

Date: 15 January 2008 Sector: Technology Industry: Communications Equipment

**Business Summary**

Patriot Scientific Corporation (Patriot Scientific) is an intellectual-property licensing company with patents covering the design of microprocessor chips. On March 27, 2007, the Company entered into a revolving line of credit with Scripps Secured Data, Inc. (SSDI). The Company has developed microprocessors, which includes ShBoom, Ignite, and PSC-1000 families of chips, and for the Moore Microprocessor Patent (MMP) portfolio of intellectual property surrounding them. The Company has 50% interest in Phoenix Digital Solutions, LLC (PDS).

**Share Performance**

Price (\$): 0.49 52 Week High: 0.94 Currency: USD  
Volume (millions): 1.1 52 Week Low: 0.34

**History Unavailable****Financial Summary**

BRIEF: For the six months ended 30 November 2007, Patriot Scientific Corporation's revenues totaled \$1.5M, up from \$45K. Net income decreased 89% to \$454K. Revenues reflect higher sales of the Group's consolidated variable interest entity, SSDI. Net income was offset by the inclusion of cost of sales expenses, an increase in loss on sale of assets, the inclusion of interest expenses and lower earnings of affiliated companies.

**Valuation Ratios**

|                      |       |
|----------------------|-------|
| Price/Earnings (TTM) | 10.65 |
| Price/Sales (TTM)    | 97.36 |
| Price/Book (MRQ)     | 12.57 |
| Price/Cashflow (TTM) | 10.00 |

**Profitability Ratios (%)**

|                         |        |
|-------------------------|--------|
| Gross Margin (TTM)      | 59.87  |
| Operating Margin (TTM)  | -      |
| Net Profit Margin (TTM) | 972.25 |

**Financial Strength**

|                         |      |
|-------------------------|------|
| Quick Ratio (MRQ)       | 1.36 |
| Current Ratio (MRQ)     | 3.69 |
| LT Debt/Equity (MRQ)    | 0.00 |
| Total Debt/Equity (MRQ) | 0.00 |

**Per Share Data**

|                  |      |
|------------------|------|
| Earnings (TTM)   | 0.05 |
| Sales (TTM)      | 0.01 |
| Book Value (MRQ) | 0.04 |
| Cash Flow (TTM)  | 0.05 |
| Cash (MRQ)       | 0.07 |

**Management Effectiveness (%)**

|                            |        |
|----------------------------|--------|
| Return on Equity (TTM)     | 121.26 |
| Return on Assets (TTM)     | 75.27  |
| Return on Investment (TTM) | 98.48  |

**Dividend Information**

|                          |       |
|--------------------------|-------|
| Dividend Yield (%)       | 12.24 |
| Dividend per Share (MRQ) | 0.00  |
| Payout Ratio (MRQ)       | 0.00  |

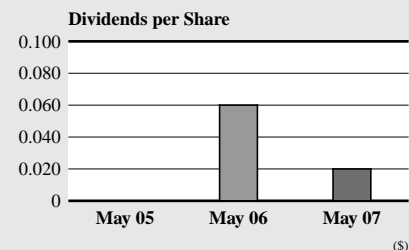
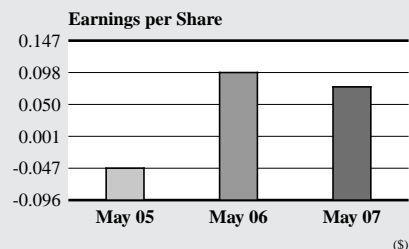
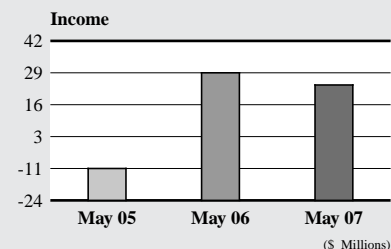
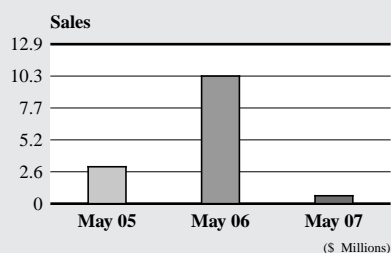
**Patriot Scientific Corporation**

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Suite 180  
Carlsbad  
CA 92011  
United States

Frank Hawkins (Investor Relations)

<http://www.ptsc.com>

P/E: 10.65  
Employees: 5  
(Millions)  
Market Cap: 191.82  
Shares Outstanding: 391.47  
Float: 385.30



TTM: Trailing Twelve Months; MRQ: Most Recent Quarter; MRI: Most Recent Interim.

Latest fiscal year: 2007; Most recent quarter: 2; Fiscal year end month: May;

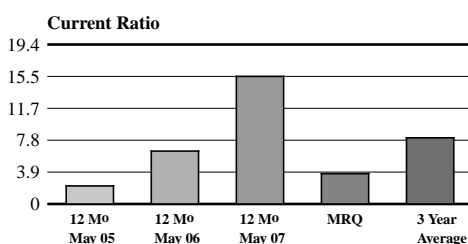
All Ratios are calculated for the latest fiscal year end unless otherwise indicated.

Data Source: Reuters Fundamentals

## Key Ratios &amp; Statistics

## Financial Strength

|                      | 12 M <sup>o</sup><br>May 05 | 12 M <sup>o</sup><br>May 06 | 12 M <sup>o</sup><br>May 07 | MRQ         | 3 Year<br>Average |
|----------------------|-----------------------------|-----------------------------|-----------------------------|-------------|-------------------|
| Quick Ratio          | 2.00                        | 6.03                        | 13.02                       | 1.36        | 7.02              |
| <b>Current Ratio</b> | <b>2.20</b>                 | <b>6.44</b>                 | <b>15.54</b>                | <b>3.69</b> | <b>8.06</b>       |
| LT Debt/Equity       | (0.01)                      | 0.00                        | 0.00                        | 0.00        | (0.00)            |
| Total Debt Equity    | (0.08)                      | 0.00                        | 0.00                        | 0.00        | (0.03)            |



**Quick Ratio:** Cash plus Short Term Investments plus Accounts Receivable divided by the Total Current Liabilities for the same period. **Current Ratio:** Total Current Assets divided by Total Current Liabilities for the same period. **Long Term Debt To Total Equity:** Total Long Term Debt divided by Total Shareholder Equity. **Total Debt to Total Equity:** Total Debt divided by Total Shareholder Equity for the same period.

*Financial Strength looks at business risk. The stronger a company is from a financial standpoint, the less risky it is. The Quick Ratio compares cash and short-term investments (investments that could be converted to cash very quickly) to the financial liabilities they expect to incur within a year's time.*

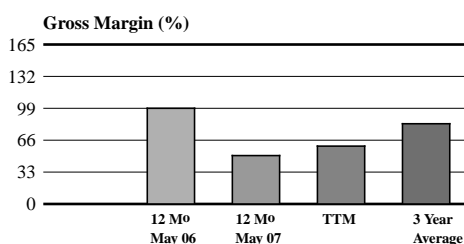
*The Current Ratio compares year-ahead liabilities to cash on hand now plus other inflows (e.g. Accounts Receivable) the company is likely to realize over that same twelve-month period.*

|  |                      |
|--|----------------------|
| <b>Current Ratio</b>   | <b>15.54</b>         |
| $\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$ | $\frac{31.40}{2.02}$ |

*The Long Term Debt/Equity Ratio looks at the company's capital base. A ratio of 1.00 means the company's long-term debt and equity are equal. The Total Debt/Equity Ratio includes long-term debt and short term debt.*

## Profitability

|                         | 12 M <sup>o</sup><br>May 05 | 12 M <sup>o</sup><br>May 06 | 12 M <sup>o</sup><br>May 07 | TTM          | 3 Year<br>Average |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|--------------|-------------------|
| <b>Gross Margin (%)</b> | <b>100.00</b>               | <b>99.00</b>                | <b>50.08</b>                | <b>59.87</b> | <b>83.03</b>      |
| Operating Margin (%)    | 2.95                        | 33.63                       | (2,310.49)                  | -            | (757.97)          |
| Net Profit Margin (%)   | (352.63)                    | 278.12                      | 3,707.51                    | 972.25       | 1,211.00          |
| Interest Coverage       | -                           | -                           | -                           | -            | -                 |



**Gross Margin:** This value measures the percent of revenue left after paying all direct production expenses. It is calculated as Revenue minus the Cost of Goods Sold divided by the Revenue and multiplied by 100. **Operating Margin:** This value measures the percent of revenues remaining after paying all operating expenses. It is calculated as Operating Income divided by the Total Revenue, multiplied by 100. **Net Profit Margin:** Also known as Return on Sales, this value is the Income After Taxes divided by Total Revenue for the same period and is expressed as a percentage. **Interest Coverage:** The Operating Income divided by the company's interest obligations.

