Automodular Corporation

Interim Consolidated Financial Statements

For the three months ended March 31, 2013 and 2012

Unaudited*

All numbers in thousands, except share and per share data

*** Notice of Disclosure of Non-Auditor Review of Interim Financial Statements**

Pursuant to Ontario Securities Act National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, the interim financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of Automodular Corporation "the Company" for the interim periods ended March 31, 2013 and 2012 have been prepared in accordance with IAS 34, *Interim Financial Reporting* and are the responsibility of the Company's management.

The Company's independent auditors, PricewaterhouseCoopers, LLP, have not performed a review of these interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

May 9, 2013

AUTOMODULAR CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited)

(thousands of Canadian dollars)	**Notes**		**March 31, 2013**		**December 31, 2012**
ASSETS					
Cash and cash equivalents	7	$	27,690	$	24,961
Trade and other receivables	3 & 7		12,534		13,052
Prepaid expenses			1,186		1,028
Current assets			41,410		39,041
Investments	7		-		59
Plant and equipment	5		8,787		10,322
Total assets		**$**	**50,197**	**$**	**49,422**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities					
Trade payables and accrued liabilities	7 & 14	$	5,240	$	6,203
Provisions	8 & 14		100		100
Income taxes payable	12		525		1,121
Current liabilities			5,865		7,424
Deferred income taxes	12		554		653
Provisions	8 & 14		506		463
Other liabilities	6		66		103
Total liabilities		**$**	**6,991**	**$**	**8,643**
Total shareholders' equity		**$**	**43,206**	**$**	**40,779**
Total liabilities and shareholders' equity		**$**	**50,197**	**$**	**49,422**

The accompanying notes are an integral part of these interim unaudited consolidated financial statements.

AUTOMODULAR CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(unaudited)

(thousands of Canadian dollars)	Notes	Capital stock	Contributed surplus	Accumulated other comprehensive income (loss)[1]	Deficit	Total
Balance, December 31, 2012		**$ 43,972**	**$ 955**	**$ (21)**	**$ (4,127)**	**$ 40,779**
Net earnings for the period		-	-	-	3,636	**3,636**
Comprehensive income for the period				-	3,636	**3,636**
Award of treasury shares	9	250	(250)	-	-	**-**
Dividends	9	-	-	-	(1,209)	**(1,209)**
Balance, March 31, 2013		**$ 44,222**	**$ 705**	**$ (21)**	**$ (1,700)**	**$ 43,206**

(thousands of Canadian dollars)	Notes	Capital stock	Contributed surplus	Accumulated other comprehensive income (loss)[1]	Deficit	Total
Balance, December 31, 2011		**$ 44,162**	**$ 1,005**	**$ 19**	**$ (11,941)**	**$ 33,245**
Net earnings for the period		-	-	-	3,631	**3,631**
Foreign currency translation		-	-	(26)	-	**(26)**
Unrealized gain on investments		-	-	156	-	**156**
Comprehensive income for the period				130	3,631	**3,761**
Award of treasury shares	9	158	(158)	-	-	**-**
Dividends	9	-	-	-	(1,216)	**(1,216)**
Compensation expense	9	-	29	-	-	**29**
Balance, March 31, 2012		**$ 44,320**	**$ 876**	**$ 149**	**$ (9,526)**	**$ 35,819**

[1]All items included in Accumulated other comprehensive income (loss) may be subsequently recycled to net earnings

The accompanying notes are an integral part of these interim unaudited consolidated financial statements.

