



MOSAID Technologies Incorporated

For Immediate Release

MOSAID Reports Results for Fourth Quarter and Year-End Fiscal 2010 and Dividend

Quarterly dividend of \$0.25 per share payable on July 22, 2010

OTTAWA, Ontario – June 10, 2010 – MOSAID Technologies Incorporated (TSX:MSD) today announced financial results for the fourth quarter and fiscal year ended April 30, 2010.

Q4 Fiscal 2010 Results

- Q4 revenues of \$19.9 million exceeded guidance, and rose 10% from \$18.0 million in Q4 fiscal 2009
- Q4 pro forma net income of \$8.6 million exceeded guidance, and was up 12% from \$7.7 million in Q4 fiscal 2009. Pro forma diluted EPS of \$0.74, based on 11.6 million diluted shares, compared to \$0.75 per diluted share in Q4 fiscal 2009, based on 10.2 million diluted shares
- Q4 GAAP net income of \$8.1 million increased 43% from \$5.6 million in Q4 fiscal 2009. GAAP diluted EPS of \$0.69, based on 11.6 million diluted shares, compared to \$0.55 per diluted share in Q4 fiscal 2009, based on 10.2 million diluted shares

Fiscal Year 2010 Results

- Fiscal year 2010 revenues of \$71.1 million exceeded guidance, and were up 14% from \$62.5 million in fiscal year 2009
- Fiscal year 2010 pro forma net income of \$30.5 million exceeded guidance, and increased 44% from \$21.2 million in fiscal year 2009. Pro forma diluted EPS of \$2.87, based on 10.7 million diluted shares, compared to \$2.05 per diluted share in fiscal year 2009, based on 10.3 million diluted shares
- Fiscal year 2010 GAAP net income of \$21.8 million increased 272% from \$5.8 million in fiscal year 2009. GAAP diluted EPS of \$2.04 per diluted share, based on 10.6 million diluted shares, compared to \$0.57 per diluted share in fiscal year 2009, based on 10.3 million diluted shares

“MOSAID delivered an excellent fourth quarter, with higher than expected revenues capping a very strong fiscal 2010,” said John Lindgren, President and CEO. “For the year, revenues grew due to the higher number of companies making licensing payments, and larger running royalty payments from certain licensees as their own end markets improved. MOSAID’s bottom line benefited from a combination of higher revenues and lower than anticipated expenses.”

“In fiscal 2010 we achieved key operational objectives that deliver recurring benefits,” said Lindgren. “The new semiconductor patent licensing agreement with Samsung helped secure MOSAID’s current revenue stream, while new deals with Sharp, Sony and Samsung highlighted

the traction in wireless licensing. The introduction of our HLNAND™ chip and module, combined with MOSAID inventors filing a steady stream of patent applications, demonstrated our commitment to innovation and intellectual property development. Finally, the bought deal equity financing, completed in the fourth quarter, gives us the flexibility and additional resources required to pursue patent acquisitions that will better position us for future growth.”

“In fiscal 2011, we expect increased revenues from wireless licensing, a ramp in microcomponents licensing, and ongoing patent acquisitions,” said Lindgren. “We will continue to enhance MOSAID’s resilient business model, which has delivered revenue growth, healthy profits and dividends to shareholders.”

MOSAID had cash and marketable securities of \$100.8 million at the end of the fourth quarter of fiscal 2010, compared to \$70.2 million at the end of the third quarter of fiscal 2010. In Q4 fiscal 2010, MOSAID returned \$2.9 million to shareholders in quarterly dividend payments.

On June 10, 2010, MOSAID declared a quarterly dividend of \$0.25 per share. The dividend, which is an eligible dividend, is payable on July 22, 2010 to shareholders of record as of July 8, 2010.

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

Fourth Quarter Operational Highlights

Wireless patent licensing: MOSAID signed a five-year, fixed-payment license agreement with Sharp Corporation, covering certain wireless networking products, including handsets and notebook computers. Sharp is the third manufacturer of Wi-Fi enabled handsets to license MOSAID’s wireless patents. In total, MOSAID has now signed 14 wireless patent license agreements since 2008.

Equity offering: MOSAID announced and subsequently completed a bought deal equity financing, which resulted in the sale of 1,437,500 common shares, for gross proceeds to the Company of \$31,121,875. Proceeds of the offering will be used to fund patent acquisitions and for general corporate purposes.

