

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

For the three months ended October 31,	2004	2003
Continuing operations		
Revenue	\$ 32,221	\$ 25,327
Cost of revenue	23,337	19,191
Gross margin	<u>8,884</u>	<u>6,136</u>
Research and development spending	2,005	1,495
Research and development recovery	<u>(32)</u>	<u>1,182</u>
Net research and development	2,037	313
Restructuring recovery	(231)	(997)
Selling and general expenses	<u>2,542</u>	<u>4,079</u>
Operating income	4,536	2,741
Write down of investment	(4,140)	(20,623)
Interest income (expense)	145	(236)
Foreign exchange gain (loss)	(419)	(955)
Other financial (expense) income	<u>(417)</u>	<u>170</u>
Income (loss) from continuing operations	(295)	(18,903)
Provision for discontinued operations	<u>(1,225)</u>	<u>(957)</u>
Net loss	<u>\$ (1,520)</u>	<u>\$ (19,860)</u>
Earnings (loss) per share		
Basic earnings (loss) per share from continuing operations	\$ (0.01)	\$ (0.39)
Diluted earnings (loss) per share from continuing operations	\$ (0.01)	\$ (0.39)
Basic loss per share from discontinued operations	\$ (0.02)	\$ (0.02)
Diluted loss per share from discontinued operations	\$ (0.02)	\$ (0.02)
Basic earnings (loss) per share	\$ (0.03)	\$ (0.41)
Diluted earnings (loss) per share	\$ (0.03)	\$ (0.41)
Basic weighted average number of shares	59,764,430	49,966,253
Diluted weighted average number of shares	59,764,430	49,966,253

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

For the year ended October 31,	2004	2003
Continuing operations		
Revenue	\$ 118,497	\$ 87,962
Cost of revenue	87,784	67,400
Gross margin	<u>30,713</u>	<u>20,562</u>
Research and development spending	8,309	7,261
Research and development recovery	<u>2,768</u>	<u>3,079</u>
Net research and development	5,541	4,182
Restructuring recovery	(231)	(997)
Selling and general expenses	<u>13,372</u>	<u>12,769</u>
Operating income	12,031	4,608
Write down of investment	(4,140)	(20,623)
Interest expense	(321)	(237)
Foreign exchange gain (loss)	1,258	(1,808)
Other financial expense	<u>(266)</u>	<u>(480)</u>
Income (loss) before taxes	8,562	(18,540)
Provision for taxes	<u>-</u>	<u>(785)</u>
Income (loss) from continuing operations	8,562	(19,325)
Provision for discontinued operations	<u>(1,225)</u>	<u>(2,187)</u>
Net income (loss)	<u><u>\$ 7,337</u></u>	<u><u>\$ (21,512)</u></u>
Earnings (loss) per share		
Basic earnings (loss) per share from continuing operations	\$ 0.11	\$ (0.44)
Diluted earnings (loss) per share from continuing operations	\$ 0.11	\$ (0.44)
Basic loss per share from discontinued operations	\$ (0.02)	\$ (0.04)
Diluted loss per share from discontinued operations	\$ (0.02)	\$ (0.04)
Basic earnings (loss) per share	\$ 0.09	\$ (0.48)
Diluted earnings (loss) per share	\$ 0.09	\$ (0.48)
Basic weighted average number of shares	59,717,691	48,906,759
Diluted weighted average number of shares	60,640,560	48,906,759

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

For the three months ended October 31,	2004	2003
Balance, beginning of the period	\$ (252,250)	\$ (237,886)
Net loss	(1,520)	(19,860)
Interest on convertible debentures	(474)	(468)
Issuance costs	-	(1,482)
Balance, end of the period	<u>\$ (254,244)</u>	<u>\$ (259,696)</u>

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

For the year ended October 31,	2004	2003
Balance, beginning of the period	\$ (259,696)	\$ (234,892)
Net income (loss)	7,337	(21,512)
Interest on convertible debentures	(1,869)	(1,810)
Issuance costs	(16)	(1,482)
Balance, end of the period	<u>\$ (254,244)</u>	<u>\$ (259,696)</u>

