

VRX WORLDWIDE INC.

Consolidated Financial Statements

For the Quarter Ended March 31, 2009

(Prepared without Audit)



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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

VRX WORLDWIDE INC.

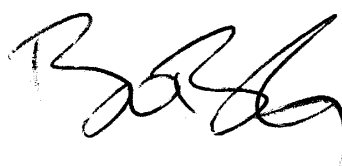
Consolidated Balance Sheet (Unaudited)

	March 31 2009	December 31 2008
Assets		
Current assets		
Cash and cash equivalents	\$ 515,196	\$ 265,199
Accounts receivable	360,401	535,317
Prepaid expenses and deposits	73,815	14,280
	949,412	814,796
Property and equipment	61,263	45,863
	\$ 1,010,675	\$ 860,659
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 634,840	\$ 610,132
Deferred revenue	900,767	979,801
Current convertible debenture (Note 3 and Note 5)	613,561	670,285
	2,149,168	2,260,218
Non-current convertible debenture (Note 3)	222,740	216,575
	2,371,908	2,476,793
Shareholders' Deficiency		
Share capital	6,933,704	6,933,704
Equity component of convertible debentures (Note 3)	475,000	475,000
Contributed surplus	368,873	355,080
Deficit	(9,138,810)	(9,379,917)
	(1,361,233)	(1,616,133)
	\$ 1,010,675	\$ 860,659

Approved by the Board:



Director



Director

VRX WORLDWIDE INC.**Interim statement of consolidated operations, comprehensive loss and deficit
(Unaudited)**

For the three months ended March 31	2009	2008
Revenue		
Licensing fees	\$ 529,081	\$ 432,029
Service fees	934,299	546,769
Total Revenue	1,463,380	978,798
Cost of sales	\$ 574,019	567,143
Gross Profit	889,361	411,655
Costs and expenses		
Sales, marketing and product promotion	217,996	216,088
Research and development	156,369	153,629
General and administrative	185,450	153,128
Stock-based compensation	13,793	2,257
Amortization	20,567	28,154
	594,175	553,256
Comprehensive earnings (loss) before other items and income tax	295,186	(141,601)
Interest income	181	2,195
Interest expense and accretion of convertible debentures	(46,668)	(129,011)
Foreign exchange gain (loss)	(7,592)	8,311
Net and comprehensive earnings (loss) for the period	241,107	(260,106)
Deficit – beginning of period	(9,379,917)	(8,791,502)
Deficit – end of period	\$ (9,138,810)	\$ (9,051,608)
Basic and diluted earnings (loss) per share	\$ 0.01	\$ (0.01)
Weighted average number of shares	34,626,145	34,626,145
Diluted number of shares	34,626,145	34,626,145

VRX WORLDWIDE INC.
Interim statement of consolidated cash flows
(Unaudited)

For the three months ended March 31	2009	2008
Cash flows from operating activities		
Net earnings (loss) for the period	\$ 241,107	\$ (260,106)
Items not affecting cash		
Amortization	20,567	28,154
Stock-based compensation	13,793	2,257
Accretion of convertible debenture	17,541	91,685
	293,008	(138,010)
Change in non-cash working capital		
Accounts receivable	174,916	(11,151)
Prepaid expenses	(59,535)	(46,632)
Accounts payable and accrued liabilities	24,708	91,906
Deferred revenue	(79,033)	(44,647)
	354,064	(148,534)
Cash flows from investing activities		
Acquisition of property and equipment	(35,967)	(4,677)
	(35,967)	(4,677)
Cash flows from financing activities		
Repayment of convertible debentures	(68,100)	(96,941)
	(68,100)	(96,941)
Net cash and cash equivalents provided during the period	249,997	(250,152)
Cash and cash equivalents – beginning of period	265,199	612,801
Cash and cash equivalents – end of period	\$ 515,196	\$ 362,649
Supplementary information		
Interest paid	\$ 29,127	\$ 36,492
Interest received	\$ 181	\$ 2,195

VRX WORLDWIDE INC.

Notes to Interim Consolidated Financial Statements

For the three months ended March 31, 2009

1. Nature of Operations and Going Concern

VRX Worldwide Inc. (“the Company”), through its wholly owned subsidiary VRX Studios Inc. (“VRX”), is a provider of premium rich media content solutions to the global travel industry.

While these consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future, and will be able to realize its assets and discharge its liabilities in the normal course of operations, there are uncertainties that cast substantial doubt about the validity of that assumption. The Company has an accumulated deficit from operations of \$9,138,810, a shareholders deficiency of \$1,361,233 and a working capital deficit of \$1,199,756. The Company's ability to continue on a going concern basis is dependent upon generating revenues sufficient to cover its operating costs and other obligations, or obtaining additional financing. Management plans to generate positive cash flows from operations by increasing revenues, investing in technology, increasing production efficiencies, adding new products and services and containing costs. However, there is no assurance the Company will be successful in achieving these objectives.

If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expense and the balance sheet classifications used, and such adjustments could be material.

2. Significant Accounting Policies

These interim consolidated financial statements are expressed in Canadian dollars and have been prepared by the Company in accordance with Canadian generally accepted accounting principles using the same accounting policies and methods as per the annual consolidated financial statements for the year ended December 31, 2008. These interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements of the Company.

