



**FOR IMMEDIATE RELEASE**

## **SENSIO presents its 2010-2011 financial results, indicating a significant increase in sales**

### ***The board of directors approves grant of stock options to senior management***

**MONTREAL — Sept. 22, 2011** — SENSIO Technologies Inc. (“SENSIO”/“the Corporation”) (TSX-V: SIO) today presented its financial results for the fiscal year ended May 31, 2011. During this fiscal year, SENSIO realized its highest ever revenues, continuing the trend begun in the previous year. This growth is mainly due to the market of Live 3D in cinemas, which represents 81.1% of sales and which benefitted from the impetus provided by the 2010 FIFA World Cup™. Agreements with a number of major chip manufacturers in the consumer electronics market and the first patent licences for the SENSIO® S2D Switch were also marks of significant progress in realizing the Corporation’s business plan. Finally, the acquisition of Algolith’s intellectual property portfolio enabled us to better adapt our offering for the professional market, and to add several key employees to the engineering and sales teams.

“SENSIO has come a long way over the past two years, as much in terms of its IP and technology portfolio as in terms of its commercial development in our three major markets,” said Nicholas Routhier, SENSIO’s President and CEO. “We are however faced with a certain pessimism in the markets due to the belief that 3D is just a fad. Every nascent industry has to deal with scepticism of this sort; however it is important to look at the reaction of the industry. Cinema operators, manufacturers and film studios are all continuing to invest massively in bringing more sophisticated, better-adapted 3D products to market for consumers. We’re convinced that the sales of 3DTVs will accelerate over the next few years, just like Blu-ray players and HDTVs have, especially with the introduction of passive technology and the increasing availability of quality content. SENSIO has also continued to invest to position itself in this emerging market and to build its technology and content offerings so as to profit from the resurgence of 3D that we foresee in 2012. We are very positive about the future of 3D, about the success of our business plan and about our perspectives for growth for the years to come.”

### **Highlights of fiscal year 2010-2011**

- 80.8% increase in SENSIO’s revenue for fiscal year 2010-2011 compared to 2009-2010;
- Acquisition of Algolith’s intellectual property and know-how, reinforcing SENSIO’s 3D image-processing offering;
- Addition of SENSIO® Autodetect to the range of solutions already offered by SENSIO;
- Transmission of high-profile live-3D events (FIFA, NBA All-Star Weekend);
- Expansion of cinema network equipped for live 3D : 842 screens on five continents;
- Chip strategy progressing well : five manufacturers signed : MediaTek, Broadcom, Trident Microsystems, Zoran for consumer electronics, joining Sigma Design signed at the end of 2009-2010; GEO Semiconductor for professional equipment market;
- Presentation of the video-on-demand (VOD) 3D content library during the fiscal year.

### **Live 3D – sustained growth**

During the fiscal year, SENSIO added 124 screens (up 17.3%) to the network of cinemas equipped with SENSIO® Hi-Fi 3D technology, bringing the SENSIO® 3D Live Network to 842 screens over five

continents. At the beginning of the financial year, the 2010 FIFA World Cup™ was the impetus for the increase in revenues in the Live 3D market, and for the expansion of the network which had already begun shortly before the beginning of the fiscal year, in anticipation. Also, SENSIO began to explore the direct promotion of live-3D content to its network, following an agreement with the NBA (for the NBA All-Star Weekend and three regular season games), which enabled the development of a new line of business, which should be in operation as of fiscal year 2011-2012.

“SENSIO’s offer is unique in the marketplace,” stated Richard LaBerge, Executive Vice-President and CMO. “Offering the best 3D distribution format is only one element of a complete solution for cinema operators. Thanks to the partnerships we’ve established around the world, cinemas wishing to present events in SENSIO® Hi-Fi 3D can rely on turnkey solutions comprising signal transmission, the installation of high-performance equipment, local technical support and access to the biggest live-3D events in the world. With the experience we have gained over the last few years and a critical mass of SENSIO® Hi-Fi 3D-certified screens, we are confident that we will continue to grow in this market over the coming year.”

