

## Glendale International reports second quarter financial results

Toronto Stock Exchange Symbol: GIN

OAKVILLE, ON, July 13 /CNW/ - Glendale International Corp. (TSX: GIN) today reported financial results for the second quarter ended May 29, 2009.

Glendale International Corp. reports segmented information in its unaudited interim consolidated financial statements as follows: Recreational Vehicles, Electronics, and Corporate Office. The financial results for the second quarter ended May 29, 2009 and year to date 2009 compared to the same periods in 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 second quarter was \$918,000 compared to net loss of \$135,000 for the second quarter of 2008. Year to date net loss was \$2.1 million compared to a loss of \$330,000 for the same period last year. Sales at Glendale RV were \$3.3 million in the second quarter of 2009 compared to \$6.6 million in 2008. Year to date sales were \$4.7 million compared to \$13.2 million for the same period in 2008. The decrease in sales and increase in net loss for the second quarter and year to date are 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.

#### Travelaire

Net loss for the Travelaire division for the second quarter was \$464,000 compared to a net loss of \$637,000 for the second quarter of 2008. Year to date loss was \$1.0 million compared to \$1.6 million for the same period in 2008. Sales at Travelaire were \$1.2 million in the current quarter compared to \$2.9 million in 2008. Year to date sales were \$4.0 million compared to \$5.3 million in 2008.

The decrease in sales at Travelaire in the second quarter and year to date in 2009 as compared to the same period of 2008 relates to the lack of activity in the resource sector and the economic factors affecting the RV Industry. 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 reduction in net loss in the second quarter and year to date was due to lower production and overhead costs associated with the scale back in production.

With respect to the second quarter of 2009 Mr. Edward Hanna, Chief Executive Officer of Glendale indicated that "the loss during the quarter for the Recreational Vehicle Segment was primarily the result of a significant decline in demand for our recreational vehicle and commercial products due to the unprecedented negative economic environment. The decline in the RV industry appears to be leveling off. Shipments through May 2009 were 59% lower than the same period of 2008. Dr. Richard Curtin, director of consumer surveys at the University of Michigan predicts shipments of 136,500 units in 2009, a decline of 42% and shipments in 2010 of 169,500, an estimated increase of 24%. Curtin says the appeal of the RV lifestyle and its economic value should lead to improved market conditions. We are encouraged by the receipt, in the third quarter, of \$1.5 million in orders at Travelaire and are continuing to bid on business for commercial units. The Corporation is debt free and has working capital of \$13.5 million including cash of \$4.6 million as at May 29, 2009."

#### Electronics (Firan Technology Group Corporation)

FTG's sales in the second quarter of 2009 were \$14.6 million representing a decrease of \$1.8 million or 11% over the second quarter of 2008. Sales were positively impacted by the strengthening of the US dollar which offset a decline in activity across both the circuits and aerospace businesses. The acquisition of Filtran in 2008 resulted in increased revenues of \$1,341,000 in the second quarter of 2008. During the second quarter of 2009 sales for the Circuits division were \$11.7 million representing a decrease of \$1,032,000 or 8% compared to the second quarter of 2008. For the Aerospace division, sales in the second quarter were \$2.9 million compared to \$3.7 million in the second quarter of 2008 representing a decrease of \$792,000 or 21% over the same quarter in 2008.

Net loss before non-controlling interest for the second quarter of 2009 was \$540,000 compared to net earnings before non-controlling interest of \$206,000 in the same quarter of 2008. Net loss before non-controlling interest

year to date was \$607,000 versus \$841,000 for the same period last year. The improvement year to date is due to the elimination of Filtran related restructuring and other costs in 2009, a benefit from the year-over-year impact of the stronger US dollar, offset by lower activity, severance costs and costs related to revaluing certain balance sheet items to the closing exchange rate for the US dollar.

