



MOSAID Technologies Incorporated

For Immediate Release

MOSAID Reports Results for Fourth Quarter and Year-End Fiscal 2009 and Dividend

*Records highest patent licensing revenues in Company's history
Quarterly dividend of \$0.25 per share payable on July 23, 2009*

OTTAWA, Ontario – June 25, 2009 – MOSAID Technologies Incorporated (TSX:MSD) today announced financial results for the fourth quarter and fiscal year ended April 30, 2009.

Q4 Fiscal 2009 Results

- Q4 revenues of \$18.0 million, up 6% from \$17.0 million in Q4 fiscal 2008
- Q4 pro forma income of \$7.7 million or \$0.75 per diluted share, up 26% from \$6.1 million or \$0.57 per diluted share in Q4 fiscal 2008
- Q4 GAAP net income of \$5.6 million or \$0.55 per diluted share, up 4% from \$5.4 million or \$0.50 per diluted share in Q4 fiscal 2008

Fiscal Year 2009 Results

- Fiscal year 2009 revenues of \$62.5 million, up 14% from \$55.1 million in fiscal year 2008
- Fiscal year 2009 pro forma income of \$21.2 million or \$2.05 per diluted share, up 5% from \$20.2 million or \$1.83 per diluted share in fiscal year 2008
- Fiscal year 2009 GAAP net income of \$5.8 million or \$0.57 per diluted share, compared to \$18.5 million or \$1.67 per diluted share in fiscal year 2008

"In fiscal 2009, the Company earned the highest level of patent licensing revenues in its history and was profitable for a fifth consecutive year," said John Lindgren, President and CEO, MOSAID. "This year we signed a record number of patent license agreements and delivered on our financial and operational targets, including signing our first wireless handset license and our first microcomponent license. We doubled the size of MOSAID's portfolio to over 1,700 patents and applications, and greatly increased the deal pipeline – we're now in communication with more than 100 companies. Our results demonstrated that MOSAID's intellectual property business, with its focus on licensing patents into multiple technology markets and investing in innovation, can deliver revenue growth, substantial profits and consistent dividends, even during a severe recession."

"With MOSAID now earning revenues from four different patent licensing programs, we are well positioned to grow the business in fiscal 2010 and in future years," said Lindgren. "The hallmark elements of MOSAID's growth strategy are our diversified approach to patent licensing, our acquisition of rigorously selected intellectual property assets, and reasonable investment in R&D to generate new patents and potential technology licensing revenues. During fiscal 2010, we will remain focused on revenue growth, returning cash to shareholders, and controlling operating expenses in a challenging economic environment."

MOSAID had cash and marketable securities of \$51.8 million at the end of the fourth quarter of fiscal 2009, compared to \$62.2 million at the end of the third quarter of fiscal 2009. In Q4 fiscal 2009, MOSAID returned \$2.5 million to shareholders in quarterly dividend payments. For the full fiscal year, the Company returned \$18.7 million to shareholders: \$10.3 million via dividends, and \$8.4 million via share buybacks.

On June 25, 2009, MOSAID declared a quarterly dividend of \$0.25 per share. The dividend, which is an eligible dividend, is payable on July 23, 2009 to shareholders of record as of July 9, 2009.

A reconciliation of pro forma income to Canadian generally accepted accounting principles (GAAP) net income is included in the Notes to the Financial Statements accompanying this press release.

Fourth Quarter Operational Highlights

Semiconductor patent licensing: MOSAID signed separate license agreements with NXP B.V. of the Netherlands and Oki Semiconductor Co., Ltd. (Oki) of Japan. The running royalty patent portfolio license granted to NXP added an additional five years, on the same terms and conditions, to the license first signed in April 2004, and covers embedded Dynamic Random Access Memory (DRAM) used in NXP's semiconductor products. The five-year running royalty patent license agreement signed with Oki licenses the company's DRAM and embedded DRAM products under MOSAID's patents.

Wireless patent licensing: MOSAID announced patent license agreements with two U.S.-based vendors of wireless networking equipment. The Wi-Fi products made by the unnamed companies, including wireless access points, are licensed under MOSAID's patents for five-year and four-year terms, respectively. MOSAID has licensed its wireless patent portfolio to seven companies in the past 14 months.