AUTOMODULAR CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

(thousands of Canadian dollars, except share and per share amounts)	**Notes**	**For the three months ended March 31, 2013**	**2012**
Sales		$ 21,807	$ 23,818
Cost of sales	15	15,813	17,498
Gross margin		5,994	6,320
General and administrative expense	15	1,222	1,342
Interest (income), net	10	(47)	(29)
Other (income)	11	(122)	(36)
EARNINGS BEFORE INCOME TAXES		4,941	5,043
Current income taxes	12	1,404	1,487
Deferred income taxes	12	(99)	(75)
Net earnings attributable to the shareholders for the period		**$ 3,636**	**$ 3,631**
Earnings per share:			
Basic	**9**	**$ 0.18**	**$ 0.18**
Diluted	**9**	**$ 0.18**	**$ 0.18**
Weighted average common shares outstanding:			
Basic	9	20,135,203	20,232,281
Diluted	9	20,135,203	20,232,281

AUTOMODULAR CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

(thousands of Canadian dollars)	**Notes**	**For the three months ended March 31, 2013**	**2012**
Net earnings for the period		$ 3,636	$ 3,631
Foreign currency translation		-	(26)
Unrealized gain on investments		-	156
Total comprehensive income attributable to the shareholders for the period		**$ 3,636**	**$ 3,761**

The accompanying notes are an integral part of these interim unaudited consolidated financial statements.

AUTOMODULAR CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
(unaudited)

(thousands of Canadian dollars)	Notes	For the three months ended March 31, 2013	2012
CASH PROVIDED BY (USED IN)			
OPERATING ACTIVITIES			
Net earnings for the period		$ 3,636	$ 3,631
Income taxes (paid)	12	(2,000)	(4,600)
Pension contribution	6	(54)	(54)
Items not involving current cash flows:			
Depreciation	5	1,762	1,608
Deferred income taxes	12	(99)	(75)
Compensation expense	9	-	29
Interest (income), net	10	(47)	(29)
Gain on sale of investments	11	(109)	-
Loss on foreign exchange	11	(12)	(36)
Pension expense	6	17	8
		3,094	482
Net change in non-cash working capital:			
Trade and other receivables	3	518	(797)
Inventory		-	(213)
Income taxes	12	1,404	1,568
Prepaid expenses		(158)	(320)
Trade payables and accrued liabilities	7 & 14	(963)	390
Provisions	8 & 14	43	(2)
Net cash provided by operating activities		3,938	1,108
INVESTING ACTIVITIES			
Proceeds on disposal of investments		168	-
Interest received on short-term investments	10	47	35
Purchase of plant and equipment	5	(227)	(517)
Net cash used by investing activities		(12)	(482)
FINANCING ACTIVITIES			
Dividends paid	9	(1,209)	(1,216)
Interest received (paid)	10	-	(6)
Repayment of long-term liabilities	7	-	(99)
Net cash used by financing activities		(1,209)	(1,321)
Effect of exchange rate changes on cash		12	1
CHANGE IN CASH AND CASH EQUIVALENTS		**$ 2,729**	**$ (694)**
Cash and cash equivalents, beginning of period		**$ 24,961**	**$ 14,776**
Cash and cash equivalents, end of period		**$ 27,690**	**$ 14,082**

The accompanying notes are an integral part of these interim unaudited consolidated financial statements.

(All numbers in thousands of Canadian dollars, except share and per share amounts and as otherwise noted)

1. SUMMARY OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

General business description

Automodular Corporation is a Canadian-based company which is listed on the Toronto Stock Exchange (the “TSX”) under the symbol “AM”. References to “Automodular” or “the Company” refer to Automodular Corporation and its direct and indirect subsidiaries unless the content indicates otherwise. Automodular was incorporated under the laws of the Province of Ontario and its registered address is 235 Salem Road South, Unit 6, Ajax, Ontario. Automodular is domiciled in Canada.

Automodular’s primary business is the sequencing and sub-assembly of modules for installation in final products being assembled by the Original Equipment Manufacturer (“OEM”). This service is provided within the automotive and renewable energy sectors. The nature of the service does not change significantly depending on the end product or industry to which the service is provided.

With respect to the automotive sector, Automodular uses component parts to sub-assemble complicated modules, such as an instrument panel or a radiator support, for installation in vehicles being assembled by its customer in Ontario. Also, Automodular provides sequencing services such that the sub-assembled modules arrive at the customer’s final assembly plant in precisely the sequence of their final installation in each vehicle and at precisely the time they are to be installed.

