

SAVARIA CORPORATION
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT JUNE 30, 2013
(Unaudited and not reviewed by the Corporation's independent auditors)

SAVARIA CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in thousands of dollars - Unaudited)

	Note	June 30, 2013	December 31, 2012
Assets			
Current assets			
Cash		\$ 475	\$ 1,993
Trade and other receivables		12,018	11,592
Current portion of long-term loans		234	410
Tax credits receivable		470	487
Inventories		13,548	12,800
Prepaid expenses		782	538
Current portion of long-term investments	4	-	636
Total current assets		27,527	28,456
Non-current assets			
Derivative financial instruments	9	13	-
Tax credits receivable		79	378
Long-term loans		76	125
Fixed assets		12,355	11,792
Goodwill		4,051	4,051
Intangible assets		1,862	2,138
Long-term investments	4	-	829
Deposit on purchase of fixed assets		-	125
Deferred tax assets		1,973	1,486
Total non-current assets		20,409	20,924
Total assets		\$ 47,936	\$ 49,380
Liabilities			
Current liabilities			
Bank loans		\$ 259	\$ -
Trade and other payables		7,510	7,518
Income taxes payable		614	234
Deferred revenues		2,203	2,062
Derivative financial instruments	9	907	117
Current portion of long-term debt		2,729	3,619
Warranty provisions		366	356
Total current liabilities		14,588	13,906
Non-current liabilities			
Long-term debt		13,196	15,464
Warranty provisions		532	463
Derivative financial instruments	9	1,283	174
Deferred tax liabilities		124	149
Total non-current liabilities		15,135	16,250
Total liabilities		29,723	30,156
Equity			
Share capital		13,466	13,313
Contributed surplus		2,124	2,141
Accumulated other comprehensive income		(1,171)	306
Retained earnings		3,794	3,464
Total equity		18,213	19,224
Total liabilities and equity		\$ 47,936	\$ 49,380

The notes on pages 7 to 13 are an integral part of these unaudited condensed consolidated interim financial statements.

SAVARIA CORPORATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in thousands of dollars, except per share amounts - Unaudited)

	Note	Periods of three months ended June 30		Periods of six months ended June 30	
		2013	2012	2013	2012
Revenue	5	\$ 19,397	\$ 17,472	\$ 36,600	\$ 32,703
Cost of sales		(13,484)	(12,597)	(25,753)	(23,597)
Gross margin		5,913	4,875	10,847	9,106
Operating costs					
Administrative expenses		(1,770)	(1,724)	(3,320)	(3,344)
Selling expenses		(1,459)	(1,430)	(2,737)	(2,672)
Engineering expenses		(523)	(335)	(1,026)	(805)
Research and development expenses		(211)	(175)	(386)	(357)
		(3,963)	(3,664)	(7,469)	(7,178)
Other income (costs)	6	(14)	(121)	336	(132)
Operating income		1,936	1,090	3,714	1,796
Finance income	7	201	155	329	107
Finance costs	7	(180)	(214)	(376)	(362)
Net finance income (costs)		21	(59)	(47)	(255)
Income before income tax		1,957	1,031	3,667	1,541
Income tax expense		(532)	(340)	(1,010)	(490)
Net income		1,425	691	2,657	1,051
Other comprehensive income					
Items that may be reclassified subsequently to income or loss					
Change in the fair value of derivative financial instruments designated as cash flow hedges		(1,577)	(563)	(1,964)	(180)
Deferred income tax		395	148	493	51
		(1,182)	(415)	(1,471)	(129)
Gains on foreign exchange contracts transferred to net income in the current period		(52)	(314)	(139)	(814)
Deferred income tax		13	80	35	206
		(39)	(234)	(104)	(608)
Net change in fair value of derivative financial instruments designated as cash flow hedges		(1,221)	(649)	(1,575)	(737)
Unrealized net gains (losses) on translation of financial statements of foreign operations		67	8	98	(14)
Other comprehensive loss, net of income tax		(1,154)	(641)	(1,477)	(751)
Total comprehensive income		\$ 271	\$ 50	\$ 1,180	\$ 300
Earnings per share:					
Basic		\$ 0.06	\$ 0.03	\$ 0.12	\$ 0.05
Diluted		\$ 0.06	\$ 0.03	\$ 0.11	\$ 0.05

