

Glendale international reports fourth quarter and fiscal financial results

Toronto Stock Exchange Symbol: GIN

OAKVILLE, ON, Feb. 23 /CNW/ - Glendale International Corp. (TSX: GIN) today reported financial results for the fourth quarter and year ended November 30, 2008.

Glendale International Corp. reports segmented information in its audited consolidated financial statements as follows: Recreational Vehicles, Nav Aids which is classified as a discontinued operation, Electronics, and Corporate Office. The financial results for the fourth quarter ended November 30, 2008 and fiscal 2008 for each segment are set out below:

Recreational Vehicles (Glendale RV and Travelaire Canada)

The Recreational Vehicle segment is comprised of two operating divisions, Glendale RV located in Strathroy, Ontario and Travelaire located in Red Deer, Alberta.

Glendale RV -----

Net loss for the Glendale RV division for the fourth quarter was \$403,000 compared to net earnings of \$338,000 for the fourth quarter of 2007. Sales at Glendale RV were \$3.6 million in the fourth quarter of 2008 compared to \$10.1 million in 2007. Year to date net loss was \$2.1 million compared to net loss of \$61,000 for the same period in 2007. Year to date sales were \$20.2 million compared to \$41.6 million for the same period in 2007. The decrease in sales and profitability for the fourth quarter and year to date is the result of a combination of negative economic factors including fluctuations in currencies, fluctuations in the price of oil, availability of credit, and the negative conditions of the North American economy.

The RV industry continues to weaken due to the various negative economic factors noted above. Recreational Vehicles shipments as reported by the RVIA were down 75% in December 2008 compared to 2007 and are down 32.9% in 2008 compared to 2007. University of Michigan economist Richard Curtin has forecast that wholesale RV shipments will fall a further 21.2% in 2009 as compared to 2008. Glendale RV is now seeing the full impact of the weakening economic conditions and management are aggressively reducing costs wherever possible.

Travelaire -----

Sales at Travelaire were \$3.2 million in the current quarter compared to \$1.8 million in 2007. Year to date sales were \$10.0 million compared to \$25.6 million in 2007. Net loss for the Travelaire division for the current quarter was \$1.4 million compared to net earnings of \$11,000 for the same quarter of 2007. Year to date net loss was \$3.7 million compared to net earnings of \$758,000 for the same period in 2007.

The increase in sales at Travelaire in the fourth quarter 2008 as compared to the fourth quarter of 2007 relates to the sale of workforce accommodations, mobile office units and well site units for the natural resource and construction industries in Western Canada. Travelaire has focused on the manufacture of these products to further diversify its manufacturing capabilities to include recreational vehicles, park models and commercial products. At the end of the fourth quarter of 2008 order back log for production of commercial units was approximately two months. As a result of the recent significant decline in the price of crude oil, the demand for Commercial Products in Western Canada is uncertain. The decrease in sales in 2008 as compared to 2007 relates to the decline in the sale of recreational vehicles.

Net loss for the fourth quarter was \$41,000 excluding certain one time charges of \$1.3 million. The charges included a restructuring charge of \$632,000 which relates to costs associated with the diversification of manufacturing capabilities to include commercial products, \$239,000 in pension expense relating to the updated actuarial assumptions for its defined benefit pension plan, \$255,000 relating to an increase in warranty expense as a result of the transition to commercial products, and \$226,000 relating to inventory adjustments.

Electronics (Firan Technology Group Corporation)

Management of FTG accomplished many goals in 2008 that continue to improve the company and position it for the future, including:

- Successful acquisition and integration of Filtran Microcircuits into FTG's existing Circuits facilities in Toronto and Chatsworth
- Contract wins or renewals, new or increased qualification levels, and/or new programs with Cobham, GE Aviation, GE Transport, Honeywell, L-3 Communications, Lockheed Martin, Merrimac Industries,

- Raytheon, Rockwell Collins, Sanmina-SCI, and others
- Expanded production facility for FTG Circuits - Chatsworth
- Increased technical capabilities in the Circuits business including pre and post bonded RF circuit cards, multi-layer RF circuit cards, high density interconnects, and buried passive components
- Increased technical capabilities in the Aerospace business including lighting power supplies, increased electronic design and test capabilities and higher value added products including hardware and software development
- Signed an investment agreement for the creation of FTG Aerospace - Tianjin in China in 2009
- Customer awards for performance from Rockwell Collins, General Dynamics and Sandia National Labs
- Strengthened management team with additions and promotions across the company.

