



CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Months Ended January 31, 2007 and 2006
(Restated October 26, 2007)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, Subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

MANAGEMENT'S DISCUSSION & ANALYSIS

Quarter Ended January 31, 2007

This document is dated March 7, 2007 restated October 26, 2007

(Dollars expressed in 000's)

GENERAL

Certain statements in this document, including statements which may contain words such as "could", "expect", "believe", "will", and similar expressions, and statements related to matters that are not historical facts, are forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties, including those set out herein, which may cause the actual results, performances, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements.

These forward-looking statements relate to, among other things, financial results, product plans, timing, content and pricing of products, market and industry expectations, the wireless communications industry, the mobile fleet industry, general economic, business and political conditions, loss or addition of key employees, stock market volatility, changes in laws and regulations, the Company's ability to compete successfully, adapt to technological advances, changing industry standards and other factors.

All forward-looking statements in this document are based on management's beliefs, intentions, and expectations with respect to future events and are subject to certain risks, uncertainties, and assumptions as of the date of this release. In light of the many risks and uncertainties that may cause future results to differ materially from those expected, the Company cannot give assurance that the forward-looking statements contained in this document will be realized. Forward-looking statements are not guarantees of future performance. The Company assumes no obligation to update its forward-looking statements to reflect subsequent information or events.

The financial data contained in this report and in the Consolidated Financial Statements of the Company for the three and six months ended January 31, 2007 have been prepared in accordance with Canadian Generally Accepted Accounting Principles in Canada and are stated in Canadian Dollars.

This interim report has been prepared in accordance with requirements for interim Management Discussion and Analysis. Certain information that has not substantially changed from information disclosed in the annual Management Discussion and Analysis has not been duplicated in this report. The following discussion and analysis should be read in conjunction with (i) the consolidated financial statements of the Company for the three and six months ended January 31, 2007, (ii) management discussion and analysis for the year ended July 31, 2006 dated October 15, 2006, (iii) the consolidated financial statements of the Company for the year ended July 31, 2006, and (iv) the 2006 the Annual Information Form of the Company dated December 27, 2006. The foregoing is available at www.sedar.com.

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to management by others within those entities, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting, or caused it to be designed under management's supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for the quarter ended January 31, 2007 in accordance with Canadian Generally Accepted Accounting Principles for interim financial reporting. There has been no change in the Company's disclosure controls and procedures or in the Company's internal control over financial reporting that occurred during the most recently completed quarter that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures or internal control over financial reporting.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures in place as at January 31, 2006. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the design and operations of these disclosure controls and procedures were effective, with the exception of the following control deficiency: at January 31, 2007, the Company had not implemented a whistleblower policy. Subsequent to January 31, 2007, the Company adopted a whistleblower policy with implementation planned for March 2007.

OVERVIEW

INDUSTRY AND ECONOMIC FACTORS

Industry

Industry factors remain unchanged from industry factors disclosed in the Company's annual management discussion and analysis.

In fiscal 2006 the Company launched its Consumer Automotive division to focus on safety and security, monitoring and diagnostics and in-vehicle navigation services. Telematics Research Group estimates that worldwide telematics-enabled vehicles will reach approximately 20% of all automobiles sold in 2007 and 43% in 2010.

The Company has focused on markets outside North America, such as Brazil, where auto theft amounts to \$5 billion per year (according to a report by US & Foreign Commercial Service and the US Department of State, 2004). In a fall 2005 Canaccord Capital report, 2005 vehicle theft in the US was reported to be over US \$8.4 billion annually and in Canada was reported as CAD \$600 million annually with 1 in every 100 cars stolen. In January 2006 the Company signed a one-year, 20,000 unit deal to deliver units to Crown Telecom, its value-added reseller ("VAR") in Brazil for deployment by Volkswagen. Subsequently the Company received a purchase order from Crown Telecom for 490,000 units to commence delivery in January 2007.

For markets outside North America, the Company uses VAR's, which comprise a fragmented market. The VARs that the Company works with are in many cases new companies with limited capital resources. In some cases the Company has supported its VAR's in the form of extended credit terms, or in the case of its VAR in Brazil, a term loan. Due to the limited operating history and the limited security, there is risk that the business of the VAR's will fail and as a result the Company may report losses.

Economic

WebTech's revenue and net income are affected by fluctuations in the exchanges rates of the Canadian dollar, the US dollar and UK Pounds Sterling. For the six months ended January 31, 2007 approximately 64% (January 31, 2006: 68%) of revenue was US dollar based and 19% (January 31, 2006: 19%) of revenue was based in UK Pounds Sterling. The exchange rate for US Dollars at January 31, 2007 was 0.8480, compared with 0.884 on July 31, 2006. The exchange rate for UK Pounds Sterling at January 31, 2007 was 0.4325, compared with 0.473 on July 31, 2006. The relative strengthening in the Canadian dollar impacts revenues, accounts receivable and loan receivable negatively, the effect of which is partially offset by a favorable impact on expenses and accounts payable.

RESULTS FROM OPERATIONS

Revenue increased by approximately 14% for the six months ended January 31, 2007 over the comparable six month period in the prior year, this despite a 10% decline in the quarter ended January 31, 2007 compared to the comparable quarter in the prior year. The decline in the quarter related to the fact that \$4,917 of sales in the period are from sales to the Company's VAR in Brazil, for which no revenue has yet been recognized due to uncertainties surrounding the ultimate collectibility of amounts owing from these sales.

Revenue

Revenue declined 10% over the comparable quarter of the prior year primarily due to a decline in sales in Europe and due to the fact that the Company suspended the recognition of revenue related to sales to its VAR in Brazil until the time such revenues are paid for by the VAAR. Revenues for the six month period increased by 14% over the comparable period, primarily to previously reported sales to the Company's VAR in Brazil which were greater in the six months ended January 31, 2007 than in the prior comparable period. Due to the historical slow payment of amounts due from the Company's VAR in Brazil and the conversion of amounts owing from this VAR to a loan, the Company is deferring the recognition of further sales to the VAR as revenue until the amounts due from such sales are actually received in cash from the VAR.

Despite the recent decline in sales in Europe the Company expects that revenue from commercial fleets will continue to grow and sales growth from small to medium size government and commercial fleets is expected. Also, the Company expects revenue growth from transportation and trucking.

