ABC Company, Inc.
Financial Highlights
(in US Dollars)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues, Net</td>
<td>4,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Income (Loss) from Continuing Operations</td>
<td>500</td>
<td>-4,000</td>
<td>-4,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net Income (Loss) (b)</td>
<td>500</td>
<td>-4,000</td>
<td>-4,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cash Flow Provided by (used in) Operating Activities, Net</td>
<td>-1,000</td>
<td>4,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Capital Additions</td>
<td>1,000</td>
<td>650</td>
<td>550</td>
<td>450</td>
<td>350</td>
</tr>
<tr>
<td>Average Number of Employees (a)</td>
<td>300</td>
<td>250</td>
<td>250</td>
<td>240</td>
<td>220</td>
</tr>
</tbody>
</table>

COMMENTS:
(a). GENERAL: This is a footnote making general comments.
(b). RESTATEMENT: This is a footnote relating to a restatement.

The accompanying notes are an integral part of these financial statements.
ABC Company, Inc.
Consolidated Balance Sheets (Commercial and Industrial, Classified Balance Sheet)
(in US Dollars)

### ASSETS

#### Current Assets
- Cash and Cash Equivalents: 1,000 1,000
- Receivables, Net of allowance of 1,000 and 1,000 in 2004 and 2003, respectively: 1,000 1,000
- Inventory: 1,000 1,000
- Prepaid Expenses: 1,000 1,000
- Other Assets, Current: 1,000 1,000

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets, Current</strong></td>
<td>5,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

#### Noncurrent Assets
- Land: 1,000 1,000
- Buildings, Net: 1,000 1,000
- Furniture and Fixtures, Net: 1,000 1,000
- Other Property, Plant, and Equipment, Net: 1,000 1,000
- Investment in Affiliates: 0 0
- Other Assets, Noncurrent: 3,000 1,000

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets, Noncurrent</strong></td>
<td>7,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>12,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

### LIABILITIES AND EQUITY

#### Current Liabilities
- Accounts Payable: 1,000 1,000
- Accrued Interest Payable: 1,000 1,000
- Accrued Expenses: 1,000 1,000
- Other Payables and Accruals: 0 0
- Long-Term Debt, Current: 1,000 1,000
- Other Liabilities, Current: 1,000 1,000

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities, Current</strong></td>
<td>5,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

#### Noncurrent Liabilities
- Long-Term Debt, Noncurrent: 500 500
- Other Liabilities, Noncurrent: 500 500

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities, Noncurrent</strong></td>
<td>1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

#### Equity
- Class A Preferred Stock; $1 par value, authorized 10,000 shares; 10,000 shares issued and outstanding; liquidation preference: 1,000 500
- Class B Preferred Stock; $1 par value, authorized 10,000 shares; 10,000 shares issued and outstanding; liquidation preference: 1,000 500
- Class A Common Stock; $1 par value, authorized 10,000 shares; 10,000 shares issued and outstanding: 500 500
- Class B Common Stock; $1 par value, authorized 10,000 shares; 10,000 shares issued and outstanding: 500 500
- Additional Paid in Capital: 2,000 1,000
- Retained Earnings (Accumulated Losses): 1,000 1,000

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity</strong></td>
<td>6,000</td>
<td>4,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities and Equity</strong></td>
<td>12,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
ABC Company, Inc.
Consolidated Income Statements (Commercial and Industrial, Multi-Step Income Statement)
(in US Dollars)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues, Net</td>
<td>4,000</td>
<td>0</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>-1,000</td>
<td>-1,000</td>
</tr>
<tr>
<td><strong>Gross Profit (Loss)</strong></td>
<td>3,000</td>
<td>-1,000</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>-1,000</td>
<td>-1,000</td>
</tr>
<tr>
<td>Operating Income</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>3,000</td>
<td>-1,000</td>
</tr>
<tr>
<td>Interest Expense (Income)</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Other Nonoperating Expenses (Income)</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Income (Loss) from Continuing Operations Before Income Taxes</strong></td>
<td>1,000</td>
<td>-3,000</td>
</tr>
<tr>
<td>Income Tax Expense (Benefit)</td>
<td>500</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Income (Loss) from Continuing Operations</strong></td>
<td>500</td>
<td>-4,000</td>
</tr>
<tr>
<td>Income (Loss) from Discontinued Operations, Net</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td>500</td>
<td>-4,000</td>
</tr>
</tbody>
</table>

