

AUTOMODULAR CORPORATION

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AUTOMODULAR CORPORATION

CONSOLIDATED BALANCE SHEET (Unaudited)

	June 30, 2001	Dec 31, 2000
ASSETS		
CURRENT		
Cash and equivalents	\$ 19,614,896	\$ 4,946,019
Investments	716,575	1,158,095
Receivables	5,167,716	5,367,392
Net assets of discontinued operations	-	2,426,175
Prepaid expenses	1,461,795	1,204,744
	26,960,982	15,102,425
LONG-TERM INVESTMENTS (Note 2)	696,722	328,278
LONG-TERM RECEIVABLE	81,817	90,689
LOANS RECEIVABLE	659,768	684,838
FUTURE INCOME TAXES	797,050	379,613
CAPITAL ASSETS	7,289,282	7,862,349
OTHER ASSETS	13,083,165	13,902,965
	\$ 49,568,786	\$ 38,351,157
LIABILITIES		
CURRENT		
Bank indebtedness	\$ -	\$ 2,000,000
Accounts payable and accrued liabilities	4,360,088	6,071,991
Income taxes payable	251,390	1,211,660
Property dividend payable	-	1,985,414
Current portion of long-term liabilities	4,014,500	3,499,500
	8,625,978	14,768,565
LONG-TERM LIABILITIES	2,650,375	4,873,875
	11,276,353	19,642,440
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 3)	38,707,188	16,780,538
RETAINED EARNINGS (DEFICIT)	(414,755)	1,928,179
	38,292,433	18,708,717
	\$ 49,568,786	\$ 38,351,157

See accompanying notes to consolidated financial statements.

AUTOMODULAR CORPORATION

CONSOLIDATED STATEMENT OF RETAINED EARNINGS FOR THE SIX MONTHS ENDED 2001 AND 2000 (Unaudited)

	June 30 , 2001	June 30, 2000
BALANCE - BEGINNING OF PERIOD	\$ 1,928,179	\$ 3,659,786
Net earnings for the period	1,821,234	1,601,150
Dividends	(4,164,168)	(1,058,986)
BALANCE - END OF PERIOD	\$ (414,755)	\$ 4,201,950

See accompanying notes to consolidated financial statements.

AUTOMODULAR CORPORATION

**CONSOLIDATED STATEMENT OF EARNINGS
FOR THE SIX MONTHS ENDED 2001 AND 2000
(Unaudited)**

	June 30 , 2001	June 30, 2000
SALES	\$ 26,451,147	\$ 23,055,149
COST OF SALES AND OTHER EXPENSES	21,638,299	19,056,321
EARNINGS FROM OPERATIONS BEFORE THE FOLLOWING:	4,812,848	3,998,828
Amortization	1,800,279	1,999,145
Interest expense	290,408	461,901
Other income	(370,921)	(211,234)
	1,719,766	2,249,812
EARNINGS FROM OPERATIONS	3,093,082	1,749,016
INCOME TAXES	1,271,848	739,938
EARNINGS FROM CONTINUING OPERATIONS	1,821,234	1,009,078
EARNINGS FROM DISCONTINUED OPERATIONS	-	592,072
NET EARNINGS FOR THE PERIOD	\$ 1,821,234	\$ 1,601,150
Earnings per share from continuing operations -		
Basic	\$ 0.16	\$ 0.10
Fully diluted	\$ 0.16	\$ 0.09
Earnings per share for the period		
Basic	\$ 0.16	\$ 0.15
Fully diluted	\$ 0.16	\$ 0.15
Weighted average common shares outstanding		
Basic	11,068,503	10,605,566
Fully diluted	11,197,700	10,669,958

See accompanying notes to consolidated financial statements.

AUTOMODULAR CORPORATION

**CONSOLIDATED STATEMENT OF EARNINGS
FOR THE THREE MONTHS ENDED 2001 AND 2000
(Unaudited)**

	June 30 , 2001	June 30, 2000
SALES	\$ 13,220,223	\$ 11,522,916
COST OF SALES AND OTHER EXPENSES	11,004,686	9,679,759
EARNINGS FROM OPERATIONS BEFORE THE FOLLOWING:	2,215,537	1,843,157
Amortization	910,542	1,028,261
Interest expense	171,949	256,963
Other income	(90,746)	(7,334)
	991,745	1,277,890
EARNINGS FROM OPERATIONS	1,223,792	565,267
INCOME TAXES	487,969	240,977
EARNINGS FROM CONTINUING OPERATIONS	735,823	324,290
EARNINGS FROM DISCONTINUED OPERATIONS	-	309,671
NET EARNINGS FOR THE PERIOD	\$ 735,823	\$ 633,961
Earnings per share from continuing operations -		
Basic	\$ 0.06	\$ 0.03
Fully diluted	\$ 0.06	\$ 0.03
Earnings per share for the period		
Basic	\$ 0.06	\$ 0.06
Fully diluted	\$ 0.06	\$ 0.06
Weighted average common shares outstanding		
Basic	11,526,354	10,605,566
Fully diluted	11,739,146	10,660,316

See accompanying notes to consolidated financial statements.

