



Interim Consolidated Financial Statements (Unaudited)

Fiscal Year 2011

For the six months ended September 30, 2010 and 2009

Consolidated Balance Sheets

(Unaudited) (Canadian dollars in Thousands)	Sept 30 2010 \$	March 31 2010 \$
ASSETS		
Current assets		
Cash and cash equivalents	34,448	34,360
Cash held for the benefit of others	3,742	4,026
Accounts receivable	4,705	4,479
Income taxes receivable	202	-
Tax credits receivable	2,027	1,363
Prepaid expenses	816	712
Derivative financial instruments	186	574
	46,126	45,514
Premises and equipment	1,350	1,423
Intangible assets	584	894
Acquired intangible assets	2,330	2,675
Goodwill	25,991	25,991
Future income taxes	5,031	5,685
	81,412	82,182
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	8,384	9,696
Income taxes payable	-	390
Deferred revenues	9,467	8,717
Future income taxes	728	606
	18,579	19,409
Future income taxes	63	129
	18,642	19,538
SHAREHOLDERS' EQUITY		
Capital stock (note 5(b))	47,218	47,809
Share purchase options (note 5(c))	607	1,688
Contributed surplus (note 5(d))	3,013	2,491
Retained earnings	12,145	10,602
Accumulated other comprehensive income (loss)	(213)	54
	62,770	62,644
	81,412	82,182

See accompanying notes to consolidated financial statements.

Consolidated Statements of Retained Earnings

(Unaudited) (Canadian dollars in Thousands)	Six months ended September 30	
	2010 \$	2009 \$
Retained earnings - Beginning of period	10,602	9,241
Net earnings for the period	4,580	490
	15,182	9,731
Premium on redemption of common shares for cancellation (note 5(b)(i))	(1,089)	-
Dividends declared on common shares	(1,948)	-
Adjustment due to a previous share buyback	-	227
Retained earnings - End of period	12,145	9,958

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

(Unaudited) (Canadian dollars in Thousands)	Three months ended		Six months ended	
	September 30		September 30	
	2010	2009	2010	2009
	\$	\$	\$	\$
Net earnings for the period	1,939	683	4,580	490
Foreign currency translation adjustment	-	(234)	-	(486)
Reclassification of realized gains or losses on foreign currency forward contracts, net of future income taxes	(4)	186	(100)	567
Change in unrealized gains (losses) on foreign currency forward contracts, net of future income taxes	288	462	(167)	629
	284	414	(267)	710
Comprehensive income for the period	2,223	1,097	4,313	1,200

Consolidated Statements of Accumulated Other Comprehensive Income (Loss)

(Unaudited) (Canadian dollars in Thousands)	Sept 30 2010	March 31 2010
	\$	\$
Foreign currency translation adjustment		
Cumulative effects of prior years	(344)	(108)
Current period	-	(236)
	(344)	(344)
Unrealized gains (losses) on foreign currency forward contracts		
Cumulative effects of prior years	398	(775)
Change in gains (losses) on foreign currency forward contracts, net of future income taxes	(267)	1,173
	131	398
Accumulated other comprehensive income (loss)	(213)	54

See accompanying notes to consolidated financial statements.

Consolidated Statements of Earnings

(Unaudited)

(Canadian dollars in Thousands,
except per share amounts)

	Three months ended		Six months ended	
	September 30		September 30	
	2010	2009	2010	2009
	\$	\$	\$	\$
Revenues	11,420	11,468	22,665	23,161
Cost of revenues	2,318	2,412	4,910	5,044
Gross margin	9,102	9,056	17,755	18,117
Operating expenses				
General and administrative	1,970	2,131	3,616	4,830
Sales and marketing	1,944	2,165	3,899	4,481
Technology	1,688	1,777	3,480	3,706
Amortization of acquired intangible assets	173	173	345	345
Stock-based compensation	13	59	(347)	126
	5,788	6,305	10,993	13,488
Earnings from operations	3,314	2,751	6,762	4,629
Other income (expense), net (note 3(b))	(244)	(990)	17	(2,059)
Earnings before income taxes	3,070	1,761	6,779	2,570
Provision for income taxes	1,131	1,078	2,199	2,080
Net earnings for the period	1,939	683	4,580	490
Basic net earnings per share	0.14	0.05	0.33	0.04
Diluted net earnings per share	0.14	0.05	0.33	0.04
Dividend per common share	0.14	-	0.14	-
Weighted average number of shares outstanding (note 5(f))				
Basic	13,872,675	13,954,846	13,886,078	13,964,019
Diluted	13,889,449	13,954,846	13,904,907	13,964,019
Number of shares outstanding - End of period	13,683,392	13,927,058	13,683,392	13,927,058

