

CONSOLIDATED STATEMENT OF EARNINGS
(unaudited)

	<u>Three months ended</u>		<u>Six months ended</u>	
	June 30 2008	June 30 2007	June 30 2008	June 30 2007
	\$	\$	\$	\$
Revenues				
Advertising and content	1 266 406	1 354 422	2 196 143	2 224 997
Other	14 476	15 401	19 201	19 642
	<u>1 280 882</u>	<u>1 369 823</u>	<u>2 215 344</u>	<u>2 244 639</u>
Cost of sales	<u>530 349</u>	<u>670 611</u>	<u>953 403</u>	<u>1 058 645</u>
Gross profit	750 533	699 212	1 261 941	1 185 994
Operating expenses (Notes 2 and 5)	<u>796 415</u>	<u>465 435</u>	<u>1 319 064</u>	<u>894 472</u>
Net income before non controlling interest	<u>(45 882)</u>	<u>233 777</u>	<u>(57 123)</u>	<u>291 522</u>
Non controlling interest	<u>(27 431)</u>	<u>(1 021)</u>	<u>(31 058)</u>	<u>(1 021)</u>
Net earnings (Net loss)	<u>(18 452)</u>	<u>234 798</u>	<u>(26 065)</u>	<u>292 543</u>
Basic and diluted earnings per share	<u>(0,00)</u>	<u>0,01</u>	<u>(0,00)</u>	<u>0,01</u>
Weighted average number of common shares outstanding	<u>30 247 252</u>	<u>29 363 029</u>	<u>29 825 851</u>	<u>29 348 997</u>
Number of issued and outstanding shares	<u>30 361 015</u>	<u>29 375 117</u>	<u>30 361 015</u>	<u>29 375 117</u>

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF RETAINED EARNINGS AND CONTRIBUTED SURPLUS

(unaudited)

	<u>Three months ended</u>		<u>Six months ended</u>	
	June 30 2008	June 30 2007	June 30 2008	June 30 2007
	\$	\$	\$	\$
Retained earnings (deficit) of period	<u>565 442</u>	<u>281 253</u>	<u>573 055</u>	<u>223 508</u>
Net earnings (Net loss)	<u>(18 452)</u>	<u>234 798</u>	<u>(26 065)</u>	<u>292 543</u>
Reduction of deficit	-	-	-	-
Retained earnings, end of period	<u>546 990</u>	<u>516 051</u>	<u>546 990</u>	<u>516 051</u>
Contributed surplus, beginning of period	<u>92 701</u>	<u>35 116</u>	<u>74 941</u>	<u>23 402</u>
Stock options	<u>54 579</u>	<u>9 064</u>	<u>72 339</u>	<u>20 778</u>
Contributed surplus, end of period	<u>147 280</u>	<u>44 180</u>	<u>147 280</u>	<u>44 180</u>

The accompanying notes are an integral part of these financial statements

	June 30 2008	December 31 2007
	\$	\$
Assets		
Current		
Cash and cash equivalents	147 444	-
Short-term investments		700 000
Accounts receivable	1 458 544	1 259 863
Prepaid expenses and other	18 459	31 140
	<u>1 624 447</u>	<u>1 991 003</u>
Long-term investment (Note 2)	377 000	600 000
Fixed assets	98 206	76 010
Intangible assets	<u>1 046 216</u>	<u>110 755</u>
	<u>3 145 869</u>	<u>2 777 768</u>
Liabilities		
Current liabilities		
Bank indebtedness		53 463
Accounts payable and accrued liabilities	851 929	810 582
Non-controlling interest	7 954	39 012
	<u>859 884</u>	<u>903 057</u>
Shareholders' equity		
Capital stock	1 591 715	1 226 715
Contributed surplus	147 280	74 941
Retained earnings	546 990	573 055
	<u>2 285 985</u>	<u>1 874 711</u>
	<u>3 145 869</u>	<u>2 777 768</u>

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CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

