



LAB Research

LAB Research Inc.

Consolidated Financial Statements

For the three months ended March 31, 2010 and 2009

(expressed in Canadian dollars)

(Unaudited)

Excellence in Research

LAB Research Inc.

Consolidated Balance Sheets

March 31, 2010 and December 31, 2009

(in thousands of Canadian dollars)

	As at March 31, 2010 (Unaudited) \$	As at December 31, 2009 (Audited) \$
ASSETS		
Current assets:		
Cash and cash equivalents	1,763	1,031
Accounts and other receivables	7,045	9,534
Work in progress	3,123	3,399
Income taxes receivable	2,357	3,329
Prepaid expenses	1,598	1,971
Future income taxes	366	108
	<u>16,252</u>	<u>19,372</u>
Property and equipment	72,035	75,658
Intangible assets (note 4)	3,348	3,759
Other assets	10,645	10,645
Future income taxes	3,375	3,375
	<u>105,655</u>	<u>112,809</u>
LIABILITIES		
Current liabilities:		
Bank indebtedness	-	499
Accounts payable and accrued liabilities	11,118	11,915
Deferred revenue	7,899	8,709
Current portion of long-term debt (note 6)	7,294	3,593
Future income taxes	588	356
	<u>26,899</u>	<u>25,072</u>
Long-term debt (note 6)	45,696	51,110
Other long-term liabilities	36	43
Future income taxes	3,458	3,670
	<u>76,089</u>	<u>79,895</u>
Litigation (Note 11)		
SHAREHOLDERS' EQUITY:		
Share capital (note 7)	78,156	78,156
Warrants	575	575
Additional paid-in capital	1,674	1,545
Accumulated other comprehensive loss	(1,513)	(761)
Deficit	(49,326)	(46,601)
	<u>(50,839)</u>	<u>(47,362)</u>
	<u>29,566</u>	<u>32,914</u>
	<u>105,655</u>	<u>112,809</u>

See Notes to the consolidated financial statements.

LAB Research Inc.

Consolidated Statements of loss

For the three months ended March 31, 2010 and 2009

(in thousands of Canadian dollars, except per share data) (Unaudited)

	2010	2009
	\$	\$
Revenue	14,063	12,987
Operating expenses:		
Direct costs	10,450	9,605
Selling, general and administrative	2,874	2,492
Stock-based compensation	129	113
Amortization of property and equipment	1,375	1,392
Amortization of intangible assets	260	206
Amortization of deferred financing fees	99	1
Interest, net	641	713
Foreign exchange loss	73	1,512
	15,901	16,034
Loss from operations before income taxes	(1,838)	(3,047)
Income taxes (recovery):		
Current	923	(48)
Future	(36)	(38)
	887	(86)
Net loss for the period	(2,725)	(2,961)
Loss per share:		
Basic and diluted	(0.05)	(0.16)

See Notes to the consolidated financial statements.

LAB Research Inc.

Consolidated Statements of Comprehensive Loss
For the three months ended March 31, 2010 and 2009
(in thousands of Canadian dollars) (Unaudited)

	2010	2009
	\$	\$
Net loss for the period	(2,725)	(2,961)
Unrealized (loss) gain on available-for-sale financial assets, net of income taxes	-	(4)
Foreign exchange adjustment on self-sustaining foreign operations	(752)	(403)
Comprehensive loss	(3,477)	(3,368)

See Notes to the consolidated financial statements.

LAB Research Inc.

