporary differences are accounted for when it is more likely than not that the asset will be realized.

G) Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances and temporary investments with an initial maturity of three months or less and are presented at cost.

H) Trade Receivables

The Corporation establishes an allowance for doubtful accounts receivable based on the specific credit risk of its customers and historical trends.

I) Inventories

Raw materials and sub-assembly components are valued at the lower of cost and net realizable value, with cost being determined using the first in, first out method.

Work in process and finished goods are valued at the lower of cost and net realizable value, with cost being determined using the first in, first out method. Their cost includes raw materials as well as an allocation of direct labour and manufacturing overheads.

The reversal of previous write-downs when there is a subsequent increase in the net realizable value of inventories must be recorded.

J) Fixed Assets and Amortization

Fixed assets are accounted for at cost. Amortization is based on their estimated useful life using the following methods and annual rates or period:

	Method	Rate or period
Machinery and equipment	Declining balance	20%
Office furniture	Declining balance	20%
Rolling stock	Declining balance	30%
Computer hardware	Declining balance	30%
Leasehold improvements	Straight-line	Terms of the leases

K) Intangible Assets

Intangible assets consist of trademarks, client lists, computer software and capitalized development costs. Trademarks are not amortized since they have an indefinite life span; instead, the Corporation assesses periodically whether a provision for impairment in the value of trademarks should be recorded against earnings. This is accomplished by determining whether projected discounted future cash flows exceed the net book value of the intangible asset. Trademarks are tested for impairment annually on December 31, and when an event or circumstance occurs that could potentially result in a permanent decline in value. Client lists are amortized by using the straight-line method over their projected useful lives of ten years. Computer software is amortized by using the declining balance method with an annual rate of 30%. Development costs are amortized over three years.

Development costs are accounted for at cost and are deferred to future periods if the Corporation can demonstrate all of the following:

2 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K) Intangible Assets (Cont'd)

The technical feasibility of completing the intangible asset so that it will be available for use or sale; its intention to complete the intangible asset and use or sell it; its ability to use or sell the intangible asset; how the intangible asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Research and development tax credits are booked against deferred development costs when they are related to development costs. All other tax credits are booked against the expenses that they relate to.

L) Goodwill

Goodwill is not amortized, instead, the Corporation assesses periodically whether a provision for impairment in the value of goodwill should be recorded against earnings. This is accomplished by determining whether projected discounted future cash flows exceed the net book value of the business unit. Goodwill is tested for impairment annually on December 31, and when an event or circumstance occurs that could potentially result in a permanent decline in value.

The Corporation has performed impairment tests on the carrying amount of goodwill as at December 31, 2009 and has concluded that no impairment loss should be recognized.

M) Earnings Per Share

Basic net earnings per share is based on the weighted average of common shares issued and outstanding, and is calculated by dividing net earnings applicable to common shares by the weighted average number of shares outstanding during the period. Diluted net earnings per share is calculated by dividing net earnings applicable to common shares by the weighted average number of shares used in the basic earnings per share calculation plus the weighted number of common shares that would be issued, assuming that all potentially dilutive stock options outstanding were translated using the treasury stock method.

N) Stock-Based Compensation

The Corporation records stock-based compensation to its employees and directors at fair value. According to the fair value method, an employee compensation expense is charged to operating expenses based on the fair value of the stock options issued over their vesting period. Upon the exercise of stock options, capital stock is credited in the amount paid plus the corresponding employee compensation expense previously recorded.

O) Financial Instruments

The Corporation records all financial assets and derivitave financial instruments at their fair value or amortized cost. Financial liabilities are measured at their fair value when they are classified as held-for-trading, otherwise, they are measured at amortized cost.

The Corporation must carry out a classification of its assets and liabilities by category. It made the following classifications:

Cash and cash equivalents and cash and cash equivalents reserved as well as foreign exchange forward contracts, long-term investments in restructured notes and the put option are classified as assets held for trading. These items are evaluated at fair value and gains or losses resulting from their reevaluation at the end of each period are recorded as part of the consolidated earnings.

Long-term investments other than restructured notes are classified as held-to-maturity. They are initially evaluated at fair value and recorded at their amortized cost.

Accounts receivable and long-term loans are classified as loans and receivables. They are initially evaluated at their fair value and are recorded at their amortized cost.

Bank loans, accounts payable and accrued liabilities as well as long-term debt are classified as other financial liabilities. They are initially measured at their fair value and are recorded at their amortized cost.

Transaction costs related to financial assets and liabilities held for trading are expensed as incurred. Transaction costs related to financial assets held-to-maturity, loans and receivables and other liabilities are included in the carrying value of the asset or liability and are then amortized over the expected life of the instrument using the effective interest rate method.

2 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O) Financial Instruments (Cont'd)

Gains and losses on financial instruments designated as cash flow hedges are recognized in the Corporation's results in the same period as the underlying transactions. Variances in the fair value of non-designated financial instruments are recognized immediately.

3 . CHANGES IN ACCOUNTING POLICIES

A) 2009

On January 1, 2009, the Corporation adopted the following recommendations of the CICA Handbook:

Section 3064: Goodwill and Intangible Assets and *Section 1000: Financial Statement Concepts*

These new standards clarify the criteria pursuant to which intangible assets and fixed assets, including internally developed assets, are recognized. Items that no longer meet these criteria would no longer be recognized as assets. These standards apply retrospectively to the Corporation with restatement of prior period figures for the fiscal year beginning on January 1, 2009.

The adoption of these new standards had no impact on the consolidated financial statements.

Section 3862: Financial Instruments - Disclosures

This section has been amended to establish a framework including a three-level hierarchy for the disclosure of fair value based on the data used to assess assets held for trading. The hierarchy of data is summarized as follows:

-Quoted prices on active markets for identical assets (Level 1);

-Data other than prices covered by Level 1, which are observable for assets or liiabilities, directly or indirectly (Level 2);

-Data not based on market data (non-observable data) (Level 3).

B) 2008

On January 1, 2008, the Corporation adopted the following recommendations of the CICA Handbook:

Section 1400: General standards on Financial Statement Presentation

This section has been amended to include requirements to assess and disclose an entity's ability to continue as a going concern.

The adoption of the new standards of Section 1400 has had no impact on the consolidated financial statements.

Section 1535: Capital Disclosures

This new standard establishes disclosure requirements concerning capital such as: qualitative information about objectives, policies and processes for managing capital; quantitative data about what an entity regards as capital; whether it has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance.

The adoption of Section 1535 has had no impact on the Corporation's financial situation or results but it changed the information disclosed on capital (note 21).

Section 3031: Inventories

This Section prescribes the accounting treatment for inventories by providing guidance on the determination of costs and their subsequent recognition as an expense, incuding any write-down to net realizable value. The standard also permits the reversal of previous write-downs when there is a subsequent increase in the value of inventories. Finally, the standard provides guidance on the cost formulas that are used to assign costs to inventories and that require the constant use of inventory policies by type of inventory with similar nature and use.

The adoption of Section 3031 has had no material impact on the consolidated financial statements.