Sales increased by \$4.8 million or 38%, from \$12.6 million in the fourth quarter of 2007 to \$17.4 million in the fourth quarter of 2008.

The Circuits division sales in the fourth quarter were up \$4.2 million or 43% over the same period last year. The transition of Filtran work related to the acquisition is substantially complete and continues to progress well. All of the Filtran equipment is operational in FTG's facilities in Toronto and Chatsworth. In 2008 FTG was qualified at a number of key new accounts as a result of this acquisition including Merrimac Industries, Lockheed Martin Corporation, L-3 Narda, Raytheon, Cobham, and many others. FTG's share of high speed and RF printed circuit boards has increased dramatically this year and should continue to increase as more qualifications are completed and some key programs ramp up.

The Aerospace division sales in the fourth quarter of 2008 were \$3.5 million compared to \$2.9 million in the fourth quarter of 2007, an increase of 23%. During the quarter, Aerospace was awarded key new programs where the equipment being supplied includes higher end assemblies including both hardware and software development. A number of additional opportunities with higher engineering content and higher value added products are also being pursued. The business continues to see strong demand from existing and new customers. Also, as announced previously by FTG, an investment agreement was signed in the fourth quarter of 2008 as part of a plan to establish FTG Aerospace - Tianjin in China in 2009. Activities are being ramped up to accomplish this including establishing the necessary legal framework, sourcing equipment, sourcing suppliers and working with potential new customers as a result of this initiative.

FTG's sales grew in fiscal year 2008 to \$63.2 million from \$55.6 million in 2007 or an increase of \$7.6 million compared to 2007, the sixth consecutive year of growth representing total growth of 144% since 2002. The foundation for the sustained growth is the result of several corporate development activities including the merger of FTG and Circuit World in 2003, the acquisition of Young Electronics in December 2004 and the acquisition of Filtran Microcircuits in December 2007. The strong yearly performance is also the result of organic growth through the enhanced sales organization, significant investment in technology across all of FTG's businesses, and a daily focus on Operational Excellence which has resulted in many new customers and programs. During 2008, \$2.6 million of sales were derived from Filtran customers.

Sales for the Circuits' segment were \$49.9 million in 2008, an increase of \$6.5 million or 15% over 2007. Fiscal year 2008 sales for the Aerospace segment were \$13.3 million compared to \$12.2 million for the comparable period in 2007, an increase of 8%.

Net earnings before non-controlling interest for the fourth quarter of 2008 was \$443,000 which includes \$163,000 of Filtran related R&D costs and \$266,000 of restructuring costs. This is compared to a \$1.7 million loss in the same period of 2007 which excludes the write down of FTG's tax asset in Canada. The improved performance is the result of increased sales, investments in technology, and tight cost controls across FTG.

Net loss before non-controlling interest for the year was \$208,000 which includes \$666,000 of Filtran related R&D costs, \$591,000 of restructuring costs, and \$472,000 of Filtran related integration costs. This is compared to a \$1.8 million loss for the same period of 2007 which excludes the write down of FTG's tax asset in Canada.

According to the US Census Bureau and Aerospace Industries Association estimates at the end of 2008, the backlog of orders for new commercial aircraft was at record levels. Meanwhile the global economic situation has weakened substantially over the last year, and in particular financing availability has diminished and costs have increased. This development has resulted in a very uncertain view of future market conditions for FTG. The situation is also uncertain for defence spending based on conflicting indicators such as the election of a Democratic President in the U.S. (where Democrats have historically been seen to reduce defence spending), which may be offset by a high level of global conflict and ongoing military activities in a number of regions. While there is uncertainty in the markets in which FTG operates, management believes the downside risk to be lower than in many commercial electronics markets that are already seeing 20-30% reductions in

demand.

"2008 was a challenging and very satisfying year for FTG as we continued to execute on our growth initiatives and met or exceeded our targets. Our continued focus on investment in technologies and Operational Excellence provides us with the tools to grow market share and exceed customer expectations", stated Brad Bourne, President and Chief Executive Officer of FTG. "In addition to the numerous successes this year, we made great progress on our cost reduction initiatives, and we moved forward with our FTG Aerospace facility in China. Combined with this, our past investments and market focus put FTG in a strong position to weather the anticipated tough global economic conditions in 2009", he added.

