

CONSOLIDATED STATEMENT OF EARNINGS AND COMPREHENSIVE INCOME
(unaudited)

	<u>Three months ended</u>		<u>Nine months ended</u>	
	September 30 2009	September 30 2008	September 30 2009	September 30 2008
	\$	\$	\$	\$
REVENUES				
Advertising & content	2,402,752	962,392	7,740,610	3,141,333
Other	27,864	44,624	149,655	81,033
	<u>2,430,616</u>	<u>1,007,016</u>	<u>7,890,265</u>	<u>3,222,366</u>
COST OF SALES	<u>1,210,309</u>	<u>390,486</u>	<u>3,937,731</u>	<u>1,341,406</u>
GROSS PROFIT	<u>1,220,307</u>	<u>616,530</u>	<u>3,952,534</u>	<u>1,880,959</u>
OPERATING EXPENSES	<u>1,100,965</u>	<u>673,702</u>	<u>3,801,414</u>	<u>1,995,254</u>
EARNINGS (LOSS) BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST	<u>119,342</u>	<u>(57,172)</u>	<u>151,121</u>	<u>(114,295)</u>
INCOME TAX PROVISION	36,877	-	46,696	-
EARNINGS (LOSS) BEFORE NON-CONTROLLING INTEREST	<u>82,465</u>	<u>(57,172)</u>	<u>104,424</u>	<u>(114,295)</u>
NON-CONTROLLING INTEREST	-	795	-	31,853
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME	<u>82,465</u>	<u>(56,377)</u>	<u>104,424</u>	<u>(82,442)</u>
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	<u>0.00</u>	<u>(0.00)</u>	<u>0.00</u>	<u>(0.00)</u>
Weighted average number of common shares outstanding	60,411,015	30,361,015	60,384,092	30,005,541
Number of issued and outstanding shares	60,411,015	30,361,015	60,411,015	30,361,015

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>Nine months ended</u>	
	September 30 2009	September 30 2008	September 30 2009	September 30 2008
	\$	\$	\$	\$
RETAINED EARNINGS - BEGINNING OF PERIOD	<u>279,962</u>	<u>546,990</u>	<u>258,002</u>	<u>573,055</u>
Net earnings (net loss)	82,465	(56,377)	104,424	(82,442)
RETAINED EARNINGS - END OF PERIOD	<u>362,427</u>	<u>490,613</u>	<u>362,427</u>	<u>490,613</u>
CONTRIBUTED SURPLUS - BEGINNING OF PERIOD	<u>155,455</u>	<u>147,280</u>	<u>114,575</u>	<u>74,941</u>
Stock options	16,278	11,563	57,158	83,902
CONTRIBUTED SURPLUS - END OF PERIOD	<u>171,733</u>	<u>158,843</u>	<u>171,733</u>	<u>158,843</u>

The accompanying notes are an integral part of these financial statements

CORPORATE INFORMATION

Head office:
260 rue Queen
Montreal, QC, H3C 2N8
Phone : 514-337-9065 Fax: 514-842-0246
Internet: <http://www.bvmedia.ca>

Register and transfert agent

Computershare
Stock exchange
TSX venture exchange
Symbol : BVM

Share variation

Low : 0.18
Hight : 0.28

CONSOLIDATED BALANCE SHEETS
(unaudited)

	September 30 2009	December 31 2008
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	574,178	146,205
Short-term investments (note 4)	-	300,000
Accounts receivable	2,926,068	3,268,524
Prepaid expenses	92,051	51,941
Income taxes receivable	-	-
Receivable from shareholders	-	150,825
	<u>3,592,297</u>	<u>3,917,495</u>
LONG-TERM INVESTMENTS (note 4)	7,972	5,509
FIXED ASSETS	203,458	202,254
INTANGIBLE ASSETS	2,232,027	2,512,471
GOODWILL	2,807,201	2,807,201
	<u>8,842,955</u>	<u>9,444,930</u>
CURRENT LIABILITIES		
Bank indebtedness	-	64,795
Accounts payable and accrued liabilities	1,335,067	1,651,079
Income taxes	-	31,561
Future income taxes	11,245	17,668
Deferred revenues	148,300	77,974
Current portion of advances from shareholders (note 7)	337,053	255,933
	<u>1,831,665</u>	<u>2,099,010</u>
ADVANCES FROM SHAREHOLDERS (note 7)	222,675	730,553
FUTURE INCOME TAXES	270,869	260,651
	<u>2,325,208</u>	<u>3,090,214</u>
Non-controlling interest	-	6,352
SHAREHOLDERS' EQUITY		
Capital stock (note 8)	5,983,587	5,975,787
Retained earnings	362,427	258,002
Contributed surplus	171,733	114,575
	<u>6,517,747</u>	<u>6,348,364</u>
	<u>8,842,955</u>	<u>9,444,930</u>

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CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

