Unaudited Consolidated Financial Statements of

OMT INC.

Three Months ended March 31, 2009 and Three Months ended March 31, 2008 (Unaudited)

These interim consolidated financial statements have not been audited or reviewed by the Company's independent external auditors, Ernst & Young LLP.

OMT INC.
Consolidated Balance Sheets

March 31, 2009 and December 31, 2008
(Unaudited)

	March	December
Assets		
Current assets:		
Cash	$ 72,048	$ 31,815
Accounts receivable	210,189	260,057
Contract in progress (note 6a)	156,075	141,581
Inventory	72,212	88,413
Prepaid expenses	80,970	52,421
Total current assets	591,494	574,287
Property and equipment	5,436	6,796
Software and other intangible assets	1,217	1,455
	$ 598,147	$ 582,538
Liabilities and Shareholders' Deficiency		
Current liabilities:		
Bank demand loan (note 5)	$ 195,000	$ 220,000
Accounts payable and accrued liabilities	377,784	351,263
Deferred revenue	286,097	276,173
Total current liabilities	858,881	847,436
Long-term debt (note 7)	4,199,534	4,071,940
Total liabilities	5,058,415	4,919,376
Commitments and contingencies (notes 6, and 8)		
Shareholders' deficiency:		
Capital stock (note 2)	1,278,458	1,278,458
Other paid-in capital	693,579	693,579
Contributed surplus	216,427	216,427
Deficit	(6,648,732)	(6,525,302)
Total shareholders' deficiency	(4,460,268)	(4,336,838)
Total liabilities and shareholders' deficiency	$ 598,147	$ 582,538

See accompanying notes to consolidated financial statements.

On behalf of the Board:
“Bill Baines” Director “Murray Bamforth” Director

OMT INC.

Consolidated Statements of Operations, Comprehensive Loss and Deficit

Three Months Ended March 31, 2009 and Three Months Ended March 31, 2008
(Unaudited)

	2009	2008
Sales	$ 623,402	$ 816,047
Cost of sales	201,088	329,293
Gross profit	422,314	486,754
Selling and administrative	356,728	435,241
Research and development	53,459	51,805
	410,187	487,046
Income (loss) before the undernoted	12,127	(292)
Other expenses:		
Amortization	1,596	4,018
Interest on long-term debt (notes 7 and 9)	147,221	138,882
Interest on short-term debt	2,037	367
Foreign exchange loss (gain)	(15,297)	14,169
Net loss and comprehensive loss for the period	(123,430)	(157,728)
Deficit, beginning of period	(6,525,302)	(5,892,941)
Deficit, end of period	$ (6,648,732)	$ (6,050,669)
Loss per share (note 3)	$ (0.004)	$ (0.005)

See accompanying notes to consolidated financial statements.

OMT INC.
Consolidated Statements of Cash Flows

Three Months Ended March 31, 2009 and Three Months Ended March 31, 2008
(Unaudited)

	2009	2008
Cash provided by (used in):		
Operations:		
Net loss and comprehensive loss for the period	$ (123,430)	$ (157,728)
Items not involving cash:		
Amortization	1,596	4,018
Non-cash interest accretion (note 7)	127,594	119,245
Change in non-cash operating working capital	59,473	(24,958)
	65,233	(9,507)
Financing:		
Increase (decrease) in bank demand loan	(25,000)	5,000
Investments:		
Additions to property and equipment	-	985
Additions to software and other intangible assets	-	1,248
	-	2,233
Increase (decrease) in cash	40,233	(6,740)
Cash, beginning of period	31,815	42,047
Cash, end of period	$ 72,048	$ 35,307
Supplementary information:		
Interest paid	$ 21,665	$ 20,004

See accompanying notes to consolidated financial statements.

OMT INC.

Notes to Consolidated Financial Statements (Unaudited)

Three Months ended March 31, 2009 and Three Months Ended March 31, 2008

General:

OMT Inc. “the Company”, through its subsidiaries, OMT Technologies Inc. “OMT” and Intertain Media Inc., provides media delivery systems and technology and solutions to the retail and broadcast industries.