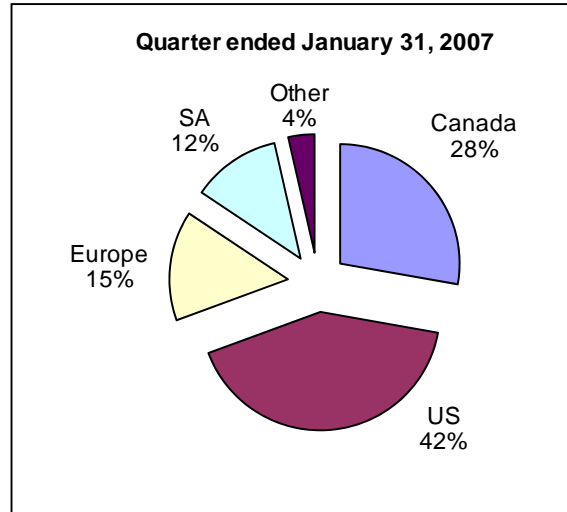
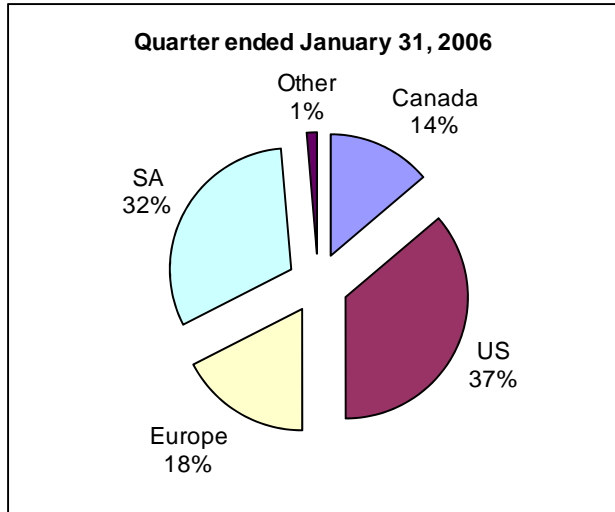
Growth in recurring service revenues of 39.7% for the quarter and 43.5% for the six month period over the comparable periods of the prior year, reflects the Company's ability to attract and retain customers. The Company continues to maintain a high customer retention rate. As the Company increases locator sales, subscriber revenues continue to increase. However, due to the increase in order quantity and the increase in reseller orders, there may be a time lag to allow for training, installation and activation of locators. Subscriber revenues for automotive customers will increase at a lower rate due to the relatively lower average revenue per unit, however they are expected to contribute significantly to an increase in total subscriber revenue due to their volume.

Segmented Information

The Company has sales in Canada, the United States of America, Europe, the Middle East, Asia, South America and other areas of the world. Due to an increase in worldwide demand for wireless vehicle services and due to the Company's further expansion into these markets, the Company realized a general increase in international sales during the six month periods ended January 31, 2007, and a decrease in sales for the 3 months ended January 31, 2007 with the decrease being attributable to the fact that a significant portion of sales (\$4,917) in the quarter were from sales to the Company's VAR in Brazil for which no revenue has yet been recognized.

Sales by geographic segment are as follows:

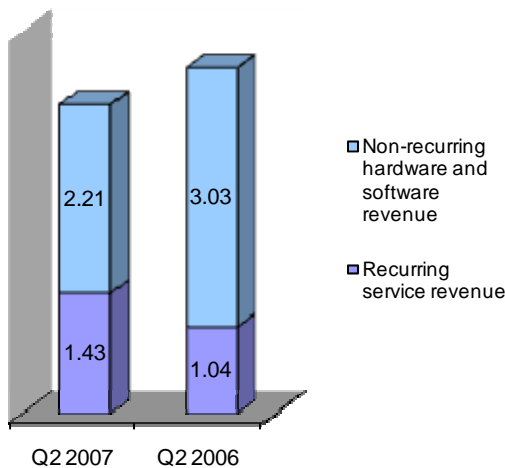
Revenue from sales in North America increased by 26.1% over the prior comparable quarter as sales to government fleets and small to medium commercial fleets increased. European sales decreased by 24.4% over the comparable quarter primarily due to a change in focus by the Company from Europe to South America as the Company's programme with Crown Telecom has taken precedence over other international market initiatives.



Revenue from sales in North America for the six months increased by 20.7% over the prior comparable period as sales to government fleets and small to medium commercial fleets increased.

Revenues can be split into the two categories of: (i) subscriber revenues; and (ii) non-recurring hardware and software sales. Subscriber (or recurring services) revenues have increased as a percentage of total sales to approximately 39.3% for the quarter, compared with 25.5% for the prior comparable quarter. This increase is due to the fact that the prior comparable quarter revenues included a large component of hardware only sales while the current quarter revenue is made up of a more traditional blend of hardware and subscription revenue. Subscriber revenues have increased by 38.3% over the prior comparable quarter. For the six month period ended January 31, subscriber revenues comprised 34.1% (2006: 27.2%) of total revenues and increased by 43.2% over subscriber revenues for the comparable six month period for the aforementioned reasons.

Sales in \$millions by category are as follows:



Gross Profit and Margins

Gross profit declined by 17.8% to \$1,695 for the second quarter of 2007 from \$2,062 for the second quarter of 2006 due to the previously mentioned drop in sales in Europe and the fact that a significant portion of sales in the period are from sales to the Company's VAR in Brazil, for which no revenue has yet been recognized. Gross profit margin for the quarter ended January 31, 2007 was 47%, compared to 51% for the prior comparable quarter. The reduction in gross profit margin was due primarily to a negative

foreign exchange impact which occurred between the time when certain inventory was purchased and when it was sold. Gross profit grew by 9% to \$3,609 for the six month period ended January 31, 2007 from \$3,310 for the six month period ended January 31, 2006 due to the growth in total sales. Gross profit margin for the six month period was 48% (2006 - 50%).

Net Income

For the three and six months ended January 31, 2007 WebTech realized net (loss)/income of \$(393), and \$(359) respectively (2006: income of \$499 and income of \$256). During the three and six month period the Company realized interest income of \$87 and \$175 respectively (2006: \$2 and \$4) and foreign currency gain of \$746 and \$768 respectively (2006: loss of \$167 and loss of \$257).