*These ratios realize overall profitability, or the bottom line.*

|   |                                |
|---|--------------------------------|
| <b>Gross Margin (%)</b>                                 | <b>50.08 (%)</b>               |
| $\frac{\text{Gross Profit}}{\text{Revenue}} \times 100$ | $\frac{0.32}{0.64} \times 100$ |

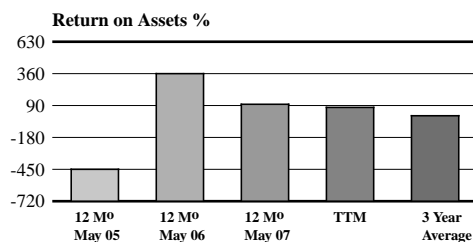
*Gross Margin shows the amount of revenue left over after deducting direct costs of producing the goods or services. Operating Profit and Operating Margin trace the progress revenue down to another important level. From gross profit, we now subtract indirect costs, often referred to as overhead e.g. facilities and salaries associated with headquarters operations.*

*Finally, Profit Margin shows you how much of each revenue dollar is left after all costs, of any kind, are subtracted. These other costs include such items as interest on corporate debt and income taxes.*

## Key Ratios &amp; Statistics (cont.)

## Management Effectiveness (%)

|                           | 12 M <sup>o</sup><br>May 05 | 12 M <sup>o</sup><br>May 06 | 12 M <sup>o</sup><br>May 07 | TTM          | 3 Year<br>Average |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|--------------|-------------------|
| Return on Equity %        | 162.28                      | 1,598.33                    | 152.85                      | 121.26       | 637.82            |
| <b>Return on Assets %</b> | <b>(452.33)</b>             | <b>363.08</b>               | <b>101.93</b>               | <b>75.27</b> | <b>4.23</b>       |
| Return on Investments %   | (855.20)                    | 258.51                      | 109.62                      | 98.48        | (162.36)          |



**Return On Equity:** Income Available to Common Stockholders divided by the Common Equity and expressed as a percentage. **Return on Assets:** This value is the Income After Taxes divided by the Average Total Assets, expressed as a percentage. **Return on Investments:** Income after taxes divided by the average total long term debt, other long term liabilities and shareholders equity, and expressed as a percentage.

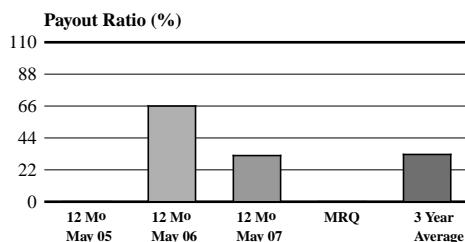
A company's ability to operate profitably can be measured directly by measuring its return on assets. ROA (Return On Assets) is the ratio of a company's net profit to its total assets, expressed as a percentage.

$$\text{Return on Assets (\%)} = \frac{\text{Income After Taxes}}{\text{Average Total Assets}} \times 100 = \frac{23.69}{23.24} \times 100 = 101.93\%$$

ROA measures how well a company's management uses its assets to generate profits. It is a better measure of operating efficiency than ROE, which only measures how much profit is generated on the shareholders equity but ignores debt funding. This ratio is particularly relevant for banks which typically have huge assets.

## Dividend Information

|                         | 12 M <sup>o</sup><br>May 05 | 12 M <sup>o</sup><br>May 06 | 12 M <sup>o</sup><br>May 07 | MRQ         | 3 Year<br>Average |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|-------------|-------------------|
| <b>Payout Ratio (%)</b> | <b>0.00</b>                 | <b>66.14</b>                | <b>31.91</b>                | <b>0.00</b> | <b>32.69</b>      |
| Dividend Per Share      | 0.00                        | 0.06                        | 0.02                        | 0.00        |                   |



**Dividend Per Share:** Common Stock Cash Dividends divided by the shares outstanding. **Payout Ratio:** This ratio is the percentage of the Primary/Basic Earnings Per Share Excluding Extraordinary Items paid to common stockholders in the form of cash dividends.

The annual dividend is the total amount(\$) of dividends you could expect to receive if you held the stock for a year (assuming no change in the company's dividend policy).

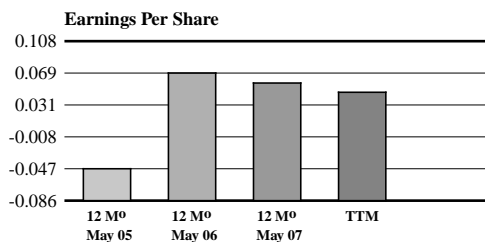
$$\text{Payout Ratio (\%)} = \frac{\text{Dividends Per Share}}{\text{Primary EPS}} \times 100 = \frac{0.02}{0.06} \times 100 = 31.91\%$$

The dividend yield is the indicated annual dividend rate expressed as a percentage of the price of the stock, and could be compared to the coupon yield on a bond. The Payout Ratio tells you what percent of the company's earnings have been given to shareholders as cash dividends. A low payout ratio indicates that company has chosen to reinvest most of the profits back into the business.

## Key Ratios &amp; Statistics (cont.)

## Per Share Data

|                           | 12 M <sup>o</sup><br>May 05 | 12 M <sup>o</sup><br>May 06 | 12 M <sup>o</sup><br>May 07 | TTM  | 3 Year<br>Growth |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|------|------------------|
| <b>Earnings Per Share</b> | (0.05)                      | 0.07                        | 0.06                        | 0.05 | –                |
| Sales Per Share           | 0.01                        | 0.02                        | 0.00                        | 0.01 | 0.42             |
| Book Value                | (0.03)                      | 0.03                        | 0.05                        | 0.04 | –                |
| Cash Flow                 | (0.05)                      | 0.07                        | 0.06                        | 0.05 | –                |
| Cash Per Share            | 0.00                        | 0.02                        | 0.07                        | 0.02 | 2.10             |



**EPS Excluding Extraordinary Items:** This is the adjusted income available to Common divided by the diluted weighted average shares outstanding. **Sales (Revenue) Per Share:** Total Revenue divided by the Average Diluted Shares Outstanding. **Book Value Per Share:** This is defined as the Common Shareholder's Equity divided by the Shares Outstanding. **Cash Flow:** Cash Flow is defined as the sum of Income After Taxes minus Preferred Dividends and General Partner Distributions plus Depreciation, Depletion and Amortization. **Cash Per Share:** This is the Total Cash plus Short Term Investments divided by the Shares Outstanding.

The most important Per-Share Data item is Earnings Per Share. That's because ultimately, the price of your stock is related in some way to the value of the stream of earnings attributable to that share.

|   |              |
|---|--------------|
| <b>Earnings Per Share</b>                     | <b>0.06</b>  |
| Adjusted Income Avail. to Common Shareholders | <u>23.69</u> |
| Diluted Weighted Average Shares               | 413.60       |

This section also includes the amount of Cash Per Share the company had at the time of its most recent quarterly or annual report. Most of the time, this number will be far below the stock price. In a healthy industrial company, a Cash Per Share figure that is close the stock price might suggest that investors are underestimating the worth of the company's ongoing business, thereby creating an interesting investment opportunity for you.

