



DECISIONDYNAMICS
TECHNOLOGY



Management Discussion and Analysis

For the Three and Nine Months Ended September 30, 2007 and 2006



Decision Dynamics Technology Ltd.

Suite 300, 717 – 7th Avenue SW

Calgary, AB T2P 0Z3 Canada

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Management Discussion and Analysis

The Management Discussion and Analysis focuses on key items from the unaudited Consolidated Financial Statements for Decision Dynamics Technology Ltd. ("Decision Dynamics" or the "Company") for the three and nine months ended September 30, 2007 and 2006. These statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"). This discussion should not be considered all-inclusive. For example, it excludes changes that may occur in general economic, political and environmental conditions. Additionally, other matters may occur which could affect the Company in the future.

Additional information regarding the Company is available on SEDAR at www.sedar.com. Such additional information is not incorporated by reference herein and should not be deemed to be made part of this Management Discussion and analysis, except as indicated herein.

Forward-Looking Statements or Information

In this Management Discussion and Analysis the Company makes forward-looking statements or provides forward looking information (collectively "forward-looking statements"). These forward-looking statements include but are not limited to comments with respect to objectives and strategies, financial condition, results of operations and industry conditions. By their nature, these forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that such forward-looking statements will not be achieved. Readers of this analysis are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause actual future results to differ materially from the plans, objectives, estimates and intentions expressed in such forward-looking statements. For example, forward-looking statements may be influenced by the following factors: the level of exploration and development carried on by our customers; crude oil, natural gas and other commodity prices; demand for electricity; weather; availability of capital and financing and government policies. The Financial Risks section of this Management Discussion and analysis provides additional information regarding key factors that could cause actual results to differ materially from those projected in our forward-looking statements. We caution that the foregoing list of factors is not exhaustive and that, when relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors as well as other uncertainties and events. The Company disclaims any intention or obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.

Nine Month Revenues up 42% over the same period last year

Financial Highlights

Stated in thousands of Canadian dollars except per share amounts

\$'000 except per share amounts	Three Months Ending		Nine Months Ending	
	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006
Operating Results				
Revenue	1,811	1,865	7,591	5,335
Gross profit ⁽¹⁾	1,091	1,017	5,192	3,003
Gross margin ⁽¹⁾	60%	55%	68%	56%
Loss	(795)	(1,425)	(996)	(4,339)
Loss per share	(0.01)	(0.03)	(0.02)	(0.08)
EBITDAS ⁽²⁾	(466)	(910)	(35)	(3,191)
Financial Position				
			As at	
			Sept. 30, 2007	Dec. 31, 2006
Cash			2,052	1,044
Working Capital			1,667	201
Total Assets			7,289	7,311

(1) "Gross profit" is revenue less cost of sales and gross margin is gross profit divided by revenue expressed as a percentage.

(2) "EBITDAS" means earnings from continuing operations before interest, taxes, depreciation, amortization and non-cash stock based compensation. It may be derived by subtracting the stock based compensation (other than expenses resulting from the Share Accumulation Plan which are cash based) from the subtotal titled "Loss before the undernoted" on the Statement of Loss and Deficit.

Gross profit, gross margin and EBITDAS do not have a standardized meaning under GAAP and may not be comparable to the same terms as used by other entities in the industry; however, the Company believes they are an important measure of performance and indicator of success for software businesses and are relevant to readers within the investment community.

Overview

Decision Dynamics, a public company incorporated under the laws of Canada, has developed business operations management software for:

- Data collection
- Operations reporting
- Business analytics
- Decision optimization
- Workflow integration

The Company's two primary products are:

- **Oncore™:** A project cost management solution that provides near real-time cost capture, validation, approvals and reporting and analytics.

Oncore efficiently tracks daily cost and performance information, allowing a company's operations and project management teams the time to concentrate on managing the business, not the data. It ensures that the most accurate and relevant cost and project data is available to decision-makers when they need it, how they need it.

Oncore is used in a wide variety of industries from construction to environmental services to energy and utilities. Users of Oncore enjoy greater visibility into their projects, superior contractor management, and tighter financial controls and accounting efficiencies.

