



CPL Technologies Inc.

Interim Consolidated Financial Statement
(Unaudited)

3rd Quarter ended
Septembre 30th 2008 and 2007

NOTICE REQUIRED UNDER INSTRUMENT 51-102
"CONTINUOUS DISCLOSURE OBLIGATIONS"

***The attached consolidated financial statements have been prepared by the management of
"CPL TECHNOLOGIES INC" and have not been reviewed by our auditor.***



CPL TECHNOLOGIES INC.

Interim consolidated statement (unaudited)
3rd Quarter ended September 30th 2008 and 2007

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CPL TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF EARNINGS AND DEFICIT

Periods ended September 30th 2008 and 2007
(unaudited)

	Three months period ended September 30th		Nine months period ended September 30th	
	2008	2007	2008	2007
Revenue	591 124 \$	505 629 \$	1 652 817 \$	1 756 477 \$
Cost of sales	530	4 514	1 845	24 668
Direct salaries	80 102	59 083	324 358	165 138
Gross earnings	510 492	442 032	1 326 614	1 566 671
Selling and administrative expenses	531 936	506 342	1 381 618	1 329 989
Research and development costs	16 782	3 555	80 600	9 950
Earnings (losses) before the followings items	(38 226)	(67 865)	(135 604)	226 732
Financial expenses	10 883	15 856	26 068	48 985
Loss on assets disposal				2 699
Depreciation of capital assets	4 777	6 989	12 864	19 261
Depreciation of intangible assets	1 490	1 496	2 980	4 411
Depreciation of deferred expenses		35 691		117 861
Earnings (losses) before income taxes	(55 376)	(127 897)	(177 516)	33 515
Income taxes				
Current				
Future	15 796	(29 900)	(29075)	8 500
Net earnings (losses)	(71 172) \$	(97 997) \$	(148 441) \$	25 015 \$
Deficit at beginning of period / year	(545 119)	(78 598)	(467 8500)	(201 610)
Deficit at end of year	(616 291) \$	(176 595) \$	(616 291) \$	(176 595) \$
Result per share				
- Basic	0,0052 \$	0,0074 \$	0,0109 \$	0.0019 \$
- Diluted	0,0052 \$	0,0074 \$	0,0109 \$	0.0017 \$
Weighted average number of common shares outstanding	13 583 657	13 176 667	13 583 913	13 176 667



CPL TECHNOLOGIES INC.

CONSOLIDATED BALANCE SHEETS

As at September 30th 2008 and December 31st 2007

	September 30th 2008 (unaudited)	December 31 st 2007 (audited)
ASSETS		
CURRENT ASSETS:		
Cash and Cash equivalent	\$ -	\$ 198 448
Banker's acceptances	-	21 685
Account receivable	687 026	565 441
Current portion of loan and advances	615 412	620 000
Due from a branch	48 359	
Tax credit receivable	205 565	173 859
Prepaid expenses	56 451	26 184
	1 612 813	1 605 617
LOAN AND ADVANCES	-	21 919
CAPITAL ASSETS	60 527	62 824
INTANGIBLE ASSET	3 285	6 265
FUTURE INCOME TAXES	765 851	562 316
	\$ 2 442 476	\$ 2 258 941
LIABILITIES		
CURRENT LIABILITIES:		
Bank Loan	\$ 368 303	\$ -
Accounts payable and accrued liabilities	456 141	237 556
Deferred revenues	307 107	305 993
Current portion of long-term debt (note 2)	214 412	439 456
	1 345 963	983 005
LONG-TERM DEBT (note 2)	127 070	170 135
	1 473 033	1 153 140
SHAREHOLDERS' EQUITY		
Capital stock (note 3)	1 535 113	1 520 113
Contributed surplus	53 537	53 538
Deficit	(619 207)	(467 850)
	969 443	1 105 801
	\$ 2 442 476	\$ 2 258 941

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) **Roger Plourde**

Roger Plourde, president

(Signed) **Jean-Guy Proulx**

Jean-Guy Proulx, secretary



CPL TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine months period ended September 30th
(Unaudited)

