



**Consolidated Financial Statements
(unaudited)
Modified August 7, 2008**

**For the three and six months ended
June 27, 2008**

NOTICE TO READERS OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The consolidated balance sheet of Roctest Ltd as at June 27, 2008 and December 28, 2007 and the interim consolidated statements of earnings and retained earnings, comprehensive income, contributed surplus and cash flows for the three month and six month periods ended June 27, 2008 and June 29, 2007 are the responsibility of the Company's management. These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, except for the 2007 annual financial statements.

The interim unaudited consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian generally accepted accounting principles.

Signed

François Cordeau
President and Chief Executive Officer

July 28, 2008

Signed

Patrick Savaria
Vice President Finance and
Chief Financial Officer

July 28, 2008

Consolidated Earnings and Retained Earnings

Periods ended June 27, 2008 and June 29, 2007

(unaudited)

	Three month periods ended		Six month periods ended	
	June 27, 2008	June 29, 2007	June 27, 2008	June 29, 2007
	\$	\$	\$	\$
Sales	5,967,393	5,096,399	11,074,681	10,057,075
Cost of sales	3,533,655	3,074,045	6,743,355	6,296,669
	<u>2,433,738</u>	<u>2,022,354</u>	<u>4,331,326</u>	<u>3,760,406</u>
Expenses				
Selling and administrative expenses	1,595,450	1,765,602	3,014,639	3,473,421
Scientific research costs, net of grants and refundable tax credits	363,971	473,672	694,683	821,358
Amortization of tangible and intangible assets	255,806	254,162	503,414	509,571
Interest expenses	57,297	81,923	116,375	175,266
Exchange loss (gain)	17,369	70,811	(57,508)	73,635
	<u>2,289,893</u>	<u>2,646,170</u>	<u>4,271,603</u>	<u>5,053,251</u>
Earnings (loss) before income taxes	143,845	(623,816)	59,723	(1,292,845)
Income taxes	13,148	52,187	28,213	75,869
Earnings (loss) for the period	<u>130,697</u>	<u>(676,003)</u>	<u>31,510</u>	<u>(1,368,714)</u>
Retained earnings, beginning of year	1,464,371	7,036,024	1,563,558	7,728,735
Retained earnings, end of year	<u>1,595,068</u>	<u>6,360,021</u>	<u>1,595,068</u>	<u>6,360,021</u>
Earnings (loss) per share				
Basic	<u>0,02</u>	<u>(0,12)</u>	<u>0,01</u>	<u>(0,25)</u>
Diluted	<u>0,02</u>	<u>(0,12)</u>	<u>0,01</u>	<u>(0,25)</u>

See accompanying notes to consolidated financial statements

Consolidated comprehensive income

Periods ended June 27, 2008 and June 29, 2007

(unaudited)

	Three month periods ended		Six month periods ended	
	June 27, 2008	June 29, 2007	June 27, 2008	June 29, 2007
	\$	\$	\$	\$
Net earnings (loss)	130,697	(676,003)	31,510	(1,368,714)
Other comprehensive income				
Unrealized gain on translation of financial statements of self-sustaining foreign operations	(20,964)	(194,183)	228,010	(187,262)
Comprehensive income	<u>109,733</u>	<u>(870,186)</u>	<u>259,520</u>	<u>(1,555,976)</u>

See accompanying notes to consolidated financial statements

Consolidated Contributed Surplus

Periods ended June 27, 2008 and June 29, 2007

(unaudited)

	Three month periods ended		Six month periods ended	
	June 27, 2008	June 29, 2007	June 27, 2008	June 29, 2007
	\$	\$	\$	\$
Balance, beginning of year	494,187	390,529	484,187	360,529
Warrants forfeited	494,208		494,208	
Stock-based compensation	15,000	30,000	25,000	60,000
Balance, end of year	1,003,395	420,529	1,003,395	420,529

