

CONVERSION SERVICES INTERNATIONAL, INC.
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended March 31,	
	2005	2004
		(Restated)
REVENUE:		
Services	\$ 5,015,293	\$ 4,234,471
Related party services	1,096,402	969,887
Software	293,368	-
Support and maintenance	432,005	-
Other	35,470	57,679
	6,872,538	5,262,037
 COST OF REVENUE:		
Services	3,528,596	3,073,240
Related party services	1,011,858	756,624
Software	44,450	-
Support and maintenance	13,068	-
Other	-	9,436
	4,597,972	3,839,300
 GROSS PROFIT	2,274,566	1,422,737
 OPERATING EXPENSES		
Selling and marketing	1,527,223	581,425
General and administrative	1,940,135	1,412,952
Research and development	241,676	-
Depreciation and amortization	431,456	50,244
	4,140,490	2,044,621
 LOSS FROM OPERATIONS	(1,865,924)	(621,884)
 OTHER INCOME (EXPENSE)		
Equity in income (losses) from investments	43,292	(1,602)
Other income (expense)	(2,191)	6,551
Interest income	24,192	443
Interest expense	(1,364,854)	(32,553)
	(1,299,561)	(27,161)
 LOSS BEFORE INCOME TAXES (BENEFIT) AND MINORITY INTEREST	(3,165,485)	(649,045)
 INCOME TAXES (BENEFIT)	-	(215,600)
 LOSS BEFORE MINORITY INTEREST	(3,165,485)	(864,645)