Operating Expenses

The Company realized a 86.9% increase in second quarter expenses, including sales and marketing, research and development, amortization and administration, over the prior year's comparable quarter. For the six month period the Company realized a 60.8% increase over the prior comparable period for these expenses.

Marketing and Sales

Marketing and sales expense increased by 96.5% over the prior comparable period. Of such increase, 66% was due to increased sales staff & consulting costs, 7% was due to increased travel costs, 5% was due to increased sales related costs in the UK, 5% was due to increased marketing staff costs, 4% was due to increased recruiting costs, 3% is due to increased UK marketing support costs, and the balance due to the growing sales force and its related costs. Marketing and sales expense was comprised 22% of variable sales commissions relating primarily to North American hardware sales (2006 – 14%). Marketing and sales expense for the quarter ended January 31, 2007 decreased as a percentage of sales from 14.7% in the second quarter last year to 13.7% in the second quarter this year. Despite its variable component, it is anticipated that marketing and sales expense will continue to decrease as a percentage of sales due to economies of scale.

Research and Development

Research and development costs for the quarter increased by 56.8% over the prior year period due to increased staffing costs and increased research and development activities to enhance WebTech's product portfolio and services offerings.

Subsequent to the end of the quarter the Company introduced three new products aimed at transportation customers to manage both trailer and tractor assets;

- Trackbox, a rugged enclosure for WT5000 Locators that require portability and operate in environmentally harsh conditions.
- Latest release of WebTech Quadrant Transportation Fleet Management solution, compliant with Canadian 2007 Hours of Service Rules and the California 8/80 Rule.
- Enhancements to Quadrant Enterprise Groups that improve the ability for large companies to manage regional fleets nation-wide.
- Multi-zone temperature sensors to meet increasing regulatory requirements for perishable and pharmaceutical transportation.

The Company continues to invest in research and development activities to maintain technical leadership in consumer automotive and transportation markets.

Administration

Administration expense increased by 128% over the prior comparable quarter. Of this increase, 42% was due to a bad debt provision, 40% was due to increased staffing and consulting costs, 15% was due to increased auditing costs, and the balance was due to increased miscellaneous support costs. Administration expense increased as a percentage of total sales from 8.4% in the second quarter last year to 9.1% in the second quarter of this year. Administration expenditures are expected to continue increasing as the Company continues to build infrastructure to support its

growth, although the Company expects that they will decrease as a percentage of sales due to economies of scale.

SUMMARY OF QUARTERLY RESULTS

Selected Quarterly Financial Information

Unaudited (Expressed in thousands of Canadian dollars, except per share amounts)

Quarter Ended	2007 Jan 31 (Restated)	2006 Oct 31	2006 Jul 31	2006 Apr 30	2006 Jan 31	2005 Oct 31	2005 Jul 31	2005 Apr 30
Revenue	3,639	3,907	4,990	4,734	4,064	2,556	3,269	2,916
Gross Profit	1,695	1,914	2,565	2,373	2,062	1,249	1,658	1,442
Gross Margin %	47%	49%	51%	50%	51%	49%	50%	49%
Expenses	2,921	1,990	2,232	1,892	1,563	1,491	1,392	1,324
Net earnings (loss)	(393)	34	609	492	334	(331)	236	142
EPS (Basic)	(\$0.01)	Nil	\$0.02	\$0.01	\$0.01	(\$0.01)	\$0.01	Nil
EPS (Diluted)	(\$0.01)	Nil	\$0.02	\$0.01	\$0.01	(\$0.01)	\$0.01	Nil
Total Assets	61,522	22,531	22,334	20,946	11,315	10,348	6,898	6,640
Total Long Term Liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Factors affecting quarterly results

The Company has been growing organically through direct sales to small and medium-sized customers, as well as larger government and commercial clients. The sales cycle to these customers can vary from weeks to many months. As well, over the last several years, the Company has been seeding the market by selling product to large customers to use for trials. Some of these trials last for over one year. Consequently, results may vary from quarter to quarter as sales cycles or trials may close in the quarter or easily slip into the next quarter (or even take longer). Nevertheless, the long term trend has been for rapidly increasing sales.

The Company's sales to commercial markets are subject to seasonality. Typically, locator sales in the first quarter of each year are lower due to decreased buying activity in the summer months.

The Company's sales to the consumer market are dependent on the manufacturing schedules of third parties and are outside the control of the Company. In addition, delivery of orders may be canceled or postponed due to other factors outside the control of the Company such as factory strike, government regulation, political instability or other factors. Such events, should they occur, may have a material negative impact on the Company's revenues, profitability and/or financial condition.

LIQUIDITY AND CAPITAL RESOURCES

Current Assets

WebTech's total current asset base at January 31, 2007 was \$54,917 (July 31, 2006 - \$21,304). The increase was mainly due to a \$40 million financing that closed in January 2007.

Working capital

At January 31, 2007, the Company had positive working capital of \$51,310, compared with \$18,812 at July 31, 2006. The Company has a credit facility of up to \$1 million CAD, subject to margin criteria, with a Canadian chartered bank.

Working capital is strong as a result of equity financings and funds received from the exercise of incentive stock options and share purchase warrants. During the first quarter of fiscal 2006, the Company raised \$3,439 from the exercise of share purchase warrants. During the third quarter of fiscal 2006, the Company raised \$9,302 (reported net of cash issue costs) from the private placement of special warrants. In January 2007 the Company raised an additional \$37,534 (reported net of cash issue costs) from the issuance of common shares. Also during the second quarter of 2007 the Company reduced working capital with the provision of \$5,262 under the terms of a loan for up to US \$12 million, with payment terms in excess of one year, to its VAR in Brazil. Pursuant to the loan agreement the Company advanced US \$2 million in cash and the balance against accounts receivable and customer deposits. Notwithstanding the Company's strong working capital position, the Company may be dependent on future financing in order to satisfy significant future growth activities.

Cash and cash equivalents

At January 31, 2007, the Company had cash and cash equivalents of \$34,511, compared with \$10,640, at July 31, 2006.

