

FIRAN TECHNOLOGY GROUP CORPORATION

Consolidated Balance Sheets

As at November 30, 2006 and 2005

(in thousands of dollars)

ASSETS	2006 (unaudited)	2005 (audited)
CURRENT		
Cash	\$ 2,348	\$ 2,051
Accounts receivable	10,432	8,518
Income taxes recoverable	254	-
Inventories	7,622	6,409
Promissory note	-	133
Prepaid expenses	329	420
	20,985	17,531
DUE FROM RELATED PARTY	154	154
MACHINERY AND EQUIPMENT	6,969	7,168
FUTURE INCOME TAXES	4,350	3,724
GOODWILL	4,549	4,549
OTHER ASSETS	162	171
	\$ 37,169	\$ 33,297
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 8,567	\$ 7,066
Current portion of long-term debt and capital leases	990	5,833
Income taxes payable	-	349
	9,557	13,248
LONG-TERM DEBT AND CAPITAL LEASES	5,561	-
	15,118	13,248
SHAREHOLDERS' EQUITY		
Share capital		
Common shares	12,681	12,681
Preferred shares	2,218	2,218
Contributed surplus	7,804	7,604
Cumulative translation adjustment	1	(4)
Deficit	(653)	(2,450)
	22,051	20,049
	\$ 37,169	\$ 33,297

FIRAN TECHNOLOGY GROUP CORPORATION**Consolidated Statements of Earnings**

Periods ended November 30, 2006 and 2005

(in thousands of dollars except per share amounts)

	Three Months Ended		Year to Date	
	November 30 2006 (unaudited)	November 30 2005 (unaudited)	November 30 2006 (unaudited)	November 30 2005 (audited)
SALES	\$ 13,603	\$ 13,390	\$ 55,400	\$ 52,801
COST OF SALES	9,496	10,911	42,070	42,224
	4,107	2,479	13,330	10,577
EXPENSES				
Selling, general and administrative	1,974	1,345	7,680	6,233
Amortization of machinery and equipment	757	882	3,099	3,546
Interest expense on long-term debt	135	159	483	509
	2,866	2,386	11,262	10,288
OPERATING EARNINGS BEFORE UNDERNOTED	1,241	93	2,068	289
RESTRUCTURING COSTS	-	-	-	7
SEVERANCE COSTS	-	-	-	661
GAIN ON SALE OF LAND AND BUILDING	-	(31)	-	(31)
OPERATING EARNINGS (LOSS) BEFORE INCOME TAXES	1,241	124	2,068	(348)
INCOME TAXES (RECOVERY)	330	(28)	271	545
NET EARNINGS (LOSS)	\$ 911	152	\$ 1,797	\$ (893)
NET EARNINGS (LOSS) PER SHARE				
Basic	\$ 0.05	\$ 0.01	\$ 0.10	\$ (0.05)
Diluted	\$ 0.04	\$ 0.01	\$ 0.09	\$ (0.05)

FIRAN TECHNOLOGY GROUP CORPORATION**Consolidated Statements of Deficits**

Periods ended November 30, 2006 and 2005

(in thousands of dollars)

	Three Months Ended		Year to Date	
	2006 (unaudited)	2005 (unaudited)	2006 (unaudited)	2005 (audited)
Deficit, beginning of period	\$ (1,564)	\$ (2,602)	\$ (2,450)	\$ (1,270)
Change in accounting policy	-	-	-	(287)
Deficit, beginning of period, as restated	(1,564)	(2,602)	(2,450)	(1,557)
Net earnings (loss) for the period	911	152	1,797	(893)
Deficit, end of period	\$ (653)	\$ (2,450)	\$ (653)	\$ (2,450)

FIRAN TECHNOLOGY GROUP CORPORATION
Consolidated Statements of Cash Flows

Periods ended November 30, 2006 and 2005
(in thousands of dollars)

	Three Months Ended		Year to Date	
	November 30 2006 (unaudited)	November 30 2005 (unaudited)	November 30 2006 (unaudited)	November 30 2005 (audited)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
OPERATING				
Net earnings (loss)	\$ 911	\$ 152	\$ 1,797	\$ (893)
Items not affecting cash				
Stock based compensation expense	50	26	200	142
Future income taxes	494	(40)	494	(40)
Scientific research and experimental development tax credits	(1,120)	-	(1,120)	-
Gain on sale of land and building	-	(31)	-	(31)
Amortization of other assets	5	9	152	41
Amortization of machinery and equipment	757	882	3,099	3,546
	1,097	998	4,622	2,765
Changes in non-cash operating working capital items	80	798	(2,079)	(229)
	1,177	1,796	2,543	2,536
INVESTING				
Increase in due from related party	-	(154)	-	(154)
Acquisition of Young Electronics	-	-	-	(6,202)
Proceeds from sale of land and building	-	802	-	802
Additions to machinery and equipment	(1,176)	(345)	(2,870)	(1,285)
	(1,176)	303	(2,870)	(6,839)
FINANCING				
Issuance of shares and warrants	-	1	-	2,711
Proceeds from long-term debt	-	(623)	6,819	3,153
Increase in other assets	(74)	-	(138)	(35)
Payment of long-term debt and capital leases	(47)	(1,376)	(6,039)	(2,308)
	(121)	(1,998)	642	3,521
Effects of foreign exchange rate changes on cash flow	(63)	7	(18)	(37)
NET CASH FLOW	(183)	108	297	(819)
CASH, BEGINNING OF PERIOD	2,531	1,943	2,051	2,870
CASH, END OF PERIOD	\$ 2,348	\$ 2,051	\$ 2,348	\$ 2,051
DISCLOSURE OF CASH PAYMENTS				
Interest	\$ 92	\$ 167	\$ 450	\$ 514
Income taxes	\$ -	\$ 356	\$ 373	\$ 356