For a more detailed analysis of FTG's financial results please access such information at SEDAR. www.sedar.com.

Corporate Office

Corporate office incurred expenses of \$2.3 million during the fourth quarter of 2008 compared to \$1.9 million during 2007. Expenses were \$4.1 million for the fiscal year 2008 compared to approximately the same amount in the prior year. Year to date expenses at Corporate Office decreased by approximately \$1.1 million but were off set by severance and restructuring charges associated with the downsizing of the corporate office and other one time costs.

Consolidated Financial Results

Consolidated sales from continuing operations for the fourth quarter were \$24.2 million compared to \$24.5 million for the fourth quarter of last year. Net loss from continuing operations for the fourth quarter of 2008 was \$3.9 million, or \$0.42 per share, compared to net loss from continuing operations of \$2.5 million, or \$0.22 per share, for the fourth quarter of 2007.

Consolidated sales from continuing operations for fiscal 2008 were \$93.3 million compared with \$122.7 million for fiscal 2007. Net loss from continuing operations for fiscal 2008 was \$8.7 million, or \$0.94 per share, compared to net loss from continuing operations of \$3.0 million or \$0.24 per share for the same period last year.

Excluding Glendale's subsidiary Firan Technology Group Corporation, Glendale had no debt and working capital relating to its continuing operations of \$17.8 million, including cash and cash equivalents of \$6.4 million as at November 30, 2008.

With respect to the fourth quarter and year to date results Mr. Edward Hanna, Chief Executive Officer of Glendale indicated that "the loss was primarily the result of a significant decline in demand for our recreational vehicle products due to several negative economic factors." Mr. Hanna also indicated that "adding to the loss on a consolidated basis for the fourth quarter and year to date was \$1.6 million for restructuring charges which reflect our continued efforts to rationalize costs in a difficult environment." On a positive note Mr. Hanna indicated that Firan Technology Group Corporation ("FTG") had an excellent fourth quarter and fiscal 2008 recording record sales of \$17.4 million for the fourth quarter and \$63.2 million for the year ending 2008.

About Glendale International Corp.

Glendale International Corp. manages businesses that provide the opportunity for long-term value creation through the application of proven managerial expertise and innovative business strategies. The Corporation owns businesses in the recreational vehicles and electronics industries, and will seek to acquire complementary businesses that support its value-building proposition.

Glendale's Recreational Vehicle business is comprised of two operating divisions: Glendale Recreational Vehicles ("Glendale RV") located in Strathroy, Ontario and Travelaire Canada ("Travelaire") located in Red Deer, Alberta. Glendale RV manufactures a broad range of innovative, differentiated high-quality Recreational Vehicles ("RV's") for both the US and Canadian markets and Travelaire manufactures Park Model trailers and Relocatable Structures for the Western Canadian market place. The Corporation also owns a controlling position in Firan Technology Group Corporation, a leading North American manufacturer of high technology printed circuit boards and precision illuminated display systems.

Glendale International's common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "GIN". The Corporation has 12,487,017 common shares outstanding.

To reach Glendale International via the worldwide web logon to www.glendaleint.com.

Forward-Looking Statements

This press release contains "forward-looking" statements related to future events or future performance and reflect the expectations of Glendale International Corp., regarding its growth, results of operations, performance

