

**LGA HOLDINGS, Inc.**  
**Balance Sheet**  
**(in U.S. \$)**

September 30, 2012

**Assets**

Current Assets:

Cash	5,529
Accounts receivable	6,959
Prepaid expenses	10,115
Inventory, at lower of cost or market	205,488
Total current assets	<u>228,093</u>

Property and equipment, net of accumulated depreciation	26,078
Intangible assets, net of accumulated amortization	88,906
Total assets	<u><u>343,076</u></u>

**Liabilities and Accumulated Deficit**

Current liabilities:

Accounts payable	325,963
Customer deposits	481
Accrued payroll	169,219
Taxes payable	5,543
Accrued interest	61,027
Notes payable, related parties	410,763
Other notes payable	7,820
Total current liabilities	<u>980,816</u>

Shareholders' deficit:

Common stock, \$.001 par value; authorized 100,000,000 shares, 9,726,662 shares issued and outstanding at September 30, 2012	9,726
Additional paid-in capital	2,813,458
Accumulated deficit	<u>(3,460,925)</u>
Total shareholders' deficit	<u>(637,740)</u>
Total liabilities and shareholders' deficit	<u><u>343,076</u></u>

**LGA HOLDINGS, Inc.**  
**Statement of Operations**  
**(in U.S. \$)**

	<u>Fiscal Year 2013</u> <u>First Quarter Ending</u> <u>September 30, 2012</u>
Net sales and other revenues	
Product sales	201,196
Services and rentals	(606)
Total revenues	<u>200,590</u>
Costs of product sales	<u>112,714</u>
Gross profit	87,877
Research and development	4,976
Selling, general, and administrative expenses	<u>85,413</u>
Loss before non-operating income and expenses	(2,512)
Interest expense	(8,810)
Depreciation expense	(1,898)
Amortization expense	(2,926)
Other nonoperating income (expense)	41
Loss before income taxes	<u>(16,104)</u>
Income tax provision	<u>0</u>
Net loss	<u><u>(16,104)</u></u>
Basic and diluted loss per share	<u><u>(0.00)</u></u>
Weighted average common shares outstanding	<u><u>9,726,662</u></u>

**LGA HOLDINGS, INC.**  
**Statement of Changes in Shareholders' Deficit**  
**Fiscal Year 2013**  
**First Quarter Ended September 30, 2012**  
**(in U.S. \$)**

	Common Stock		Additional paid-in Capital	Accumulated Deficit	Total
	Shares	Par Value			
Balance at June 30, 2012	9,655,162	9,655	2,763,480	(3,444,727)	(671,592)
Prior period adjustment				(94)	(94)
Purchases of common stock	71,500	71	49,979		50,050
Net loss				(16,104)	(16,104)
Balance at September 30, 2012	<u>9,726,662</u>	<u>9,726</u>	<u>2,813,459</u>	<u>(3,460,925)</u>	<u>(637,740)</u>

**LGA HOLDINGS, INC.**  
**Cash Flow**  
**(in U.S. \$)**

Fiscal Year 2013  
First Quarter Ending  
September 30, 2012

OPERATING ACTIVITIES

Net income	(16,104)
Adjustments to reconcile net income to net cash provided by operations:	
Changes in current assets	(18,254)
Changes in current liabilities	(35,019)
Depreciation and amortization expense	2,800
Net cash provided (used) by operating activities	<u>(66,577)</u>

INVESTING ACTIVITIES

Plant & equipment	(3,535)
Intangibles	(2,950)
Net cash provided (used) by investing activities	<u>(6,485)</u>

FINANCING ACTIVITIES

Related party notes payable	20,000
Sales of common stock	50,050
Net cash provided (used) by financing activities	<u>70,050</u>

Net cash change in the period	(3,013)
Cash at the beginning of the period	8,542
Cash at the end of the period	<u><u>5,529</u></u>