GUTMANN USA, INC.

FINANCIAL STATEMENTS
December 31, 2010 and 2009

GUTMANN USA, INC.

CONTENTS

Financial Statements

MJR

MELLON, JOHNSON & REARDON

CERTIFIED PUBLIC ACCOUNTANTS, LLP

American Institute of Certified Public Accountants - Private Companies Practice Section
California Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Gutmann USA, Inc.
Corona, California

We have audited the accompanying financial statements of Gutmann USA, Inc. which includes the balance sheets as of December 31, 2010 and 2009, and the statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2010 and 2009.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Gutmann USA, Inc. as of December 31, 2010 and 2009, and of its financial performance and its cash flows for the years then ended, in accordance with the IFRS for SME's.

Mellon, Johnson & Reardon, LLP

Ontario, California
February 17, 2011

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GUTMANN USA, INC.

BALANCE SHEETS
December 31, 2010 and 2009

	Notes	2010	2009
ASSETS			
CURRENT ASSETS			
Cash	2	$ 84,361	$ 60,058
Trade and other receivables	3	362,570	209,631
Inventory	2	-	351,907
Deferred income tax assets	10	-	120
Total Current Assets		446,931	621,716
NON-CURRENT ASSETS			
Property and equipment	4	-	40,855
Intangible asset	5	-	27,000
Deferred income tax assets	10	-	34,394
Deposits		-	3,900
Total Non-Current Assets		-	106,149
TOTAL ASSETS		$ 446,931	$ 727,865
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Borrowings	6	$ -	$ 16,988
Trade and other payables	7	348,207	663,732
Total Current Liabilities		348,207	680,720
NON-CURRENT LIABILITIES			
Borrowings	6	-	2,775
TOTAL LIABILITIES		348,207	683,495
EQUITY	8	98,724	44,370
TOTAL LIABILITIES AND EQUITY		$ 446,931	$ 727,865

The accompanying notes are an integral part of this statement.

[redacted]

GUTMANN USA, INC.

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Years Ended December 31, 2010 and 2009

		2010		2009	
	Notes	Amount	%	Amount	%
SALES	2	$ 1,361,132	100.00	$ 779,011	100.00
COST OF SALES		1,175,585	86.37	475,946	61.10
GROSS PROFIT		185,547	13.63	303,065	38.90
OPERATING EXPENSES					
Professional services		28,500	2.09	18,450	2.37
Rent		30,144	2.21	69,673	8.94
Salaries and wages		64,928	4.77	190,837	24.50
Travel		3,382	0.25	10,696	1.37
Other administrative expenses	9	56,990	4.19	43,954	5.64
Gain on disposition of intangible asset	5	(2,250)	(0.17)	-	-
(Gain) loss on disposition of equipment	4	(11,066)	0.45	3,463	0.44
Total Operating Expenses		170,628	13.79	337,073	43.26
PROFIT (LOSS) FROM OPERATIONS BEFORE INCOME TAXES		14,919	(0.16)	(34,008)	(4.36)
INCOME TAX (BENEFIT) EXPENSE	10	17,494	1.29	(3,498)	(0.45)
LOSS FROM OPERATIONS		(2,575)	(1.45)	(30,510)	(3.91)
OTHER COMPREHENSIVE INCOME					
Gain on foreign currency translation, net of tax	2	56,929	4.18	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		$ 54,354	2.73	$ (30,510)	(3.91)

The accompanying notes are an integral part of this statement.

GUTMANN USA, INC.

STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2010 and 2009

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Totals
BALANCE, JANUARY 1, 2009	$ 100	$ 174,900	$ (100,120)	$ 74,880
Loss from operations	-	-	(30,510)	(30,510)
BALANCE, DECEMBER 31, 2009	100	174,900	(130,630)	44,370
Loss from operations	-	-	(2,575)	(2,575)
Gain on foreign currency translation	-	-	56,929	56,929
Total Comprehensive Income for the Year	-	-	54,354	54,354
BALANCE, DECEMBER 31, 2010	$ 100	$ 174,900	$ (76,276)	$ 98,724

The accompanying notes are an integral part of this statement.