FTG accomplished many goals in the second quarter that continue to improve the Corporation and position it for the future, including:

- Hired Hardeep Heer as VP Engineering and CTO for FTG's Circuits business
- Hired new Q C Manager for FTG Circuits Toronto
- Continued strengthening FTG's technical capabilities through key engineering additions at all three sites
- Strengthened the sales team
- Reduced operating costs through elimination of overtime, staff reductions, implementation of work sharing program and wage reductions for staff not impacted by the above actions
- Renewed lease for FTG Circuits - Toronto facility with an average of 15% savings over the next 5 years
- Completed qualification testing of the Lighting Power Supply for FTG Aerospace
- Shipped first assemblies from FTG Aerospace incorporating higher level hardware and software designs
- Strong improvements in production yields at the Circuit facilities
- Better inventory management and control to improve cash cycle
- Continued higher technology activity across both Circuit sites

"Our second quarter saw some significant challenges for FTG as a result of lower demand and the fluctuations in the US dollar exchange rates. I am proud of the way everyone at FTG pulled together to overcome these obstacles and I sincerely appreciate the sacrifices made by everyone in the Corporation", stated Brad Bourne, President and Chief Executive Officer. "We can't control the global economy but through the dedication of our people, we can remain focused on our strategy of Operational Excellence to improve our internal performance, and to invest in R & D to improve our technological capabilities to grow the business", he added.

For a more detailed analysis of FTG's financial results please access such information at SEDAR. [www.sedar.com](http://www.sedar.com).

#### Corporate Office

Corporate office incurred expenses of \$566,000 during the second quarter of 2009 compared to \$669,000 during the second quarter of 2008. Year to date expenses were \$1,060,000 compared to \$1,401,000 for the same period in 2008. The decrease relates to the continued cost rationalization and the cost savings associated with the downsizing of corporate office during the fourth quarter of 2008.

#### Consolidated Financial Results

Consolidated sales for the second quarter of 2009 were \$19 million compared to \$26 million for the second quarter of last year. Net loss for the first quarter of 2009 was \$2.2 million, or \$0.24 per share, compared to net loss of \$1.45 million, or \$0.16 per share, for the second quarter of 2008.

Consolidated sales year to date were \$38 million compared to \$48.6 million for the same period last year. Net loss was \$4.5 million compared to \$2.6 million for the same period in 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](http://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 and business prospects, and opportunities and trends affecting the recreational vehicles, and electronics industries. Such forward-looking statements reflect current beliefs of management and are based on information currently available. In certain cases, forward-looking statements can be identified by the use of words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative of these or other comparable terminology. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, investors should not place undue reliance on forward-looking information. Any forward-looking statements included in this press release are made as of the date of this press release and Glendale International Corp. assumes no obligation to update or revise them to reflect new events or circumstances.

GLENDALE INTERNATIONAL CORP.  
Interim Consolidated Balance Sheets  
(in thousands of dollars)  
(prepared without audit)

	As at	
	May 29, 2009	November 30, 2008
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CURRENT ASSETS		
Cash	\$ 5,134	\$ 6,538
Accounts receivable	12,620	16,358
Income taxes receivable	501	501
Inventories	17,475	22,816
Deposits and prepaid expenses	1,258	656
Future income taxes	240	-
	37,228	46,869
Note Receivable	1,967	1,967
Accrued Benefit Asset	1,351	1,314
Future Income Taxes	509	880
Property, Plant and Equipment, net of accumulated depreciation	8,849	9,374
Goodwill	4,494	4,910
Other Intangible Assets	407	431
	\$54,805	\$65,745
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CURRENT LIABILITIES		
Bank indebtedness	\$1,747	\$2,977
Accounts payable and accrued liabilities	9,663	14,152
Current portion of long-term debt and capital leases	1,826	1,843
	13,236	18,972
Long-Term Debt and Capital Leases	6,016	6,121
Deferred Gain on Sale of Property	2,028	2,462
	21,280	27,555
Non-Controlling Interest	7,055	7,397
SHAREHOLDERS' EQUITY		
Share capital	1,249	1,249
Share purchase financing	(4,450)	(4,450)
Contributed surplus	10,395	10,216
Accumulated other comprehensive income	310	324
Retained earnings	18,966	23,454
	26,470	30,793
	\$54,805	\$65,745
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GLENDALE INTERNATIONAL CORP.  
Interim Consolidated Statements of Loss  
(in thousands of dollars except per share amounts)  
(prepared without audit)