- **Wellcore™:** A well lifecycle management platform that allows exploration and production companies to manage and optimize well operations.

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Wellcore links the field with the office, tracks field operations and costs, and streamlines workflow. It is flexible enough to be implemented as an overall enterprise solution or as an individual or series of operational components.

Wellcore has the unique ability to capture state changes related to business operations and gives customers the ability to measure the velocity of business processes. It provides key indicators such as forecasted field spending vs. budget estimates vs. invoiced costs, AFE cycle times, operations cycle times and non-productive gaps between the different well lifecycle operations.

Wellcore is used across the oil and gas industry in several countries.

Decision Dynamics is adept at taking the knowledge gleaned from its years working with sophisticated products in diverse and complex industries and applying it in new ways. Linecore™, a unique solution in development, manages the complex approval and construction activities of large, geographically dispersed projects and operations. Linecore leverages over a decade of business and software expertise from its sister product – Wellcore, which addresses these same challenges for the oil and gas industry in the construction of exploration and production facilities.

Decision Dynamics is a Microsoft Gold Certified Partner with over twenty years of experience in the energy industry. It operates a wholly-owned foreign subsidiary in the United States of America with operations in Houston, Texas.

Strategy and Outlook

Last year the new management team implemented a strategy to reduce monthly expenditures to bring them more in line with anticipated sales, and to focus product development on business operations solutions for the energy industry. At the same time, the Company increased the number of salespeople with energy services experience. While sales have slowed in the third quarter, year-to-date sales are up 42% over the same period last year and expenses are down about 20%. Decision Dynamics was just short of breaking-even with an EBITDAS of (\$35,000) for the nine months ended September 30, 2007.

To enhance customer communication, the Wellcore and Oncore Foundation Steering Committees have been re-instituted with meetings scheduled for October, a newsletter will be distributed in November and the new website will be operational in December.

As noted below (Accounting Policies, Basis of Presentation), the recent private placement strengthened working capital by \$2.5 million (net of agent's commission). Decision Dynamics continues to focus on revenue growth particularly from software licenses and recurring maintenance and with an increased focus on profitability. The improvement in working capital combined with strong sales and effective cost management should position the Company to take advantage of the market opportunities in Canada and the United States in the energy sector.

The funds raised in the private placement are being used to increase market penetration in the United States, accelerate new product development and augment working capital. This year the Company has developed and released:

- **Enterprise 4.3, a new Wellcore release**
 - Included the addition of a new component, the Business Performance Module, designed for use by managers and executives. This module provides performance visualization with drill-down capability to deliver key metrics for measuring, monitoring and managing operations. 4.3 also offers greater reporting breadth and depth, enabling Wellcore to handle a wide range of E&P requirements.
- **Oncore 5.5.1, an upgrade**
 - Software improvements increased the efficiency of the product, making it even more accurate and easier to use.
- **PAS Manager Suite™ 4.3, a new release**
 - A new version of both PAS Port™ and PAS Admin™, two software products in the PAS Manager Suite, were released. This suite is the leading marketing solution for the creation, submission and analysis of Pressure ASCII Standard (PAS) files. These products have been shown to reduce the time spent in manual administration by as much as 90%. The PAS

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Manager Suite is fully compliant with new EUB Well Test Capture system (WTC) requirements effective January 31, 2007.

- **Webcore™ - a performance management dashboard**
 - This new module provides decision-ready performance metrics. It increases business agility and reduces overall costs and cycle times to get wells on production faster than a company's competition.
- **Request-to-Drill module**
 - A new module that helps in the preparation of drilling programs. It manages geological and operations data and regulatory compliance requirements, enables AFE creation, and routes approvals as necessary through an organization for construction, drilling and operational activities. This module enhances companies' abilities to select from their inventory of drilling opportunities by supplying more accurate and timely information. By removing the silos and making all of the data easily available in one place, the Request to Drill module helps clients select the opportunity and complete the planning of the drilling program more quickly, ultimately allowing them to drill and produce faster.
- **Hosted solutions**
 - Clients can now host databases related to Oncore in Decision Dynamics' secure data centre. Interested companies save themselves the infrastructure and technical challenges brought about by high-level database management by taking advantage of the this solution and the expertise that Decision Dynamics has to offer.
- **Enhanced GIS capabilities**
 - The new Wellcore GIS Navigation Module allows users to visually observe the status of their operations in a GIS environment and then quickly drill down into the details of any operation. A simple hover feature provides well name, location, budget status, schedule, or any other key daily information of interest. This module allows users an at-a-glance overview of operations.