**Earnings per share:**

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>1.25</td>
<td>1.25</td>
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</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
ABC Company, Inc.
Consolidated Cash Flow Statement (Commercial and Industrial, Direct Cash Flow Statement)
(in US Dollars)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Cash Flow Provided by (used in) Operating Activities, Net</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from Collection of Revenues</td>
<td>1,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Payments of Operating Expenses</td>
<td>-1,000</td>
<td>-1,000</td>
</tr>
<tr>
<td>Payments of Interest</td>
<td>-1,000</td>
<td>-1,000</td>
</tr>
<tr>
<td>Cash Flows Provided by (used in) Operating Activities, Net</td>
<td>-1,000</td>
<td>4,000</td>
</tr>
<tr>
<td><em>Cash Flow Provided by (used in) Investing Activities, Net</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for Purchases of Property, Plant, and Equipment</td>
<td>-1,000</td>
<td>-1,000</td>
</tr>
<tr>
<td>Proceeds from Sale of Property Plant and Equipment</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Cash Flows Provided by (used in) Investing Activities, Net</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><em>Cash Flow Provided by (used in) Financing Activities, Net</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments of Long-Term Debt</td>
<td>-1,000</td>
<td>-1,000</td>
</tr>
<tr>
<td>Proceeds from Additional Long-Term Debt</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Cash Flow Provided by (used in) Financing Activities, Net</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cash Flow, Net</td>
<td>-1,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, Beginning Balance</td>
<td>1,000</td>
<td>-3,000</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, Ending Balance</td>
<td>0</td>
<td>1,000</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
ABC Company, Inc.
Consolidated Cash Flow Statement (Commercial and Industrial, Indirect Cash Flow Statement) (in US Dollars)

<table>
<thead>
<tr>
<th>For Year Ended December 31,</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flow Provided by (used in) Operating Activities, Net</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>500</td>
<td>-4,000</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>1,000</td>
<td>0</td>
</tr>
<tr>
<td>Minority Interest in Net Income (Loss), Net</td>
<td>1,000</td>
<td>0</td>
</tr>
<tr>
<td>Other Adjustments to Reconcile Net Income (Loss) to Cash Provided by (used in) Operations</td>
<td>-2,000</td>
<td>0</td>
</tr>
<tr>
<td>Income (Loss) from Continuing Operations</td>
<td>500</td>
<td>-4,000</td>
</tr>
<tr>
<td>(Increase) Decrease in Receivables, Net</td>
<td>-3,000</td>
<td>0</td>
</tr>
<tr>
<td>(Increase) Decrease in Inventory</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(Increase) Decrease in Prepaid Expenses</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(Increase) Decrease in Other Assets, Current</td>
<td>-1,000</td>
<td>0</td>
</tr>
<tr>
<td>Increase (Decrease) in Accounts Payable</td>
<td>1,000</td>
<td>0</td>
</tr>
<tr>
<td>Increase (Decrease) in Accrued Expenses</td>
<td>1,000</td>
<td>0</td>
</tr>
<tr>
<td>Increase (Decrease) in Other Liabilities, Current</td>
<td>500</td>
<td>0</td>
</tr>
<tr>
<td>Proceeds from Income Taxes Refunded</td>
<td>1,000</td>
<td>0</td>
</tr>
<tr>
<td>Payment of Income Taxes</td>
<td>-1,000</td>
<td>0</td>
</tr>
<tr>
<td>Other Cash Flow from (used in) Other Operating Activities</td>
<td>1,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Cash Flow Provided by (used in) Operating Activities, Net</strong></td>
<td>-1,000</td>
<td>4,000</td>
</tr>
</tbody>
</table>

**Cash Flow Provided by (used in) Investing Activities, Net**

| Payments for Purchases of Property, Plant, and Equipment | -1,000 | -1,000 |
| Proceeds from Sale of Property Plant and Equipment | 1,000 | 1,000 |
| **Cash Flows Provided by (used in) Investing Activities, Net** | 0 | 0 |

**Cash Flow Provided by (used in) Financing Activities, Net**

| Payments of Long-Term Debt | -1,000 | -1,000 |
| Proceeds from Additional Long-Term Debt | 1,000 | 1,000 |
| **Cash Flow Provided by (used in) Financing Activities, Net** | 0 | 0 |

| Cash Flow, Net | -1,000 | 4,000 |
| Cash and Cash Equivalents, Beginning Balance | 1,000 | -3,000 |
| **Cash and Cash Equivalents, Ending Balance** | 0 | 1,000 |

