SAVARIA CORPORATION
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT MARCH 31, 2009
(Unaudited)

SAVARIA CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)
PERIOD OF THREE MONTHS ENDED MARCH 31

	2009	2008
SALES	**$ 11,041,008**	$ 12,009,933
OPERATING EXPENSES		
Cost of goods sold	**8,265,073**	9,719,579
Selling and administrative expenses	**2,714,174**	2,783,787
Amortization of fixed assets	**92,120**	109,776
Amortization of deferred development costs	**72,893**	70,642
Amortization of intangible assets	**33,977**	37,861
	11,178,237	12,721,645
OPERATING LOSS	**(137,229)**	(711,712)
OTHER REVENUES AND EXPENSES (note 4)	**957,558**	9,518
EARNINGS (LOSS) BEFORE INCOME TAXES	**820,329**	(702,194)
INCOME TAXES	**(265,344)**	114,086
NET EARNINGS (LOSS)	**$ 554,985**	$ (588,108)
Net earnings (loss) per common share		
Basic	**$ 0.020**	$ (0.021)
Diluted	**$ 0.020**	$ (0.021)
Average number of common shares outstanding (note 6B)		
Issued	**27,229,181**	27,467,064
Diluted	**27,229,181**	27,483,578

SAVARIA CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (Unaudited)
PERIOD OF THREE MONTHS ENDED MARCH 31

	2009	2008
NET EARNINGS (LOSS)	**$ 554,985**	$ (588,108)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAXES		
Unrealized losses on foreign exchange contracts designated as cash flow hedges, net of income taxes of $610,513 (2008-$73,094)	**(1,429,206)**	(160,135)
Losses (gains) on foreign exchange contracts transferred to net income in the current period, net of income taxes of $310,196 (2008-$1,268)	**691,083**	(2,777)
OTHER COMPREHENSIVE LOSS	**(738,123)**	(162,912)
COMPREHENSIVE LOSS	**$ (183,138)**	$ (751,020)

SAVARIA CORPORATION
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (Unaudited)
PERIOD OF THREE MONTHS ENDED MARCH 31

	2009	2008
BALANCE - beginning of period	**$ 4,596,187**	$ 5,123,653
NET EARNINGS (LOSS)	**554,985**	(588,108)
	5,151,172	4,535,545
Excess over book value of repurchased shares	**(3,928)**	(316,414)
DIVIDENDS on common shares	**(824,055)**	-
BALANCE - end of period	**$ 4,323,189**	$ 4,219,131

SAVARIA CORPORATION
CONSOLIDATED BALANCE SHEETS (Unaudited)

	As at March 31 (Unaudited) 2009	As at December 31 2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 5,146,833**	$ 5,202,780
Accounts receivable	**8,138,433**	9,511,908
Income taxes receivable	**788,218**	725,052
Current portion of long-term loans	**90,179**	99,103
Inventories	**11,914,428**	10,380,605
Prepaid expenses	**927,280**	609,134
Future income taxes	**2,239,220**	1,924,751
	29,244,591	28,453,333
LONG-TERM INVESTMENTS (note 5)	**6,845,186**	5,880,126
LONG-TERM LOANS	**151,356**	152,532
FIXED ASSETS	**1,580,960**	1,572,417
DEFERRED DEVELOPMENT COSTS	**563,757**	484,706
INTANGIBLE ASSETS	**1,049,658**	1,083,529
GOODWILL	**506,230**	506,230
FUTURE INCOME TAXES	**2,213,851**	2,550,599
	$ 42,155,589	$ 40,683,472
LIABILITIES		
CURRENT LIABILITIES		
Bank loans	**$ 700,000**	$ 710,000
Accounts payable	**6,023,839**	5,984,551
Dividends payable	**824,055**	-
Deferred revenues	**585,077**	442,861
Warranty provision	**274,404**	289,693
Foreign exchange forward contracts	**4,482,388**	3,714,953
Current portion of long-term debt	**1,092,941**	1,233,454
	13,982,704	12,375,512
WARRANTY PROVISION	**519,302**	550,505
FOREIGN EXCHANGE FORWARD CONTRACTS	**2,707,081**	2,376,366
LONG-TERM DEBT	**8,089,028**	7,542,141
	25,298,115	22,844,524
SHAREHOLDERS' EQUITY		
Capital stock (note 6A)	**15,553,415**	15,565,977
Contributed surplus	**1,788,100**	1,745,891
Retained earnings	**4,323,189**	4,596,187
Accumulated other comprehensive loss (note 7)	**(4,807,230)**	(4,069,107)
	16,857,474	17,838,948
	$ 42,155,589	$ 40,683,472