	<u>Three months</u> <u>ended</u>		<u>Six months</u> <u>ended</u>	
	June 30 2007	June 30 2006	June 30 2008	June 30 2007
	\$	\$	\$	\$
Operating activities				
Net earnings (Net loss)	(18 452)	234 798	(26 065)	292 543
Items not affecting cash				
Amortization of capital assets	8 962	5 012	16 536	9 275
Amortization of intangible assets	40 779	3 953	56 377	7 661
Impairment loss	56 130		56 130	
Stock options	17 857	11 714	35 714	23 428
Non controlling interest	(27 431)	(1 021)	(31 058)	(1 021)
	<u>77 846</u>	<u>254 456</u>	<u>107 634</u>	<u>331 886</u>
Net change in non-cash working capital items	(352 169)	(274 450)	(144 077)	(125 131)
Cash flows relating to operating activities	<u>(274 323)</u>	<u>(19 994)</u>	<u>(36 442)</u>	<u>206 755</u>
Financing activities				
Issuance of common shares	36 722	9 050	36 625	9 050
Cash flows relating to financing activities	<u>36 722</u>	<u>9 050</u>	<u>36 625</u>	<u>9 050</u>
Investing activities				
Disposal of short-term investments	390 000	50 000	700 000	-
Disposal of long-term investments	93 000	-	223 000	-
Acquisition of long-term investments	-	-	-	(100 000)
Acquisition of fixed assets	(1 900)	(12 701)	(38 731)	(14 043)
Acquisition of intangible assets (net of issuance of shares)	(429 488)	(5 355)	(683 545)	(12 700)
Acquisition cost of a subsidiary	-	(50 000)	-	(50 000)
Cash flows relating to investing activities	<u>51 612</u>	<u>(18 056)</u>	<u>200 724</u>	<u>(176 743)</u>
Net change in cash and cash equivalents	(185 990)	(29 000)	200 907	39 062
Cash and cash equivalents, beginning of period	<u>333 434</u>	<u>178 720</u>	<u>(53 463)</u>	<u>110 658</u>
Cash and cash equivalents, end of period	<u>147 444</u>	<u>149 720</u>	<u>147 444</u>	<u>149 720</u>

The accompanying notes are an integral part of these financial statements

CORPORATE INFORMATION

Main office:
4316 St-Laurent Boulevard, suite 300
Montréal, QC, H2W 1Z3

Phone : 514-842-3838 Fax: 514-842-6218
Internet: www.branchez-vous.com/inc/english

Register and Transfer Agent:

Computershare
Stock Exchange:
TSX Venture Exchange
Symbol: BZV
Share variation
High: \$0,39
Low / closing: \$0,16

BRANCHEZ-VOUS! inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - PERIODS ENDED
JUNE 30, 2008

DESCRIPTION OF THE BUSINESS

BRANCHEZ-VOUS! inc. [the "Corporation"] was incorporated on April 7, 2000 under the *Canada Business Corporations Act*, and became a public Corporation on December 18, 2000. The Corporation consists of a media business, for which the majority of the revenues are derived from the sale of Internet advertising, and all the assets are entirely held in Canada. The Corporation was listed on the TSX Venture Exchange on January 17, 2001.

1. ACCOUNTING PRINCIPLES

Consolidation Perimeter

The consolidated financial statements include the financial statements of the Company and its subsidiary, TonClip.com inc.

Use of estimates

These financial statements have been prepared in conformity with Canadian generally accepted accounting principles. The same accounting policies as disclosed in the financial statements (exception below) do not include all disclosures required under Canadian generally accepted accounting principles and accordingly should be read in conjunction with the financial statements and the notes thereto included in the Corporation's latest Annual Report.

To better reflect some of the latest intangible assets purchased, we have modified:

- The Trademark category: acquired trademarks are usually not amortized; however, the "matin.qc.ca" acquired trademark is amortized over 2 years as this trademark is gradually assimilated into the BRANCHEZ-VOUS.com site.
- The Web site category: amortization durations may differ from an acquired site to another, as some purchased sites' software and design may be used by the Corporation longer than others.

	<u>Method</u>	<u>Duration</u>
Trademark	Straight line	0 to 2 years
Web site	Straight line	2 to 4 years

Cash and cash equivalents

Cash consist of cash balances with banks. Cash equivalents are short-term, highly liquid investments that are easily convertible to know amount of cash and which are subject to an insignificant risk of value change. Cash equivalents consists of term deposits with maturities of three months or less from the date of acquisition and bank indebtedness.

Revenues

Revenues are recorded in the period in which the services are rendered and when expectation of collection is reasonable. Payments received prior to rendering of services are recorded as deferred revenue. Interest income is recognized as it accrues.

Non-monetary transactions

In the normal course of operations, the Corporation advertises on its various sites in exchange for goods and services. Income and expenses are determined on the basis of the fair value of the goods and services obtained.

Short-term investments and deposit

Short-term investments are recorded at the lower of cost and market value.

BRANCHEZ-VOUS! inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - PERIODS ENDED
JUNE 30, 2008

Earnings per share

Basic earnings per share are calculated using the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated using the treasury stock method, giving effect to the exercise of all dilutive factors. The treasury stock method assumes that any proceeds that could be obtained upon the exercise of options would be used to purchase common shares at the average market price during the period.

