

**WQN, Inc.**  
**Condensed Income Statement**  
**Unaudited**

	12 Months 2011	12 Months 2010
Revenues	\$ -	\$ 72,385
Cost of sales	-	39,812
Gross profit	-	32,573
Operating expenses:		
Compensation, consulting and related expenses	137,168	23,680
General and administrative expenses	19,298	7,233
Depreciation and amortization	-	-
Total operating expenses	156,466	30,913
Income (loss) from operations	(156,466)	1,660
Other (income) expense:		
Interest and financing expense	-	-
Other (income) loss	478,791	1,620,639
Total other (income) expense	478,791	1,620,639
Loss before income taxes	(635,257)	(1,618,979)
Income tax expense (benefit)	-	-
Net loss	\$ (635,257)	\$ (1,618,979)