



**Consolidated Financial Statements
(unaudited)**

**For the three and nine months ended
September 26, 2008**

NOTICE TO READERS OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The consolidated balance sheet of Roctest Ltd as at September 26, 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 nine month periods ended September 26, 2008 and September 28, 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

October 24, 2008

Signed

Patrick Savaria
Vice President Finance and
Chief Financial Officer

October 24, 2008

Consolidated Earnings and Retained Earnings

Periods ended September 26, 2008 and September 28, 2007

(unaudited)

	Three month periods ended		Nine month periods ended	
	Sept. 26, 2008	Sept. 28, 2007	Sept. 26, 2008	Sept. 28, 2007
	\$	\$	\$	\$
Sales	5,727,613	5,232,963	16,802,294	15,290,038
Cost of sales	3,464,028	3,107,700	10,207,383	9,404,369
	<u>2,263,585</u>	<u>2,125,263</u>	<u>6,594,911</u>	<u>5,885,669</u>
Expenses				
Selling and administrative expenses	1,526,045	1,625,504	4,540,684	5,098,925
Scientific research costs, net of grants and refundable tax credits	284,628	302,361	979,311	1,123,719
Amortization of tangible and intangible assets	257,401	257,160	760,815	766,731
Interest expenses	61,273	78,468	177,648	253,734
Exchange loss (gain)	(19,888)	16,012	(77,396)	89,647
Restructuring costs		125,000		125,000
	<u>2,109,459</u>	<u>2,404,505</u>	<u>6,381,062</u>	<u>7,457,756</u>
Earnings (loss) before income taxes	<u>154,126</u>	<u>(279,242)</u>	<u>213,849</u>	<u>(1,572,087)</u>
Income taxes	865	26,865	29,078	102,734
Earnings (loss) for the period	<u>153,261</u>	<u>(306,107)</u>	<u>184,771</u>	<u>(1,674,821)</u>
Retained earnings, beginning of period	1,595,068	6,360,021	1,563,558	7,728,735
Retained earnings, end of period	<u>1,748,329</u>	<u>6,053,914</u>	<u>1,748,329</u>	<u>6,053,914</u>
Earnings (loss) per share				
Basic	<u>0,03</u>	<u>(0,05)</u>	<u>0,03</u>	<u>(0,30)</u>
Diluted	<u>0,03</u>	<u>(0,05)</u>	<u>0,03</u>	<u>(0,30)</u>

See accompanying notes to consolidated financial statements

Consolidated comprehensive income
Periods ended September 26, 2008 and September 28, 2007
(unaudited)

	Three month periods ended		Nine month periods ended	
	Sept. 26, 2008	Sept. 28, 2007	Sept. 26, 2008	Sept. 28, 2007
	\$	\$	\$	\$
Net earnings (loss)	153,261	(306,107)	184,771	(1,674,821)
Other comprehensive income				
Unrealized gain on translation of financial statements of self-sustaining foreign operations	(148,436)	(73,465)	79,574	(260,727)
Comprehensive income	<u>4,825</u>	<u>(379,572)</u>	<u>264,345</u>	<u>(1,935,548)</u>

See accompanying notes to consolidated financial statements

Consolidated Contributed Surplus

Periods ended September 26, 2008 and September 28, 2007

(unaudited)

	Three month periods ended		Nine month periods ended	
	Sept. 26, 2008	Sept. 28, 2007	Sept. 26, 2008	Sept. 28, 2007
	\$	\$	\$	\$
Balance, beginning of period	1,003,395	420,529	484,187	360,529
Warrants forfeited			494,208	
Stock-based compensation	15,000	30,000	40,000	90,000
Balance, end of period	<u>1,018,395</u>	<u>450,529</u>	<u>1,018,395</u>	<u>450,529</u>

See accompanying notes to consolidated financial statements

Consolidated Balance Sheets

Periods ended September 26, 2008 and December 28, 2007

(unaudited)

	2008	2007
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	1,076,085	660,272
Temporary investments	41,400	10,169
Accounts receivable	4,594,731	5,663,218
Research and development tax credits receivable	526,010	737,224
Income taxes receivable	80,240	45,164
Inventories	2,975,137	3,159,301
Prepaid expenses	299,455	277,639
	<u>9,593,058</u>	<u>10,552,987</u>
Property, plant and equipment	4,323,628	4,718,314
Intangible assets	821,777	818,384
Goodwill	1,138,306	1,138,306
	<u>15,876,769</u>	<u>17,227,991</u>
LIABILITIES		
Current liabilities		
Bank advances		556,775
Accounts payable	4,609,971	4,758,197
Income taxes payable		14,455
Instalments on long-term debt	1,932,770	2,904,578
	<u>6,542,741</u>	<u>8,234,005</u>
Long term debt	461,761	426,287
Fair value of an interest rate swap	23,602	23,379
	<u>7,028,104</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	1,018,395	484,187
	<u>7,646,725</u>	<u>7,606,725</u>
Retained earnings	1,748,329	1,563,558
Other accumulated comprehensive income	(546,389)	(625,963)
	<u>8,848,665</u>	<u>8,544,320</u>
	<u>15,876,769</u>	<u>17,227,991</u>

See accompanying notes to consolidated financial statements

Consolidated Cash Flows

Periods ended September 26, 2008 and September 28, 2007

(unaudited)