Consolidated Statements of Changes in Shareholders' Equity
For the three months ended March 31, 2010 and 2009
(in thousands of Canadian dollars) (Unaudited)

	Share capital \$	Warrants \$	Additional paid-in capital \$	Accumulated other comprehensive income (loss) \$	Deficit \$	Total \$
Balance, December 31, 2009	78,156	575	1,545	(761)	(46,601)	32,914
Net loss for the period	-	-	-	-	(2,725)	(2,725)
Foreign exchange adjustment on self- sustaining foreign operations	-	-	-	(752)	-	(752)
Stock-based compensation	-	-	129	-	-	129
Balance, March 31, 2010	78,156	575	1,674	(1,513)	(49,326)	29,566
Balance, December 31, 2008	63,951	-	1,077	682	(35,474)	30,236
Net loss for the period	-	-	-	-	(2,961)	(2,961)
Shares issued pursuant to exercise of stock options	10	-	-	-	-	10
Foreign exchange adjustment on self- sustaining foreign operations	-	-	-	(403)	-	(403)
Issue of warrants	-	140	-	-	-	140
Stock-based compensation	-	-	113	-	-	113
Unrealized loss on available-for-sale assets, net of income taxes	-	-	-	(4)	-	(4)
Balance, March 31, 2009	63,961	140	1,190	275	(38,435)	27,131

See Notes to the consolidated financial statements.

LAB Research Inc.

Consolidated Statements of Cash Flows

For the three months ended March 31, 2010 and 2009

(in thousands of Canadian dollars) (Unaudited)

	2010	2009
	\$	\$
Operating activities:		
Net loss for the period	(2,725)	(2,961)
Adjustments for:		
Amortization of property and equipment	1,375	1,392
Amortization of intangible assets	260	206
Investment tax credits	-	(970)
Foreign exchange gain	(35)	441
Stock-based compensation	129	113
Future income taxes	(36)	(38)
Amortization of deferred financing fees	99	1
Accretion of interest	(6)	(6)
Other	18	17
Net change in non-cash working capital items (Note 11 (a))	2,843	(622)
	1,922	(2,427)
Financing activities:		
Proceeds from issuance of shares	-	10
Proceed from issuance of capital leases	-	1,188
Proceeds from issuance of long-term debt, net of cost	90	57
Repayment of long-term debt	(419)	(823)
Repayment of capital leases	(85)	(176)
Increase (decrease) in bank indebtedness	(499)	1,412
	(913)	1,668
Investing activities:		
Additions to property and equipment, net of grant	(156)	(168)
Additions to intangible assets	(46)	-
Other	-	(32)
	(202)	(200)
Effect of foreign exchange rate changes on cash and cash equivalents	(75)	857
Increase (decrease) in cash and cash equivalents	732	(102)
Cash and cash equivalents, beginning of period	1,031	102
Cash and cash equivalents, end of period	1,763	-

Supplementary cash flow information (Note 12)

See Notes to the consolidated financial statements.

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

1. Description of business:

LAB Research Inc. ("LAB Research" or the "Company") directly or through its subsidiaries, LAB Research A/S ("LAB Denmark") and LAB Research Ltd. ("LAB Hungary") provides non-clinical contract research services to the pharmaceutical, biotechnology, agro-chemical, petro-chemical and industrial markets.

2. New accounting policies:

Impact of accounting pronouncements not yet implemented

(a) International Financial Reporting Standards ("IFRS"):

The AcSB has confirmed that the use of IFRS will be required for publicly accountable profit-oriented enterprises. IFRS will replace Canada's current generally accepted accounting principles for those enterprises. These new standards are applicable to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year. The Company will implement this standard in its first quarter of fiscal year ending December 31, 2011. In preparation for the changeover to IFRS, the Company has developed an IFRS transition plan. The Company has completed its initial phase comprised of a diagnostic process, which involved the identification of the differences between the Company's current accounting policies under Canadian generally accepted principles with currently issued IFRS. The Company is currently assessing the impact of the transition to IFRS and will continue to invest in training and resources throughout the transition to facilitate a timely conversion.

3. Summary of significant accounting policies:

(a) Interim financial statements:

The unaudited interim consolidated financial statements of the Company have been prepared under Canadian generally accepted accounting principles. The unaudited consolidated balance sheet as at March 31, 2010 and the unaudited interim consolidated statements of loss, comprehensive loss, changes in shareholders' equity and cash flows for the three-month periods ended March 31, 2010 and 2009 reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results of the interim periods presented.

