

Interim Consolidated Financial Statements of

BELZBERG TECHNOLOGIES INC.

Three months ended March 31, 2010 and 2009
(Unaudited)

BELZBERG TECHNOLOGIES INC.

Notice of Disclosure of Non-Auditor Review of Interim Financial Statements

Three months ended March 31, 2010 and 2009

Pursuant to National Instrument 51-102, Part 4, Subsection 4.3(3)(a) issued by the Canadian Securities Administrators, 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 interim consolidated financial statements of the Company for the interim periods ended March 31, 2010 and 2009, have been prepared in accordance with Canadian generally accepted accounting principles and are the responsibility of the Company's management.

The Company's independent auditors, KPMG LLP, have not performed a review of the interim financial statements for March 31, 2010 and 2009 in accordance with the standards established by The Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BELZBERG TECHNOLOGIES INC.

Interim Consolidated Balance Sheets
(In thousands of Canadian dollars)

	March 31, 2010	December 31, 2009
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,797	\$ 15,670
Cash and cash equivalents segregated under regulations and other (note 2)	2,863	2,805
Cash and cash equivalents on deposit with clearing and depository organizations	1,647	1,363
Receivable from brokers, dealers and clearing organizations (note 3)	622	947
Accounts receivable	2,842	2,405
Prepaid expenses and other receivables	487	468
Income taxes receivable	12	12
	<u>19,270</u>	<u>23,670</u>
Capital assets	1,884	2,233
Investment	30	30
Investment tax credits recoverable	142	147
Intangible assets (note 4)	104	141
	<u>\$ 21,430</u>	<u>\$ 26,221</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,146	\$ 5,176
Payable to customers and correspondents	2,065	1,948
Payable to brokers, dealers and clearing organizations (note 3)	–	345
	<u>5,211</u>	<u>7,469</u>
Shareholders' equity:		
Capital stock (note 5)	23,612	23,754
Contributed surplus	4,198	4,044
Deficit	(11,591)	(9,046)
	<u>16,219</u>	<u>18,752</u>
	<u>\$ 21,430</u>	<u>\$ 26,221</u>

Guarantees and contingencies (note 11)

See accompanying notes to interim consolidated financial statements.

Approved on behalf of the Board:

"J. Cameron MacDonald" _____ Director

"Judith Robertson" _____ Director

BELZBERG TECHNOLOGIES INC.

Interim Consolidated Statements of Operations and Retained Earnings (Deficit)
(In thousands of Canadian dollars, except per share amounts)

	Three months ended March 31,	
	2010	2009
	(Unaudited)	
Revenue:		
Equity order flow and clearing	\$ 2,154	\$ 6,290
Options and futures contracts	1,711	3,189
Subscription fees	935	1,395
Other	313	412
	<u>5,113</u>	<u>11,286</u>
Cost of exchange and clearance fees	(1,012)	(4,559)
Net revenue	4,101	6,727
Expenses:		
Compensation and related benefits	2,552	3,755
Telecommunication and datafeed services	1,700	2,050
Administrative and other	765	1,190
Brokerage fees	667	985
Amortization of capital assets	442	523
Amortization of intangible assets	37	55
	<u>6,163</u>	<u>8,558</u>
Loss before the undernoted	(2,062)	(1,831)
Restructuring charges (note 9)	–	839
Foreign exchange loss	482	168
Interest expense	3	6
Interest income	(2)	(87)
	<u>483</u>	<u>926</u>
Loss before income taxes	(2,545)	(2,757)
Future income tax recovery	–	(933)
Loss for the year	(2,545)	(1,824)
Retained earnings (deficit), beginning of period	(9,046)	7,434
Retained earnings (deficit), end of period	<u>\$ (11,591)</u>	<u>\$ 5,610</u>
Loss per share (note 5(b)):		
Basic	\$ (0.17)	\$ (0.12)
Diluted	(0.17)	(0.12)
Weighted average number of common and common equivalent shares outstanding (in thousands) (note 5(b)):		
Basic	14,676	14,835
Diluted	14,676	14,835

See accompanying notes to interim consolidated financial statements.

BELZBERG TECHNOLOGIES INC.