	Three months period ended September 30th		Nine months period ended September 30th	
	2008	2007	2008	2007
Operating activities				
Net earnings (losses)	(71 171) \$	(97 997) \$	(148 440) \$	25 015 \$
Adjustment for:				
Depreciation of capital assets	4 777	6 990	12 864	19 261
Depreciation of intangible assets	1 490	1 495	2 980	4 411
Depreciation of deferred expenses	-	35 691		117 861
Stock-based compensation expense	-	(18 987)		(2 687)
Future income taxes	44 871	(29 900)		8 500
Loss on assets disposal	(189 934)	-	(189 934)	2 699
	(209 967)	(102 708)	(322 530)	175 060
Net changes in non-cash working capital items	93 808	100 377	(2 123)	13 368
Cash flows from operating activities	(116 159)	(2 331)	(324 653)	188 428
Investment activities				
Banker's acceptance	(21 685)	(150 000)		(150 000)
Acquisition of capital assets	6 606	(1 050)	(2 402)	(11 012)
Acquisition of intangible assets	-	(1 240)		(2 540)
Increase in deferred expenses	11 650	(62 144)		(188 118)
Disposal of assets		-		7 500
Variation loan and advances	(4 588)	-		
Variation in other receivables	(21 919)	-		
Variation R&D tax credit	42 539	-		
Cash flows used in investment activities	12 603	(214 434)	(2 402)	(344 170)
Financing activities				
Capital stock issued through stock option plan	(15 000)	76 210		76 210
Long-term debt	-	-		22 982
Increase (decrease) in head office advance	(169 587)	-	(169 587)	
Repayment of long-term debt	189 060	(26 308)	(70 109)	(62 481)
Cash flows from financing activities	4 473	49 902	(239 696)	36 711
Net increase (decrease) in cash and cash equivalent	(99 482)	(166 863)	(566 751)	(119 031)
Cash and cash equivalent at beginning of period	(268 821)	338 242	198 448	290 410
Cash and cash equivalents at end of period	(368 303) \$	171 379 \$	(368 303) \$	171 379 \$



CPL TECHNOLOGIES INC.

NOTES TO INTERIM CONSOLIDATED STATEMENTS NINE MONTHS PERIOD ENDED SEPTEMBER 30TH 2008 AND 2007 (UNAUDITED)

1- SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated interim financial statements were prepared by the Corporation in accordance with Canadian generally accepted accounting principles applicable to interim financial statements following the same accounting policies and methods and their applications in the most recent annual financial statements. In the opinion of the Management, all adjustments necessary for fair presentation are reflected in the interim financial statements. The unaudited consolidated interim financial statements should be read in conjunction with the audited annual consolidated financial statements and notes thereto for the year ended December 31, 2007.

2- LONG TERM DEBT

	September 30th 2008	December 31 st 2007
Economic development Canada's contribution, without interest, repayable in 8 semi-annual instalments, starting in March 2009, maturing in September 2012.	\$ 55 693	\$ 47 201
Bank loan, of a maximal consideration of \$ 242 350, bearing interest at prime rate plus 3%, repayable in 48 monthly instalments, starting in January 2008, secured by Investissement Québec maturing in December 2011.	55 604	68 436
Economic development Canada's contribution, without interest, repayable in 8 semi-annual instalments of \$ 16 441, starting in January 2007, maturing in June 2010.	65 764	98 646
Bank loan, bearing interest at prime rate plus 3%, repayable in 48 monthly instalments of \$ 3 289 principal only, maturing in January 2009.	12 422	45 308
Loan from a company controlled by a Director, without interest and fixed term of repayment.	152 000	350 000
	341 483	609 591
Current portion of the long-term debt	214 412	439 456
Long-term debt	\$ 127 071	\$ 170 135



CPL TECHNOLOGIES INC.

NOTES TO INTERIM CONSOLIDATED STATEMENTS NINE MONTHS PERIOD ENDED SEPTEMBER 30TH 2008 AND 2007 (UNAUDITED)

3- CAPITAL STOCK

During this quarter there were no changes in the capital stock

Stock-based compensation plan:

Under the terms of the employee stock option plan, the Company may from time to time grant options to its employees, directors and officer. The Plan provides for the grant of non-transferable and non assignable options for the purchase of common shares. The Board of Directors has the authority to select those officers, directors, employees and suppliers to whom options will be granted, to determine the limits, restrictions and conditions of the granting of options, and to interpret the Plan and make all decisions regarding thereto. The option price shall not be less than the market value of the common shares at the time the option is granted. The options may be exercised during periods which may vary but not exceed 10 years from the date of the grant.

Variations in stock-options outstanding and the effect on the weighted average exercise price are summarized in the following table:

	September 30th 2008		September 30th 2007	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	581,870	0.17 \$	1,205,968	\$ 0.20
Expired	100,000	0.15 \$	(577,732)	\$ 0.30
Granted	-	-	390,000	\$ 0.22
Exercised	-	-	(436,366)	\$ 0.12
Balance at end of year	481,870	0.18 \$	581,870	\$ 0.17

4- RELATED PARTY TRANSACTIONS

During the period ended September 30th 2008 the company, paid some professional fees and commissions to a member of the board or to persons related to a member of the board, for a total amount of \$3,316 (\$44,361 in 2007). These transactions have been made in the normal course of its activities at a fair exchange value accepted by the related parties.

5- SEGMENTED INFORMATION

The following table sets out certain geographic market information based on the client's location:

GEOGRAPHIC INFORMATIONS (a)	Nine months period ended September 30th	
	2008	2007
Province of Quebec	\$ 1 257 743	\$ 1 336 625
Canada outside Quebec	155 528	165 282
United States	189 279	201 150
Europe	50 267	53 420
	\$ 1 652 817	\$ 1 756 477

(a) The sales are allocated to the different countries according to where the installation has occurred.