The volatility of quarterly sales is due, in part, to the significant impact of a few large sales on the Company's results. Sales and revenue timing are impacted by customer activity levels, the timing of major capital projects, and the length of the sales cycle. Decision Dynamics has developed smaller company Wellcore and Oncore products which have a much shorter sales cycle. Sales of these products will help to offset this volatility. Additionally, as total revenues grow, single sales will have less proportionate impact.

Decision Dynamics vision:

- To become the leading supplier of enterprise e-wide business operations lifecycle management solutions in North America and globally
- To create software solutions that are recognized as being the best in class
- To deliver outstanding value to our shareholders
- To create a stimulating and exciting work environment for our employees

Accounting Policies

(a) Basis of Presentation

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities and commitments in the normal course of business. Recurring losses since inception have resulted in an accumulated deficit of approximately \$26 million. The application of the going concern concept is dependent upon the Company's ability to continue to maintain and grow sales and control costs and/or receive continued support from shareholders and investors.

During the summer the Company raised \$2.5 million (net of agent's commission) through the private placement of common shares and warrants. These funds are being used to increase market penetration in the United States, accelerate new product development and augment working capital. Strong sales combined with effective cost management should provide sufficient cash to enable the Company to conduct its anticipated operations over the next twelve months and beyond. This strengthening of the balance sheet provides additional assurance to customers and investors of the Company's continuing financial viability.

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(b) Significant accounting policies

The consolidated financial statements for the three and nine months ended September 30, 2007 include the accounts of the Company and its wholly-owned US subsidiary, Decision Dynamics Technology Inc. All intercompany balances and transactions have been eliminated in the consolidated financial statements.

The consolidated financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the fiscal year ended December 31, 2006 except for the adoption of the new recommendations of the Canadian Institute of Chartered Accountants as noted below.

(c) Changes in accounting policies

Financial Instruments

Effective January 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530, Comprehensive Income; Section 3251, Equity; Section 3855, Financial Instruments – Recognition and Measurement; Section 3861, Financial Instruments – Disclosure and Presentation, and Section 3865, Hedges.

The impact on the Company is minor and is detailed in note 3 of the Company's unaudited interim consolidated financial statements for the quarter ended September 30, 2007.

Going concern

Effective June 30, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1400.08A - 08C, General Standards of Financial Statement Presentation – Going Concern which requires management to make an assessment of the Company's ability to continue as a going concern and to disclose any material uncertainties related to events or conditions that could adversely affect future operations. Management's assessment is outlined in the above "Strategy and Outlook" and "Accounting Policies" sections.

Results of Operations

	Three Months Ending		Nine Months Ending	
	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006
\$'000 except per share amounts				
Revenue	1,811	1,865	7,591	5,335
Cost of sales	(720)	(848)	(2,399)	(2,332)
Gross profit	1,091	1,017	5,192	3,003
Expenses	1,675	2,140	5,489	6,834
Loss before the undernoted	(584)	(1,123)	(297)	(3,831)
Other (amortization, interest, other)	(211)	(302)	(699)	(931)
Income tax recovery	-	-	-	423
Loss for the period	(795)	(1,425)	(996)	(4,339)
Basic loss per share	(\$0.01)	(\$0.03)	(\$0.03)	(\$0.08)

Revenue for the first nine months of 2007 was up 42% over the same period in 2006 as a result of strong sales growth for both Wellcore and Oncore during the first half of the year. Third quarter sales were about the same as sales for Q3 06 largely reflecting the seasonal slowdown in activity during the summer plus the lower level of gas drilling activity this year. The gross margin improved from 56% for the nine months ended September 30, 2006 to 68% for the same period this year as a result of the higher percentage of license sales compared to service and support revenues.