1. Significant accounting policies

(a) Basis of presentation and financial restructuring:

These consolidated financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles “GAAP”. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is significant doubt about the appropriateness of the use of the going concern assumption because the Company has experienced significant losses in the last six years.

The ability of the Company to carry on as a going concern is dependant upon achieving profitable operations which cannot be predicted at this time and the ability of the Company to operate within its line of credit and to obtain additional financing when its existing financing becomes due. The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumptions were not appropriate. If the going concern basis was not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

(b) Basis of consolidation:

The Company’s accounting policies are in accordance with accounting principles generally accepted in Canada and are consistent with those outlined in the annual audited financial statements except where stated below. These interim consolidated financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2008. In management’s opinion, the interim consolidated financial statements include all the adjustments necessary to present fairly such information. The consolidated financial statements include the accounts of the Company and its two wholly-owned subsidiaries. All significant inter-company balances and transactions have been eliminated on consolidation.

OMT INC.

Notes to Consolidated Financial Statements (continued)

Three Months ended March 31, 2009 and Three Months Ended March 31, 2008

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1. Significant accounting policies (continued)

(c) On January 1, 2009 the company adopted the following Canadian Institute of Chartered Accountants (CICA) handbook sections.

Section 3064 – Goodwill and Intangible assets

This section, which replaces sections 3062 and 3450, establishes guidance for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Adoption has had no significant impact on the earnings or financial position of the Company.

(d) Future accounting policy changes:

International Financial Reporting Standards (IFRS):

The accounting framework under which financial statements are prepared in Canada for all publicly accountable enterprises is scheduled to change to IFRS by January 1, 2011. GAAP in Canada will cease to apply and will be replaced by IFRS. Commencing in fiscal year 2010, the Company will need to prepare accounts in accordance with both GAAP and IFRS in order to have comparative financial statements on full implementation of IFRS in 2011.

2. Capital management:

The Company's objective in managing capital is to ensure sufficient liquidity to finance its research and development activities, general and administrative expenses, working-capital and growth opportunities.

Initially the company had funded its activities through public offerings of common shares and preferred shares. Subsequently, the preferred shares and accrued interest on the preferred shares were replaced by the issue of common shares and convertible, subordinated long-term debt.

OMT follows no formal written policy or process concerning capital management. Rather, management and the Board of Directors have recently addressed the need to renegotiate the terms of repayment on the long-term debt which was to mature on July 15, 2009 and has now been extended to July 15, 2011, because the Company had insufficient funds to repay the debt (note 7).

OMT INC.

Notes to Consolidated Financial Statements (continued)

Three Months ended March 31, 2009 and Three Months Ended March 31, 2008

3. Options:

At the 2005 annual general meeting of shareholders a new stock option plan was ratified. Under the new plan 4,330,813 options for purchase of common shares are reserved. Terms of the options will be determined by the Board of Directors, but in any case, must expire no more than 5 years from the date of the grant. Normal vesting is one third upon issue and one third in each of the following two years.

The Company has stock options outstanding to directors and officers to purchase up to 1,590,000 common shares and to employees to purchase up to 377,500 common shares.

Information related to the stock options outstanding at March 31, 2009 and December 31, 2008 is presented below:

	2009		2008	
	Number of shares	Weighted-average exercise price $	Number of shares	Weighted-average exercise price $
Outstanding at beginning of period	2,419,500	0.12	2,542,500	0.12
Granted	-	-	-	-
Exercised	-	-	-	-
Cancelled	(452,000)	-	(123,000)	-
Outstanding at end of period	1,967,500	0.12	2,419,500	0.12
Options exercisable at March 31	1,800,833	0.12	2,236,167	0.12

The following table summarizes information about share options outstanding at March 31, 2009:

Options Outstanding					Options Exercisable	
Exercise price $	Year of grant	Number outstanding	Weighted-average remaining contractual life [years]	Weighted-average exercise price $	Number outstanding $	Weighted-average exercise price $
0.12	2004	19,000	0.4	0.12	19,000	0.12
0.12	2005	448,500	0.9	0.12	448,500	0.12
0.12	2005	1,000,000	1.6	0.12	1,000,000	0.12
0.12	2007	500,000	3.7	0.12	333,333	0.12
0.12		1,967,500	2.9	0.12	1,800,833	0.12

Per share amounts:

The weighted average number of common shares outstanding for the 3 months ended March 31, 2009 was 28,922,090 (2008 - 28,922,090).

