

Adagio Corporation, Inc.
Four Quarter Rolling Income Statement
As of May 31, 2005

Income

	Jul-04	Oct-04	Jan-05	Apr-05	Last 4 Quarters
Revenue					
Revenues - Consulting	7,760.00	18,890.00	8,820.00	6,110.00	41,580.00
Product Sales	26,855.00	19,590.00	9,610.00	2,545.00	58,600.00
Sales - Bike Equipment	0.00	0.00	121,770.84	44,595.25	166,366.09
Sales - Golf Equipment	0.00	0.00	69,129.00	19,471.34	88,600.34
Sales - Kayaks	0.00	0.00	79,075.09	51,025.30	130,100.39
Sales - Snowboard Equipment	0.00	0.00	6,216.01	746.76	6,962.77
Sales - Windsurfing Equipment	0.00	0.00	83,674.88	2,005.95	85,680.83
Freight Revenue	350.00	250.00	3,525.00	100.00	4,225.00
Sales Returns - Bike Equipment	0.00	0.00	(1,040.39)	(635.58)	(1,675.97)
Sales Returns - Windsurfing	0.00	0.00	(64.00)	0.00	(64.00)
Revenue total	<u>\$34,965.00</u>	<u>\$38,730.00</u>	<u>\$380,716.4</u>	<u>\$125,964.0</u>	<u>\$580,375.4</u>
Other income and expenses					
Discounts	0.00	0.00	(924.30)	(1,049.25)	(1,973.55)
Interest Income	0.00	0.00	65.12	334.67	399.79
Writeoffs	0.00	0.00	0.00	(6.23)	(6.23)
Other income and expenses total	<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$859.18)</u>	<u>(\$720.81)</u>	<u>(\$1,579.99)</u>
Total income	<u>\$34,965.00</u>	<u>\$38,730.00</u>	<u>\$379,857.2</u>	<u>\$125,243.2</u>	<u>\$578,795.4</u>

Expenses

Cost of sales					
Subcontracted Consultants	0.00	0.00	0.00	1,500.00	1,500.00
COS - Software	0.00	4,195.39	1,887.84	1,887.84	7,971.07
COS - Bikes	0.00	0.00	61,309.17	22,193.17	83,502.34
COS - Golf	0.00	0.00	37,652.80	10,444.17	48,096.97
COS - Kayaks	0.00	0.00	43,905.94	28,250.33	72,156.27
COS - Snowboard	0.00	0.00	3,310.25	394.90	3,705.15
COS - Windsurfing	0.00	0.00	46,398.60	1,088.07	47,486.67
Inventory Adjustment Write Off	0.00	(9,352.81)	0.00	0.00	(9,352.81)
Inventory Assembly Cost Credit	0.00	0.00	0.00	(70.00)	(70.00)
Cost of sales total	<u>\$0.00</u>	<u>(\$5,157.42)</u>	<u>\$194,464.6</u>	<u>\$65,688.48</u>	<u>\$254,995.6</u>
Costs and expenses					
Accounting fees	0.00	0.00	0.00	684.75	684.75
Advertising	1,950.00	1,950.00	1,950.00	1,300.00	7,150.00
Communications	3,146.74	3,363.27	3,122.92	3,542.02	13,174.95
Consultant Salaries	0.00	0.00	0.00	48,764.64	48,764.64
Depreciation expense	1,017.03	1,017.03	1,017.04	431.09	3,482.19
Dues and subscriptions	0.00	0.00	56.85	0.00	56.85
Insurance - Health	3,761.52	3,761.52	3,761.52	2,507.68	13,792.24
Payroll Taxes	0.00	0.00	0.00	3,194.40	3,194.40
Office Expense	360.00	360.00	360.00	756.54	1,836.54
Freight	153.52	38.45	0.00	781.64	973.61
Sales and Use Tax Expense	4,200.00	4,200.00	4,200.00	2,800.00	15,400.00
Utilities	1,854.31	1,842.07	2,033.14	1,551.94	7,281.46
Costs and expenses total	<u>\$16,443.12</u>	<u>\$16,532.34</u>	<u>\$16,501.47</u>	<u>\$66,314.70</u>	<u>\$115,791.6</u>
Total expenses	<u>\$16,443.12</u>	<u>\$11,374.92</u>	<u>\$210,966.0</u>	<u>\$132,003.1</u>	<u>\$370,787.2</u>
Gross profit (loss)	<u>\$18,521.88</u>	<u>\$27,355.08</u>	<u>\$168,891.1</u>	<u>(\$6,759.97)</u>	<u>\$208,008.1</u>