SAVARIA CORPORATION
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2013
(Unaudited and not reviewed by the Corporation's independent auditors)

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

	Note	**March 31, 2013**	December 31, 2012
Assets			
Current assets			
Cash		**$ 1,901**	$ 1,993
Trade and other receivables		**12,380**	11,592
Current portion of long-term loans		**326**	410
Tax credits receivable		**529**	487
Inventories		**13,179**	12,800
Prepaid expenses		**923**	538
Current portion of long-term investments	*4*	**1,471**	636
Total current assets		**30,709**	28,456
Non-current assets			
Derivative financial instruments	*9*	**72**	-
Tax credits receivable		**249**	378
Long-term loans		**115**	125
Fixed assets		**11,702**	11,792
Goodwill		**4,051**	4,051
Intangible assets		**2,023**	2,138
Long-term investments	*4*	**-**	829
Deposit on purchase of fixed assets		**377**	125
Deferred tax assets		**1,603**	1,486
Total non-current assets		**20,192**	20,924
Total assets		**$ 50,901**	$ 49,380
Liabilities			
Current liabilities			
Trade and other payables		**$ 7,782**	$ 7,518
Dividend payable		**1,857**	-
Income taxes payable		**550**	234
Deferred revenues		**2,507**	2,062
Derivative financial instruments	*9*	**297**	117
Current portion of long-term debt		**4,522**	3,619
Warranty provisions		**349**	356
Total current liabilities		**17,864**	13,906
Non-current liabilities			
Long-term debt		**13,588**	15,464
Warranty provisions		**491**	463
Derivative financial instruments	*9*	**433**	174
Deferred tax liabilities		**124**	149
Total non-current liabilities		**14,636**	16,250
Total liabilities		**32,500**	30,156
Equity			
Share capital		**13,468**	13,313
Contributed surplus		**2,115**	2,141
Accumulated other comprehensive income		**(17)**	306
Retained earnings		**2,835**	3,464
Total equity		**18,401**	19,224
Total liabilities and equity		**$ 50,901**	$ 49,380

The notes on pages 7 to 15 are an integral part of these unaudited condensed consolidated interim financial statements.

SAVARIA CORPORATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Period of three months ended March 31,
(in thousands of dollars, except per share amounts - Unaudited)

	Note	2013	2012
Revenue	5	**$ 17,203**	$ 15,231
Cost of sales		**(12,269)**	(11,000)
Gross margin		**4,934**	4,231
Operating costs			
Administrative expenses		**(1,550)**	(1,620)
Selling expenses		**(1,278)**	(1,242)
Engineering expenses		**(503)**	(470)
Research and development expenses		**(175)**	(182)
		(3,506)	(3,514)
Other income (costs)	6	**350**	(11)
Operating income		**1,778**	706
Finance income	7	**128**	9
Finance costs	7	**(196)**	(205)
Net finance costs		**(68)**	(196)
Income before income tax		**1,710**	510
Income tax expense		**(478)**	(150)
Net income		**1,232**	360
Other comprehensive income			
Change in the fair value of derivative financial instruments designated as cash flow hedges		**(387)**	383
Deferred income tax		**98**	(97)
		(289)	286
Gains on foreign exchange contracts transferred to net income in the current period		**(87)**	(500)
Deferred income tax		**22**	126
		(65)	(374)
Net change in fair value of derivative financial instruments designated as cash flow hedges		**(354)**	(88)
Unrealized net gains (losses) on translation of financial statements of foreign operations		**31**	(22)
Other comprehensive loss, net of income tax		**(323)**	(110)
Total comprehensive income		**$ 909**	$ 250
Earnings per share:			
Basic		**$ 0.05**	$ 0.02
Diluted		**$ 0.05**	$ 0.02

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SAVARIA CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period of three months ended March 31,
(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**
Total comprehensive income						
Net Income	-	-	-	-	360	**360**
Other comprehensive income :						
Change in the fair value of derivative financial instruments designated as cash flow hedges, net of tax	-	-	-	286	-	**286**
Gains on foreign exchange contracts transferred to net income in the current period, net of tax	-	-	-	(374)	-	**(374)**
Unrealized net gains on translation of financial statements of foreign operations	-	-	-	(22)	-	**(22)**
Other comprehensive loss	-	-	-	(110)	-	**(110)**
Total comprehensive income	-	$ -	$ -	$ (110)	$ 360	**$ 250**
Transactions with owners, recorded directly in equity						
Cancelled shares following issuer bid	(4,000)	(2)	-	-	(3)	**(5)**
Compensation expense on options granted	-	-	12	-	-	**12**
Share options exercised	57,500	48	(9)	-	-	**39**
Dividend on common shares	-	-	-	-	(2,175)	**(2,175)**
Total transactions with owners	53,500	46	3	-	(2,178)	**(2,129)**
Balance at March 31, 2012	**22,934,364**	**$ 13,306**	**$ 2,117**	**$ 555**	**$ 2,288**	**$ 18,266**