Interim Consolidated Statement of Shareholders' Equity
(In thousands of Canadian dollars, except per share amounts)

Three months ended March 31, 2010
(Unaudited)

	Common shares		Contributed surplus	Deficit	Total
	Number	Amount			
Balance, December 31, 2009	14,726	\$ 23,754	\$ 4,044	\$ (9,046)	\$ 18,752
Stock-based compensation (note 5(d))	—	—	79	—	79
Repurchase of common shares (note 5(a))	(88)	(142)	75	—	(67)
Loss for the year	—	—	—	(2,545)	(2,545)
Balance, March 31, 2010	14,683	\$ 23,612	\$ 4,198	\$ (11,591)	\$ 16,219

See accompanying notes to interim consolidated financial statements.

BELZBERG TECHNOLOGIES INC.

Interim Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)

	Three months ended March 31,	
	2010	2009
	(Unaudited)	
Cash provided by (used in):		
Operating activities:		
Loss for the year	\$ (2,545)	\$ (1,824)
Items not affecting cash:		
Amortization of capital assets	442	523
Amortization of intangible assets	37	55
Unrealized foreign exchange loss (gain)	365	(18)
Gain on sale of investment	–	(5)
Stock-based compensation	79	63
Future income taxes	–	(1,014)
Change in non-cash operating working capital (note 6)	(2,726)	(9,252)
	(4,348)	(11,472)
Financing activities:		
Repurchase of common shares	(67)	(10)
Investing activities:		
Purchase of capital assets	(93)	(427)
Purchase of intangible assets	–	(7)
Purchase of investment	–	(2)
Proceeds from sale of investment	–	15
	(93)	(421)
Effect of exchange rate changes on cash and cash equivalents	(365)	18
Decrease in cash and cash equivalents	(4,873)	(11,885)
Cash and cash equivalents, beginning of period	15,670	19,452
Cash and cash equivalents, end of period	\$ 10,797	\$ 7,567
Represented by:		
Cash	\$ 3,003	\$ 1,016
Cash equivalents	7,794	6,551
	\$ 10,787	\$ 7,567
Supplemental cash flow information:		
Interest paid	\$ 3	\$ 90
Interest received	3	6
Income taxes paid	8	15

See accompanying notes to interim consolidated financial statements.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

Belzberg Technologies Inc., including its wholly owned subsidiaries ("the Company") is a provider of trade execution, order management and routing software for the financial industry. The Company's customers, who include both broker-dealers and their customers, use Belzberg trading software to buy and sell equities and stock options on a variety of stock exchanges and electronic markets. Belzberg products enable traders to execute and manage large volumes of transactions at high speed, with reliability and security.

The Company also operates a floor brokerage that provides the execution of exchange-traded equity and index options on the Chicago Board Options Exchange.

1. Significant accounting policies:

(a) Basis of presentation:

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with GAAP have been condensed to include only the notes related to elements which have significantly changed in the interim period. As a result, these interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the fiscal year ended December 31, 2009.

These interim consolidated financial statements are prepared following accounting policies consistent with the Company's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2009. The financial information included herein reflects all adjustments, consisting only of normal recurring adjustments, which in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the three months ended March 31, 2010 are not necessarily indicative of the results to be expected for the full year.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

1. Significant accounting policies (continued):

(b) Future accounting standards:

(i) International financial reporting standards:

In March 2009, the Canadian Accounting Standards Board (the "AcSB") reconfirmed in its second omnibus Exposure Draft that GAAP for publicly accountable enterprises will be replaced by International Financial Reporting Standards ("IFRS") for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the conversion from GAAP to IFRS will be applicable to the Company's reporting for the first quarter of 2011, for which current comparative information will be prepared under IFRS. The Company commenced its IFRS conversion project in 2009 and is assessing the potential impacts of this changeover and developing its plan accordingly. In conjunction with evaluating the accounting standards, a review of the requirements necessary to provide the information required by IFRS is also being performed. At this time, the impact on the future financial position and results of operations is not reasonably determinable or estimable. The Company has disclosed additional details of the effect of IFRS in the Company's Management Discussion and Analysis.

The Company continues to monitor standards development as issued by the International Accounting Standards Board and the AcSB, as well as regulatory developments as issued by the Canadian Securities Administrators ("CSA"), which may affect the timing, nature or disclosure of its adoption of IFRS.

