

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

For the three months ended October 31,	2005	2004
Revenue	\$ 29,839	\$ 32,221
Cost of revenue	22,876	23,337
Gross margin	<u>6,963</u>	<u>8,884</u>
Research and development costs	1,891	2,005
Research and development recovery	477	(32)
Net research and development	<u>1,414</u>	<u>2,037</u>
Restructuring recovery	(0)	(231)
Selling and general expenses	2,951	2,542
Operating income	<u>2,598</u>	<u>4,536</u>
Write down of investment	(1)	(4,140)
Interest expense	(473)	(375)
Foreign exchange loss	(331)	(419)
Other financial expense	(181)	(417)
Income (loss) from continuing operations	<u>1,612</u>	<u>(815)</u>
Provision for discontinued operations	-	(1,225)
Net income (loss)	<u>\$ 1,612</u>	<u>\$ (2,040)</u>
Earnings per share		
Basic and diluted earnings (loss) per share from continuing operations	\$ 0.03	\$ (0.01)
Basic and diluted loss per share from discontinued operations	\$ -	\$ (0.02)
Basic and diluted earnings (loss) per share	\$ 0.03	\$ (0.03)
Basic weighted average number of shares	59,907,779	59,764,430
Diluted weighted average number of shares	60,792,724	59,764,430

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

For the years ended October 31,	2005	2004
Revenue	\$ 123,634	\$ 118,497
Cost of revenue	96,510	87,784
Gross margin	<u>27,124</u>	<u>30,713</u>
Research and development costs	8,378	8,309
Research and development recovery	2,092	2,768
Net research and development	<u>6,286</u>	<u>5,541</u>
Restructuring expense (recovery)	531	(231)
Selling and general expenses	12,123	13,372
Operating income	<u>8,184</u>	<u>12,031</u>
Recovery (write-off) of investment	110	(4,140)
Interest expense	(2,202)	(2,375)
Foreign exchange (loss) gain	(563)	1,258
Other financial expense	<u>(339)</u>	<u>(266)</u>
Income from continuing operations	5,190	6,508
Provision for discontinued operations	-	(1,225)
Net income	<u>\$ 5,190</u>	<u>\$ 5,283</u>
Earnings per share		
Basic and diluted earnings per share from continuing operations	\$ 0.09	\$ 0.11
Basic and diluted loss per share from discontinued operations	\$ -	\$ (0.02)
Basic and diluted earnings per share	\$ 0.09	\$ 0.09
Basic weighted average number of shares	59,844,640	59,717,691
Diluted weighted average number of shares	60,761,331	60,669,087

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

For the three months ended October 31,	2005	2004
Balance, beginning of period	\$ (250,250)	\$ (251,788)
Net income (loss)	1,612	\$ (2,040)
Balance, end of year	<u>\$ (248,638)</u>	<u>\$ (253,828)</u>

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

For the years ended October 31,	2005	2004
Balance, beginning of year, as previously reported	\$ (254,244)	\$ (259,696)
Cumulative adjustment from change in accounting policy	416	601
Balance, beginning of year	<u>(253,828)</u>	<u>(259,095)</u>
Net income	5,190	5,283
Issuance costs	-	(16)
Balance, end of year	<u>\$ (248,638)</u>	<u>\$ (253,828)</u>

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

	As at October 31, 2005	As at October 31, 2004
Assets		
Current		
Cash and cash equivalents	\$ 5,825	\$ 27,092
Accounts receivable	32,997	24,263
Inventory	20,460	22,452
Prepays and other	768	1,280
Income taxes recoverable	824	422
	<u>60,874</u>	<u>75,509</u>
Capital assets	33,675	34,928
Intangible assets	2,178	2,160
Other assets	231	416
Total assets	<u>\$ 96,958</u>	<u>\$ 113,013</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 15,353	\$ 17,494
Income taxes payable	-	71
Convertible debentures - interest payable	406	405
Deferred revenue	10,606	21,262
Current portion of loans payable	484	8,250
Current liabilities - discontinued operations	1,042	1,155
	<u>27,891</u>	<u>48,637</u>
Long term		
Loans payable	676	1,142
Convertible debentures	17,092	16,381
Long term liabilities - discontinued operations	1,042	1,694
	<u>18,810</u>	<u>19,217</u>
Total liabilities	<u>46,701</u>	<u>67,854</u>
Shareholders' equity		
Convertible debentures - holder's conversion option	3,336	3,336
Share capital	296,567	296,290
Contributed surplus	296	126
Deficit	(248,638)	(253,828)
Currency translation adjustment	(1,304)	(765)
Total shareholders' equity	<u>50,257</u>	<u>45,159</u>
Total liabilities and shareholders' equity	<u>\$ 96,958</u>	<u>\$ 113,013</u>