See accompanying notes to consolidated financial statements

Consolidated Balance Sheets

Periods ended June 27, 2008 (unaudited) and December 28, 2007 (audited)

	2008	2007
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	965,296	660,272
Temporary investments	40,784	10,169
Accounts receivable	4,584,841	5,663,218
Research and development tax credits receivable	1,022,224	737,224
Income taxes receivable	63,128	45,164
Inventories	3,253,588	3,159,301
Prepaid expenses	289,226	277,639
	<u>10,219,087</u>	<u>10,552,987</u>
Property, plant and equipment	4,476,172	4,718,314
Intangible assets	833,094	818,384
Goodwill	1,138,306	1,138,306
	<u>16,666,659</u>	<u>17,227,991</u>
LIABILITIES		
Current liabilities		
Bank advances	460,088	556,775
Accounts payable	4,613,200	4,758,197
Income taxes payable		14,455
Instalments on long-term debt	2,262,452	2,904,578
	<u>7,335,740</u>	<u>8,234,005</u>
Long term debt	479,179	426,287
Fair value of an interest rate swap	22,900	23,379
	<u>7,837,819</u>	<u>8,683,671</u>
SHAREHOLDERS' EQUITY		
Capital stock (Note 2)	6,628,330	6,628,330
Warrants (Note 3)		494,208
Contributed surplus	1,003,395	484,187
	<u>7,631,725</u>	<u>7,606,725</u>
Retained earnings	1,595,068	1,563,558
Other accumulated comprehensive income	(397,953)	(625,963)
	<u>8,828,840</u>	<u>8,544,320</u>
	<u>16,666,659</u>	<u>17,227,991</u>

See accompanying notes to consolidated financial statements

Consolidated Cash Flows

Periods ended June 27, 2008 and June 29, 2007
(unaudited)

	Three month periods ended		Six month periods ended	
	June 27, 2008	June 29, 2007	June 27, 2008	June 29, 2007
	\$	\$	\$	\$
<i>OPERATING ACTIVITIES</i>				
Net earnings (loss)	130,697	(676,003)	31,510	(1,368,714)
Non-cash items				
Amortization of tangible and intangible assets	255,806	254,162	503,414	509,571
Stock-based compensation	15,000	30,000	25,000	60,000
Changes in non-cash working capital items	241,713	(383,885)	676,428	(247,349)
Cash flows from operating activities	643,216	(775,726)	1,236,352	(1,046,492)
<i>INVESTING ACTIVITIES</i>				
Temporary investments	(35,000)		(35,000)	
Property, plant and equipment	(64,200)	(11,832)	(72,811)	(174,001)
Intangible assets	(13,702)	(8,692)	(19,329)	(8,692)
Cash flows from investing activities	(112,902)	(20,524)	(127,140)	(182,693)
<i>FINANCING ACTIVITIES</i>				
Bank advances	(72,934)	436,853	(96,687)	(208,539)
Long term debt				64,000
Instalments on long-term debt	(454,013)	(260,010)	(707,501)	(581,812)
Cash flows from financing activities	(526,947)	176,843	(804,188)	(726,351)
Net increase (decrease) in cash and cash equivalents	3,367	(619,407)	305,024	(1,955,536)
Cash and cash equivalents - beginning	961,929	955,824	660,272	2,291,953
Cash and cash equivalents - end	965,296	336,417	965,296	336,417

See accompanying notes to consolidated financial statements

Notes to Consolidated Financial Statements

Periods ended June 27, 2008 and June 29, 2007
(unaudited)

1. Significant Accounting policies :

Basic presentation

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The accounting policies and method used to prepare those financial statements are the same as those used in the preparation of the audited consolidated financial statements for the year ended December 28, 2007, except for accounting policies adopted on December 29, 2007, described below. These interim consolidated financial statements should be read in conjunction with the annual audited financial statements, related notes and Management's discussion and analysis included in the 2007 annual report of the Company, as well as with the Management report for the period ended June 27, 2008 and June 29, 2007.