ON BEHALF OF THE BOARD OF DIRECTORS

______________________________, Director
Marcel Bourassa

______________________________, Director
Jean-Marie Bourassa C.A.

SAVARIA CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
PERIOD OF THREE MONTHS ENDED MARCH 31

	2009	2008
OPERATING ACTIVITIES		
Net earnings (loss)	**$ 554,985**	$ (588,108)
Adjustments for :		
Amortization of fixed assets	**92,120**	109,776
Amortization of deferred development costs	**72,893**	70,642
Amortization of intangible assets	**33,977**	37,861
Put option (note 5)	**(901,776)**	-
Change in the fair value of restructured notes (note 5)	**(63,284)**	171,631
Future income taxes	**322,596**	(80,418)
Capitalized interest on long-term debt	**36,274**	-
Remuneration expense on stock options granted	**42,209**	33,616
Change in warranty provision	**(46,492)**	31,058
Non-materialized (gain) loss on foreign currency exchange on long-term monetary items	**116,766**	(93,136)
	260,268	(307,078)
Net changes in non-cash working capital items (note 3)	**(431,839)**	131,428
Cash flows used in operating activities	**(171,571)**	(175,650)
INVESTING ACTIVITIES		
Additions to fixed assets	**(28,980)**	(40,480)
Deferred development costs	**(151,944)**	(118,933)
Proceeds from long-term loans	**18,926**	14,548
Cash flows used in investing activities	**(161,998)**	(144,865)
FINANCING ACTIVITIES		
Changes in bank loans	**(10,000)**	1,500,000
Increase in long-term debt	**3,700,095**	-
Repayment of current liability related to assets held for sale	**-**	(3,750,000)
Repayment of long-term debt	**(3,395,983)**	(420,000)
Contribution from a VIE	**-**	29,449
Shares repurchased for cancellation	**(16,490)**	(656,012)
Cash flows from (used in) financing activities	**277,622**	(3,296,563)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(55,947)**	(3,617,078)
CASH AND CASH EQUIVALENTS - beginning of period	**5,202,780**	4,714,615
CASH AND CASH EQUIVALENTS - end of period	**$ 5,146,833**	$ 1,097,537

Cash and cash equivalents include bank balances and temporary investments with an initial maturity of three months or less.

1. CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited consolidated interim financial statements were prepared by the Corporation in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") applicable to interim financial statements and follow the same accounting policies and methods of their application as the most recent annual financial statements, except for the new accounting policies mentioned below in note 2. In the opinion of Management, all adjustments necessary for a fair presentation are reflected in the interim financial statements. Such adjustments are of a normal and recurring nature. The unaudited consolidated interim financial statements have not been reviewed by the Corporation's external auditor and should be read in conjunction with the audited annual consolidated financial statements and notes thereto for the year ended December 31, 2008.

2. CHANGES IN ACCOUNTING POLICIES

A) 2009

On January 1, 2009, the Corporation adopted the following recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook :

Section 3064:Goodwill and Intangible Assets.

This new standard reinforces the approach under which assets are recorded only if they meet the definition of an asset and the recognition criteria for an asset. It also clarifies the application of the concept of matching costs with revenues, so as to eliminate the current practice of recognizing as assets items that do not meet the definition of an asset and the recognition criteria for an asset. This standard applies retrospectively with restatement of prior periods for the Corporation for the fiscal year beginning on January 1, 2009.

The adoption of the new standards has had no impact on the consolidated financial statements.

B) Future Accounting Changes

Section 1582:Business Combinations, Section 1601 : Consolidated Financial Statements, and Section 1602 : Non-Controlling Interests

The CICA issued three new accounting standards in 2009 : Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*. These new standards will be effective for the Corporation for the fiscal year beginning on January 1, 2011. The Corporation is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standard IFRS 3, - *Business Combinations*. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Sections 1601 and 1602 replace Section 1600 - *Consolidated Financiual Statements*. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27 - *Consolidated and Separate Financial Statements* and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

International Financial Reporting Standards ("IFRS")

In February 2008, Canada's Accounting Standards Board ("AcSB") confirmed that Canadian GAAP, as used by public Corporations, will be superseded by IFRS for fiscal years beginning on or after January 1, 2011. The Corporation will be required to report under IFRS for its interim and annual financial statements for the fiscal year ending December 31, 2011. The Corporation expects to elaborate its IFRS conversion plan in the coming quarters. The plan will be aimed in particular at identifying the differences between IFRS and the Corporation's accounting policies, assessing their impact and, where necessary, analysing the various policies that the Corporation could elect to adopt.