During the second quarter the Company used cash flows from operating activities, which is net income adding back amortization and stock-based compensation expense, of \$176 (2006: generated \$433) and used cash of \$8,633 (2006: \$1,163) to fund non-cash working capital items, mainly attributable to increases in inventory, prepaid expenses and deposits paid.

For the six months periods ended January 31, 2007 the Company used cash flows from operating activities of \$23 (2006: generated \$193) and used cash of 11,525 (2006: 1,386) to fund non-cash working capital items, also mainly attributable to increases in inventory, prepaid expenses and deposits paid.

Accounts receivable

Accounts receivable were \$5,198 at January 31, 2007, compared with \$7,015 at July 31, 2006. Amounts due from three customers with large volume sales contracts comprised 38.2% of accounts receivable. The Company's management has reviewed its accounts receivable balances as at January 31, 2007, including the balances of these three customers, and believes that adequate provision has been made for doubtful accounts. From time to time, to take advantage of significant growth opportunities, the Company may grant credit terms in excess of its standard credit terms to its resellers and distributors with large volume orders, reducing accounts receivable turnover and contributing to larger accounts receivable balances and increased credit risk. At January 31, 2007, accounts receivable was aged 21.3% over 120 days, an additional 9.95% over 180 days and an additional 32.3% over 240 days. It is important to note that the Company has made sales totaling \$4,917 to its VAR in Brazil, for which no revenue has yet been recognized as sales or as accounts receivable on these financial statements, these amounts are however legally due and owing by the VAR to the Company. Due a variety of reasons including the VAR's history of slow payment, and the recent conversion of certain accounts receivable owing by the VAR to a loan, the Company will not recognize any further revenue from the VAR until it receives payment for the related sales.

Inventory

Inventory increased from \$2,849 at July 31, 2006 to \$6,606 at January 31, 2007, to meet anticipated increased demand for the Company's products, primarily for the Company's consumer automotive business in Brazil. As the Company's inventory levels increase, there is risk that cancellation of orders could result in significant unsold balances subject to obsolescence.

Inventory shipped (unrecognized revenue)

Inventory shipped under deferred revenue increased from nil at July 31, 2006 to \$3,557 at January 31, 2007. This inventory represents goods which are no longer owned by the Company or under its control and which have been shipped to its VAR in Brazil and represents the cost of sales made to the VAR in this quarter. Such inventory will be converted to Cost of Sales and reported on the Statement of Operations once the revenue from the related sales is recognized which is expected to be when the amounts owing from the VAR under the sale arrangement is received in cash by the Company.

Prepaid expenses and deposits

Prepaid expenses and deposits primarily relate to amounts paid to manufacturers in advance of receiving inventory. Prepaid expenses and deposits increased from \$800 at July 31, 2006 to \$5,046 at January 31, 2007, which reflects an increase in deposits on order to avoid inventory backlogs resulting from long manufacturing lead times for component parts, primarily for the Company's consumer automotive business in Brazil.

COMMITMENTS

The Company has entered into leases for premises with the following total minimum annual payments:

2007	207
2008	285
2009	49
	\$ 541

The Company has entered into commitments totaling approximately \$4,805 with two suppliers to purchase inventory for delivery prior to July, 2007.

RELATED PARTY TRANSACTIONS

The Company was charged the following amounts by directors and officers or companies with directors in common.

	For the Three Months Ended January		For the Six Months Ended January	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Administration				
Consulting fees	\$ 149	\$ 35	\$ 204	\$ 145
Directors fees	14	18	27	21
Professional fees	-	5	-	10
Research and development	<u>107</u>	<u>128</u>	<u>137</u>	<u>166</u>
	<u>\$ 270</u>	<u>\$ 186</u>	<u>\$ 368</u>	<u>\$ 342</u>

At January 31, 2007, accounts payable and accrued liabilities included \$178 (July 31, 2006: \$330) due to directors and officers of the Company.

During the six months ended January 31, 2007, directors of the company exercised 400,000 (January 31, 2006: nil) incentive stock options at a weighted average price of \$0.35 (January 31, 2006: nil) per common share.

CHANGES IN ACCOUNTING POLICIES

New Accounting Pronouncements

New accounting pronouncements which may affect the Company's financial statements are substantially unchanged from those disclosed in the Company's annual management discussion and analysis dated October 15, 2006.

USE OF ESTIMATES

A precise determination of many assets and liabilities is dependent upon future events, therefore, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results may differ, perhaps materially, from these estimates.

RISKS AND UNCERTAINTIES

WebTech faces a number of risks and uncertainties that could affect the achievement of its goals. The Company is subject to risks and uncertainties including but not limited to competition its ability to hire skilled employees, government regulations, the availability of working capital and risks and uncertainties relating to the companies products and services and operations. Risks and uncertainties facing the company are disclosed in the Company's Annual Information Form dated December 27, 2006 and are incorporated by reference herein. In addition, the Company faces the following risks and uncertainties at January 31, 2007:

Credit Concentration and Credit Risk

The Company provides credit to its clients in the normal course of operations. The Company estimates, on a continuing basis, the probable losses, and records a provision for losses based on the estimated realizable value. There is no assurance that this provision will be adequate. At January 31, 2007, a US \$4.5 million in loan receivable is due from a the Company's VAR in Brazil, which has been in business for approximately three years and which resells the Company's products and services to a large automobile manufacturer in Brazil. In addition, approximately 14.4% of accounts receivable is due from the Company's reseller in Kuwait. There is no assurance that the Company will be successful in collecting these accounts from its resellers. Although the Company has no present basis to infer that this is a likely event, if the Company is not able to collect these accounts through the normal course of its operations, there is no assurance that legal remedy will be adequate due to the locations of the resellers. Also, approximately 20.7% of accounts receivable is due from two UK resellers of the Company's hardware.