(ii) Business combinations:

CICA section 1582, further aligns GAAP with U.S. GAAP and IFRS, and changes the accounting for business combinations in a number of areas. The standard requires assets and liabilities acquired in a business combination, contingent consideration and certain acquired contingencies to be measured at their fair values as of the date of acquisition. In addition, acquisition-related and restructuring costs are to be recognized separately from the business combination and included in the consolidated statement of operations. The adoption of this standard will impact the accounting treatment of future business combinations entered into after January 1, 2011.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

1. Significant accounting policies (continued):

CICA section 1601, which, together with CICA section 1602 replace the former consolidated financial statements standard. Section 1601 establishes the requirements for the preparation of consolidated financial statements. CICA section 1602, which establishes the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The standard requires a non-controlling interest in a subsidiary to be classified as a separate component of equity. In addition, net earnings and components of other comprehensive income are attributed to both the parent and non-controlling interest. The Company does not believe there will be any impact on its consolidated financial statements upon the adoption of these pronouncements in fiscal 2011, unless the Company's circumstances change.

2. Cash and cash equivalents segregated under regulations and other:

Cash and cash equivalents segregated under U.S. federal and other regulations totalled \$2,863 at March 31, 2010 (December 31, 2009 - \$2,805). Of this amount, \$1,026 was segregated for the benefit of customers under Rule 15c3-3 of the Securities and Exchange Commission, against the requirement as of March 31, 2010 of \$770. The remaining balance of \$1,837 at March 31, 2010 relates to the Company's election to compute a reserve requirement for Proprietary Accounts of Introducing Broker-Dealers ("PAIB"), as defined against a requirement as of March 31, 2010 of \$1,295. The PAIB is completed in order for each correspondent firm that uses the Company as its clearing broker-dealer to classify its assets held by the Company as allowable assets in the correspondent's net capital calculation.

3. Receivable from and payable to brokers, dealers and clearing organizations:

	March 31, 2010	December 31, 2009
Receivable from:		
Clearing organization	\$ 17	\$ 345
Brokers and dealers	605	602
	<hr/>	<hr/>
	\$ 622	\$ 947
Payable to clearing organization	\$ –	\$ 345

Receivables from/payable to brokers, dealers and clearing organizations include amounts relating to open transactions, unsettled trades and margin deposits.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

4. Intangible assets:

	March 31, 2010	December 31, 2009
Computer software	\$ 448	\$ 448
Accumulated amortization	344	307
	<u>\$ 104</u>	<u>\$ 141</u>

5. Capital stock:

The following summarizes changes to capital stock during 2010:

(a) Authorized:

Unlimited common shares

Issued:

	Number of common shares (000's)	Amount
Balance, December 31, 2009	14,726	\$ 23,754
Common shares repurchased and cancelled	(88)	(142)
	<u>14,638</u>	<u>\$ 23,612</u>

In December 2009, the Toronto Stock Exchange approved a Normal Course Issuer Bid ("NCIB") for the Company to repurchase up to 740,000 of its common shares over the period from December 8, 2009 to December 7, 2010. During the three months ended March 31, 2010, the Company repurchased and cancelled 88,000 common shares at an average price of \$0.76 per share under this NCIB.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

5. Capital stock (continued):

(b) Loss per share:

The following table sets forth the computation of loss per share:

	Three months ended March 31,	
	2010	2009
Numerator:		
Loss for the year available to common shareholders	\$ (2,545)	\$ (1,824)
Denominator:		
Weighted average number of common shares outstanding - basic (000's)	14,676	14,835
Effect of dilutive securities:		
Employee stock options	–	–
Weighted average number of common shares outstanding - diluted (000's)	14,676	14,835
Loss per share:		
Basic	\$ (0.17)	\$ (0.12)
Diluted	(0.17)	(0.12)

During the three months ended March 31, 2010, options to purchase 1,048 thousand common shares (2009 - 937 thousand common shares) were excluded from the computation of diluted loss per share as the exercise price exceeded the average market price of common shares for the period.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

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5. Capital stock (continued):

(c) A summary of the Company's stock option activity for the period ended March 31, 2010 is as follows:

	Number (000's)	Weighted average exercise price
Outstanding, December 31, 2009	1,563	\$ 2.11
Granted	125	0.74
Forfeited and expired	(120)	(2.82)
Outstanding, March 31, 2010	1,568	1.95
Options exercisable at March 31, 2010	448	\$ 3.54

(d) Options granted to employees and directors on or after January 1, 2003:

For stock options granted to employees and directors on or after January 1, 2003, the Company recorded compensation expense for the three months ended March 31, 2010 of \$79 (March 31, 2009 - \$63). These amounts are included in compensation and related benefits.