## Consensus Estimates

**Analyst Recommendations  
& Revisions**

|                   | Current  | As of 1<br>Week Ago | As of 4<br>Weeks Ago | As of 8<br>Weeks Ago | As of 13<br>Weeks Ago |
|-------------------|----------|---------------------|----------------------|----------------------|-----------------------|
| Buy               | 0        | 0                   | 0                    | 0                    | 0                     |
| <b>Outperform</b> | <b>1</b> | <b>1</b>            | <b>1</b>             | <b>1</b>             | <b>1</b>              |
| Hold              | 0        | 0                   | 0                    | 0                    | 0                     |
| Underperform      | 0        | 0                   | 0                    | 0                    | 0                     |
| Strong Sell       | 0        | 0                   | 0                    | 0                    | 0                     |
| Mean Rating       | 2.0      | 2.0                 | 2.0                  | 2.0                  | 2.0                   |

**Consensus Estimates Trends**

|                             | Current | As of 1<br>Week Ago | As of 4<br>Weeks Ago | As of 8<br>Weeks Ago | As of 13<br>Weeks Ago |
|-----------------------------|---------|---------------------|----------------------|----------------------|-----------------------|
| <b>Sales (Millions)</b>     |         |                     |                      |                      |                       |
| Year Ending May 08          | -       | -                   | -                    | -                    | -                     |
| Year Ending May 09          | -       | -                   | -                    | -                    | -                     |
| Quarter Ending - N/A 08     | -       | -                   | -                    | -                    | -                     |
| Quarter Ending - N/A 08     | -       | -                   | -                    | -                    | -                     |
| <b>Earnings (Per share)</b> |         |                     |                      |                      |                       |
| Year Ending May 08          | -       | -                   | -                    | -                    | -                     |
| Year Ending May 09          | -       | -                   | -                    | -                    | -                     |
| Quarter Ending - N/A 08     | -       | -                   | -                    | -                    | -                     |
| Quarter Ending - N/A 08     | -       | -                   | -                    | -                    | -                     |

**Consensus Estimates Analysis**

|                             | No.of<br>Estimates | Mean<br>Estimate | High<br>Estimate | Low<br>Estimate |
|-----------------------------|--------------------|------------------|------------------|-----------------|
| <b>Sales (Millions)</b>     |                    |                  |                  |                 |
| Year Ending May 08          |                    |                  | -                | -               |
| Year Ending May 09          |                    |                  | -                | -               |
| Quarter Ending - N/A 08     |                    |                  | -                | -               |
| Quarter Ending - N/A 08     |                    |                  | -                | -               |
| <b>Earnings (Per share)</b> |                    |                  |                  |                 |
| Year Ending May 08          |                    |                  | -                | -               |
| Year Ending May 09          |                    |                  | -                | -               |
| Quarter Ending - N/A 08     |                    |                  | -                | -               |
| Quarter Ending - N/A 08     |                    |                  | -                | -               |
| LT Growth Rate              |                    |                  | -                | -               |

**Quarter Historical Surprises**

|                             | Estimate | Actual | Difference | Surprise (%) |
|-----------------------------|----------|--------|------------|--------------|
| <b>Sales (Millions)</b>     |          |        |            |              |
| <b>Earnings (Per share)</b> |          |        |            |              |

**Consensus Recommendation**

Outperform

**Company Fiscal Year End Month**

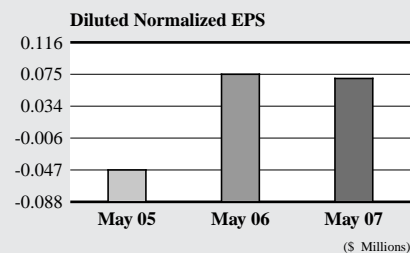
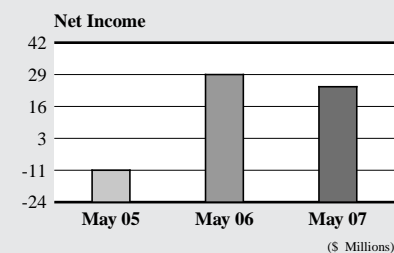
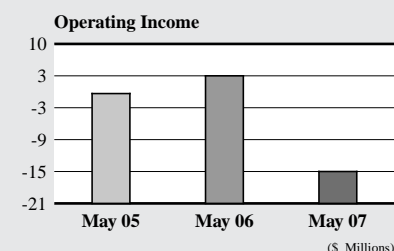
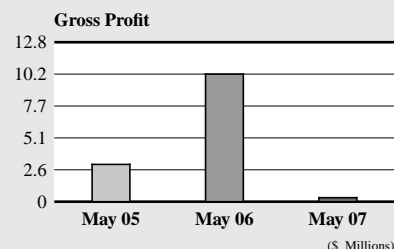
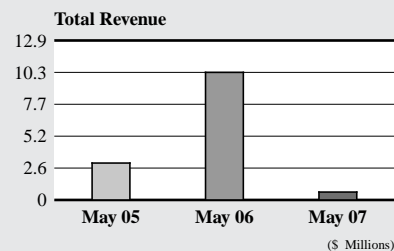
May

**Last Updated**

15 January 2008

## Annual Income Statement

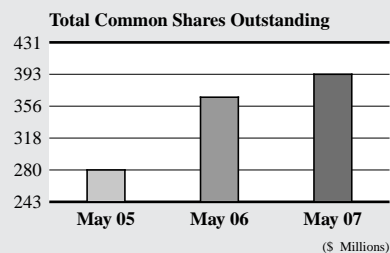
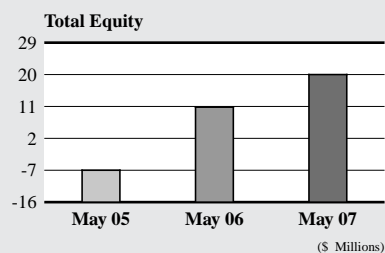
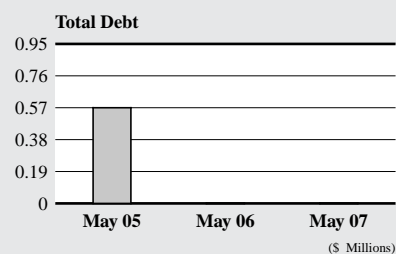
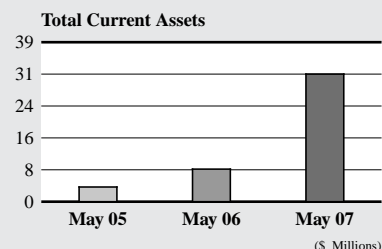
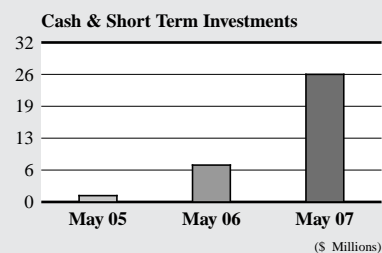
|   | Type of Update | UPD                   | UPD                   | UPD                   |
|---|----------------|-----------------------|-----------------------|-----------------------|
|   |                | (\$ Millions)         | (\$ Millions)         | (\$ Millions)         |
|   |                | 12Months<br>31 May 05 | 12Months<br>31 May 06 | 12Months<br>31 May 07 |
| <b>Total Revenue</b>                            |                | <b>3.0</b>            | <b>10.3</b>           | <b>0.6</b>            |
| <b>Cost of Revenue, Total</b>                   |                | <b>0.0</b>            | <b>0.1</b>            | <b>0.3</b>            |
| <b>Gross Profit</b>                             |                | <b>3.0</b>            | <b>10.2</b>           | <b>0.3</b>            |
| <b>Selling/General/Admin. Expenses</b>          |                | <b>2.6</b>            | <b>4.2</b>            | <b>7.6</b>            |
| Research & Development                          |                | 0.3                   | 0.2                   | 0.0                   |
| <b>Depreciation/Amortization</b>                |                | <b>-</b>              | <b>-</b>              | <b>-</b>              |
| Interest Expense/Income Net Op.                 |                | -                     | -                     | -                     |
| <b>Unusual Income/Expense</b>                   |                | <b>0.0</b>            | <b>2.4</b>            | <b>7.5</b>            |
| <b>Other Operating Expenses, Total</b>          |                | <b>-</b>              | <b>-</b>              | <b>-</b>              |
| <b>Total Operating Expense</b>                  |                | <b>2.9</b>            | <b>6.8</b>            | <b>15.4</b>           |
| <b>Operating Income</b>                         |                | <b>0.1</b>            | <b>3.5</b>            | <b>(14.8)</b>         |
| Interest Expense/Income Net Non Op.             |                | (3.0)                 | 27.7                  | 49.7                  |
| Gain/(Loss) on Sale of Assets                   |                | 0.0                   | 0.0                   | (0.0)                 |
| <b>Other, Net</b>                               |                | <b>(7.6)</b>          | <b>(2.5)</b>          | <b>(0.5)</b>          |
| <b>Income Before Tax</b>                        |                | <b>(10.5)</b>         | <b>28.7</b>           | <b>34.4</b>           |
| Income Tax - Total                              |                | 0.0                   | 0.0                   | 10.8                  |
| <b>Income After Tax</b>                         |                | <b>(10.5)</b>         | <b>28.7</b>           | <b>23.7</b>           |
| Minority Interest                               |                | 0.0                   | 0.0                   | 0.0                   |
| Equity In Affiliates                            |                | -                     | -                     | -                     |
| U.S. GAAP Adjustment                            |                | -                     | -                     | -                     |
| <b>Net Income Before Extra. Items</b>           |                | <b>(10.5)</b>         | <b>28.7</b>           | <b>23.7</b>           |
| Accounting Change                               |                | -                     | -                     | -                     |
| Discontinued Operations                         |                | -                     | -                     | -                     |
| Extraordinary Item                              |                | -                     | -                     | -                     |
| Tax on Extraordinary Items                      |                | -                     | -                     | -                     |
| <b>Net Income</b>                               |                | <b>(10.5)</b>         | <b>28.7</b>           | <b>23.7</b>           |
| Preferred Dividends                             |                | -                     | -                     | -                     |
| General Partner's Distributions                 |                | -                     | -                     | -                     |
| <b>Inc. Avail. to Common Excl. Extra. Items</b> |                | <b>(10.5)</b>         | <b>28.7</b>           | <b>23.7</b>           |
| <b>Inc. Avail. to Common Incl. Extra. Items</b> |                | <b>(10.5)</b>         | <b>28.7</b>           | <b>23.7</b>           |
| Basic Weighted Average Shares                   |                | 222.5                 | 316.1                 | 378.0                 |
| <b>Basic EPS Excl. Extra. Items</b>             |                | <b>(0.047)</b>        | <b>0.091</b>          | <b>0.063</b>          |
| <b>Basic EPS Incl. Extra. Items</b>             |                | <b>(0.047)</b>        | <b>0.091</b>          | <b>0.063</b>          |
| Dilution Adjustment                             |                | 0.000                 | -                     | -                     |
| <b>Diluted Net Income</b>                       |                | <b>(10.519)</b>       | <b>28.674</b>         | <b>23.691</b>         |
| Diluted Weighted Average Shares                 |                | 222.495               | 412.963               | 413.599               |
| <b>Diluted EPS Excl. Extra. Items</b>           |                | <b>(0.047)</b>        | <b>0.069</b>          | <b>0.057</b>          |
| <b>Diluted EPS Incl. Extra. Items</b>           |                | <b>(0.047)</b>        | <b>0.069</b>          | <b>0.057</b>          |
| Div's per Share - Common Stock                  |                | 0.000                 | 0.060                 | 0.020                 |
| Gross Dividends - Common Stock                  |                | 0.000                 | 24.698                | 8.115                 |
| Interest Expense, Supplemental                  |                | 3.082                 | 0.516                 | 0.000                 |
| Interest Capitalized, Supplemental              |                | -                     | -                     | -                     |
| Depreciation, Supplemental                      |                | 0.046                 | 0.025                 | 0.024                 |
| <b>Total Special Items</b>                      |                | <b>(0.004)</b>        | <b>2.360</b>          | <b>7.528</b>          |
| <b>Normalized Income Before Tax</b>             |                | <b>(10.523)</b>       | <b>31.034</b>         | <b>41.974</b>         |
| <b>Effect of Special Items on Inc. Taxes</b>    |                | <b>0.000</b>          | <b>0.000</b>          | <b>2.350</b>          |
| <b>Inc. Taxes Excl. Impact Special Items</b>    |                | <b>0.000</b>          | <b>0.000</b>          | <b>13.105</b>         |
| <b>Normalized Income After Tax</b>              |                | <b>(10.523)</b>       | <b>31.034</b>         | <b>28.869</b>         |
| <b>Normalized Income Available to Common</b>    |                | <b>(10.523)</b>       | <b>31.034</b>         | <b>28.869</b>         |
| <b>Basic Normalized EPS</b>                     |                | <b>(0.047)</b>        | <b>0.098</b>          | <b>0.076</b>          |
| <b>Diluted Normalized EPS</b>                   |                | <b>(0.047)</b>        | <b>0.075</b>          | <b>0.070</b>          |
| Auditor   |                | CORB                  | CORB                  | KMJC                  |
| Auditor Opinion                                 |                | UWE                   | UNO                   | UNO                   |
| Source Document                                 |                | 10KSB/A               | 10KSB                 | 10-K                  |



