

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
	(Unaudited)		(Audited)	
<b>REVENUES:</b>				
Transaction processing	\$ 13,969	\$ 15,636	\$ 63,844	\$ 72,62
Data reporting	3,300	5,149	20,885	17,84
Customer care	1,319	5,326	4,803	23,02
Transaction and other revenues	18,588	26,111	89,532	113,50
Client reimbursements	508	1,314	2,570	2,83
Total revenues	19,096	27,425	92,102	116,34
<b>EXPENSES:</b>				
Operating	13,993	13,511	56,820	64,67
Selling, general and administrative	2,808	5,844	16,184	20,15
Technology development	3,102	2,985	13,178	11,02
Client reimbursements	508	1,314	2,570	2,83
Restructuring	-	-	-	69
Depreciation and amortization	2,735	2,423	11,217	10,12
Total expenses	23,146	26,077	99,969	109,50
<b>OPERATING (LOSS) INCOME</b>	(4,050)	1,348	(7,867)	6,83
<b>INTEREST INCOME (EXPENSE):</b>				
Interest income	46	220	356	99
Interest expense	(160)	(40)	(583)	(324)
Total interest (expense) income, net	(114)	180	(227)	67
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	(4,164)	1,528	(8,094)	7,51
<b>(PROVISION) BENEFIT FOR INCOME TAXES</b>	-	(213)	51	(21)
<b>NET (LOSS) INCOME</b>	\$ (4,164)	\$ 1,315	\$ (8,043)	\$ 7,30
<b>Net (Loss) Income per Share</b>				
Basic and diluted	\$ (0.23)	\$ 0.07	\$ (0.44)	\$ 0.4
<b>Weighted Average Shares Outstanding</b>				
Basic	18,305	17,769	18,272	17,71
Diluted	18,305	17,769	18,272	17,74
<b>Other Data:</b>				
Adjusted revenues	\$ 22,065	\$ 26,111	\$ 96,037	\$ 113,50
Adjusted EBITDA	\$ 1,844	\$ 3,792	\$ 10,221	\$ 18,70
Adjusted data reporting revenues	\$ 6,777	\$ 5,149	\$ 27,390	\$ 17,84
Capital expenditures	\$ 2,362	\$ 2,637	\$ 8,716	\$ 9,151
Transaction processing volumes	19,580	18,779	85,654	83,78