	Three Months Ended		Six Months Ended	
	May 29, 2009	May 30, 2008	May 29, 2009	May 30, 2008
Sales	\$19,090	\$26,008	\$38,060	\$48,586
Costs and Expenses				
Manufacturing, selling and administration	19,574	25,212	38,803	48,807
Research and development costs	736	1,334	1,860	2,197
Recovery of research and development costs	-	-	(50)	-
(Gain)/loss on sale of property, plant and equipment	-	-	(1)	1
Amortization of deferred gain	(217)	(218)	(434)	(435)
Amortization of intangible assets	12	-	24	-
Depreciation and amortization	717	811	1,461	1,638
Stock based compensation	18	52	69	97
Restructuring costs	231	-	231	208
Foreign exchange loss/(gain)	367	(13)	587	8
	21,438	27,178	42,550	52,521
Loss Before Undernoted	(2,348)	(1,170)	(4,490)	(3,935)
Other (Expenses)/Income				
Interest income	21	55	55	311
Interest expense - long term	(111)	(124)	(233)	(263)
Interest expense - short term	(29)	(59)	(57)	(107)
	(119)	(128)	(235)	(59)
Loss Before Income Taxes and Non-Controlling Interest	(\$2,467)	(\$1,298)	(\$4,725)	(\$3,994)
(Provision for)/recovery of income taxes	(53)	(34)	(105)	938
Loss Before Non-Controlling Interest	(\$2,520)	(\$1,332)	(\$4,830)	(\$3,056)
Non-controlling interest	304	(114)	342	475
Net Loss	(\$2,216)	(\$1,446)	(\$4,488)	(\$2,581)
Basic and Diluted Net Loss per Share	(\$0.24)	(\$0.16)	(\$0.48)	(\$0.28)

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

	Three Months Ended		Six Months Ended	
	May 29, 2009	May 30, 2008	May 29, 2009	May 30, 2008
Operating Activities				
Net loss from continuing operations	(\$2,216)	(\$1,446)	(\$4,488)	(\$2,581)

Items not affecting cash				
Amortization of deferred gain	(217)	(218)	(434)	(435)
Depreciation and amortization	717	811	1,461	1,638
Amortization of intangible assets	12	-	24	-
Stock based compensation expense	18	52	69	97
Future income taxes	90	158	131	(837)
Non-controlling interest (Gain)/loss on sale of property, plant and equipment	(304)	114	(342)	(475)
Increase in accrued benefit asset	-	-	(1)	1
Effect of exchange rates on foreign currency denominated Canadian debt	-	(92)	(37)	(92)
Changes in non-cash operating working capital	(621)	29	(501)	(28)
	1,999	266	3,603	(4,697)
	(522)	(326)	(515)	(7,409)
Investing Activities				
Purchase of property, plant and equipment	(302)	(403)	(1,252)	(567)
Proceeds on sale of property, plant and equipment	-	-	1	-
Restricted cash	-	100	-	201
Acquisition of Filtran Microcircuits Inc.	-	-	-	(1,462)
Share purchase financing	56	111	110	111
	(246)	(192)	(1,141)	(1,717)
Financing Activities				
(Decrease)/increase in bank indebtedness	(1,090)	(826)	(999)	2,667
Proceeds from capital expenditure facility	1,667	501	1,667	501
Repayment of long-term debt and capital leases	(459)	(319)	(925)	(637)
	118	(644)	(257)	2,531
Effect of foreign exchange rates on cash	733	59	509	58
Increase/(decrease) in cash	83	(1,103)	(1,404)	(6,537)
Cash, Beginning of Period	5,051	12,109	6,538	17,543
Cash, End of Period	\$5,134	\$11,006	\$5,134	\$11,006
Supplemental cash flow information:				
Payments for interest	\$138	\$135	\$286	\$369
Payments for income taxes	\$2	-	\$4	\$2
Refunds for income taxes	-	\$1,205	-	\$1,205

