

COM DEV International Ltd.
Consolidated Statements of Operations
(Canadian dollars in thousands, except for per share figures)

For the three months ended October 31,	2003	2002
Continuing operations		
Revenue	\$ 26,509	\$ 25,175
Cost of revenue	20,371	17,406
Gross margin	<u>6,138</u>	<u>7,769</u>
Research and development	313	1,931
Restructuring costs	(997)	(580)
Selling and general expenses	<u>4,082</u>	<u>4,946</u>
Operating income	2,740	1,472
Write down of investment	(20,623)	-
Financial	<u>(1,020)</u>	<u>(124)</u>
(Loss) income before taxes	(18,903)	1,348
Provision for taxes	<u>-</u>	<u>-</u>
(Loss) income from continuing operations	(18,903)	1,348
Loss from discontinued operations	-	(2)
Provision for discontinued operations	<u>(957)</u>	<u>(601)</u>
Net income (loss)	<u>\$ (19,860)</u>	<u>\$ 745</u>
Loss per share		
Basic loss per share from continuing operations	\$ (0.40)	\$ 0.02
Diluted loss per share from continuing operations	\$ (0.40)	\$ 0.02
Basic loss per share from discontinued operations	\$ (0.02)	\$ (0.01)
Diluted loss per share from discontinued operations	\$ (0.02)	\$ (0.01)
Basic loss per share	\$ (0.42)	\$ 0.01
Diluted loss per share	\$ (0.42)	\$ 0.01
Basic weighted average number of shares	49,966,253	48,146,776
Diluted weighted average number of shares	49,966,253	55,893,385

COM DEV International Ltd.
Consolidated Statements of Operations
(Canadian dollars in thousands, except for per share figures)

For the year ended October 31,	2003	2002
Continuing operations		
Revenue	\$ 91,041	\$ 107,515
Cost of revenue	68,985	75,877
Gross margin	<u>22,056</u>	<u>31,638</u>
Research and development	4,182	8,700
Restructuring costs	(997)	4,387
Selling and general expenses	<u>14,094</u>	<u>17,820</u>
Operating income	4,777	731
Write down of investment	(20,623)	-
Financial	<u>(2,694)</u>	<u>(369)</u>
(Loss) income before taxes	(18,540)	362
Provision for taxes	<u>(785)</u>	<u>-</u>
(Loss) income from continuing operations	(19,325)	362
Loss from discontinued operations	-	(20,123)
Provision for discontinued operations	<u>(2,187)</u>	<u>(15,187)</u>
Net loss	<u>\$ (21,512)</u>	<u>\$ (34,948)</u>
Loss per share		
Basic loss per share from continuing operations	\$ (0.44)	\$ (0.02)
Diluted loss per share from continuing operations	\$ (0.44)	\$ (0.02)
Basic loss per share from discontinued operations	\$ (0.04)	\$ (0.74)
Diluted loss per share from discontinued operations	\$ (0.04)	\$ (0.74)
Basic loss per share	\$ (0.48)	\$ (0.76)
Diluted loss per share	\$ (0.48)	\$ (0.76)
Basic weighted average number of shares	48,906,759	47,876,308
Diluted weighted average number of shares	48,906,759	47,876,308

COM DEV International Ltd.
Consolidated Statements of Deficit
(Canadian dollars in thousands)

For the three months ended October 31,	2003	2002
Balance, beginning of the period	\$ (237,886)	\$ (235,188)
Net income (loss)	(19,861)	745
Interest on convertible debentures	(468)	(449)
Issuance costs	(1,482)	-
Balance, end of the period	<u>\$ (259,696)</u>	<u>\$ (234,892)</u>

COM DEV International Ltd.
Consolidated Statements of Deficit
(Canadian dollars in thousands)

For the year ended October 31,	2003	2002
Balance, beginning of the period	\$ (234,892)	\$ (197,250)
Net loss	(21,512)	(34,948)
Interest on convertible debentures	(1,810)	(1,559)
Issuance costs	(1,482)	(1,135)
Balance, end of the period	<u>\$ (259,696)</u>	<u>\$ (234,892)</u>

COM DEV International Ltd.
Consolidated Balance Sheets
(Canadian dollars in thousands)