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

(Unaudited) (Canadian dollars in Thousands)	Three months ended September 30		Six months ended September 30	
	2010 \$	2009 \$	2010 \$	2009 \$
CASH FLOWS FROM				
Operating activities				
Net earnings for the period	1,939	683	4,580	490
Adjustments for				
Amortization of premises and equipment	245	312	514	637
Amortization of intangible assets	126	158	310	348
Amortization of acquired intangible assets	173	173	345	345
Stock-based compensation	13	59	(347)	126
Future income taxes	474	722	831	1,384
Changes in non-cash working capital items (note 3(a))	755	1,593	(2,148)	(1,807)
	3,725	3,700	4,085	1,523
Investing activities				
Acquisition of premises and equipment and intangible assets	(394)	(363)	(445)	(746)
Proceeds on disposal of premises and equipment	-	-	4	-
	(394)	(363)	(441)	(746)
Financing activities				
Purchase of common shares for cancellation (note 5 (b)(i))	(2,098)	(185)	(2,098)	(216)
Issuance of common shares (note 5 (b)(ii))	88	-	206	-
Cash dividends paid on common shares	(1,948)	-	(1,948)	-
	(3,958)	(185)	(3,840)	(216)
Net increase (decrease) in cash and cash equivalents	(627)	3,152	(196)	561
Effect of exchange rate fluctuations on cash and cash equivalents	-	153	-	166
Cash and cash equivalents - Beginning of period	38,817	27,536	38,386	30,114
Cash and cash equivalents - End of period	38,190	30,841	38,190	30,841
Cash and cash equivalents comprise the following balance sheet amounts:				
Cash and cash equivalents	34,448	27,669	34,448	27,669
Cash held for the benefit of others	3,742	3,172	3,742	3,172

See accompanying notes to consolidated financial statements.

1 Significant accounting policies

The consolidated interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to interim financial statements and follow the same accounting policies and methods of their application found in the audited financial statements for the year ended March 31, 2010. The March 31, 2010 balance sheet figures have been derived from the audited financial statements of the Company for the year ended March 31, 2010. These interim financial statements are unaudited and have not been reviewed by the Company's external auditors. The disclosures in these interim financial statements do not conform in all material respects to the requirements of GAAP for annual financial statements; therefore, these interim financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report for fiscal year 2010.

Future accounting changes

Business combinations, consolidated financial statements and non-controlling interests

In January 2009, the Accounting Standards Board of Canada approved three new CICA Handbook Sections: Section 1582, "Business Combinations"; Section 1601, "Consolidated Financial Statements"; and Section 1602, "Non-controlling Interests", replacing Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements". Section 1582 requires additional use of fair value measurements, recognition of additional assets and liabilities, and increased disclosure for the accounting of a business combination. Section 1601 establishes standards for the preparation of consolidated financial statements, while Section 1602 requires non-controlling interests to be reported as a separate component of equity, with net income calculated without deduction for non-controlling interests. Rather, consolidated net income is to be allocated between controlling and non-controlling interests. These three new sections are to be implemented concurrently and apply prospectively to all business combinations of the Company for which the acquisition date is on or after April 1, 2011, with earlier application permitted. The Company is currently evaluating the impact of these standards on its consolidated financial statements.