Communications patent licensing: As part of its diversified patent licensing strategy, MOSAID acquired full title to a significant portfolio of 300 communications patents from SercoNet Ltd. of Israel. Within 10 weeks, MOSAID signed the first license to the new portfolio, granting a five-year term license to a U.S.-based provider of Internet Protocol (IP) telephone systems.

Patent portfolio: MOSAID's portfolio comprised 1,709 patents and applications at the end of the fourth quarter of fiscal 2009, up 99% from 860 patents and applications one year ago.

Q1 and Fiscal 2010 Guidance

Management offers the following guidance for the first quarter of fiscal 2010:

- Q1 revenues of \$15.0 million to \$16.0 million
- Q1 pro forma income of \$5.7 million to \$5.9 million, or \$0.55 to \$0.57 per diluted share, based on 10.4 million diluted shares

The Company is guiding for the following financial results in fiscal 2010:

- Fiscal 2010 revenues in the range of \$65.0 million to \$67.0 million
- Fiscal 2010 pro forma income of \$21.5 million to \$22.5 million, or \$2.07 to \$2.17 per diluted share, based on 10.4 million diluted shares

MOSAID's revenues result primarily from intellectual property agreements, which by their nature may actually close on dates other than those projected. MOSAID's priority and focus is on

obtaining the best terms possible under its agreements, rather than on the particular timing of agreement closure. MOSAID's revenues depend upon, among other items, the continued ability of its licensees to pay amounts as they become due. The Company takes steps, including monitoring the creditworthiness of its licensees, in order to manage this risk.

Conference Call and Webcast

*Management will hold a conference call and webcast on **Thursday, June 25, 2009 at 5:00 p.m. EDT**. The webcast will be live at www.mosaid.com and may also be accessed by dialing 1-800-447-0521. The webcast will be available on mosaid.com for 90 days following the event.*

About MOSAID

MOSAID Technologies Inc. is one of the world's leading intellectual property companies. MOSAID develops semiconductor memory technology and licenses patented intellectual property in the areas of semiconductors, and telecommunications systems. MOSAID counts many of the world's largest semiconductor companies among its licensees. Founded in 1975, MOSAID is based in Ottawa, Ontario.

Pro forma income, a non-GAAP measure, is GAAP net income adjusted for stock-based compensation, patent amortization and imputed interest, foreign exchange gains and losses on "Other long-term liabilities," and any other non-recurring items. The Company uses pro forma measures internally to evaluate and manage operating performance, and to forecast and plan. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

Forward Looking Information

This document and certain other public documents incorporated by reference in this document, contain forward-looking statements to the extent they relate to MOSAID or its management, including those identified by the expressions "anticipate," "believe," "foresee," "estimate," "expect," "intend," "could," "may," "plan," "will," "would" and similar expressions. Similarly, statements in this document that describe MOSAID's business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. These forward-looking statements are not historical facts, but rather reflect MOSAID's current expectations regarding future events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results, performance or achievements to differ materially from those in such forward-looking statements. Assumptions made in preparing forward-looking statements and financial guidance include, but are not limited to, the following: MOSAID's continued expansion of its patent portfolio and of its opportunities for future patent licensing revenue as a result of MOSAID's acquisition of patents from third parties and from development of new inventions; DRAM manufacturers continuing to infringe MOSAID's patents; the timing and amount of MOSAID's litigation expenses; MOSAID's ability to sign new patent licensees; current assumptions as to the identification of products that are unlicensed to MOSAID's wireless patents; and the timing and amount of MOSAID's Research & Development expenses.