Foreign Exchange

Fluctuations in the exchange rate between the Canadian and US dollars and between Canadian dollars and UK Pounds Sterling affect WebTech by impacting revenue, expenses and the balance sheet. Although the Company reports in CAD dollars, for the quarter ended January 31, 2007, 64% (January 31, 2006: 68%) of revenues were US dollar denominated and 19% (January 31, 2006: 19%) were in UK Pounds Sterling. A weakening US dollar reduces revenues when reported in CAD dollars. A strengthening US dollar would have the opposite effect. There is a somewhat mitigating effect in that a portion of the Company's inventory costs are denominated in US dollars. There is a negative impact on the balance sheet as the value of US denominated receivables and loans decreases if the US dollar weakens against the CAD dollar. There is some offset as US denominated payables will also decrease at the same time. In summary, the offsets between US dollar revenues and expenses and US dollar receivables and payables provide natural hedges for part of the Company's foreign exchange exposure. At January 31, 2007 the US dollar exchange rate was 0.848 compared with 0.884 at July 31, 2006. To date, the Company has not engaged in exchange rate hedging contracts. The Company also sells to customers in UK Pounds Sterling and incurs operating costs of its UK subsidiary primarily in UK Pounds Sterling, however its costs of sales are primarily denominated in US dollars. If UK Pounds Sterling weakens relative to the Canadian dollar, the Company may record losses on translation of its subsidiary's accounts. Reported in Canadian dollars, at January 31, 2007 the Company held net current monetary balances of \$1,774 in UK Pounds Sterling and \$6,887 in US Dollars and held net long-term monetary balances of \$4.5 million in US Dollars (2006: nil).

Loan Receivable

On January 25, 2007 the Company entered into a two-year loan agreement with Crown Telecom and two related companies (collectively "Crown Telecom"), its VAR in Brazil. The loan, equaling US \$ 12 million, bears interest at 12%, payable monthly, with principal payments in year two. The loan agreement is governed by the laws of Brazil and is enforceable by the courts of Brazil. There is risk that the legal system in Brazil may not be adequate to enforce the loan agreement or its security. There is also risk that Crown Telecom's business will fail, due to its inability to fund its ongoing operations, or due to its inability to execute on its contracts. It is not apparent that Crown Telecom has the capital resources

necessary to fulfill its obligations. If Crown Telecom's business should fail it may be unable to make interest payments and repay the principal amount of the loan.

OUTSTANDING SHARE DATA

As at March 7, 2007 the Company had 57,759,160 common shares outstanding. The Company has 3,152,878 share purchase options outstanding entitling the holders to purchase one common share for each option held at \$0.25 to \$5.50 per share expiring on various dates up to January 22, 2012. Also, the Company has 78,926 compensation options outstanding pursuant to a private placement, entitling the holders thereof to purchase one common share for each option held at a price of \$1.45 up to April 11, 2007.

ADDITIONAL INFORMATION

SEDAR

Additional information relating to WebTech is available on SEDAR at www.sedar.com.

WEBTECH WIRELESS INC.
CONSOLIDATED BALANCE SHEETS
(amounts in 000's)

	January 31, 2007 <i>(unaudited)</i> <i>Restated (Note 13)</i>	July 31, 2006 <i>(audited)</i>
ASSETS		
Current		
Cash & cash equivalents	\$ 34,511	\$ 10,640
Accounts receivable	5,198	7,015
Inventory	6,606	2,849
Inventory shipped (unrecognized revenue)	3,557	-
Prepaid expenses and deposits	5,046	800
	54,918	21,304
Capital Assets	1,015	738
Intangible assets, <i>Note 2 (b) & 3</i>	328	292
Loan Receivable, <i>Note 4</i>	5,262	-
	\$ 61,523	\$ 22,334
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 2,729	\$ 2,198
Deferred revenue	879	294
	3,608	2,492
SHAREHOLDERS' EQUITY		
Share capital, <i>Note 6</i>	59,590	21,105
Contributed surplus, <i>Note 7</i>	521	574
Deficit	(2,196)	(1,837)
	57,915	19,842
	\$ 61,523	\$ 22,334

APPROVED BY THE DIRECTORS:

"Anwar Sukkarie"

"Cameron Fraser"

The accompanying notes form an integral part of these Consolidated Financial Statements

WEBTECH WIRELESS INC.
CONSOLIDATED STATEMENT OF OPERATIONS
(amounts in 000's)

	<i>Three Months Ended 31-Jan-07 (unaudited) Restated (Note 13)</i>	<i>Three Months Ended 31-Jan-06 (unaudited)</i>	<i>Six Months Ended 31-Jan-07 (unaudited)</i>	<i>Six Months Ended 31-Jan-06 (unaudited)</i>
Sales, <i>Note 10</i>	\$ 3,639	\$ 4,064	\$ 7,546	\$ 6,619
Cost of goods sold	<u>1,944</u>	<u>2,002</u>	<u>3,937</u>	<u>3,309</u>
Gross profit	<u>1,695</u>	<u>2,062</u>	<u>3,609</u>	<u>3,310</u>
Expenses				
Administration, <i>Note 9</i>	782	343	1,225	731
Amortization	89	64	165	117
Marketing and sales	1,175	598	2,011	1,245
Research and development, <i>Note 9</i>	<u>875</u>	<u>558</u>	<u>1,510</u>	<u>961</u>
	2,921	1,563	4,911	3,054
Income before other items	<u>(1,226)</u>	<u>499</u>	<u>(1,302)</u>	<u>256</u>
Other items				
Interest income (expenses)	87	2	175	4
Foreign exchange gain (loss), <i>Note 11</i>	<u>746</u>	<u>(167)</u>	<u>768</u>	<u>(257)</u>
Net income for the period	<u>\$ (393)</u>	<u>\$ 334</u>	<u>\$ (359)</u>	<u>\$ 3</u>
Basic and fully diluted earnings (loss) per share	\$ (0.01)	\$ 0.01	\$ (0.01)	\$ -
Weighted average number of common shares outstanding	49,261,516	40,126,823	45,589,543	36,146,586
Fully diluted number of common shares outstanding	51,216,755	40,126,823	47,372,246	36,146,586

WEBTECH WIRELESS INC.
CONSOLIDATED STATEMENT OF DEFICIT
(amounts in 000's)

	<i>Three Months Ended 31-Jan-07 (unaudited) Restated (Note 13)</i>	<i>Three Months Ended 31-Jan-06 (unaudited)</i>	<i>Six Months Ended 31-Jan-07 (unaudited)</i>	<i>Six Months Ended 31-Jan-06 (unaudited)</i>
Deficit, beginning of the period	\$ (1,803)	\$ (3,272)	\$ (1,837)	\$ (2,941)
Income for the period	(393)	334	(359)	3
Deficit, end of period	<u>\$ (2,196)</u>	<u>\$ (2,938)</u>	<u>\$ (2,196)</u>	<u>\$ (2,938)</u>

