EMPIRE FILM GROUP, INC.

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2012

No notes are included with these Financials as there was no information for the period covered by the Financials which was required under GAAP to be included in notes.

EMPIRE FILM GROUP, INC.

CONSOLIDATED BALANCE SHEET
FOR THE PERIOD ENDING MARCH 31, 2012
(UNAUDITED)

ASSETS

CURRENT ASSETS	
Cash	$ 365
Accounts Receivable, Net	175,145
Contract Receivable	280,000
Note Receivable	199,665
Film Production Investments	967,199
Distribution Investment	2,088,262
Pro Releasing Investment	205,000
Total Current Assets	3,915,636
PROPERTY AND EQUIPMENT	
Office Furniture, Fixtures and Equipment	10,131
Less Accumulated depreciation	($1,013)
Total Property and Equipment	9,118
OTHER ASSETS	
Film and Television program library	9,548,602
Total Other Assets	$ 9,548,602
	13,473,356

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Accounts Payable	$ 11,323
Agile Note	550,000
Coventrey Note	22,500
Interest Payable	78,900
Settlement Notes	121,000
Total Current Liabilities	783,723
LONG-TERM LIABILITIES	
Long Term Payables	175,540
Executive Salary Deferrals	1,130,955
Total Long-Term Liabilities	1,306,495
	2,090,218
SHAREHOLDERS' EQUITY	
Common Stock (224,685,658 shares issued and outstanding)	9,972,515
Retained Earnings	1,410,623
Total Shareholders' Equity	**13,473,356**

EMPIRE FILM GROUP, INC.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDING MARCH 31, 2012
(UNAUDITED)

REVENUES	
Product Sales	$0
Other Income	$59,270
TOTAL REVENUES	59,270
COST OF SALES	
Commissions	0
Sales and Marketing	3,238
Production	0
Freight	0
Public Relations	0
Other Expense	650
TOTAL COST OF SALES	$3,888
GROSS PROFIT	$55,382
GENERAL AND ADMINISTRATIVE EXPENSES	$47,080
INCOME (LOSS) FROM OPERATIONS	$8,302
OTHER INCOME (EXPENSE)	$0
INCOME OR LOSS BEFORE INCOME TAXES	$8,302
PROVISION FOR INCOME TAXES	
NET INCOME OR LOSS	$8,302
RETAINED EARNINGS, BEGINNING OF PERIOD	$1,402,321
RETAINED EARNINGS, END OF PERIOD	$1,410,623

EMPIRE FILM GROUP, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING MARCH 31, 2012
(UNAUDITED)

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$	8,302
Adjustments to reconcile net income		
to net cash provided by (used for) operating activities:		
Depreciation		(1,015)
(Increase) Decrease in:		
Accounts receivable, trade		0
Contract receivable		
Inventory		14,500
Producer Recoupment		0
Prepaid advertising		0
Settlement		0
Increase (decrease) in:		
Accounts payable		(11,323)
Accrued interest payable		0
Accrued payables		
Accrued royalties		
Net cash provided (used for) operating activities		10,464
CASH FLOWS FROM INVESTING ACTIVITIES:		
Note receivable		0
Investment in films and television programs		12,500
Acquisition of property and equipment		0
Net cash (used for) investing activities		12,500
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of shares of common stock		0
Notes payable		0
Net cash provided by (used for) financing activities		
INCREASE (DECREASE) IN CASH		(1,330)
CASH, BEGINNING OF PERIOD		1,695
CASH, END OF PERIOD	$	365

EMPIRE FILM GROUP, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING MARCH 31, 2012
(UNAUDITED)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the year for:

Interest	$ 0
Income taxes	$ 0

EMPIRE FILM GROUP, INC.

GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE PERIOD ENDING MARCH 31, 2012
(UNAUDITED)

GENERAL AND ADMINISTRATIVE EXPENSES

Bank Charges	$	321
Credit Card		0
Employees		0
Entertainment		3,789
Fees		12,500
Insurance		0
Labor		0
Legal and Accounting		750
Legal Settlement		20,000
Miscellaneous		863
Office		2,369
Rent		2,650
Taxes		0
Telephone		600
Travel		3,238
Utilities		0
Total general and administrative expenses	$	47,080

EMPIRE FILM GROUP, INC.

STATEMENT OF CHANGES IN SHAREHOLDERS
FOR THE PERIOD ENDING MARCH 31, 2012
(UNAUDITED)

	Shares of Common Stock Issued	Retained Earnings	Stockholders Equity
Balance at 12/31/2011	218,878,429	$1,402,321	$13,461,760
Net Income for Period	$ 8,302		
Stock Issued	5,807,229		
Balance at 3/31/2012	224,685,658	$1,410,623	$13,473,356