Patent portfolio development: MOSAID had 2,001 patents and applications at the end of Q4 fiscal 2010, up 17% from 1,709 patents and applications one year ago.

Prior to quarter end, MOSAID purchased from Samsung Electronics Co. a significant number of semiconductor patents, which will be added to the portfolio when the selection process is finalized.

During the quarter, MOSAID purchased a portfolio of power control and memory management patents from a company affiliated with Allied Security Trust of New Jersey. The portfolio consists of five U.S. patents and foreign counterparts. MOSAID received full title to the portfolio for an undisclosed non-material amount, paid immediately. Licensing revenues are not subject to revenue sharing arrangements with the seller. The primary licensing markets for the patents, which teach fundamental concepts in power control and memory management, are microprocessors, Graphic Processing Units (GPUs) and Digital Signal Processors (DSPs).

MOSAID also entered into an exclusive patent licensing agreement with McMaster University of Hamilton, Ontario. The agreement grants MOSAID the exclusive right to sub-license two McMaster patents related to cognitive radio.

HLNAND™ license: Subsequent to quarter end, MOSAID granted to Scanimetrics Inc., a royalty bearing license to develop, manufacture and market MOSAID's HLNAND™ Flash memory chip and module, alone or designed into Scanimetrics' products.

Q1 and Fiscal 2011 Guidance

Management offers the following guidance for the first quarter and full year fiscal 2011:

- Q1 revenues of \$17.5 million to \$18.5 million
- Q1 pro forma net income of \$6.3 million to \$7.0 million, or \$0.53 to \$0.59 per diluted share, based on 11.95 million diluted shares
- Fiscal 2011 revenues in the range of \$77.0 million to \$80.0 million
- Fiscal 2011 pro forma net income of \$27.8 million to \$29.3 million, or \$2.33 to \$2.45 per diluted share, based on 11.95 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 10, 2010 at 5:00 p.m. ET**. The webcast will be live at www.mosaid.com and may also be accessed by dialing 1-800-926-9871. 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 technology companies among its licensees. Founded in 1975, MOSAID is based in Ottawa, Ontario, Canada. For more information, please visit www.mosaid.com and www.InvestorChannel.mosaid.com.

Pro forma net 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,” “could,” “estimate,” “expect,” “foresee,” “intend,” “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; semiconductor and telecommunications product vendors 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: MOSAID’s ability to negotiate settlements with licensees; legal rulings and/or regulatory investigations, audits or complaints having an adverse impact on the validity, enforceability, royalty rates, 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; worldwide economic conditions and demand for technology products; economic, social, and political conditions both globally and in the countries in which MOSAID or patent licensees operate, including conflict, war and, other 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 R&D 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.

Except as may be required by applicable law or stock exchange regulation, we undertake no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements. If we do update one or more forward-looking statements, no inference should be drawn that additional updates will be made with respect to those or other 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

Michael Salter, Director, Investor Relations and Corporate Communications
613-599-9539 x1205 salter@mosaid.com

FINANCIAL STATEMENTS AND NOTES TO FOLLOW

MOSAID Technologies Incorporated
Unaudited Pro Forma Consolidated Statements of Income
For the Quarter Ended April 30, 2010

The attached pro forma 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 INCOME

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

(Unaudited)

	Quarter Ended		Year Ended	
	April 30,		April 30,	
	2010	2009	2010	2009
Revenues	\$19,886	\$18,036	\$71,110	\$62,538
Operating expenses				
Patent portfolio management	2,282	1,476	7,485	5,048
Patent licensing and litigation	2,573	2,801	9,239	21,230
Research and development	716	660	2,853	2,274
General and administration	1,613	1,111	5,978	4,406
Foreign exchange loss (gain)	29	708	423	(369)
	7,213	6,756	25,978	32,589
Pro forma income from operations	12,673	11,280	45,132	29,949
Net interest income	128	173	439	1,621
Pro forma income before income tax expense	12,801	11,453	45,571	31,570
Income tax expense	4,224	3,779	15,040	10,418
Pro forma net income	\$ 8,577	\$ 7,674	\$30,531	\$21,152
Pro forma earnings per share				
Basic	\$0.74	\$0.75	\$2.89	\$2.05
Diluted	\$0.74	\$0.75	\$2.87	\$2.05
Weighted average number of shares				
Basic	11,522,272	10,184,323	10,580,958	10,324,043
Diluted	11,611,053	10,190,438	10,651,777	10,337,827