OMT INC.

Notes to Consolidated Financial Statements (continued)

Three Months ended March 31, 2009 and Three Months Ended March 31, 2008

4. Segment Information:

The Company manages its business and evaluates performance based on two operating segments. The commercial segment is primarily intended for automation of commercial radio stations. The retail segment is primarily intended to enhance the shopping experience of customers in retail businesses. The accounting policies of the Company's operating segments are the same as those described in note 1 to the annual audited financial statements. There are no significant inter-segment transactions. The following presents results of operations for the quarters ended March 31, 2009 and March 31, 2008 and identifiable assets at March 31, 2009 and December 31, 2008.

	2009				2008			
	Commercial $	Retail $	Common $	Total $	Commercial $	Retail $	Common $	Total $
	[000's]				[000's]			
Revenues	485	138	-	623	752	64	-	816
Expenses								
Cost of sales	128	73	-	201	296	33	-	329
Selling, and administrative	125	54	163	342	175	72	203	450
Research and development	32	21	-	53	32	20	-	52
Amortization	1	1	-	2	1	3	-	4
Interest	2	-	147	149	-	-	139	139
	288	149	310	747	504	128	342	974
Net income (loss)	197	(11)	(310)	(124)	248	(64)	(342)	(158)
Net book value:								
Tangible assets	4	12	-	6	4	12	-	16
Intangible assets	2	3	-	1	2	3	-	5
Additions to:								
Tangible assets	-	-	-	-	1	-	-	1
Intangible assets	-	-	-	-	1	-	-	1

Geographic information about the Company's revenue is based on the product shipment destination or the location of the contracting organization. Assets are based on their physical location as at March 31, 2009 and December 31, 2008.

	2009		2008	
	Revenue $	Property and equipment $	Revenue $	Property and equipment $
	[000's]		[000's]	
Canada	368	7	165	21
United States	255	-	651	-
	623	7	816	21

Sales to four significant customers represents 38% [2008 – one-44%] of the total revenue.

OMT INC.

Notes to Consolidated Financial Statements (continued)

Three Months ended March 31, 2009 and Three Months Ended March 31, 2008

5. Bank line of credit

The bank line of credit, which bears interest at a floating rate of prime plus 1%, is limited to a maximum of $400,000 and is secured by a general security agreement covering all present and future assets as well as an assignment of book debts and inventory pledged as collateral. Security on the loan is also provided through a guarantee by a major shareholder. With the establishment of the guarantee, the bank no longer holds any covenants should the Company draw funds against the line which is now available to the full amount of $400,000 of which $195,000 (December 31, 2008 - $220,000) has been drawn at March 31, 2009. If the bank should exercise the guarantee and receive funds from the guarantor, then the major shareholder would have first rank under its guarantor security agreement (note 6b).

6. Related party transactions and measurement uncertainty:

(a) Custom Contract in progress:

The Company has contracted to supply Radio Automation Software and Services to a company of which one of the Company's directors is also an officer and director. The project which is valued at approximately $544,000 began in 2005 and as at March 31, 2009 the cumulative revenue for the work completed and recognized to date amounted to $468,000. At March 31, 2009, revenue recognized but not billed amounted to $156,075 (December 31, 2008 - $141,581).

The project has been delayed due to technical matters and the ongoing customer acceptance process. Revenue has been recorded on this contract under the percentage of completion method based upon management's best estimate of costs still to be incurred. Management estimates that costs still to be incurred to complete the project will be approximately $61,000.