3 . CHANGES IN ACCOUNTING POLICIES (Cont'd)

Section 3862: Financial Instruments - Disclosures and *Section 3863:Financial Instruments - Presentation*

These new standards replace Section 3861, *Financial Instruments - Disclosure and Presentation*, revising and enhancing its disclosure requirements. The adoption of these new standards has had the impact of changing the Corporation's analysis of its risks and has increased its reporting obligations in the consolidated financial statements (note 24).

C) Future Accounting Changes

Section 1582: Business Combinations, Section 1601: Consolidated Financial Statements, and *Section 1602 : Non-Controlling Interests*

In 2009, the CICA issued three new accounting standards: Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*. These new standards will apply to the Corporation's financial statements for the fiscal year beginning on January 1, 2011. The Corporation is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, and establishes standards for the recognition of 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.

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

International Financial Reporting Standards ("IFRS")

In February 2008, Canada's Accounting Standards Board confirmed that Canadian GAAP, as used by public Corporations, will be superseded by IFRS for fiscal years beginning on or after January 1, 2011. The Corporation will be required to report under IFRS for its interim and annual financial statements for the fiscal year ending December 31, 2011.

4 . CASH FLOWS

A) Interest Expenses and Income Taxes

Cash flows related to interest expenses and income taxes are as follows :

	2009	2008
Interest paid	**$ 439,364**	$ 336,867
Income taxes paid	**$ 59,740**	$ 33,336

B) Net Changes in Non-cash Working Capital Items

	2009	2008
Accounts receivable	**$ 2,121,091**	$ (589,525)
Inventories	**(2,290,729)**	(698,468)
Prepaid expenses	**(204,479)**	76,785
Research and development credits receivable	**(14,852)**	(348,684)
Accounts payable	**223,245**	(577,381)
Deferred revenues	**(95,336)**	199,643
	$ (261,060)	$ (1,937,630)

C) Non-cash Transactions

In 2008 and 2009, there were non-cash transactions related to share cancellations (note 19A). Additionally, in 2009, there were non-cash transactions relating to capital leases booked as fixed assets and their corresponding long-term debt.

5 . GAIN ON THE DISPOSAL OF FIXED ASSETS FOLLOWING A RESTRUCTURING

	2009	2008
Gain on the disposal of the building located in Laval	**$ -**	$ 2,032,476

Following a restructuring, the Corporation proceeded with the sale of its building located in Laval and the repayment of the corresponding loan in 2008. This gain is related to the Accessibility business sector.

6 . OTHER REVENUES AND EXPENSES

	2009	2008
Interest and dividend income	**$ 54,406**	$ 170,489
(Loss) gain on foreign currency exchange	**(393,402)**	1,791,581
Interest on long-term debt	**(319,655)**	(134,886)
Interest expense and bank charges	**(119,709)**	(201,981)
Write-down of investments in ABCP	**-**	(1,352,119)
Change in the fair value of restructured notes (note 9A)	**565,163**	-
Put option (note 9A)	**348,217**	-
Gain (loss) on disposal of fixed assets	**7,660**	(46,965)
Difference between the fair value and the face value of long-term debt	**-**	395,635
Other revenues	**4,410**	4,392
	$ 147,090	$ 626,146

7 . ACCOUNTS RECEIVABLE

	2009	2008
Trade	**$ 8,397,563**	$ 10,206,071
Allowance for doubtful accounts	**(1,480,553)**	(1,221,371)
	6,917,010	8,984,700
Sales taxes recoverable	**512,937**	185,087
Others	**25,242**	409,621
	$ 7,455,189	$ 9,579,408

8 . INVENTORIES

	2009	2008
Raw materials and sub-assembly components	**$ 10,392,372**	$ 8,274,197
Work in process	**658,190**	474,835
Finished goods	**1,549,089**	1,631,573
	$ 12,599,651	$ 10,380,605

The following table shows how the obsolescence provision changed since December 31, 2008:

Obsolescence provision as at December 31, 2008	**$ (1,955,419)**
Increase in the provision	**(49,998)**
Discarded inventory	**210,744**
Obsolescence provision as at December 31, 2009	**$ (1,794,673)**

The Corporation did not record any write-downs of its inventory during 2008.

9 . LONG-TERM INVESTMENTS

	2009	2008
Restructured notes (face value of $2,185,039)	**$ 1,309,568**	$ -
Third party asset-backed commercial paper (fair value 2008-$1,780,126)	**-**	1,780,126
Put option	**348,217**	-
	1,657,785	1,780,126
Guaranteed investment certificate (fair value of $4,100,000; $4,100,000 in 2008)	**4,100,000**	4,100,000
	$ 5,757,785	$ 5,880,126

A) Restructured Notes

On January 21, 2009, the Pan-Canadian Committee of ABCP investors announced that the third-party ABCP restructuring plan had been implemented. Pursuant to the terms of the plan, holders of ABCP had their short-term commercial paper exchanged for longer term notes whose maturities match those of the assets previously contained in the underlying conduits ("Restructured Notes"). As of that date, the Corporation held a portfolio of ABCP issued by two trusts with an aggregate face value of US$2,985,874.

Consequently, the Corporation's ABCP that had its assets pooled was replaced with two classes of asset-backed notes named A1 and C in declining order of seniority issued by Master Asset Vehicle 2 ("MAV 2"). ABCP relating to ineligible assets and traditional assets was replaced with new tracking notes whose characteristics are designed to track the performance of the particular assets of the series to which they correspond.

The Restructured Notes are classified as held-for-trading financial instruments.

Evaluation

The fair value estimate of the Restructured Notes has been calculated based on information provided by the Pan-Canadian Investor Committee, Ernst & Young Inc., the Monitor of the restructuring, and BlackRock Canada Ltd., the asset administrator.

Using this information, the Corporation was able to determine the key characteristics of each class of Restructured Notes received: face value, credit rating, interest rate, projected interest payments and maturity date. It then estimated the return that a prospective investor would require for each class of notes ("Required Yield"). Lastly, it calculated the net present value of the future cash flows for each class using the Required Yield as the discount factor.

During the year, the fair value of the Restructured Notes was positively and negatively affected by a number of factors.

General corporate credit conditions improved. This reduction in credit risk had a positive impact on the intrinsic value of the Restructured Notes due to a general lowering of default risk and a decrease in the likelihood that credit risks built into the notes will be exceeded. Accordingly, the Required Yield on the notes has been reduced to reflect this easing in credit markets.

The MAV 2 Class A1 notes are scheduled to continue missing their interest payments as long as interest rates remain rather low. Considering the Bank of Canada's comments and the fact that the MAV 2 notes received sufficient inflows of funds to allow the full payment of accrued interest for the period ended October 7, 2009, the Corporation projects that the payment of interest will be missed for the next three quarters. The interest was originally scheduled to not be paid over a longer period; this improvement had a positive impact on the value of these notes.

Another influencing factor is the simple passage of time. As with all debt instruments, the value of the notes will approach par as the maturity date approaches providing that they do not default.

These positive factors were offset in part by several negative factors, including a downward shift in interest rates and an increase in the value of the Canadian dollar in relation to the US dollar, which lowered the projected future cash flows from the Restructured Notes and, therefore, reduced their fair value. Another negative factor was the increase in the risk of default of the MAV 2 Class C notes due to unexplained default of certain assets of this class of notes. Any default of these assets could cause the losses to exceed the value of the Class C notes.