Factors that could cause actual results to differ materially from expected results include, but are not limited to, the following: the extent of embedded DRAM proliferation in the System-on-a-Chip markets; legal rulings and/or regulatory investigations or complaints having an adverse impact on the validity, enforceability, potential royalty rates, and strength or breadth of coverage of MOSAID's essential and/or nonessential patents (including, but not limited to, adverse results from litigation or proceedings in patent offices and government regulatory agencies in various countries around the world); judicial, legislative or regulatory changes that impair the ability of patent holders to earn licensing revenues; economic, social, and political conditions in the countries in which MOSAID or patent licensees operate, including security risks, health conditions, possible disruptions in transportation networks and fluctuations in foreign currency exchange rates; non-payment or delays in payment by, or insolvency of, licensees or other debtors; variability in patent licensees' sales of licensed products, failure to maintain and enforce MOSAID's existing patent portfolio, or failure to obtain valuable patents as a result of research and development activities, or failure to acquire valuable patents from third parties; MOSAID's ability to recruit and retain skilled personnel; change in MOSAID's financial position; consolidation of MOSAID's licensees; natural events, such as severe weather and earthquakes in the locations in which MOSAID or patent licensees operate; and changes in the tax rate applicable to MOSAID as the result of changes in the tax law in the jurisdictions in which profits are determined to be earned and taxed, the outcome of tax audits and the ability to realize deferred tax assets.

MOSAID assumes no obligation to update or revise any forward-looking statements. Additional information identifying risks and uncertainties affecting MOSAID's business and other factors that could cause MOSAID's financial results to fluctuate are contained in MOSAID's Annual Information Form, under the section entitled "Risk Factors," and in MOSAID's other public filings available online at www.sedar.com.

Investor and Media Inquiries

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FINANCIAL STATEMENTS AND NOTES TO FOLLOW

MOSAID Technologies Incorporated
Unaudited Consolidated Financial Statements
For the Quarter Ended April 30, 2009

The attached consolidated financial statements have been prepared by Management of MOSAID Technologies Incorporated and have not been reviewed by an auditor.

MOSAID TECHNOLOGIES INCORPORATED

(Subject to the Canada Business Corporations Act)

CONSOLIDATED PRO FORMA STATEMENTS OF OPERATIONS

(In thousands of Canadian Dollars, except per share amounts)

(Unaudited)

	Quarter Ended April 30,		Year Ended April 30,	
	2009	2008	2009	2008
Revenues	\$18,036	\$16,959	\$62,538	\$55,072
Operating expenses				
Patent portfolio management	1,476	1,246	5,048	4,834
Patent licensing and litigation	2,801	5,261	21,230	13,643
Research and development	660	603	2,274	2,351
General and administration	1,111	870	4,406	4,293
Foreign exchange loss (gain)	708	91	(369)	606
	6,756	8,071	32,589	25,727
Pro forma income from operations	11,280	8,888	29,949	29,345
Net interest income	173	562	1,621	2,130
Pro forma income before income tax	11,453	9,450	31,570	31,475
Income tax expense	3,779	3,362	10,418	11,242
Pro forma income (Note 7)	\$ 7,674	\$ 6,088	\$21,152	\$20,233
Pro forma earnings per share				
Basic	\$0.75	\$0.57	\$2.05	\$1.85
Diluted	\$0.75	\$0.57	\$2.05	\$1.83
Weighted average number of shares				
Basic	10,184,323	10,721,721	10,324,043	10,962,648
Diluted	10,190,438	10,770,415	10,337,827	11,057,861

See accompanying Notes to the Consolidated Financial Statements

MOSAID TECHNOLOGIES INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
(In thousands of Canadian Dollars, except per share amounts)
(Unaudited)

	Quarter Ended April 30,		Year Ended April 30,	
	2009	2008	2009	2008
Revenues	\$18,036	\$16,959	\$62,538	\$55,072
Operating expenses				
Patent portfolio management	1,476	1,246	5,048	4,834
Patent licensing and litigation	2,801	5,261	21,230	13,643
Research and development	660	603	2,274	2,351
General and administration	1,111	870	4,406	4,312
Foreign exchange (gain) loss	(377)	367	6,791	(3,393)
Stock-based compensation	240	153	790	550
Patent amortization and imputed interest	3,881	3,254	13,881	13,223
	9,792	11,754	54,420	35,520
Income from operations	8,244	5,205	8,118	19,552
Net interest income (Note 4)	173	562	1,621	2,130
Income before income tax expense and discontinued operations	8,417	5,767	9,739	21,682
Income tax expense	2,942	1,854	4,923	10,827
Income before discontinued operations	5,475	3,913	4,816	10,855
Discontinued operations income (net of tax) (Note 6)	146	1,512	1,029	7,619
Net income	5,621	5,425	5,845	18,474
Dividends	2,546	2,680	10,320	10,958
Normal course issuer bid	-	173	3,215	5,120
Retained earnings, beginning of period	8,532	16,725	19,297	16,901
Retained earnings, end of period	\$11,607	\$19,297	\$11,607	\$19,297
Earnings per share (Note 5)				
Basic – before discontinued operations	\$0.54	\$0.36	\$0.47	\$0.99
Diluted – before discontinued operations	\$0.54	\$0.36	\$0.47	\$0.98
Basic – net earnings	\$0.55	\$0.51	\$0.57	\$1.69
Diluted – net earnings	\$0.55	\$0.50	\$0.57	\$1.67
Weighted average number of shares				
Basic	10,184,323	10,721,721	10,324,043	10,962,648
Diluted	10,190,438	10,770,415	10,337,827	11,057,861

