

**EC DEVELOPMENT, INC.**  
**STATEMENT OF OPERATIONS**  
**(Formerly EC Development, LLC)**

	Three Months Ended		Nine M
	September 30,		Sep
	2011	2010	2011
	<u>(Unaudited)</u>		<u>(Unaudited)</u>
Revenues	\$ 153,657	\$ 318,450	\$ 268,291
Cost of revenues	<u>31,699</u>	<u>91,444</u>	<u>32,577</u>
Gross Margin	<u>121,958</u>	<u>227,006</u>	<u>235,714</u>
Operating Expenses			
Compensation expense	132,580	190,100	495,529
Amortization and depreciation	264,918	264,918	794,754
General & administrative expenses	86,841	141,950	251,983
Stock issued for interest	12,500	47,394	12,500
Debt forgiveness	15,000	-	15,000
Interest expense	<u>7,745</u>	<u>54,981</u>	<u>21,846</u>
Total Operating Expenses	<u>519,584</u>	<u>699,343</u>	<u>1,591,612</u>
Net loss	<u>\$ (397,626)</u>	<u>\$ (472,337)</u>	<u>\$ (1,355,898)</u>
Net loss per share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>(0.05)</u>
Weighted average common shares outstanding - basic and diluted	<u>26,802,708</u>	<u>22,027,617</u>	<u>26,227,051</u>

See notes to financial statements

Months Ended  
September 30,  
2010

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\$ 1,531,349

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387,817

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1,143,532

330,764

794,754

421,682

47,394

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354,981

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1,949,575

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\$ (806,043)

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\$ (0.05)

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17,376,988

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