

Optical Systems Inc.
Consolidated Balance Sheet
Year to Date
January 1, 2008 to December 31, 2008

Consolidated

ASSETS

Current Assets

Total Checking/Savings	\$	2,557
Accounts Receivable		9,382
Other Current Assets		65,935
Total Current Assets		77,874

Fixed Assets less accumulated depreciation of \$ 17,375		52,125
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Other Assets

Save a Deal System		300,000
Subscription Receivable		198,000
Total Other Assets		498,000

TOTAL ASSETS	\$	627,999
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LIABILITIES AND SHAREHOLDER'S EQUITY

Current Liabilities

Accrued Payables	\$	134,855
Total Current Liabilities		134,855

Long Term Liabilities

Due to Galaxy		25,429
Loans		23,000
Total Long Term Liabilities		48,429

Total Liabilities		183,284
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SHAREHOLDER'S EQUITY

Preferred Stock	\$.0001 par value 10,000,000 shares authorized -0- outstanding	
Common Stock	\$.0001 par value 200,000,000 shares authorized 105,570,000 shares issued	10,557

Additional Paid in Capital		2,818,387
Retained Earnings		(1,759,633)
Net Income		(624,596)
Total Equity		444,715

TOTAL LIABILITIES & EQUITY	\$	627,999
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*These financial statements and notes thereto present fairly, in all material respects the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with the accounting principles generally accepted in the United States, consistently applied and hereby certified by B.J. Grisaffi for Optical System, Inc.

The accompanying notes are an integral part of these financial statements

Optical Systems, Inc
Consolidated Statement of Operations
Year to Date
January 1, 2008 to December 31, 2008

	Consolidated
Sales	\$ 205,254
Expense	
Payroll	488,896
Selling	21,483
Administrative	305,571
Depreciation	13,900
Total operating expense	829,850
Net Loss from Operations	\$ (624,596)
Net Loss per share	\$ (0.006)
Weighted Average Common Shares Outstanding	105,570,000

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Optical Systems Inc
Consolidated Cash Flow
Year to Date
January 1, 2008 to December 31, 2008

	Consolidated
OPERATING ACTIVITIES	
Net Income	(624,596)
to net cash provided by operations:	
Accounts Receivable	11,753
Due Galaxy	12,429
Employee Advances	(51,016)
Accrued Expenses	108,871
Net cash provided by Operating Activities	(542,559)
 INVESTING ACTIVITIES	
Due from subsidiary	-422,000
Subscription Receivable	62,000
Accumulated Depreciation	13,900
Net cash provided by Investing Activities	(346,100)
Net cash provided by Investing Activities	
FINANCING ACTIVITIES	
Common Stock	1,100
Paid in Capital	438,900
Shareholders Loan	23,000
Loan from OPSY, Inc	402,000
Net cash provided by Financing Activities	865,000
Net cash increase for period	-23,659
Cash at beginning of period	26,216
Cash at end of period	2,557

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Optical Systems, Inc.
 Consolidated Statement of Stockholders' Equity
 Year to Date
 January 1, 2008 to December 31, 2008

	Amount	Additional Paid in Capital	Accumulated Deficit	Total Shareholders' Equity
Balance, December 31, 2007	94,570,000 \$	2,379,487 \$	(1,759,633) \$	629,311
Net Income 1st Quarter March 31, 2008			(144,670)	(144,670)
Balance March 31, 2008	94,570,000	2,379,487	(1,904,303)	484,641
Common Stock for Subscription Receivable	9,000,000	359,100		360,000
Common Stock issued for Services	2,000,000	79,800		80,000
Net Income 2nd Quarter June 30, 2008			(256,826)	(256,826)
Balance June 30, 2008	105,570,000	2,818,387	(2,161,129)	667,815
Net Income 3rd Quarter September 30, 2008			(134,682)	(134,682)
Equity Balance September 30, 2008	105,570,000	2,818,387	(2,295,811)	533,133
Net Income 4th Quarter December 31, 2008			(88,418)	(88,418)
Equity Balance December 31, 2008	105,570,000 \$	2,818,387 \$	(2,384,229) \$	444,715

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The accompanying notes are an integral part of these financial statements.