The weighted average grant date fair value for employee and director options granted during the three months ended March 31, 2010 was \$0.30 per share (March 31, 2009 - nil) valued using the following weighted average assumptions:

	2010	2009
Risk-free interest rate	2.22%	2.01%
Expected life of the options in years	4	3.6
Expected volatility	49.7%	47.3%

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
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6. Change in non-cash operating working capital:

	Three months ended March 31,	
	2010	2009
Cash and cash equivalents segregated under regulations and other	\$ (58)	\$ (6,249)
Accounts receivable	(437)	(2,532)
Investment tax credits recoverable	5	77
Prepaid expenses and other receivables	(19)	–
Other assets	–	393
Cash and cash equivalents on deposit with clearing and depository organizations	(284)	(3,049)
Receivable from brokers, dealers and clearing organizations	325	(8,822)
Income taxes receivable	–	(15)
Clearing facility loan	–	4,099
Accounts payable and accrued liabilities	(2,030)	637
Payable to brokers, dealers and clearing organizations	(345)	(131)
Restructuring accrual	–	742
Payable to customers and correspondents	117	5,598
	<u>\$ (2,726)</u>	<u>\$ (9,252)</u>

7. Capital disclosures:

The Company's objectives when managing capital are to efficiently provide for the funding of its clearing and settlement operations, capital expenditures and working capital while ensuring adequate liquidity and solvency and complying with its regulatory capital requirements. The Company aims to provide a platform to effectively fund new growth initiatives and ensuring flexibility in raising capital from multiple sources and markets.

The Company's capital structure consists of shareholders' equity, cash and cash equivalents and a clearing credit facility. The Company makes adjustments to the capital structure depending on economic conditions and the financial position and performance of the Company. In order to maintain or adjust the capital structure, the Company may issue new shares, buy back shares or issue debt. The Company does not presently utilize any quantitative measures to monitor its capital.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

7. Capital disclosures (continued):

The Company's investment policy is to invest its cash in high grade investment securities with varying terms to maturity, selected with regards to the expected timing of expenditures from continuing operations.

The Company's subsidiaries, Electronic Brokerage Systems, LLC and Robert C. Sheehan & Associates, LLC, are subject to the Uniform Net Capital Rule (Rule 15c3-1) of the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital. Under this rule, Electronic Brokerage Systems, LLC is required to maintain net capital equal to the greater of U.S. \$1,000 or 6-2/3% of aggregate indebtedness, as defined, and Robert C. Sheehan & Associates, LLC is required to maintain net capital equal to the greater of U.S.\$100 or 6-2/3% of aggregate indebtedness, as defined.

As at March 31, 2010, Electronic Brokerage Systems, LLC and Robert C. Sheehan & Associates, LLC had net capital of U.S. \$8,266 and U.S. \$1,767 and a net capital requirement of U.S. \$1,000 and U.S. \$100, respectively.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

8. Financial instruments:

(a) Financial risk management:

Financial instruments of the Company consist primarily of cash and cash equivalents, cash segregated under regulations and other, cash and cash equivalents on deposit with clearing and depository organizations, accounts receivable, receivable from brokers, dealers and clearing organizations, investment, accounts payable and accrued liabilities, payable to customers and correspondents, and payable to brokers, dealers and clearing organizations. The Company designated its cash and cash equivalents, cash segregated under regulations and other, cash and cash equivalents on deposit with clearing and depository organizations, receivables from brokers, dealers and clearing organizations as held-for-trading. The carrying values of the held-for-trading financial instruments approximate their fair values because of the relatively short periods to maturity of these financial instruments. The investment is classified as available-for-sale, which is stated at cost as it does not have a quoted market price in an active market. Accounts receivable are classified as loans and receivables, which are stated at amortized cost. Accounts payable and accrued liabilities, payable to customers and correspondents and payables to brokers, dealers and clearing organizations are classified as other financial liabilities. The carrying value of the other financial liabilities approximates their fair value because of the relatively short periods to maturity of these financial instruments. The Company had no other comprehensive income or loss transactions during the three months ended March 31, 2010 and 2009 and no opening or closing balances for accumulated other comprehensive income or loss.