## Annual Balance Sheet

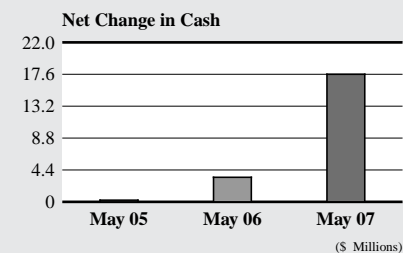
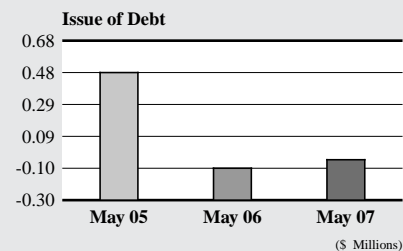
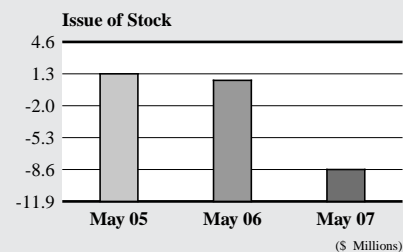
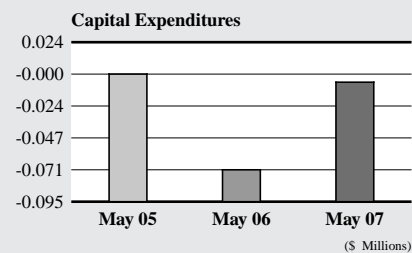
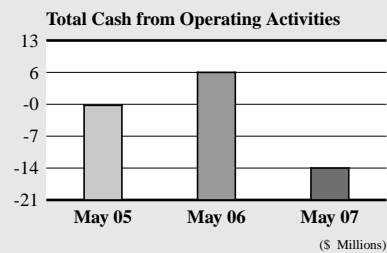
| Type of Update                                    | UPD                   | UPD                   | UPD                   |
|---|-----------------------|-----------------------|-----------------------|
|   | (\$ Millions)         | (\$ Millions)         | (\$ Millions)         |
|   | 12Months<br>31 May 05 | 12Months<br>31 May 06 | 12Months<br>31 May 07 |
| Cash  | -                     | -                     | -                     |
| Cash and Equivalents                              | 0.6                   | 4.0                   | 21.6                  |
| Short Term Investments                            | 0.7                   | 3.5                   | 4.3                   |
| <b>Cash and Short Term Investments</b>            | <b>1.3</b>            | <b>7.5</b>            | <b>26.0</b>           |
| Accounts Receivable (Trade), Net                  | 0.0                   | 0.0                   | 0.4                   |
| Notes Receivable - Short Term                     | -                     | -                     | -                     |
| Other Receivables                                 | 2.0                   | 0.0                   | -                     |
| <b>Total Receivables, Net</b>                     | <b>2.0</b>            | <b>0.0</b>            | <b>0.4</b>            |
| <b>Total Inventory</b>                            | <b>-</b>              | <b>0.0</b>            | <b>0.0</b>            |
| Prepaid Expenses                                  | 0.1                   | 0.4                   | 2.5                   |
| Other Current Assets                              | 0.2                   | 0.1                   | 2.5                   |
| <b>Total Current Assets</b>                       | <b>3.6</b>            | <b>8.0</b>            | <b>31.4</b>           |
| <b>Property/Plant/Equipment - Gross</b>           | <b>1.1</b>            | <b>0.1</b>            | <b>0.1</b>            |
| Accumulated Depreciation                          | (1.1)                 | (0.0)                 | (0.0)                 |
| <b>Property/Plant/Equip., Net</b>                 | <b>0.0</b>            | <b>0.1</b>            | <b>0.1</b>            |
| <b>Goodwill, Net</b>                              | <b>-</b>              | <b>-</b>              | <b>-</b>              |
| <b>Intangibles, Net</b>                           | <b>0.1</b>            | <b>0.0</b>            | <b>0.0</b>            |
| <b>Long Term Investments</b>                      | <b>0.0</b>            | <b>4.0</b>            | <b>2.9</b>            |
| Note Receivable - Long Term                       | -                     | -                     | -                     |
| <b>Other Long Term Assets, Total</b>              | <b>0.0</b>            | <b>0.0</b>            | <b>0.0</b>            |
| <b>Other Assets, Total</b>                        | <b>-</b>              | <b>-</b>              | <b>-</b>              |
| <b>Total Assets</b>                               | <b>3.7</b>            | <b>12.1</b>           | <b>34.4</b>           |
| Accounts Payable                                  | 0.3                   | 0.7                   | 0.9                   |
| Payable/Accrued                                   | -                     | -                     | -                     |
| Accrued Expenses                                  | 0.9                   | 0.5                   | 1.1                   |
| Notes Payable/Short Term Debt                     | 0.1                   | 0.0                   | 0.0                   |
| Current Port. LT Debt/Capital Leases              | 0.4                   | 0.0                   | -                     |
| <b>Other Current Liabilities, Total</b>           | <b>-</b>              | <b>-</b>              | <b>-</b>              |
| <b>Total Current Liabilities</b>                  | <b>1.6</b>            | <b>1.2</b>            | <b>2.0</b>            |
| Long Term Debt                                    | 0.0                   | 0.0                   | -                     |
| Capital Lease Obligations                         | 0.0                   | -                     | -                     |
| <b>Total Long Term Debt</b>                       | <b>0.0</b>            | <b>0.0</b>            | <b>0.0</b>            |
| <b>Total Debt</b>                                 | <b>0.6</b>            | <b>0.0</b>            | <b>0.0</b>            |
| <b>Deferred Income Tax</b>                        | <b>-</b>              | <b>0.0</b>            | <b>12.2</b>           |
| Minority Interest                                 | -                     | 0.0                   | 0.0                   |
| <b>Other Liabilities, Total</b>                   | <b>9.3</b>            | <b>-</b>              | <b>-</b>              |
| <b>Total Liabilities</b>                          | <b>11.0</b>           | <b>1.2</b>            | <b>14.2</b>           |
| <b>Redeemable Preferred Stock</b>                 | <b>-</b>              | <b>-</b>              | <b>-</b>              |
| <b>Preferred Stock (Non Redeemable), Net</b>      | <b>-</b>              | <b>-</b>              | <b>-</b>              |
| <b>Common Stock</b>                               | <b>0.0</b>            | <b>0.0</b>            | <b>0.0</b>            |
| Additional Paid-In Capital                        | 55.5                  | 69.6                  | 72.2                  |
| Retained Earnings/Accum. Deficit                  | (62.7)                | (58.7)                | (43.2)                |
| Treasury Stock - Common                           | -                     | 0.0                   | (8.8)                 |
| ESOP Debt Guarantee                               | -                     | -                     | -                     |
| Unrealized Gain/Loss                              | -                     | -                     | -                     |
| <b>Other Equity, Total</b>                        | <b>-</b>              | <b>-</b>              | <b>-</b>              |
| <b>Total Equity</b>                               | <b>(7.2)</b>          | <b>10.8</b>           | <b>20.2</b>           |
| <b>Total Liability &amp; Shareholders' Equity</b> | <b>3.7</b>            | <b>12.1</b>           | <b>34.4</b>           |
| <b>Total Common Shares Outstanding</b>            | <b>280.5</b>          | <b>366.2</b>          | <b>393.2</b>          |
| <b>Total Preferred Stock Shares Outs.</b>         | <b>-</b>              | <b>-</b>              | <b>-</b>              |