The Company is providing additional services to this same related party customer outside of the scope of the contract. At March 31, 2009 accounts receivable for this work amounted to less than $1,000 and no revenue was earned in this reporting period for these additional services.

(b) Bank line guarantee:

In October 2005 a major shareholder of the Company, with representation on its Board of Directors, provided a guarantee for $400,000 to the Bank of Nova Scotia to support the Company's line of credit at the bank. This guarantee is ongoing and requires payments of a monthly administration fee of $1,000, as well as a monthly standby fee of $1,000. In the event that the Company actually draws down on the guarantee, then the interest rate would be 20% of the amount received. The guarantee is secured by a charge on any current and after-acquired assets and ranks ahead of the long-term debt.

OMT INC.

Notes to Consolidated Financial Statements (continued)

Three Months ended March 31, 2009 and Three Months Ended March 31, 2008

7. Long-term debt:

	2009	2008
Long-term loans (face value at maturity of $3,000,000, plus deferred interest of $850,000 for a total of $3,850,000, due July 15, 2011)	$ 3,218,495	$ 3,102,452
Long-term debentures (face value at maturity of $995,000), interest only at 8%, payable monthly, due July 15, 2011	981,039	969,488
	4,199,534	4,071,940

Long-term loans and long-term debentures are convertible into common shares at a price equal to $0.12 per share.

The long-term debt was originally recorded on the consolidated balance sheet at its combined discounted values of $2,960,430 and was to be accreted equally over the four year term of the loan for effective interest, and at maturity was to be equal to the face value of the debentures and loans. In Q1-2009, imputed interest plus deferred interest on the long-term debt amounted to $127,594 (2008 - $119,245). These amounts are shown separately on the Consolidated Statements of Cash Flows as “Non-cash interest accretion”. Monthly interest payments equating to 8% per annum are payable on the long-term debt. When interest postponed is combined with interest accretion and deferred finance charges, the effective interest rates are 15.7% for the loans and 16.9% for the debentures (2008 - 19.9% for both). No principal repayments are required until maturity.

The long-term debt of $3,995,000 was scheduled to mature on December 20, 2008. In separate agreements signed April 11, 2008 with the debt and the debenture holders, the date of maturity was extended to July 15, 2009. A subsequent amending agreement signed on April 28, 2009 with the principal debt holders further extended the date of maturity of all of the debt to July 15, 2011. No principal payments are required until that date.

In a separate agreement signed April 11, 2008, the principal debt holders, who together hold $3,000,000 of the Company’s long-term debt, provided the Company with a signed waiver to defer the monthly interest payments, representing approximately $20,000 per month until such time that the Company’s cash reserves grow to $500,000. A subsequent amending agreement signed on April 28, 2009 with the principal debt holders changed the date for interest deferrals to July 15, 2011, or until such time when cash reserves grow to $500,000. Interest continues to be paid monthly on the remaining debt of $995,000 represented by CIBC Mellon Trust Company.

The long-term debt is collaterized by a general security agreement covering all assets and by an assignment of all the book debts of the Company, subordinate to the bank line-of-credit (note 5).

OMT INC.

Notes to Consolidated Financial Statements (continued)

Three Months ended March 31, 2009 and Three Months Ended March 31, 2008

8. Credit and foreign exchange risk:

The Company's contracts for projects denominated in foreign currencies as well as accounts receivable in foreign currencies potentially subjects the Company to credit and foreign exchange risk, as collateral is generally not required and exchange rates to US funds can change significantly. The project nature of the business also leads to a concentration of credit risk. As at March 31, 2009 four customers accounted for 61% (December 31, 2008 five customers –62%) of the total accounts receivable. However, the risk of loss is partially mitigated due to the Company's policy of collecting a deposit before any project is commenced. The Company also bills in advance for service and support contracts. At March 31, 2009 the overdue accounts receivable from customers amounted to $47,000 (December 31, 2008 - $105,000) and the allowance for doubtful accounts was set at $11,000 (December 31, 2008 - $10,000). The allowance for losses on uncollectible accounts is based on specific customer history and write-offs are solely based on specific customer defaults.