Results of operations in any quarter may vary from quarter to quarter and are influenced by such factors as the number and scope of ongoing client engagements, the commencement, postponement, completion or cancellation of client contracts in the quarter, changes in the mix of services, the extent of cost overruns, holiday patterns of clients, budget cycles of clients, and exchange rate fluctuations. Operating results for any particular quarter are not necessarily a meaningful indication of future results.

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

3. Summary of significant accounting policies (continued):

(a) Interim financial statements (continued):

The interim consolidated financial statements follow the same accounting policies described in note 3 of the audited consolidated financial statements of the Company for the year ended December 31, 2009.

The interim consolidated financial statements do not include all disclosures required for annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2009.

All amounts in the attached notes are unaudited unless specifically identified.

(b) Basis of presentation and future operations:

The consolidated financial statements have been prepared by the Company on a going concern basis in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), which contemplates that the Company will continue in operation for the foreseeable future and be able to realize assets and settle its liabilities in the normal course of business as they come due.

As at March 31, 2010, the Company was in compliance with its Canadian bank financial ratio covenants, as amended. Subsequent to year end as discussed in note 23 of the Annual Audited Consolidated Financial Statements, the Company obtained relief from the required covenants for 2010 and has committed to monitor the operating initiatives put in place in support of cash flow projections and to consider a number of alternatives to secure additional capital, including but not limited to additional funding facilities or equity issues. There is no assurance that any of these initiatives would be successful or sufficient.

In the longer term, the Company's ability to fund its operations and meet its cash flow requirements when due will be dependent upon its ability to generate positive cash flows from operations and/or obtaining additional financing.

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

4. Intangible assets:

	March 31, 2010		
	Cost \$	Accumulated amortization \$	Net carrying amount \$
Customer contracts and relationships	3,383	2,497	886
Software ⁽¹⁾	2,996	709	2,287
New services development	248	73	175
	6,627	3,279	3,348

	December 31, 2009		
	Cost \$	Accumulated amortization \$	Net carrying amount \$
Customer contracts and relationships	3,712	2,607	1,105
Software ⁽¹⁾	3,069	632	2,437
New services development	248	31	217
	7,029	3,270	3,759

The net carrying amount of intangible assets includes an adjustment due to foreign exchange of \$ 197 (2009 - \$182).

⁽¹⁾ Software include an amount of \$177 (2009 - \$178) that is not being amortized. Amortization will begin when the software has been put in service.

5. Credit facilities:

- (a) LAB Research has an operating line of credit available to finance its Canadian operations in the amount of \$2,000, of which \$1,490 was utilized at March 31, 2010 (2009 - \$920). The facility bears interest at the bank's prime rate plus 3.45% (5.7% at March 31, 2010) and is due on demand. This facility expires in May 2010.
- (b) LAB Denmark has an operating line of credit available to finance its European operations in the amount of \$922 (DKK 5 million) which was not utilized at March 31, 2010 (2009 - \$513). The facility bears interest at the Copenhagen Interbank Offered Rate ("CIBOR") 3 months plus 3% (4.3% at March 31, 2010) and is due on demand. This facility expires in November 2010.

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

6. Long-term debt:

On March 30, 2010, the Company entered into an amendment agreement («Third Amending Agreement») to the Amended and Restated Credit Agreement («Credit Agreement») dated May 2, 2008 with its Canadian lender. This Third Amending Agreement provides for certain changes to the terms and conditions of the Company's credit facilities with its Canadian lender including changes to certain financial covenants for 2010. Finally, the Third Amending Agreement provides for increased fees and interest rates in respect of the Credit Facilities and imposes certain obligations on the Company including generating additional cash through financing facilities or equity issues or disposition of assets.

