



Enablence Technologies Inc. Announces Results for the Fiscal Fourth Quarter and Year Ended June 30, 2012

Ottawa, Canada – October 29, 2012 - Enablence Technologies Inc. (“Enablence” or the “Company”) (TSXV: ENA), a leading supplier of optical components and subsystems for access, metro and long-haul markets, announced today financial results for its fiscal year ended June 30, 2012.

Financial & Operating Results– June 30, 2012

The key items during the quarter and fiscal year include:

- For the year ended June 30, 2012, reported revenues of \$13.4 million, resulting in a loss from continuing operations of \$(13.8) million and Adjusted EBITDA (a non-GAAP measure defined below) loss of \$(7.8) million. Revenue was down 51% from the prior year due to market conditions, and declines in European customer volume. Adjusted EBITDA was \$4.4 million worse than the previous year, due to the decline in revenue.
- For the fourth quarter ended June 30, 2012, reported revenues of \$3.3 million, an increase of 58% from the March 2012 quarter, and a decrease of 30% from the June 2011 quarter, resulting in a loss from continuing operations of \$0.8 million, including a recovery from income taxes of \$1.5 million, and Adjusted EBITDA (defined below) loss of \$(1.9) million.
- Sunblence, Enablence’s first Chinese joint venture, completed the construction of its facility and installed the equipment required to produce splitter chips. In June 2012, Sunblence began production and customer shipments.
- Completed the sale of the Company’s systems segment;
- Appointed Peter Dey and John Roland to the board of directors. Marked the departure of Tim Thorsteinson as CEO and a director of the Company.
- Established a Management Committee, chaired by John Roland. The Management Committee has been managing the Company’s business since the departure of Mr. Thorsteinson, and Mr. Roland has become Acting CEO of the Company until a successor is appointed.

Subsequent to June 30, 2012, the Company:

- Obtained a \$3.0 million bridge loan, through one of the Company's subsidiaries, from a U.S. bank.
- Entered into a Priorities and Standstill Agreement with the holders of the subordinated secured notes to allow the Company to renegotiate the terms of the secured notes and sell ENA Switzerland. Currently, one holder is pursuing legal recourse for repayment of its note and the Company is responding to the action.
- Appointed Dan Hilton to the board of directors.
- Announced that its CFO, David Toews, had resigned, effective August 31, 2012.
- Announced the details of an expected \$6 million financing, subject to certain conditions including TSX Venture approval.
- Proceeded with its efforts to sell Enablence Switzerland AG ("ENA Switzerland") to the current management group of ENA Switzerland pursuant to their non-binding, unsolicited offer. Subject to TSX Venture approval, the sale is expected to close in November 2012.

"The combination of soft markets for optical components and the Company's very difficult financial position have produced unacceptable financial results for our fiscal 2012 year ended June 30, and that will continue for at least the next two quarters," said Peter Dey, Chair of the Board of Enablence. "However, I am confident that actions taken by our team during recent months will position the Company to return to profitability in the future. We have a clear plan to refinance the Company and strengthen our financial position by December 31 of this year. Sunblence, our first joint venture in China, has begun production and achieved initial revenues of optical splitters, and we've established a second Chinese joint venture which will develop, manufacture and sell 40- and 100-gigabit optical modules based on our sophisticated TOSA/ROSA sub-assemblies. Key customers have been supportive of us during our difficult financial period, and have responded positively about our financing plan announced on October 15. We expect to strengthen support from our current customer base and identify new opportunities for growth in the next few quarters," he said.

Additional Information

Additional information concerning the Company, including its audited consolidated financial statements for the year ended June 30, 2012 and its Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), can be found at www.sedar.com.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA comprises: net loss excluding the following – loss from discontinued operations, interest income and expense, income tax recovery and expense, depreciation and amortization, asset impairment charges, stock-based compensation expense and restructuring charges. A reconciliation of Adjusted EBITDA with net loss is reported below and also in the Company's MD&A, filed today on www.sedar.com. Management uses Adjusted EBITDA as one measure to evaluate the performance of the continuing operations of the business.

	Three months ended June 30		Twelve months ended June 30	
	2012	2011	2012	2011
	(unaudited)	(unaudited)		(unaudited)
Net income (loss) for the period	\$ 1,060	\$ (47,048)	\$ (6,027)	\$ (104,711)
Add back loss from discontinued operations	(285)	43,817	(7,729)	96,708
Net interest and other expense	(2,215)	357	(1,467)	982
Amortization (note 1)	605	546	2,132	2,881
Recovery of future income taxes	(1,455)	(104)	(1,769)	(527)
"EBITDA"	(2,290)	(2,432)	(9,163)	(4,667)
Foreign exchange (gain) loss	179	(129)	616	(1,217)
Stock-based compensation	(303)	267	255	1,072
Restructuring charges	493	381	493	1,411
"Adjusted EBITDA"	\$ (1,921)	\$ (1,913)	\$ (7,799)	\$ (3,401)

About Enablence Technologies Inc.

Enablence Technologies Inc. is a publicly traded company (TSXV: ENA) that designs, manufactures and sells optical components and subsystems to a global customer base. It utilizes its patented technologies including planar lightwave circuit ("PLC") intellectual property in the production of an array of photonics components and broadband subsystems that deliver a key portion of the infrastructure for next-generation telecommunication systems. The Company's product lines address all three segments of optical networks: access, connecting homes and businesses to the network; metro, communication rings within large cities; and long-haul, linking cities and continents. For more information, visit www.enablence.com.

Forward-looking Statements

This press release may contain forward-looking statements, in particular with respect to the ability to raise sufficient financing including the proposed financing, successful completion of the sale of of ENA Switzerland, successful completion of debt renegotiations and refinancing, the production and revenues of the Company's joint ventures activities, current and future revenue, reduction of costs, litigation and the timeliness and market acceptance of new products that are made as of the date hereof and are based on current expectations, forecasts and assumptions which involve risks and uncertainties associated with our business and the economic environment in which the business operates. All such statements are made pursuant to the 'safe harbour' provisions of, and are intended to be forward-looking statements under, applicable Canadian securities legislation. Any statements contained herein that are statements of historical facts may be deemed to be forward-looking statements. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. We caution our readers of this press release not to place undue reliance on our forward looking statements as a number of factors could cause actual results or conditions to differ materially from current expectations. Please refer to the risks set forth in the Company's continuous disclosure documents that can be found on SEDAR www.sedar.com. Enablence does not intend, and disclaims any obligation, except as required by law, to update or revise any forward looking statements whether as a result of new information, future events or otherwise.

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