Additionally, the net asset value underlying the MAV 2 ineligible asset-tracking notes declined from quarter to quarter. These notes are underpinned by a senior exposure to a portfolio of credit derivatives which is collateralized by a note with leveraged exposure to US sub-prime assets. Both the asset and the collateral are distressed and have declined in value.

9 . LONG-TERM INVESTMENTS (Cont'd)

The net impact of these positive and negative factors was an increase in the fair value of the Restructured Notes during the period. As a result of this analysis, the Corporation estimated the fair value of these notes to be $1,309,568 (US$1,246,021) as at December 31, 2009. Accordingly, the Corporation recorded a $565,163 gain during fiscal 2009 as partial reversal of impairments recorded in the prior years. Following this gain in value, there remains a balance of the reserve for impairment of $875,471 (US$832,989). It is to be pointed out that these notes are subject to uncertainty as to their eventual cash value. Although management believes that its valuation technique is appropriate under the circumstances, changes in significant assumptions could materially affect the value of the Restructured Notes in upcoming quarters. The resolution of these uncertainties could result in the ultimate value of these investments varying significantly from management's current best estimates. These investments are presented on a long-term basis.

During fiscal 2009, the Corporation received a total of $1,035,722 (US$915,328) in repayment of certain Restructured Notes. The amounts received were used as a partial reimbursement on loans secured by the Restructured Notes. As at December 31, 2009, the face value of the remaining Restructured Notes amounted to $2.2 million (US$2.1 million) broken down as follows:

Restructuring categories	Thousands US $		Expected maturity date
	Face value	Estimated fair value *	
MAV 2 Notes			
A1 (rated A)	**835.9**	**660.1**	**July 15, 2056**
C	**25.9**	**0.3**	**July 15, 2056**
Traditional asset tracking notes			
MAV 3 - Class 14	**51.1**	**46.0**	**January 1, 2021**
Ineligible asset tracking notes			
MAV 2 - Class 13	**131.5**	**1.3**	**March 20, 2014**
MAV 3 - Class 25	**1,034.6**	**538.3**	**December 25, 2036**
Total investments	**2,079**	**1,246**	

* the range of fair values estimated by the Corporation varied between US$1.37 million and US$1.15 million

On October 15, 2007, the Corporation entered into a temporary financing agreement in the amount of $3,000,000 with its financial institution to ensure the sufficient availability of liquidity to meet its financial obligations while awaiting the settlement of the ABCP investments. Following the replacement of the ABCP by the Restructured Notes, the Corporation reimbursed this temporary financing and, on March 16, 2009, signed two new long-term financing agreements with its financial institution (note 16).

The Corporation holds an option to assign to the bank the ownership of its ineligible asset-tracking notes as well as any proceeds therefrom as payment of 75% of the principal on the related debt. As at December 31, 2009, the Corporation estimated the fair value of this option at $348,217 (US$331,320).

The Corporation also holds an option to assign to the bank the ownership of its MAV 2 notes and traditional asset-tracking notes as well as any proceeds therefrom as payment of 45% of the principal on the related debt. As at December 31, 2009, the Corporation estimated the fair value of this option to be nil.

B) Guaranteed Investment Certificate

The Corporation holds a guaranteed investment certificate in the amount of $4,100,000 that bears interest at a rate of 0.4% and matures on January 13, 2010. This amount is presented on a long-term basis since its encashment is subject to approval of an acquisition project by the Corporation's financial institution. Of this amount, $1,500,000 has been cashed in in February 2010 in order to finance an acquisition (note 27).

10 . LONG-TERM LOANS

	2009	2008
The long-term loan is part of an exclusive distribution agreement for the Corporation's products with a US company. The original amount of the loan is $210,200 (US$200,000). The balance of the loan as at December 31, 2009 is $126,120 (US$120,000). The loan is without interest and is payable in ten annual instalments beginning in June 2006.	**$ 126,120**	$ 170,520
Amount receivable with interest at a rate of 4.23% on conversion of accounts receivable from a US company. The original amount of the loan resulting from the conversion in September 2007 is $152,395 (US$145,000). The balance of the loan as at December 31, 2009 is $5,498 (US$5,231). Repayable in 29 equal monthly instalments of US$5,250, capital and interest, starting in September 2007.	**5,498**	81,115
	131,618	251,635
Less: Current portion	**26,518**	99,103
	$ 105,100	$ 152,532

11 . FIXED ASSETS

	2009		
	Cost	**Accumulated amortization**	**Net book value**
Machinery and equipment	**$ 6,822,706**	**$ 6,070,712**	**$ 751,994**
Office furniture	**869,342**	**681,930**	**187,412**
Rolling stock	**370,937**	**176,994**	**193,943**
Computer hardware	**937,393**	**807,559**	**129,834**
Leasehold improvements	**1,466,751**	**1,164,150**	**302,601**
	$ 10,467,129	**$ 8,901,345**	**$ 1,565,784**

As at December 31, 2009, office furniture included assets under capital leases with a cost of $119,538 and accumulated amortization of $1,997.

	2008		
	Cost	Accumulated amortization	Net book value
Machinery and equipment	$ 6,779,801	$ 5,915,117	$ 864,684
Office furniture	734,942	664,370	70,572
Rolling stock	267,612	156,986	110,626
Computer hardware	907,861	748,941	158,920
Leasehold improvements	1,419,642	1,052,027	367,615
	$ 10,109,858	$ 8,537,441	$ 1,572,417

As at December 31, 2008, computer hardware included assets under capital leases with a cost of $18,639 and accumulated amortization of $13,931.

12 . INTANGIBLE ASSETS

	2009			
	Cost	**Accumulated amortization**	**Net book value**	**Additions in the year**
Trademarks	**$ 299,932**	**$ -**	**$ 299,932**	**$ -**
Client lists	**946,568**	**402,292**	**544,276**	**-**
Software	**778,442**	**679,781**	**98,661**	**-**
Deferred development costs (note 25)	**1,001,843**	**554,351**	**447,492**	**352,349**
Amortizable intangible assets	**2,726,853**	**1,636,424**	**1,090,429**	**352,349**
	$ 3,026,785	**$ 1,636,424**	**$ 1,390,361**	**$ 352,349**

12 . INTANGIBLE ASSETS (Cont'd)

	2008			
	Cost	Accumulated amortization	Net book value	Additions in the year
Trademarks	$ 299,932	$ -	$ 299,932	$ -
Client lists	946,568	307,635	638,933	-
Software	778,442	633,778	144,664	12,624
Deferred development costs (note 25)	950,920	466,214	484,706	59,348
Amortizable intangible assets	2,675,930	1,407,627	1,268,303	71,972
	$ 2,975,862	$ 1,407,627	$ 1,568,235	$ 71,972

13 . BANK LOANS

The Corporation signed an agreement with a financial institution for a $1,500,000 line of credit for its subsidiary Van-Action (2005) Inc., bearing interest at prime rate plus 1%. A movable hypothec from Van-Action in the amount of $3,000,000 on certain assets of the subsidiary, a guarantee pursuant to Section 427 of the Bank Act on inventories, as well as a surety bond from the parent company in the amount of $250,000 have been pledged as securities. The balance of the line of credit amounted to $1,080,000 as at December 31, 2009 (2008-$710,000).