Pro forma net income is reconciled to GAAP net income as follows:

(Dollar amounts in thousands)	Quarter Ended		Year Ended	
	April 30,		April 30,	
	2010	2009	2010	2009
	\$	\$	\$	\$
GAAP net income	\$8,051	\$5,621	\$21,750	\$ 5,845
Add (deduct):				
Stock-based compensation	400	240	1,189	790
Patent amortization and imputed interest	3,888	3,881	15,215	13,881
Foreign exchange (gain) loss	(1,761)	(1,084)	(4,972)	7,161
Special committee	-	-	719	-
Income tax expense – for the above items	(992)	(1,104)	(4,437)	(5,762)
Future income tax revaluation	(862)	266	1,844	266
Discontinued operations (net of tax)	(147)	(146)	(777)	(1,029)
Pro forma net income	\$8,577	\$7,674	\$30,531	\$21,152

Pro forma foreign exchange loss (gain) is reconciled to GAAP foreign exchange loss (gain) as follows:

(Dollar amounts in thousands)	Quarter Ended		Year Ended	
	April 30,		April 30,	
	2010	2009	2010	2009
	\$	\$	\$	\$
GAAP foreign exchange (gain) loss	\$(1,732)	\$(377)	\$(4,550)	\$6,791
Less: foreign exchange (gain) loss on long-term debt	(1,761)	(1,084)	(4,972)	7,161
Pro forma foreign exchange loss (gain)	\$ 29	\$ 708	\$ 423	\$ (69)

MOSAID Technologies Incorporated
Unaudited Consolidated Financial Statements
For the Quarter Ended April 30, 2010

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
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

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

	Quarter Ended		Year Ended	
	April 30,		April 30,	
	2010	2009	2010	2009
Revenues	\$19,886	\$18,036	\$71,110	\$62,538
Operating expenses				
Patent portfolio management	2,282	1,476	7,485	5,048
Patent licensing and litigation	2,573	2,801	9,239	21,230
Research and development	716	660	2,853	2,274
General and administration	1,613	1,111	5,978	4,406
Foreign exchange (gain) loss	(1,732)	(377)	(4,550)	6,791
Stock-based compensation (Note 6)	400	240	1,189	790
Special committee	-	-	719	-
Patent amortization and imputed interest	3,888	3,881	15,215	13,881
	9,740	9,792	38,128	54,420
Income from operations	10,146	8,244	32,982	8,118
Net interest income	128	173	439	1,621
Income before income tax expense and discontinued operations	10,274	8,417	33,421	9,739
Income tax expense	2,370	2,942	12,448	4,923
Income before discontinued operations	7,904	5,475	20,973	4,816
Discontinued operations income (net of tax) (Note 5)	147	146	777	1,029
Net income	8,051	5,621	21,750	5,845
Dividends	2,941	2,546	10,655	10,320
Normal course issuer bid	-	-	-	3,215
Retained earnings, beginning of period	17,592	8,532	11,607	19,297
Retained earnings, end of period	\$22,702	\$11,607	\$22,702	\$11,607
Earnings per share (Note 4)				
Basic – before discontinued operations	\$0.69	\$0.54	\$1.98	\$0.47
Diluted – before discontinued operations	\$0.68	\$0.54	\$1.97	\$0.47
Basic – net earnings	\$0.70	\$0.55	\$2.06	\$0.57
Diluted – net earnings	\$0.69	\$0.55	\$2.04	\$0.57
Weighted average number of shares				
Basic	11,522,272	10,184,323	10,580,958	10,324,043
Diluted	11,611,053	10,190,438	10,651,777	10,337,827

See accompanying Notes to the Consolidated Financial Statements

MOSAID TECHNOLOGIES INCORPORATED
CONSOLIDATED BALANCE SHEETS

(In thousands of Canadian Dollars)