On March 30, 2010, the Company also entered into an amending agreement with Investissement Québec in respect to its \$7.5 million term loan facility. Under the terms of this amendment agreement, Investissement Québec has provided the Company additional flexibility regarding the payment of interest charges. This amendment agreement also provides for the relaxing of certain financial covenants until and including December 31, 2010.

7. Share capital:

Authorized:

An unlimited number of:

- Common shares
- Preferred shares, non voting, issuable in one or more series, each series to consist of such number of shares as may be fixed by the Board of Directors. The directors shall determine the designation, rights, privileges, conditions, and restrictions attached to shares of each series including the amount or method of calculation of dividends.

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

7. Share capital (continued):

(a) Issued and outstanding:

	March 31, 2010 \$	December 31, 2009 \$
52,710,750 common shares (2009 – 52,710,750)	78,156	78,156

(b) Stock option plan:

The stock option plan (the "Plan") is designed to attract, retain and motivate directors, officers, employees and service providers of the Company and to advance the interests of the Company by providing such persons with the opportunity to participate in the long-term growth of the Company. The Plan is administered by the Company's Board of Directors and, subject to the provisions of the Plan, the number of shares subject to each option, the option price, the expiration date of each option, the extent to which options are exercisable from time to time and the terms and conditions relating to each such option shall be determined by the Board. The aggregate number of common shares available for issuance under the plan shall not exceed 10% of the common shares outstanding. The number of common shares, which may be issued to any one person under the Plan, and any other stock compensation agreement, shall not exceed 10% of the Company's common shares on a non-diluted basis. The Company has reserved 5,271,075 common shares for issuance under the Plan of which 3,644,137 common share options were outstanding as at March 31, 2010.

The exercise price of options granted under the Plan is set by the Board at the time of the grant of the options, but cannot be less than (i) the closing trading price of the common shares on the Toronto Stock Exchange ("TSX") for the day preceding immediately the day on which an option is granted; (ii) in the event that the common shares did not trade on the TSX or any other recognized stock exchange during the said trading day, the weighted average trading price of the common shares on the TSX or any other recognized stock exchange for the five trading days immediately preceding the day on which an option is granted; or (iii) in the event that the common shares are not listed or posted for trading on the TSX or any other recognized stock exchange, the fair market value of the common shares as determined by the Board in its discretion. Options vest over a period from three to five years. Options are granted for a term not exceeding ten years.

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

7. Share capital (continued):

(b) Stock option plan (continued):

Changes in options issued under the Plan for the period ended March 31, 2010 was as follows:

	Number	Weighted average exercise price \$
Balance, December 31, 2009	4,041,967	1.68
Granted	-	-
Exercised	-	-
Cancelled	(397,830)	0.53
Balance, March 31, 2010	3,644,137	1.80
Options exercisable, March 31, 2010	880,734	4.14

8. Stock-based compensation:

The Company recognized total stock-based compensation costs of \$129 (2009 - \$113) relating to stock options granted.

9. Earnings per share:

The reconciliation between basic and diluted earnings per share at March 31, 2010 and 2009 is as follows:

	2010	2009
Basic:		
Basic weighted average number of common shares outstanding	52,710,750	18,087,720
Basic loss per share	\$ (0.05)	\$ (0.16)
Diluted:		
Basic weighted average number of common shares outstanding	52,710,750	18,087,720
Plus impact of stock options and warrants	-	-
Diluted number of common shares	52,710,750	18,087,720
Diluted loss per share	\$ (0.05)	\$ (0.16)

As at March 31, 2010, 3,644,137 stock options (2009 – 1,558,567) and 1,397,290 (2009- nil) warrants were excluded from the calculation of diluted earnings per share as these options and warrants were deemed to be anti-dilutive.

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

10. Risk Management:

Disclosures relating to exposure to risks, in particular liquidity risk, foreign currency risk and interest rate risk were provided at December 31, 2009 and there have been no significant changes in the Company's risk exposures in the first three months of fiscal 2010 with the exception of foreign currency and liquidity risks as described below.

