

**CYBERPLEX INC.
CONSOLIDATED BALANCE SHEETS**

	as at December 31, 2002	as at December 31, 2001
	<u>(unaudited)</u>	<u>(unaudited)</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 814,304	\$ 3,550,302
Short-term investments	3,103,618	2,596,917
Accounts receivable, net of allowance for doubtful accounts of \$206,196 (December 31, 2001 - \$350,751)	1,862,149	1,590,282
Note receivable	-	600,000
Income taxes recoverable	-	237,377
Prepaid expenses and sundry assets	244,170	440,642
	<u>6,024,241</u>	<u>9,015,520</u>
Capital assets	2,287,661	3,550,097
TOTAL ASSETS	<u>\$ 8,311,902</u>	<u>\$ 12,565,617</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 3,135,796	\$ 4,122,747
Current portion of obligations under capital leases	196,373	541,613
Deferred lease inducements	106,984	167,845
Unearned revenue	457,165	308,719
	<u>3,896,318</u>	<u>5,140,924</u>
Long-term notes payable	-	4,079,107
Obligations under capital leases	-	196,373
Future income taxes	162,019	295,661
Other long-term liabilities	1,352,002	1,724,222
	<u>1,514,021</u>	<u>6,295,363</u>
SHAREHOLDERS' EQUITY		
Capital stock	68,836,758	69,571,017
Deficit	(65,935,195)	(68,441,687)
	<u>2,901,563</u>	<u>1,129,330</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 8,311,902</u>	<u>\$ 12,565,617</u>

CYBERPLEX INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

	Three months ended		Year ended	
	December 31, 2002 (unaudited)	December 31, 2001 (unaudited)	December 31, 2002 (unaudited)	December 31, 2001 (unaudited)
Revenue	\$ 1,400,180	\$ 2,677,224	\$ 7,907,253	\$ 17,721,472
Cost of sales	598,973	1,352,206	3,486,019	10,511,287
Gross profit	801,207	1,325,018	4,421,234	7,210,185
Sales and marketing expenses	126,523	626,412	901,931	4,790,560
General and administrative expenses	555,928	1,214,224	2,841,034	8,633,070
	682,451	1,840,636	3,742,965	13,423,630
Income/(Loss) before the undernoted	118,756	(515,618)	678,269	(6,213,445)
Amortization	(392,782)	(6,474,828)	(941,474)	(16,987,952)
Write-down of short-term investment	(11,845)	-	(11,845)	(1,098,734)
Restructuring charge	-	(164,223)	-	(1,268,494)
Gain on settlement of long-term notes payable	-	-	2,567,438	2,752,878
Interest income	20,750	42,247	71,752	164,651
Interest on long term debt	(6,039)	(123,383)	(276,394)	(1,288,846)
Income/(Loss) from continuing operations	(271,160)	(7,235,805)	2,087,746	(23,939,942)
Loss from discontinued operations	-	(245,533)	-	(12,834,905)
Net income/(Loss)	\$ (271,160)	\$ (7,481,338)	\$ 2,087,746	\$ (36,774,847)
Deficit - beginning of the period	(65,664,035)	(60,960,349)	(68,441,687)	(31,666,840)
Gain on settlement of equity component of note	-	-	418,746	-
Deficit - end of period	\$ (65,935,195)	\$ (68,441,687)	\$ (65,935,195)	\$ (68,441,687)
Weighted average number of common shares	29,664,951	29,322,062	29,500,552	27,726,524
Basic earnings (loss) per share from continuing operations	\$ (0.01)	\$ (0.25)	\$ 0.07	\$ (0.86)
Basic earnings (loss) per share	\$ (0.01)	\$ (0.26)	\$ 0.07	\$ (1.33)
Diluted earnings (loss) per share from continuing operations	\$ (0.01)	\$ (0.25)	\$ 0.07	\$ (0.86)
Diluted earnings (loss) per share	\$ (0.01)	\$ (0.26)	\$ 0.07	\$ (1.33)