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

OPERATING SEGMENTS				
Three Months Ended May 29, 2009	Recreational Vehicles	Electronics	Corporate Office	Total
Sales	\$4,456	\$14,634	-	\$19,090
Costs and expenses	5,838	15,034	566	21,438
Loss before undernoted	(1,382)	(400)	(566)	(2,348)
Interest income	-	-	21	21
Interest expense - long term	-	(111)	-	(111)

Interest expense - short term	-	(27)	(2)	(29)
Income tax provision	-	(2)	(51)	(53)
Non-controlling interest	-	304	-	304
Net loss	(\$1,382)	(\$236)	(\$598)	(\$2,216)

Total and identifiable assets	\$14,064	\$22,129	\$18,612	\$54,805
Capital expenditures	\$7	\$295	-	\$302
Depreciation and amortization	\$98	\$617	\$2	\$717
Goodwill	-	\$4,494	-	\$4,494

Three Months Ended  
May 30, 2008

Sales	\$9,550	\$16,458	-	\$26,008
Costs and expenses	10,322	16,187	669	27,178
Loss before undernoted	(772)	271	(669)	(1,170)
Interest income	-	-	55	55
Interest expense - long term	-	(124)	-	(124)
Interest expense - short term	-	(52)	(7)	(59)
Income tax provision	-	111	(145)	(34)
Non-controlling interest	-	(114)	-	(114)
Net loss	(\$772)	\$92	(\$766)	(\$1,446)

Total and identifiable assets	\$13,775	\$23,573	\$31,228	\$68,576
Capital expenditures	\$108	\$295	-	\$403
Depreciation and amortization	\$126	\$681	\$4	\$811
Goodwill	-	\$4,618	-	\$4,618

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

OPERATING SEGMENTS

Six Months Ended May 29, 2009	Recreational Vehicles	Electronics	Corporate Office	Total
Sales	\$8,732	\$29,328	-	\$38,060
Costs and expenses	11,844	29,646	1,060	42,550
Loss before undernoted	(3,112)	(318)	(1,060)	(4,490)
Interest income	-	-	55	55
Interest expense - long term	-	(233)	-	(233)
Interest expense - short term	-	(52)	(5)	(57)
Income tax provision	-	(4)	(101)	(105)
Non-controlling interest	-	342	-	342
Net loss	(\$3,112)	(\$265)	(\$1,111)	(\$4,488)

Total and identifiable assets	\$14,064	\$22,129	\$18,612	\$54,805
Capital expenditures	\$41	\$1,211	-	\$1,252
Depreciation and amortization	\$196	\$1,261	\$4	\$1,461
Goodwill	-	\$4,494	-	\$4,494

Six Months Ended  
May 30, 2008

Sales	\$18,530	\$30,056	-	\$48,586
Costs and expenses	20,447	30,673	1,401	52,521
Loss before undernoted	(1,917)	(617)	(1,401)	(3,935)
Interest income	-	-	311	311
Interest expense - long term	-	(263)	-	(263)
Interest expense - short term	-	(95)	(12)	(107)

Income tax recovery	-	134	804	938
Non-controlling interest	-	475	-	475
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Net loss	(\$1,917)	(\$366)	(\$298)	(\$2,581)
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Total and identifiable assets	\$13,775	\$23,573	\$31,228	\$68,576
Capital expenditures	\$171	\$396	-	\$567
Depreciation and amortization	\$248	\$1,381	\$9	\$1,638
Goodwill	-	\$4,618	-	\$4,618

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For further information: Edward C. Hanna, Chief Executive Officer and Chairman, Glendale International Corp., (905) 844-2870, (289) 291-4001 fax, Email : [ehanna@glendaleint.com](mailto:ehanna@glendaleint.com); Murray Hannan, Chief Financial Officer, Glendale International Corp., (905) 844-2870, (289) 291-4001 fax, Email: [mhannan@glendaleint.com](mailto:mhannan@glendaleint.com)