

VillageEDOCS, Inc. and subsidiaries
Condensed Consolidated Statements of Operations

	Three Months Ended March 31,	
	2012	2011
	(unaudited)	(unaudited)
Net revenues	\$ 549,505	\$ 1,712,414
Cost of revenues	238,791	552,949
Gross profit	<u>310,714</u>	<u>1,159,465</u>
Operating expenses:		
Product and technology development	150,564	325,503
Sales and marketing	99,314	244,345
General and administrative	212,831	641,046
Depreciation and amortization	99,753	181,441
Total operating expenses	<u>562,462</u>	<u>1,392,335</u>
Loss from continuing operations	(251,748)	(232,870)
Interest expense, net of interest income	(134,377)	(573,229)
Other income, net	3	238,141
Loss from continuing operations before provision for income taxes	(386,122)	(567,958)
Provision for income taxes	11,993	8,802
Loss from continuing operations	(398,115)	(576,760)
Loss from discontinued operations (net of income tax provision of \$0 and \$0, respectively)	(397,014)	-
Net Loss	<u>\$ (795,129)</u>	<u>\$ (576,760)</u>
Net Gain/Loss available to common shareholders		
Basic	<u>\$ (795,129)</u>	<u>\$ (576,760)</u>
Diluted	<u>\$ (795,129)</u>	<u>\$ (576,760)</u>
Basic earnings (loss) per share:		
Gain/Loss from continuing operations	\$ -	\$ -
Income from discontinued operations	\$ -	\$ -
Net Gain/Loss per share, basic	<u>\$ -</u>	<u>\$ -</u>
Diluted earnings (loss) per share:		
Gain/Loss from continuing operations	\$ -	\$ -
Income from discontinued operations	\$ -	\$ -
Net Gain/Loss per share, diluted	<u>\$ -</u>	<u>\$ -</u>
Weighted average shares outstanding -		
Basic	452,596,622	274,561,027
Diluted	<u>452,596,622</u>	<u>274,561,027</u>