
 Financial Highlights

(in millions of dollars, except per share data) (unaudited)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Revenue	\$ 11.0	\$ 9.7	\$ 29.5	\$ 31.7
Net earnings (loss)	\$ (0.3)	\$ 1.8	\$ 0.4	\$ 5.2
Diluted earnings (loss) per share	\$ (0.02)	\$ 0.12	\$ 0.02	\$ 0.34

Notice

The consolidated financial statements have not been reviewed by an external auditor

BELZBERG TECHNOLOGIES INC.

Consolidated Balance Sheets

(in thousands of Canadian dollars)

	September 30, December 31,	
	2008	2007
	(Unaudited)	(Audited)
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ASSETS		
CURRENT		
Cash and cash equivalents	\$ 18,539	\$ 21,081
Cash segregated under regulations and other	53	-
Cash and cash equivalents on deposit with clearing and depository organizations	3,677	2,971
Receivable from brokers, dealers and clearing organizations	2,092	2,521
Accounts receivable	5,413	4,601
Prepaid expenses and other receivables	542	380
Other assets	878	925
Investment tax credits recoverable	529	489
Future income tax assets	2,215	2,201
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	33,938	35,169
CAPITAL ASSETS	3,658	2,955
INVESTMENT	38	38

INVESTMENT TAX CREDITS RECOVERABLE	1,112	972
FUTURE INCOME TAX ASSETS	446	290
GOODWILL	1,608	1,608
OTHER INTANGIBLE ASSETS, NET	192	240
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	\$ 40,992	\$ 41,272
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LIABILITIES

CURRENT

Accounts payable and accrued liabilities	\$ 4,954	\$ 4,054
Payable to customers	53	-
Payable to brokers, dealers and clearing organizations	338	1,915
Income taxes payable	-	13
Future income tax liabilities	273	439
Obligations under capital lease	-	27
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	5,618	6,448

FUTURE INCOME TAX LIABILITIES	237	233
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	5,855	6,681
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SHAREHOLDERS' EQUITY

CAPITAL STOCK	23,930	39,598
CONTRIBUTED SURPLUS	3,523	3,677
RETAINED EARNINGS (DEFICIT)	7,684	(8,684)
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	35,137	34,591
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	\$ 40,992	\$ 41,272
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BELZBERG TECHNOLOGIES INC.

Consolidated Statements of Operations and Retained Earnings (Deficit)

(in thousands of Canadian dollars)

(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
REVENUE				
Transaction fees:				
Equity order flow	\$ 4,543	\$ 3,396	\$ 11,479	\$ 11,747
Options and futures contracts	4,253	4,123	11,541	13,350
	8,796	7,519	23,020	25,097
Subscription fees	1,764	1,821	5,404	5,570
Other revenue	403	347	1,103	1,024
TOTAL REVENUE	10,963	9,687	29,527	31,691
EXPENSES				
Exchange, clearing and brokerage fees	5,194	2,233	10,650	8,967
Compensation and related benefits	3,161	2,668	8,892	8,185
Telecommunication and datafeed services	1,721	1,531	4,937	4,610
Administrative and other expenses	1,259	989	3,768	3,311
Strategic process expenses	-	93	-	191
Amortization of capital assets	506	396	1,487	1,073
Amortization of intangible assets	16	16	48	48
Foreign exchange (gain) loss	(30)	158	87	689
	11,827	8,084	29,869	27,074

EARNINGS (LOSS) BEFORE THE				
UNDERNOTED	(864)	1,603	(342)	4,617
Interest expense	3	1	3	8
Interest income	(129)	(215)	(465)	(591)
	(126)	(214)	(462)	(583)

EARNINGS (LOSS) BEFORE INCOME				
TAXES	(738)	1,817	120	5,200
PROVISION FOR (RECOVERY OF) INCOME				
TAXES				
Current	2	-	9	-
Future	(418)	-	(257)	-
	(416)	-	(248)	-

NET EARNINGS (LOSS)	(322)	1,817	368	5,200
RETAINED EARNINGS (DEFICIT),				
BEGINNING OF PERIOD	8,006	(12,564)	(8,684)	(15,947)
REDUCTION OF STATED CAPITAL	-	-	16,000	-

RETAINED EARNINGS (DEFICIT), END				
OF PERIOD	7,684	(10,747)	7,684	(10,747)

EARNINGS (LOSS) PER SHARE:				
Basic	\$ (0.02)	\$ 0.12	\$ 0.02	\$ 0.35
Diluted	\$ (0.02)	\$ 0.12	\$ 0.02	\$ 0.34

WEIGHTED AVERAGE NUMBER OF COMMON				
AND COMMON EQUIVALENT SHARES				
OUTSTANDING				
Basic	14,841	14,682	14,827	14,661

Diluted	14,879	15,125	14,918	15,211
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BELZBERG TECHNOLOGIES INC.

Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
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CASH PROVIDED BY (USED FOR)				
OPERATING ACTIVITIES				
Net earnings (loss)	\$ (322)	\$ 1,817	\$ 368	\$ 5,200
Items not affecting cash				
Amortization of capital assets	506	396	1,487	1,073
Amortization of intangible assets	16	16	48	48
Unrealized foreign exchange loss (gain)	(219)	495	(358)	1,201
Stock-based compensation	42	46	120	132
Future income taxes	(466)	99	(332)	239
Changes in non-cash working capital items	(3,095)	(852)	(2,074)	(2,496)
	(3,538)	2,017	(741)	5,397
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INVESTING ACTIVITIES				
Purchase of capital assets	(736)	(575)	(2,190)	(1,696)
	(736)	(575)	(2,190)	(1,696)
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FINANCING ACTIVITIES				
Repayment of obligations under capital lease	-	(31)	(27)	(96)
Repurchase of common shares	(33)	-	(306)	-

Proceeds from the exercise of stock options	-	513	364	715
	(33)	482	31	619
Effect of exchange rate changes on cash and cash equivalents	219	(495)	358	(1,201)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,088)	1,429	(2,542)	3,119
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	22,627	18,126	21,081	16,436
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 18,539	\$ 19,555	\$ 18,539	\$ 19,555
CASH AND CASH EQUIVALENTS:				
Cash	\$ 4,834	\$ 5,780	\$ 4,834	\$ 5,780
Cash equivalents	13,705	13,775	13,705	13,775
	\$ 18,539	\$ 19,555	\$ 18,539	\$ 19,555
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest received	\$ 119	\$ 194	\$ 464	\$ 540
Interest paid	3	1	3	8
Income taxes paid	67	55	197	55

Source: Belzberg Technologies Inc.