Certain comparatives figures for the previous year have been restated to conform to the presentation adopted for the fiscal year 2008.

Accounting policies recently adopted

Capital Disclosures

On December 29, 2007, the Company has adopted the requirements of the new chapter of the CICA Handbook relating to information provided in relation to capital. This Section applies to fiscal years beginning on October 1, 2007. This section establishes standards for disclosing information on the company's capital and how it is managed. This new accounting standard covers information to be provided and does not affect the financial results of the company.

Financial Instruments – Disclosures and presentation

On December 29, 2007, the company has adopted the requirements of the new chapters of the CICA Handbook, on information to be provided and the presentation related to financial instruments. These new standards apply to fiscal years beginning on October 1, 2007. These chapters deal with the presentation and how to provide information in respect of financial instruments and non-financial derivatives and did not affect the financial results of the company.

Notes to Consolidated Financial Statements

Periods ended June 27, 2008 and June 29, 2007
(unaudited)

2. Capital-stock

Authorized

Unlimited number of shares without par value

Voting and participating common shares

Preferred shares, issuable in series, dividends and redemption value to be determined by the directors at the time of issuance.

Issued and fully paid

	June 27, 2008		December 28, 2007	
	Number of shares	\$	Number of shares	\$
Common shares				
Balance	5,563,071	6,628,330	5,563,071	6,628,330

Earnings (loss) per share

The following table presents a reconciliation between earnings per share and diluted earnings per share:

	June 27, 2008	June 29, 2007
Numerator		
Net earnings (loss)	\$ 31,510	\$ (1,368,714)
Denominator		
Weighted average number of common shares outstanding	5,563,071	5,563,071
Effect of dilutive stock options (a)	30,697	
Weighted average number of shares used to compute diluted net earnings per share	5,593,768	5,563,071
Amount per share		
Net earnings (loss) per share		
Basic	0,01	(0,25)
Diluted	0,01	(0,25)

(a) As at June 27, 2008, 279,500 common share stock options were excluded from the calculation of diluted net earnings per share since the inclusion would have an antidilutive effect.

Stock options

The Company offers a stock option plan to its officers, directors, employees and consultants. The number of shares that may be issued under the plan may not exceed 15% of issued and outstanding common shares. In addition, no beneficiary of the plan may be allotted more than 5% of the total issued common shares. No option may be outstanding more than 10 years.

Notes to Consolidated Financial Statements

Periods ended June 27, 2008 and June 29, 2007
(unaudited)

The exercise price is the value of the common shares at the grant date. Options granted under the plan generally are acquired over a period of three years, at a rate of 33% per year starting on the first anniversary of the grant date. Each option entitles the holder to purchase one common share of the Company at a determined price.

The stock-based compensation expenses charged to earnings for the six month period ended June 27, 2008 is \$25,000 (\$60,000 for June 29, 2007) and a corresponding credit has been recorded in contributed surplus calculated using the fair value method.

The fair value of each option was estimated on the grant date using the Black - Scholes option pricing model in terms of the following weighted average assumptions for 2008: dividend yield of 0% ; expected volatility of 54%; risk free interest rate of 3.03%; expected average life of five years.

The weighted average fair value of options granted during the first half of 2008 is \$0.68.

	June 27, 2008		December 28, 2007	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Options granted, beginning of period	300,500	2.54	446,000	2.42
Granted	145,000	0.68	-	-
Forfeited	(21,000)	3.01	(145,500)	2.16
Options granted, end of period	424,500	1.88	300,500	2.54
Exercisable options, end of period	237,334	2.58	240,000	2.64

As at June 27, 2008 the following stock options were granted:

Exercise price range \$	Number of options granted	Weighted average remaining term (years)	Weighted average exercise price of options granted \$	Number of exercisable options	Weighted average exercise price of exercisable options \$
0.68 to 1.02	145,000	6.75	0.68	-	-
1.75 to 2.32	76,500	5.10	2.12	42,168	2.19
2.33 to 3.49	196,000	3.33	2.60	188,166	2.62
3.50 to 4.20	7,000	1.14	4.03	7,000	4.03
	424,500	4.78	1.88	237,334	2.58