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SAVARIA CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period of six months ended June 30,
(in thousands of dollars - Unaudited)

	2012					
	Share capital		Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity
	Number	Amount				
Balance at January 1, 2012	22,880,864	\$ 13,260	\$ 2,114	\$ 665	\$ 4,106	\$ 20,145
<u>Total comprehensive income</u>						
Net Income	-	-	-	-	1,051	1,051
Other comprehensive income :						
Change in the fair value of derivative financial instruments designated as cash flow hedges, net of tax	-	-	-	(129)	-	(129)
Gains on foreign exchange contracts transferred to net income in the current period, net of tax	-	-	-	(608)	-	(608)
Unrealized net losses on translation of financial statements of foreign operations	-	-	-	(14)	-	(14)
Other comprehensive loss	-	-	-	(751)	-	(751)
Total comprehensive income	-	\$ -	\$ -	\$ (751)	\$ 1,051	\$ 300
<u>Transactions with owners, recorded directly in equity</u>						
Cancelled shares following issuer bid	(36,300)	(21)	-	-	(30)	(51)
Compensation expense on options granted	-	-	21	-	-	21
Share options exercised	57,500	48	(9)	-	-	39
Dividend on common shares	-	-	-	-	(2,175)	(2,175)
Total transactions with owners	21,200	27	12	-	(2,205)	(2,166)
Balance at June 30, 2012	22,902,064	\$ 13,287	\$ 2,126	\$ (86)	\$ 2,952	\$ 18,279

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SAVARIA CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period of six months ended June 30,
(in thousands of dollars - Unaudited)

	2013					
	Share capital		Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity
	Number	Amount				
Balance at January 1, 2013	22,909,564	\$ 13,313	\$ 2,141	\$ 306	\$ 3,464	\$ 19,224
<u>Total comprehensive income</u>						
Net income	-	-	-	-	2,657	2,657
Other comprehensive income :						
Change in the fair value of derivative financial instruments designated as cash flow hedges, net of tax	-	-	-	(1,471)	-	(1,471)
Gains on foreign exchange contracts transferred to net income in the current period, net of tax	-	-	-	(104)	-	(104)
Unrealized net gains on translation of financial statements of foreign operations	-	-	-	98	-	98
Other comprehensive loss	-	-	-	(1,477)	-	(1,477)
Total comprehensive income	-	\$ -	\$ -	\$ (1,477)	\$ 2,657	\$ 1,180
<u>Transactions with owners, recorded directly in equity</u>						
Cancelled shares following issuer bid	(6,200)	(4)	-	-	(6)	(10)
Compensation expense on options granted	-	-	18	-	-	18
Share options exercised	107,500	157	(35)	-	-	122
Dividends on common shares	-	-	-	-	(2,321)	(2,321)
Total transactions with owners	101,300	153	(17)	-	(2,327)	(2,191)
Balance at June 30, 2013	23,010,864	\$ 13,466	\$ 2,124	\$ (1,171)	\$ 3,794	\$ 18,213

The notes on pages 7 to 13 are an integral part of these unaudited condensed consolidated interim financial statements.

SAVARIA CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands of dollars - Unaudited)