GUTMANN USA, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2010 and 2009

	Notes	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss from operations		$ (2,575)	$ (30,510)
Adjustments for non-cash income and expenses:			
Depreciation	4	5,189	17,218
Amortization	5	4,500	9,000
Deferred tax expense (benefit)	10	35,314	(3,498)
Gain on foreign currency translation	2	56,929	-
(Gain) loss on sale of fixed assets	4	(11,066)	3,463
Gain on sale of intangible asset	5	(2,250)	-
Finance costs		2,563	777
Changes in working capital:			
Trade and other receivables	3	(152,939)	278,064
Inventory	2	351,907	112,711
Deposits		3,900	-
Trade and other payables	7	(314,325)	(406,842)
Cash Used by Operations		(22,853)	(19,617)
Interest paid		(2,563)	(777)
Income taxes paid	10	(800)	(800)
Net Cash Used by Operating Activities		(26,216)	(21,194)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of fixed assets		71,482	8,250
Net Cash Provided by Investing Activities		71,482	8,250
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(19,763)	(26,432)
Repayment of shareholder loan		(1,200)	-
Net Cash Used by Financing Activities		(20,963)	(26,432)
NET INCREASE (DECREASE) IN CASH		24,303	(39,376)
CASH, BEGINNING OF YEAR		60,058	99,434
CASH, END OF YEAR	2	$ 84,361	$ 60,058

The accompanying notes are an integral part of this statement.

NOTE 1 - GENERAL INFORMATION

Nature of Business
Gutmann USA, Inc. (Company) is incorporated under the laws of the United States of America and is engaged in the wholesale distribution of high quality materials and windows used on the outside of commercial, residential and institutional projects. The Company is also a wholesale distributor of aluminum-acrylic carports. During 2010, the Company changed its operations to include providing installation services for the products they distribute.

The Company is a subsidiary of Hermann Gutmann Werke AG (Parent), located in Germany. The registered office and principal place of business is located in Corona, California.

Due to weak economic market conditions, Gutmann USA, Inc., and its parent, Hermann Gutmann Werke AG agreed to wind down operations at Gutmann USA, Inc. During 2010, management has disposed of its inventory and property and equipment. Management has also paid off its financial debt. The remaining cash, trade receivables, and trade payables will be received, paid off, and distributed to the shareholders at January 1, 2011.

These financial statements were authorized for issue by management on February 17, 2011.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This is the first set of financial statements prepared by Gutmann USA, Inc. in accordance with IFRS for Small and Medium Sized Entities, issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Presentation
The financials statements of the Company have been prepared in accordance with the International Financial Reporting Standard for Small and Medium sized Entities (IFRS for SME's). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the IFRS for SME's requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed separately from these accounting policies.

Foreign Currency Translation
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). These financial statements are presented in U.S. Dollars, which is the Company's functional presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade Receivables
The Company considers trade receivables to be fully collectible. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Inventory
Inventory is stated at the lower of cost or market and cost is determined using the first in, first out method. Inventory consists of finished goods. The cost of these finished goods includes direct materials, direct labor, other direct costs, and related production overhead. At each reporting date, inventory is assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell and the impairment loss is recognized immediately in profit or loss. The majority of the Company's inventory was purchased from Hermann Gutmann Werke AG, the parent company of Gutmann USA, Inc. As of December 31, 2010, the Company disposed of its remaining inventory in conjunction with its plan to wind down operations.