The Corporation also signed an agreement with a financial institution for a $2,000,000 line of credit, bearing interest at prime rate plus 0.5%, for its subsidiary Savaria Concord Lifts Inc. A $9,075,000 first ranking movable hypothec and a general guarantee agreement registered in the province of Ontario on all the subsidiary's present and future inventories and receivables, and a guarantee on inventories pursuant to Section 427 of the Bank Act have been pledged as securities. As at December 31, 2009 and 2008, the line of credit was unused.

14 . ACCOUNTS PAYABLE

	2009	2008
Trade and accrued liabilities	**$ 5,574,500**	$ 5,449,751
Salaries and withholding taxes	**294,320**	215,333
Vacations payable	**380,165**	319,467
	$ 6,248,985	$ 5,984,551

15 . WARRANTY PROVISIONS

During the normal course of its business, the Corporation assumes the cost of certain components in replacement of defective components under warranties offered on its products. The warranties cover a period of thirty-six (36) months. During fiscal 2009, the Corporation decreased the provision by $181,734 (2008-increase of $55,617). This expense is based on past experience and is recorded as current and long-term liabilities under the heading Warranty provisions. Nevertheless, conditions may change and a significant amount may need to be recorded.

16 . LONG-TERM DEBT

	2009	2008
Loan with an original face value of $6,000,000 and a fair value of $5,604,365 bearing interest at prime rate minus 1% with an effective interest rate of prime plus 1.5%. A mortgage on the Corporation's overall assets and those of its subsidiairies Savaria Concord Lifts Inc. and Van-Action (2005) Inc. in the amount of $6,600,000 as well as a guaranty on a long-term investment in the amount of $4,100,000 are pledged as securities. Repayable in monthly instalments of $90,909 plus interest, maturing in May 2014.	**$ 4,556,288**	$ 5,604,365
Loan in original amount of $4,000,000 bearing interest at prime rate plus 1%. A mortgage on the Corporation's overall assets and those of its subsidiairy Savaria Concord Lifts Inc. in the amount of $4,000,000 is pledged as security. Repayable in monthly instalments of $66,667 plus interest, maturing in September 2014. In accordance with the terms of this loan, a minimum of 50% of the balance of the loan must be maintained in the bank at all times, free of any liens. The amount of the reserve, which had a balance of $1,900,000 as at December 31, 2009, is distributed between current and long-term assets according to the same distribution as the said loan.	**3,800,000**	-

16 . LONG-TERM DEBT (Cont'd)

	2009	2008
Loan in original amount of US$1,514,083 with a balance of US$1,166,081 as at December 31, 2009, bearing interest at US prime rate less 1%. Only interest is payable on a monthly basis and a portion of the Restructured Notes is pledged as security. Any proceeds from the partial or complete disposal of the Restructured Notes will be used to reduce the amount of the loan. The loan matures in March 2012 and is renewable for one-year periods, subject to the financial institution's approval, up to a maximum of four renewal periods. The Corporation holds an option to assign to the bank the ownership of its ineligible asset-tracking notes as well as any proceeds therefrom as payment of 75% of the principal of this loan (note 9A).	**$ 1,225,552**	$ -
Loan in original amount of US$1,471,791 with a balance of US$912,929 as at December 31, 2009, bearing interest at US prime rate less 1%. Only interest is payable on a monthly basis and a portion of the Restructured Notes is pledged as security. Any proceeds from the partial or complete disposal of the Restructured Notes will be used to reduce the amount of the loan. The loan matures in March 2011 and is renewable for one-year periods, subject to the financial institution's approval, up to a maximum of five renewal periods. The Corporation holds an option to assign to the bank the ownership of its MAV 2 notes and its Traditional asset tracking notes as well as any proceeds therefrom as payment of 45% of the principal of this loan (note 9A).	**959,487**	-
Loan in the original amount of $500,000. This loan is divided into two portions of $250,000 both bearing interest at prime rate plus 2.25%. It is repayable in monthly instalments of $10,417 plus interest, maturing in April 2010. A movable hypothec from Van-Action in the amount of $3,000,000 on certain assets of the subsidiary, a guarantee pursuant to Section 427 of the Bank Act on inventories as well as a surety bond from the parent company in the amount of $250,000 have been pledged as security.	**41,667**	166,666
Obligations under capital leases with original amounts totalling $119,538, at an interest rate of 12.8%. Repayable in quarterly instalments of $7,062 until March 2015, followed by an instalment of $9,606 in June 2015 and $5,279 in September 2015, including principal and interest, maturing in June and September 2015.	**113,925**	-
Obligations under capital leases with original amounts totalling $18,639, at an interest rate of 10.8%. Repayable in monthly instalments of $403 including principal and interest, maturing in December 2009.	**-**	4,564
Loan in original amount of $3,000,000 bearing interest at prime rate minus 1.5%. This temporary financing was converted into two long-term debts totalling US$2,985,874 on March 16, 2009 following the replacement of ABCP by Restructured Notes (note 9A).	**-**	3,000,000
	10,696,919	8,775,595
Less: Current portion	**1,844,859**	1,233,454
	$ 8,852,060	$ 7,542,141

Principal repayments on long-term debt, except on obligations under capital leases, during the next five years are as follows:

2010	2011	2012	2013	2014
$ 1,826,838	$ 3,038,155	$ 2,799,550	$ 1,866,513	$ 1,051,938

Principal repayments on obligations under capital leases are as follows:

Years ending December 31 :	2010	$ 31,533
	2011	28,246
	2012	28,246
	2013	28,246
	2014	28,246
	2015	14,885
		$ 159,402
Less: Interest at a weighted average rate of 12.8%		45,477
		113,925
Less: Current portion		18,021
		$ 95,904

17 . INCOME TAXES AND FUTURE INCOME TAXES

A) Future Income Taxes

The tax effects of temporary differences that give rise to a significant portion of the future income tax assets and liabilities are as follows:

	2009	2008
CURRENT FUTURE INCOME TAX ASSETS		
Foreign exchange forward contracts	**$ (161,813)**	$ 1,127,347
Losses carried forward	**666,626**	651,862
Warranty provisions	**77,752**	89,701
Stock exchange listing costs	**-**	26,907
Non-deductible provisions	**66,827**	34,698
Difference between the fair value and the face value of long-term debt	**(32,673)**	-
Investment tax credits	**(2,611)**	(8,279)
Others	**(12,049)**	2,515
	$ 602,059	$ 1,924,751
LONG-TERM FUTURE INCOME TAX ASSETS		
Losses carried forward	**$ 767,151**	$ 1,757,912
Foreign exchange forward contracts	**-**	666,865
Inventory provision	**441,054**	527,572
Allowance for doubtful accounts	**-**	107,920
Warranty provisions	**101,435**	148,457
Fixed assets	**99,125**	120,410
Investment tax credits	**(216,720)**	(167,783)
Put option	**(98,894)**	-
Intangible assets	**330,154**	233,614
Difference between the fair value and the face value of long-term debt	**(42,006)**	(106,742)
Others	**(25,273)**	134
Valuation allowance on losses carried forward	**(554,896)**	(737,760)
	$ 801,130	$ 2,550,599

B) Income Taxes

The Corporation's provisions for income taxes consist of the following:

	2009	2008
Earnings before income taxes	**$ 2,901,653**	$ 3,158,386
Provision for income taxes computed using statutory federal-provincial tax rate of 31% (2008-31%)	**$ 898,932**	$ 978,468
(Benefit of prior year unrecognized tax attributes) tax effect of unrecognized capital losses on investment devaluation	**(242,012)**	238,252
Deferral of losses to years having lower tax rates	**-**	168,949
Permanent differences	**(26,856)**	14,270
Non-deductible remuneration expense on options granted	**34,140**	90,170
Difference in income tax rate on tax reserves and effect of changes in tax rates	**42,484**	43,492
Income tax on unrecognized net (earnings) operating losses of subsidiaries	**(71,015)**	40,223
Others	**7,830**	35,285
	$ 643,503	$ 1,609,109
CURRENT AND FUTURE INCOME TAXES		
Income taxes are detailed as follows:		
Current	**$ 126,504**	$ 60,977
Future	**516,999**	1,548,132
	$ 643,503	$ 1,609,109

17 . INCOME TAXES AND FUTURE INCOME TAXES (Cont'd)

C) Losses Carried Forward

As at December 31, 2009, the Corporation had Canadian, Quebec and Ontario net operating losses carried forward of $3,086,000 (2008-$6,238,000), $3,004,000 (2008-$5,921,000) and $2,297,000 (2008-$5,033,000) respectively. These losses carried forward expire at various dates between 2014 and 2029.

As at December 31, 2009, the Corporation had deductible scientific research and experimental development expenses in the amount of $1,924,000 (2008-$1,440,000) that can be deferred indefinitely.

The Corporation also had federal tax credits in the amount of $770,000 (2008-$549,000). These tax credits expire at various dates between 2014 and 2029.

As at December 31, 2009, the Corporation had United States federal and state net operating losses carried forward of $953,000 (US$907,000) and $538,000 (US$512,000) respectively. As at December 31, 2008, these amounts were $948,000 (US$902,000) and $532,000 (US$506,000) respectively. Future income taxes have not been recorded on these losses. They expire at various dates between 2014 and 2029.

18 . VARIABLE INTEREST ENTITY

The Corporation included a VIE in the scope of its consolidation until August 21, 2008. The entity in question was held by a related party who is also an employee of the Corporation and close relative to the president. On August 22, 2008 the capital stock of this entity was transfered to the Corporation at a cost of $216,055 representing the settlement of the net liability recorded by the Corporation at this date and the entity has been consolidated as a subsidiary since August 22, 2008. The entity is located in China and assembles parts and finished goods for the benefit of the Coporation's subsidiaries.

19 . CAPITAL STOCK

A) Authorized :

Unlimited number of common shares with voting rights, participating and without par value
Unlimited number of first preferred shares without par value and issuable in series
Unlimited number of second preferred shares without par value and issuable in series

In 2007, the Corporation issued 475,000 common shares following the exercise of stock options at $1 per share; in consideration, a long-term loan in the amount of $250,000 was issued to a director who is also an employee, generating a net cash flow of $225,000. The long-term loan is classified as a reduction of capital stock and the number of issued stock options was increased by 200,000 options (note 20). Contingent loan repayments will result in a corresponding increase in capital stock and, consequently, the number of options outstanding will be reduced. The loan bears interest at prime rate less 1% and is secured by 200,000 common shares of the Corporation having a market value of $170,000 as at December 31, 2009. Interest is compounded and payable on an annual basis while the principal is payable at maturity, on February 23, 2013.

During 2009, the Corporation repurchased 4,695,795 common shares at a price of $0.929 per share by way of a substantial issuer bid. The excess of the price paid over the book value of the repurchased shares has been recorded against retained earnings.

B) The following table reconciles the average number of common shares outstanding with the calculation of the basic and diluted net earnings per share:

	2009	2008
Weighted average number of shares outstanding	**25,398,499**	27,348,997
Effect of potential dilutive securities		
Stock options	**12,662**	-
Weighted average number of common shares outstanding for use in determining diluted earnings per share	**25,411,161**	27,348,997

In calculating net diluted earnings per share for 2009 and 2008, 1,494,750 and 2,048,000 stock options were excluded due to their antidilutive effect.

20 . STOCK-BASED COMPENSATION PLAN

According to a stock option agreement for certain employees and directors of the Corporation, the Board of Directors may, at its discretion but without exceeding 1,792,659 shares, grant them options to purchase common shares of the Corporation at an exercise price established by the Board. The exercise price is the closing price of the day preceding the option grant date. Options generally vest between one and five years from the date of grant and must be exercised within a maximum of six years, except in the event of retirement, termination of employment or death. The value of each option is estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

2009					
	Number of options granted	Risk-free interest rate	Dividend yield	Expected volatility	Expected term
	75,000	1.72%	7.53%	49%	3 years
	50,000	3.20%	7.53%	49%	6 years
	18,750	1.72%	7.53%	49%	3 years
Total	143,750	2.24%	7.53%	49%	3 to 6 years

2008					
	Number of options granted	Risk-free interest rate	Dividend yield	Expected volatility	Expected term
	60,000	3.99%	2,26%	38%	5 years
	75,000	2.92%	2,26%	38%	3 years
	700,000	3.31%	2,26%	38%	6 years
	50,000	3.18%	2,26%	38%	5 years
Total	885,000	3.32%	2,26%	38%	3 to 6 years

The estimated fair value of the options granted in 2009 is $24,775 (2008-$275,592). This amount is amortized and charged to earnings as the rights to exercise are vested.

The remuneration expense in the amount of $110,200 (2008-$205,990) on options granted to employees and directors has been credited to contributed surplus.

	2009		2008	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	1,998,000	$ 1.33	1,467,500	$ 1.70
Granted	143,750	0.75	885,000	0.97
Exercised	-	n/a	-	n/a
Expired	(622,000)	1.53	(354,500)	2.03
Outstanding at the end of the year	1,519,750	$ 1.19	1,998,000	$ 1.33
Exercisable at the end of the year	774,750	$ 1.35	920,250	$ 1.56

The following table summarizes certain information on outstanding stock options as at December 31:

2009				2008			
	Options outstanding				Options outstanding		
Exercice price	Number	Weighted average years to maturity	Options exercisable	Exercice price	Number	Weighted average years to maturity	Options exercisable
0,64	75,000	2.2 years	56,250	0,95	750,000	5.5 years	-
0,81	18,750	2.2 years	12,500	1,00	200,000	1.1 year	200,000
0,90	50,000	5.4 years	-	1,06	75,000	2.2 years	56,250
0,95	550,000	4.5 years	12,500	1,10	60,000	4.1 years	-
1,00	200,000	0.1 year	200,000	1,35	100,000	3.9 years	25,000
1,06	75,000	1.2 year	75,000	1,59	100,000	3.6 years	25,000
1,10	60,000	3.1 years	15,000	1,60	60,000	1.9 year	24,167

20 . STOCK-BASED COMPENSATION PLAN (Cont'd)

2009				2008			
	Options outstanding				Options outstanding		
Exercice price	**Number**	**Weighted average years to maturity**	**Options exercisable**	Exercice price	Number	Weighted average years to maturity	Options exercisable
1,35	**100,000**	**2.9 years**	**50,000**	1,65	50,000	2.7 years	25,000
1,59	**100,000**	**2.6 years**	**50,000**	1,70	100,000	0.2 year	100,000
1,60	**60,000**	**1.1 year**	**43,333**	1,75	225,000	0.4 year	225,000
1,65	**50,000**	**1.7 year**	**37,500**	1,80	25,000	2.5 years	8,333
1,80	**25,000**	**1.5 year**	**16,667**	1,96	100,000	1.2 year	100,000
1,96	**75,000**	**0.2 year**	**75,000**	2,00	70,000	1.9 year	52,500
2,00	**50,000**	**0.9 year**	**50,000**	2,15	83,000	2.2 years	29,000
2,15	**31,000**	**0.04 year**	**31,000**	n/a	n/a	n/a	n/a
$0.64 to $2.15	**1,519,750**	**2.7 years**	**724,750**	$0.95 to $2.15	1,998,000	3.2 years	870,250

21 . CAPITAL RISK MANAGEMENT

The Corporation defines the components of its capital structure as being long-term debt and bank debt, net of cash and cash equivalents, temporary and long-term investments, plus shareholders' equity.