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SAVARIA CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period of three months ended March 31,
(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**
Total comprehensive income											
Net income	-		-		-		-		1,232		**1,232**
Other comprehensive income :											
Change in the fair value of derivative financial instruments designated as cash flow hedges, net of tax	-		-		-		(289)		-		**(289)**
Gains on foreign exchange contracts transferred to net income in the current period, net of tax	-		-		-		(65)		-		**(65)**
Unrealized net losses on translation of financial statements of foreign operations	-		-		-		31		-		**31**
Other comprehensive loss	-		-		-		(323)		-		**(323)**
Total comprehensive income	-	$	-	$	-	$	(323)	$	1,232	**$**	**909**
Transactions with owners, recorded directly in equity											
Cancelled shares following issuer bid	(4,200)		(2)		-		-		(4)		**(6)**
Compensation expense on options granted	-		-		9		-		-		**9**
Share options exercised	107,500		157		(35)		-		-		**122**
Dividend on common shares	-		-		-		-		(1,857)		**(1,857)**
Total transactions with owners	103,300		155		(26)		-		(1,861)		**(1,732)**
Balance at March 31, 2013	**23,012,864**	**$**	**13,468**	**$**	**2,115**	**$**	**(17)**	**$**	**2,835**	**$**	**18,401**

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SAVARIA CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
Period of three months ended March 31,
(in thousands of dollars - Unaudited)

	Note	2013	2012
Cash flows from operating activities			
Net income		**$ 1,232**	$ 360
Adjustments for:			
Depreciation of fixed assets		**173**	177
Amortization of intangible assets		**201**	192
Change in the fair value of restructured notes and put option		**(30)**	25
Income tax expense		**478**	150
Capitalized finance costs on long-term debt		**13**	37
Compensation expense on share options granted		**9**	12
Gains on foreign exchange contracts cashed in advance and transferred to net income		**(107)**	(433)
Loss on the sale of fixed assets		**-**	11
Unrealized foreign exchange loss (gain) on non-current monetary items		**75**	(44)
Interest cost		**183**	112
		2,227	599
Net changes in non-cash operating items	*8*	**(874)**	232
Proceeds from long-term loans		**83**	84
Income tax paid		**(22)**	(162)
Net cash from operating activities		**1,414**	753
Cash flows from (used in) investing activities			
Receipts of long-term investments		**24**	8
Change in restricted cash		**-**	100
Proceeds from sales of fixed assets		**14**	22
Deposit on purchase of fixed assets		**(252)**	-
Additions to fixed assets		**(79)**	(12)
Increase in intangible assets		**(92)**	-
Net cash from (used in) investing activities		**(385)**	118
Cash flows used in financing activities			
Change in bank loans		**-**	450
Repayment of borrowings		**(1,054)**	(1,323)
Interest paid		**(183)**	(111)
Transaction costs related to a long-term debt		**-**	(3)
Repurchase of common shares		**(6)**	(5)
Proceeds from exercise of share options		**122**	39
Net cash used in financing activities		**(1,121)**	(953)
Net change in cash		**(92)**	(82)
Cash at January 1		**1,993**	3,931
Cash at March 31		**$ 1,901**	$ 3,849

The notes on pages 7 to 15 are an integral part of these unaudited condensed consolidated interim financial statements.

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 March 31, 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 or at www.savaria.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 May 14, 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 March 31, 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).

(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

	March 31, 2013	December 31, 2012
Restructured notes (face value of $1,757,000, $1,744,000 as at December 31, 2012)	**$ 1,407**	$ 1,401
Put option	**64**	64
	1,471	1,465
Current portion	**$ 1,471**	$ 636
Non-current portion	**-**	829
	$ 1,471	**$ 1,465**

Restructured Notes

The Corporation holds investments with a face value of $1,757,000 (US$1,729,000) that are invested in restructured notes following the replacement of Asset-Backed Commercial Paper. These investments were valued at their fair value at period end.

4 . Long-term investments (continued)

Valuation

The fair value estimate of the restructured notes has been calculated based on information provided by BlackRock Canada Ltd., the asset administrator, and other publicly available information.