(b) Credit risk:

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligation and arises principally from the Company's cash and cash equivalents and accounts receivable. The amounts reported in the balance sheet for accounts receivable are net of allowances for bad debts, estimated by the Company's management based on prior experience and their assessment of the current economic environment.

The Company minimizes the credit risk of cash and cash equivalents by depositing only with reputable financial institutions, investing in only high grade investment securities and limiting exposure to any one financial institution, commercial issuer or investment type and limits the term to maturity to less than one year.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

8. Financial instruments (continued):

The Company believes that its credit risk with respect to accounts receivable is limited for a number of reasons, including dealing primarily with large Canadian and U.S. banks and brokerage houses. The Company manages its risk through credit policies in the U.S., which includes the analysis of the financial position of its customers, subscribing to an outside credit bureau and account monitoring procedures. As at March 31, 2010, \$193 of the Company's accounts receivable are past due. Subsequent to March 31, 2010, \$67 of the past due amount was collected and the remaining past due balances have been fully provided for. All of the Company's receivables have been reviewed for indicators of impairment.

At March 31, 2010, two customers accounted for approximately 9% of total accounts receivable (December 31, 2009 - two customers for 20%). For the three months ended March 31, 2010 and 2009, no one customer accounted for 10% or more of total net revenue.

The Company does not have reason to believe the balances on these accounts are impaired.

(c) Currency risk:

The Company is exposed to the risk that future earnings and cash flows will fluctuate as a material amount of the Company's revenue and accounts receivable and related expenses are denominated in U.S. dollars and financial results are reported in Canadian dollars. During 2009, the Company ceased utilizing foreign exchange option contracts to partially mitigate its U.S.-dollar denominated net asset exposure, which is translated into Canadian dollars for reporting purposes. The fair value of these financial instruments as at March 31, 2009 is based on quoted market prices and information available at that time. As at March 31, 2010, the Company had no foreign exchange option contracts outstanding (March 31, 2009 - Cdn. \$11.0 million at U.S. \$0.72 maturing in September 2009 and for the three month period ended March 31, 2009, the Company recorded an unrealized gain on the outstanding foreign exchange option contracts of approximately \$132 and recorded a realized loss on the foreign exchange option contracts that were settled of approximately \$792).

Realized and unrealized gains or losses on foreign exchange option contracts are netted against gains or losses on the translation of the Company's integrated foreign subsidiaries in the consolidated statements of operations.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

8. Financial instruments (continued):

The Company's exposure to foreign currency risk is primarily related to fluctuations in the value of the Canadian dollar relative to that of the U.S. dollar. If the Canadian dollar appreciated by 1 cent against the U.S. dollar at March 31, 2010, with all other variables held constant, the impact of the foreign currency change on the U.S. denominated financial instruments would lead to an additional foreign exchange loss of approximately \$133 without factoring any gains on the foreign currency option contracts.

(d) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when due over the next 12 to 24 months, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal cash requirements are for clearing and settlement operations, capital expenditures and working capital needs. The Company uses its operating cash flows, clearing facility and cash balances to maintain its liquidity.

(e) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash and cash equivalents of the Company are invested at interest rates at varying rates and mature at various dates over the current operating period and whereby the Company is exposed in the event of a fluctuation of the prime rate. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash equivalents is limited because these cash equivalents, although held-for-trading, are generally held to maturity. The Company does not use financial instruments to mitigate this risk.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

9. Restructuring charges:

There were no restructuring charges incurred during the three months ended March 31, 2010 (March 31, 2009 - \$839). Restructuring charges include the severance payments and legal expenses related to employee terminations.

10. Segmented information:

The Company operates and manages its business in one industry - the financial services sector. The Company has two reportable segments: the Core business and the Brokerage business. In the Core business, the Company creates and provides to institutional customers trade execution software, trade execution services through its broker-dealer and a network for connecting to various exchanges and other markets in North America. The Brokerage business involves the execution of exchange-traded equity and index options on the floor of the Chicago Board Options Exchange.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company evaluates performance of the Core business and the Brokerage business based on several factors, of which the primary financial measures are revenue and earnings from operations. The Company defines earnings from operations as earnings from operations before amortization, interest expense, interest income, income taxes and other non-recurring items.