Management has committed to bring costs in line with revenues and has continued to implement the staff reductions and other cost cutting measures initiated in the fourth quarter of 2006. The number of personnel has decreased from 101 at September 30, 2006 to 74 at September 30, 2007. This will result in an annualized saving of approximately \$2.7 million a year. Expenses for the three and nine months ended September 30, 2007 compared to the same periods in 2006 both were down approximately 20%. Other costs for the three quarters decreased by about 25% from 2006 to 2007 largely as a result of foreign exchange gains due to the strengthening of the Canadian dollar compared to the US dollar.

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The revenues, expenses and overall results are discussed in more detail below.

Revenue

	\$ '000	Three Months Ending		Nine Months Ending	
		Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006
License		1,053	855	4,506	2,861
Services		758	1,010	3,085	2,474
Total		<u>1,811</u>	<u>1,865</u>	<u>7,591</u>	<u>5,335</u>

License revenues for the nine month period ending September 30, 2007 compared to the same period of 2006 are up 58%. Service revenues have increased 25% due, in part, to the increase in implementation services related to the new license sales earlier in the year.

The Company's revenue recognition policy is set out in the 2006 annual financial statements. Revenue may be dependent upon customer activity levels (drilling activity for Wellcore and Webcore and project activity levels (expenditures) for Oncore) plus the timing of product implementation and contract approvals. Revenue from sales of perpetual licenses generally is recognized once the product has been delivered, that is, installed and is ready for use by the customer. Service and support revenues generally are recognized as delivered (percentage completion). As a result there will be some volatility in the Company's revenues from quarter to quarter depending upon the timing of the signing of contracts and delivery of software.

The Company's revenues are largely dependent upon a small number of customers. Historically the top six customers have provided about 65-80% of quarterly revenues. However, the specific customers change from quarter to quarter. For example only three customers in the top six in Q3 07 were in the top six in Q3 06. The dependence upon a small number of customers is expected to decline as the Company expands its customer base for both products and increases the amount of recurring revenue.

Revenues from US based customers remained proportionately constant during the first three quarters of 2007 compared to the first three quarters of 2006, at 33-36% of sales. With increasing emphasis on US based sales, the percentage of sales attributable to US based customers is expected to increase in the future.

Gross profit

	\$ '000	Three Months Ending		Nine Months Ending	
		Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006
Revenue		1,811	1,865	7,591	5,335
Cost of sales		(720)	(848)	(2,399)	(2,332)
Gross profit		<u>1,091</u>	<u>1,017</u>	<u>5,192</u>	<u>3,003</u>
Gross margin		60%	55%	68%	56%

Cost of sales includes the cost of service and support personnel, hosting costs and sales commissions. At this early stage of the Company's development, the growth in service revenues is not directly comparable to the growth in the cost of sales particularly the service cost component. Service personnel may work on other departments' projects thereby reducing their contribution to service revenues, warranty work does not produce revenues and the level of non-chargeable and administrative tasks will vary throughout the year.

The improvement in gross margin is largely due to efficiency improvements in delivering services and improvements in staff utilization rates this year compared to the respective periods in 2006. The improvements in efficiency also resulted in a decrease in cost of sales for Q3 07 compared to Q3 06 and for year-to-date 2007 compared to 2006.

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Expenses

\$ '000	Three Months Ending		Nine Months Ending	
	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006
Research and development	508	384	1,763	1,841
Selling and marketing	580	951	1,870	2,624
General and administration	458	572	1,504	1,678
Share Accumulation Plan	11	20	90	52
Other Stock based compensation	119	213	262	639
	<u>1,676</u>	<u>2,140</u>	<u>5,489</u>	<u>6,834</u>

The decrease in total expenses from 2006 to 2007 was due to cost cutting measures implemented largely in the last quarter of 2006. The Company is continuing to reallocate resources from overhead and operations to sales and marketing.