See accompanying Notes to the Consolidated Financial Statements

MOSAID TECHNOLOGIES INCORPORATED
CONSOLIDATED BALANCE SHEETS
(In thousands of Canadian Dollars)
(Unaudited)

	As at April 30, 2009	As at April 30, 2008
Current Assets		
Cash and cash equivalents	\$ 32,899	\$ 22,133
Marketable securities	18,888	36,246
Accounts receivable	10,434	12,304
Prepaid expenses	759	486
Other asset	446	-
Future income taxes recoverable	11,519	11,015
	74,945	82,184
Capital assets	563	957
Acquired intangible assets	79,402	70,130
Future income taxes recoverable	17,549	16,988
	\$172,459	\$170,259
Current Liabilities		
Accounts payable and accrued liabilities	\$6,341	\$7,723
Income tax payable	1,432	356
Deferred revenue	3,432	1,146
Other liability	-	318
Current portion of other long-term liabilities	20,869	5,345
	32,074	14,888
Deferred gain on sale-leaseback	1,039	1,797
Other long-term liabilities	28,799	31,195
	61,912	47,880
Shareholders' Equity (Note 3)		
Share capital	94,741	100,403
Contributed surplus	3,753	2,997
Retained earnings	11,607	19,297
Accumulated other comprehensive income	446	(318)
	110,547	122,379
	\$172,459	\$170,259

See accompanying Notes to the Consolidated Financial Statements

MOSAID TECHNOLOGIES INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of Canadian Dollars)
(Unaudited)

	Quarter Ended April 30,		Year Ended April 30,	
	2009	2008	2009	2008
Operating				
Income before discontinued operations	\$ 5,475	\$ 3,913	\$ 4,816	\$ 10,855
Items not affecting cash				
Amortization of capital assets and acquired intangible assets	2,916	2,472	10,320	9,653
Stock-based compensation	240	153	790	550
Loss on disposal of capital assets	-	95	76	95
Unrealized foreign exchange (gain) loss on other long-term investments	(1,709)	(3,999)	6,536	(3,999)
Future income tax	1,560	1,691	(1,065)	6,743
	8,482	4,325	21,473	23,897
Change in non-cash working capital items from continuing operations	(6,364)	(3,083)	(745)	(9,341)
	2,118	1,242	20,728	14,556
Investing				
Acquisition of capital assets and acquired intangible assets	1,426	1,036	(9,152)	(1,708)
Acquisition of short-term marketable securities	-	(2,906)	(60,135)	(119,460)
Proceeds on disposal/maturity of short-term marketable securities	(100)	77	77,493	110,090
	1,326	(1,793)	8,206	(11,078)
Financing				
Repayment of mortgage	-	-	-	(4,346)
Increase in long-term liabilities	(11,176)	(1,632)	(3,633)	(4,081)
Repurchase of shares	-	(364)	(8,415)	(10,324)
Dividends	(2,546)	(2,680)	(10,320)	(10,958)
Funding of Restricted Share Unit Plan	(107)	-	(825)	-
Issue of common shares	26	63	268	2,702
	(13,803)	(4,613)	(22,925)	(27,007)
Net cash (outflow) inflow from continuing operations	(10,359)	(5,164)	6,009	(23,529)
Net cash (outflow) inflow from discontinued operations	(186)	9,885	4,757	22,266
Net cash (outflow) inflow	(10,545)	4,721	10,766	(1,263)
Cash and cash equivalents, beginning of period	43,444	17,412	22,133	23,396
Cash and cash equivalents, end of period	\$32,899	\$22,133	\$32,899	\$22,133