### **Consumer electronics – continuing our positioning**

In order to reduce the length of the sales cycle with consumer electronics manufacturers, SENSIO has successfully pursued its strategy of integrating SENSIO® Hi-Fi 3D technology into chips destined for this market. Consequently, SENSIO has signed new agreements with five of the biggest manufacturers of semiconductors for consumer electronics, including MediaTek, Broadcom, Trident Microsystems and Zoran. Some of these integrations enabled discussions with new prospective clients in accordance with the strategy developed. With the introduction of SENSIO® Autodetect and the acquisition of the technologies developed by Alolith, SENSIO is now in possession of a larger and more complete portfolio of products to be offered to semiconductor manufacturers beginning the first quarter of the next fiscal year, on a per-unit royalty basis.

At the same time, with the aim of enhancing the value of its SENSIO® Hi-Fi 3D format and increasing demand for it, the Corporation announced its 3D-content-aggregation strategy at CES 2011. During the financial year, SENSIO continued negotiating with independent producers and major studios for the rights to make films and documentaries in SENSIO® Hi-Fi 3D format available over VOD platforms. The Corporation was therefore able to announce an agreement with RoxioNow for the VOD distribution of its library of titles. These efforts should lead to the official launch of the content library this fall, which will be accessible to consumers benefitting from equipment incorporating SENSIO® Hi-Fi 3D. Finally, SENSIO signed its two first patent licences for the SENSIO® S2D Switch, which began to generate revenues during the fiscal year.

“The introduction of new products and of two new lines of business (semiconductors and VOD) is an important part of our growth strategy for the coming year in the consumer electronics sector,” explained Nicholas Routhier. “Vizio’s decision to bank on passive 3DTV delayed the deployment in the American market of televisions incorporating SENSIO® Hi-Fi 3D, which in turn delayed the execution of our game plan and directly impacted our short-term revenues. However, we are convinced that this direction will pay off in the medium term and that passive 3DTVs will be very successful with consumers. The success that Vizio is expected to have in the fall of 2011 will enable us to roll out our VOD strategy, to sign new manufacturers and to generate greater revenues, which bodes well for the next financial year.”

### **Professional broadcasting equipment – a complete offer thanks to Alolith**

At the beginning of December 2010, SENSIO acquired Alolith’s intellectual property, including its portfolio of patents and the key personnel mastering its technologies. At the end of the fiscal year, the team had been integrated and the products aligned, enabling SENSIO to announce a complete stereoscopic 3D solution for professional equipment at the NAB tradeshow.

“The acquisition of Alolith’s technologies enabled us to round out our product portfolio and transform what had been essentially the promotion of the SENSIO® Hi-Fi 3D format into a revenue-generating

line of business. We have already started to register first sales resulting from this acquisition and are confident that the results will increase over the next quarters," said Mr. Routhier.

## **Summary of financial results**

### **Significant increase in revenues and gross profit**

SENSIO's revenues for the fiscal year ended May 31, 2011 were \$1,253,267 compared to \$693,368 in 2010, an increase of \$559,899 or 80.8%. The revenues generated during the fiscal year came principally from the sale of licences for equipment expanding the SENSIO® 3D Live Network.

For the fiscal year ending May 31, 2011, SENSIO's gross profit margin was \$1,225,538 (97.8% of sales) compared to \$535,967 (77.3% of sales) for 2009-2010.

### **Operating expenses reflect continued development**

Sales and marketing expenses increased during the fiscal year ended May 31, 2011 compared to the previous year, from \$1,834,632 to \$2,954,231. This increase of 61% can be explained mainly by the addition of personnel to support marketing initiatives, the hiring of external consultants specializing in business development in the USA and in Asia, an increase in travel expenses due to the Corporation's promotional efforts in Asia and the U.S., as well as SENSIO's participation in the major industry shows for the professional and broadcasting sector and for the consumer electronics sector. The Corporation also took steps to become involved in the distribution of live 3D events in movie-theatres with a view to earning income from ticket sales to such events.