	<u>Three months</u> <u>ended</u>		<u>Nine months</u> <u>ended</u>	
	September 30 2009	September 30 2008	September 30 2009	September 30 2008
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net earnings	82,465	(56,377)	104,424	(82,442)
Items not affecting cash				
Depreciation of fixed assets	18,171	8,961	52,493	25,497
Amortization of intangible assets	89,494	36,445	268,481	92,822
Impairment Loss	-	-	-	56,130
Loss on disposal of fixed assets	-	-	22,343	-
Stock-based compensation costs	16,278	11,563	64,958	47,277
Gain on disposal of investment	-	-	(653)	-
Non controlling interest	-	(795)	-	(31,853)
	<u>206,408</u>	<u>(204)</u>	<u>512,047</u>	<u>107,431</u>
Net change in non-cash working capital items	<u>201,200</u>	<u>54,200</u>	<u>32,694</u>	<u>(89,877)</u>
	<u>407,608</u>	<u>53,996</u>	<u>544,741</u>	<u>17,554</u>
FINANCING ACTIVITIES				
Advances from shareholders	(120,637)	-	(275,933)	-
Issuance of common shares	-	-	-	36,625
	<u>(120,637)</u>	<u>-</u>	<u>(275,933)</u>	<u>36,625</u>
INVESTING ACTIVITIES				
Disposal of short-term investments	200,000	-	300,000	700,000
Disposal of long-term investments	-	150,000	-	373,000
Acquisitions of fixed assets	(5,485)	(3,999)	(76,041)	(42,730)
Acquisitions of intangible assets	-	(11,500)	-	(695,045)
	<u>194,515</u>	<u>134,501</u>	<u>223,959</u>	<u>335,225</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>481,486</u>	<u>188,497</u>	<u>492,767</u>	<u>389,404</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	<u>92,692</u>	<u>147,444</u>	<u>81,410</u>	<u>(53,463)</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>574,178</u>	<u>335,941</u>	<u>574,178</u>	<u>335,941</u>

The accompanying notes are an integral part of these financial statements

BV! Media Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - PERIOD ENDED
SEPTEMBER 30, 2009

DESCRIPTION OF THE BUSINESS

BV! Media Inc. (formerly Branchez-Vous! Inc.) was incorporated on April 7, 2000 under the Canada Business Corporations Act. The Corporation consists of a media business deriving most of its revenues from advertising sales.

1. ACCOUNTING PRINCIPLES

These interim consolidated financial statements are unaudited and should be read in conjunction with the Corporation's December 31, 2008 audited consolidated financial statements. In addition, these interim consolidated financial statements do not include all disclosures and notes required under Canadian generally accepted accounting principles. These interim consolidated financial statements apply the same accounting principles and use the same methods of calculation as the most recently completed audited financial statements with the exception of the new accounting principle described in note 2 below. The reported earnings from operations for the interim periods do not necessarily reflect the results that will actually be realized during the fiscal year in its entirety.

2. CHANGES IN ACCOUNTING POLICIES

GOODWILL AND INTANGIBLE ASSETS

The Accounting Standards Board of Canada ("AcSB") issued Section 3064 "Goodwill and Intangible Assets", which replaces "Goodwill and Other Intangible Assets", Section 3062, and "Research and Development Costs", Section 3450. The new standard strengthens standards for the recognition and measurement of intangible assets at initial recognition, including internally generated intangible assets. The Corporation applied this new standard as at January 1st, 2009 and its application had no material impact on the Corporation's financial statements.

3. INFORMATION INCLUDED IN EARNINGS

Other revenues include interest income totaling \$3,390 (\$3,165 in the period ended September 30, 2008).

Operating expenses included the following items for the three-month periods ended:

	September 30, 2009	September 30, 2008
	\$	\$
Depreciation of fixed assets	18,171	8,961
Amortization of intangible assets	89,494	36,445

Non-monetary transactions are summarized as follows:

Revenues (registered in Others revenues)	9,000	42,300
Operating expenses	13,798	29,700

4. SHORT-TERM AND LONG-TERM INVESTMENTS

Short-term investments

During the three-month period ended September 30, 2009, the Corporation disposed of \$200,000 of Guaranteed Investment Certificates. These investments were bearing interest at rates varying from 3.6% to 4.25%.

BV! Media Inc.
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SEPTEMBER 30, 2009

Long-term investments

The long-term investments, as at September 30, 2009, represent investments in private companies and are recorded at cost.

5. SEASONALITY

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

6. BANK INDEBTEDNESS

The Corporation has an authorized line of credit of \$700,000 bearing interest at prime rate plus 1%, secured by a movable hypothec on the accounts receivable.

The loan agreement provides for certain covenants including provisions relating to the maintenance of certain financial ratios, which were respected as at September 30, 2009.

