

## Revised Condensed Unaudited Consolidated Balance Sheets

(expressed in U.S. dollars)

	As at December 31, 2002 \$	As at December 31, 2001 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,804,323	2,314,072
Marketable securities	-	240,643
Accounts receivable	2,377,888	2,081,081
Prepaid expenses and other assets	174,976	271,063
Future income taxes	270,254	-
	6,627,441	4,906,859
<b>Investments</b>	1,085,286	1,101,809
<b>Property, plant and equipment</b>	656,435	1,131,316
<b>Intangible assets</b>	907,217	-
<b>Goodwill</b>	694,835	-
	9,971,214	7,139,984
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	2,813,351	2,124,330
Reserve for restructuring	2,234	165,067
Deferred revenue	454,434	394,570
Income taxes payable	-	20,174
	3,270,019	2,704,141
<b>Shareholders' Equity</b>		
<b>Capital stock</b>		
Authorized		
Unlimited common shares		
Issued and outstanding – 6,094,842 common shares (2001 – 4,058,858)	69,873,994	68,077,781
Additional paid-in capital	750,111	339,550
Deferred stock-based compensation	(10,667)	(418,727)
Cumulative translation adjustment	(275,693)	(243,205)
<b>Deficit</b>	(63,636,550)	(63,319,556)
	6,701,195	4,435,843
	9,971,214	7,139,984

**Intasys Corporation**  
**Revised Condensed Unaudited Consolidated Statements of Operations**  
(expressed in US dollars)

	For the twelve months ended December 31		For the three months ended December 31	
	2002 \$	2001 \$	2002 \$	2001 \$
<b>Revenue</b>	11,824,982	11,965,409	3,009,148	3,022,020
<b>Expenses</b>				
Cost of goods sold, selling and administrative	10,456,205	11,485,035	2,490,255	2,757,035
Net research and development	1,567,351	1,773,233	874,164	352,507
Amortization and impairment of property, plant and equipment	485,545	584,261	128,937	124,195
Amortization of intangible assets	31,404	-	31,404	-
Restructuring charges	(70,453)	184,406	-	129,064
Amortization and impairment of goodwill	-	7,455,353	-	1,182,085
Interest expense	8,476	14,501	4,225	(28)
Interest revenue	(72,003)	(203,012)	(19,098)	(33,853)
Share of results of companies subject to significant influence	-	748,972	(151,728)	41,679
Realized gain on disposal of marketable securities	(73,383)	(101,581)	-	(30,002)
Unrealized loss on marketable securities, investments and write-down of advances	82,616	4,903,899	323	1,492,877
Non-controlling interest	-	(177,698)	-	-
	12,415,758	26,667,369	3,358,482	6,015,559
<b>Loss before income taxes</b>	(590,776)	(14,701,960)	(349,334)	(2,993,539)
Recovery of current income taxes	(2,318)	(95,277)	(2,318)	(95,277)
Recovery of future income taxes	(271,464)	-	(271,464)	-
<b>Net loss for the period</b>	(316,994)	(14,606,683)	(75,552)	(2,898,262)
Basic and diluted net loss per share	(0.07)	(4.55)	(0.01)	(0.74)

**Intasys Corporation**  
**Revised Condensed Unaudited Consolidated Statements of Cash Flows**  
(expressed in US dollars)