9. Contingencies:

(a) A financing transaction was concluded by the Company in December 2004 involving the outstanding preferred shares, and was initially described as a redemption of preferred shares. The intent of all parties was to repurchase the preferred shares on a tax neutral basis. Unfortunately, the wording used did not support the original intent and could result in a possible tax liability. Correcting this required a rectification order (the "Order"), with the proper wording, to be issued by the Manitoba Court of Queen's Bench. The rectification order with the proper wording has been issued in our favor. It is possible that Canada Revenue Agency (CRA) might appeal the Order, but management does not expect this to happen because the original intent was for the transaction to be tax neutral. If CRA were to appeal the order or the revised transaction and, if such appeals were successful, the Company could face a potential income tax liability of approximately $600,000. If such appeals were filed by CRA, the Company would vigorously defend its position.

(b) Payments received on a project contracted with a company of which one of OMT's directors is also an officer and director as defined in note 6 are guaranteed up to a maximum amount of US $358,106. Progress payments received to date on the project total US $263,021 (Cdn.$320,000). The contracting company has the right to demand repayment of these funds based on a "Performance Security Guarantee" (PSG). OMT has purchased "Performance Security Insurance" (PSI) for up to 95% of the money advanced to date, from the Export Development Corporation (EDC) to protect itself against this possibility. The Guarantee is valid until December 31, 2009 or completion of the project, whichever comes sooner, but the insurance would be extended should the project be incomplete at that time. At March 31, 2009 there is a contingent liability for the 5% deductible or US $13,151 which has not been recorded in the financial statements.

OMT INC.

Notes to Consolidated Financial Statements (continued)

Three Months ended March 31, 2009 and Three Months Ended March 31, 2008

10. Subsequent Events:

(a) Long-term debt date of maturity:

The long-term debt which was originally due on December 20, 2008 and had been extended to July 15, 2009, has been further extended to July 15, 2011 as described in note 7. All other terms and conditions remain unchanged, except as noted below.

The existing debt will be extinguished and the difference between the carrying value of the existing debt of $995,000, represented by CIBC Mellon Trust Company, and the fair value of this portion of the newly issued debt will be recognized as a gain in the Company's second quarter financial statements. An estimate of the fair value of this portion of the new debt cannot be made at this time. Management is in the process of determining the financial impact of the transaction.

(b) Long-term debt interest payments:

The holders of $3,000,000 of the long-term debt provided the Company with a signed waiver to defer the monthly interest payments, beginning January 1, 2008 and ending on July 15, 2009, the date of maturity, representing approximately $20,000 per month, until such time that OMT's cash reserves grow to $500,000. A subsequent amending agreement signed on April 28, 2009 with the principal debt holders changed the date for interest deferrals to July 15, 2011. Interest will continue to be paid monthly on the remaining debt of $995,000 represented by CIBC Mellon Trust Company.

(c) Sale of Intertain Media Inc.

On May 12, 2009 the Company entered into a Letter of Intent to sell all of the issued and outstanding common shares of Intertain Media Inc., a wholly-owned subsidiary of the Company for aggregate consideration estimated to be $172,500. The financial effect of selling Intertain can be seen by referring to note 4, segment information, retail. The final price is subject to conditions which may affect the final cash settlement and any gain on the transaction. Intertain Media Inc. is currently a division of the Company that deploys background music, in-store messaging, on-hold features and digital signage services to retail and commercial clients across Canada.

Following a ten month process, the Board of Directors considered all proposals received and determine that the proposal from Mr. Bill Baines, Chief Executive Officer of the Company, was superior and unanimously approved the transaction.

The closing of the transaction is subject to certain conditions, none of which are expected to delay the final completion and execution of a definitive purchase and sale agreement with an effective date of May 31, 2009 and closing shortly thereafter. Bill Baines will continue his role as CEO of OMT Inc.