The accompanying notes are an integral part of these financial statements.
ABC Company, Inc.
Consolidated Statement of Changes in Equity
(in US Dollars, except for shares)

<table>
<thead>
<tr>
<th></th>
<th>Preferred Stock</th>
<th>Common Stock</th>
<th>Preferred Stock</th>
<th>Common Stock</th>
<th>Additional Paid in Capital</th>
<th>Retained Earnings</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Shares)</td>
<td>(Shares)</td>
<td>(Shares)</td>
<td>(Shares)</td>
<td>(Accumulated Losses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at December 31, 2005</strong></td>
<td>6,000</td>
<td>6,000</td>
<td>0</td>
<td>1,000</td>
<td>0</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-4,000</td>
<td>-4,000</td>
</tr>
<tr>
<td>Dividends Paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-1,000</td>
<td>-1,000</td>
</tr>
<tr>
<td>Preferred Stock Issued</td>
<td>7,000</td>
<td></td>
<td></td>
<td>1,000</td>
<td></td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Common Stock Issued</td>
<td></td>
<td>5,000</td>
<td></td>
<td>1,000</td>
<td></td>
<td>1,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Stock Options Exercised</td>
<td>6,000</td>
<td>1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Preferred Stock Buybacks</td>
<td>-6,000</td>
<td>-1,000</td>
<td></td>
<td>-1,000</td>
<td></td>
<td>-1,000</td>
<td>-2,000</td>
</tr>
<tr>
<td>Other Increase (Decrease)</td>
<td>-1,000</td>
<td>-11,000</td>
<td>1,000</td>
<td>-2,000</td>
<td></td>
<td>1,000</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2006, Previously Reported</strong></td>
<td>6,000</td>
<td>6,000</td>
<td>1,000</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
<td>4,000</td>
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<tr>
<td>Correction of an Error</td>
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<td>Change in Accounting Policy</td>
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<td></td>
<td>0</td>
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<tr>
<td><strong>Balance at December 31, 2006, Restated</strong></td>
<td>6,000</td>
<td>6,000</td>
<td>1,000</td>
<td>1,000</td>
<td></td>
<td>1,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td></td>
<td></td>
<td></td>
<td>1,000</td>
<td></td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Dividends paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-1,000</td>
<td>-1,000</td>
</tr>
<tr>
<td>Preferred Stock Issued</td>
<td>7,000</td>
<td></td>
<td></td>
<td>1,000</td>
<td></td>
<td></td>
<td>1,000</td>
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<tr>
<td>Common Stock Issued</td>
<td></td>
<td>5,000</td>
<td></td>
<td>1,000</td>
<td></td>
<td>1,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Stock Options Exercised</td>
<td>6,000</td>
<td>1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Preferred Stock Buybacks</td>
<td>-6,000</td>
<td>-1,000</td>
<td></td>
<td>-1,000</td>
<td></td>
<td>-1,000</td>
<td>-2,000</td>
</tr>
<tr>
<td>Other Increase (Decrease)</td>
<td>-1,000</td>
<td>-11,000</td>
<td>1,000</td>
<td>-2,000</td>
<td></td>
<td>1,000</td>
<td>500</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2007</strong></td>
<td>6,000</td>
<td>6,000</td>
<td>2,000</td>
<td>1,000</td>
<td></td>
<td>2,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
1. GENERAL

Nature of Business
The consolidated financial statements include the accounts of ABC Company, Inc. and its subsidiaries, all wholly owned. All significant intercompany balances and transactions have been eliminated in consolidation.

Reclassification of Financial Statement Items
Some prior period classifications have been changed to conform to current period classifications.

Number of Employees
The entity had 300 and 250 employees in 2007 and 2006, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of ABC Company, Inc.

Cash and Cash Equivalents Policies

Receivables Policies

Inventories Policies

Prepaid Expenses Policies

Property, Plant and Equipment Policies

Measurement Basis

Depreciation Method

Estimated Useful Life

Other Assets Policies
These are the other assets policies. Blah blah blah blah.

The accompanying notes are an integral part of these financial statements.
Payables and Accruals Policies
Fusce vitae mi. Sed dapibus venenatis ipsum. Sed in purus. Class aptent taciti sociosqu ad litora torquent per conubia nostra, per inceptos hymenaeos.