See accompanying Notes to the Consolidated Financial Statements

MOSAID TECHNOLOGIES INCORPORATED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of Canadian Dollars)
(Unaudited)

	Quarter Ended		Year Ended	
	April 30,		April 30,	
	2009	2008	2009	2008
Net income	\$5,621	\$5,425	\$5,845	\$18,474
Other comprehensive income, net of tax:				
Gains (losses) on derivatives designated as cash flow hedges	(779)	(54)	(2,602)	846
Gains (losses) on derivatives designated as cash flow hedges in prior periods transferred to net income in the current period	1,683	(302)	3,366	(1,164)
Other comprehensive income (loss)	904	(356)	764	(318)
Comprehensive income	\$6,525	\$5,069	\$6,609	\$18,156

See accompanying Notes to the Consolidated Financial Statements

MOSAID TECHNOLOGIES INCORPORATED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Quarter ended April 30, 2009 and 2008

(tabular dollar amounts in thousands of Canadian Dollars, except per share amounts)

1. Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with Canadian generally accounting principles (GAAP) for interim financial information. Accordingly, they do not include all of the information and notes required by GAAP for annual financial statements.

In the opinion of management, all adjustments consisting of normal recurring adjustments, considered necessary for a fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the interim period presented are not necessarily indicative of the results to be expected for any subsequent quarter or for the full fiscal year ending April 30, 2009.

2. Adoption of New Accounting Standards

Effective January 1, 2008 the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants

The accounting policies used in preparing these interim financial statements are consistent with those used in preparing the annual financial statements, except as follows:

Capital Management

Section 1535, Capital Disclosures, requires the Company to disclose information about the Company's objectives, policies and procedures for the management of its capital.

Financial Instruments - Disclosures and Presentation

Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation replace section 3861, Financial Instruments - Disclosure and Presentation. These sections require the disclosure of information with regards to the significance of financial instruments for the Company's financial position and performance and the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the balance sheet date, and how the Company manages those risks.

Financial instrument classification is as follows:

Cash and marketable securities	Held-for-trading
Accounts receivable	Loans and receivables
Derivative assets and liabilities	Held-for-trading
Accounts payable and accrued liabilities	Other liabilities
Long-term liabilities	Other liabilities

3. Shareholders' equity and other comprehensive income

The following are the changes in shareholders' equity for the year ended April 30, 2009

	Common shares (number)	Common shares (\$)	Contributed surplus (\$)	Retained earnings (\$)	Accumulated other comprehensive income (\$)	Total (\$)
Balance at April 30, 2008	10,719,807	\$100,403	\$2,997	\$19,297	(\$318)	\$122,379
Net income				5,845		5,845
Dividends				(10,320)		(10,320)
Employee and Director Stock Option Plan	14,713	222	(68)			154
Employee and Director Stock Purchase Plan	8,951	142	34			176
Stock-based compensation		(826)	790			(36)
Normal course issuer bid	(559,148)	(5,200)		(3,215)		(8,415)
Other comprehensive income					764	764
Balance at April 30, 2009	10,184,323	\$94,741	\$3,753	\$11,607	\$446	\$110,547

4. Net Interest Income

Net interest income comprises the following:

	Quarter Ended April 30,		Year Ended April 30,	
	2009	2008	2009	2008
Interest income	\$173	\$562	\$1,621	\$2,361
Interest expense	-	-	-	231
	\$173	\$562	\$1,621	\$2,130

5. Earnings per Share

The following is a reconciliation of the numerator and denominator of the basic and diluted per share computations:

	Quarter Ended April 30,		Year Ended April 30,	
	2009	2008	2009	2008
Income before discontinued operations	\$5,475	\$3,913	\$4,816	\$10,855
Discontinued operations (net of tax)	146	1,512	1,029	7,619
Net income	\$5,621	\$5,425	\$5,845	\$18,474
Weighted average number of common shares outstanding	10,184,323	10,721,721	10,324,043	10,962,648
Net effect of stock options	6,115	48,694	13,784	95,213
Weighted average diluted number of common shares outstanding	10,190,438	10,770,415	10,337,827	11,057,861