	As at April 30, 2010 (unaudited)	As at April 30, 2009 (audited)
Current Assets		
Cash and cash equivalents	\$ 70,732	\$ 32,899
Marketable securities	30,096	18,888
Accounts receivable	4,880	10,434
Prepaid expenses	698	759
Other asset	2,053	929
Future income taxes recoverable	10,930	11,519
	119,389	75,428
Property and equipment	257	388
Acquired intangibles	80,685	79,577
Future income taxes recoverable	-	2,229
Investment tax credit recoverable	15,748	15,320
	\$216,079	\$172,942
Current Liabilities		
Accounts payable and accrued liabilities	\$ 7,734	\$ 6,341
Income tax payable	-	1,432
Deferred revenue	4,611	3,432
Other liability	992	483
Current portion of other long-term liabilities	8,294	20,869
	21,631	32,557
Deferred gain on sale-leaseback	828	1,039
Other long-term liabilities	33,132	28,799
Future income tax liability	6,147	-
	61,738	62,395
Shareholders' Equity		
Share capital (Note 3)	126,573	94,741
Contributed surplus	3,452	3,753
Retained earnings	22,702	11,607
Accumulated other comprehensive income	1,614	446
	154,341	110,547
	\$216,079	\$172,942

See accompanying Notes to the Consolidated Financial Statements

MOSAID TECHNOLOGIES INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of Canadian Dollars)
(Unaudited)

	Quarter Ended		Year Ended	
	April 30,		April 30,	
	2010	2009	2010	2009
Operating				
Income before discontinued operations	\$ 7,904	\$ 5,475	\$20,973	\$ 4,816
Items not affecting cash				
Amortization	3,165	2,916	12,252	10,320
Stock-based compensation	455	240	1,189	790
Loss on disposal of assets	73	-	73	76
Unrealized foreign exchange (gain) loss on other long-term liabilities	(1,761)	(1,709)	(4,972)	6,536
Other asset/other liability	553	-	553	-
Future income tax and investment tax credit	2,908	1,560	8,989	(1,065)
	13,297	8,482	39,057	21,473
Change in non-cash working capital items from continuing operations	(2,324)	(6,364)	8,074	(745)
	10,973	2,118	47,131	20,728
Investing				
Acquisition of property and equipment and acquired intangibles	(12,663)	1,426	(13,303)	(9,152)
Acquisition of short-term marketable securities	(26,370)	-	(29,686)	(60,135)
Proceeds on disposal/maturity of short-term marketable securities	(9)	(100)	18,478	77,493
	(39,042)	1,326	(24,511)	8,206
Financing				
Increase (decrease) in long-term liabilities	5,792	(11,176)	(3,265)	(3,633)
Repurchase of shares	-	-	-	(8,415)
Dividends paid	(2,941)	(2,546)	(10,655)	(10,320)
Funding of Restricted Share Unit plan	-	(107)	(880)	(825)
Net proceeds from bought deal	29,342	-	29,342	-
Issuance of common shares	121	26	1,416	268
	32,314	(13,803)	15,958	(22,925)
Net cash inflow (outflow) from continuing operations	4,245	(10,359)	38,578	6,009
Net cash (outflow) inflow from discontinued operations	(52)	(186)	(745)	4,757
Net cash inflow	4,193	(10,545)	37,833	10,766
Cash and cash equivalents, beginning of period	66,539	43,444	32,899	22,133
Cash and cash equivalents, end of period	\$70,732	\$32,899	\$70,732	\$32,899
Supplementary Information:				
Cash on hand and bank balances	\$54,802	\$ 6,438	\$54,802	\$ 6,438
Short-term investments	15,930	26,461	15,930	26,461
Total cash and cash equivalents	\$70,732	\$32,899	\$70,732	\$32,899

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,	
	2010	2009	2010	2009
Net income	\$ 8,051	\$5,621	\$21,750	\$5,845
Other comprehensive income, net of tax:				
Gains and losses on derivatives designated as cash flow hedges	1,670	(779)	3,149	(2,602)
Gains and losses on derivatives designated as cash flow hedges in prior periods transferred to earnings in the current period	310	1,683	(1,981)	3,366
Other comprehensive income	1,980	904	1,168	764
Comprehensive income	\$10,031	\$6,525	\$22,918	\$6,609

See accompanying Notes to the Consolidated Financial Statements

MOSAID TECHNOLOGIES INCORPORATED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Quarters ended April 30, 2010 and 2009

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

1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for interim financial information. Accordingly, they do not include all of the information and note disclosure required by GAAP for annual financial statements. These financial statements are based upon accounting principles consistent with those used in the annual consolidated financial statements with the exception of new accounting policies described in Note 2. Accordingly, these unaudited interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements and notes thereto for the year ended April 30, 2009.

The preparation of these unaudited interim consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. In the opinion of management, these unaudited interim consolidated financial statements reflect all adjustments necessary to state fairly the results for the periods presented. Actual results could differ materially from these estimates and the operating results for the interim periods presented are not necessarily indicative of the results to be expected for any subsequent quarter or for the full fiscal year ending April 30, 2010.