	For the twelve months ended		For the three months ended	
	December 31		December 31	
	2002	2001	2002	2001
	\$	\$	\$	\$
<b>Cash flows for operating activities</b>				
Net earnings (loss) for the period	(316,994)	(14,606,683)	(75,552)	(2,898,262)
Adjustments for:				
Amortization and impairment of property, plant and equipment	485,545	638,412	128,937	178,346
Amortization and impairment of goodwill	-	7,455,353	-	1,182,085
Amortization of intangible assets	31,404	-	31,404	-
Realized loss (gain) on disposal of property, plant and equipment	1,141	(14,417)	3	7,437
Realized gain on disposal of marketable securities	(73,383)	(101,581)	-	(30,002)
Non-controlling interest	-	(177,698)	-	-
Interest revenue on investments and management fees	(33,477)	(33,080)	(9,095)	(8,034)
Share of results of companies subject to significant influence	-	748,972	(151,728)	41,679
Unrealized loss on marketable securities, investments and write-down of advances	82,616	4,903,899	323	1,492,877
Financial fees paid through issuance of capital stock	139,583	119,636	123,802	119,636
Advance to a public company subject to significant influence	-	(452,085)	-	131,121
Future income taxes	(271,464)	-	(271,464)	-
Decrease (increase) in non-cash working capital items	682,095	1,377,790	268,585	20,708
<b>Cash flows provided by (used in) operating activities</b>	<b>727,066</b>	<b>(141,482)</b>	<b>45,215</b>	<b>237,591</b>
<b>Investing activities</b>				
Business acquisition	(1,625,151)	-	(1,625,151)	-
Purchase of intangible assets	(50,000)	-	-	-
Investments	(1,612)	(588,594)	(323)	-
Proceeds on disposal of property, plant and equipment	340	85,577	340	(29,898)
Purchase of minority interest in Mamma.com	-	(1,422,167)	-	-
Purchase of property, plant and equipment	(93,844)	(195,905)	(29,103)	10,657
<b>Cash flows used in investing activities</b>	<b>(1,770,267)</b>	<b>(2,121,089)</b>	<b>(1,654,237)</b>	<b>(19,241)</b>
<b>Financing activities</b>				
Issuance (redemption) of equity of a subsidiary	-	(3,210)	-	-
Issuance of capital stock	2,500,000	900,000	2,500,000	-
Shares issued costs	(24,749)	-	(24,749)	-
<b>Cash flows provided by financing activities</b>	<b>2,475,251</b>	<b>896,790</b>	<b>2,475,251</b>	<b>-</b>
Effect of foreign exchange rate changes on cash and cash equivalents	58,201	(95,353)	(4,548)	(10,615)
<b>Change in cash and cash equivalents</b>	<b>1,490,251</b>	<b>(1,461,134)</b>	<b>861,681</b>	<b>207,735</b>
<b>Cash and cash equivalents – Beginning of period</b>	<b>2,314,072</b>	<b>3,775,206</b>	<b>2,942,642</b>	<b>2,106,337</b>
<b>Cash and cash equivalents - End of period</b>	<b>3,804,323</b>	<b>2,314,072</b>	<b>3,804,323</b>	<b>2,314,072</b>
Cash and cash equivalents comprise:				
Cash	1,287,364	646,794	1,287,364	646,794
Short-term deposits	2,516,959	1,667,278	2,516,959	1,667,278
	3,804,323	2,314,072	3,804,323	2,314,072
<b>Supplemental disclosure of cash flow information</b>				
Cash paid for interest	7,136	20,989	2,885	6,460

## Segment Information

The Company has three reportable segments: Investment Management, Internet Media and Billing Systems. The Company evaluates each operating segment performance based on operating revenue from external customers and net earnings (loss).

A reconciliation of the totals reported for the operating segments to the applicable line items in the consolidated financial statements for the years and the three months ended December 31, 2002 and 2001 is as follows:

### For the twelve months ended December 31

	Investment Management		Internet Media		Billing Systems		Total	
	2002	2001	2002	2001	2002	2001	2002	2001
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	11,572	4,222,352	4,183,770	7,602,630	7,770,067	11,824,982	11,965,409
Cost of goods sold, selling and administrative expenses	1,538,596	1,255,606	3,007,457	3,996,109	5,910,152	6,233,320	10,456,205	11,485,035
Net research and development expenses	-	-	661,718	776,607	905,633	996,626	1,567,351	1,773,233
Amortization and impairment of property, plant and equipment	10,854	63,911	144,373	175,901	330,318	344,449	485,545	584,261
Amortization of intangible assets	-	-	31,404	-	-	-	31,404	-
Restructuring charges	(70,453)	161,963	-	-	-	22,443	(70,453)	184,406
Amortization and impairment of goodwill	-	7,455,353	-	-	-	-	-	7,455,353
Interest expense	38	5,407	5,504	-	2,934	9,094	8,476	14,501
Interest revenue	(52,816)	(102,887)	(6,896)	(83,269)	(12,291)	(16,856)	(72,003)	(203,012)
Non-controlling interest	-	(177,698)	-	-	-	-	-	(177,698)
Share of result of companies subject to significant influence	-	748,972	-	-	-	-	-	748,972
Loss on equity disposal of a subsidiary	-	-	-	-	-	-	-	-
Realized gain on disposal of marketable securities	(73,383)	(101,581)	-	-	-	-	(73,383)	(101,581)
Unrealized loss on marketable securities, investments and write-down of advances	82,616	4,903,899	-	-	-	-	82,616	4,903,899
	1,435,452	14,212,945	3,843,560	4,865,348	7,136,746	7,589,076	12,415,758	26,667,369
Earnings (loss) before income taxes	(1,435,452)	(14,201,373)	378,792	(681,578)	465,884	180,991	(590,776)	(14,701,960)
Recovery of current income taxes	-	-	(2,318)	(8,633)	-	(86,644)	(2,318)	(95,277)
Recovery of future income taxes	-	-	(271,464)	-	-	-	(271,464)	-
Net earnings (loss) for the year	(1,435,452)	(14,201,373)	652,574	(672,945)	465,884	267,635	(316,994)	(14,606,683)

**For the three months ended December 31**

	Investment Management		Internet Media		Billing Systems		Total	
	2002	2001	2002	2001	2002	2001	2002	2001
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	(3,064)	(9,352)	1,346,537	879,448	1,665,675	2,151,924	3,009,148	3,022,020
Cost of goods sold, selling and administrative expenses	679,108	440,136	930,365	721,328	880,782	1,595,571	2,490,255	2,757,035
Net research and development expenses	-	-	129,970	149,969	744,194	202,538	874,164	352,507
Amortization and impairment of property, plant and equipment	4,425	11,754	38,970	44,836	85,542	67,605	128,937	124,195
Amortization of intangible assets	-	-	31,404	-	-	-	31,404	-
Restructuring charges	-	123,906	-	-	-	5,158	-	129,064
Amortization and impairment of goodwill	-	1,182,085	-	-	-	-	-	1,182,085
Interest expense	(926)	2,139	4,430	(7,917)	721	5,750	4,225	(28)
Interest revenue	(13,430)	(29,493)	(1,900)	(954)	(3,768)	(3,406)	(19,098)	(33,853)
Non-controlling interest	-	-	-	-	-	-	-	-
Share of result of companies subject to significant influence	(151,728)	41,679	-	-	-	-	(151,728)	41,679
Realized gain on disposal of marketable securities	-	(30,002)	-	-	-	-	-	(30,002)
Unrealized loss on marketable securities, investments and write-down of advances	323	1,492,877	-	-	-	-	323	1,492,877
	517,772	3,235,081	1,133,239	907,262	1,707,471	1,873,216	3,358,482	6,015,559
Earnings (loss) before income taxes	(520,836)	(3,244,433)	213,298	(27,814)	(41,796)	278,708	(349,334)	(2,993,539)
Recovery of current income taxes	-	-	(2,318)	(8,633)	-	(86,644)	(2,318)	(95,277)
Recovery of future income taxes	-	-	(271,464)	-	-	-	(271,464)	-
Net earnings (loss) for the period	(520,836)	(3,244,433)	487,080	(19,181)	(41,796)	365,352	(75,552)	(2,898,262)