	2009	2008
Cash and cash equivalents	**$ (4,823,164)**	$ (5,202,780)
Cash and cash equivalents reserved, including current portion	**1,900,000**	-
Bank loans	**1,080,000**	710,000
Long-term debt, including current portion	**10,696,919**	8,775,595
Long-term investments	**(5,757,785)**	(5,880,126)
	3,095,970	(1,597,311)
Shareholders' equity	**20,788,554**	17,838,948
Total capital structure	**$ 23,884,524**	$ 16,241,637

The Corporation's objectives when managing capital are:

- to safeguard the Corporation's ability to continue as a going concern in order to provide returns to its shareholders;
- to maintain the Corporation's ability to finance significant projects and strategic acquisitions;
- to redeem shares based on the Corporation's share repurchase and cancellation program.

The Corporation sets the amount of capital in proportion to risk. The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may adjust the amount of dividends paid to shareholders, issue new shares, sell assets to improve its financial performance and flexibility or change its share repurchase and cancellation program.

The Corporation monitors capital based on different financial ratios and non-financial performance indicators.

Furthermore, the Corporation must comply with certain conditions under its various banking arrangements.

These requirements include, on a consolidated basis, maintaining on a quarterly basis a minimum working capital of 1.50:1 and maximum debt ratio of 3.25:1 and, on an annual basis, a ratio of interest bearing debt net of cash over earnings before interest, taxes and amortization ("EBITDA") maximum of 3.00:1 and a minimum ratio of fixed-charge coverage of 1.10:1. The fixed-charge coverage ratio is defined as being EBITDA plus cash at the beginning of the year net of non-financed fixed asset additions and share repurchases for cancelation over the total of capital payments due and/or payable on long-term debt plus interest and dividends. The Corporation must also maintain at all times a minimum loan value of $4,500,000. The loan value is defined as being the total value of 75% of Canadian trade receivables, 65% of US trade receivables and 50% of inventory net of trade liabilities under 30 days, up to a maximum amount of $2,500,000.

For its Savaria Concord Lifts Inc. subsidiary, requirements include maintaining on a quarterly basis a minimum working capital ratio of 1.10:1 and a maximum debt-to-equity ratio of 2.50:1. The total amount drawn on the line of credit cannot exceed the total value of 75% of Canadian trade receivables, 65% of US trade receivables, 50% of raw materials and 35% of finished goods.

21 . CAPITAL RISK MANAGEMENT (Cont'd)

As for its Van-Action (2005) Inc. subsidiary, it must maintain on a quarterly basis a minimum working capital of $1,200,000 and a maximum debt-to-equity ratio of 2:1 and, on an annual basis, a minimum debt service coverage ratio of 1.25:1. The debt to equity ratio is defined as being the total of EBITDA plus rent expense and payments under operating leases minus income taxes paid and additions to fixed assets divided by the sum of capital plus interest, rent expense and payments under operating and capital leases. The maximum amount that the subsidiary may draw from its line of credit is the lower of $1,500,000 and the total value of 90% of its Canadian trade receivables that benefit from government grants, 80% of all other Canadian trade receivables, 80% of Swedish trade receivables, 40% of raw materials net of trade liabilities under 30 days and 50% of vehicles with a maximum value of $350,000.

The Corporation was in compliance with all of the ratio requirements of its lenders throughout the year.

22 . RELATED PARTY TRANSACTIONS

The Corporation recorded an amount of $49,842 (2008-$88,310) for services rendered by an entity whose officer is a director and chief financial officer of the Corporation. The transactions occurred in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

On August 22, 2008, the Corporation paid an amount of $216,055 to an employee and close relative to the president relating to the transfer of the capital of a VIE. The transaction was completed at cost and assets and liabilities were not re-evaluated.

23 . COMMITMENTS AND CONTINGENCIES

A) Commitments

The Corporation concluded lease agreements for the rental of its premises and entered into operating leases for rolling stock and equipment for a total of $4,267,538 (2008-$6,076,294). Future minimum lease payments under these operating leases, as at December 31, 2009, are as follows:

2010	2011	2012	2013
$ 1,823,593	$ 1,401,665	$ 986,618	$ 55,662

B) Contingencies

Various claims and legal proceedings have been initiated against the Corporation in the normal course of its operating activities. Although the outcome of these proceedings cannot be determined with certainty, management estimates that any payments resulting from their outcome are not likely to have a substantial negative impact on the Corporation's consolidated financial statements.

24 . FINANCIAL INSTRUMENTS

Fair value

2009	**Carrying amount**				**Fair value**
	Held for trading	**Held-to-maturity**	**Loans and receivables and Other liabilities**	**Total**	
Financial assets					
Cash and cash equivalents	$ 4,823,164	$ -	$ -	$ 4,823,164	$ 4,823,164
Cash and cash equivalents reserved	1,900,000	-		1,900,000	1,900,000
Trade and other receivables	-	-	6,942,252	6,942,252	6,942,252
Foreign exchange forward contracts	555,484	-	-	555,484	555,484
Long-term loans	-	-	131,618	131,618	103,413
Long-term investments in Restructured Notes	1,309,568	-	-	1,309,568	1,309,568
Put option	348,217	-	-	348,217	348,217
Long-term investments other than in Restructured Notes	-	4,100,000	-	4,100,000	4,100,000
	$ 8,936,433	$ 4,100,000	$ 7,073,870	$ 20,110,303	$ 20,082,098

24 . FINANCIAL INSTRUMENTS (Cont'd)

2009	**Carrying amount**				**Fair value**
	Held for trading	**Held-to-maturity**	**Loans and receivables and Other liabilities**	**Total**	
Financial liabilities					
Bank loans	**$ -**	**$ -**	**$ 1,080,000**	**$ 1,080,000**	**$ 1,080,000**
Accounts payable and accrued liabilities	**-**	**-**	**6,248,985**	**6,248,985**	**6,248,985**
Long-term debt	**-**	**-**	**10,696,919**	**10,696,919**	**10,668,735**
	$ -	**$ -**	**$ 18,025,904**	**$ 18,025,904**	**$ 17,997,720**