International Financial Reporting Standards (IFRS)

In February 2008, the Accounting Standards Board of Canada confirmed that Canadian GAAP for publicly accountable enterprises in Canada will be converged with IFRS with a changeover date on January 1, 2011. As a result, the Company is required to prepare its consolidated financial statements in accordance with IFRS for interim and annual financial statements relating to fiscal year beginning April 1, 2011. The Company is currently evaluating the impact of adopting IFRS on its consolidated financial statements.

2 Related party transactions

Details of related party transactions not otherwise disclosed in the consolidated financial statements are as follows:

(Canadian dollars in Thousands)	Three months ended		Six months ended	
	September 30		September 30	
	2010	2009	2010	2009
	\$	\$	\$	\$
Revenues				
Joint ventures	156	192	284	438
Accounts receivable from				
Joint ventures	187	65	187	65

Balances and transactions with the joint ventures represent the amounts corresponding to the Company's interest therein.

All related party transactions occurred in the normal course of operations and were measured at the exchange amount, which is the amount of consideration agreed upon by the parties.

During the three-month period ended September 30, 2010, the Company incurred a management fee of \$135,446 (2010 – \$67,592) for the services rendered by a corporate shareholder who has a significant influence over the Company. Fees of \$201,050 (2010 – \$197,592) were incurred for the six-month period ended September 30, 2010. The transaction was in the normal course of business and was measured at the exchange amount, which is the amount of consideration established and agreed upon by the parties.

Notes to Interim Consolidated Financial Statements (Unaudited)
September 30, 2010 and 2009

3 Changes in non-cash working capital items and Other income (expense)

a) Changes in non-cash working capital items are as follows:

(Canadian dollars in Thousands)	Three months ended		Six months ended	
	September 30		September 30	
	2010	2009	2010	2009
	\$	\$	\$	\$
Decrease (increase) in				
Accounts receivable	1,021	1,109	(226)	(68)
Income taxes receivable	(202)	(80)	(202)	(240)
Tax credits receivable	(338)	(351)	(664)	(717)
Prepaid expenses	(188)	(59)	(104)	243
Increase (decrease) in				
Accounts payable and accrued liabilities	976	1,596	(1,312)	(578)
Income taxes payable	(346)	-	(390)	-
Deferred revenues	(168)	(622)	750	(447)
	755	1,593	(2,148)	(1,807)

During the three-month period ended September 30, 2009, the Company made an adjustment of \$226,685 to accounts payable and accrued liabilities due to a previous share buyback.

b) Other income (expense) consists of the following:

(Canadian dollars in Thousands)	Three months ended		Six months ended	
	September 30		September 30	
	2010	2009	2010	2009
	\$	\$	\$	\$
Interest income	60	13	103	27
Financial expense	(53)	(48)	(102)	(95)
Foreign exchange gain (loss)	(211)	(896)	98	(1,881)
Other expense	(40)	(59)	(82)	(110)
	(244)	(990)	17	(2,059)

Notes to Interim Consolidated Financial Statements (Unaudited)
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4 Segment information

The Company has only one reportable segment. Revenues comprise mainly membership to the e-business networks.

Geographical information is as follows:

(Canadian dollars in Thousands)

Three months ended September 30

	2010		2009	
	Revenues	Premises and equipment, intangible assets, acquired intangible assets and goodwill	Revenues	Premises and equipment, intangible assets, acquired intangible assets and goodwill
	\$	\$	\$	\$
Canada	4,712	3,493	4,720	4,533
United States	4,920	26,724	5,143	27,379
Europe	524	-	557	-
Asia and other	1,264	38	1,048	62
	11,420	30,255	11,468	31,974

(Canadian dollars in Thousands)

Six months ended September 30

	2010		2009	
	Revenues	Premises and equipment, intangible assets, acquired intangible assets and goodwill	Revenues	Premises and equipment, intangible assets, acquired intangible assets and goodwill
	\$	\$	\$	\$
Canada	9,516	3,493	9,519	4,533
United States	9,682	26,724	10,388	27,379
Europe	1,044	-	1,147	-
Asia and other	2,423	38	2,107	62
	22,665	30,255	23,161	31,974

Revenues are attributed to geographic areas based on the location of the business places of the related customers.