WEBTECH WIRELESS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(amounts in 000's)

	<i>Three Months Ended 31-Jan-07 (unaudited) Restated (Note 13)</i>	<i>Three Months Ended 31-Jan-06 (unaudited)</i>	<i>Six Months Ended 31-Jan-07 (unaudited)</i>	<i>Six Months Ended 31-Jan-06 (unaudited)</i>
Operating Activities				
Net income for the period	\$ (393)	\$ 334	\$ (359)	\$ 3
Add items not affecting cash:				
Stock based compensation, <i>Note 2(d)</i>	128	35	171	73
Amortization	89	64	165	117
	<u>(176)</u>	<u>433</u>	<u>(23)</u>	<u>193</u>
Changes in non-cash working capital items related to operations:				
Accounts receivable	(788)	(1,911)	(1,058)	(1,603)
Inventory	(1,847)	(32)	(3,757)	(428)
Prepaid expense and deposits	(3,528)	(140)	(4,246)	(322)
Inventory shipped (unrecognized revenue)	(3,557)	-	(3,557)	-
Accounts payable and accrued liabilities	764	432	531	691
Deferred Revenue	499	55	585	83
	<u>(8,633)</u>	<u>(1,163)</u>	<u>(11,525)</u>	<u>(1,386)</u>
Financing Activities				
Common shares issued, net of costs, <i>Note 6</i>	37,994	112	38,260	3,566
Loan receivable, <i>Note 4</i>	(2,387)	-	(2,387)	-
	<u>35,607</u>	<u>112</u>	<u>35,873</u>	<u>3,566</u>
Investing Activities				
Purchase of intangible assets, <i>Note 3</i>	(19)	(34)	(54)	(61)
Purchase of capital assets	(352)	(160)	(422)	(269)
	<u>(371)</u>	<u>(194)</u>	<u>(476)</u>	<u>(330)</u>
Net increase (decrease) in cash during the period	26,603	(1,245)	23,872	1,851
Cash, beginning of period	<u>7,909</u>	<u>4,168</u>	<u>10,640</u>	<u>1,072</u>
Cash, end of period	<u>\$ 34,511</u>	<u>\$ 2,923</u>	<u>\$ 34,511</u>	<u>\$ 2,923</u>
Cash and cash equivalents consist of:				
Cash	\$ 31,511	\$ 423	\$ 31,511	\$ 423
Term deposits	3,000	2,500	3,000	2,500
	<u>\$ 34,511</u>	<u>\$ 2,923</u>	<u>\$ 34,511</u>	<u>\$ 2,923</u>
Non-Cash Transactions				
Conversion of accounts receivable to loan receivable	\$ (2,875)	\$ -	\$ (2,875)	\$ -

The accompanying notes are an integral part of these Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2007 and 2006 - Restated

(Dollar amounts in 000's except per share amounts)

Note 1 Nature of Operations

WebTech Wireless Inc. (the "Company" or "WebTech") was incorporated under the laws of the Yukon Territory on May 12, 1999. The Company was continued from the Yukon Territory to Alberta on July 24, 2000. On August 1, 2006, the Company was continued to British Columbia.

WebTech is in the business of developing and selling location-based and telematics subscriber services and hardware. The Company's shares are listed for trading on the TSX Venture Exchange.

Note 2 Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada for interim financial reporting and are stated in Canadian dollars. The interim consolidated financial statements have been prepared in a manner which is consistent with the accounting policies described in the Company's Annual Report for the Year Ended July 31, 2006 and should be read in conjunction therewith.

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results may differ, perhaps materially, from these estimates.

These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, WebTech Wireless Europe Ltd., which was incorporated in the United Kingdom, and WebTech Wireless International Inc., which was incorporated in Barbados. All inter-company balances have been eliminated.

(b) Intangible Assets

The Company has adopted CICA Handbook Section 3062 Goodwill and Other Intangible Assets. Goodwill and other intangible assets with an indefinite life are tested for impairment annually or more frequently if impairment indicators arise, to determine if an impairment loss should be recognized. Intangible assets with a finite life are amortized on a straight line basis over their estimated useful life and are also tested for impairment annually.

(c) Basic and Diluted Earnings Per Share

Basic earnings per share are calculated by dividing net income for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the dilution that would occur if potentially dilutive securities were exercised or converted into common shares at the beginning of the period. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2007 and 2006 - Restated

(Dollar amounts in 000's except per share amounts)

(d) Stock-based Compensation

The value of share purchase options is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

(e) Revenue Recognition and Warranty Provision

The Company derives non-recurring revenue from the sale of vehicle tracking hardware and software and recurring revenue from vehicle tracking services. Revenue from hardware sales is recognized when the hardware is shipped. Revenue from tracking services is recognized on a monthly basis as the services are provided.

A one-year warranty on hardware sales is provided by the Company. A warranty reserve equal to 1% of hardware sales is provided. To date the warranty reserve has been adequate to cover the costs associated with defective units. The Company periodically reviews the adequacy of warranty reserves.

Note 3 Asset Acquisition

Effective November 1, 2004, the Company entered into an agreement with Global Axxess Corporation Limited ("Axxess") under which it acquired all of the business of Globetrac Limited ("Globetrac"). The Company has assumed Globetrac's customers, resellers, suppliers and portals and all technical support and warranty issues. Consideration for the acquisition is the forgiveness of accounts receivable due from Globetrac, the assumption of certain accounts payable of Globetrac and a commission equal to 6% of gross sales for customers and resellers of Globetrac at the transaction date and for prospective customers and resellers, provided business with these customers or resellers commences within one year of the transaction date. Axxess shall be entitled to such commission over a period not to exceed 11 years from August 1, 2005. The commission is contingently payable based on future sales and cannot be reasonable determined at the acquisition date. The contingent consideration is recorded when the amounts can be determined and amortized on a straight line basis over its estimated useful life of 11 years. For the year ended July 31, 2005, total consideration of \$179, which included contingent consideration of \$123, was allocated \$11 to inventory, \$10 to prepaid expense and \$168 to customer lists, less \$10 of accounts payable assumed. For the six months ended January 31, 2007, additional contingent consideration of \$54 was allocated to customer lists. Globetrac is a former reseller of the Company's products and services in Europe.