With respect to the renewable energy sector, Automodular sub-assembled certain components to be used in wind turbine units. This contract was successfully completed in the fourth quarter of 2012 and the Company is engaged in efforts to secure additional contracts in this sector.

Basis of preparation

The accounting policies followed in these interim consolidated financial statements are consistent with those of the previous financial year, except as described in Note 2. The interim financial statements are in compliance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), has been omitted or condensed. The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in Note 3 of the Company’s consolidated financial statements for the year ended December 31, 2012. These interim consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2012, which are included in the Company’s 2012 annual report.

The accompanying interim financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company’s results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or the full year.

These interim consolidated financial statements are presented in Canadian dollars, which is the Company’s presentation currency. References to “$” are to Canadian dollars.

2. RECENT ACCOUNTING PRONOUNCEMENTS

The accounting policies followed in these interim consolidated financial statements are consistent with those of the previous financial year, except as described below.

Changes in accounting policies

The Company has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IAS 1, *Presentation of Financial Statements*

The Company has adopted the amendments to IAS 1 effective January 1, 2013. These amendments required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. The Company has reclassified comprehensive income items of the comparative period. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

IFRS 10, *Consolidated Financial Statements*

The Company assessed its consolidation conclusions on January 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and its special purpose entity.

IAS 19, *Employee Benefits*

The Company's amended policy requires immediate recognition of actuarial gains and losses in other comprehensive income as they arise, without subsequent recycling to the consolidated statement of operations. Past-service cost (which will now include curtailment gains and losses) are no longer recognized over a service period but instead are recognized immediately in the period of a plan amendment. Pension benefit cost is split between (i) the cost of benefits accrued in the current period (service cost) and benefit changes (past-service cost, settlements and curtailments); and (ii) finance expense or income. The finance expense or income component is calculated based on the net defined benefit asset or liability. Remeasurements consisting of actuarial gains and losses, the actual return on plan assets (excluding the interest component) and any changes in the asset ceiling are recognized in other comprehensive income. The Company continues to immediately recognize in retained earnings all pension adjustments recognized in other comprehensive income.

A number of other new standards and amendments to standards and interpretations are not yet effective for the year ending December 31, 2013, and have not been applied in preparing these interim financial statements. In particular, the following new and amended standards and interpretations are required to be implemented for financial years beginning on or after January 1, 2014, unless otherwise noted:

- *IFRS 9, Financial instruments* (effective for annual periods beginning on or after January 1, 2015)
- *IAS 32, Financial instruments* – presentation – amendments relating to the offsetting of financial assets and financial liabilities (effective for annual periods beginning on or after January 1, 2014)

The Company is reviewing these new standards and amendments to determine the potential impact on the Company's financial statements once they are adopted. No significant impact is expected.

(All numbers in thousands of Canadian dollars, except share and per share amounts and as otherwise noted)

3. TRADE AND OTHER RECEIVABLES

The Company adjusts receivable balances, through an allowance for doubtful accounts, to expected realizable value. The allowance for doubtful accounts, as at March 31, 2013, was $nil (December 31, 2012: $nil).

The aging of trade and other receivables (net of allowance for doubtful accounts) was as follows:

	March 31, 2013 $	December 31, 2012 $
Current	12,213	12,852
Past due zero to thirty days	95	16
Over thirty days past due	226	184
Total	**12,534**	**13,052**

4. SEGMENT INFORMATION

The Chief Executive Officer ("CEO") is the Company's chief operating decision-maker. The Company has determined the operating segments based on the information reviewed by the CEO for the purposes of allocating resources and assessing performance. Two identified operating segments have been aggregated into one reportable segment.

The CEO considers the business from a products serviced perspective to include all sub-assembly services and other services. A geographic perspective is not considered as currently all operations reside in southern Ontario.

The CEO assesses the performance of the operating segments based on net earnings and non-GAAP measures such as EBITDA. The measure of EBITDA has been defined as earnings from operations before interest, tax expense and depreciation. The measure also excludes the effects of gains, losses or impairments on investments, foreign exchange and plant and equipment.