	Note	Periods of three months ended June 30		Periods of six months ended June 30	
		2013	2012	2013	2012
Cash flows from operating activities					
Net income		\$ 1,425	\$ 691	\$ 2,657	\$ 1,051
Adjustments for:					
Depreciation of fixed assets		208	176	381	353
Amortization of intangible assets		182	188	383	380
Change in the fair value of restructured notes and put option		(73)	(82)	(103)	(57)
Income tax expense		532	340	1,010	490
Capitalized finance costs on long-term debt		9	47	22	84
Compensation expense on share options granted		9	9	18	21
Gains on foreign exchange contracts cashed in advance and transferred to net income		(110)	(234)	(217)	(667)
Loss on the sale of fixed assets		15	(37)	15	(26)
Unrealized foreign exchange loss (gain) on non-current monetary items		46	31	121	(13)
Interest cost		170	166	353	278
		2,413	1,295	4,640	1,894
Net changes in non-cash operating items	8	(490)	118	(1,364)	350
Proceeds from long-term loans		143	91	226	175
Income tax paid		(95)	(71)	(117)	(233)
Net cash from operating activities		1,971	1,433	3,385	2,186
Cash flows used in investing activities					
Receipts of long-term investments		1	23	25	31
Change in restricted cash		-	1,000	-	1,100
Proceeds from sales of fixed assets		-	37	14	59
Additions to fixed assets		(402)	(10,105)	(733)	(10,117)
Increase in intangible assets		(51)	-	(143)	-
Net cash used in investing activities		(452)	(9,045)	(837)	(8,927)
Cash flows from (used in) financing activities					
Change in bank loans		259	925	259	1,375
Increase in long-term debt		-	15,631	-	15,631
Repayment of borrowings		(709)	(8,149)	(1,763)	(9,472)
Interest paid		(170)	(170)	(353)	(281)
Transaction costs related to a long-term debt		-	(61)	-	(64)
Repurchase of common shares		(4)	(46)	(10)	(51)
Proceeds from exercise of share options		-	-	122	39
Dividends paid on common shares		(2,321)	(2,175)	(2,321)	(2,175)
Net cash from (used in) financing activities		(2,945)	5,955	(4,066)	5,002
Net change in cash		(1,426)	(1,657)	(1,518)	(1,739)
Cash at January 1		1,901	3,849	1,993	3,931
Cash at June 30		\$ 475	\$ 2,192	\$ 475	\$ 2,192

The notes on pages 7 to 13 are an integral part of these unaudited condensed consolidated interim financial statements.

SAVARIA CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of dollars - Unaudited)

1 . Reporting entity

Savaria Corporation is a company domiciled in Canada. The address of its registered office is 2724 Etienne-Lenoir, Laval, Quebec. The condensed consolidated interim financial statements of the Corporation as at and for the periods ended June 30, 2013 and 2012 comprise the accounts of Savaria Corporation and its wholly owned subsidiaries (together referred to as the "Corporation"). The activities of the Corporation consist of designing, manufacturing, installing and distributing elevators, platform lifts and stairlifts for people with mobility challenges as well as converting and adapting mini-vans also for persons with mobility challenges.

The consolidated financial statements of the Corporation as at and for the year ended December 31, 2012 are available upon request from the Corporation's registered office, at www.savaria.com or on SEDAR's website at www.sedar.com.

2 . Basis of presentation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Corporation and the notes thereto. These condensed consolidated interim financial statements have not been the subject of a review or an audit by the Corporation's auditors; they were approved by the Board of Directors on August 6, 2013.

3 . Significant accounting policies

The condensed consolidated interim financial statements have been prepared following the same accounting policies used in the annual consolidated financial statements for the years ended December 31, 2012 and 2011, except for the adoption of new accounting standards as outlined below.

The accounting policies have been applied consistently by the Corporation's entities and to all periods presented in these condensed consolidated interim financial statements, unless otherwise indicated.

New accounting standards

The following new standards, and amendments to standards and interpretations have been applied in preparing the condensed consolidated interim financial statements as at June 30, 2013. The adoption of these new standards has not had a material impact on the financial statements.

IFRS 10 - Consolidated Financial Statements

IFRS 10 replaces the guidance in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities ("SPE")*. IAS 27 (2008) survives as IAS 27 (2011) *Separate Financial Statements*, only to carry forward the existing accounting requirements for separate financial statements.

IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 (2008).

SAVARIA CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*(Tabular amounts are expressed in thousands of dollars - Unaudited)***3 . Significant accounting policies (continued)****IFRS 13 - Fair Value Measurement**

IFRS 13 replaces the fair value measurement guidance contained in individual IFRS with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on net income or other comprehensive income.

IFRS 13 explains 'how' to measure fair value when it is required or permitted by other IFRSs. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

Amendments to IAS 1 - Presentation of Financial Statements

The amendments require that an entity present separately the items of OCI that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently, an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between these categories.

The existing option to present the profit or loss and other comprehensive income in two statements has remained unchanged.

Amendments to IAS 19 - Employee Benefits

The amendments have an impact on termination benefits, which would now be recognized at the earlier of when the entity recognizes costs for a restructuring within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and when the entity can no longer withdraw the offer of the termination benefits.