	<u>January 31,</u> <u>2007</u>	<u>July 31,</u> <u>2006</u>
Cost	\$ 380	\$ 325
Accumulated Amortization	<u>(52)</u>	<u>(33)</u>
	<u>\$ 328</u>	<u>\$ 292</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2007 and 2006 - Restated

(Dollar amounts in 000's except per share amounts)

Note 4 Loan Receivable

On January 25, 2007, the Company entered into a loan agreement with its Value Added Reseller ("VAR"), in Brazil, Crown Telecom. This loan, with a principal amount of up to US\$12 million, bears interest at a rate of 12% per annum payable monthly, with blended payments on interest and principal in year two. The loan is secured by an agreement for pledge of the Borrower's shares and a personal guarantee of the owner. The loan agreement is subject to the laws and jurisdiction of Brazil. Accounts receivable and accrued receivables includes loan interest of \$28, which is unpaid and in arrears at the date of this report.

Note 5 Credit Facility

On January 31, 2007 the Company had a credit facility of up to \$1 million CAD, subject to margin criteria, with a Canadian chartered bank. The Canadian dollar facility bears interest at Canadian prime lending rate plus 1%. The credit facility is secured by a general charge on the assets of the Company.

Note 6 Share Capital

Authorized: Unlimited common shares with no par value
 Unlimited preferred shares issuable in series

Issued:	<u>Total number</u>	<u>Total Amount</u>
<u>Balance July 31, 2005</u>	<u>35,384,377</u>	<u>8,196</u>
Issued for cash:		
Stock Options	1,273,350	356
Warrants	4,617,166	3,439
Private placement ¹	6,896,552	10,000
Transfer from contributed surplus on exercise of stock options	-	30
Less: Share issue costs	-	(916)
<u>Balance July 31, 2006</u>	<u>48,171,445</u>	<u>\$ 21,105</u>
Issued for cash:		
Stock Options	1,255,745	545
Share purchase warrants	126,630	184
Common Shares ²	8,050,000	40,250
Transfer from contributed surplus on exercise of stock options		173
Transfer from contributed surplus on exercise of warrants		51
Less: Share issue costs		(2,718)
<u>Balance January 31, 2007</u>	<u>57,603,820</u>	<u>\$59,590</u>

1 On April 11, 2006, 6,896,552 special warrants were issued by private placement for gross proceeds of \$10,000. Issue costs related to the financing were \$782. Effective June 6, 2006 each special warrant was exercised at no additional cost into one common share of the Company.

2 On January 16, 2007, 8,050,000 common shares were issued at a price of \$5.00 per common share for gross proceeds of \$40,250. Issue costs related to the financing were \$2,716.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2007 and 2006 - Restated

(Dollar amounts in 000's except per share amounts)

Share Purchase Warrants

During the year ended July 31, 2006, 4,617,166 share purchase warrants were exercised at a weighted average price of \$0.74 per common share and the remaining 564,310 share purchase warrants, with a weighted average exercise price of \$0.71 per common share, were cancelled.

In connection with the April 11, 2006 private placement of special warrants, the underwriters were granted an aggregate of 206,896 special broker warrants, each of which was exercised for no additional consideration into one share purchase warrant on June 6, 2006. Each share purchase warrant entitles the holder thereof to acquire one common share of the Corporation at a price of \$1.45 until April 11, 2007. At January 31, 2007, 78,926 share purchase warrants were outstanding. (See Note 11, Subsequent Events)

Stock Option Plan

Under the Stock Option Plan, the Company is authorized to grant share purchase options of up to 20% of its issued common shares to its employees, directors and consultants. Share purchase options are granted at an exercise price equal to the market price of the Company's common shares on the date of the grant.

Materially all of the Company's share purchase options vest over three years. Approximately one third of the Company's options vest on each of the first, second and third anniversaries of the grant date.

A summary of the status of the Company's Stock Option Plan is presented below:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>
Options outstanding July 31, 2005	4,363,307	\$0.43
Granted	527,400	\$1.01
Expired or cancelled	(82,700)	\$0.73
Exercised	<u>(1,273,350)</u>	\$0.28
Options outstanding July 31, 2006	<u>3,534,657</u>	\$0.56
Granted	931,300	\$1.29
Expired or cancelled	(57,334)	\$0.82
Exercised	<u>(1,255,745)</u>	\$0.39
Options outstanding January 31, 2007	<u>3,152,878</u>	\$0.69
Options exercisable January 31, 2007	<u>1,497,835</u>	\$0.50

At January 31, 2007, the Company had 3,152,878 share purchase options outstanding entitling the holders to purchase one common share for each option held as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Dollar amounts in 000's except per share amounts)

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Dates</u>
284,000	\$0.25	April 1, 2006 to Dec. 4, 2007
353,300	\$0.47	Jan. 5, 2008 to Oct. 3, 2008
94,500	\$0.53	Aug. 16, 2009 to Nov. 1, 2009
755,677	\$0.60	Oct. 31, 2007 to May 1, 2009
175,000	\$0.64	January 20, 2010
204,600	\$0.76	Apr. 14, 2010 to Aug. 10, 2010
126,667	\$0.78	September 15, 2010
66,834	\$1.20	December 29, 2010
46,000	\$1.50	Feb. 7, 2011 to Apr. 18, 2011
120,000	\$1.10	July 19, 2011
180,000	\$1.10	September 11, 2011
260,000	\$1.42	October 4, 2011
205,000	\$3.71	December 5, 2011
281,300	\$5.50	January 22, 2012

During the six months ended January 31, 2007 stock based compensation expensed was \$173 (January 31, 2006 - \$73).