	As at October 31, 2003	As at October 31, 2002
Assets		
Current		
Cash and cash equivalents	\$ 23,423	\$ 11,303
Accounts receivable	22,983	17,858
Inventory	27,286	16,583
Prepays and other	843	1,565
Income taxes recoverable	293	393
Current assets - discontinued operations	57	976
	<u>74,885</u>	<u>48,678</u>
Cash held in escrow	-	2,070
Investment	4,140	4,140
Capital assets	34,101	36,775
Intangible assets	2,005	1,862
Non-current assets - discontinued operations	-	188
Total assets	<u>\$ 115,131</u>	<u>\$ 93,713</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 15,320	\$ 20,539
Income taxes payable	785	-
Deferred revenue	22,973	8,657
Current portion of loans payable	8,552	421
Current liabilities - discontinued operations	1,171	2,696
	<u>48,801</u>	<u>32,313</u>
Long term		
Loans payable	8,412	943
Long term liabilities - other	522	1,200
Long term liabilities - discontinued operations	2,429	2,085
	<u>11,363</u>	<u>4,228</u>
Total liabilities	<u>60,164</u>	<u>36,541</u>
Shareholders' equity		
Convertible debentures	19,470	18,873
Share capital	296,089	272,430
Deficit	(259,696)	(234,892)
Currency translation adjustment	(896)	761
Total	<u>54,967</u>	<u>57,172</u>
Total liabilities and shareholders' equity	<u>\$ 115,131</u>	<u>\$ 93,713</u>

COM DEV International Ltd.
Consolidated Statements of Cash Flows
(Canadian dollars in thousands)

For the three months ended October 31,	2003	2002
Cash flows from operating activities		
Net income (loss) from continuing operations	\$ (18,903)	\$ 1,348
Amortization	1,906	1,546
Write-down of investment	20,623	-
Restructuring provision	(997)	(580)
	<u>2,629</u>	<u>2,314</u>
Net change in non-cash working capital items	<u>7,685</u>	<u>5,144</u>
Cash flows (used in) from operating activities	<u>10,314</u>	<u>7,458</u>
Cash flows from (for) financing activities		
Shares issued	23,051	-
Issue costs	(1,482)	-
Increase (decrease) in long term debt	607	(506)
Cash flows from (used in) financing activities	<u>22,176</u>	<u>(506)</u>
Cash flows from (for) investing activities		
Acquisition of capital assets	(3,415)	(1,852)
Acquisition of intangible assets	(30)	(189)
Investments	(5,300)	-
Cash flows used in investing activities	<u>(8,745)</u>	<u>(2,041)</u>
Net (decrease) increase in cash for continuing operations	23,745	4,911
Net cash used in discontinued operations	(259)	(5,065)
Net increase (decrease) in cash	23,486	(154)
Cash and cash equivalents, beginning of period	(63)	11,457
Cash and cash equivalents, end of period	<u>\$ 23,423</u>	<u>\$ 11,303</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ 368</u>	<u>\$ 72</u>

COM DEV International Ltd.
Consolidated Statements of Cash Flows
(Canadian dollars in thousands)

For the year ended October 31,	2003	2002
Cash flows from operating activities		
Net income (loss) from continuing operations	\$ (19,325)	\$ 362
Amortization	6,280	7,072
Write-down of investment	20,623	-
Restructuring provision	(997)	4,387
	<u>6,581</u>	<u>11,821</u>
Net change in non-cash working capital items	(6,459)	15,920
Cash flows (used in) from operating activities	<u>122</u>	<u>27,741</u>
Cash flows from (for) financing activities		
Shares issued	23,051	-
Convertible debentures	-	18,000
Issue costs	(1,482)	(1,135)
Interest paid on convertible debenture in cash	(608)	-
Repayments of operating lines	-	(15,000)
Increase (decrease) in long term debt	278	(1,048)
Cash flows from financing activities	<u>21,239</u>	<u>817</u>
Cash flows from (for) investing activities		
Acquisition of capital assets	(3,485)	(4,233)
Acquisition of intangible assets	(265)	(514)
Investments	(5,300)	-
Cash flows used in investing activities	<u>(9,050)</u>	<u>(4,747)</u>
Net (decrease) increase in cash for continuing operations	12,311	23,811
Net cash used in discontinued operations	(191)	(19,951)
Net (decrease) increase in cash	<u>12,120</u>	<u>3,860</u>
Cash and cash equivalents, beginning of year	11,303	7,443
Cash and cash equivalents, end of year	<u>\$ 23,423</u>	<u>\$ 11,303</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ 450</u>	<u>\$ 190</u>