Sales and net earnings

				Three months ended March 31, 2013
	Sales $	Depreciation $	Income tax expense (recovery) $	Net earnings $
Sub-assembly	21,807	1,740	1,340	3,624
All other segments	-	22	(35)	12
Total	**21,807**	**1,762**	**1,305**	**3,636**

(All numbers in thousands of Canadian dollars, except share and per share amounts and as otherwise noted)

				Three months ended March 31, 2012
	Sales	Depreciation	Income tax expense	Net earnings
	$	$	$	$
Sub-assembly	23,818	1,590	1,364	3,695
All other segments	-	18	48	(64)
Total	**23,818**	**1,608**	**1,412**	**3,631**

There are no sales between segments. All sales disclosed are generated by services performed for external parties and are reported to the CEO in a manner consistent with that in the statement of operations.

Major customers

The sub-assembly segment above includes one customer (2012: two customers) whose sales exceed 10% of Automodular's total sales. Sales under the Company's largest contract for the three-month period ended March 31, 2013, were $21,807 (2012: $20,511). During the first quarter of 2012, the Company had sales of $3,307 from its other major customer. This contract was completed within 2012.

Assets

	March 31, 2013	December 31, 2012
	$	$
Sub-assembly	43,623	45,473
All other segments	6,574	3,890
Total segment assets	**50,197**	**49,363**
Other:		
Investments	-	59
Total assets per statement of financial position	**50,197**	**49,422**

The amounts provided to the CEO with respect to total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Investment in shares (classified as available-for-sale financial assets or financial assets at fair value through profit and loss) held by the group are not considered to be segment assets but rather are managed by the CEO and finance department.

(All numbers in thousands of Canadian dollars, except share and per share amounts and as otherwise noted)

Liabilities

	March 31, 2013	December 31, 2012
	$	$
Sub-assembly	4,619	5,483
All other segments	1,227	1,283
Total segment liabilities	**5,846**	**6,766**
Other:		
Income taxes payable	525	1,121
Deferred income taxes	554	653
Other liabilities	66	103
Total liabilities per statement of financial position	**6,991**	**8,643**

The amounts provided to the CEO with respect to total liabilities are measured in a manner consistent with that of the consolidated financial statements. These liabilities are allocated based on the operations of the segment.

(All numbers in thousands of Canadian dollars, except share and per share amounts and as otherwise noted)

5. PLANT AND EQUIPMENT

Plant and equipment consists of the following:

	Leasehold improvements	Manufacturing equipment	Automotive equipment	Other equipment & furniture	Open capital projects	Total
	$	$	$	$	$	$
Cost:						
January 1, 2012	**2,012**	**29,467**	**225**	**5,509**	**1,053**	**38,266**
Additions	178	2,089	37	640	(931)	2,013
Disposals	(134)	(1,612)	-	(1,099)	-	(2,845)
December 31, 2012	**2,056**	**29,944**	**262**	**5,050**	**122**	**37,434**
Additions	9	185	-	134	(101)	227
March 31, 2013	**2,065**	**30,129**	**262**	**5,184**	**21**	**37,661**
Accumulated depreciation:						
January 1, 2012	**1,206**	**18,344**	**131**	**3,217**	**-**	**22,898**
Depreciation	467	5,249	62	1,281	-	7,059
Disposals	(134)	(1,612)	-	(1,099)	-	(2,845)
December 31, 2012	**1,539**	**21,981**	**193**	**3,399**	**-**	**27,112**
Depreciation	54	1,466	8	234	-	1,762
March 31, 2013	**1,593**	**23,447**	**201**	**3,633**	**-**	**28,874**
Carrying amount:						
December 31, 2012	**517**	**7,963**	**69**	**1,651**	**122**	**10,322**
March 31, 2013	**472**	**6,682**	**61**	**1,551**	**21**	**8,787**

Proceeds from disposals are netted against the related asset`s cost and accumulated depreciation and included in other expense (income) on the statement of operations.