AUTOMODULAR CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 2001 AND 2000 (Unaudited)

	June 30 , 2001	June 30, 2000
Earnings from continuing operations	\$ 1,821,234	\$ 1,009,078
Items not requiring an outlay of cash:		
Amortization	1,800,279	1,999,145
Gain on sale of long-term investments	(142,683)	-
Share of loss in equity investment	50,000	-
Future income taxes	88,863	42,341
Foreign exchange	62,300	-
	3,679,993	3,050,564
Net Change in non-cash working capital:		
Investments	441,520	2,670,933
Receivables	199,676	912,727
Prepaid expenses	(257,051)	(271,766)
Accounts payable and accrued liabilities	(1,711,903)	(1,254,385)
Income taxes payable	(960,270)	42,894
	1,391,965	5,150,967
FINANCING ACTIVITIES		
Bank indebtedness	(2,000,000)	(969,870)
Dividend received	-	1,000,000
Sale of capital stock from treasury	21,420,350	-
Repayment of long term debt	(1,770,800)	(3,297,972)
Dividends paid	(4,164,168)	(1,058,986)
	13,485,382	(4,326,828)
INVESTING ACTIVITIES		
Purchase of capital and other assets	(407,412)	(867,927)
Purchase of long-term investments	-	(62,476)
Repayment of loans and long-term receivable	33,942	10,542
Proceeds on disposal of long-term investment	165,000	-
	(208,470)	(919,861)
CHANGE IN CASH	14,668,877	(95,722)
CASH, beginning of period	4,946,019	153,619
CASH, end of period	\$ 19,614,896	\$ 57,897
SUPPLEMENTARY INFORMATION		
Interest paid	\$ 290,408	\$ 461,901
Income taxes paid	\$ 2,143,255	\$ 769,950

See accompanying notes to consolidated financial statements.

AUTOMODULAR CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 2001 AND 2000
(Unaudited)

	June 30 , 2001	June 30, 2000
Earnings from continuing operations	\$ 735,823	\$ 324,290
Items not requiring an outlay of cash:		
Amortization	910,542	1,028,261
Gain on sale of long-term investments	(142,683)	-
Future income taxes	95,000	42,341
Foreign exchange	111,816	-
	1,710,498	1,394,892
Net Change in non-cash working capital:		
Investments	70,906	2,325,229
Receivables	163,424	1,488,107
Prepaid expenses	(494,746)	(137,830)
Accounts payable and accrued liabilities	(2,125,415)	(420,025)
Income taxes payable	144,452	84,953
	(530,881)	4,735,326
FINANCING ACTIVITIES		
Bank indebtedness	(2,000,000)	(2,887,882)
Dividend received	-	1,000,000
Sale of capital stock from treasury	21,420,350	-
Repayment of long term debt	(1,770,800)	(3,537,235)
Dividends paid	(3,422,807)	-
	14,226,743	(5,425,117)
INVESTING ACTIVITIES		
Purchase of capital and other assets	(270,224)	(593,138)
Purchase of long-term investments	4,220	(31,847)
Repayment of loans and long-term receivable	29,782	6,618
Proceeds on disposal of long-term investment	165,000	-
	(71,222)	(618,367)
CHANGE IN CASH	13,624,640	(1,308,158)
CASH, beginning of period	5,990,256	1,366,055
CASH, end of period	\$ 19,614,896	\$ 57,897
SUPPLEMENTARY INFORMATION		
Interest paid	\$ 171,949	\$ 256,963
Income taxes paid	\$ 525,806	\$ 263,450

See accompanying notes to consolidated financial statements.

AUTOMODULAR CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICY

These consolidated interim financial statements should be read in conjunction with the Company's most recent annual consolidated financial statements as they do not conform in all respects to the requirements of Canadian Generally Accepted Accounting Principles for annual financial statements. The consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements, except that in the first quarter of 2001, the Company adopted retroactively the new Canadian Institute of Chartered Accountants Handbook Section 3500 "Earnings per Share", which requires the use of the treasury method for calculating diluted earnings per share.

2. LONG-TERM INVESTMENTS

Long-term investments include the Company's remaining 16.1% interest in Dominion Citrus Limited after the payment of the property dividend on January 15, 2001 in the amount of \$1,985,414 and the disposition of 206,250 shares during the second quarter for \$165,000. The investment is being accounted for on the cost basis and amounts to \$410,005.

3. CAPITAL STOCK

During May and June 2001, 165,000 stock options were exercised by directors and officers of the Company for cash proceeds of \$426,750.

On June 20, 2001, Automodular Assemblies Inc., a subsidiary of Automodular Corporation, issued 1,504,369 Class X shares from treasury for gross proceeds of \$22,400,000 which are exchangeable into 7,000,000 common shares of Automodular Corporation. Costs associated with the issuance of the Class X shares of \$1,406,400 were incurred and net of a future tax benefit of \$506,300 were applied against the capital stock.

4. PENSION PLAN

During the second quarter, a defined benefit plan was established for the Chairman of the Company. The benefit formula will pay the Chairman 2% of his final year salary times the number of years of service per year until death. His spouse is then entitled to a 50% survivor benefit. An actuarial analysis will be performed to quantify the obligation.

5. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current period.