

EP Global Communications, Inc.  
BALANCE SHEET  
(In Thousands, Except Per Share Amounts)  
(Un-Audited)

June 30, 2013

Assets

Current assets:

Cash and cash equivalents	\$15,690.50
Accounts receivable, less allowance	2,952
Inventories	1,215
Other current assets	0
Total current assets	19,857.50
Intellectual Property	1,588,602.00
Intangible Assets	156,000.00
Other assets	65
Total Assets	\$1,764,524.50

Liabilities and Stockholder's Equity

Current liabilities:

Accounts payable	\$19
Current maturities of long-term debt and capital lease obligations	0
Total current liabilities	19
Other liabilities and Deferred Income	1,000
Total Liabilities	1,019

Stockholders' Equity:

Common stock, \$.0001 par value, 5,000,000,000 shares authorized and 4,668,229,167 issued and outstanding 499,161,167 freely trading 4,169,068,000 Restricted Shares	
Total Stockholders' Equity	1,763,505.50
Total Liabilities and Stockholders' Equity	\$1,764,524.50

EP Global Communications, Inc.  
INCOME STATEMENT  
(In Thousands)  
(Un-Audited)

June 30, 2013

Income	\$5,983.00
Cost of Goods Sold	591
Gross profit	5,392.00
Operating expenses:	
Research and development expenses	126
Selling, general and administrative expenses	75
Other operating expense	2,551
Total operating expenses	2,752
Profit from operations	2,640.00
Other income (expense):	
Profit before income tax expense	2,640.00
Income tax expense	190
Net Income	\$2,450.00

FINANCIAL STATEMENT FOOTNOTE:

Asset valuation is based on best estimates of the value of the following assets of EPGL, using multiple, GAAP valuation standards:

Intellectual Properties  
Patent valuation, copyrights and licenses  
Customer lists and relationships  
Non-compete agreements  
Favorable financing  
Software  
Trained and assembled workforces  
Contracts  
Leasehold interests  
Unpatented proprietary technology  
In-process R&DDatabasesTrademark valuation, trade names

EP Global Communications, Inc.  
Statement of Cash Flows  
June 30, 2013  
(In Thousands )

Cash Flows From Operating Activities	
Net Income	<u>\$2,450</u>
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Accounts Receivable Change	(2,881)
Cost of Goods Sold	591
Inventory Change	(1,043)
Research & Development Expense	126
Administrative Expense	75
Professional Fees	750
Other Operating Expenses	1,801
Prepaid Taxes	190
Accounts Payable	<u>19</u>
Total Adjustments	<u>372</u>
Net Cash provided by Operations	<u>\$2,822</u>
Net <Increase> Decrease in Cash and Cash Equivalents	\$2,822
Cash Balance at Beg of Period	<u>\$12,868.50</u>
Cash and Cash Equivalents June 30, 2013	\$15,690.50