	November 30, 2008	November 30, 2007	November 30, 2008	November 30, 2007
Sales	\$ 24,208	\$ 24,507	\$ 93,316	\$ 122,741
Costs and Expenses				
Manufacturing, selling and administration	24,563	25,399	94,656	120,768
Research and development costs	1,246	777	4,158	3,150
Recovery of research and development costs	-	1,934	-	885
Loss on sale of property, plant and equipment	3	-	4	7
Amortization of deferred gain	(217)	(220)	(869)	(883)
Amortization of intangible assets	48	-	48	-
Depreciation and amortization	648	841	3,135	3,399
Stock based compensation	51	544	199	672
Restructuring costs	1,319	250	1,644	250
	27,661	29,525	102,975	128,248
Loss Before Undernoted	(3,453)	(5,018)	(9,659)	(5,507)
Other Income (Expenses)				
Interest income	82	319	504	845
Interest expense - long term	(134)	(54)	(521)	(584)
Interest expense - short term	(37)	(5)	(200)	(30)
	(89)	260	(217)	231
Loss Before Income Taxes, Non-Controlling Interest and Discontinued Operation	(\$3,542)	(\$4,758)	(\$9,876)	(\$5,276)
Recovery of income taxes	(108)	307	1,047	712
Loss Before Non-Controlling Interest and Discontinued Operation	(\$3,650)	(\$4,451)	(\$8,829)	(\$4,564)
Non-controlling interest	(250)	1,958	117	1,596
Loss from Continuing Operations	(\$3,900)	(\$2,493)	(\$8,712)	(\$2,968)
Earnings from discontinued operation, net of income taxes	-	513	-	16,272
Net (Loss)/Earnings	(\$3,900)	(\$1,980)	(\$8,712)	\$13,304
Basic and Diluted Net Loss per Share from Continuing Operations	(\$0.42)	(\$0.20)	(\$0.94)	(\$0.24)
Basic and Diluted Net (Loss)/Earnings per Share	(\$0.42)	(\$0.13)	(\$0.94)	\$1.09

GLENDALE INTERNATIONAL CORP.
Consolidated Statements of Cash Flows
(in thousands of dollars)
(prepared without audit)

	Three Months Ended November 30, 2008	November 30, 2007	Years Ended November 30, 2008	November 30, 2007
Operating Activities				
Net loss from continuing				

operations	(\$3,900)	(\$2,493)	(\$8,712)	(\$2,968)
Items not affecting cash				
Amortization of deferred gain	(217)	(220)	(869)	(883)
Depreciation and amortization	648	841	3,135	3,399
Amortization of intangible assets	48	-	48	-
Stock based compensation expense	51	544	199	672
Future income taxes	(80)	331	(1,223)	1,548
Scientific research and development tax credits	-	1,934	-	1,120
Non-controlling interest	250	(1,958)	(117)	(1,596)
Loss on sale of property, plant and equipment	3	-	4	7
Increase in accrued benefit asset	119	(1,244)	(70)	(1,244)
Effect of exchange rates on foreign currency denominated Canadian debt	657	(193)	902	(430)
Impairment of investment in 1586603 Ontario Inc.	358	300	358	300
Changes in non-cash operating working capital	(1,500)	(327)	(4,103)	(2,568)
	(3,563)	(2,485)	(10,448)	(2,643)
Discontinued operation	-	513	-	(724)
	-	513	-	(724)
Investing Activities				
Purchase of property, plant and equipment	(223)	(1,063)	(962)	(4,338)
Proceeds on sale of property, plant and equipment	-	-	-	8
Restricted cash	-	2,009	201	(201)
Acquisition of Filtran Microcircuits Inc.	-	-	(1,462)	-
Share purchase financing	56	(4,450)	222	(4,450)
Receipt of notes receivable	-	428	-	428
Investment in 1586603 Ontario Inc.	-	(658)	-	(658)
	(167)	(3,734)	(2,001)	(9,211)
Discontinued operation	-	-	-	26,464
	-	-	-	26,464
Financing Activities				
Increase/(decrease) in bank indebtedness	191	400	2,268	(197)
Proceeds from capital expenditure facility	-	519	501	2,634
Repayment of long-term debt and capital leases	(433)	(296)	(1,417)	(1,031)
	(242)	623	1,352	1,406
Effect of foreign exchange rates on cash	2	(84)	92	(97)
(Decrease)/increase in cash	(3,970)	(5,167)	(11,005)	15,195
Cash, Beginning of Year	10,508	22,710	17,543	2,348
Cash, End of Year	\$ 6,538	\$17,543	\$ 6,538	\$17,543
Supplemental cash flow information:				
Payments for interest	\$ 179	\$ 172	\$ 723	\$ 626
Payments for income taxes	\$ 100	-	\$ 177	\$ 30

Refunds for income taxes	\$	42	\$	129	\$	1,560	\$	740
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GLENDALÉ INTERNATIONAL CORP.
Segmented Information
(in thousands of dollars)
(prepared without audit)