7. ADVANCES FROM SHAREHOLDERS

As at:

	Sept. 30, 2009	Dec. 31, 2008
	\$	\$
Shareholder's advances, bearing interest at prime rate plus 2%, payable on demand, interest payable monthly	-	155,933
Shareholder's advances, bearing interest at prime rate plus 2%, payable by August 5, 2009, interest payable monthly	-	100,000
Shareholder's advances, non-interest bearing until January 1, 2010, then bearing interest rate at prime rate plus 1%, payable on January 1, 2011, interest payable monthly	222,675	373,500
Shareholders' advances, non-interest bearing until January 1, 2010, then bearing interest at prime rate plus 1%, payable on January 1, 2010, interest payable monthly	<u>337,053</u>	<u>357,053</u>
	559,728	986,486
Current portion of advances from shareholders	<u>(337,053)</u>	<u>(255,933)</u>
	<u>222,675</u>	<u>730,553</u>

These advances cannot be repaid without the consent of the Bank.

8. 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.

BV! Media Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - PERIOD ENDED
SEPTEMBER 30, 2009

Issued and outstanding

Three months ended September 30, 2009

Common shares:	Number of shares	\$
Balance at the beginning of the period	60,411,015	5,983,587
Exercise of stock options	-	-
Share Issuance	-	-
Balance as at September 30, 2009	60,411,015	5,983,587

Nine months ended September 30, 2009

Common shares:	Number of shares	\$
Balance at the beginning of the period	60,361,015	5,975,787
Exercise of stock options	-	-
Share Issuance	50,000	7,800
Balance as at September 30, 2009	60,411,015	5,983,587

The Corporation issued 50,000 common shares to an employee of the Corporation in an ancillary transaction related to the purchase of NetWorldMedia in October 2008. An additional 50,000 common shares was issued on October 31, 2009 under this agreement.

Stock option plan

The Corporation has 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 are administrated by the Board of Directors, these options vest over a period of four years and expire after a period of five years. The maximum number of common shares that can be issued under the plan is limited to 6,041,101, representing 10% of the issued and outstanding common shares.

The fair value of each option granted is established using the Black & Scholes model. Compensation costs with respect to these options amounted to \$10,623 for the 3-month period ended September 30, 2009 and were included in expenses (\$11,563 for the 3-month period ended September 30, 2008).

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

As at:

	September 30, 2009		December 31, 2008	
	Options	Weighted Average Exercise price	Options	Weighted Average Exercise price
	#	\$	#	\$
Options outstanding, beginning of the period	1,565,000	0.1295	1,422,000	0.2675
Granted	-	-	1,908,000	0.11
Exercised	-	-	(240,000)	0.1510
Cancelled	(223,800)	0.1231	(88,800)	0.1516
Expired	-	-	(290,000)	0.1500
Options outstanding at the end of the period	1,341,200	0.1306	2,711,600	0.1832
Options exercisable (vested) at the end of the period	238,033	0.1719	296,883	0.1919

BV! Media Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - PERIOD ENDED
SEPTEMBER 30, 2009

Additional information concerning stock options:

As at September 30, 2009:

Number of outstanding options	Average months remaining	Exercise price (\$)	Number of options exercisable
200,000	19	0.16	170,833
86,400	27	0.15	59,400
28,800	35	0.60	7,800
1,026,000	50	0.11	-
1,341,200	44	0.13	238,033

As at December 31, 2008

Number of outstanding options	Average months remaining	Exercise price (\$)	Number of options exercisable
335,000	28	0.16	208,333
139,800	36	0.15	67,400
28,800	44	0.60	2,400
300,000	45	0.65	18,750
1,908,000	59	0.11	-
2,711,600	52	0.18	296,883

Earnings per share

Basic earnings per share are calculated using the weighted average number of shares outstanding during the period. 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. The following is a reconciliation of the numerators and denominators used for the computation of the basic and diluted earnings per share:

	3 months ended		9 months ended	
	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008
Net earnings (net loss)	\$82,465	(\$56,377)	\$104,424	(\$82,442)
Weighted average number of shares outstanding - basic	60,411,015	30,361,015	60,384,092	30,005,541
Effect of dilutive securities	607,846	115,796	423,501	310,857
Weighted average number of shares outstanding - diluted	61,018,861	30,476,811	60,807,593	30,316,398

For the three and nine month periods ended September 30, 2009, 28,800 stock options were excluded from the computation of diluted earnings per share due to their anti-dilutive effect (328,800 for the three and nine month periods ended September 30, 2008). For the three and nine month periods ended September 30, 2008, the potentially diluted loss per share was the same as the basic loss per share since the effect of the outstanding stock options would have been anti-dilutive.

BV! Media Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - PERIOD ENDED
SEPTEMBER 30, 2009

9. COMMITMENTS

The Corporation has the following commitments under lease obligations and for services with respect to Web sites:

	<u>Sept. 30, 2009</u>	<u>Dec. 31, 2008</u>
2009	\$ 203,041	\$ 751,645
2010	275,083	209,432
2011	44,174	5,735
2012	<u> -</u>	<u>2,083</u>
TOTAL	522,298	968,895

10. SEGMENT DISCLOSURE

In the three-month period ended September 30, 2009, revenues from one client represented approximately \$310,106 (\$151,743 in the three-month period ended September 30, 2008) of the Corporation's total revenues.