Debt Policies

Long-Term Debt

Other Liabilities Policies

Equity Policies

Common Stock

Preferred Stock

Additional Paid in Capital

Retained Earnings (Accumulated Losses)

Income Taxes Policies

Other Accounting Policies

The accompanying notes are an integral part of these financial statements.
3. PROPERTY, PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings, Net</th>
<th>Furniture and Fixtures, Net</th>
<th>Other Property, Plant, and Equipment, Net</th>
<th>Property, Plant, and Equipment, Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2005</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Additions</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Disposals</td>
<td>-1,000</td>
<td>-1,000</td>
<td>-1,000</td>
<td>-1,000</td>
<td>-4,000</td>
</tr>
<tr>
<td>Translation Difference</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Increase (Decrease)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2006</strong></td>
<td><strong>1,000</strong></td>
<td><strong>1,000</strong></td>
<td><strong>1,000</strong></td>
<td><strong>1,000</strong></td>
<td><strong>4,000</strong></td>
</tr>
<tr>
<td>Additions</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Disposals</td>
<td>-1,000</td>
<td>-1,000</td>
<td>-1,000</td>
<td>-1,000</td>
<td>-4,000</td>
</tr>
<tr>
<td>Translation Difference</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Increase (Decrease)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2007</strong></td>
<td><strong>1,000</strong></td>
<td><strong>1,000</strong></td>
<td><strong>1,000</strong></td>
<td><strong>1,000</strong></td>
<td><strong>4,000</strong></td>
</tr>
</tbody>
</table>

The following is a summary of leasehold land and buildings as of December 31, 2007 and 2006:

<table>
<thead>
<tr>
<th>Leasehold</th>
<th>Location</th>
<th>Description</th>
<th>Tenure</th>
<th>Tenure Start Date</th>
<th>2007 Value (at Cost)</th>
<th>2006 Value (at Cost)</th>
</tr>
</thead>
<tbody>
<tr>
<td>gaap:LeaseholdAMember</td>
<td>Tacoma, Washington</td>
<td>Warehouse</td>
<td>Fifteen year lease</td>
<td>2000-01-01</td>
<td>1,000</td>
<td>5,000</td>
</tr>
<tr>
<td>gaap:LeaseholdBMember</td>
<td>Seattle, Washington</td>
<td>Warehouse</td>
<td>Twenty year lease</td>
<td>2000-01-01</td>
<td>100,000</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>101,000</td>
<td>55,000</td>
</tr>
</tbody>
</table>

4. INCOME TAXES

The following is a breakdown of income taxes into their current and deferred portions:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>2007</strong></td>
<td><strong>2006</strong></td>
</tr>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td>200</td>
<td>250</td>
</tr>
<tr>
<td>Domestic</td>
<td>50</td>
<td>250</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td>250</td>
<td>500</td>
</tr>
<tr>
<td>DEFERRED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td>200</td>
<td>250</td>
</tr>
<tr>
<td>Domestic</td>
<td>50</td>
<td>250</td>
</tr>
<tr>
<td><strong>Deferred</strong></td>
<td>250</td>
<td>500</td>
</tr>
<tr>
<td><strong>Income Tax Expense (Benefit)</strong></td>
<td><strong>500</strong></td>
<td><strong>1,000</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
5. DEBT

The following is a summary of maturities of long-term debt for the company as of December 31, 2004:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>1,000</td>
</tr>
<tr>
<td>2006</td>
<td>0</td>
</tr>
<tr>
<td>2007</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>0</td>
</tr>
<tr>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>Thereafter</td>
<td>500</td>
</tr>
</tbody>
</table>

Total Long-Term Debt: 1,500

The following is details of long-term debt for the company:

<table>
<thead>
<tr>
<th>Debt Instrument A in metus augue, euismod nec, luctus eu, egestas sed</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Debt Instrument B luctus eu, egestas sed</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Debt Instrument C velit lobortis dictum. In metus augue, euismod nec, luctus eu</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Long-Term Debt, Current</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Long-Term Debt, Noncurrent</td>
<td>500</td>
<td>500</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
ABC Company, Inc.
Notes to the Consolidated Financial Statements
December 31, 2007 and 2006