2. Adoption of New Accounting Standards

Effective May 1, 2009 the Company adopted the following new accounting standard issued by the Canadian Institute of Chartered Accountants (CICA).

Goodwill and intangible assets

In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. The new Section is applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Corporation has adopted the new Standards for its fiscal year beginning May 1, 2009. An impact of adoption is the movement of software from property and equipment into acquired intangible.

As a result of adoption of the above policy, there was no material impact on the Consolidated Financial Statements.

3. Shareholders' equity and other comprehensive income

The following are the changes in shareholders' equity for the year ended April 30, 2010 and 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, 2009	10,184,323	\$ 94,741	\$3,753	\$11,607	\$ 446	\$110,547
Net income				21,750		21,750
Dividends				(10,655)		(10,655)
Employee Stock Option Program	119,475	2,144	(882)			1,262
Employee and Director Stock Purchase Plan	22,328	496	(337)			159
Restricted share unit plan		(601)	(271)			(872)
Stock-based compensation			1,189			1,189
Share issuance	1,437,500	29,793				29,793
Other comprehensive income					1,168	1,168
Balance at April 30, 2010	11,763,626	\$126,573	\$3,452	\$22,702	\$1,614	\$154,341

	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 Stock Option Program	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

During the quarter, the Company completed an equity financing for gross proceeds of \$31.1 million. The after tax net proceeds of \$29.8 million include expenses of \$1.8 million, offset by the tax effect of \$451,000. The Company issued 1,437,500 common shares at a price of \$21.65 per share.

4. 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,	
	2010	2009	2010	2009
Income before discontinued operations	\$7,904	\$5,475	\$20,973	\$4,816
Discontinued operations (net of tax)	147	146	777	1,029
Net income	\$8,051	\$5,621	\$21,750	\$5,845
Weighted average number of common shares outstanding	11,522,272	10,184,323	10,580,958	10,324,043
Net effect of stock options	88,781	6,115	70,819	13,784
Weighted average diluted number of common shares outstanding	11,611,053	10,190,438	10,651,777	10,337,827
Earnings per share				
Basic – before discontinued operations	\$0.69	\$0.54	\$1.98	\$0.47
Diluted – before discontinued operations	\$0.68	\$0.54	\$1.97	\$0.47
Basic - net income	\$0.70	\$0.55	\$2.06	\$0.57
Diluted - net income	\$0.69	\$0.55	\$2.04	\$0.57

For the quarters ended April 30, 2010 and April 30, 2009, 17,500 and 450,245 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, 2010 and April 30, 2009, 440,631 and 259,606 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 636,145 and 564,595 options issued and outstanding as at April 30, 2010 and April 30, 2009, respectively.

5. Discontinued operations

	Quarter Ended April 30,		Year Ended April 30,	
	2010	2009	2010	2009
Revenues	\$ 15	\$ -	\$ 33	\$ 156
Expenses				
Research and development	-	68	-	104
Selling and marketing	-	-	-	5
	-	68	-	109
Gain (loss) from operations	15	(68)	33	47
Gain on sale of assets	205	297	1,125	1,163
Earnings before tax	220	229	1,158	1,210
Income tax expense	73	83	381	181
Discontinued operations (net of tax)	\$147	\$146	\$777	\$1,029

6. Stock-based Compensation

The Company has an employee stock purchase plan (“ESPP”) program 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. Directors are also eligible to participate in the ESPP.

Also, the Company has an Employee and Director Stock Option Plan (“ESOP”). The exercise price is no lower than the closing market price on the trading day immediately preceding the date of grant. Options granted under the ESOP 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 and directors on or after April 27, 2002. The fair value of options issued in the quarter was calculated using the Black-Scholes option pricing model and the following assumptions:

	Quarter Ended April 30,	
	2010	2009
Risk free interest rate	2.4%	2.7%
Expected life in years	5.5	5.5
Expected dividend yield	4.1%	8.6%
Volatility	41.51%	43.26%

For the quarter ended April 30, 2010, the Company did not issue Deferred Share Units in lieu of options to directors and officers of the Company under its Deferred Share Unit Plan. Deferred share units vest evenly over a four year period. Deferred share units do not have an exercise price and can only be settled using cash consideration.