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. The Corporation then estimated the return that a prospective investor would require for each class of notes ("Required Yield") in order to calculate the net present value of the future cash flows for each class using the Required Yield as the discount factor.

During the first quarter, the fair value of the restructured notes was affected by several factors including a reduction in risks associated with assets underlying the notes, an increase in value of the US dollar in relation to the Canadian dollar and the simple passage of time. As a result of its analysis, the Corporation estimates the fair value of these notes to be $1,407,000 (US$1,384,000) as at March 31, 2013. The Corporation recorded a $30,000 gain (2012-$24,000 loss) during the first quarter. Following this change in value, there remains a balance of the reserve for impairment of $350,000 (December 31, 2012-$343,000) (US$345,000, December 31, 2012-US$345,000).

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 periods. The resolution of these uncertainties could result in the ultimate value of these investments varying significantly from management's current best estimates.

During the three-month period, the Corporation received a total of $24,000 (2012-$7,000) (US$24,000, 2012-US$7,000) in repayment of certain restructured notes. The amounts received were used as a partial reimbursement on loans secured by the restructured notes. As at March 31, 2013, the face value and estimated fair value of the remaining restructured notes are broken down as follows:

Restructuring categories	in thousands of US dollars		Expected maturity date
	Face value	Estimated fair value	
MAV 2 Notes			
A1 (rated A)	$ 835	$ 818	July 15, 2056
C	26	15	July 15, 2056
Ineligible asset tracking notes			
MAV 2 - Class 13	132	86	March 20, 2014
MAV 3 - Class 25	736	465	December 25, 2036
Total investments	**$ 1,729**	**$ 1,384**	

In 2009, the Corporation signed two long-term financing agreements with its financial institution to ensure the sufficient availability of liquidity to meet its financial obligations while awaiting the disposal of the restructured notes. These agreements matured in March 2013 and March 2014 but were not renewed since the investments were disposed of in April 2013 (see note 13).

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 March 31, 2013, the Corporation estimated the fair value of this option at $64,000 (US$63,000) ($179,000 as at March 31, 2012; US$179,000). The estimated fair value is based on the balance of the portion of the loan related to this option minus the fair value of the applicable restructured notes.

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

4 . Long-term investments (continued)

The Corporation also holds an option to assign to the bank the ownership of its MAV 2 notes as well as any proceeds therefrom as payment of 45% of the principal on the related debt. As at March 31, 2013, the Corporation estimated the fair value of this option to be nil. The estimated fair value is based on the balance of the portion of the loan related to the option minus the fair value of the applicable restructured notes.

Both options were assigned to the bank in April 2013 as part of the disposal of the long-term investments (see note 13).

5 . Revenue

	Periods of three months ended March 31	
	2013	**2012**
Sale of goods	**$ 15,816**	$ 14,016
Rendering of services	**1,387**	1,214
	$ 17,203	**$ 15,231**

6 . Other income (costs)

	Periods of three months ended March 31	
	2013	**2012**
Gain following the appeal of an assessment related to sales tax [1]	**$ 350**	$ -
Others	**-**	(11)
	$ 350	**$ (11)**

[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 March 31	
	2013	**2012**
Interest income	**$ 2**	$ 9
Net gain on foreign currency exchange	**96**	-
Change in the fair value of restructured notes and put option	**30**	-
Finance income	**$ 128**	**$ 9**
Interest on long-term debt	**$ 174**	$ 124
Interest expense and bank charges	**22**	25
Net loss on foreign currency exchange	**-**	31
Change in the fair value of restructured notes and put option	**-**	25
Finance costs	**$ 196**	**$ 205**

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

8 . Net changes in non-cash operating items

	Periods of three months ended March 31 2013	2012
Trade and other receivables	**$ (788)**	$ (252)
Tax credits receivable	**(52)**	45
Inventories	**(379)**	1,025
Prepaid expenses	**(385)**	(862)
Trade and other payables	**264**	116
Deferred revenues	**445**	170
Warranty provision	**21**	(10)
	$ (874)	**$ 232**

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:

	March 31, 2013	
	Carrying amount	**Fair value**
Assets carried at fair value		
Foreign exchange forward contracts	**$ 72**	**$ 72**
Long-term investments in restructured notes	**1,407**	**1,407**
Put option	**64**	**64**
	$ 1,543	**$ 1,543**
Assets carried at amortized cost		
Cash	**$ 1,901**	**$ 1,901**
Trade and other receivables	**11,635**	**11,635**
Long-term loans	**441**	**417**
	$ 13,977	**$ 13,953**
Liabilities carried at fair value		
Foreign exchange forward contracts	**$ 427**	**$ 427**
Interest rate swap agreements	**303**	**303**
	$ 730	**$ 730**
Liabilities carried at amortized cost		
Trade and other payables	**$ 7,782**	**$ 7,782**
Long-term debt	**18,110**	**18,105**
	$ 25,892	**$ 25,887**

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

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

9 . Financial instruments (continued)

Fair values hierarchy

The table below analyzes financial instruments carried at fair value, by valuation method.