During the 2011 fiscal year, research and development expenses were \$971,191 compared to \$516,119 in 2010. This increase of 88.2% can be explained by an increase in salaries following the integration of key Algolith personnel, and an increase in expenses for new product development.

Administrative expenses were \$1,673,529 for the 2010-2011 fiscal year compared to \$1,279,443 for the previous fiscal year, an increase of 30.8%. This increase can be explained mainly by the expansion of the Corporation's office space and the associated increase in operating costs, an increase in public company fees, an increase in professional fees in connection with the Algolith acquisition and an increase in depreciation expense.

"Significant investments have been made over the 2010-2011 fiscal year so that revenue can be generated in the present fiscal year," explained Éric Choquette, Chief Financial Officer. "The acquisition of Algolith enabled us to add resources in research and development so as to accelerate the launch of new products such as SENSIO® Autodetect, SENSIO® Noise Reducer, and multi-format versions of our 3D encoder and decoder. The launch of these products necessitated major investments and efforts on the part of our marketing team to produce sales tools and to re-design our website. All the tools are now in place to continue increasing our revenues."

## Main Financial Information

	Fiscal years ending May 31 audited		Quarters ending May 31 non audited	
	2011	2010	2011	2010
<b>Statement of results</b>	\$	\$	\$	\$
Sales	1,253,267	693,368	94,955	274,942
Gross profit	1,225,538	535,967	91,894	258,402
Net loss and results	(4,512,934)	(3,174,454)	(1,602,647)	(852,100)
Net loss per common share diluted	(0.0870)	(0.0670)	(0.0306)	(0.0165)
<b>Balance sheet</b>				
Cash, cash equivalents and term deposit	6,095,732	10,569,648	6,095,732	10,569,648
Total assets	8,660,073	11,931,358	8,660,073	11,931,358
Long-term debt including short-term portion	-	129,600	-	129,600
Total liabilities	1,097,346	661,534	1,097,346	661,534
Shareholders' equity	7,562,727	11,269,824	7,562,727	11,269,824

### Board grants stock options

The Corporation also announced that its board of directors granted senior management 124,500 stock options at an exercise price of \$0.455 per share, being the closing price on the eve of the issuance, September 20, 2011. The grant is made pursuant to the terms of the Stock Option Plan of SENSIO currently in effect, and allocated as follows:

- Nicholas Routhier, President and CEO 36,000
- Richard LaBerge, Executive Vice-President and CMO 27,000
- Éric Choquette, CFO 19,500
- Louis Rousseau, Vice-President, Marketing and Communications 17,000
- Jacques Patry, Vice-President, Engineering 25,000

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### About SENSIO

Founded in 1999, SENSIO Technologies Inc. ([www.sensio.tv](http://www.sensio.tv)) is a pioneer in the 3D industry. Its vision, expertise and state-of-the-art solutions, based on diversified stereoscopic image-processing technologies, have been trusted by some of the biggest names in the broadcasting and consumer electronics sectors, as well as for live 3D events in cinemas, to power numerous industry firsts, initiate new business models and generate immediate revenue with a distinctive 3D offering.

SENSIO enables its clients to deliver the best possible 3D experience for the end-user through a broad portfolio of licensed products, based on quality, content, usability and compatibility. These include its flagship, award-winning technology, SENSIO<sup>®</sup> Hi-Fi 3D, the premium-quality frame-compatible format.

SENSIO's technologies are the object of patents and intellectual property protection proceedings worldwide. SENSIO is listed on the Toronto TSX Venture Exchange (SIO).

SENSIO<sup>®</sup> is a registered trademark of SENSIO Technologies Inc.

*This news release contains forward-looking statements that reflect the Company's expectations with regard to future events. Actual events could differ significantly from those anticipated in this document.*

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