

**TRX, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
	(Unaudited)			
REVENUES:				
Transaction processing	\$ 15,772	\$ 17,580	\$ 49,875	\$ 56,991
Data reporting	4,103	4,520	17,585	12,700
Customer care	1,329	4,674	3,484	17,702
Transaction and other revenues	21,204	26,774	70,944	87,393
Client reimbursements	1,327	366	2,062	1,522
Total revenues	<u>22,531</u>	<u>27,140</u>	<u>73,006</u>	<u>88,915</u>
EXPENSES:				
Operating	14,270	15,913	42,827	51,162
Selling, general and administrative	4,517	4,701	13,376	14,315
Technology development	3,453	2,759	10,076	8,037
Client reimbursements	1,327	366	2,062	1,522
Restructuring	-	(148)	-	691
Depreciation and amortization	2,862	2,453	8,482	7,698
Total expenses	<u>26,429</u>	<u>26,044</u>	<u>76,823</u>	<u>83,425</u>
OPERATING (LOSS) INCOME	(3,898)	1,096	(3,817)	5,490
INTEREST INCOME (EXPENSE):				
Interest income	74	256	310	779
Interest expense	(124)	(99)	(423)	(284)
Total interest (expense) income, net	<u>(50)</u>	<u>157</u>	<u>(113)</u>	<u>495</u>
INCOME (LOSS) BEFORE INCOME TAXES	<u>(3,948)</u>	<u>1,253</u>	<u>(3,930)</u>	<u>5,985</u>
BENEFIT FROM INCOME TAXES	<u>(51)</u>	<u>-</u>	<u>(51)</u>	<u>-</u>
NET (LOSS) INCOME	<u>\$ (3,897)</u>	<u>\$ 1,253</u>	<u>\$ (3,879)</u>	<u>\$ 5,985</u>
Net (Loss) Income per Share				
Basic and diluted	\$ (0.21)	\$ 0.07	\$ (0.21)	\$ 0.34
Weighted Average Shares Outstanding				
Basic	18,293	17,735	18,262	17,692
Diluted	18,293	17,736	18,262	17,693
Other Data:				
Adjusted Revenues	\$ 24,232	\$ 26,774	\$ 73,972	\$ 87,393
Adjusted EBITDA	\$ 2,223	\$ 3,740	\$ 8,377	\$ 14,915
Capital expenditures	\$ 2,968	\$ 1,386	\$ 6,354	\$ 6,514
Transaction processing volumes	21,065	20,092	66,074	65,009
	<u>As of September 30,</u>	<u>As of December 31,</u>		
	<u>2007</u>	<u>2006</u>		
Consolidated Balance Sheet Data:				
Cash and cash equivalents	\$ 13,052	\$ 24,444		
Total shareholders' equity	41,407	41,132		

