

STATEMENTS OF EARNINGS  
(unaudited)

	<b>Three months ended</b>	
	<b>March 31 2007</b>	March 31 2006
	\$	\$
<b>Revenues</b>		
Advertising	862 069	602 208
Other	12 747	3 200
	<u>874 816</u>	<u>605 408</u>
<b>Cost of revenues</b>	<u>388 034</u>	<u>200 990</u>
<b>Gross profit</b>	486 782	404 418
<b>Operating expenses</b>	429 029	353 934
<b>Net earnings</b>	<u>57 754</u>	<u>50 484</u>
<b>Basic and diluted earnings per share</b>	<u>0,00</u>	<u>0,00</u>
Weighted average number of common shares outstanding	<u>29 335 117</u>	<u>29 092 517</u>
Number of issued and outstanding shares	<u>29 335 117</u>	<u>29 092 517</u>

Statement of retained earnings and contributed surplus  
(unaudited)

	<b>Three months ended</b>	
	<b>March 31 2007</b>	March 31 2006
	\$	\$
<b>Retained earnings(deficit), beginning of period</b>	223 508	(1 800 562)
Net earnings	57 754	50 484
Reduction of deficit	-	(1 750 078)
<b>Retained earnings, end of period</b>	<u>281 262</u>	<u>-</u>
<b>Contributed surplus, beginning of period</b>	23 402	152 350
Reduction of contributed surplus resulting from reduction of accumulated deficit	-	(152 350)
Stock options	11 714	-
	<u>35 116</u>	<u>-</u>

**BALANCE SHEETS**  
(unaudited)

	March 31 2007	December 31 2006
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	178 720	110 658
Short term investments	50 000	-
Accounts receivable	907 546	1 127 230
Prepaid expenses	20 574	15 780
	<u>1 156 840</u>	<u>1 253 668</u>
<b>Long-term investment</b>	1 000 000	900 000
<b>Fixed assets</b>	64 446	64 504
<b>Intangible assets</b>	21 213	18 639
	<u>2 242 499</u>	<u>2 236 811</u>
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	711 128	774 907
<b>Shareholders' equity</b>		
Share Capital	1 214 994	1 214 994
Other paid-in capital	35 116	23 402
Retained earnings	281 262	223 508
	<u>1 531 372</u>	<u>1 461 904</u>
	<u>2 242 499</u>	<u>2 236 811</u>

**STATEMENT OF CASH FLOWS**  
(unaudited)

	<b>Three months ended</b>	
	March 31 2007	March 31 2006
	\$	\$
<b>Operating activities</b>		
Net earnings	57 754	50 484
Items not affecting cash		
Amortization of capital assets	4 262	2 888
Amortization of intangible assets	3 708	2 806
Stock-based compensation costs	11 714	-
	<u>77 438</u>	<u>56 178</u>
<b>Net change in non-cash working capital items</b>	151 111	17 112
<b>Cash flows relating to operating activities</b>	<u>228 549</u>	<u>73 290</u>
<b>Investing activities</b>		
Acquisition of short-term investments	(50 000)	-
Acquisition of long-term investments	(100 000)	(100 000)
Acquisition of fixed assets	(2 367)	(7 480)
Acquisition of intangible assets	(8 120)	-
	<u>(160 487)</u>	<u>(107 480)</u>
<b>Net change in cash and cash equivalents</b>	68 062	(34 190)
<b>Cash and cash equivalents, beginning of period</b>	<u>110 658</u>	<u>207 298</u>
<b>Cash and cash equivalents, end of period</b>	<u>178 720</u>	<u>173 108</u>

**CORPORATE INFORMATION**

Main office  
4316 St-Laurent Boulevard, suite 300  
Montréal, QC, H2W 1Z3

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www.branchez-vous.com/inc/english

**Register and Transfer Agent**

Computershare  
**Stock Exchange**  
TSX Venture Exchange  
Symbol: BZV

**Share variation**

Low \$0,13  
High \$0,68

**BRANCHEZ-VOUS! inc.**  
NOTES TO FINANCIAL STATEMENTS  
FIRST QUARTER ENDED MARCH 31, 2007

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**DESCRIPTION OF THE BUSINESS**

BRANCHEZ-VOUS! inc. [the "Corporation"] was incorporated on April 7, 2000 under the *Canada Business Corporations Act*, and became a public Corporation on December 18, 2000. The Corporation consists of a media business, for which the majority of the revenue are derived from the sale of Internet advertising and the assets are entirely held in Canada. The Corporation was listed on the TSX Venture Exchange on January 17, 2001.

**1. ACCOUNTING PRINCIPLES**

**Use of estimates**

These financial statements have been prepared in conformity with Canadian generally accepted accounting principles. The same accounting policies as disclosed in the financial statements do not include all disclosures required under Canadian generally accepted accounting principles and accordingly should be read in conjunction with the financial statements and the notes thereto included in the Corporation's latest Annual Report.

**Revenues**

Revenues are recorded in the period in which the services are rendered and when expectation of collection is reasonable. Payments received prior to rendering of services are recorded as deferred revenue. Interest income is recognized as it accrues.

**Non-monetary transactions**

In the normal course of operations, the Corporation advertises on its various sites in exchange for goods and services. Income and expenses are determined on the basis of the fair value of the goods and services obtained.

**Short-term investments**

Short-term investments are recorded at the lower of cost and market value.