There is some overlap between R&D and service personnel competencies. This provides some flexibility to the Company in the allocation of personnel to service projects and to new product development. Accordingly, even if staff levels remain constant, departmental charges will vary depending upon where the individuals are employed. For example, service personnel may be employed in sales or research and development personnel may assist in implementations or to support the sales process. Decision Dynamics utilizes the Oncore system to allocate personnel charges between departments. The small amount shown for R&D in Q3 06 is due to the recognition of a claim for Scientific Research and Development expenditures made by a predecessor private company (Q3 06 - \$155,000 and year-to-date Sept. 30, 2006 - \$272,000). Ignoring these credits, R&D expenses have decreased from Q3 06 to Q3 07 and year-to-date partly due to reductions in staff and partly due to lower allocations from the service department.

The decrease in selling and marketing costs from the first nine months of 2006 to 2007 reflects the reduction in sales personnel as the Company changes its approach to sales, from sales personnel with software backgrounds to individuals with oil and gas experience. As Decision Dynamics' products solve customer problems and/or meet their needs, sales personnel must understand oil and gas operations and processes to determine the best solution for the customers' requirements. The Company is re-building the sales department with experienced oil and gas sales personnel. The decrease is also due to reduced allocation of operations and development personnel to sales. During 2006, Decision Dynamics developed a more standard Wellcore product requiring less operations support for the sales effort. Also, development and service staff were heavily involved with a pilot project for a large US customer in the first quarter of 2006. Sales and marketing costs are expected to increase in the fourth quarter as additional personnel are hired in Canada and the USA and additional funds are spent on product marketing.

General and administrative costs excluding stock based compensation, decreased 10% over the first three quarters from 2006 to 2007 and 20% in Q2 07 compared to Q2 06. Corporate, public and facilities costs (including personnel salaries) are the largest components of general and administrative expenses. These are relatively fixed and should not increase proportionately with a growth in sales. As a result, G&A, excluding stock based compensation, as a percentage of sales has declined from 31% in the first nine months of 2006 to 20% for the first nine months of 2007.

Stock based compensation costs are lower for the quarter and nine months ended September 30, 2007 largely due to the reversal of expenses related to forfeited options and the granting of fewer options. The value of the Share Accumulation Plan is based on stock prices and therefore the expense will vary each quarter.

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Amortization and Other Expenses

\$ '000	Three Months Ending		Nine Months Ending	
	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006
Amortization of property and equipment	54	77	160	184
Amortization of intangible assets	125	125	375	375
Foreign exchange (gain) loss	(50)	2	(114)	53
Interest income	(15)	(28)	(27)	(68)
Interest expense	97	126	305	387
	<u>211</u>	<u>302</u>	<u>699</u>	<u>931</u>

Decision Dynamics has minimized its capital expenditures this year therefore as the amount of amortization of property and equipment exceeded purchases, the net book value has declined this year compared to last year. The amount of intangible assets has not changed and the amortization is the same from quarter-to-quarter and year-to-year.

This has been a year of significant exchange rate fluctuations with the Canadian dollar strengthening against the US dollar. Foreign exchange differences arise from differences in the rate when the Company records sales to US customers and the rate when the accounts receivable are paid; differences arising from the conversion of assets owned by the Company's US subsidiary from US dollars to Canadian dollars and conversion of the US dollar denominated long term debt to Canadian dollars. About 36% of the Company's revenues for the first three quarters were from US customers. This is about the same as the first nine months of 2006 – 39%. Foreign exchange fluctuations will continue and may vary substantially from quarter to quarter.

The Company invests surplus funds not immediately required for operations and these generate small amounts of interest income. Investments are in Canadian bank GICs only to ensure the principal amount is secure. During 2007 interest income decreased with the reduction in the level of cash balances but increased following the equity issue in June 2007.

Interest expense is primarily due to the long-term borrowing the Company entered into during the first quarter of 2006.

Income taxes

The income tax expense is based on the relative amounts of income generated by the Company's Canadian and US operations and is based on the applicable rates in those two jurisdictions. The Company has over \$21 million dollars of tax pools available in Canada and the United States. This will be utilized to offset future income in the respective jurisdictions.