5 Capital stock, share purchase options and contributed surplus

(Number in Thousands, Canadian dollars in Thousands, except per share amounts)

- a) Authorized, unlimited as to number
Common shares
Preferred shares, issuable in series, with terms, conditions and dividends to be determined by the Board of Directors upon issuance
- b) The following table summarizes common share activity for the six-month periods ended September 30:

	2010		2009	
	Number of shares	Amount \$	Number of shares	Amount \$
Balance - Beginning of period	13,895	47,809	13,974	48,079
Purchased for cancellation (note 5(b)(i))	(247)	(853)	(47)	(162)
Exercise of stock options (note 5 (b)(ii))	35	262	-	-
Balance - End of period	13,683	47,218	13,927	47,917

- i) During the six-month period ended September 30, 2010, the Company purchased 247,352 of its own shares (2010 – 47,000) for cancellation for a cash consideration totalling \$2,098,068 (2010 - \$216,723) in connection with its normal course issuer bid. Capital stock has been reduced by the average issue price per share before buyback of \$3.45 (2010 - \$3.44) totalling \$852,523 (2010 - \$161,707), with the resulting premium or discount on redemption having been charged to Retained earnings or Contributed surplus.
- ii) During the six-month period ended September 30, 2010, 35,000 common shares were issued pursuant to the exercise of stock options (2010 – nil) for a cash consideration of \$206,150 or \$5.89 per share. In addition, an amount of \$55,954 which represents the stock-based compensation previously recognized for these options in Share purchase options (note 5(c)) was credited to Capital stock.

Notes to Interim Consolidated Financial Statements (Unaudited)
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- c) The following table summarizes the share purchase option activity for the six-month periods ended September 30:

	2010 \$	2009 \$
Balance - Beginning of period	1,688	1,647
Stock-based compensation expense (reversal)	(347)	126
Transfer of accumulated compensation cost upon exercise of stock options (note 5(b)(ii))	(56)	-
Transfer of accumulated compensation cost related to stock options vested but not exercised	(678)	(78)
Balance - End of period	607	1,695

- d) The following table summarizes contributed surplus activity for the six-month periods ended September 30:

	2010 \$	2009 \$
Balance - Beginning of period	2,491	2,394
Transfer of accumulated compensation cost related to stock options vested but not exercised	678	78
Discount on redemption of common shares for cancellation (note 5(b)(i))	-	-
Reduction of the accumulated discount on redemption of common shares for cancellation (note 5(b)(i))	(156)	(55)
Balance - End of period	3,013	2,417

- e) Stock-based compensation plan

The Company has two stock-based compensation plans described in note 8 of the 2010 Annual Report.

During the six-month periods ended September 30, 2010 and 2009, no stock options were granted by the Company.

f) Weighted average number of shares outstanding

The following table outlines the weighted average number of shares used in the calculation of the basic and diluted net earnings per share:

	Three months ended September 30		Six months ended September 30	
	2010	2009	2010	2009
Weighted average number of shares outstanding				
Basic	13,873	13,955	13,886	13,964
Dilutive effect of stock options	16	-	19	-
Diluted	13,889	13,955	13,905	13,964

Options to purchase 161,700 shares (2010 – 651,900) at a weighted average exercise price of \$9.51 per share (2010 – \$8.99) were outstanding at the end of the six-month period ended September 30, 2010 but were not included in the calculation of diluted earnings per share because the options' exercise price was greater than the average price of the shares.

6 Financial risk management

The Company's financial assets and financial liabilities expose it to the following risks: market risk, including foreign currency risk and interest rate risk, credit risk and liquidity risk. The main objective of the Company's risk management process is to ensure that risks are properly identified and addressed to minimize potential adverse effects on financial performance.

Risk management is carried out by the finance department, which identifies and evaluates financial risks in close cooperation with management. The finance department is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated.

Foreign currency risk

Foreign currency risk is related to the Company's business transactions denominated in a currency other than the Canadian dollar, primarily the US dollar. Foreign currency risk arises from future sales and purchase transactions as well as recognized financial assets and financial liabilities denominated in foreign currencies.

