

CONSOLIDATED CASH FLOW

For period of three months ended January 31st 2001 (unaudited)

	third quarter 2001	third quarter 2000	nine months 2001	nine months 2000
	\$	\$	\$	\$
Operating activities :				
Net earnings	(56 311)	142 215	119 084	216 233
Adjustments for:				
Depreciation and amortization	172 073	132 900	498 676	381 790
Loss on disposal of capital assets	226	-	1 422	-
	115 988	275 115	619 182	598 023
Net change in non-cash operating assets and liabilities	109 609	95 323	(573 886)	(468 493)
	225 597	370 438	45 296	129 530
Financing activities:				
Net decrease in bank indebtedness	117 647	(190 806)	853 265	9 545
Increase in long-term debt	80 000	-	80 000	122 000
Reimbursement of long-term debt	(205 924)	(36 277)	(284 856)	(121 285)
Issue of common shares	1 929	-	62 207	-
	(6 348)	(227 083)	710 616	10 260
Investing activities:				
Increase in development costs	(318 617)	(338 840)	(982 243)	(979 731)
Tax credits related to development costs	78 039	71 068	235 128	199 052
Purchase of capital assets	(49 201)	(65 720)	(190 197)	(81 601)
Proceeds from disposal of capital assets	1 600	-	19 867	-
	(288 179)	(333 492)	(917 445)	(862 280)
Net decrease in cash and cash equivalents	(68 930)	(190 137)	(161 533)	(722 490)
Cash and cash equivalents, beginning of year	82 728	687 717	175 331	1 220 070
Cash and cash equivalents, end of year	13 798	497 580	13 798	497 580

CORPORATE INFORMATION

Headquarters

Clemex Technologies Inc.
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Subsidiary

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43016-6788 USA

Transfer Agent

CIBC Mellon Trust
Montreal, QC

Auditors

KPMG LLP
Chartered Accountants
Montreal, Quebec

Solicitors

Pouliot, Mercure
Montreal, Quebec

Bankers

Royal Bank of Canada
Montreal, Quebec

Trading Symbol

Clemex Technologies Inc.
is listed on
The Canadian Venture
Exchange (CDNX)
under the symbol CXG.A

Authorized

unlimited

Issued

18,532,750

Directors

Clément Forget
President, Chairman and CEO
Clemex Technologies Inc.

Pierre Coutou
Consultant
Innovatech du Grand Montréal

Me Lisane Dostie
Director,
Corporate Affairs
and Secretary
Labopharm Inc.

Normand Labonté
Vice-President
International Sales
Clemex Technologies Inc.

Sylvain Laroche
Vice-President
Research & Development
Clemex Technologies Inc.

Jacqueline Serres
Portfolio Manager
Fonds de Solidarité
des Travailleurs du Québec

Renaud Caron
Senior Vice-President
Business Engineering
CGI Group, Inc.

Officers

Clément Forget
President, Chairman and CEO
Clemex Technologies Inc.

Normand Labonté
Vice-President
International Sales
Clemex Technologies Inc.

Sylvain Laroche
Vice-President
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Investor Relations

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THIRD QUARTER REPORT

FISCAL YEAR 2001

MESSAGE TO SHAREHOLDERS

For the third quarter ended January 31st, 2001, the Company's revenues remained relatively unchanged, reaching \$ 1.822 million when compared to the same reporting period of last year. Gross margin decreased from 53% to 48% of sales, with a loss of \$ 56,311 compared to the previous year's third quarter net profit of \$ 142,215.

As for the nine month period ended January 31st, 2001, total sales hit \$ 5.262 million versus sales of \$ 4.723 million, representing a year-to-year increase of 10%. Nevertheless, the Company posted a reduced net profit of \$ 119,084 for the nine-month period, whereas last year's net profit for the same period was \$ 216,233.

A challenging quarter for the Company, this period's results can be attributed primarily to the rapidly changing economic climate in the United States. Particularly in the manufacturing sector, we experienced a slow-down in the number of systems sold to this market. Although our customers have stated that they wish to purchase from Clemex over our competitors, a "wait and see" mentality is being adopted given the uncertainty in the economy. In order to face this obstacle in the short-term, we were forced to discount our products, which explains our decrease in margins.

Other factors that affected the organization's performance included an increase in financing charges and depreciation and amortization expenses. The organization began to amortize a portion of its research and development expenses for new products we began to recently commercialize.

In an effort to improve the situation and realizing our high concentration in the manufacturing sector, we have taken pro-active steps to diversify our efforts in other markets. More specifically, a structured strategic plan is in motion to aggressively penetrate the pharmaceutical market. Using our current pharmaceutical customers - Dupont Pharmaceuticals and Novartis Pharmaceuticals as a spring-board for this sector, we plan to attend pharmaceutical trade shows, implement direct mail campaigns, and conduct seminars, and other sales and marketing tactics in the coming months.

We are confident that with our superior technology backed by the dedication of our team, we will be able to face head on the challenges in the short to mid term in an effort to maximize shareholder equity.



Clement Forget
President, CEO, and Chairman

CONSOLIDATED BALANCE SHEET

Ended January 31st 2001 (unaudited)

	2001	2000
	\$	\$
Assets		
Current assets:		
Cash and cash equivalents	13 798	497 580
Accounts receivable	1 376 981	1 429 015
R&D tax credits receivable	529 640	200 567
Inventories	1 007 340	569 932
Prepaid expenses	53 776	36 484
	2 981 535	2 733 578
Deferred R&D tax credits	355 601	355 601
Capital assets	537 950	531 302
Deferred development costs	2 217 251	1 675 290
Intangible assets	12 460	16 918
	6 104 797	5 312 689

Liabilities and Shareholders' Equity

Current liabilities:		
Bank indebtedness	853 265	594 127
Accounts payable and accrued liabilities	1 151 841	847 115
Current portion of long-term debt	312 653	338 530
	2 317 759	1 779 772
Long-term debt	229 734	443 417
Shareholders' equity:		
Share capital	4 219 543	3 967 464
Deficit	(662 239)	(877 964)
	3 557 304	3 089 500
	6 104 797	5 312 689

CONSOLIDATED EARNINGS & DEFICIT

For period of three months ended January 31st 2001 (unaudited)

	third quarter 2001	third quarter 2000	nine months 2001	nine months 2000
	\$	\$	\$	\$
Sales	1 822 679	1 815 888	5 262 023	4 723 849
Cost of sales	947 188	849 034	2 596 146	2 177 879
Gross profit	875 491	966 854	2 665 877	2 545 970
Expenses:				
Commercial	459 749	435 760	1 303 469	1 221 898
Administrative	206 396	232 545	634 135	634 041
Depreciation and amortization	172 073	132 900	498 676	381 790
Financial	93 534	23 434	110 513	92 008
	931 802	824 639	2 546 793	2 329 737
Net earnings	(56 311)	142 215	119 084	216 233
Deficit, beginning of year	(605 928)	(1 020 179)	(781 323)	(1 094 197)
Deficit, end of year	(662 239)	(877 964)	(662 239)	(877 964)