

CYBERplex Inc.

**CYBERplex 2nd QUARTER PROFIT
UP 89% OVER 1st QUARTER**

TORONTO, August 7, 1998 – CYBERplex inc. (ASE-CX) is pleased to report its most successful quarter ever. Revenue of \$3,281,834 for the six months ended June 30, 1998 was up 120% over the same period last year and up over 60% from the first quarter of 1998. Profitability has also kept pace with revenue growth. Earnings before interest, taxes, depreciation and amortization (EBITDA) was \$792,684 which is up 180% over the same period in 1997. An after tax profit of \$405,303 is also up 212% over first six months of 1997 and is up over 89% from first quarter of 1998.

These financial performance figures do not include any revenues or expenses associated with the acquisition of Webworks Worldwide Inc, which was completed last week. These results will appear consolidated in third quarter results. The company anticipates that future quarters will have reduced net income as a result of goodwill amortization associated with the acquisition. However, this non-cash accounting charge will not have any impact on EBITDA or other measures of operating performance and cash flow.

"The CYBERplex management team has demonstrated again that they are able to sustain exponential growth rates, while using operating leverage and disciplined process management to increase profitability. Revenues for the first half of 1998 exceed those for



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1997, and net income for the first half of 1998 was almost double total net income for all of 1997. Performance like that is unmatched in the Internet arena", said Vernon Lobo, Chairman of CYBERplex.

"This was a great quarter for CYBERplex by any measure." said Dean Hopkins, President of CYBERplex. "We are particularly proud of being able to manage our growth while maintaining profitability and attracting significant talent to the team. Over the next few quarters we expect this to accelerate as our acquisition program begins to be reflected in our financial results."

CYBERplex is an Internet professional services firm focussed on solving business problems with Internet technology. With offices in Toronto and Waterloo, Halifax, Montreal and Raleigh North Carolina, CYBERplex's unique approach combines business strategy with award winning creative and advanced application engineering to create Internet solutions that deliver results. CYBERplex is publicly traded on the Alberta Stock Exchange under the symbol 'CX'.

Visit CYBERplex's website at <http://www.cyberplex.com>.

CYBERPLEX 2ND QUARTER REPORT



CYBERplex Inc.**CONSOLIDATED
BALANCE SHEET**

	as at June 30, 1998	as at June 30, 1997
ASSETS		
Cash	818,572	1,368,991
Accounts Receivable	1,500,884	525,279
Work in Progress	250,000	-
Sundry Assets	85,289	65,608
Amount due from Related company	260,000	-
	<u>2,914,744</u>	<u>1,959,878</u>
Software development costs	121,974	84,491
Capital Assets	493,474	165,644
Future Income Taxes	134,400	-
TOTAL ASSETS	<u><u>3,664,593</u></u>	<u><u>2,210,013</u></u>
LIABILITIES		
Accounts payable & accrued liabilities	745,919	313,636
Unearned Revenue	51,600	-
Income Tax Provision	304,812	106,394
	<u>1,102,331</u>	<u>420,030</u>
Deferred taxes	52,590	14,890
TOTAL LIABILITIES	<u>1,154,921</u>	<u>434,920</u>
SHAREHOLDERS' EQUITY		
Capital Stock	1,808,488	1,559,563
Retained Earnings	<u>701,183</u>	<u>215,530</u>
TOTAL SHAREHOLDERS' EQUITY	<u>2,509,672</u>	<u>1,775,093</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>3,664,593</u></u>	<u><u>2,210,013</u></u>

CYBERplex Inc.**CONSOLIDATED STATEMENT OF
OPERATIONS AND RETAINED EARNINGS**

	for the period ended June 30, 1998	for the period ended June 30, 1997
REVENUE		
	3,281,834	1,483,831
Direct Costs		
Internet development	1,371,548	740,485
Internet access fee	36,489	26,562
	<u>1,408,037</u>	<u>767,047</u>
Gross Profit	1,872,797	716,785
EXPENSES		
Office and General	819,727	304,297
Salaries and Management Fees	261,387	144,688
Interest on LTD	-	9,940
Amortization	55,769	46,737
	<u>1,136,882</u>	<u>505,660</u>
Income - Before income taxes	736,915	211,125
Current	331,612	106,394
NET INCOME	405,303	104,730
Retained Earnings - Beginning of Year	295,880	110,800
Retained Earnings - End of Period	701,183	215,530
Earnings Per Share	0.03	0.009

CYBERplex Inc.**STATEMENT OF CHANGES
IN FINANCIAL POSITION**

	Six months ending June 30, 1998	Six months ending June 30, 1997
OPERATIONS ACTIVITIES		
Net Income	405,303	104,730
Items not affecting cash		
Amortization	55,769	46,737
Net change in other non-cash items	(623,624)	(39,370)
Cash (used in) provided by Operations	<u>(162,553)</u>	<u>112,097</u>
FINANCING ACTIVITIES		
Capital Stock issued	40,360	-
Net Decrease in share capital	-	(83,195)
Change in offering costs	-	21,705
Cash Provided by Financing Activities	<u>40,360</u>	<u>(61,490)</u>
INVESTING ACTIVITIES		
Software Development Costs	(18,000)	-
Purchase of Capital Assets	(278,395)	(96,470)
Deferred Charges	(71,366)	(40,403)
Cash used in investing activities	<u>(367,761)</u>	<u>(136,873)</u>
Decrease in cash	(489,954)	(86,266)
Cash - Beginning of Period	1,308,526	1,455,257
Cash - End of Period	<u><u>818,572</u></u>	<u><u>1,368,991</u></u>