Comparative Figures

Comparative amounts have been reclassified, where necessary, to conform to the financial statement presentation adopted in the current year.

3. Convertible Debentures

	2008		2007	
Balance, January 1	\$	886,860	\$	1,037,810
Add: Accretion expense		17,541		175,957
Deduct: Amount repaid or converted to common shares		(68,100)		(326,907)
Balance, December 31	\$	836,301	\$	886,860
Equity component of convertible debentures:				
	2008		2007	
Balance, January 1	\$	475,000	\$	475,000
Add: Proceeds from issuance of convertible debentures		-		-
Balance, December 31	\$	475,000	\$	475,000

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Notes to Interim Consolidated Financial Statements

For the three months ended March 31, 2009

3. Convertible Debentures (continued)

Sabre Inc. Debenture		
Convertible debenture	613,561	670,285
Equity component of convertible debentures	400,000	400,000
Silver Heights Capital Management Inc. Debenture		
Convertible debenture	222,740	216,575
Equity component of convertible debentures	75,000	75,000

On May 4, 2007 the Company closed a debenture financing with Silver Heights Capital Management Inc. (“Silver Heights”) for gross proceeds of \$250,000. The debenture has a term of 36 months, bears interest at 12% per annum payable quarterly and is convertible into common shares of the Company at the holder’s option at a price equal to the greater of \$0.25 per share or the amount which is calculated by taking a 25% discount to the average of the closing price of the common shares on the TSX Venture Exchange (“the Exchange”) for the 10 days immediately preceding the conversion date, provided that at no time shall such price exceed \$0.65 per share, subject to adjustment provided therein. The Company has the right to force conversion of the debenture in the event that the 10-day average closing price of the common shares on the Exchange exceeds \$0.65 per share or in an event of a change of control of the Company.

On February 7, 2006 the Company closed a debenture financing with Sabre Inc. (“Sabre”) for gross proceeds of \$1,100,000. The debenture has a term of approximately three years; bears interest at 12% per annum payable semi-annually; is secured with respect to the outstanding principal and any accrued and unpaid interest by a copy of 500 hotels (at Sabre’s choosing) from the Company’s Hotel Content archive without any license or other fee being payable to the Company; and is convertible into shares of the Company at Sabre’s option at any time after July 31, 2006 up to and including January 31, 2008 at a conversion price of \$0.28 per share and thereafter at a conversion price of \$0.31 per share up to and including January 31, 2009. In the event that subsequent to January 31, 2008 the weighted average trading price of the Company’s shares is greater than \$0.80 for any period of 60 consecutive trading days, and the weighted average trading price is equal to or greater than \$0.50 for the 15 trading-day period immediately preceding the maturity of the debenture, then the Company has the right to cause conversion of the entire debenture at \$0.31 per share.

Pursuant to the terms and conditions of the debenture and an associated content licensing agreement, the Company is offsetting interest payments and principal amounts owed to Sabre against licensing fees accruing to the Company from Sabre or its affiliate companies. On March 31, 2009, Sabre or its affiliate companies accrued \$87,610 (2008 - \$134,485) in licensing fees and offset these fees against the interest payments and principal amounts of the Sabre debenture. This amounted to \$19,510 (2008 - \$37,544) of interest payments and a reduction of \$68,100 (2008 - \$96,941) of principal amounts to Sabre.

Sabre also received 4,000,000 performance warrants vesting according to certain performance criteria pursuant to terms and conditions contained in an associated content licensing agreement. The performance warrants have a variable exercise price that is not less than \$0.28 per share and expire January 31, 2009. The measurement date for these warrants will occur when certain performance criteria are achieved by Sabre. At the balance sheet date, no performance criteria had been achieved. Prior to the measurement date the Company is required to record the aggregate fair value of the warrants: this was \$nil. When a measurement date is established the charge will be deducted from revenue on a basis consistent as if the Company had received a sales discount. The Company

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For the three months ended March 31, 2009

currently estimates that these performance criteria shall not be met and so no amount has been deducted from revenue.

On January 30, 2009 Sabre and VRX mutually agreed to extend the maturity date of the convertible debenture to allow the parties time to negotiate a settlement. On May 29, 2009, a new convertible debenture was agreed to between the two parties (see Note 5 – Subsequent Events).

4. Related Party Transactions

During the three months ended March 31, 2009, the Company outsourced certain of its executive and staff search requirements to a company owned by a party related to an officer of the Company. In the aggregate the Company incurred expenses amounting to \$26,250 (2008 - \$28,614).

These transactions were in the normal course of operations and have been recorded at their exchange amounts.

5. Subsequent Events

On May 29, 2009, VRX and Sabre Inc. agreed to replace the \$1,100,000 debenture entered into on January 30, 2006 with a new three year debenture that bears no interest and is convertible into common shares of VRX, at Sabre's discretion, at \$0.31 per share. The \$545,000 outstanding under the new debenture will be offset during the term against licensing fees incurred by Sabre under the existing content license agreement between VRX and Sabre. The new debenture is subject to regulatory approval.