

Financial Statements as of May 31, 2005 prepared for:
Adagio Corporation, Inc.

Adagio Corporation, Inc.
100 North Charles Street
Baltimore, MD
21201

Financial Statements prepared on
Friday, the 18 day of February in the
year of 2005

Adagio Corporation, Inc.

Balance Sheet

For the 5 Period(s) Ending May 31, 2005

ASSETS

Cash-Operating Account SIGNET	127,317.07
Accounts receivable	162,769.79
Inventory	387,205.66
Furniture & fixtures	34,026.85
Accumulated depreciation - F&F	(9,241.39)
Total Assets	<u>\$702,077.98</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Accounts payable - Trade	368,545.28
Accounts Payable Clearing (BR)	8,883.74
Federal Withholding Payable	2,391.70
State Payroll Withholding	1,891.38
Unemployment Taxes Payable	2,042.64
Payroll Clearing Account	1,886.32
Sales Taxes Payable	321.93
Note Payable	10,000.00
Retained Earnings	143,983.78
Profit (loss)	162,131.21
Total Liabilities	<u>\$702,077.98</u>

Adagio Corporation, Inc.
Income Statement
For the 5 Period(s) Ending May 31 05

Consolidated Departments

Unaudited

	May-05	Year To Date
Revenue:		
Revenues - Consulting	3,055.00	14,930.00
Product Sales	0.00	12,155.00
Sales - Bike Equipment	6,265.58	166,366.09
Sales - Golf Equipment	5,339.40	88,600.34
Sales - Kayaks	41,128.91	130,100.39
Sales - Snowboard Equipment	0.00	6,962.77
Sales - Windsurfing Equipment	967.95	85,680.83
Freight Revenue	50.00	3,625.00
Sales Returns - Bike Equipment	0.00	(1,675.97)
Sales Returns - Windsurfing	0.00	(64.00)
	\$56,806.84	\$506,680.45
Less direct expenses:		
Subcontracted Consultants	1,500.00	1,500.00
COS - Software	1,887.84	3,775.68
COS - Bikes	3,264.06	83,502.34
COS - Golf	2,936.22	48,096.97
COS - Kayaks	22,246.49	72,156.27
COS - Snowboard	0.00	3,705.15
COS - Windsurfing	538.07	47,486.67
Inventory Assembly Cost Credit	0.00	(70.00)
	\$32,372.68	\$260,153.08
Gross Profit	\$24,434.16	\$246,527.37
Costs and expenses:		
Accounting fees	0.00	684.75
Advertising	650.00	3,250.00
Communications	2,559.73	6,664.94
Consultant Salaries	24,382.32	48,764.64
Depreciation expense	0.00	1,448.13
Dues and subscriptions	0.00	56.85
Insurance - Health	1,253.84	6,269.20
Payroll Taxes	1,597.20	3,194.40
Office Expense	280.00	1,116.54
Freight	0.00	781.64
Sales and Use Tax Expense	1,400.00	7,000.00
Utilities	800.00	3,585.08
	\$32,923.09	\$82,816.17
Other income and expense	(61.76)	1,579.99
Net earnings (loss) for period	(\$8,427.17)	\$162,131.21