	Three month periods ended		Nine month periods ended	
	Sept. 26, 2008	Sept. 28, 2007	Sept. 26, 2008	Sept. 28, 2007
	\$	\$	\$	\$
<i>OPERATING ACTIVITIES</i>				
Net earnings (loss)	153,261	(306,107)	184,771	(1,674,821)
Non-cash items				
Amortization of tangible and intangible assets	257,401	257,160	760,815	766,731
Stock-based compensation	15,000	30,000	40,000	90,000
Changes in non-cash working capital items	591,440	1,099,583	1,267,868	783,946
Cash flows from operating activities	1,017,102	1,080,636	2,253,454	34,144
<i>INVESTING ACTIVITIES</i>				
Temporary investments		34,747	(35,000)	34,747
Property, plant and equipment	(114,420)	(56,366)	(187,231)	(230,367)
Intangible assets	(1,402)	(11,351)	(20,731)	(20,043)
Cash flows from investing activities	(115,822)	(32,970)	(242,962)	(215,663)
<i>FINANCING ACTIVITIES</i>				
Bank advances	(460,088)	(323,620)	(556,775)	(532,159)
Long term debt				64,000
Instalments on long-term debt	(330,403)	(271,488)	(1,037,904)	(853,300)
Cash flows from financing activities	(790,491)	(595,108)	(1,594,679)	(1,321,459)
Net increase (decrease) in cash and cash equivalents	110,789	452,558	415,813	(1,502,978)
Cash and cash equivalents – beginning of period	965,296	336,417	660,272	2,291,953
Cash and cash equivalents - end of period	1,076,085	788,975	1,076,085	788,975

See accompanying notes to consolidated financial statements

Notes to Consolidated Financial Statements

**Periods ended September 26, 2008 and September 28, 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 September 26, 2008 and September 28, 2007.

Certain comparative 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 September 26, 2008 and September 28, 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

	September 26, 2008		December 28, 2007	
Common shares	Number of shares	\$	Number of 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 for the nine month periods ended :

	September 26, 2008	September 28, 2007
Numerator	\$	\$
Net earnings (loss)	184,771	(1,674,821)
Denominator		
Weighted average number of common shares outstanding	5,563,071	5,563,071
Effect of dilutive stock options (a)	32,576	
Weighted average number of shares used to compute diluted net earnings per share	5,595,647	5,563,071
Amount per share		
Net earnings (loss) per share		
Basic	0,03	(0,30)
Diluted	0,03	(0,30)

(a) As at September 26, 2008, 279,500 common share stock options were excluded from the calculation of diluted net earnings per share since the inclusion would have a 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 September 26, 2008 and September 28, 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 nine month period ended September 26, 2008 is \$40,000 (\$90,000 for September 28, 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 as at September 26, 2008 is \$0.68.

	September 26, 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 September 26, 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	6.50	0.68	-	-
1.75 to 2.32	76,500	4.85	2.12	42,168	2.19
2.33 to 3.49	196,000	3.08	2.60	188,166	2.62
3.50 to 4.20	7,000	0.90	4.03	7,000	4.03
	424,500	4.53	1.88	237,334	2.58

Notes to Consolidated Financial Statements

Periods ended September 26, 2008 and September 28, 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 September 26, 2008			Three month periods ended September 28, 2007		
	Civil			Civil		
	engineering	Industrial	Total	engineering	Industrial	Total
	\$	\$	\$	\$	\$	\$
Sales to third parties (a)	4,092,040	1,635,573	5,727,613	4,037,256	1,195,707	5,232,963
Sales between segments (b)	16,318	12,280	28,598	14,067	79,459	93,526
Amortization	145,801	111,600	257,401	147,160	110,000	257,160
Interest on short-term debt	12,089	17,835	29,924	7,678	16,644	24,322
Interest on long-term debt	22,004	9,345	31,349	32,392	21,754	54,146
Income taxes	865		865	26,865		26,865
Net earnings (loss)	57,115	96,146	153,261	6,275	(312,382)	(306,107)
Acquisition of property, plant and equipment	4,026	110,394	114,420	56,366		56,366
	Nine month periods ended September 26, 2008			Nine month periods ended September 28, 2007		
	Civil			Civil		
	engineering	Industrial	Total	engineering	Industrial	Total
	\$	\$	\$	\$	\$	\$
Sales to third parties (a)	12,169,925	4,632,369	16,802,294	11,038,781	4,251,257	15,290,038
Sales between segments (b)	36,956	60,576	97,532	32,661	115,817	148,478
Amortization	431,453	329,362	760,815	437,486	329,245	766,731
Interest on short-term debt	28,187	40,134	68,321	33,378	38,919	72,297
Interest on long-term debt	73,872	35,455	109,327	110,363	71,074	181,437
Income taxes	29,078		29,078	102,734		102,734
Net earnings (loss)	54,544	130,227	184,771	(1,029,848)	(644,973)	(1,674,821)
Acquisition of property, plant and equipment	66,403	120,828	187,231	210,436	19,931	230,367

Notes to Consolidated Financial Statements

Periods ended September 26, 2008 and September 28, 2007
(unaudited)

Segment assets	September 26, 2008			December 28, 2007		
	Civil engineering	Industrial	Total	Civil engineering	Industrial	Total
	\$	\$	\$	\$	\$	\$
	10,297,332	5,579,437	15,876,769	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 29% and 14%, respectively, of sales to third parties in this business (27% 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		Nine month periods ended		Sept. 26, 2008	Dec. 28, 2007
	Sept. 26, 2008	Sept. 28, 2007	Sept. 26, 2008	Sept. 28, 2007	\$	\$
Canada	710,457	673,819	2,217,608	1,550,887	4,409,167	4,659,817
United States	1,539,541	1,641,046	4,144,302	4,041,811	225,116	233,468
France	975,285	623,947	3,527,715	3,759,147	890,284	974,944
Others	2,502,330	2,294,151	6,912,669	5,938,193	759,144	806,775
Total	5,727,613	5,232,963	16,802,294	15,290,038	6,283,711	6,675,004

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