	Level 1	Level 2	Level 3	Total
Foreign exchange forward contracts	$ -	$ (355)	$ -	$ (355)
Long-term investments in restructured notes	-	-	1,407	1,407
Put option	-	-	64	64
Interest rate swap agreements	-	(303)	-	(303)
	$ -	$ (658)	$ 1,471	$ 813

During the quarter ended on March 31, 2013, the reconciliation of items evaluated using unobservable inputs (Level 3) is as follows :

	Long-term investments in restructured notes	Put option
Balance at January 1, 2013	$ 1,401	$ 64
Change in foreign currency exchange rates	29	-
Capitalized interest on long-term debt	1	-
Total gains recognized as "Finance income"	30	-
Repayment of capital following the disposal of restructured notes	(24)	-
Balance at March 31, 2013	$ 1,407	$ 64

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

	March 31, 2013	December 31, 2012
Current assets		
Foreign exchange derivatives	$ 72	$ -
Non-current assets		
Foreign exchange derivatives	$ 177	$ -
Interest rate derivatives	120	117
	$ 297	$ 117
Non-current liabilities		
Foreign exchange derivatives	$ 250	$ -
Interest rate derivatives	183	174
	$ 433	$ 174

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.

10 . Determination of fair values (continued)

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.

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).

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

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 March 31

	2013			2012		
	Accessibility	Adapted Vehicles	Total	Accessibility	Adapted Vehicles	Total
External revenues	**$ 13,831**	**$ 3,372**	**$ 17,203**	$ 11,944	$ 3,287	$ 15,231
Income before income tax and unallocated amounts	**$ 1,731**	**$ 549**	**$ 2,280**	$ 1,030	$ 166	$ 1,196

	March 31, 2013			March 31, 2012		
	Accessibility	Adapted Vehicles	Total	Accessibility	Adapted Vehicles	Total
Segment's assets	**$ 30,248**	**$ 8,177**	**$ 38,425**	$ 30,978	$ 7,706	$ 38,684
Segment's liabilities	**$ 7,887**	**$ 2,016**	**$ 9,903**	$ 8,626	$ 1,705	$ 10,331

Reconciliations of operating segments and the consolidated balances

Periods of three months ended March 31

	2013	2012
Income before income tax		
Total income of segments, before income tax and unallocated amounts	**$ 2,280**	$ 1,196
Unallocated amounts:		
Depreciation and amortization	**(374)**	(369)
Net finance costs	**(182)**	(113)
Other corporate revenue and expenses [1]	**(14)**	(204)
Income before income tax	**$ 1,710**	**$ 510**

	March 31, 2013	March 31, 2012
Assets		
Total assets of segments	**$ 38,425**	$ 38,684
Unallocated amounts [2]	**12,476**	3,324
Total consolidated assets	**$ 50,901**	**$ 42,008**
Liabilities		
Total liabilities of segments	**$ 9,903**	$ 10,331
Unallocated amounts [3]	**22,597**	13,411
Total consolidated liabilities	**$ 32,500**	**$ 23,742**

(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 $10,080,000, not included in the assets of the segments.

(3) Corporate liabilities, including long-term debt in the amount of $17,865,000, not included in the liabilities of the segments.

12 . Commitments

During the first quarter, the Corporation concluded a lease agreement for the rental of new premises in Huizhou, China starting on May 1, 2013. The six-year lease provides for an annual cost of 757,000 RMB ($124,000) for the first three years and of 799,000 RMB ($130,000) for the last three years, for a total amount of 4,668,000 RMB ($762,000).

13 . Subsequent events

On April 24, 2013, the Corporation signed an agreement with its financial institution under which it disposed of its investments in restructured notes. As part of this disposal, these notes plus a payment by the Corporation in the amount of $269,000 were used to settle two loans with the same financial institution with a carrying value of $1,809,000; it results in a net gain of $65,000, before income tax, that will be recognized in the second quarter of 2013.