The following assumptions were used for the Black-Scholes model:

	<u>January 31, 2007</u>	<u>July 31, 2006</u>
Risk free rate	3.0%	2.0%
Dividend yield	0%	0%
Expected volatility	63%	60%
Weighted average expected option life	3 years	3 years
Weighted average fair value of options granted	\$1.346	\$0.426
Total options outstanding	<u>3,152,878</u>	<u>3,534,657</u>

Note 7 Contributed Surplus

Balance July 31, 2005	\$ 365
Stock options	155
Stock options exercised	(30)
Share purchase warrants ¹	<u>84</u>
Balance July 31, 2006	\$ 574
Stock options	171
Stock options exercised	(173)
Share purchase warrants exercised	<u>(51)</u>
Balance January 31, 2007	<u>\$ 521</u>

¹The Corporation uses the Black Scholes valuation method to calculate the fair value of share purchase warrants at the date of issue. Share purchase warrants were granted in connection with the April 11, 2006 private placement of Special Warrants, Note 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2007 and 2006 - Restated

(Dollar amounts in 000's except per share amounts)

Note 8 Commitments

The Company has entered into leases for premises with the following total minimum annual payments:

2007	225
2008	235
2009	335
	<u>795</u>

The Company has entered into commitments with two suppliers totaling approximately \$4,805 to purchase inventory for delivery prior July, 2007.

Note 9 Related Party Transactions

The Company was charged the following amounts by directors and officers or companies with directors in common.

	For the Three Months Ended January		For the Six Months Ended January	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Administration				
Consulting fees	\$ 149	\$ 35	\$ 204	\$ 145
Directors fees	14	18	27	21
Professional fees	-	5	-	10
Research and development	<u>107</u>	<u>128</u>	<u>137</u>	<u>166</u>
	<u>\$ 270</u>	<u>\$ 186</u>	<u>\$ 368</u>	<u>\$ 342</u>

At January 31, 2007, accounts payable and accrued liabilities included \$178 (July 31, 2006: \$330) due to directors and officers of the Company.

During the six months ended January 31, 2007, directors of the company exercised 300,000 (January 31, 2006: nil) incentive stock options at a weighted average price of \$0.29 (January 31, 2006: nil) per common share.

Note 10 Segmented Information

The Company has sales in Canada, the United States of America, Europe, South America and in other areas of the world. Revenues can be split into the two categories of recurring service revenues and non-recurring hardware and software sales. At January 31, 2007, 96.36% of the Company's assets are located in Canada and 3.64% are located in Europe, held by the Company's wholly owned subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2007 and 2006 - Restated

(Dollar amounts in 000's except per share amounts)

Sales by geographic segment are as follows:

	For the Three Months Ended January		For the Six Months Ended January	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Canada	\$ 1,011	\$ 512	\$ 1,571	\$ 857
United States of America	1,514	1,491	2,865	2,818
Europe	545	721	1,140	1,268
South America	439	1,284	1,519	1,490
Other	<u>130</u>	<u>56</u>	<u>451</u>	<u>186</u>
	<u>\$ 3,639</u>	<u>\$ 4,064</u>	<u>\$7,546</u>	<u>\$ 6,619</u>

Sales by category are as follows:

	For the Three Months Ended January		For the Six Months Ended January	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Recurring service revenue	\$ 1,433	\$ 1,036	\$ 2,577	\$ 1,800
Non-recurring hardware and software revenue	<u>2,206</u>	<u>3,028</u>	<u>4,969</u>	<u>4,819</u>
	<u>\$ 3,639</u>	<u>\$ 4,064</u>	<u>\$ 7,546</u>	<u>\$ 6,619</u>

Note 11 Financial Instruments**a) Foreign Currency Risk:**

During the six months ended January 31, 2007 the Company derived 64% of revenue in US dollars and 15% of revenue in UK Pounds Sterling. During the six months ended January 31, 2006 the Company derived 68% of revenue in US dollars and 19% of revenue in UK Pounds Sterling. The Company periodically estimates its obligations payable in these foreign currencies and converts foreign funds in excess of these obligations into Canadian currency. The Company does not use derivative instruments. At January 31, 2007 the Company held net current monetary assets of \$1,774 in UK Pounds Sterling and \$6,887 in US Dollars.

b) Credit Concentration and Risk:

The Company provides credit to its clients in the normal course of operations. The Company estimates, on a continuing basis, the probable losses, and records a provision for losses based on the estimated realizable value. At January 31, 2007, accounts receivable from three customers comprised an aggregate of 38.2% of total accounts receivable. No individual customer comprised greater than 10% of sales.

Note 12 Subsequent Events

Subsequent to January 31, 2007 the Company issued 154,000 common shares pursuant to the exercise of incentive stock options to employees of the company at a weighted average price of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Dollar amounts in 000's except per share amounts)

\$0.25 per common share. Also, subsequent to January 31, 2007, 1,340 share purchase warrants were exercised at a price of \$1.45 per common share.

Note 13 Restatement of Interim Consolidated Financial Statements

During the course of the audit of the Company's financial results for the year ended July 31, 2007 the Company realized that the accounting for the Company's loan to Crown Telecom, the Company's VAR in Brazil, and the treatment of sales to the VAR for the quarter ended January 31, 2007 were incorrect. In addition the Company has noted that certain balance sheet amounts were misstated in its financial statements for the period ended January 31, 2007. The Company has corrected these errors and restated the unaudited consolidated financial statements for the three and six months ended January 31, 2007.

The net effect of the restatement on the unaudited consolidated balance sheet of the Company as at January 31, 2007 was:

Summary of Restatement - Assets	
Accounts Receivable	(1,280)
Inventory shipped (unrecognized revenue)	3,557
Prepays	200
Loan Receivable	(8,888)
Total assets	(6,411)
Summary of Restatement - Liabilities	
Accounts Payable	(252)
Deferred revenue	(4,796)
Total Liabilities	(5,048)
Summary of Restatement - Shareholders' Equity	
Share Capital	129
Contributed Surplus	(65)
Deficit	(1,429)
Total Shareholders' Equity	(1,365)

The net effect of the restatement on the unaudited consolidated income statement of the Company for the three and six months ended January 31, 2007 was a decrease in revenue, cost of sales and gross profit and a resultant decrease in net income as follows:

WEBTECH WIRELESS INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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Summary of Restatement - Statement of Operations	
Revenue	(4,917)
Cost of Sales	<u>3,488</u>
Gross Profit	<u>(1,429)</u>