2008	Carrying amount				Fair value
	Held for trading	Held-to-maturity	Loans and receivables and Other liabilities	Total	
Financial assets					
Cash and cash equivalents	$ 5,202,780	$ -	$ -	$ 5,202,780	$ 5,202,780
Trade and other receivables	-	-	9,326,821	9,326,821	9,326,821
Long-term loans	-	-	251,635	251,635	202,674
Long-term investments in ABCP	-	1,780,126	-	1,780,126	1,780,126
Long-term investments other than in ABCP	-	4,100,000	-	4,100,000	4,100,000
	$ 5,202,780	$ 5,880,126	$ 9,578,456	$ 20,661,362	$ 20,612,401
Financial liabilities					
Bank loans	$ -	$ -	$ 710,000	$ 710,000	$ 710,000
Accounts payable and accrued liabilities	-	-	5,984,551	5,984,551	5,984,551
Foreign exchange forward contracts	6,091,319	-	-	6,091,319	6,091,319
Long-term debt	-	-	8,775,595	8,775,595	8,775,595
	$ 6,091,319	$ -	$ 15,470,146	$ 21,561,465	$ 21,561,465

Following is a classification of fair value measurements recognized in the balance sheet using a hierarchy that reflects the significance of the inputs used in making the measurements.

2009	**Fair value measurement at reporting date using:**			
	Quoted prices in active markets for identical assets (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial assets				
Held for trading securities				
Cash and cash equivalents	**$ 4,823,164**	**$ -**	**$ -**	**$ 4,823,164**
Cash and cash equivalents reserved	**1,900,000**	**-**	**-**	**1,900,000**
Foreign exchange forward contracts	**-**	**555,484**	**-**	**555,484**
Restructured Notes	**-**	**-**	**1,309,568**	**1,309,568**
Put option	**-**	**-**	**348,217**	**348,217**
	$ 6,723,164	**$ 555,484**	**$ 1,657,785**	**$ 8,936,433**

24 . FINANCIAL INSTRUMENTS (Cont'd)

During the year ending on December 31, 2009, the reconciliation of items evaluated using unobservable inputs (Level 3) is as follows :

	Restructured Notes	Put option
Balance as at December 31, 2008	$ -	$ -
Replacement of investments in ABCP following the restructuring	1,780,126	-
Recognition of a put option following a financing agreement	-	901,776
Change in the fair value of Restructured Notes	742,529	(516,742)
Change in foreign currency exchange rates	(186,462)	(122,702)
Capitalized interest on long-term debt	9,097	-
Repayment of capital following the disposal of Restructured Notes	(1,035,722)	-
Impact on the value of the put option related to the disposal of Restructured Notes	-	85,885
Balance as at December 31, 2009	$ 1,309,568	$ 348,217

Financial risk factors

The Corporation's activities expose it to a variety of financial risks : market risks (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. In order to minimize the potential adverse effects on the Corporation's financial performance, the Corporation uses derivative financial instruments to hedge certain risk exposures. Treasury is managed centrally to allow for identification, evaluation and hedging of financial risks.

A) Market risks

Currency risk

The Corporation realizes approximately 57% (2008-60%) of its sales in foreign currencies and, accordingly, is exposed to market risks related to foreign exchange fluctuations. The Corporation partially compensates for these risks by purchasing materials in US dollars and by using derivative financial instruments such as forward foreign exchange contracts. Those contracts are contracts under which the Corporation is obligated to sell US dollars at a fixed rate.

Management has implemented a policy to manage foreign exchange risk against the Corporation's functional currency. The objective of the policy is to minimize the risks related to foreign currency transactions, more specifically in US dollars, in order to protect the gross margin from significant foreign currency fluctuations and to avoid management speculation on currency values. The Corporation manages this risk exposure by entering into various foreign exchange forward contracts. Pursuant to the policy, a maximum of 75% of anticipated net inflows in US dollars must be hedged.

The Corporation has at its disposal a line of treasury in the amount of $15,000,000 in order to cover foreign exchange risks associated with its forward foreign exchange contracts. In February 2010, the line of treasury was increased to $18,000,000.

The following tables summarize the Corporation's commitments to sell foreign currencies as at December 31:

2009

Maturity	Type	Average exchange rate	Contractual amounts (in US dollars)
0 to 9 months	Sale	1,0821	$18,000,000

2008

Maturity	Type	Average exchange rate	Contractual amounts (in US dollars)
0 to 12 months	Sale	1.0708	$25,700,000
12 to 24 months	Sale	1.1093	24,000,000
24 to 36 months	Sale	1.1910	6,000,000
		1.1004	$55,700,000

The fair value of derivative financial instruments generally reflects the estimated amounts that the Corporation would pay or receive upon settlement of the contracts at year-end.

24 . FINANCIAL INSTRUMENTS (Cont'd)

The fair value of the financial instruments which are presented as "Accumulated other comprehensive income (loss)", before income taxes of $760,952 (December 31, 2008-$-1,794,212), is as follows as at December 31:

	2009	2008
Unrealized gains (losses) on forward exchange contracts maturing in the next twelve months	$ 555,484	$ (3,714,953)
Gains on forward exchange contracts cashed in in advance that will be recognized in the next twelve months	501,244	-
	1,056,728	(3,714,953)
Unrealized losses on forward exchange contracts maturing after the next twelve months	-	(2,376,366)
Gains on forward exchange contracts cashed in in advance that will be recognized after the next twelve months	1,715,756	-
	1,715,756	(2,376,366)
	$ 2,772,484	$ (6,091,319)

As at December 31, 2009, with other variables unchanged, an upward or downward change of $0.01 in the value of the Canadian dollar against the US dollar would have a favourable (unfavourable) impact on comprehensive income's "Unrealized gains (losses) on forward exchange contracts" in the amount of $179,000 (December 31, 2008-$518,000), $125,000 (December 31, 2008-$363,000) net of income taxes.

Gains and losses on financial instruments are recognized as follows in the financial statements:

	2009	2008
Losses on foreign exchange from foreign exchange forward contracts	$ (39,294)	$ -
(Losses) gains on foreign currency exchange on US dollar monetary balances	(354,108)	1,791,581
Total losses on foreign currency exchange recognized as "Other Revenues and Expenses"	(393,402)	1,791,581
Losses on foreign currency exchange from hedging relationships recognized as "Sales"	(1,822,867)	(1,155,997)
	$ (2,216,269)	$ 635,584

The Corporation does not hold or issue any derivative financial instruments for speculative or trading purposes. Derivative financial instruments are subject to standard credit conditions, financial controls, risk management as well as monitoring procedures.

Impact of US dollar foreign exchange risk on monetary items denominated in US dollars:

(in US dollars)

	2009	2008
Cash and cash equivalents	$ 3,468,764	$ 469,248
Accounts receivable	3,495,522	4,443,038
Long-term loans, including current portion	125,231	206,597
Accounts payable	(676,335)	(395,695)
Long-term debt, including current portion	(2,079,010)	-
Total monetary items denominated in US dollars	$ 4,334,172	$ 4,723,188

As at December 31, 2009, with other variables unchanged, an upward or downward change of $0.01 in the value of the Canadian dollar against the US dollar would have the effect of decreasing or increasing "Other revenues and expenses" in the amount of $43,000 (December 31, 2008-$47,000), $30,000 (December 31, 2008-$33,000) net of income taxes.