|                 |         |       |      |
|-----------------|---------|-------|------|
| Auditor         | CORB    | CORB  | KMJC |
| Auditor Opinion | UWE     | UNO   | UNO  |
| Source Document | 10KSB/A | 10KSB | 10-K |



## Annual Cash Flow Statement

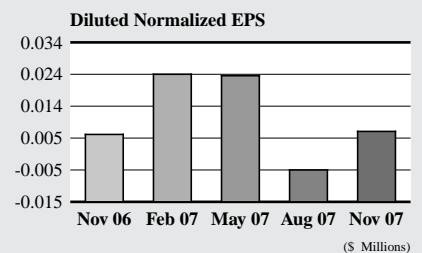
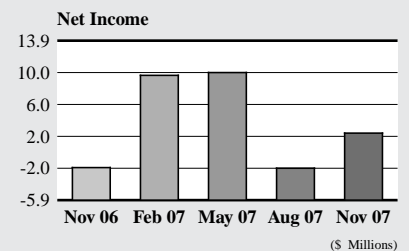
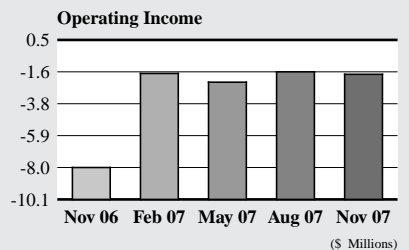
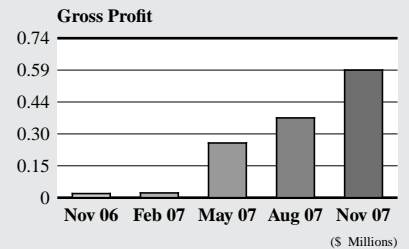
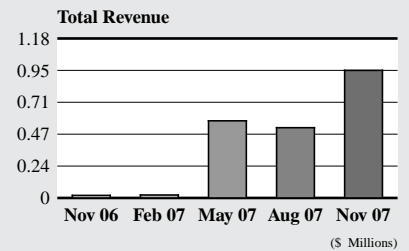
| Type of Update                              | UPD                   | UPD                   | UPD                   |
|---|-----------------------|-----------------------|-----------------------|
|   | (\$ Millions)         | (\$ Millions)         | (\$ Millions)         |
|   | 12Months<br>31 May 05 | 12Months<br>31 May 06 | 12Months<br>31 May 07 |
| Net Income/Starting Line                    | (10.5)                | 28.7                  | 23.7                  |
| <b>Depreciation/Depletion</b>               | <b>0.1</b>            | <b>0.1</b>            | <b>0.1</b>            |
| <b>Amortization</b>                         | <b>-</b>              | <b>-</b>              | <b>-</b>              |
| Deferred Taxes                              | 0.0                   | 0.0                   | 9.8                   |
| <b>Non-Cash Items</b>                       | <b>10.6</b>           | <b>(24.2)</b>         | <b>(46.1)</b>         |
| Cash Receipts                               | -                     | -                     | -                     |
| Cash Payments                               | -                     | -                     | -                     |
| Cash Taxes Paid                             | 0.0                   | 0.0                   | 3.0                   |
| Cash Interest Paid                          | 0.0                   | 0.0                   | 0.0                   |
| <b>Changes in Working Capital</b>           | <b>(0.8)</b>          | <b>2.0</b>            | <b>(1.6)</b>          |
| <b>Total Cash from Operating Activities</b> | <b>(0.6)</b>          | <b>6.5</b>            | <b>(14.2)</b>         |
| <b>Capital Expenditures</b>                 | <b>0.0</b>            | <b>(0.1)</b>          | <b>(0.0)</b>          |
| Other Investing Cash Flow Items, Total      | (0.9)                 | 21.2                  | 48.5                  |
| <b>Total Cash from Investing Activities</b> | <b>(0.9)</b>          | <b>21.1</b>           | <b>48.5</b>           |
| <b>Financing Cash Flow Items</b>            | <b>0.0</b>            | <b>0.0</b>            | <b>0.0</b>            |
| <b>Total Cash Dividends Paid</b>            | <b>0.0</b>            | <b>(24.7)</b>         | <b>(8.1)</b>          |
| <b>Issuance/Retirement of Stock, Net</b>    | <b>1.3</b>            | <b>0.6</b>            | <b>(8.6)</b>          |
| <b>Issuance/Retirement of Debt, Net</b>     | <b>0.5</b>            | <b>(0.1)</b>          | <b>(0.1)</b>          |
| <b>Total Cash from Financing Activities</b> | <b>1.8</b>            | <b>(24.2)</b>         | <b>(16.8)</b>         |
| Foreign Exchange Effects                    | -                     | -                     | -                     |
| <b>Net Change in Cash</b>                   | <b>0.2</b>            | <b>3.4</b>            | <b>17.6</b>           |
| Depreciation, Supplemental                  | 0.1                   | 0.1                   | 0.1                   |
| Cash Interest Paid, Supplemental            | 0.0                   | 0.0                   | 0.0                   |
| Cash Taxes Paid, Supplemental               | 0.0                   | 0.0                   | 3.0                   |
| <b>Auditor</b>                              | <b>CORB</b>           | <b>CORB</b>           | <b>KMJC</b>           |
| <b>Auditor Opinion</b>                      | <b>UWE</b>            | <b>UNO</b>            | <b>UNO</b>            |
| <b>Source Document</b>                      | <b>10KSB/A</b>        | <b>10KSB</b>          | <b>10-K</b>           |