3. NET CHANGES IN NON-CASH WORKING CAPITAL ITEMS

	Three months ended March 31	
	2009	2008
Accounts receivable	**$ 1,373,475**	$ 1,455,073
Income taxes receivable	**(63,166)**	(55,897)
Inventories	**(1,605,506)**	(356,315)
Prepaid expenses	**(318,146)**	(458,534)
Accounts payable	**39,288**	(568,110)
Deferred revenues	**142,216**	115,211
	$ (431,839)	$ 131,428

4. OTHER REVENUES AND EXPENSES

	Three months ended March 31	
	2009	2008
Interest and dividend income	**$ 29,407**	$ 32,520
Gain on foreign currency exchange	**66,243**	276,720
Interest on long-term debt	**(77,137)**	(34,624)
Interest expense and bank charges	**(29,900)**	(93,467)
Put option (note 5)	**901,776**	-
Change in the fair value of restructured notes (note 5)	**63,284**	(171,631)
Other revenues	**3,885**	-
	$ 957,558	$ 9,518

5. LONG-TERM INVESTMENTS

	As at March 31	As at December 31
	2009	2008
Restructured notes (face value of $3,804,302)	**$ 1,843,410**	$ -
Third party asset-backed commercial paper ("ABCP") (fair value 2008-$1,780,126)	**-**	1,780,126
Put option	**901,776**	-
	2,745,186	1,780,126
Guaranteed investment certificate (fair value of $4,100,000 in 2009 and 2008)	**4,100,000**	4,100,000
	$ 6,845,186	$ 5,880,126

On January 21, 2009, the Pan-Canadian Committee of ABCP investors announced that the third-party ABCP restructuring plan had been implemented. Pursuant to the terms of the plan, holders of ABCP had their short-term commercial paper exchanged for longer-term notes whose maturities match those of the assets previously contained in the underlying conduits ("Restructured notes"). At that date, the Corporation held a portfolio of ABCP issued by two trusts with an aggregate face value of US$2,985,874.

Consequently, the Corporation's ABCP that had its assets pooled was replaced with two classes of asset backed notes named A1 and C in declining order of seniority issued by Master Asset Vehicle 2 ("MAV 2"). ABCP relating to Ineligible Assets and Traditional Assets was replaced with new tracking notes whose characteristics are designed to track the performance of the particular assets of the series to which they correspond.

The Restructured notes are classified as a financial instrument held-for-trading.

Summary of Valuation

The fair value estimate of the Restructured notes has been calculated based on information provided by the Pan Canadian Investor Committee as well as Ernst & Young Inc., the Monitor of the restructuring. The table below summarizes the Corporation's valuation.

5 . LONG-TERM INVESTMENTS (Cont'd)

Restructuring categories	thousands US $		Expected maturity date
	Face value	Estimated fair value	
MAV 2 Notes			
A1 (rated A)	**838.2**	**559.3**	**July 15, 2056**
C	**25.9**	**3.1**	**July 15, 2056**
Traditional asset tracking notes			
MAV 3 - Class 14	**650.0**	**507.6**	**January 1, 2021**
Ineligible asset tracking notes			
MAV 2 - Class 13	**131.5**	**26.2**	**March 20, 2014**
MAV 3 - Class 25	**1,340.3**	**365.3**	**December 25, 2036**
Total investments	**2,985.9**	**1,461.5**	

Evaluation

The Corporation has estimated the fair value of the Restructured notes using the following methodology and assumptions. Using available information, the Corporation determined or estimated the principal characteristics of these notes, including the interest rate, maturity date, and credit rating. Then, it estimated the yield that a potential investor would require in order to purchase each class of Restructured notes. The Corporation then used this information to calculate a net present value for each class of Restructured notes.

In the case of the A1, it is estimated that they will pay interest at a rate 0.5% less than the bankers' acceptance ("BA") rate and it is estimated that prospective investors of these notes will require premium yields between 5% and 7% over the BA rate.

The Class C notes pay interest at a rate of 20 % above the BA rate. On the other hand, it is not expected that any interest will be paid out since these notes are subordinated to the Class B notes that are, in turn, subordinated to the Class A1 and A2 notes. In light of this subordination, the Class C notes are viewed as highly speculative with regard to ultimate payment of principal at maturity in 2056. Accordingly, it is expected that Class C notes have a fair value of approximately 12% of par value.

The notes backed by traditional assets are estimated to generate interest income of 0.5% above the BA rate and a prospective buyer of those notes is estimated to require a premium of 3% over the BA rate.

The notes backed by ineligible assets are estimated to generate interest of approximately 0.5% above the BA rate and a prospective investor will require yields of between 10% and 100% in excess of the BA rate. These higher yield requirements reflect the observation that some of the underlying assets are significantly distressed in today's market.

Based upon a sensitivity analysis of the assumptions used, the expected yield required by a potential investor remains the most significant assumption included in the fair value estimate. Based on this exercise, the Corporation estimated that the range of potential values was between US$1.64 million and US$1.29 million. As at March 31, 2009, the fair value of the Corporation's Restructured notes amounted to $1,843,410 (US$ 1,461,516) and these assets are presented on a long-term basis. It is to be noted that these notes are subject to uncertainty as to their eventual cash value.