6. OTHER LIABILITIES

The Company has a defined benefit pension plan for its former Chief Executive Officer. The expense for the three - month periods ended March 31, 2013 and 2012 was $17 and $8, respectively.

(All numbers in thousands of Canadian dollars, except share and per share amounts and as otherwise noted)

7. FINANCIAL INSTRUMENTS BY CATEGORY

The following table summarized the Company's recurring measurement for financial instruments by category:

At March 31, 2013:

	Loans and receivables	Available for sale	Total
	$	$	$
Assets			
Cash and cash equivalents	27,690	-	27,690
Trade and other receivables	12,534	-	12,534
Total	**40,224**	**-**	**40,224**

	Financial liabilities at amortized cost	Total
	$	$
Liabilities		
Trade payables and accrued liabilities	5,240	5,240
Total	**5,240**	**5,240**

At December 31, 2012:

	Loans and receivables	Available for sale	Total
	$	$	$
Assets			
Cash and cash equivalents	24,961	-	24,961
Trade and other receivables	13,052	-	13,052
Investments	-	59	59
Total	**38,013**	**59**	**38,072**

	Financial liabilities at amortized cost	Total
	$	$
Liabilities		
Trade payables and accrued liabilities	6,203	6,203
Total	**6,203**	**6,203**

The following table presents the Company's assets and liabilities that are measured at fair value:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Assets				
Available-for-sale financial assets:				
Investments at December 31, 2012	59	-	-	59

(All numbers in thousands of Canadian dollars, except share and per share amounts and as otherwise noted)

The carrying value of cash and cash equivalents, trade and other receivables and trade payables and accrued liabilities approximate their fair values due to the short term nature of their maturities.

8. PROVISIONS

	March 31, 2013	December 31, 2012
	$	$
Exit costs	100	100
Decommissioning provisions	506	463
Total	**606**	**563**

Exit costs include severance/termination costs incurred following the expiration or termination of customer contracts.

Decommissioning provisions are accrued in recognition of the Company's obligations to restore its facilities as required under existing lease agreements.

9. CAPITAL STOCK

	Outstanding	Amount
	#	$
Issued and outstanding common shares December 31, 2012, net	**20,078,464**	**43,972**
Award of long-term incentive plan treasury shares	134,384	250
Issued and outstanding common shares March 31, 2013, net	**20,212,848**	**44,222**

Issued and outstanding common shares are shown net of undistributed shares held under the long-term incentive plan. At March 31, 2013, one share (December 31, 2012: 134,385 shares) was held under this plan.

There were no new common shares issued in the periods ended March 31, 2013 and 2012.

Normal course issuer bid

In July 2012**,** Automodular's Board of Directors approved a Normal Course Issuer Bid (the "Bid"). Under the terms of the Bid, Automodular may acquire up to 1,317,000 common shares, which represents 10% of the public float of Automodular's common shares issued and outstanding as of August 1, 2012, as defined by the policies of the TSX. The Bid period runs from August 8, 2012 until August 7, 2013.

During the second half of 2012, the Company repurchased for cancellation 180,830 shares for a total cost of $348. No shares have been repurchased for cancellation to date in 2013.

(All numbers in thousands of Canadian dollars, except share and per share amounts and as otherwise noted)

Options

Under the Company's stock purchase plan, the Board of Directors is entitled to grant to designated directors, officers and employees of the Company or any subsidiary thereof, the right to purchase unissued common shares of the Company. The options are granted at a price not less than the fair value of the shares on the date of the grant.

No options were granted or outstanding during 2012 or the three-month period ended March 31, 2013.

Long-term incentive plan

The Company has a long-term incentive plan (the "Plan") for designated participants of Automodular Corporation and its subsidiaries.

On December 31, 2012, 134,384 shares vested and were subsequently distributed at year-end to participants of the Plan. Subsequent to these distributions, the Plan holds one share.

In the quarters ended March 31, 2013 and 2012, compensation expense of $nil and $29, respectively was recognized in contributed surplus for awards under this plan.