	Quarter Ended April 30,		Year Ended April 30,	
	2009	2008	2009	2008
Earnings per share				
Basic – before discontinued operations	\$0.54	\$0.36	\$0.47	\$0.99
Diluted – before discontinued operations	\$0.54	\$0.36	\$0.47	\$0.98
Basic - net income	\$0.55	\$0.51	\$0.57	\$1.69
Diluted - net income	\$0.55	\$0.50	\$0.57	\$1.67

For the quarter ended April 30, 2009 and April 30, 2008, 450,245 and 261,331 options respectively were excluded from the calculation of diluted earnings per share as the exercise price of these options exceeded the average market price of the Company's common stock during this period and were therefore anti-dilutive.

For the year ended April 30, 2009 and April 30, 2008, 259,606 and 258,331 options respectively were excluded from the calculation of diluted earnings per share as the exercise price of these options exceeded the average market price of the Company's common stock during this period and were therefore anti-dilutive.

There were 564,595 and 396,519 options issued and outstanding as at April 30, 2009 and April 30, 2008 respectively.

6. Discontinued operations

	Quarter Ended April 30,		Year Ended April 30,	
	2009	2008	2009	2008
Revenues	-	\$163	\$ 156	\$ 926
Expenses				
Research and development	68	(268)	104	1,219
Selling and marketing	-	(4)	5	1,026
Restructuring	-	(135)	-	31
	68	(407)	109	2,276
(Loss) income from operations	(68)	570	47	(1,350)
Gain on sale of assets	297	903	1,163	10,198
Gain earnings before tax	229	1,473	1,210	8,848
Income tax expense (recovery)	83	(39)	181	1,229
Discontinued operations (net of tax)	\$146	\$1,512	\$1,029	\$7,619

7. Reconciliation of pro forma income with GAAP net income

	Quarter Ended April 30,		Year Ended April 30,	
	2009	2008	2009	2008
GAAP net income	\$5,621	\$5,425	\$ 5,845	\$18,474
Add (deduct):				
Stock-based compensation	240	153	790	550
Patent amortization and imputed interest	3,881	3,254	13,881	13,223
Restructuring	-	-	-	19
Foreign exchange (gain) loss	(1,084)	276	7,161	(3,999)
Income tax expense - for the above items	(1,104)	(1,508)	(5,762)	(3,584)
Future income tax revaluation	266	-	266	3,169
Discontinued operations (net of tax)	(146)	(1,512)	(1,029)	(7,619)
Pro forma income	\$7,674	\$6,088	\$21,152	\$20,233

8. Stock-based Compensation

The Company has an Employee Stock Purchase Plan whereby employees may elect to designate up to 5% of their annual salary to purchase shares of the Company at a 10% discount from the fair market value. The purchase price is deducted over a six month period via payroll.

Also, the Company has an Employee and Director Stock Option Plan. The exercise price is no lower than the market price on the date of grant. Options granted under the Plan expire within a period of six years of granting, with vesting periods determined by the Human Resources Committee.

The Company employs a fair value method of accounting for all options issued to employees or directors on or after April 26, 2002. The fair value of options issued in the quarter was calculated using the Black-Scholes option pricing model and the following assumptions:

	Year Ended April 30,	
	2009	2008
Risk free interest rate	2.7%	2.9%
Expected life in years	5.5	5.5
Expected dividend yield	8.6%	6.2%
Volatility	43.26%	53.81%

For the quarter ended April 30, 2009, the Company did not issue Deferred Share Units (DSU) in lieu of options to directors and officers of the Company under its Deferred Share Unit Plan. DSUs vest evenly over a four year period. DSUs do not have an exercise price and can only be settled using cash consideration.

The Company implemented a Restricted Share Unit (RSU) Plan (RSU Plan) for certain employees in October 2008, and granted 10,000 RSUs under the RSU Plan during the quarter ended April 30, 2009. The RSUs vest over three years. Under the RSU Plan, units are settled using common shares of the Company at no additional cost to the employee. During fiscal year 2009, the Company funded an independent trustee to purchase the required shares and to provide custodial services. The Company recognizes compensation expense, as measured by the purchase price of the shares, over the vesting period.