4 . Long-term investments

	June 30, 2013	December 31, 2012
Restructured notes (face value of \$1,744,000 as at December 31, 2012)	\$ -	\$ 1,401
Put option	-	64
	-	1,465
Current portion	\$ -	\$ 636
Non-current portion	-	829
	\$ -	\$ 1,465

In April 2013, the Corporation exercised its option allowing it to assign ownership of its ineligible asset tracking notes to its financial institution in payment of portion A of the related loan, and also assigned its MAV 2 notes. In order to settle the remaining balance of the two related loans with a carrying value of \$1,817,000, it also disbursed a sum of \$274,000. As a result, a net gain, before income tax, of \$65,000 is recognized in Finance income in the second quarter of 2013.

SAVARIA CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Tabular amounts are expressed in thousands of dollars - Unaudited)
5 . Revenue

	Periods of three months ended June 30		Periods of six months ended June 30	
	2013	2012	2013	2012
Sale of goods	\$ 17,960	\$ 16,164	\$ 33,776	\$ 30,181
Rendering of services	1,437	1,308	2,824	2,522
	\$ 19,397	\$ 17,472	\$ 36,600	\$ 32,703

6 . Other income (costs)

	Periods of three months ended June 30		Periods of six months ended June 30	
	2013	2012	2013	2012
Gain following the appeal of an assessment related to sales tax ⁽¹⁾	\$ -	\$ -	\$ 350	\$ -
Moving costs	-	(159)	-	(159)
Others	(14)	38	(14)	27
	\$ (14)	\$ (121)	\$ 336	\$ (132)

⁽¹⁾ The assessment in question covered a period prior to the acquisition of a company in 2005.

7 . Finance income and finance costs

	Periods of three months ended June 30		Periods of six months ended June 30	
	2013	2012	2013	2012
Interest income	\$ 2	\$ 8	\$ 4	\$ 16
Net gain on foreign currency exchange	126	65	222	35
Change in the fair value of restructured notes and put option	73	82	103	56
Finance income	\$ 201	\$ 155	\$ 329	\$ 107
Interest on long-term debt	\$ 156	\$ 194	\$ 330	\$ 318
Interest expense and bank charges	24	20	46	44
Finance costs	\$ 180	\$ 214	\$ 376	\$ 362

8 . Net changes in non-cash operating items

	Periods of three months ended June 30		Periods of six months ended June 30	
	2013	2012	2013	2012
Trade and other receivables	\$ 362	\$ (1,108)	\$ (426)	\$ (1,360)
Tax credits receivable	(76)	(206)	(128)	(161)
Inventories	(369)	360	(748)	1,385
Prepaid expenses	141	575	(244)	(287)
Trade and other payables	(302)	319	(38)	435
Deferred revenues	(304)	175	141	345
Warranty provision	58	3	79	(7)
	\$ (490)	\$ 118	\$ (1,364)	\$ 350

SAVARIA CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of dollars - Unaudited)

9 . Financial instruments

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	June 30, 2013	
	Carrying amount	Fair value
Assets carried at fair value		
Interest rate swap agreements ⁽¹⁾	\$ 13	\$ 13
Assets carried at amortized cost		
Cash	\$ 475	\$ 475
Trade and other receivables	11,193	11,193
Long-term loans	310	300
	\$ 11,978	\$ 11,968
Liabilities carried at fair value		
Foreign exchange forward contracts ⁽¹⁾	\$ 2,082	\$ 2,082
Interest rate swap agreements ⁽¹⁾	108	108
	\$ 2,190	\$ 2,190
Liabilities carried at amortized cost		
Trade and other payables	\$ 7,510	\$ 7,510
Long-term debt	15,925	15,922
	\$ 23,435	\$ 23,432

⁽¹⁾ These financial instruments held at fair value are of level 2.

The basis for determining fair value is disclosed in note 10.

The table below indicates the presentation of the derivative financial instruments in the statement of financial position.

	June 30, 2013	December 31, 2012
Non-current assets		
Interest rate derivatives	\$ 13	\$ -
Current liabilities		
Foreign exchange derivatives	\$ 799	\$ -
Interest rate derivatives	108	117
	\$ 907	\$ 117
Non-current liabilities		
Foreign exchange derivatives	\$ 1,283	\$ -
Interest rate derivatives	-	174
	\$ 1,283	\$ 174

SAVARIA CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of dollars - Unaudited)

10 . Determination of fair values

A number of the Corporation's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

A) Fixed assets

The fair value of fixed assets recognized as a result of a business combination is based on market values. The fair value of items of equipment, office furniture, rolling stock, computer hardware and leasehold improvements is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

B) Intangible assets

The fair value of trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the trademark being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

C) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the common course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

D) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

E) Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of interest rate swap arrangements is estimated by discounting the difference between the contractual interest rate and market rates over the value of the loans.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Corporation entity and counterparty when appropriate.