(a) Foreign currency risk (continued):

At March 31, 2010, the Company had no future foreign exchange rate agreements outstanding.

The following average exchange rates were applied for the years ended March 31, 2010 and 2009.

	2010		2009	
	Average rate	Reporting date rate	Average rate	Reporting date rate
US to CDN	1.0230	1.0158	1.2645	1.2613
HUF to CDN	0.005233	0.005166	0.005416	0.005447
DKK to CDN	0.1865	0.1843	0.2214	0.2250
Euro to HUF	265.2780	265.5827	304.5052	307.6005
CHF to HUF	183.2792	186.4692	202.0495	203.4147
GBP to DKK	8.2594	8.3635	8.0894	8.0422

The following table provides specific significant items exposed to foreign exchange as at March 31, 2010:

	\$US	Euro	CHF	GBP
<i>(in thousands of Canadian dollars)</i>				
Cash and cash equivalents	431	427	-	-
Accounts and other receivables	2,589	963	-	-
Work in progress	432	865	-	-
Other assets	66	-	-	-
Accounts payable and accrued liabilities	(832)	(551)	-	(48)
Long-term debt	-	(4,380)	(104)	-
	2,686	(2,676)	(104)	(48)

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

10. Risk Management (continued):

(a) Foreign currency risk (continued):

Based on the Company's foreign exchange currency exposures noted above, varying the above foreign exchange rates to reflect 5 percent strengthening of the functional currency would have decreased (increased) the net consolidated loss as follows assuming that all other variables remained constant:

	\$US	Euro	CHF	GBP
<i>(in thousands of Canadian dollars)</i>				
Decrease (increase) in net loss	134	(133)	(5)	(2)

An assumed 5 percent weakening of the functional currency would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

At March 31, 2010, LAB Hungary had long-term loans of \$2,856 payable to LAB Denmark denominated in Euro (€2,081,698). If the Hungarian forint varies against the Euro to reflect a 5 percent strengthening, this would decrease the consolidated net loss as follows assuming that all other variables remained constant.

	Euro
<i>(in thousands of Canadian dollars)</i>	
Decrease in net loss	143

An assumed 5 percent weakening of the Hungarian forint against the Euros would have had an equal but opposite effect on the basis that all other variables remain constant.

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

10. Risk Management (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Considering the losses occurred during the last 2 years and that the Company's current long-term debt exceeds its targeted leverage, there is a liquidity risk associated with this situation. High debt leverage should be perceived as a risk that the Company may breach its bank covenants in the future which would enable the lender to demand payments of the loans. The Company manages liquidity through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the ordinary course of business. The Company manages its liquidity risk through private and public placements.

The following are the contractual maturities of financial liabilities and contractual obligations by calendar year as of March 31, 2010:

	2011	2012	2013	2014	2015	2016 and after	Total
	\$	\$	\$	\$	\$	\$	\$
Long-term debt ⁽¹⁾	7,294	22,595	3,243	11,688	1,144	7,839	53,803
Interest on long-term debt ⁽¹⁾	2,805	2,374	1,117	923	235	1,566	9,020
Service contracts	1,140	157	80	-	-	-	1,377
Accounts payable	11,118	-	-	-	-	-	11,118
Lease obligations	150	110	19	19	19	38	355
Total contractual obligations	22,507	25,236	4,459	12,630	1,398	9,443	75,673

⁽¹⁾ Including obligations under capital lease

11. Litigation:

- (a) On December 21, 2007, LAB Research was served with an introductory motion of suit from one of its former suppliers claiming an amount of \$1,370 for the breach of a right of first refusal. On May 7, 2008, LAB Research served its defence denying liability for the principal claim and filed its own cross-claim for damages caused by the same supplier during the construction of the previous phase of the building expansion in Canada. The Company does not expect that the settlement of this matter will have a material adverse effect on the financial position of the Company.
- (b) LAB Research is party to other litigations arising in the normal course of operations. LAB Research does not expect the resolution of these other matters to have a materially adverse effect on the financial position or results of operations of the Company.