9. Financial Instruments

The Company has exposure to the following risks from its use of financial instruments: credit risk, market and liquidity risk.

Credit Risk

Credit risk is the risk of financial loss to the Company if a licensee or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivable and its foreign exchange contracts.

The Company provides credit to certain licensees in the normal course of its operations. The Company's credit risk review includes performing periodic credit evaluations of its most significant licensees. In certain circumstances, the Company may utilize letters of guarantee or credit insurance to mitigate certain credit risks. The Company's licensees are, for the most part, large national and international public companies. Due to the nature of the Company's operations, provisions for doubtful accounts are made on a licensee-by-licensee basis, based upon on-going review of licensee financial status.

Many of the Company's current licensees operations are focused in the semiconductor industry. The semiconductor industry, particularly in the DRAM memory segment has been suffering for some time from economical difficulties due to pricing pressure as a result of over supply of memory devices. During Q3 and Q4 fiscal 2009 Qimonda AG, a company representing more than 10% of the Company's consolidated revenues, defaulted on its payments due to the Company. The Company has in place a credit insurance policy which covers 90% of those payments and the following two quarterly payments. As a result, the Company has recorded as revenue 90% of the current amount due from Qimonda AG, which is expected to be recovered via insurance.

Also, during Q3 and Q4 fiscal 2009, two other licensees defaulted on payments due. The Company has recorded the amounts as accounts receivable but has deferred the related revenue due to the collectibility issues. At this time, management has not recorded an allowance for doubtful account.

Due to the long-term nature of the Company's licensing arrangements and the prolonged downturn in the semiconductor industry, in certain circumstances, the Company may not be able to obtain at reasonable cost credit insurance or other forms of credit risk migration instruments. A default of the remaining payments by one of the Company's major licensees could have a materially adverse impact on the Company's future revenues, earnings, cash flow and financial position.

The Company limits its exposure to credit risk from counter-parties to derivative instruments by dealing only with major financial institutions. Management does not expect any counter-parties to fail to meet their obligations.

The Company invests its excess cash in investment grade securities with a maturity date not exceeding 12 months. The Company relies upon the credit rating of the counter-party to limit its credit risk. The Company does not invest in asset-backed commercial paper.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$32,899	\$22,133
Marketable securities	18,888	36,246
Accounts receivable	10,434	12,304
Other asset (liability)	446	(318)
	<u>\$62,667</u>	<u>\$70,365</u>

The aging of accounts receivable at the reporting date was:

	<u>2009</u>	<u>2008</u>
Current	\$2,676	\$12,101
Past due	7,758	203
	<u>\$10,434</u>	<u>\$12,304</u>

As previously noted, the Company believes there are minimal requirements for an allowance for doubtful accounts.

Marketable securities comprise the following:

	<u>2009</u>	<u>2008</u>
Bonds & debentures	\$13,099	\$18,980
Discount notes	5,789	17,266
	<u>\$18,888</u>	<u>\$36,246</u>

The carrying values of bonds and debentures and discount notes include accrued interest and approximate market value. Investments in bonds and debentures and discount notes represent holdings in corporate and government short-term marketable securities as at April 30, 2009 and April 30, 2008 and have a maturity date of one year or less.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holding of financial instruments.

Foreign Exchange Risk

The Company's revenues are denominated primarily in U.S. dollars, giving rise to exposure to market risks from changes in foreign exchange rates. The Company is exposed to foreign currency fluctuations on its accounts receivable and future cash flows related to licensing arrangements denominated in U.S. dollars, as well as certain operating expenses and its other long-term liabilities obligations.

The Company's foreign exchange risk management includes the use of foreign exchange forward contracts to fix the exchange rates on certain foreign currency exposures. The Company's objective is to manage and control exposures and secure the Company's profitability on existing contracts and anticipated future cash flows. The Company does not utilize derivative instruments for trading or speculative purposes. The Company formally documents all relationships between derivative instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives to specific firm contractually related commitments or anticipated transactions.

