

SOMATIC SYSTEMS, INC.

FINANCIAL STATEMENTS

2007 Fiscal Year, 1st Quarter
January 1, 2007 – March 31, 2007

SOMATIC SYSTEMS, INC.
FINANCIAL STATEMENTS

2007 Fiscal Year, 1st Quarter
January 1, 2007 – March 31, 2007

TABLE OF CONTENTS

Part I. Certification of Chief Executive Officer	Page 1
Part II. Consolidated Statement Of Income <i>For 2007 Fiscal Year, 1st Quarter, Ending March 31, 2007</i>	Page 2
Part III. Consolidated Balance Sheet Statement <i>As of March 31, 2007</i>	Page 3
Part IV. Statement of Cash Flows <i>For 2007 Fiscal Year, 1st Quarter, Ending March 31, 2007</i>	Page 4

CERTIFICATION

I, Steven Aronstein, Chief Executive Officer of Somatic Systems, Inc., hereby certify that the consolidated interim financial statements filed herewith and the attached notes, fairly present, in all material respects, the financial position, results of operations and cash flows as of and for the period ending March 31, 2007, in conformity with generally accepted accounting principles in the United States of America for financial statements, consistently applied.

Dated this 28th day of August, 2007



Steven Aronstein,
Chief Executive Officer

Part II. SOMATIC SYSTEMS, INC.
CONSOLIDATED STATEMENT OF INCOME
FOR QUARTER ENDING 3/31/2007

	3/31/07	3/31/06
Sales Revenue	\$ 38,983.65	\$ 12,221.15
Other Revenue	\$ -	\$ -
Total Revenue	<u>\$ 38,983.65</u>	<u>\$ 12,221.15</u>
Direct Costs	\$ 3,747.26	\$ 2,297.75
Raw Materials	\$ -	\$ -
Labor	\$ -	\$ -
Total Direct Costs	<u>\$ 3,747.26</u>	<u>\$ 2,297.75</u>
Gross Profit	\$ 35,236.39	\$ 9,923.40
G & A Expenses		
Salaries & Wages	\$ 23,070.89	\$ 2,591.69
Payroll Taxes	\$ -	\$ 323.83
Sales Expenses	\$ 1,405.00	\$ -
Office Expenses	\$ 85,940.11	\$ 14,956.33
Depreciation	\$ 7,824.46	\$ -
Interest Expense	\$ 1,916.18	\$ -
Other G & A Expenses	\$ 147,500.00	\$ -
Total G & A Expenses	<u>\$ 267,656.64</u>	<u>\$ 17,871.85</u>
Profit (Loss) before Other Income	\$ (232,420.25)	\$ (7,948.45)
Other Income	\$ -	\$ -
Income Before FIT	\$ (232,420.25)	\$ (7,948.45)
Income Tax	<u>\$ -</u>	<u>\$ -</u>
Net Income	<u>\$ (232,420.25)</u>	<u>\$ (7,948.45)</u>

Part III. SOMATIC SYSTEMS, INC.
CONSOLIDATED BALANCE SHEET STATEMENT
AS OF 3/31/2007

	3/31/07	3/31/06
<u>ASSETS</u>		
Current Assets		
Cash & Cash Equivalents	\$ 1,707.63	\$ 1,564.37
Accounts Receivable	\$ 22,773.00	\$ 50.00
Notes/Interest Receivable	\$ -	\$ -
Other Assets/Database	\$ 30,625.00	\$ -
Total Current Assets	<u>\$ 55,105.63</u>	<u>\$ 1,614.37</u>
Property, Plant & Equipment	\$ 160,833.53	\$ 120,516.00
Less: Accumulated Depreciation	\$ (33,970.29)	\$ -
Net Fixed Assets	<u>\$ 126,863.24</u>	<u>\$ 120,516.00</u>
TOTAL ASSETS	<u><u>\$ 181,968.87</u></u>	<u><u>\$ 122,130.37</u></u>
<u>LIABILITIES & EQUITY</u>		
Current Liabilities		
Accounts Payable	\$ 142,278.36	\$ 114,880.38
Accrued Liabilities	\$ 2,072.11	\$ -
FIT Payable	\$ -	\$ -
Notes Payable	\$ 298,202.51	\$ 236,164.90
Total Current Liabilities	<u>\$ 442,552.98</u>	<u>\$ 351,045.28</u>
Long Term Debt	\$ -	\$ -
Notes Payable - Long Term	<u>\$ -</u>	<u>\$ -</u>
Total Long Term Debt	\$ -	\$ -
TOTAL LIABILITIES	\$ 442,552.98	\$ 351,045.28
STOCKHOLDER'S EQUITY		
Common Stock \$0.0001 Par Value	\$ 349,898.90	\$ -
Additional Paid In Capital	\$ -	\$ -
Retained Earnings - Prior	\$ (378,062.76)	\$ (220,966.46)
Net Income (Loss)	\$ (232,420.25)	\$ (7,948.45)
Retained Earnings - Total	<u>\$ (610,483.01)</u>	<u>\$ (228,914.91)</u>
TOTAL STOCKHOLDER'S EQUITY	\$ (260,584.11)	\$ (228,914.91)
TOTAL LIABILITIES & EQUITY	<u><u>\$ 181,968.87</u></u>	<u><u>\$ 122,130.37</u></u>

Part IV. SOMATIC SYSTEMS, INC.
STATEMENT OF CASH FLOWS
FOR QUARTER ENDING 3/31/2007

CASH FLOWS FROM OPERATIONS	3/31/07
Net Earnings	\$ (232,420.25)
Adjustments to earnings not requiring cash	
Depreciation	\$ 7,824.46
Provision of loss on receivables	\$ -
Deferred Income Taxes	\$ -
Cash Flows from Operations Before Changes in Current Assets & Liabilities	\$ (224,595.79)
Changes in Current Assets & Liabilities	
Decrease (Increase) in Receivables	\$ (17,772.02)
Decrease (Increase) in Notes Receivable	\$ -
Decrease (Increase) in Other Assets	\$ (2,625.00)
(Decrease) Increase in Payables	\$ 1,503.16
(Decrease) Increase in Accrued Expenses	\$ 514.31
Net Cash Flows from Operating Activities	\$ (242,975.34)
CASH FLOWS FROM INVESTING ACTIVITIES	
Principle Payments on Notes	\$ -
Purchase of Property, Plant & Equipment	\$ (2,581.72)
Sales or Retirement of Property, Plant & Equipment	\$ -
Net Cash Used by Investing Activities	\$ (2,581.72)
Cash Flows from Financing Activities	
Proceeds from Equity Financing & Notes	\$ 241,776.14
Net Cash (Used) Provided by Financing Activities	\$ 239,194.42
NET CHANGE IN CASH & CASH EQUIVALENTS BETWEEN QUARTERS ENDING 12/31/06 & 3/31/07	<u>\$ (3,780.92)</u>