

VIPER NETWORKS, INC. AND SUBSIDIARIES

BALANCE SHEET

As of September 30, 2011

CURRENT ASSETS

Working Cash	\$	37,800
Cash		980
Accounts Receivable, Net of Allowance		2,374,143
Other Current Assets		85,401
Inventories		60,323
Total Current Assets		<u>2,558,647</u>

PROPERTY AND EQUIPMENT

Property and Equipment Furniture, Fixtures		<u>1,611,120</u>
Net Property and Equipment		1,611,120

OTHER ASSETS

Other Assets		32,339
Total Other Assets		

TOTAL ASSETS	\$	<u>4,202,106</u>
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LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Accounts payable	\$ 2,198,970
Accrued liabilities	425,875
Accrued Salaries - Farid	1,552,454
Accrued Salaries - Hala	141,974
Accrued Salaries - Venkat	151,391
Accrued Salaries - Abdel Majid Almashour	181,123
Short Term Debt	210,237
Loans from Related Parties	135,462
Loan Due to Shareholders	111,157
Taxes Payable	7,477
Total Current Liabilities	<u>5,116,120</u>

LONG-TERM LIABILITIES

Total Liabilities	<u>5,116,120</u>
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STOCKHOLDERS' EQUITY

Common Stock	193,145
Preferred Stock	3,752
Additional paid-in capital	19,363,648
Net Income	(483,623)
Treasury stock	(223,028)
Retained Earnings	(20,159,400)
Total Stockholders' Equity	<u>(914,014)</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 4,202,106</u>
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AUTHORIZED COMMON STOCK	1,500,000,000
TOTAL COMMON SHARES ISSUED AND OUTSTANDING	1,059,812,072
AUTHORIZED PREFERRED A STOCK	10,000,000
TOTAL PREFERRED A SHARES ISSUED AND OUTSTANDING	100,000
AUTHORIZED PREFERRED B STOCK	10,000,000
TOTAL PREFERRED B SHARES ISSUED AND OUTSTANDING	987,500

VIPER NETWORKS, INC. AND SUBSIDIARIES
INCOME STATEMENT

9 Months Ended

September 30, 2011

SALES

Revenue	\$	800,412
Less Returns and Allowances		-
Total Sales		800,412
Gross Profit		800,412

OPERATING EXPENSES

Auto Expenses		515
Bank Fees		2,150
Bankcard Expenses		1,270
Computer Expenses		664,650
Freight and Deliveries		265
Insurance - Liability		1,200
Legal Services		95,000
Marketing Expenses		4,500
Merchant Fees		980
Miscellaneous Expenses		15,800
Office Supplies		1,190
Postage & Other Mailing Costs		115
Rent		12,500
Salaries & Wages		469,000
Security		1,800
Taxes - Other		2,300
Telephone		3,700
Travel		7,100
Total Operating Expenses		1,284,035
Operating Income (Loss)		(483,623)
Other Income (Expenses)		-
Net Income (Loss) Before Taxes		(483,623)
Net Income (Loss)	\$	(483,623)