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

	As at October 31, 2004	As at October 31, 2003
Assets		
Current		
Cash and cash equivalents	\$ 27,092	\$ 23,423
Accounts receivable	24,263	22,983
Inventory	22,452	23,890
Prepays and other	1,277	843
Income taxes recoverable	422	293
Current assets - discontinued operations	<u>3</u>	<u>57</u>
	75,509	71,489
Investment	-	4,140
Capital assets	34,928	34,101
Intangible assets	<u>2,160</u>	<u>2,005</u>
Total assets	<u>\$ 112,597</u>	<u>\$ 111,735</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 17,494	\$ 15,320
Income taxes payable	71	785
Deferred revenue	21,262	19,577
Current portion of loans payable	8,250	8,552
Current liabilities - discontinued operations	<u>1,155</u>	<u>1,171</u>
	48,232	45,405
Long term		
Loans payable	1,142	8,412
Long term liabilities - other	-	522
Long term liabilities - discontinued operations	<u>1,694</u>	<u>2,429</u>
	2,836	11,363
Total liabilities	<u>51,068</u>	<u>56,768</u>
Shareholders' equity		
Convertible debentures	20,122	19,470
Share capital	296,290	296,089
Contributed surplus	126	-
Deficit	(254,244)	(259,696)
Currency translation adjustment	<u>(765)</u>	<u>(896)</u>
Total	<u>61,529</u>	<u>54,967</u>
Total liabilities and shareholders' equity	<u>\$ 112,597</u>	<u>\$ 111,735</u>

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

For the three months ended October 31,	2004	2003
Cash flows from operating activities		
Net loss from continuing operations	\$ (295)	\$ (18,903)
Amortization	1,036	1,952
Loss (gain) on disposal of assets	285	(47)
ESOP shares and contributed surplus	317	-
Write-down of investment	4,140	20,623
Restructuring provision (recovery)	(231)	(997)
Provision for discontinued operations	225	-
	<u>5,477</u>	<u>2,628</u>
Net change in non-cash working capital items	<u>2,104</u>	<u>7,685</u>
Cash flows (used in) from operating activities	<u>7,581</u>	<u>10,313</u>
Cash flows (used in) from financing activities		
Shares issued	0	23,051
Issue costs	-	(1,482)
Increase (decrease) in long term debt	<u>(3,860)</u>	<u>607</u>
Cash flows (used in) from financing activities	<u>(3,860)</u>	<u>22,176</u>
Cash flows used in investing activities		
Acquisition of capital assets	(3,579)	(3,878)
Proceeds on disposal of capital assets	1,269	582
Acquisition of intangible assets	(64)	(148)
Investments	-	(5,300)
Cash flows used in investing activities	<u>(2,374)</u>	<u>(8,744)</u>
Net increase in cash for continuing operations	1,347	23,745
Net cash used in discontinued operations	<u>(612)</u>	<u>(259)</u>
Net increase in cash	735	23,486
Cash and cash equivalents, beginning of period	<u>26,357</u>	<u>(63)</u>
Cash and cash equivalents, end of period	<u>\$ 27,092</u>	<u>\$ 23,423</u>
Taxes Paid	<u>\$ 714</u>	<u>\$ -</u>
Interest paid	<u>\$ 221</u>	<u>\$ 139</u>

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

For the year ended October 31,	2004	2003
Cash flows from operating activities		
Net income (loss) from continuing operations	\$ 8,562	\$ (19,325)
Amortization	5,917	6,326
Gain on disposal of assets	(42)	(47)
ESOP shares and contributed surplus	317	-
Write-down of investment	4,140	20,623
Restructuring provision (recovery)	(231)	(997)
Provision for discontinued operations	225	-
	<u>18,888</u>	<u>6,580</u>
Net change in non-cash working capital items	<u>2,232</u>	<u>(6,459)</u>
Cash flows from (used in) operating activities	<u>21,120</u>	<u>121</u>
Cash flows (used in) from financing activities		
Shares issued	10	23,051
Issue costs	(16)	(1,482)
Interest paid on convertible debenture in cash	(1,218)	(608)
(Decrease) increase in long term debt	<u>(7,572)</u>	<u>278</u>
Cash flows (used in) from financing activities	<u>(8,796)</u>	<u>21,239</u>
Cash flows used in investing activities		
Acquisition of capital assets	(8,756)	(3,948)
Proceeds on disposal of capital assets	2,307	582
Acquisition of intangible assets	(409)	(383)
Investments	-	(5,300)
Cash flows used in investing activities	<u>(6,858)</u>	<u>(9,049)</u>
Net increase in cash for continuing operations	5,466	12,311
Net cash used in discontinued operations	<u>(1,797)</u>	<u>(191)</u>
Net increase in cash	3,669	12,120
Cash and cash equivalents, beginning of year	23,423	11,303
Cash and cash equivalents, end of year	<u>\$ 27,092</u>	<u>\$ 23,423</u>
Taxes Paid	<u>\$ 714</u>	<u>\$ -</u>
Interest paid	<u>\$ 2,156</u>	<u>\$ 826</u>
Composition of cash		
Bank accounts	\$ 7,134	\$ 23,423
Short term deposits	19,958	-
	<u>\$ 27,092</u>	<u>\$ 23,423</u>