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

For the three months ended October 31,	2005	2004
Cash flows from (used in) operating activities		
Net income (loss) from continuing operations	\$ 1,612	\$ (815)
Amortization	1,730	1,145
Loss on disposal of assets	83	285
Convertible debenture - accretion	184	162
Stock compensation expense	40	317
Write-down of investment	-	4,140
Restructuring provision recovery	-	(231)
Provision for discontinued operations	-	225
	<u>3,649</u>	<u>5,228</u>
Net change in non-cash working capital items	1,130	3,282
Cash flows from operating activities	<u>4,779</u>	<u>8,510</u>
Cash flows used in financing activities		
Shares issued	64	-
Repayment of long term debt	(3,900)	(3,860)
Cash flows used in financing activities	<u>(3,836)</u>	<u>(3,860)</u>
Cash flows (used in) from investing activities		
Acquisition of capital assets	(1,344)	(3,771)
Proceeds on disposal of capital assets	6	542
(Write-off) acquisition of intangible assets	71	(74)
Cash flows used in investing activities	<u>(1,267)</u>	<u>(3,303)</u>
Net (decrease) increase in cash for continuing operations	(324)	1,347
Net cash used in discontinued operations	(227)	(612)
Net (decrease) increase in cash	(551)	735
Cash and cash equivalents, beginning of year	6,376	26,357
Cash and cash equivalents, end of year	<u>\$ 5,825</u>	<u>\$ 27,092</u>
Taxes paid	<u>\$ -</u>	<u>\$ 714</u>
Interest paid	<u>\$ 95</u>	<u>\$ 221</u>
Composition of cash		
Bank accounts	\$ 5,825	\$ 7,096
Banker's acceptance	-	19,996
	<u>\$ 5,825</u>	<u>\$ 27,092</u>

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

For the years ended October 31,	2005	2004
Cash flows (used in) from operating activities		
Net income from continuing operations	\$ 5,190	\$ 6,508
Amortization	6,680	6,260
Loss (gain) on disposal of assets	30	(42)
Convertible debenture - accretion	711	644
Stock compensation expense	331	317
Write-down of investment	-	4,140
Restructuring provision recovery	-	(231)
Provision for discontinued operations	-	225
	<u>12,942</u>	<u>17,821</u>
Net change in non-cash working capital items	(19,660)	2,236
Cash flows (used in) from operating activities	<u>(6,718)</u>	<u>20,057</u>
Cash flows (used in) from financing activities		
Shares issued	115	10
Issue costs	-	(16)
Repayment of long term debt	(8,232)	(7,572)
Cash flows used in financing activities	<u>(8,117)</u>	<u>(7,578)</u>
Cash flows (used in) from investing activities		
Acquisition of capital assets	(5,500)	(7,767)
Proceeds on disposal of capital assets	74	1,163
Acquisition of intangible assets	(167)	(409)
Cash flows used in investing activities	<u>(5,593)</u>	<u>(7,013)</u>
Net (decrease) increase in cash for continuing operations	(20,428)	5,466
Net cash used in discontinued operations	(839)	(1,797)
Net (decrease) increase in cash	(21,267)	3,669
Cash and cash equivalents, beginning of year	27,092	23,423
Cash and cash equivalents, end of year	<u>\$ 5,825</u>	<u>\$ 27,092</u>
Taxes paid	<u>\$ -</u>	<u>\$ 714</u>
Interest paid	<u>\$ 1,766</u>	<u>\$ 2,156</u>
Composition of cash		
Bank accounts	\$ 5,825	\$ 7,134
Banker's acceptance	-	19,958
	<u>\$ 5,825</u>	<u>\$ 27,092</u>