OPERATING SEGMENTS

Three Months Ended November 30, 2008	Recreational Vehicles	Nav Aids	Electronics	Corporate Office	Total
Sales	\$ 6,832	-	\$17,376	-	\$24,208
Costs and expenses	8,628	-	16,760	2,273	27,661
Loss before undernoted	(1,796)	-	616	(2,273)	(3,453)
Interest income	-	-	-	82	82
Interest expense - long term	-	-	(134)	-	(134)
Interest expense - short term	-	-	(39)	2	(37)
Income tax recovery	-	-	-	(108)	(108)
Non-controlling interest	-	-	(250)	-	(250)
Net loss	(\$1,796)	-	\$193	(\$2,297)	(\$3,900)

Total and identifiable assets	\$8,707	-	\$27,111	\$29,927	\$65,745
Capital expenditures	\$62	-	\$155	\$6	\$223
Depreciation and amortization	\$92	-	\$552	\$4	\$648
Goodwill	-	-	\$4,910	-	\$4,910

Three Months Ended November 30, 2007

Sales	\$11,944	-	\$12,563	-	\$24,507
Costs and expenses	11,595	-	16,061	1,869	29,525
Loss before undernoted	349	-	(3,498)	(1,869)	(5,018)
Interest income	-	-	-	319	319
Interest expense - long term	-	-	(152)	98	(54)
Interest expense - short term	-	-	-	(5)	(5)
Income tax recovery	-	-	177	130	307
Non-controlling interest	-	-	1,958	-	1,958
Loss from continuing operations	349	-	(1,515)	(1,327)	(2,493)
Earnings from discontinued operation, net of income taxes	-	-	-	513	513
Net loss	\$349	-	(\$1,515)	(\$814)	(\$1,980)

Total and identifiable assets	\$17,699	-	\$20,520	\$32,229	\$70,448
Capital expenditures	\$52	-	\$1,006	\$5	\$1,063
Depreciation and amortization	\$70	-	\$766	\$5	\$841
Goodwill	-	-	\$4,231	-	\$4,231

GLENDALÉ INTERNATIONAL CORP.
Segmented Information
(in thousands of dollars)
(prepared without audit)

OPERATING SEGMENTS

Year Ended November 30, 2008	Recreational Vehicles	Nav Aids	Electronics	Corporate Office	Total
Sales	\$30,136	-	\$63,180	-	\$93,316
Costs and expenses	36,022	-	62,860	4,093	102,975

Loss before undernoted	(5,886)	-	320	(4,093)	(9,659)
Interest income	-	-	-	504	504
Interest expense - long term	-	-	(521)	-	(521)
Interest expense - short term	-	-	(180)	(20)	(200)
Income tax recovery	-	-	173	874	1,047
Non-controlling interest	-	-	117	-	117
Net loss	(\$5,886)	-	(\$91)	(\$2,735)	(\$8,712)

Total and identifiable assets	\$8,707	-	\$27,111	\$29,927	\$65,745
Capital expenditures	\$290	-	\$666	\$6	\$962
Depreciation and amortization	\$465	-	\$2,652	\$18	\$3,135
Goodwill	-	-	\$4,910	-	\$4,910

Year Ended November 30, 2007

Sales	\$67,109	-	\$55,632	-	\$122,741
Costs and expenses	66,412	-	57,697	4,139	128,248
Loss before undernoted	697	-	(2,065)	(4,139)	(5,507)
Interest income	-	-	-	845	845
Interest expense - long term	-	-	(578)	(6)	(584)
Interest expense - short term	-	-	-	(30)	(30)
Income tax recovery	-	-	(188)	900	712
Non-controlling interest	-	-	1,596	-	1,596

Loss from continuing operations	697	-	(1,235)	(2,430)	(2,968)
Earnings from discontinued operation, net of income taxes	-	17,692	-	(1,420)	16,272
Net earnings	\$697	\$17,692	(\$1,235)	(\$3,850)	\$13,304

Total and identifiable assets	\$17,699	-	\$20,520	\$32,229	\$70,448
Capital expenditures	\$336	-	\$3,983	\$19	\$4,338
Depreciation and amortization	\$399	-	\$2,977	\$23	\$3,399
Goodwill	-	-	\$4,231	-	\$4,231

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