Interest rate risk

The Corporation's interest rate risk arises from long-term investments, bank loans and long-term debt. Investments and borrowings issued at variable rates expose the Corporation to the risk of variance in cash flows due to changes in interest rates, whereas investments and borrowings issued at fixed rates expose the Corporation to the risk of variance in fair value due to changes in interest rates.

24 . FINANCIAL INSTRUMENTS (Cont'd)

The Corporation has at its disposal a line of treasury in the amount of $600,000 to cover any potential loss in case it chooses to convert its variable interest rate on long-term debt in the amount of $6,000,000 to a fixed rate debt.

The Corporation analyses its interest risk exposure on a continual basis and examines its renewal and refinancing options in order to minimize risks.

Impact of interest rate risks on monetary items with a variable interest rate:

	2009	2008
Cash and cash equivalents	$ (4,823,164)	$ (5,202,780)
Long-term investments (guaranteed investment certificate)	(4,100,000)	(4,100,000)
Bank loans	1,080,000	710,000
Long-term debt, including current portion	10,582,994	8,771,031
Total monetary items with a variable interest rate	$ 2,739,830	$ 178,251

As at December 31, 2009 and 2008, with other variables unchanged, an upward or downward change of 100 basis points in the prime rate would only have a negligeable impact on net earnings.

Price risk

The Corporation's products include hundreds of components manufactured by some 100 suppliers around the world. The price of such components can vary and affect the Corporation's profit margins. However, the Corporation's flexible business model enables it to change supplier if required in order to minimize this risk.

The Corporation does not make use of derivative products on the price of materials.

B) Credit risk

Cash and cash equivalents are held or issued by financial institutions with a superior-quality credit rating. Hence, the Corporation considers that the risk of non-performance of such instruments is negligible. Investments in Retructured Notes are subject to uncertainty as to their eventual cash value (note 9A).

The Corporation provides credit to its clients in the normal course of business. It carries out credit checks on its clients on a continual basis and minimizes its credit risks by conducting its operations with a wide variety of clients in several industries.

Trade receivables are presented on the balance sheet net of an allowance for doubtful accounts. The allowance is based on the Corporation's best estimate as to the probability of collecting uncertain accounts. Uncertainty regarding the collection of accounts may derive from various indicators, including a deterioration in the credit-worthiness of a client or an abnormal delay in payment of past-due invoices. Management regularly reviews client accounts, ensures that past-due accounts are followed up and evaluates the relevance of its allowance for doubtful accounts.

As at December 31, 2009, trade receivables were classified in the following chronological order:

	Current 0-60 days	60-90 days	Over 90 days	Total
Trade	$ 5,014,080	$ 988,124	$ 2,395,359	$ 8,397,563
Allowance for doubtful accounts	38,787	73,171	1,368,595	1,480,553
Balance that is not allowed for	$ 4,975,293	$ 914,953	$ 1,026,764	$ 6,917,010

The following table shows how the allowance for doubtful accounts changed since December 31, 2008:

Allowance for doubtful accounts as at December 31, 2008	$ 1,221,371
Increase in allowance	865,269
Write-off of accounts	(606,087)
Allowance for doubtful accounts as at December 31, 2009	$ 1,480,553

For other debts, the Corporation continually assesses probable losses and sets up a provision for losses based on their estimated realizable value.

24 . FINANCIAL INSTRUMENTS (Cont'd)

C) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. Management assesses its liquidity risk on a continual basis to ensure that it has sufficient liquidity to meet its obligations. In order to insure that sufficient liquidity is available to meet current obligations, the Corporation maintains similar payment terms with its customers as it has with its suppliers. The Corporation has sufficient credit facilities available to make up for temporary lapses in synchronization of inflows and outflows of funds.

As at December 31, 2009, the Corporation had at its disposal working capital of $17,788,827 (December 31, 2008-$15,612,310) and unused credit facilities of $2,420,000 (December 31, 2008-$2,790,000).

The following are the contractual obligations of financial liabilities as at December 31, 2009.

	Carrying amount	Contractual cash flows	0 to 6 months	6 to 12 months	12 to 24 months	More than 24 months
Bank loans	$ 1,080,000	$ 1,128,019	$ 509,425	$ 59,019	$ 115,600	$ 443,975
Accounts payable	6,248,985	6,248,985	6,248,985	-	-	-
Long-term debt, including current portion	10,696,919	11,170,819	1,031,708	1,018,199	3,207,136	5,913,776
	$ 18,025,904	$ 18,547,823	$ 7,790,118	$ 1,077,218	$ 3,322,736	$ 6,357,751

25 . GOVERNMENT ASSISTANCE

During 2009, the Corporation recorded scientific research and experimental development tax credits of $484,912 (2008-$625,898). These credits, of which $177,322 has not yet been assessed by the tax authorities, were accounted for as follows:

	2009	2008
Decrease in deferred development costs	$ 141,289	$ 425,548
Decrease in cost of goods sold	19,279	-
Decrease in selling and administrative expenses	324,344	200,350
	$ 484,912	$ 625,898

26 . SEGMENTED INFORMATION

The Corporation's business structure is divided into two sectors: the first consists of manufacturing and distributing residential and commercial accessibility equipment for people with mobility challenges (Accessibility), and the second consists of converting and adapting vehicles for persons with a physical disability (Adapted Transport).

The accounting policies used for these reportable segments are consistent with those described in the summary of significant accounting policies.

The business sectors are detailed as follows:

	2009			2008		
	Accessibility	Adapted Transport	Total	Accessibility	Adapted Transport	Total
Sales	$ 43,216,484	$ 11,955,840	$ 55,172,324	$ 45,982,363	$ 9,525,840	$ 55,508,203
Operating earnings	2,198,283	556,280	2,754,563	2,303,796	228,444	2,532,240
Net earnings	1,730,115	528,035	2,258,150	1,353,156	196,121	1,549,277
Amortization	712,872	121,257	834,129	744,063	52,152	796,215
Additions to fixed assets	176,386	22,784	199,170	192,646	13,898	206,544
Assets	34,768,689	5,119,258	39,887,947	36,988,827	3,762,145	40,750,972
Goodwill	506,230	-	506,230	506,230	-	506,230

26 . SEGMENTED INFORMATION (Cont'd)

Information by geographic region is as follows:

	Sales		Fixed assets and goodwill	
	2009	2008	**2009**	2008
United States	**$ 25,331,120**	$ 29,219,541	**$ 448,627**	$ 448,627
Canada	**24,007,809**	21,975,687	**1,475,150**	1,521,151
Europe and elsewhere	**5,833,395**	4,312,975	**148,237**	108,869
	$ 55,172,324	$ 55,508,203	**$ 2,072,014**	$ 2,078,647

27 . SUBSEQUENT EVENTS

On February 3, 2010, the Corporation announced that it had acquired Concord Elevator (London) Ltd., a retailer specialized in the installation and maintenance of elevators and platform lifts in the province of Ontario. The acquisition cost of $3.9 million will be paid over a four-year period with an initial payment of $1.5 million payable on the acquisition date. The transaction includes a potential 1 million common shares to be issued one year after the signing of the agreement if certain conditions are met.

28 . COMPARATIVE FIGURES

Certain figures for the previous year have been reclassified to conform to the presentation adopted in 2009.