## Quarterly Income Statement

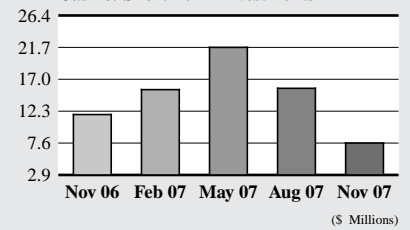
| Type of Update                                  | UPD                                   |                                       | UPD                                   |                                       | UPD                                   |  |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|
|   | (\$ Millions)<br>3Months<br>30 Nov 06 | (\$ Millions)<br>3Months<br>28 Feb 07 | (\$ Millions)<br>3Months<br>31 May 07 | (\$ Millions)<br>3Months<br>31 Aug 07 | (\$ Millions)<br>3Months<br>30 Nov 07 |  |
| <b>Total Revenue</b>                            | <b>0.0</b>                            | <b>0.0</b>                            | <b>0.6</b>                            | <b>0.5</b>                            | <b>0.9</b>                            |  |
| <b>Cost of Revenue, Total</b>                   | <b>0.0</b>                            | <b>0.0</b>                            | <b>0.3</b>                            | <b>0.2</b>                            | <b>0.4</b>                            |  |
| <b>Gross Profit</b>                             | <b>0.0</b>                            | <b>0.0</b>                            | <b>0.3</b>                            | <b>0.4</b>                            | <b>0.6</b>                            |  |
| <b>Selling/General/Admin. Expenses</b>          | <b>1.7</b>                            | <b>1.4</b>                            | <b>1.6</b>                            | <b>2.0</b>                            | <b>2.0</b>                            |  |
| Research & Development                          | 0.0                                   | 0.0                                   | 0.0                                   | -                                     | -                                     |  |
| <b>Depreciation/Amortization</b>                | <b>-</b>                              | <b>-</b>                              | <b>-</b>                              | <b>-</b>                              | <b>-</b>                              |  |
| Interest Expense/Income Net Op.                 | -                                     | -                                     | -                                     | -                                     | -                                     |  |
| <b>Unusual Income/Expense</b>                   | <b>6.3</b>                            | <b>0.3</b>                            | <b>0.9</b>                            | <b>0.0</b>                            | <b>0.4</b>                            |  |
| <b>Other Operating Expenses, Total</b>          | <b>-</b>                              | <b>-</b>                              | <b>-</b>                              | <b>-</b>                              | <b>-</b>                              |  |
| <b>Total Operating Expense</b>                  | <b>8.0</b>                            | <b>1.8</b>                            | <b>2.9</b>                            | <b>2.1</b>                            | <b>2.7</b>                            |  |
| <b>Operating Income</b>                         | <b>(8.0)</b>                          | <b>(1.7)</b>                          | <b>(2.3)</b>                          | <b>(1.6)</b>                          | <b>(1.8)</b>                          |  |
| Interest Expense/Income Net Non Op.             | 6.7                                   | 11.7                                  | 18.6                                  | (1.2)                                 | 5.5                                   |  |
| Gain/(Loss) on Sale of Assets                   | 0.0                                   | 0.0                                   | (0.0)                                 | 0.0                                   | (0.0)                                 |  |
| <b>Other, Net</b>                               | <b>0.2</b>                            | <b>(0.1)</b>                          | <b>0.1</b>                            | <b>0.6</b>                            | <b>0.3</b>                            |  |
| <b>Income Before Tax</b>                        | <b>(1.2)</b>                          | <b>9.8</b>                            | <b>16.3</b>                           | <b>(2.2)</b>                          | <b>4.0</b>                            |  |
| Income Tax - Total                              | 0.7                                   | 0.2                                   | 6.4                                   | (0.2)                                 | 1.6                                   |  |
| <b>Income After Tax</b>                         | <b>(1.9)</b>                          | <b>9.6</b>                            | <b>10.0</b>                           | <b>(2.0)</b>                          | <b>2.4</b>                            |  |
| Minority Interest                               | -                                     | -                                     | 0.0                                   | 0.0                                   | -                                     |  |
| Equity In Affiliates                            | -                                     | -                                     | -                                     | -                                     | -                                     |  |
| U.S. GAAP Adjustment                            | -                                     | -                                     | -                                     | -                                     | -                                     |  |
| <b>Net Income Before Extra. Items</b>           | <b>(1.9)</b>                          | <b>9.6</b>                            | <b>10.0</b>                           | <b>(2.0)</b>                          | <b>2.4</b>                            |  |
| Accounting Change                               | -                                     | -                                     | -                                     | -                                     | -                                     |  |
| Discontinued Operations                         | -                                     | -                                     | -                                     | -                                     | -                                     |  |
| Extraordinary Item                              | -                                     | -                                     | -                                     | -                                     | -                                     |  |
| Tax on Extraordinary Items                      | -                                     | -                                     | -                                     | -                                     | -                                     |  |
| <b>Net Income</b>                               | <b>(1.9)</b>                          | <b>9.6</b>                            | <b>10.0</b>                           | <b>(2.0)</b>                          | <b>2.4</b>                            |  |
| Preferred Dividends                             | -                                     | -                                     | -                                     | -                                     | -                                     |  |
| General Partner's Distributions                 | -                                     | -                                     | -                                     | -                                     | -                                     |  |
| <b>Inc. Avail. to Common Excl. Extra. Items</b> | <b>(1.9)</b>                          | <b>9.6</b>                            | <b>10.0</b>                           | <b>(2.0)</b>                          | <b>2.4</b>                            |  |
| <b>Inc. Avail. to Common Incl. Extra. Items</b> | <b>(1.9)</b>                          | <b>9.6</b>                            | <b>10.0</b>                           | <b>(2.0)</b>                          | <b>2.4</b>                            |  |
| Basic Weighted Average Shares                   | 378.8                                 | 381.0                                 | 383.5                                 | 390.5                                 | 391.2                                 |  |
| <b>Basic EPS Excl. Extra. Items</b>             | <b>(0.005)</b>                        | <b>0.025</b>                          | <b>0.026</b>                          | <b>(0.005)</b>                        | <b>0.006</b>                          |  |
| <b>Basic EPS Incl. Extra. Items</b>             | <b>(0.005)</b>                        | <b>0.025</b>                          | <b>0.026</b>                          | <b>(0.005)</b>                        | <b>0.006</b>                          |  |
| Dilution Adjustment                             | 0.000                                 | -                                     | -                                     | 0.000                                 | -                                     |  |
| <b>Diluted Net Income</b>                       | <b>(1.881)</b>                        | <b>9.617</b>                          | <b>9.966</b>                          | <b>(1.962)</b>                        | <b>2.417</b>                          |  |
| Diluted Weighted Average Shares                 | 378.818                               | 410.748                               | 444.185                               | 390.455                               | 392.628                               |  |
| <b>Diluted EPS Excl. Extra. Items</b>           | <b>(0.005)</b>                        | <b>0.023</b>                          | <b>0.022</b>                          | <b>(0.005)</b>                        | <b>0.006</b>                          |  |
| <b>Diluted EPS Incl. Extra. Items</b>           | <b>(0.005)</b>                        | <b>0.023</b>                          | <b>0.022</b>                          | <b>(0.005)</b>                        | <b>0.006</b>                          |  |
| Div's per Share - Common Stock                  | 0.000                                 | 0.000                                 | 0.020                                 | 0.000                                 | 0.000                                 |  |
| Gross Dividends - Common Stock                  | 0.000                                 | 0.000                                 | 8.115                                 | 0.000                                 | 0.000                                 |  |
| Interest Expense, Supplemental                  | 0.000                                 | 0.000                                 | 0.000                                 | 0.000                                 | 0.000                                 |  |
| Interest Capitalized, Supplemental              | -                                     | -                                     | -                                     | -                                     | -                                     |  |
| Depreciation, Supplemental                      | 0.010                                 | 0.011                                 | 0.033                                 | 0.011                                 | 0.012                                 |  |
| <b>Total Special Items</b>                      | <b>6.300</b>                          | <b>0.304</b>                          | <b>0.923</b>                          | <b>0.030</b>                          | <b>0.390</b>                          |  |
| <b>Normalized Income Before Tax</b>             | <b>5.139</b>                          | <b>10.084</b>                         | <b>17.261</b>                         | <b>(2.165)</b>                        | <b>4.391</b>                          |  |
| Effect of Special Items on Inc. Taxes           | 2.205                                 | 0.005                                 | 0.360                                 | 0.011                                 | 0.154                                 |  |
| <b>Inc. Taxes Excl. Impact Special Items</b>    | <b>2.925</b>                          | <b>0.168</b>                          | <b>6.732</b>                          | <b>(0.223)</b>                        | <b>1.738</b>                          |  |
| <b>Normalized Income After Tax</b>              | <b>2.214</b>                          | <b>9.916</b>                          | <b>10.529</b>                         | <b>(1.943)</b>                        | <b>2.653</b>                          |  |
| <b>Normalized Income Available to Common</b>    | <b>2.214</b>                          | <b>9.916</b>                          | <b>10.529</b>                         | <b>(1.943)</b>                        | <b>2.653</b>                          |  |
| <b>Basic Normalized EPS</b>                     | <b>0.006</b>                          | <b>0.026</b>                          | <b>0.027</b>                          | <b>(0.005)</b>                        | <b>0.007</b>                          |  |
| <b>Diluted Normalized EPS</b>                   | <b>0.006</b>                          | <b>0.024</b>                          | <b>0.024</b>                          | <b>(0.005)</b>                        | <b>0.007</b>                          |  |
| Source Document                                 | 10-O                                  | 10-O                                  | 10-K                                  | 10-O                                  | 10-O                                  |  |
| Fiscal Period                                   | 2                                     | 3                                     | 4                                     | 1                                     | 2                                     |  |