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

10. Segmented information (continued):

	Three months ended March 31,					
	2010			2009		
	Core	Brokerage	Total	Core	Brokerage	Total
External revenue:						
Transaction fees	\$ 3,252	\$ 613	\$ 3,865	\$ 8,316	\$ 1,163	\$ 9,479
Subscription fees	935	–	935	1,395	–	1,395
Other	313	–	313	412	–	412
Cost of exchange and clearance fees	(971)	(41)	(1,012)	(4,495)	(64)	(4,559)
	\$ 3,529	\$ 572	\$ 4,101	\$ 5,628	\$ 1,099	\$ 6,727
Earnings (loss) before the undernoted	\$ (1,909)	\$ (156)	\$ (2,065)	\$ (1,681)	\$ 260	\$ (1,421)
Restructuring charges	–	–	–	839	–	839
Amortization of:						
Capital assets	438	4	442	519	4	523
Intangible assets	37	–	37	55	–	55
Interest expense	3	–	3	6	–	6
Interest income	(2)	–	(2)	(84)	(3)	(87)
Earnings (loss) before taxes	\$ (2,385)	\$ (160)	\$ (2,545)	\$ (3,016)	\$ 259	\$ (2,757)
Total assets	\$ 18,879	\$ 2,551	\$ 21,430	\$ 49,960	\$ 1,389	\$ 51,349
Capital asset expenditures	\$ 93	\$ –	\$ 93	\$ 427	\$ –	\$ 427

The following is a breakdown of operations by significant geographic region:

	Three months ended March 31,					
	2010			2009		
	Canada	United States	Total	Canada	United States	Total
External revenue:						
Transaction fees	\$ 224	\$ 3,641	\$ 3,865	\$ 187	\$ 9,292	\$ 9,479
Subscription fees	931	4	935	1,339	56	1,395
Other	256	57	313	285	127	412
Cost of exchange and clearance fees	–	(1,012)	(1,012)	–	(4,559)	(4,559)
	\$ 1,411	\$ 2,690	\$ 4,101	\$ 1,811	\$ 4,916	\$ 6,727
Total assets	\$ 3,514	\$ 17,916	\$ 21,430	\$ 11,492	\$ 39,857	\$ 51,349
Capital assets	\$ 1,003	\$ 881	\$ 1,884	\$ 1,636	\$ 1,594	\$ 3,230
Goodwill	\$ –	\$ –	\$ –	\$ –	\$ 1,608	\$ 1,608
Intangible assets	\$ 18	\$ 86	\$ 104	\$ 47	\$ 378	\$ 425

BELZBERG TECHNOLOGIES INC.

Notes to Interim Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except where otherwise stated)

Three months ended March 31, 2010 and 2009
(Unaudited)

11. Guarantees and contingencies:

(a) Guarantees:

- (i) The Company has no guarantees that are required to be disclosed under Accounting Guideline 14, Disclosure of Guarantees.
- (ii) The Company has provided routine indemnifications to its customers against liability if the Company's products infringe on a third party's intellectual property rights. The maximum exposure from these indemnifications cannot be reasonably estimated. In some cases, the Company has recourse against other parties to mitigate its risk of loss from these guarantees. Historically, the Company has made no payments relating to these indemnifications and the Company is not subject to any pending litigation on this matter.

(b) Contingencies:

The Company and a customer of the Company have jointly been named as defendants in an action filed by a client of the customer in relation to alleged deficiencies in services and software provided. As a result of the alleged deficiencies, along with direct claims asserted against the Company's customer, the plaintiffs are seeking to recover damages from trading losses, commissions levied, loss of opportunity, loss of profit, loss of fees, audit costs and loss of goodwill and damage to business reputation in the amount of \$4,500 plus unspecified special damages. As the suit names both the Company and its customer, the Company has no basis to estimate its portion of the claim. The Company does not believe that it is liable for these claims and has engaged legal counsel to vigorously defend the claim. The Company has no direct contractual relationship with the party who filed the suit. In addition, the Company's contract with its customer limits the Company's liability for the services and software provided.

There exist certain other claims and potential claims against the Company, none of which is expected to have a material adverse effect on the consolidated financial position of the Company.

12. Comparative figures:

Certain first quarter ended March 31, 2009 figures have been reclassified to conform with the financial statement presentation adopted in the fourth quarter ended December 31, 2009. Exchange and clearance fees are incurred by the Company whenever the Company executes an order for a client. Such fees are recoverable from the client and, therefore, included in revenue. The Company has reclassified such fees from expenses to a deduction from revenue due to the relationship between these costs and equity and options order flow revenue.