The Company's main objective in managing its foreign currency risk is to reduce fluctuations in performance. In order to reduce the potentially negative effects of a fluctuating Canadian dollar, the Company has entered into foreign currency forward contracts to stabilize anticipated future revenues denominated in US dollars. Foreign currency forward contracts may only be entered into for purposes of managing foreign currency risk and not for speculative purposes.

Notes to Interim Consolidated Financial Statements (Unaudited)
September 30, 2010 and 2009

The balances in foreign currencies as at September 30, 2010 are as follows:

(Amounts in Thousands)	US\$
Cash and cash equivalents	7,232
Cash held for the benefit of others	3,634
Accounts receivable	2,944
Accounts payable and accrued liabilities	(5,919)
Net position in foreign currency	7,891
Net position in Canadian dollars	8,126

Taking into account the foreign currency forward contracts and assuming that all other variables remain constant, a strengthening of 5% of the Canadian dollar against the US dollar would have had the following impact (in Canadian dollars) on net earnings and other comprehensive income:

(Canadian dollars in Thousands)	\$
Net earnings	(108)
Other comprehensive income	536

A weakening of 5% of the Canadian dollar against the US dollar would have had the opposite impact on net earnings and other comprehensive income.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company's cash and cash equivalents earn interest at market rates.

As at September 30, 2010, the Company's exposure to interest rate risk is on its cash and cash equivalents whose interest rates vary from 0% to 1.15%. If interest rates as at September 30, 2010 had been 0.5% higher or 0.5% lower, the impact on net earnings would have been insignificant.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company is not subject to significant interest rate risk with respect to financial assets and financial liabilities due to their short-term maturity.

Notes to Interim Consolidated Financial Statements (Unaudited)
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Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to credit risk consist principally of cash and cash equivalents, cash held for the benefit of others and accounts receivable. The Company's cash and cash equivalents and cash held for the benefit of others are maintained at major financial institutions; therefore, the Company considers the risk of non-performance on these instruments to be remote.

The Company believes that its credit risk with respect to accounts receivable is limited based on past experience. The Company generally does not require collateral in connection with accounts receivable. Furthermore, its trade accounts receivable are not concentrated on any specific customers but rather are from a wide range of organizations. In addition, the Company performs ongoing credit reviews of some of its customers and establishes an allowance for doubtful accounts receivable when accounts are determined to be uncollectible. The allowance for doubtful accounts is determined based on past experience of what is considered uncertain to be collectible after 60 days and 90 days, and inactive and restricted accounts are fully provided for.

The carrying value of the Company's trade accounts receivable is net of an allowance for doubtful accounts. Changes in the allowance during the period are as follows:

(Canadian dollars in Thousands)	Three months ended		Six months ended		Fiscal year
	September 30		September 30		2010
	2010	2009	2010	2009	2010
	\$	\$	\$	\$	\$
Beginning of period	(591)	(497)	(538)	(519)	(519)
Credit (charge) for the period	103	(3)	50	19	(19)
End of period	(488)	(500)	(488)	(500)	(538)

As at September 30, 2010, the aging analysis of trade accounts receivable, all of which are overdue, is as follows:

(Canadian dollars in Thousands)	\$
1-30 days	3,849
31-60 days	541
61-90 days	137
Over 90 days	178
Total accounts receivable	4,705

There is no impairment or amounts past due related to assets other than accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company is currently not exposed to liquidity risk as it has sufficient cash and cash equivalents to sustain its operations and anticipated investing and financing activities. The Company's financial liabilities, which consist of accounts payable and accrued liabilities, are due within 12 months or less.

Fair value

Cash and cash equivalents and cash held for the benefit of others are carried at fair value. Accounts receivable and accounts payable and accrued liabilities are financial instruments whose fair values approximate their carrying values because of their short term to maturity.

7 Comparative figures

Certain figures for fiscal year 2010 have been reclassified in order to conform to the basis of presentation adopted in the current year.