

Adagio Corporation, Inc.
Notes to Financial Statements
For the 5 Period(s) Ending May 31, 2005
(Unaudited)



3 MARKETABLE SECURITIES

	May 31 2005 Net book value	February 28 2005 Net book value
Opie's Acme Company (market value \$1,500)		
Quincy's Tennis Ball Co. (market value \$75)		
Alice's Kibble Inc. (market value \$750)		
	<u>\$0.00</u>	<u>\$0.00</u>

Comments regarding marketable securities. These are pretty good securities, almost as good as cash.

You should see how they performed during the .COM boom - they're not worth as much now.

4 INVENTORIES

	May 31 2005	February 28 2005
Inventories - merchandise		
Inventories - supplies		
Inventories - other		
	<u>\$0.00</u>	<u>\$0.00</u>

5 DUE FROM (TO) SHAREHOLDERS

	May 31 2005	February 28 2005
Individual shareholder 1		
Individual shareholder 2		
	<u>\$0.00</u>	<u>\$0.00</u>

The amounts due to shareholders are non-interest bearing, have no set repayment terms and are secured by promissory notes. The shareholders have postponed repayment in favor of the bank. Accordingly, the advances from shareholders have been classified as long term liability.

See notes to the financial statements