6. BUSINESS SEGMENTS
The following is information about the business segments:

2007

<table>
<thead>
<tr>
<th></th>
<th>Business Segment One</th>
<th>Business Segment Two</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Sales</td>
<td>2,000</td>
<td>2,000</td>
<td>0</td>
<td>4,000</td>
</tr>
<tr>
<td>Inter-segment sales</td>
<td>1,000</td>
<td>1,000</td>
<td>-2,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Revenue, Net</strong></td>
<td></td>
<td></td>
<td>-2,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>RESULT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment result</td>
<td>2,000</td>
<td>2,000</td>
<td>-1,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Unallocated Corporate Expenses</td>
<td></td>
<td></td>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td>Income (Loss) from Continuing Operations</td>
<td></td>
<td></td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>Income (Loss) from Affiliates</td>
<td></td>
<td></td>
<td>-1,000</td>
<td></td>
</tr>
<tr>
<td>Income (Loss) from Investments</td>
<td></td>
<td></td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Income (Loss) from Continuing Operations</td>
<td></td>
<td></td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>Before Income Taxes</td>
<td></td>
<td></td>
<td></td>
<td>-500</td>
</tr>
<tr>
<td>Income Tax Expense (Benefit)</td>
<td></td>
<td></td>
<td></td>
<td>500</td>
</tr>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td></td>
<td></td>
<td></td>
<td>500</td>
</tr>
</tbody>
</table>

**BALANCE SHEET**

<table>
<thead>
<tr>
<th></th>
<th>Business Segment One</th>
<th>Business Segment Two</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment Assets</td>
<td>5,000</td>
<td>5,000</td>
<td>-2,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Investment in Affiliates</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated Corporate Assets</td>
<td></td>
<td></td>
<td></td>
<td>4,000</td>
</tr>
<tr>
<td><strong>Consolidated Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td>12,000</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment Liabilities</td>
<td>3,000</td>
<td>3,000</td>
<td>-2,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Unallocated Corporate Liabilities</td>
<td></td>
<td></td>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Consolidated Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td>6,000</td>
</tr>
</tbody>
</table>

**OTHER INFORMATION**

<table>
<thead>
<tr>
<th></th>
<th>Business Segment One</th>
<th>Business Segment Two</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>250</td>
<td>250</td>
<td>0</td>
<td>500</td>
</tr>
<tr>
<td>Amortisation</td>
<td>250</td>
<td>250</td>
<td>0</td>
<td>500</td>
</tr>
<tr>
<td>Capital Additions</td>
<td>750</td>
<td>750</td>
<td>-500</td>
<td>1,000</td>
</tr>
<tr>
<td>Impairment Losses (Reversals)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognized in Income</td>
<td>2,000</td>
<td>2,000</td>
<td>-3,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Number of employees at end of year</td>
<td>200</td>
<td>100</td>
<td></td>
<td>300</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
7. EQUITY

The following is a summary of shares authorized for each class of preferred and common stock which was outstanding as of December 31:

<table>
<thead>
<tr>
<th>Authorized:</th>
<th>As of December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
</tr>
<tr>
<td><strong>Preferred Stock:</strong></td>
<td></td>
</tr>
<tr>
<td>gaap:ClassAPreferredStockMember</td>
<td>10,000</td>
</tr>
<tr>
<td>gaap:ClassBPreferredStockMember</td>
<td>10,000</td>
</tr>
<tr>
<td>gaap:AllClassesOfPreferredStockDomain</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Common Stock:</strong></td>
<td></td>
</tr>
<tr>
<td>gaap:ClassACommonStockMember</td>
<td>10,000</td>
</tr>
<tr>
<td>gaap:ClassBCommonStockMember</td>
<td>10,000</td>
</tr>
<tr>
<td>gaap:AllClassesOfCommonStockDomain</td>
<td>20,000</td>
</tr>
</tbody>
</table>

8. SHARE OWNERSHIP PLANS

gaap:ShareOwnershipPlan1Member

These are the description, general conditions, and terms of share ownership plan 1

Awards:

<table>
<thead>
<tr>
<th>Type</th>
<th>Outstanding 2006</th>
<th>Granted</th>
<th>Forfeited</th>
<th>Exercised</th>
<th>Expired</th>
<th>Outstanding 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>gaap:ShareOwnershipPlan1Member</td>
<td>0</td>
<td>4,000</td>
<td>-1,000</td>
<td>-1,000</td>
<td>-1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
9. SUBSEQUENT EVENTS

The following is a summary of subsequent events for the company:

Description of subsequent event number 1 which relates to the loss of an uncollectable receivable. The event occurred on 2008-01-15.