Note 1. - General Organization and Business

Optical Systems, Inc. (OSI) was formed and incorporated in the state of New Jersey in 1992. The Company was the successor in a reverse merger transaction effective June 30, 1997, changing the state of domicile to Florida and resulting in OSI stock trading on OTC Bulletin Board system using the symbol: OPSY. In May 2000 the company filed a Chapter 7 voluntary Bankruptcy court petitions and all assets were applied to liabilities. In May 2001 a final decree was entered and the bankruptcy case closed.

The Company (OSI) was inactive until October 2007 when it acquired Automotive Software Designers, Inc., a Nevada corporation, with the issuance of 75,400,000 shares of common stock. In anticipation of the acquisition, OSI amended its articles of incorporation to increase common stock to 200,000,000 shares with a par value of \$.0001. Automotive Software Designers, Inc. is the successor to the business of ASDI two shareholders who are officers of OSI. ASDI owns and distributes a completely integrated management system for new and used car dealerships.

Note 2. -Summary of Significant Accounting Practices

Accounting Basis

The basis is generally accepted accounting principles

Earnings per Share

The basic earnings (loss) per share are calculated by dividing the Company's net income (loss) available to common shareholders by the weighted average number of common shares during the year. The diluted earnings (loss) per share is calculated by dividing the Company's net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares, 105,570,000, outstanding is the basic weighted number of shares adjusted as of the first of the year for any potentially dilutive debt or equity.

Dividends

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid during the periods shown.

Income Taxes

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the periods in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 3. - Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company's continuation as a going concern is dependent on its ability to meet its obligations, to obtain additional financing as may be required and ultimately to attain profitability. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Note 4. – Stockholders' Equity

Authorized

The Company is authorized to issue 200,000,000 shares of \$.0001 par value common stock and 10,000,000 shares of \$.0001 par value preferred stock. All common stock shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company. The preferred shares may be issued in series, with the powers, rights and limitations of the preferred shares to be determined by the Board.

Note 5. – Provision for Income Taxes

The Company provides for income taxes under that Statement of Financial Accounting Standards NO.109. Accounting for Income Taxes SFAS No.109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

SFAS No.109 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some sort or all of the deferred tax assets will not be realized. All of the expenditures this far have been to organize the Company and will not be expensed for tax purposes until the Company has operations.

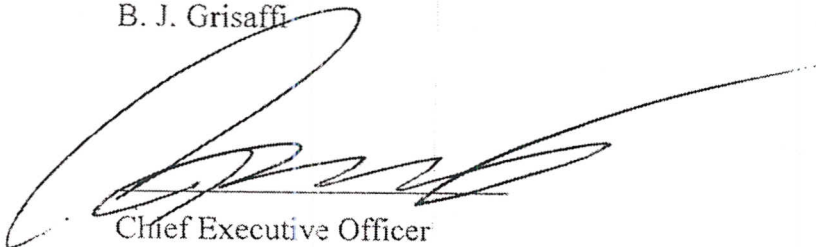
The provision for income taxes is comprised of the net changes in deferred taxes less the valuation account plus the current taxes payable as shown in the chart below:

Net changes in Deferred Tax Benefit	
less than valuation account	0
Current Taxes Payable	<u>0</u>
Net Provision for Income Taxes	<u><u>0</u></u>

The Federal Income Tax filings are not current with the Company.

The financial statements, and the notes thereto, are based on the best information currently available to the Company, and to the best of my knowledge present fairly, in all material respects, the financial position of the Issuer and the results of its operations and cash flow for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied and certified by B.J. Grisaffi, CEO of Optical Systems, Inc.

B. J. Grisaffi

A large, stylized handwritten signature in black ink, appearing to read 'B. J. Grisaffi', written over the printed name.

Chief Executive Officer

Optical Systems, Inc.