On October 15, 2007, the Corporation entered into a temporary financing agreement in the amount of $3,000,000 with its bank in order to ensure the sufficient availability of liquidity to meet its financial obligations while awaiting the settlement of the ABCP investments. Following the replacement of the ABCP by the Restructured notes, the Corporation reimbursed this temporary financing and signed, on March 16, 2009, two new long-term financing agreements with its bank. The first agreement for a total amount of US$1,514,083 matures in March 2012 and is renewable for periods of one year with a maximum of four renewal periods. The second agreement for a total amount of US$1,471,791 matures in March 2011 and is renewable for periods of one year with a maximum of five renewal periods. The Corporation holds an option to assign to the bank the ownership of its ineligible asset-tracking notes as well as any proceeds therefrom as payment of 75% of the principal on this second agreement. As at March 31, 2009, the Corporation estimated the fair value of this option at an amount of $901,776 (US$708,720).

Both loans, for wich only the interest is payable on a monthly basis, bear interest at the US prime rate minus 1% and the Restructured notes are pledged as security. Any renewal of these two agreements is subject to the bank's approval.

6. CAPITAL STOCK

A) Authorized :

Unlimited number of common shares with voting rights, participating and without par value
Unlimited number of first preferred shares without par value and issuable in series
Unlimited number of second preferred shares without par value and issuable in series

Issued :

2009	**Common shares**	
	Number	**Amount**
Balance as at December 31, 2008, before the reversal of an exercice of stock options following the issuance of an employee loan	**27,490,514**	**$ 15,815,977**
Reversal of an exercice of stock options following the issuance of an employee loan	**(250,000)**	**(250,000)**
Balance as at December 31, 2008	**27,240,514**	**15,565,977**
Cancelled following issuer bid	**(22,000)**	**(12,562)**
Balance as at March 31, 2009	**27,218,514**	**$ 15,553,415**

B) The following table reconciles the average number of shares outstanding with the calculation of the basic and diluted net earnings per share :

	Three months ended March 31	
	2009	2008
Weighted average number of shares outstanding	**27,229,181**	27,467,064
Effect of potential dilutive securities due to stock options	**-**	16,514
Weighted average number of shares outstanding for use in determining diluted earnings per share	**27,229,181**	27,483,578

7. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Three months ended March 31	
	2009	2008
Balance as at beginning of the period, net of income taxes in the amount of $1,794,212 (2008-$4,390)	**$ (4,069,107)**	$ 9,619
Changes in other comprehensive income in the current period, net of income taxes of $300,317 (2008-$71,826)	**(738,123)**	(162,912)
Unrealized losses on foreign exchange contracts designated as cash flow hedges, net of income taxes of $2,094,528 (2008-$69,971)	**$ (4,807,230)**	$ (153,293)

8. SEGMENTED INFORMATION

The Corporation's business structure is divided into two sectors: the first consists of manufacturing and distributing residential and commercial accessibility equipment for people with mobility challenges (accessibility), and the second consists of converting and adapting vehicles for persons with a physical disability (adapted transport).

8. SEGMENTED INFORMATION (Cont'd)

The business sectors are detailed as follows :

	Three months ended March 31		
	2009		
	Accessibility	**Adapted transport**	**Total**
Sales	$ 8,821,824	$ 2,219,184	**$ 11,041,008**
Operating loss	(98,287)	(38,942)	**(137,229)**
Net earnings (loss)	630,329	(75,344)	**554,985**
Assets	38,096,619	4,058,970	**42,155,589**
Amortization	175,999	22,991	**198,990**
Additions to fixed assets	26,560	2,420	**28,980**

	Three months ended March 31		
	2008		
	Accessibility	Adapted transport	Total
Sales	$ 10,165,048	$ 1,844,885	$ 12,009,933
Operating loss	(609,471)	(102,241)	(711,712)
Net earnings (loss)	(505,879)	(82,229)	(588,108)
Assets	31,623,936	2,882,262	34,506,198
Amortization	204,852	13,427	218,279
Additions to fixed assets	40,480	-	40,480

Information by geographic region is as follows:

	Three months ended March 31		As at March 31	As at December 31
	Sales		**Fixed assets, intangible assets and goodwill**	
	2009	2008	**2009**	2008
United States	**$ 4,836,874**	$ 4,740,346	**$ 2,545,683**	$ 2,590,888
Canada	**648,545**	817,906	**142,538**	122,661
Europe and elsewhere	**11,041,008**	12,009,933	**3,136,848**	3,162,176
	$ 16,526,427	$ 17,568,185	**$ 5,825,069**	$ 5,875,725

9. COMPARATIVE FIGURES

Certain figures have been reclassified to conform to the presentation adopted in 2009.