The Company also formally assesses, both at the inception and on an on-going basis, whether the derivatives that are used in hedging transactions are highly effective in off-setting changes in fair values or cash flows of hedged items. Hedge ineffectiveness is insignificant.

The forward foreign exchange contracts primarily require the Company to sell U.S. dollars for Canadian dollars at contractual rates. The Company had the following forward exchange contracts.

(In thousands of dollars)					2008
Type	Notional	Currency	Maturity	Equivalent to CDN dollars	Fair Value
Sell	\$ 6,400	USD	< 3 months	\$ 6,222	\$(141)
Sell	\$18,700	USD	3-12 months	\$18,656	\$(123)
Buy	\$ 4,000	USD	3-12 months	\$ 4,117	\$(54)
					<hr/> \$(318)

(In thousands of dollars)					2009
Type	Notional	Currency	Maturity	Equivalent to CDN dollars	Fair Value
Sell	\$ 8,500	USD	< 3 months	\$10,576	\$ 289
Sell	\$18,600	USD	3-12 months	\$23,099	\$ 640
Buy	\$ 5,000	USD	< 3 months	\$(6,328)	\$(240)
Buy	\$ 5,000	USD	3-12 months	\$(6,114)	\$(117)
Buy	\$ 5,000	USD	> 12 months	\$(6,093)	\$(126)
					<hr/> \$ 446

A one cent strengthening (weakening) of the U.S. dollar against the Canadian dollar would have decreased (increased) other comprehensive income by approximately \$171,000; pro forma income would have increased (decreased) by approximately \$104,000.

Interest Rate Risk

The Company is exposed to interest rate risk due to its holdings of interest-bearing marketable securities. It is the Company's policy to invest in securities with a maturity date of 12 months or less and Company practice to hold such securities, when possible, until maturity. A 1% increase (decrease) to the interest rate would result in an approximate \$68,000 decrease (increase) in the fair value of the investments held as at the reporting date.

The Company is also exposed to interest rate risk due to its imputed interest on other long-term liabilities.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. At April 30, 2009, the Company had \$51.8 million of cash and marketable securities and has a secured bank credit facility of \$10.0 million, less off balance sheet arrangements as described in Note 18 to meet liabilities when due. The credit facility is collateralized by a general security agreement and contains no covenants.

All of the Company's financial liabilities, except for its "other long-term liabilities" and operating lease for its premise have contractual maturities of less than 30 days.

Fair Value

The fair values of cash and cash equivalents, marketable securities, accounts receivable, accounts payable and accrued liabilities approximates their carrying values due to their short-term maturity. The recorded amounts of long-term monetary liabilities approximate fair value, estimated by discounting expected cash flows at rates currently offered to the Company for debts of the same remaining maturities and conditions.

The fair value of the forward exchange contracts reflects the cash flow due to or from the Company if settlement had taken place on the reporting date.

The fair value of employee and director deferred stock units is determined using the market price of the Company's common stock on the reporting date.

10. Business Segment Information

The Company operates in one business segment as a developer and licensor of semiconductor and communications technologies.

11. International Financial Reporting Standards

The Accounting Standards Board of Canada (AcSB) plans to converge Canadian GAAP for publicly accountable enterprises with International Financial Reporting Standards (IFRS) over a transition period that will end effective January 1, 2011 with the adoption of IFRS. The AcSB announced on February 13, 2008 that IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. The changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Starting with the first quarter of fiscal 2012, the Company will provide unaudited consolidated financial information in accordance with IFRS including comparative figures for fiscal 2010.

The Company has completed a preliminary assessment of the accounting and reporting differences under IFRS as compared to Canadian GAAP. However, management has not yet finalized its determination of the impact of these differences on the consolidated financial statements. As this assessment is finalized, the Company intends to disclose such impacts in its future consolidated financial statements.

In the period leading up to the changeover, the AcSB will continue to issue accounting standards that are converged with IFRS, thus mitigating the impact of adopting IFRS at the changeover date. The International Accounting Standards Board will also continue to issue new accounting standards during the conversion period and, as a result the final impact of IFRS on the Company's consolidated financial statements will only be measured once all the IFRS applicable at the conversion date are known.

12. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.