Notes to Consolidated Financial Statements

Periods ended June 27, 2008 and June 29, 2007
(unaudited)

3. Warrants

In connection with the private financing agreement concluded on November 30, 2005, the Company issued 370,926 warrants with a fair value of \$494,208 to investors entitling them to acquire one common share for \$3.50 for a 30-month period starting December 1, 2005. During the second quarter of 2008, these warrants were forfeited and were recorded into the contributed surplus.

4. Segmented information

- Information by operating segment

	Three month periods ended June 27, 2008			Three month periods ended June 29, 2007		
	Civil			Civil		
	engineering	Industrial	Total	engineering	Industrial	Total
	\$	\$	\$	\$	\$	\$
Sales to third parties (a)	4,400,256	1,567,137	5,967,393	3,592,761	1,503,638	5,096,399
Sales between segments (b)	9,941	33,012	42,953	11,120	3,226	14,346
Amortization	145,340	110,466	255,806	144,189	109,973	254,162
Interest on short-term debt	8,853	13,937	22,790	10,819	11,352	22,171
Interest on long-term debt	23,265	11,242	34,507	36,265	23,487	59,752
Income taxes	13,148		13,148	52,187		52,187
Net earnings (loss)	174,641	(43,944)	130,697	(484,498)	(191,505)	(676,003)
Acquisition of property, plant and equipment	59,003	5,197	64,200	4,012	7,820	11,832
	Six month periods ended June 27, 2008			Six month periods ended June 29, 2007		
	Civil			Civil		
	engineering	Industrial	Total	engineering	Industrial	Total
	\$	\$	\$	\$	\$	\$
Sales to third parties (a)	8,077,885	2,996,796	11,074,681	7,001,525	3,055,550	10,057,075
Sales between segments (b)	20,638	48,296	68,934	18,594	36,358	54,952
Amortization	285,652	217,762	503,414	290,326	219,245	509,571
Interest on short-term debt	16,098	22,299	38,397	25,700	22,275	47,975
Interest on long-term debt	51,868	26,110	77,978	77,971	49,320	127,291
Income taxes	28,213	0	28,213	75,869	0	75,869
Net earnings (loss)	(2,571)	34,081	31,510	(1,036,123)	(332,591)	(1,368,714)
Acquisition of property, plant and equipment	62,377	10,434	72,811	154,070	19,931	174,001

Notes to Consolidated Financial Statements

Periods ended June 27, 2008 and June 29, 2007
(unaudited)

Segment assets	June 27, 2008			December 28, 2007		
	Civil engineering	Industrial	Total	Civil engineering	Industrial	Total
	\$	\$	\$	\$	\$	\$
	10,416,342	6,250,317	16,666,659	11,242,845	5,985,146	17,227,991

(a) The «Industrial» sector sells its products to various customers for which two major customers represent approximately 26% and 13%, respectively, of sales to third parties in this business (30% and 14%, respectively, in 2007).

(b) These operations were carried out in the normal course of operations and are measured at the exchange value.

- Information by geographic segments

	Sales to third parties *				Property, plant, equipment and intangible	
	Three month periods ended		Six month periods ended		June 27, 2008	Dec. 28, 2007
	June 27, 2008	June 29, 2007	June 27, 2008	June 29, 2007	\$	\$
Canada	422,479	438,567	1,507,151	877,068	4,425,142	4,659,817
United States	1,554,147	1,259,781	2,604,761	2,400,765	227,900	233,468
France	1,281,832	1,613,977	2,552,430	3,135,200	977,672	974,944
Others	2,708,935	1,784,074	4,410,339	3,644,042	816,858	806,775
Total	5,967,393	5,096,399	11,074,681	10,057,075	6,447,572	6,675,004

*Sales are attributed to countries based on location of customers.