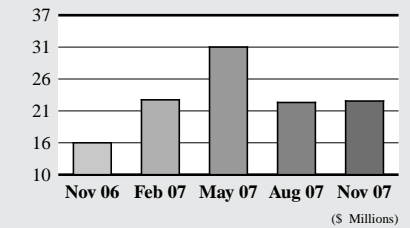
## Quarterly Balance Sheet

| Type of Update                                    | UPD                                   | UPD                                   | UPD                                    | UPD                                   | UPD                                   |
|---|---------------------------------------|---------------------------------------|--|---------------------------------------|---------------------------------------|
|   | (\$ Millions)<br>3Months<br>30 Nov 06 | (\$ Millions)<br>3Months<br>28 Feb 07 | (\$ Millions)<br>12Months<br>31 May 07 | (\$ Millions)<br>3Months<br>31 Aug 07 | (\$ Millions)<br>3Months<br>30 Nov 07 |
| Cash  | -                                     | -                                     | -                                      | -                                     | -                                     |
| Cash and Equivalents                              | 11.7                                  | 15.4                                  | 21.6                                   | 15.6                                  | 7.6                                   |
| Short Term Investments                            | 0.1                                   | 0.1                                   | 0.1                                    | 0.1                                   | 0.1                                   |
| <b>Cash and Short Term Investments</b>            | <b>11.8</b>                           | <b>15.5</b>                           | <b>21.7</b>                            | <b>15.7</b>                           | <b>7.6</b>                            |
| Accounts Receivable (Trade), Net                  | 0.0                                   | 0.0                                   | 0.4                                    | 0.5                                   | 0.6                                   |
| Notes Receivable - Short Term                     | -                                     | -                                     | 0.0                                    | 0.1                                   | 0.1                                   |
| Other Receivables                                 | -                                     | -                                     | -                                      | -                                     | -                                     |
| <b>Total Receivables, Net</b>                     | <b>0.0</b>                            | <b>0.0</b>                            | <b>0.4</b>                             | <b>0.5</b>                            | <b>0.7</b>                            |
| <b>Total Inventory</b>                            | <b>-</b>                              | <b>-</b>                              | <b>0.0</b>                             | <b>0.2</b>                            | <b>0.3</b>                            |
| Prepaid Expenses                                  | 0.2                                   | 1.3                                   | 2.5                                    | 0.3                                   | 0.3                                   |
| Other Current Assets                              | 3.7                                   | 6.0                                   | 6.8                                    | 5.6                                   | 13.7                                  |
| <b>Total Current Assets</b>                       | <b>15.7</b>                           | <b>22.8</b>                           | <b>31.4</b>                            | <b>22.3</b>                           | <b>22.6</b>                           |
| <b>Property/Plant/Equipment - Gross</b>           | <b>-</b>                              | <b>-</b>                              | <b>-</b>                               | <b>-</b>                              | <b>-</b>                              |
| Accumulated Depreciation                          | -                                     | -                                     | -                                      | -                                     | -                                     |
| <b>Property/Plant/Equip., Net</b>                 | <b>0.1</b>                            | <b>0.1</b>                            | <b>0.1</b>                             | <b>0.1</b>                            | <b>0.1</b>                            |
| <b>Goodwill, Net</b>                              | <b>-</b>                              | <b>-</b>                              | <b>-</b>                               | <b>-</b>                              | <b>-</b>                              |
| <b>Intangibles, Net</b>                           | <b>0.0</b>                            | <b>0.0</b>                            | <b>0.0</b>                             | <b>0.0</b>                            | <b>0.0</b>                            |
| <b>Long Term Investments</b>                      | <b>7.9</b>                            | <b>5.3</b>                            | <b>2.9</b>                             | <b>1.7</b>                            | <b>0.0</b>                            |
| Note Receivable - Long Term                       | -                                     | -                                     | -                                      | -                                     | -                                     |
| <b>Other Long Term Assets, Total</b>              | <b>0.0</b>                            | <b>0.0</b>                            | <b>0.0</b>                             | <b>0.0</b>                            | <b>0.0</b>                            |
| <b>Other Assets, Total</b>                        | <b>-</b>                              | <b>-</b>                              | <b>-</b>                               | <b>-</b>                              | <b>-</b>                              |
| <b>Total Assets</b>                               | <b>23.8</b>                           | <b>28.1</b>                           | <b>34.4</b>                            | <b>24.1</b>                           | <b>22.7</b>                           |
| Accounts Payable                                  | 0.3                                   | 0.3                                   | 0.9                                    | 0.5                                   | 0.5                                   |
| Payable/Accrued                                   | -                                     | -                                     | -                                      | -                                     | -                                     |
| Accrued Expenses                                  | 10.6                                  | 3.4                                   | 1.1                                    | 0.4                                   | 0.2                                   |
| Notes Payable/Short Term Debt                     | 0.0                                   | 0.0                                   | 0.0                                    | 0.0                                   | 0.0                                   |
| Current Port. LT Debt/Capital Leases              | -                                     | -                                     | -                                      | -                                     | -                                     |
| <b>Other Current Liabilities, Total</b>           | <b>-</b>                              | <b>-</b>                              | <b>0.0</b>                             | <b>7.7</b>                            | <b>5.4</b>                            |
| <b>Total Current Liabilities</b>                  | <b>11.0</b>                           | <b>3.7</b>                            | <b>2.0</b>                             | <b>8.6</b>                            | <b>6.1</b>                            |
| Long Term Debt                                    | -                                     | -                                     | -                                      | -                                     | -                                     |
| Capital Lease Obligations                         | -                                     | -                                     | -                                      | -                                     | -                                     |
| <b>Total Long Term Debt</b>                       | <b>0.0</b>                            | <b>0.0</b>                            | <b>0.0</b>                             | <b>0.0</b>                            | <b>0.0</b>                            |
| <b>Total Debt</b>                                 | <b>0.0</b>                            | <b>0.0</b>                            | <b>0.0</b>                             | <b>0.0</b>                            | <b>0.0</b>                            |
| <b>Deferred Income Tax</b>                        | <b>-</b>                              | <b>4.8</b>                            | <b>12.2</b>                            | <b>0.8</b>                            | <b>0.7</b>                            |
| Minority Interest                                 | -                                     | -                                     | 0.0                                    | -                                     | -                                     |
| <b>Other Liabilities, Total</b>                   | <b>-</b>                              | <b>-</b>                              | <b>0.0</b>                             | <b>-</b>                              | <b>0.6</b>                            |
| <b>Total Liabilities</b>                          | <b>11.0</b>                           | <b>8.6</b>                            | <b>14.2</b>                            | <b>9.3</b>                            | <b>7.4</b>                            |
| <b>Redeemable Preferred Stock</b>                 | <b>-</b>                              | <b>-</b>                              | <b>-</b>                               | <b>-</b>                              | <b>-</b>                              |
| <b>Preferred Stock (Non Redeemable), Net</b>      | <b>-</b>                              | <b>0.0</b>                            | <b>0.0</b>                             | <b>0.0</b>                            | <b>0.0</b>                            |
| <b>Common Stock</b>                               | <b>0.0</b>                            | <b>0.0</b>                            | <b>0.0</b>                             | <b>0.0</b>                            | <b>0.0</b>                            |
| Additional Paid-In Capital                        | 71.4                                  | 72.0                                  | 72.2                                   | 71.5                                  | 69.8                                  |
| Retained Earnings/Accum. Deficit                  | (54.6)                                | (45.0)                                | (43.2)                                 | (45.1)                                | (42.7)                                |
| Treasury Stock - Common                           | (4.0)                                 | (7.4)                                 | (8.8)                                  | (11.6)                                | (11.9)                                |
| ESOP Debt Guarantee                               | -                                     | -                                     | -                                      | -                                     | -                                     |
| Unrealized Gain/Loss                              | -                                     | -                                     | -                                      | -                                     | -                                     |
| <b>Other Equity, Total</b>                        | <b>-</b>                              | <b>-</b>                              | <b>-</b>                               | <b>-</b>                              | <b>-</b>                              |
| <b>Total Equity</b>                               | <b>12.8</b>                           | <b>19.6</b>                           | <b>20.2</b>                            | <b>14.8</b>                           | <b>15.3</b>                           |
| <b>Total Liability &amp; Shareholders' Equity</b> | <b>23.8</b>                           | <b>28.1</b>                           | <b>34.4</b>                            | <b>24.1</b>                           | <b>22.7</b>                           |
| <b>Total Common Shares Outstanding</b>            | <b>384.3</b>                          | <b>378.7</b>                          | <b>393.2</b>                           | <b>389.4</b>                          | <b>391.5</b>                          |
| <b>Total Preferred Stock Shares Outs.</b>         | <b>-</b>                              | <b>-</b>                              | <b>-</b>                               | <b>-</b>                              | <b>-</b>                              |
| Source Document                                   | 10-O                                  | 10-O                                  | 10-K                                   | 10-O                                  | 10-O                                  |
| Fiscal Period                                     | 2                                     | 3                                     | 4                                      | 1                                     | 2                                     |