Description of subsequent event number 2 which relates to the purchase of a business. The event occurred on 2008-01-20.

10. RELATED PARTY TRANSACTIONS

The following is a summary of related party of the company and transactions with those related parties:

**Related Parties:**

<table>
<thead>
<tr>
<th>Name of Related Party</th>
<th>Type of Relationship</th>
<th>Nature of Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>gaap:RelatedParty1Member</td>
<td>Parent</td>
<td>This is other descriptive information about the relationship.</td>
</tr>
<tr>
<td>gaap:RelatedParty2Member</td>
<td>JointVenture</td>
<td>This is other descriptive information about the relationship.</td>
</tr>
</tbody>
</table>

**Transactions with Related Parties:**

<table>
<thead>
<tr>
<th>Party</th>
<th>Transaction Description</th>
<th>Pricing Policy</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>gaap:RelatedParty1Member</td>
<td>Transaction 1 description</td>
<td>Cost</td>
<td>1000</td>
</tr>
<tr>
<td>gaap:RelatedParty1Member</td>
<td>Transaction 2 description</td>
<td>Cost</td>
<td>1000</td>
</tr>
<tr>
<td>gaap:RelatedParty2Member</td>
<td>Transaction 1 description</td>
<td>Cost</td>
<td>1000</td>
</tr>
<tr>
<td>gaap:RelatedParty2Member</td>
<td>Transaction 2 description</td>
<td>Cost</td>
<td>1000</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
11. DIRECTOR COMPENSATION

The following is a summary of director compensation:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Salary</th>
<th>Bonus</th>
<th>Director Fee</th>
<th>Total Salary, Bonus, Directors Fee</th>
<th>Fair Value of Options Granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>gaap:Director1Member</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>3,000</td>
<td>1,000</td>
</tr>
<tr>
<td>gaap:Director2Member</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>3,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Total</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>6,000</td>
<td>2,000</td>
</tr>
</tbody>
</table>

12. OTHER MATTERS

Reconciliation of Cash

The following is a reconciliation of cash and cash equivalents reported on the balance sheet to cash and cash equivalents reported on the cash flow statement:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents, per Balance Sheet</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Reconciling Item A</td>
<td>-500</td>
<td>500</td>
</tr>
<tr>
<td>Reconciling Item B</td>
<td>-500</td>
<td>-500</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, per Cash Flow Statement</td>
<td>0</td>
<td>1,000</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
12. OTHER MATTERS (continued)

Portfolio of Investments

The following is detail of the portfolio of investments of the company:

<table>
<thead>
<tr>
<th>Shares</th>
<th>Description</th>
<th>Moody’s Rating</th>
<th>S &amp; P Rating</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>SHORT-TERM INVESTMENTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>United States</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>gaap:InvestmentInGovernmentalEntitiesMember</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>gaap:USFederalGovernmentMember</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10,000 gaap:TreasuryBills3.4712010Member</td>
<td>gaap:APlusPlusMember gaap:AAAMember</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10,000 gaap:TreasuryBills3.3712011Member</td>
<td>gaap:APlusPlusMember gaap:AAAMember</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Investments 2007</td>
<td></td>
<td></td>
<td>2,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shares</th>
<th>Description</th>
<th>Moody’s Rating</th>
<th>S &amp; P Rating</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>SHORT-TERM INVESTMENTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>United States</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>gaap:InvestmentInGovernmentalEntitiesMember</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>gaap:USFederalGovernmentMember</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10,000 gaap:TreasuryBills3.4712010Member</td>
<td>gaap:APlusPlusMember gaap:AAAMember</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10,000 gaap:TreasuryBills3.3712011Member</td>
<td>gaap:APlusPlusMember gaap:AAAMember</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Investments 2006</td>
<td></td>
<td></td>
<td>2,000</td>
</tr>
</tbody>
</table>

Sales Analysis

The following is an analysis of revenue for the company for the period ended December 31, 2007. The analysis shows sales by customer ID for the company and for the consolidated total. Note that all sales are after elimination of inter-segment transactions.

