

Adagio Corporation, Inc.
Balance Sheet
For the 5 Periods Ending May 31, 2005

Assets

	31-May-05	%
	Current Year	
Current assets		
Cash-Operating Account SIGNET	127,317.07	18.13
Accounts receivable	162,769.79	23.18
Inventory	387,205.66	55.15
Total current assets	\$677,292.52	96.47
Fixed assets:		
Fixed assets	34,026.85	4.85
Less accumulated depreciation	(9,241.39)	(1.32)
Total fixed assets:	\$24,785.46	3.53
Total assets	\$702,077.98	100.00

Liabilities and Equity

	31-May-05	%
	Current Year	
Liabilities		
Accounts payable - Trade	368,545.28	52.49
Accounts Payable Clearing (BR)	8,883.74	1.27
Federal Withholding Payable	2,391.70	0.34
State Payroll Withholding	1,891.38	0.27
Unemployment Taxes Payable	2,042.64	0.29
Payroll Clearing Account	1,886.32	0.27
Sales Taxes Payable	321.93	0.05
Note Payable	10,000.00	1.42
Total liabilities	\$395,962.99	56.40
Shareholders' equity		
Retained Earnings	143,983.78	20.51
Profit (Loss) for period	162,131.21	23.09
Total shareholders' equity	\$306,114.99	43.60
Total liabilities and equity	\$702,077.98	100.00

Adagio Corporation, Inc.
Income Statement
For the 5 Period(s) Ending May 31, 2005

Consolidated Departments

Unaudited

	31-May-05 Current Year	%
Revenue:		
Revenues - Consulting	14,930.00	2.95
Product Sales	12,155.00	2.40
Sales - Bike Equipment	166,366.09	32.83
Sales - Golf Equipment	88,600.34	17.49
Sales - Kayaks	130,100.39	25.68
Sales - Snowboard Equipment	6,962.77	1.37
Sales - Windsurfing Equipment	85,680.83	16.91
Freight Revenue	3,625.00	0.72
Sales Returns - Bike Equipment	(1,675.97)	(0.33)
Sales Returns - Windsurfing	(64.00)	(0.01)
	\$506,680.45	100.00
Less direct expenses:		
Subcontracted Consultants	1,500.00	0.58
COS - Software	3,775.68	1.45
COS - Bikes	83,502.34	32.10
COS - Golf	48,096.97	18.49
COS - Kayaks	72,156.27	27.74
COS - Snowboard	3,705.15	1.42
COS - Windsurfing	47,486.67	18.25
Inventory Assembly Cost Credit	(70.00)	(0.03)
	\$260,153.08	100.00
Gross Profit	\$246,527.37	
Costs and expenses:		
Accounting fees	684.75	0.83
Advertising	3,250.00	3.92
Communications	6,664.94	8.05
Consultant Salaries	48,764.64	58.88
Depreciation expense	1,448.13	1.75
Dues and subscriptions	56.85	0.07
Insurance - Health	6,269.20	7.57
Payroll Taxes	3,194.40	3.86
Office Expense	1,116.54	1.35
Freight	781.64	0.94
Sales and Use Tax Expense	7,000.00	8.45
Utilities	3,585.08	4.33
	\$82,816.17	100.00
Other income and expense	1,579.99	
Net earnings (loss) for period	\$162,131.21	

Adagio Corporation, Inc.
Common Ratios
For the 5 Period(s) Ending May 31, 2005

Working Capital Ratio (Current Ratio)		
Current Assets	677,292.52	
Current Liabilities	395,962.99	1.71
Acid Test (Quick Ratio)		
Cash +A/R + Short Term Investments	290,086.86	
Current Liabilities	395,962.99	0.73
Debt-Equity Ratio		
Total Liabilities	395,962.99	
Shareholders Equity	306,114.99	1.29
Debt-Asset Ratio		
Total Liabilities	395,962.99	
Total Assets	702,077.98	0.56
Inventory Turnover		
Cost of Goods Sold		
Average Inventory		
Collection Ratio		
Accounts Receivable	162,769.79	
(Revenue/365)	1,388.17	117.26
Asset Turnover		
Revenue	506,680.45	
Total Assets	702,077.98	0.72
Return On Equity - ROE		
Net Income		
Shareholders Equity		
Return On Assets - ROA		
Net Income + Interest Expense	162,131.21	
Total Assets	702,077.98	0.23
Profit Margin		
Net Income	162,131.21	
Revenue	506,680.45	0.32
Gross Profit Margin		
Revenue-Cost of Goods Sold	246,527.37	
Revenue	506,680.45	0.49