The Company implemented a restricted share unit plan (“RSU Plan”) for certain employees in October 2008. The Company has granted 93,278 RSUs during fiscal 2010 (2009 – 72,700). The RSUs vest over three years. Under the RSU Plan, units are settled using common shares of the Company. During fiscal year 2010, the

Company funded an independent trustee to purchase 46,639 shares of the 2010 grant (2009 – 72,700) and to provide custodial services. The Company recognizes compensation expense, measured by the purchase price of the shares, if the shares have been purchased, or the stock price on the grant date, over the vesting period.

7. Financial Instruments

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk 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 extended payment terms to some 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. Many of the Company's licensees are 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 the DRAM and Flash memory segment, tends to be cyclical and, from time to time, suffers from economic difficulties due to pricing pressure as a result of an oversupply of memory devices.

Due to the long-term nature of many of the Company's licensing arrangements, in certain circumstances, the Company may not be able to obtain, at reasonable cost, credit insurance or other forms of credit risk mitigation instruments. A default of the remaining payments by one of the Company's 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, each 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>April 30, 2010</u>	<u>April 30, 2009</u>
Cash and cash equivalents	\$ 70,732	\$32,899
Marketable securities	30,096	18,888
Accounts receivable	4,880	10,434
Other asset	2,053	929
Other liability	(992)	(483)
	<u>\$106,769</u>	<u>\$62,667</u>

The aging of accounts receivable at the reporting date was:

	<u>April 30, 2010</u>	<u>April 30, 2009</u>
Current	\$1,367	\$ 2,676
Past due	3,513	7,758
	<u>\$4,880</u>	<u>\$10,434</u>

Of the amount past due, a portion has been recognized as revenue as the Company expects to collect the amount under a credit insurance policy, and a portion has been recorded as deferred revenue as there is uncertainty regarding ultimate collection.

Marketable securities comprise the following:

	<u>April 30, 2010</u>	<u>April 30, 2009</u>
Bonds & debentures	\$27,087	\$13,099
Discount notes	3,009	5,789
	<u>\$30,096</u>	<u>\$18,888</u>

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, 2010 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)					April 30, 2010	
Type	Notional	Currency	Maturity	Equivalent to CDN dollars	Fair Value	
Sell	\$12,875	USD	< 3 months	\$13,836	\$ 759	
Sell	\$21,225	USD	3-12 months	\$22,890	\$1,294	
					<hr/>	
					\$2,053	
Buy	\$(5,000)	USD	3-12 months	\$(6,093)	\$(992)	

(In thousands of dollars)					April 30, 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	
					<hr/>	
					\$ 929	
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/>	
					\$(483)	

A one cent strengthening (weakening) of the U.S. dollar against the Canadian dollar would have decreased (increased) other comprehensive income by approximately \$233,000 for fiscal 2010.

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 \$166,000 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, 2010, the Company had \$100.8 million of cash and marketable securities and had a secured bank credit facility of \$10.0 million, less off balance sheet arrangements, as described in Note 17 to the fiscal 2009 Consolidated Financial Statements, 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 premises, have contractual maturities of less than 30 days.

The following chart indicates the contractual obligations to which the Company is bound over the following five years.

Payments Due by Period (in thousands of dollars)

Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Operating leases	\$ 1,199	\$ 248	\$ 496	\$ 455	-
Other long-term obligations	\$52,603	\$10,116	\$12,139	\$25,290	\$5,058
Total contractual obligations	\$53,802	\$10,364	\$12,635	\$25,745	\$5,058

Fair Value

The fair values of cash, 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.

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.

8. Capital Management

The Company's objective is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management defines capital as the Company's shareholders' equity excluding accumulated other comprehensive income.

The Company has certain credit facilities with a Canadian chartered bank, which consist of an operating line, a foreign exchange forward contract facility and standby letters of credit. The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year over year sustainable profitable growth. The Board of Directors also reviews on a quarterly basis the level of dividends paid to the Company's shareholders and monitors the share repurchase program activities. There were no changes in the Company's approach to capital management during the period. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

9. Business Segment Information

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

10. 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. The Company will convert to these new standards according to the timetable set with these new rules. The Company is currently in the process of developing a conversion implementation plan and assessing the impacts of the conversion on the consolidated financial statements and disclosures of the Company.

11. Comparative figure

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year. Due to the adoption of Section 3064, described in Note 2, software has been reclassified from property and equipment to acquired intangibles. Other assets and other liabilities have been disclosed separately on the balance sheet. Recoverable investment tax credits have been separated from future income tax assets.