Impairment of long-lived assets

Fixed assets and intangible assets that are subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss should be recognized when carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. An impairment loss, if any, is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. The fair value is calculated based on market prices, when available, or calculated based on valuation techniques such as evaluation of discounted cash flows.

Stock option plan

The Corporation has a stock-based compensation plan, which is described in note 6. The Corporation adopted the fair value method of accounting for stock-based compensation. Any consideration paid by employees on exercise of stock options is credited to capital stock. The Corporation uses the fair value method to account for stock-based compensation cost for stock options granted to its employees, directors and consultants. Under this method, the fair value for stock options is established at the time of grant using the Black & Scholes model. The compensation cost is recorded over the vesting period with a corresponding increase in Contributed surplus.

2.SHORT- TERM AND LONG- TERM INVESTMENTS

Deposit certificates

As at June 30, 2008, the long-term investments consisted of \$ 350,000 invested in deposit certificates.

Investments

As at March 31, 2008, the Corporation had invested a total amount of \$20,000 for a minority interest in two corporations, TopBlogues.com inc. and ApostropheMag Media inc. A third investment was done in Zurbaines.com for \$15,000 in May 2008. The Corporation does not exert a significant influence on these entities.

The Corporation registered an impairment loss of \$8,000 in TopBlogues.com inc. as management believes the carrying amount will not be recoverable.

BRANCHEZ-VOUS! inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - PERIODS ENDED
JUNE 30, 2008

3. ADDITIONAL INFORMATION ON RESULTS

The non monetary transactions are summarized as follows:

	Three-month period ended:	June 30, 2008	June 30, 2007
Sales		\$ 16,368	\$22,687
Operating expenses		\$ 16,368	\$22,687

4. SEASONALITY

Management acknowledges that second and fourth quarters are traditionally the most active quarters in advertising expenditures, while the first quarter is traditionally the least active quarter. However, experience from the past three years shows significant variations from quarter to quarter which were unrelated to seasonal expectations.

5. INTANGIBLE ASSETS

On March 14 2008, the company acquired the Fanatique.ca sport Web site from Les Editions M&M Bouchard inc. and the HumourQuebec.com humour Web site from Emile Girard in consideration for \$ 290,000, of which \$ 225,000 have been paid in cash and \$ 65,000 in common shares of the Corporation. Including transactions cost, \$298,104 was accounted as \$42,000 for Web site and \$102,104 for trademark. These acquisitions were not accounted for as business combinations.

On April 1, 2008, the Corporation acquired several web sites from Genex Communications inc. in consideration for \$ 599,420 of which \$ 299,420 were paid in cash and \$ 300,000 in common shares of the Corporation. The main acquired assets included the Matin.qc.ca (Matinternet), a general news web site, and Showbizz.net, an entertainment news web site. Including transaction cost, \$ 610,996 was accounted as \$ 60,000 for Web site and \$ 550,996 as trademark (of which \$ 153,000 to be depreciated over 2 years). This acquisition was not accounted for as a business combination.

On May 1, 2008, the company acquired the LeCinema.ca Web site from Productions LeCinema.ca inc. in consideration for a cash amount of between \$ 100,000 and \$ 150,000, depending on the financial performance of the site during the year following the acquisition. We estimate the total cost of LeCinema to be 115 000\$. Including transaction cost, \$ 116,509 was accounted as \$ 30,000 for Web site and \$ 86,509 for trademark. This acquisition was not accounted for as a business combination.

The Corporation registered an impairment loss of \$ 48,130 in the Corporation's subsidiary TonClip.com inc. as management believes the carrying amount will not be recoverable. As the Corporation owns 51% of the subsidiary, the net effect on the consolidated results is 51% of that amount, or \$ 24,546.

6. CAPITAL STOCK

Authorized

Unlimited number of shares as follows:

- Common shares, voting and participating.
- Preferred shares, issuable in one or more series, having the rights, privileges, restrictions and conditions as determined by the Board of Directors prior to their issuance.

Issued and outstanding

Three months ended June 30, 2008

Common shares:	Number of shares	\$
Balance at the beginning of the period	29,523,605	1,291,715
Exercise of stock options	235,000	35,500
Issue of shares	602,410	300,000
Balance as at June 30, 2008	30,361,015	1,591,915

Six months ended June 30, 2008

BRANCHEZ-VOUS! inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - PERIODS ENDED
JUNE 30, 2008

Common shares:	Number of shares	\$
Balance at the beginning of the period	29,375,117	1,226,715
Exercise of stock options	240,000	36,250
Issue of shares	<u>745,898</u>	<u>365,000</u>
Balance as at June 30, 2008	30,361,015	1,591,915

Stock option plan

On April 17, 2000, the Corporation adopted a stock option plan in order to grant stock options to officers, directors, employees and consultants providing ongoing services to the Corporation. Under the terms of the plan, which is administrated by the Board of Directors, these options vest over four years and the maximum number of common shares issuable under the plan is limited to 3,036,101 shares, representing 10% of the issued and outstanding common shares.