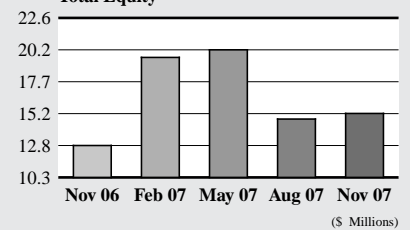
Cash &amp; Short Term Investments



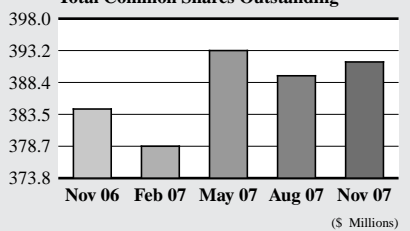
Total Current Assets



Total Equity

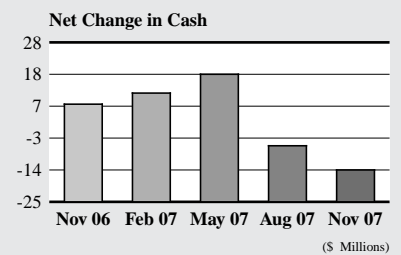
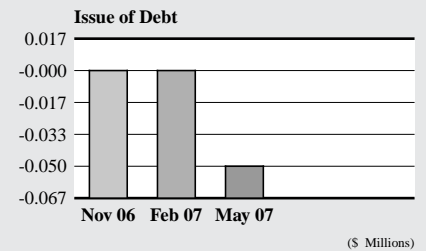
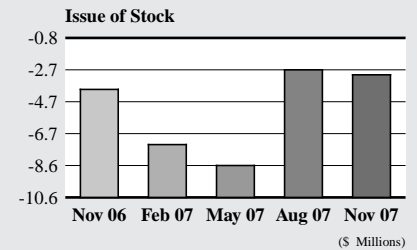
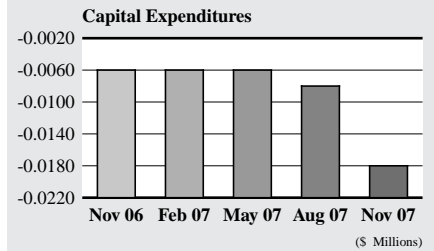
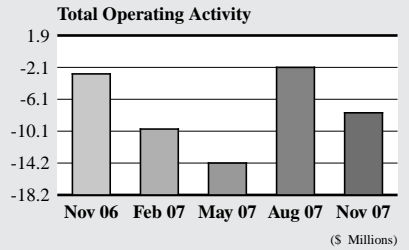


Total Common Shares Outstanding



## Quarterly Cash Flow Statement

| Type of Update                              | UPD                                   | UPD                                   | UPD                                    | UPD                                   | UPD                                   |
|---|---------------------------------------|---------------------------------------|--|---------------------------------------|---------------------------------------|
|   | (\$ Millions)<br>6Months<br>30 Nov 06 | (\$ Millions)<br>9Months<br>28 Feb 07 | (\$ Millions)<br>12Months<br>31 May 07 | (\$ Millions)<br>3Months<br>31 Aug 07 | (\$ Millions)<br>6Months<br>30 Nov 07 |
| Net Income/Starting Line                    | 4.1                                   | 13.7                                  | 23.7                                   | (2.0)                                 | 0.5                                   |
| Depreciation/Depletion                      | 0.0                                   | 0.0                                   | 0.1                                    | 0.0                                   | 0.0                                   |
| Amortization                                | -                                     | -                                     | -                                      | -                                     | -                                     |
| Deferred Taxes                              | 0.0                                   | 2.4                                   | 9.8                                    | (10.0)                                | (10.1)                                |
| Non-Cash Items                              | (17.0)                                | (27.7)                                | (46.1)                                 | 1.3                                   | (4.0)                                 |
| Cash Receipts                               | -                                     | -                                     | -                                      | -                                     | -                                     |
| Cash Payments                               | -                                     | -                                     | -                                      | -                                     | -                                     |
| Cash Taxes Paid                             | 0.1                                   | 3.0                                   | 3.0                                    | 0.0                                   | 4.0                                   |
| Cash Interest Paid                          | 0.0                                   | 0.0                                   | 0.0                                    | 0.0                                   | 0.0                                   |
| Changes in Working Capital                  | 9.9                                   | 1.6                                   | (1.6)                                  | 8.5                                   | 5.8                                   |
| <b>Total Cash from Operating Activities</b> | <b>(2.9)</b>                          | <b>(9.9)</b>                          | <b>(14.2)</b>                          | <b>(2.1)</b>                          | <b>(7.8)</b>                          |
| Capital Expenditures                        | (0.0)                                 | (0.0)                                 | (0.0)                                  | (0.0)                                 | (0.0)                                 |
| Other Investing Cash Flow Items, Total      | 14.6                                  | 28.6                                  | 48.5                                   | (0.2)                                 | (0.4)                                 |
| <b>Total Cash from Investing Activities</b> | <b>14.6</b>                           | <b>28.6</b>                           | <b>48.5</b>                            | <b>(0.3)</b>                          | <b>(0.4)</b>                          |
| Financing Cash Flow Items                   | 0.0                                   | 0.0                                   | 0.0                                    | (0.9)                                 | (2.8)                                 |
| Total Cash Dividends Paid                   | -                                     | -                                     | (8.1)                                  | -                                     | -                                     |
| Issuance/Retirement of Stock, Net           | (3.9)                                 | (7.3)                                 | (8.6)                                  | (2.7)                                 | (3.0)                                 |
| Issuance/Retirement of Debt, Net            | 0.0                                   | 0.0                                   | (0.1)                                  | -                                     | -                                     |
| <b>Total Cash from Financing Activities</b> | <b>(3.9)</b>                          | <b>(7.3)</b>                          | <b>(16.8)</b>                          | <b>(3.6)</b>                          | <b>(5.8)</b>                          |
| Foreign Exchange Effects                    | -                                     | -                                     | -                                      | -                                     | -                                     |
| <b>Net Change in Cash</b>                   | <b>7.7</b>                            | <b>11.4</b>                           | <b>17.6</b>                            | <b>(6.0)</b>                          | <b>(14.0)</b>                         |
| Depreciation, Supplemental                  | 0.0                                   | 0.0                                   | 0.1                                    | 0.0                                   | 0.0                                   |
| Cash Interest Paid, Supplemental            | 0.0                                   | 0.0                                   | 0.0                                    | 0.0                                   | 0.0                                   |
| Cash Taxes Paid, Supplemental               | 0.1                                   | 3.0                                   | 3.0                                    | 0.0                                   | 4.0                                   |
| Source Document                             | 10-O                                  | 10-O                                  | 10-K                                   | 10-O                                  | 10-O                                  |
| Fiscal Period                               | 2                                     | 3                                     | 4                                      | 1                                     | 2                                     |



## Further Information

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### Officers

|                  |  |
|------------------|--|
| David Pohl       | Chairman of the Board                        |
| James Turley     | President, Chief Executive Officer, Director |
| Clifford Flowers | Chief Financial Officer, Secretary           |

**Patriot Scientific Corporation.** Group Headquarters: 6183 Paseo Del Norte, Suite 180, Carlsbad, CA 92011, United States, Frank Hawkins (Investor Relations)

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