Dividends

In the three-month periods ended March 31, 2013 and 2012, dividends totalling $1,213 and $1,224, respectively were declared and paid. Dividends have been reflected net of internal dividends of $4 and $8, respectively.

On May 9, 2013 the Company declared a regular quarterly dividend of $0.06 per common share payable on June 6, 2013 to shareholders of record on May 23, 2013.

Weighted average common shares outstanding

	Three months ended March 31	
	2013	**2012**
	#	**#**
Issued common shares	20,212,849	20,393,679
Less: weighted average LTIP treasury shares	(77,646)	(161,398)
Weighted average common shares outstanding – basic and fully diluted	**20,135,203**	**20,232,281**

(All numbers in thousands of Canadian dollars, except share and per share amounts and as otherwise noted)

10. INTEREST (INCOME), NET

The components of interest (income), net, include interest expense, interest income and other finance costs as follows:

	Three months ended March 31,	
	2013	**2012**
	$	**$**
Interest expense on long-term liabilities	-	6
Less: interest income on cash & cash equivalents	(47)	(35)
Total	**(47)**	**(29)**

11. OTHER (INCOME)

The components of other (income) include the following:

	Three months ended March 31,	
	2013	**2012**
	$	**$**
(Gain) on disposal of investments	(110)	-
(Gain) on foreign exchange	(12)	(36)
Total	**(122)**	**(36)**

12. TAXATION

The consolidated effective tax rate in respect of the operations for the three-month periods ended March 31, 2013 and 2012 was 26% and 28%, respectively and is based on management's best estimate of the annual income tax rate expected for the full financial year.

13. RELATED PARTY TRANSACTIONS

In January, 2012, the Corporation entered into a consulting contract with a company controlled by a former member of the Board of Directors. The contract was for a fixed rate of $15 per month and could be terminated by either party with thirty days' advanced written notice.

During the third quarter of 2012, the related party advised the Company of its decision to terminate the agreement by unilaterally enacting the contract's thirty-day termination clause.

(All numbers in thousands of Canadian dollars, except share and per share amounts and as otherwise noted)

Compensation of key management personnel

Key management personnel compensation and benefits, including the Company's directors and members of its executive management team, is as follows:

	Three months ended March 31, 2013	2012
	$	$
Salaries, fees and short-term employee benefits	443	456
Post-employment benefits	15	15
Total	**458**	**471**

14. CONTINGENCIES AND COMMITMENTS

General

In the ordinary course of business activities, the Company is a party to certain claims. Management believes that the resolution of such claims will not have a material adverse effect on the consolidated financial position of the Company.

Trade payables and accrued liabilities, provisions and long-term liabilities

The following are the undiscounted contractual maturities of trade payables and accrued liabilities, provisions and long-term liabilities as at March 31, 2013:

	Total	Less than 1 year	1 to 2 years	After 2 years
	$	$	$	$
Trade payables and accrued liabilities	5,240	5,240	-	-
Provisions	606	100	506	-
Total	**5,846**	**5,340**	**506**	**-**

Operating leases

All of the Company's facilities are subject to operating leases and the Company also has certain operating lease commitments for equipment. Future operating lease commitments are shown below. Substantially all of the operating lease commitments relate to facility rentals. Commitments include US and CDN amounts and are denominated in the table below in Canadian dollars.

	$
Balance of 2013	2,373
2014 to 2017	7,300
Total	**9,673**

Payments on current operating leases over the next 12 months total $3,142.

(All numbers in thousands of Canadian dollars, except share and per share amounts and as otherwise noted)

15. EXPENSES BY NATURE

	Three months ended March 31,	
	2013	**2012**
	$	**$**
Wages and employee benefits	11,096	10,382
Transportation and facility-related costs	2,404	2,577
Materials	-	2,179
Other	1,773	1,759
Depreciation	1,762	1,608
Launch and preproduction costs	-	335
Total cost of sales and general and administrative expenses	**17,035**	**18,840**