Net (income) loss

\$ '000 except per share amounts	Three Months Ending		Nine Months Ending	
	Sept. 30, 2007	Sept. 30, 2006	Sept. 30, 2007	Sept. 30, 2006
EBITDAS	(466)	(910)	(35)	(3,191)
Loss	(795)	(1,425)	(993)	(4,339)
Loss per share	(\$0.01)	(\$0.03)	(\$0.02)	(\$0.08)

The Company's results have improved substantially compared to last year and the positive impact of the cost reduction program is evident. With strengthening sales and continuing prudent management of costs, the Company is in an excellent position to take advantage of the market opportunities in Canada and the United States.

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Quarterly results

Following are the results for the three month periods ending (in thousands of Canadian dollars except per share amounts):

	Sept. 30, 07	Jun. 30, 07	Mar. 31, 07	Dec. 31, 06	Sept 30, 06	June 30, 06	Mar. 31, 06	Dec. 31, 05	Sept. 30, 05
Revenue	1,811	2,600	3,179	2,776	1,865	1,737	1,733	1,837	1,266
Net Income (loss)	(795)	(461)	260	(991)	(1,425)	(1,574)	(1,340)	(798)	(1,455)
Net Income (loss) per share ⁽¹⁾	(0.01)	(0.01)	0.01	(0.02)	(0.03)	(0.03)	(0.03)	(0.02)	(0.03)
EBITDAS	(466)	(143)	576	(400)	(910)	(1,262)	(1,018)	(554)	(481)

(1) Basic and diluted

Liquidity and capital resources

Working Capital

The table below shows the major items affecting working capital over the six month period ended September 30, 2007.

	\$ '000
Working capital December 31, 2006 ⁽¹⁾	201
Decrease in the current portion of deferred revenue	(729)
Private placement (net of costs)	2,374
Other	(179)
Working capital September 30, 2007	1,667

(1) This has been restated as a result of the adoption of the new CICA recommendations for the treatment of financial instruments (see Changes in Accounting policies). The carrying value of long term debt has been reduced by the unamortized balance of Deferred Financing costs.

Capital requirements

During the summer the Company raised about \$2.5 million (net of agent's commission) through the private placement of common shares and warrants. These funds are being used to increase market penetration in the United States, accelerate new product development and augment working capital. Strong sales combined with effective cost management should provide sufficient cash to enable the Company to conduct its anticipated operations over the next twelve months and beyond.

Share Capital

As at October 31, 2007 Decision Dynamics had 60,181,252 shares outstanding with a book value of \$27,601,916, 6,992,506 share options to purchase common shares outstanding, 5,784,165 warrants to purchase common shares and 452,114 deferred share units outstanding.

Internal Control over Financial Reporting

There were no changes to Decision Dynamics' internal controls over financial reporting in the quarter ended September 30, 2007 which have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Financial Risks

The sale of software and services is subject to business risks and quarterly fluctuation due to factors including customer demand for products, the size and timing of customer orders and the timing of revenue recognition for those orders, progress on implementation projects, the number, timing and significance of new product announcements by Decision Dynamics and its competitors, our ability to develop, introduce and market new and enhanced versions of our products on a timely basis, the level of product and price competition, changes in operating expenses and general economic factors such as foreign exchange rates and commodity prices. A significant portion of our expenses are based on our expectations of future revenue and, therefore, are relatively fixed in the short-term (for example hiring additional employees and leasing space). Accordingly, if revenue levels are below our expectations, our operating results are likely to be adversely affected. Also, under the Company's revenue recognition policy, service work and license sales might not be recognized in the same period in which the work is performed as the Company might not have customer acceptance or may not be able to precisely determine revenues as required by Decision Dynamics' revenue recognition policy and by Canadian generally accepted accounting principles. As a result, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as any indication of future performance. The sale of software and services is also subject to a number of business risks including: the Company's ability to manage significant growth in customers and staff, ability to attract and retain highly skilled technical, managerial and sales personnel and ability to protect its intellectual property.