<table>
<thead>
<tr>
<th>Customer ID</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>gaap:CustomerAMember</td>
<td>2,000</td>
</tr>
<tr>
<td>gaap:CustomerBMember</td>
<td>1,000</td>
</tr>
<tr>
<td>gaap:CustomerCMember</td>
<td>1,000</td>
</tr>
<tr>
<td>gaap:ConsolidatedGroupDomain</td>
<td>4,000</td>
</tr>
</tbody>
</table>

Note that total revenues is shown in three places: Here in the sales analysis, on the business segment breakdown, and on the consolidated income statement. In all three places this is the SAME CONCEPT. The dimensions “shape shift” using default dimensions to take to proper form, depending where the concept with that context shows up.

The accompanying notes are an integral part of these financial statements.
MANAGEMENT DISCUSSION AND ANALYSIS

The following is an example/sample of the target use case for narratives. The information was taken
from various samples and put together to minimize the effort required to put this example
together. It may seem nonsensical, but it definitely shows the Actual use case. The Actual use case
has the following characteristics:

1) It contains a mixture of paragraphs of text and tables of information,
2) The information MUST be viewed in a particular order to make sense,
3) There is typically a large volume of information, such as the "Management Discussion and
   Analysis",
4) The information can be unique to a company, no standard taxonomy concepts exist.
5) The information contains a mixture of "data" and "labels".

This example is intended to mimic the characteristics of the use case described above. It would
likely be quite easy to find an example from a financial report which shows this use case in a
form which is more comfortable to domain users (i.e., accountants). If the domain users would like
this example updated to be more understandable to an accountant, we can put that together
for them. But, this example is to show the characteristics of the use case with minimum
effort, not to be 100% correct from a financial reporting perspective.

RECEIVABLES

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated
irrecoverable amounts.

Trade receivables include receivables from major customers.

Trade receivables include related party receivables.

DIRECTOR COMPENSATION

The following is a listing of director compensation:

<table>
<thead>
<tr>
<th>Name of director</th>
<th>Salary</th>
<th>Bonus</th>
<th>Director fees</th>
<th>Options Granted</th>
<th>Fair Value of Options Granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>John James</td>
<td>0</td>
<td>0</td>
<td>60,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Buck Rogers</td>
<td>879,639</td>
<td></td>
<td>1,213,486</td>
<td>0</td>
<td>569,000</td>
</tr>
<tr>
<td>Clark Kent</td>
<td>0</td>
<td>0</td>
<td>24,200</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lois Lane</td>
<td>0</td>
<td>0</td>
<td>57,000</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis, except for the revaluation of land
and buildings and certain financial instruments. The principal accounting policies adopted are set out below.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and,
where applicable, direct labor costs and those overheads that have been incurred in bringing the
inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realizable value represents the estimated selling price less all estimated costs to completion and costs to
be incurred in marketing, selling and distribution.

Inventories are stated at the lower of cost and net realizable value. Included in inventory are: (a) raw
materials, (b) supplies, (c) finished goods.

LONG TERM DEBT

The following is a summary of Long-term Debt outstanding as of December 31, 2004 and 2003:

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note payable to a bank, principal payments of $11,300 due September 15 and October 15, 2004, 2005, and 2006 with an additional principal payment of $880 paid when the note is due on October 15, 2006, interest at prime plus 2% is payable monthly, secured by equipment</td>
<td>$ 23,480</td>
<td>$ 46,080</td>
</tr>
<tr>
<td>Note payable to a bank, principal payments of $3,400 due monthly from August through January, interest at prime plus 2% payable monthly, due October 5, 2009, secured by a vehicle</td>
<td>85,000</td>
<td>0</td>
</tr>
<tr>
<td>Note payable to a related party, payable in semi-annual principal installments of $10,000 plus interest at 10%, unsecured</td>
<td>0</td>
<td>45,000</td>
</tr>
<tr>
<td>Capital lease payable in monthly installments of $1,200 including interest at 13.25%, due February 2007, secured by a vehicle</td>
<td>33,301</td>
<td>43,782</td>
</tr>
<tr>
<td>Long Term Debt, Total</td>
<td>141,781</td>
<td>134,862</td>
</tr>
<tr>
<td>Current Portion of Long Term Debt</td>
<td>23,000</td>
<td>22,000</td>
</tr>
<tr>
<td>Non Current Portion of Long Term Debt</td>
<td>$ 118,781</td>
<td>$ 112,862</td>
</tr>
</tbody>
</table>

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group has
become a party to the contractual provisions of the instrument.

(MD&A)