**Earnings per share**

Basic earnings per share are calculated using the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated using the treasury stock method, giving effect to the exercise of all dilutive factors. The treasury stock method assumes that any proceeds that could be obtained upon the exercise of options would be used to purchase common shares at the average market price during the period.

**Stock option plan**

The Corporation has a stock-based compensation plan, which is described in note 7. The Company adopted the fair value method of accounting for stock-based compensation. Any consideration paid by employees on exercise of stock options is credited to capital stock. The Company uses the fair value method to account for stock-based compensation cost for stock options granted to its employees, directors and consultants. Under this method, the fair value for stock options is established at the time of grant using the Black & Scholes model. The compensation cost is recorded over the vesting period with a corresponding increase in Contributed surplus.

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**BRANCHEZ-VOUS! inc.**  
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**2. SHORT-TERM INVESTMENT**

The short-term investments consist of \$ 50,000 invested in units of Canadian mutual funds. The market value as at March 31, 2007 was \$ 51,260.

**3. LONG-TERM INVESTMENTS**

The long-term investments consist of \$ 1,000,000 invested in a deposit certificate.

**4. ADDITIONAL INFORMATION ON RESULTS**

The non monetary transactions are summarized as follows:

	<b>March 31, 2007</b>	March 31, 2006
Sales	<b>\$ 22,763</b>	\$ 60,000
Operating expenses	<b>\$ 22,763</b>	\$ 60,000

**5. SEASONALITY**

Management acknowledges that second and fourth quarters are traditionally the most active quarter in advertising expenditures, while the first quarter is traditionally the least active quarter. However, experience from the past three years shows significant variations from quarter to quarter which were unrelated to seasonal expectations.

**6. REDUCTION OF SHARE CAPITAL**

On May 24, 2006, the Corporation's shareholders approved, with a two-thirds majority during an extraordinary shareholders' meeting, a reduction of the share capital for an amount of \$ 1,597,728 and a reduction of other paid-in capital de \$ 152 350, or a total amount of \$ 1,750,078. This reduction was effective as at March 31, 2006 and completely absorbed the accumulated deficit of the Corporation as at that date. This modification to the share capital had no impact on the corporation's assets nor its liabilities. Interim financial statements as at March 31, 2006 included such reduction in share capital.

**BRANCHEZ-VOUS! inc.**  
NOTES TO FINANCIAL STATEMENTS  
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**7. SHARE CAPITAL**

**Authorized**

Unlimited number of shares as follows:

- Common shares, voting and participating.
- Preferred shares, issuable in one or more series, having the rights, privileges, restrictions and conditions as determined by the Board of Directors prior to their issuance.

**Issued and outstanding**

	<b>March 31, 2007</b>	Dec. 31, 2006
Common shares	29,335,117	29,335,117
	<b>\$ 1,214,994</b>	<b>\$ 1,214,994</b>

**Stock option plan**

On April 17, 2000, the Corporation adopted a stock option plan in order to grant stock options to officers, directors, employees and consultants providing ongoing services to the Corporation. Under the terms of the plan, which is administrated by the Board of Directors, these options vest over four years and the maximum number of common shares issuable under the plan is limited to 2,893,512 shares, representing 10% of the issued and outstanding common shares.

For the three month period ended March 31, 2007, the Corporation recognizes an expense of \$11,714 based on the new recommendations of the CICA.

A summary of the Corporation's outstanding stock options are shown below:

	<b>March 31, 2007</b>		December 31, 2006	
	<b>Options #</b>	<b>Exercise price \$</b>	Options #	Exercise price \$
Options outstanding, beginning of the period	1,136,000	0.1540	242,600	0.1000
Granted	—	—	1,436,000	0.1900
Cancelled	—	—	(300,000)	0.3000
Exercised	—	—	242,600	0.1000
Forfeited	—	—	--	--
Options outstanding at the end of the period	<b>1,136,000</b>	<b>0.1540</b>	1,136,000	0.1540
Options exercisable (vested) at the end of the period	<b>187,500</b>	<b>0.1500</b>	125,000	0.1500

**BRANCHEZ-VOUS! inc.**  
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Additional information concerning stock options:

**As at March 31, 2007**

<b>Number of outstanding options</b>	<b>Average months remaining</b>	<b>Exercise price</b>	<b>Number of options exercisable</b>
460,000	49	0.1600	-
500,000	15	0.1500	187,500
176,000	57	0.3000	-
<b>1,136,000</b>	<b>35</b>	<b>0.1540</b>	<b>125,000</b>

**As at December 31, 2006**

<b>Number of outstanding options</b>	<b>Average months remaining</b>	<b>Exercise price</b>	<b>Number of options exercisable</b>
460,000	52	0.1600	-
500,000	18	0.1500	187,500
176,000	60	0.3000	-
<b>1,136,000</b>	<b>38</b>	<b>0.1540</b>	<b>187,500</b>

**Earnings per share**

No adjustment was required to net income for purposes of calculating basic and diluted earnings per share. There was also no adjustment to the weighted average number of shares outstanding for the purpose of calculating diluted earnings per share, because to do so would be antidilutive.

**8. COMMITMENTS**

The Corporation has commitments under lease obligation as follows :

	<b>March 31, 2007</b>	Dec. 31, 2006
2007	<b>\$ 130,191</b>	\$ 157,677
2008	<b>\$ 18,535</b>	\$ 4,535
2009	--	--
Total	<b>\$ 148,725</b>	
<u>\$ 162,212</u>		