Adagio Corporation, Inc.
Income Statement
For the 5 Period(s) Ending May 31 05

100 - East Coast USA

Unaudited

	May-05	Year To Date
Revenue:		
Revenues - Consulting	850.00	6,945.00
Product Sales	0.00	9,610.00
Sales - Bike Equipment	4,207.87	149,445.29
Sales - Golf Equipment	0.00	27,927.92
Sales - Kayaks	0.00	85,471.48
Sales - Snowboard Equipment	0.00	558.51
Sales - Windsurfing Equipment	878.00	47,996.12
Freight Revenue	0.00	2,225.00
Sales Returns - Bike Equipment	0.00	(1,675.97)
	\$5,935.87	\$328,503.35
Less direct expenses:		
Subcontracted Consultants	1,500.00	1,500.00
COS - Software	0.00	1,887.84
COS - Bikes	2,390.53	75,328.47
COS - Golf	0.00	14,925.44
COS - Kayaks	0.00	47,331.78
COS - Snowboard	0.00	322.20
COS - Windsurfing	487.02	26,046.17
Inventory Assembly Cost Credit	0.00	(70.00)
	\$4,377.55	\$167,271.90
Gross Profit	\$1,558.32	\$161,231.45
Costs and expenses:		
Accounting fees	0.00	684.75
Advertising	325.00	2,925.00
Communications	1,479.76	5,584.97
Consultant Salaries	12,718.48	25,436.96
Depreciation expense	0.00	1,356.04
Dues and subscriptions	0.00	56.85
Insurance - Health	753.84	5,769.20
Payroll Taxes	623.60	1,247.20
Office Expense	140.00	976.54
Postage and Shipping	0.00	781.64
Sales and Use Tax Expense	1,400.00	7,000.00
Utilities	800.00	3,585.08
	\$18,240.68	\$55,404.23
Other income and expense	(61.76)	1,579.99
Net earnings (loss) for period	(\$16,620.60)	\$104,247.23

Adagio Corporation, Inc.
Income Statement
For the 5 Period(s) Ending May 31 05

150 - West Coast USA

Unaudited

	May-05	Year To Date
Revenue:		
Revenues - Consulting	595.00	595.00
Sales - Bike Equipment	365.16	365.16
Sales - Golf Equipment	5,339.40	5,339.40
Sales - Kayaks	10.00	10.00
	\$6,309.56	\$6,309.56
Less direct expenses:		
COS - Software	1,887.84	1,887.84
COS - Bikes	138.54	138.54
COS - Golf	2,936.22	2,936.22
COS - Kayaks	7.00	7.00
	\$4,969.60	\$4,969.60
Gross Profit	\$1,339.96	\$1,339.96
Costs and expenses:		
Advertising	325.00	325.00
Communications	332.21	332.21
	\$657.21	\$657.21
Net earnings (loss) for period	\$682.75	\$682.75

Adagio Corporation, Inc.
Income Statement
For the 5 Period(s) Ending May 31 05

200 - East Coast Canada

Unaudited

	May-05	Year To Date
Revenue:		
Revenues - Consulting	345.00	6,125.00
Product Sales	0.00	2,545.00
Sales - Bike Equipment	1,692.55	16,555.64
Sales - Golf Equipment	0.00	55,333.02
Sales - Kayaks	0.00	3,500.00
Sales - Snowboard Equipment	0.00	6,404.26
Sales - Windsurfing Equipment	89.95	37,684.71
Freight Revenue	50.00	1,400.00
Sales Returns - Windsurfing	0.00	(64.00)
	\$2,177.50	\$129,483.63
Less direct expenses:		
COS - Bikes	734.99	8,035.33
COS - Golf	0.00	30,235.31
COS - Kayaks	0.00	2,578.00
COS - Snowboard	0.00	3,382.95
COS - Windsurfing	51.05	21,440.50
	\$786.04	\$65,672.09
Gross Profit	\$1,391.46	\$63,811.54
Costs and expenses:		
Communications	223.51	223.51
Consultant Salaries	11,663.84	23,327.68
Depreciation expense	0.00	92.09
Payroll Taxes	973.60	1,947.20
	\$12,860.95	\$25,590.48
Net earnings (loss) for period	(\$11,469.49)	\$38,221.06

Adagio Corporation, Inc.
Income Statement
For the 5 Period(s) Ending May 31 05

250 - West Coast Canada

Unaudited

	May-05	Year To Date
Revenue:		
Revenues - Consulting	1,265.00	1,265.00
Sales - Kayaks	41,118.91	41,118.91
	\$42,383.91	\$42,383.91
Less direct expenses:		
COS - Kayaks	22,239.49	22,239.49
	\$22,239.49	\$22,239.49
Gross Profit	\$20,144.42	\$20,144.42
Costs and expenses:		
Communications	524.25	524.25
Insurance - Health	500.00	500.00
Office Expense	140.00	140.00
	\$1,164.25	\$1,164.25
Net earnings (loss) for period	\$18,980.17	\$18,980.17