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

12. Supplementary information:

(a) Changes in non-cash working capital items:

	2010	2009
	\$	\$
Accounts and other receivables	2,121	1,140
Work in progress	106	92
Income taxes receivable	977	(602)
Prepaid expenses	275	(155)
Accounts payable and accrued liabilities	(205)	(2,095)
Deferred revenue	(431)	998
	2,843	(622)

(b) Cash paid for:

	2010	2009
	\$	\$
Interest	621	2,702
Income taxes	-	89

(c) Non-cash transactions:

	2010	2009
	\$	\$
Property and equipment financed through:		
- Capital leases	-	150
- Accounts payable	54	117
Accreted interest on interest-free loan	6	6

(d) Direct costs are net of related tax credits. The related tax credits were as follows:

	2010	2009
	\$	\$
Research tax credits	1,424	1,562

(e) Cash and cash equivalents:

	2010	2009
	\$	\$
Cash in bank	1,011	-
Cash in escrow ⁽¹⁾	752	-
	1,763	-

⁽¹⁾ Cash in escrow represents funds held in trust that are expected to be used in the next twelve months to settle purchase obligations with two suppliers.

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

13. Segmented information:

The Company is managed through three operating segments, in addition to corporate services, namely: Canada, Denmark and Hungary. Each segment provides non-clinical contract research services to the pharmaceutical, biotechnology, agro-chemical, petro-chemical and industrial markets.

The following segments present information on the Company's operations based on its management structure. The allocation of revenues to each geographic area is based on where the selling segment is:

	Canada	Denmark	Hungary	Corporate	2010 Total
	\$	\$	\$	\$	\$
Revenue	6,265	5,869	1,929	-	14,063
Operating expenses	5,904	5,434	1,997	118	13,453
Amortization	897	625	209	3	1,734
Interest, net	478	123	40	-	641
Foreign exchange	24	1	48	-	73
Income taxes (recovery)	961	(71)	(3)	-	887
Net loss for the period	(1,999)	(243)	(362)	(121)	(2,725)

As at March 31, 2010, global expenses were presented by area. There is no impact on the consolidated result since they are eliminated at the consolidation level.

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

13. Segmented information (continued):

	Canada	Denmark	Hungary	Corporate	2009 Total
	\$	\$	\$	\$	\$
Revenue	5,833	6,054	1,100	-	12,987
Operating expenses	4,776	5,635	1,568	231	12,210
Amortization	730	661	205	3	1,599
Interest, net	435	216	62	-	713
Foreign exchange	125	3	1,384	-	1,512
Income taxes (recovery)	-	(84)	(2)	-	(86)
Net loss for the period	(233)	(377)	(2,117)	(234)	(2,961)

	March 31, 2010	December 31, 2009
	\$	\$
Total assets:		
Canada	71,173	74,060
Denmark	23,136	26,901
Hungary	11,346	11,848
	105,655	112,809

The accounting policies of each segment are the same as those described in the summary of significant accounting policies (Note 3).

Geographic information:

The following table provides information for property and equipment and intangible assets based on their location.

	March 31, 2010	December 31, 2009
	\$	\$
Canada	48,137	49,088
Denmark	18,169	20,365
Hungary	9,077	9,964
	75,383	79,417

LAB Research Inc.

Notes to the Consolidated Financial Statements (continued)

For the three months ended March 2010 and 2009

(figures are expressed in thousands of Canadian dollars, except share data) (Unaudited)

14. Accumulated other comprehensive (loss) income:

The components of accumulated other comprehensive income (loss) were as follows:

	March 31, 2010 \$	December 31, 2009 \$
Foreign currency translation adjustments	(1,513)	(761)
	(1,513)	(761)

15. Comparative figures:

Certain of the comparative figures have been reclassified to conform to the presentation adopted in current period.