For the Six-month period ended June 30, 2008, the Corporation recognized an expense of \$ 17,857 based on the recommendations of the CICA (\$ 11,714 for the three-month period ended June 30, 2007).

A summary of the Corporation's outstanding stock options are shown below:

	June 30, 2008		December 31, 2007	
	Options #	Exercise price \$	Options #	Exercise price \$
Options outstanding, beginning of the period	1,422,400	0.2675	1,136,000	0.1540
Granted			328,800	0.6456
Exercised	(240,000)	0.1510	(40,000)	0.1600
Forfeited			(2,400)	0.1500
Options outstanding at the end of the period	<u>1,182,400</u>	<u>0.2912</u>	<u>1,422,400</u>	<u>0.2675</u>
Options exercisable (vested) at the end of the period	<u>534,267</u>	<u>0.1534</u>	<u>570,065</u>	<u>0.1568</u>

Additional information concerning stock options:

As at June 30, 2008:			
Number of outstanding options	Average months remaining	Exercise price (\$)	Number of options exercisable
395,000	34	0.1600	180,167
290,000	3	0.1500	290,000
168,600	42	0.1500	60,100
28,800	53	0.6000	-
300,000	54	0.6500	-
<u>1,182,400</u>	<u>32</u>	<u>0.2679</u>	<u>534,267</u>

BRANCHEZ-VOUS! inc.
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JUNE 30, 2008

As at December 31, 2007

Number of outstanding options	Average months remaining	Exercise price	Number of options exercisable
420,000	40	0.16	151,665
500,000	7	0.15	375,000
173,600	48	0.15	43,400
28,800	56	0.60	-
300,000	57	0.65	-
1,422,400	33	0.2625	570,065

Earnings per share

No adjustment was required to net income for purposes of calculating basic and diluted earnings per share. There was also no adjustment to the weighted average number of shares outstanding for the purpose of calculating diluted earnings per share, because to do so would be antidilutive.

7. FINANCIAL INSTRUMENTS

Financial instruments are classified as follows :

	Carrying value	June 30, 2008		
		Fair value		Total ⁽²⁾
	Loans and Receivables	Held-for-Trading	Total ⁽¹⁾	
Financial Assets				
Accounts receivables	\$ 1,458,544	\$ -	\$ 1,458,544	\$ 1,458,544
Short and long term investments		\$ 350,000 ⁽³⁾	\$ 350,000	\$ 350,000
	\$ 1,458,544	\$ 350,000	\$ 1,808,544	\$ 1,808,544

(1) Represents only the carrying value of financial assets included in the corresponding balance sheet caption.

(2) The company estimates the fair value of its financial instruments based on current interests rates, market value and pricing of financial instruments with comparable terms.

(3) Financial assets designated as held-for-trading

	Carrying value	June 30, 2008		
		Fair value		Total ⁽²⁾
	Held-for-trading	Other than Held-for-trading	Total ⁽¹⁾	
Financial Liabilities				
Accounts payables and Accrued liabilities	\$ -	\$ 851,929	\$ 851,929	\$ 851,929

(1) Represents only the carrying value of financial assets included in the corresponding balance sheet caption.

(2) The company estimates the fair value of its financial instruments based on current interests rates, market value and pricing of financial instruments with comparable terms.

As at June 30, 2008, the carrying amount of current financial assets and liabilities approximate the fair value because of the near maturity of these instruments. The carrying value of the long-term investments are considered to approximate fair value since they bear interest at current rates similar to market.

BRANCHEZ-VOUS! inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - PERIODS ENDED
JUNE 30, 2008

8. COMMITMENTS

The Corporation has commitments under lease obligation and services agreements as follows :

	<u>JUNE 30, 2008</u>	<u>December 31, 2007</u>
	\$	\$
2008	227,941	300,830
2009	363,692	45,472
2010	33,602	-
TOTAL	<u>625,235</u>	<u>346,302</u>

Notice of non review by auditors

Management of BRANCHEZ-VOUS! inc. has not submitted its Interim Financial statements for the period ended June 30, 2008, to the Company's Auditors so that they can review these statements.



(signed)

Patrick Pierra
President and CEO



(signed)

Ramzy Metwalli, CMA
Chief Financial Officer

August 22, 2008