F) Non-derivatives financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

SAVARIA CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of dollars - Unaudited)

10 . Determination of fair values (continued)

G) Share-based payment transactions

The fair value of the share purchase options is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends and the risk-free interest rate (based on government bonds).

11 . Operating segments

Information about the operating segments

The Corporation's business structure is divided into two operating segments, the first consists of designing, manufacturing, installing and distributing residential and commercial accessibility equipment for people with mobility challenges (Accessibility), and the second consists of converting and adapting mini-vans for persons with mobility challenges (Adapted Vehicles).

Periods of
three months ended June 30

	2013			2012		
	Accessibility	Adapted Vehicles	Total	Accessibility	Adapted Vehicles	Total
External revenues	\$ 15,523	\$ 3,874	\$ 19,397	\$ 13,518	\$ 3,954	\$ 17,472
Income before income tax and unallocated amounts	\$ 1,855	\$ 620	\$ 2,475	\$ 1,354	\$ 428	\$ 1,782

Periods of
six months ended June 30

	2013			2012		
	Accessibility	Adapted Vehicles	Total	Accessibility	Adapted Vehicles	Total
External revenues	\$ 29,354	\$ 7,246	\$ 36,600	\$ 25,462	\$ 7,241	\$ 32,703
Income before income tax and unallocated amounts	\$ 3,586	\$ 1,169	\$ 4,755	\$ 2,384	\$ 594	\$ 2,978

	June 30, 2013			June 30, 2012		
	Accessibility	Adapted Vehicles	Total	Accessibility	Adapted Vehicles	Total
Segment's assets	\$ 29,364	\$ 7,690	\$ 37,054	\$ 29,008	\$ 7,957	\$ 36,965
Segment's liabilities	\$ 8,174	\$ 2,087	\$ 10,261	\$ 8,318	\$ 1,962	\$ 10,280

SAVARIA CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of dollars - Unaudited)

11 . Operating segments (continued)

Reconciliations of operating segments and the consolidated balances

	Periods of three months ended June 30		Periods of six months ended June 30	
	2013	2012	2013	2012
Income before income tax				
Total income of segments, before income tax and unallocated amounts	\$ 2,475	\$ 1,782	\$ 4,755	\$ 2,978
Unallocated amounts:				
Depreciation and amortization	(390)	(364)	(764)	(733)
Net finance costs	(92)	(149)	(274)	(262)
Other corporate revenue and expenses ⁽¹⁾	(36)	(238)	(50)	(442)
Income before income tax	\$ 1,957	\$ 1,031	\$ 3,667	\$ 1,541
			June 30,	
			2013	2012
Assets				
Total assets of segments			\$ 37,054	\$ 36,965
Unallocated amounts ⁽²⁾			10,882	12,224
Total consolidated assets			\$ 47,936	\$ 49,189
Liabilities				
Total liabilities of segments			\$ 10,261	\$ 10,280
Unallocated amounts ⁽³⁾			19,462	20,630
Total consolidated liabilities			\$ 29,723	\$ 30,910

⁽¹⁾ Intercompany rental revenue, salaries, professional fees and other corporate expenses not included in the segments' income.

⁽²⁾ Corporate assets, including a building with a net value of \$10,013,000, not included in the assets of the segments.

⁽³⁾ Corporate liabilities, including long-term debt in the amount of \$15,656,000, not included in the liabilities of the segments.

12 . Subsequent events

On July 17, 2013, the Corporation entered into an agreement with its financial institution for a long-term debt in the amount of \$564,000 to finance the purchase of fixed assets. The terms of the agreement provide for an amortization period of 60 months with monthly principal installments of \$9,400 plus interest, at a fixed rate of 4.11% for the first 36 months.

On July 25, 2013, the Corporation received a sum of \$257,000 representing the repayment of a long-term loan to a director in the amount of \$250,000 plus interest of \$7,000. The loan had been provided in 2007 in relation to the exercise of stock options. Following this repayment, share capital has been increased by \$250,000 and the number of outstanding options has been reduced by 200,000.