

**EXPO HOLDINGS, INC.**  
**and Subsidiary**  
**(D & D Displays, Inc.)**  
**North Wilkesboro, North Carolina**  
**Three Months and Year Ended December 31, 2009**

**CONSOLIDATED**  
**FINANCIAL STATEMENTS**

**WITH**

**INDEPENDENT ACCOUNTANTS' REPORT**

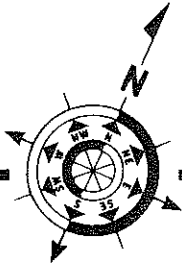
**Three Months and Year Ended December 31, 2009**

**CONSOLIDATED EXPO HOLDINGS, INC. AND SUBSIDIARY**

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# BREAZEALE, KISER, HOYLE & LAWING, PA

Certified Public Accountants

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## INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors  
Expo Holdings, Inc. and  
Subsidiary D&D Displays, Inc.  
North Wilkesboro, North Carolina

We have compiled the accompanying consolidated balance sheet of Expo Holdings, Inc. and wholly owned subsidiary D&D Displays, Inc. for the year ended December 31, 2009, and the related statement of operations for the quarter and year then ended, in accordance with Statements on Standards of Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules, information that is the representation of management. We have not audited or reviewed the accompanying consolidated financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Breazeale, Kiser,  
Hoyle & Lawing, PA*  
Breazeale, Kiser, Hoyle & Lawing, PA  
Certified Public Accountants

Hickory, North Carolina  
September 10, 2010

CONSOLIDATED BALANCE SHEET

December 31, 2009

	<u>Dec 31 2009</u>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash	\$ 393
Accounts receivable, less allowance for doubtful accounts of \$10,000	52,524
Advances - Shareholders	399,117
Inventories	401,111
Prepaid expenses	<u>23,245</u>
<b>Total Current Assets</b>	<u>876,390</u>
<b>Property, and Equipment:</b>	
Machinery and equipment	1,169,165
Vehicles	<u>43,900</u>
	1,213,065
Less, accumulated depreciation	<u>(902,381)</u>
	<u>310,684</u>
<b>Total Assets</b>	<u><u>\$ 1,187,074</u></u>

See accountants' compilation report.

	<u>Dec 31 2009</u>
<b>LIABILITIES AND DEFICIENCY IN ASSETS</b>	
<b>Current Liabilities:</b>	
Notes payable - other	617,308
Current maturities of long-term debt	7,235
Current obligations under capital leases	62,618
Accounts payable and accrued expenses	621,625
Shareholders - loan payable	19,890
Accrued income taxes	<u>2,331</u>
<b>Total Current Liabilities</b>	<u><b>1,331,007</b></u>
<b>Long Term Debt, less current maturities</b>	<u><b>10,794</b></u>
<b>Long Term Obligations under capital leases</b>	<u><b>74,779</b></u>
<b>Deficiency in Assets:</b>	
Common stock	1,018,728
Additional paid in capital	939,504
Retained earnings (deficit)	<u>(2,187,738)</u>
	<u><b>(229,506)</b></u>
<b>Total Liabilities and Deficiency in Assets</b>	<u><u><b>\$ 1,187,074</b></u></u>

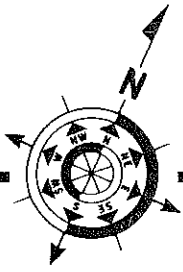
See accountants' compilation report.

CONSOLIDATED STATEMENT OF OPERATIONS

Three Months and Year Ended December 31, 2009

	Three Months Ended Dec 31 2009	Year-to-Date Ended Dec 31 2009
Net Sales	\$ 484,791	\$ 1,608,576
Cost of Goods Sold	<u>410,958</u>	<u>1,620,440</u>
Gross Profit	73,833	(11,864)
Selling, General, and Administrative	<u>122,076</u>	<u>544,618</u>
Operating Income	<u>(48,243)</u>	<u>(556,482)</u>
Other Income (Expense)		
Interest expense	(14,413)	(60,650)
Other income	<u>-</u>	<u>75,292</u>
Total Other Income (Expense)	<u>(14,413)</u>	<u>14,642</u>
Income Before Income Taxes	(62,656)	(541,840)
Income Tax Provision:		
Current (Benefit)	-	-
Deferred (Benefit)	<u>-</u>	<u>-</u>
Net Income	<u>\$ (62,656)</u>	<u>\$ (541,840)</u>

See accountants' compilation report.



# BREAZEALE, KISER, HOYLE & LAWING, PA

Certified Public Accountants

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## INDEPENDENT ACCOUNTANTS' REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors  
Expo Holdings, Inc. and  
subsidiary D&D Displays, Inc.  
North Wilkesboro, North Carolina

The accompanying compiled consolidated supplementary information is presented only for analysis purposes. All information included in these pages is the representation of the management of Expo Holdings, Inc. and its subsidiary D & D Displays, Inc. We did not become aware of any material modifications that should be made to this supplementary information.

*Breazeale, Kiser,  
Hoyle & Lawing, PA*

Breazeale, Kiser, Hoyle & Lawing, PA  
Certified Public Accountants

Hickory, North Carolina  
September 10, 2010

CONSOLIDATED COST OF GOODS SOLD

Three Months and Year Ended December 31, 2009

	Three Months Ended <u>Dec 31, 2009</u>	Year-to-Date Ended <u>Dec 31, 2009</u>
Purchases, net	\$ 157,845	\$ 531,880
Freight	6,112	17,034
	<u>163,957</u>	<u>548,914</u>
Direct Labor	<u>55,450</u>	<u>185,774</u>
<b>Other Manufacturing Expenses:</b>		
Management salaries	33,564	136,923
Temporary labor	8,912	150,870
Shipping labor	-	12,372
Operating expenses	5,215	16,044
Employee welfare	121	199
Employee benefits	-	2,717
Auto and truck	2,310	9,907
General insurance	10,534	20,232
Workers comp insurance	5,506	19,611
Group insurance	10,484	42,748
Utilities	9,367	41,664
Waste disposal	1,410	3,408
Tooling	759	6,830
Repairs and maintenance	7,063	29,529
Rent-building	55,297	221,189
Depreciation	<u>41,009</u>	<u>171,509</u>
	<u>191,551</u>	<u>885,752</u>
	<u>\$ 410,958</u>	<u>\$ 1,620,440</u>

(See accountants' compilation report)



CONSOLIDATED EXPO HOLDINGS, INC. AND SUBSIDIARY

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CONSOLIDATED SELLING, GENERAL, AND ADMINISTRATIVE

Three Months and Year Ended December 31, 2009

	Three Months Ended Dec 31, 2009	Year-to-Date Ended Dec 31, 2009
Salaries and wages	\$ 25,000	\$ 100,000
Office salaries	28,050	107,236
Sales salaries and commissions	18,135	70,959
Payroll taxes	11,692	43,663
Advertising	-	7,874
Office supplies	1,063	4,070
Communications expense	3,839	17,811
Computer expense	-	271
Travel	-	418
Meals	290	1,039
Other taxes and licenses	2,195	13,267
Legal and professional	6,000	33,214
Financial consultant fees	-	10,500
Officers' life insurance	237	949
Factoring expense	14,914	51,910
Penalties	-	6,256
Bank charges	973	7,002
Dues & Subscriptions	-	39
Donations	-	250
Sales Promotion Expenses	36	36
Employee benefits	(656)	(2,586)
Investor expense	10,308	61,433
Provision for Doubtful Accounts		8,955
Miscellaneous	-	52
	<u>\$ 122,076</u>	<u>\$ 544,618</u>

(See accountants' compilation report)