Property and Equipment
Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses, if applicable. Historical cost includes any expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of property or equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of the assets less their residual value over their estimated useful lives, using the straight line method. The estimated useful lives range as follows:

Machinery and equipment	7 Years
Transportation equipment	5 Years
Computer and office equipment	5 - 7 Years
Tenant improvements	39.5 Years

The assets' residual values, useful lives, and depreciation methods are reviewed and adjusted prospectively, if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within gains/losses on disposition of equipment in the statement of comprehensive income.

Intangible Asset - Patents
Patents have a finite useful life and are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight line method to allocate the cost of the patent over its estimated useful life of 5 years.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowings
Borrowings are recognized initially at the transaction price which is the present value of cash payable to the lending institution, including transaction costs. Borrowings are subsequently stated at amortized cost. Interest expense is recognized on the basis of the effective interest method and is included in finance costs. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at lease 12 months after the reporting date.

Trade Payables
Trade payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

Revenue Recognition
Revenue is measured at the fair value of consideration received or receivable for the sale of goods in the ordinary course of the Company's business, net of discounts. The Company revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

Income Taxes
The tax expense for the period comprises current and deferred tax. Tax is recognized on profit or loss. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the Company operates and generates taxable income.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits derived by the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Leases
Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

The Company leases certain items of property and equipment. Leases of property and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is apportioned between the liability and finance charges using the effective interest method. Rental obligations, net of finance charges, are included in borrowings in the statement of financial position. The property and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of the future. The resulting accounting estimates will, by definition, seldom equal actual results.

Transition to IFRS for SME's

The Company's financial statements for the year ended December 31, 2010 are its first annual financial statements prepared under accounting policies that comply with IFRS for SME's. In preparing these financial statements in accordance with IFRS for SME's the Company has applied all the mandatory exceptions and no optional exemptions from full retrospective application of the IFRS for SME's.

NOTE 3 - TRADE AND OTHER RECEIVABLES

	2010	2009
Trade receivables	$ 362,570	$ 208,520
Prepayments	-	1,111
Total	$ 362,570	$ 209,631

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment are summarized by major classifications as follows:

2010

Cost	Tenant Improvements	Office Equipment	Machinery & Equipment	Vehicles	Total
Balance, Beginning of Year	$ 2,904	$ 3,659	$ 58,076	$ -	$ 64,639
Additions	-	-	-	-	-
Deletions	(2,904)	(3,659)	(58,076)	-	(64,639)
Balance, End of Year	$ -	$ -	$ -	$ -	$ -
Accumulated Depreciation					
Balance, Beginning of Year	$ 124	$ 1,387	$ 22,273	$ -	$ 23,784
Additions	28	246	4,915	-	5,189
Deletions	(152)	(1,633)	(27,188)	-	(28,973)
Balance, End of Year	$ -	$ -	$ -	$ -	$ -
Carrying Amount	$ -	$ -	$ -	$ -	$ -

NOTE 4 - PROPERTY AND EQUIPMENT (CONTINUED)

2009

	Tenant Improvements	Office Equipment	Machinery & Equipment	Vehicles	Total
Cost					
Balance, Beginning of Year	$ 2,904	$ 3,659	$ 58,076	$ 19,521	$ 84,160
Additions	-	-	-	-	-
Deletions	-	-	-	(19,521)	(19,521)
Balance, End of Year	$ 2,904	$ 3,659	$ 58,076	$ -	$ 64,639
Accumulated Depreciation					
Balance, Beginning of Year	$ 49	$ 793	$ 8,652	$ 4,880	$ 14,374
Additions	75	594	13,621	2,928	17,218
Deletions	-	-	-	(7,808)	(7,808)
Balance, End of Year	$ 124	$ 1,387	$ 22,273	$ -	$ 23,784
Carrying Amount	$ 2,780	$ 2,272	$ 35,803	$ -	$ 40,855

Depreciation expense for the years ended December 31, 2010 and 2009, was $5,189 and $17,218, respectively.

The Company leased various equipment under finance lease agreements. The lease terms varied in length and after the expiration of the respective agreement, ownership transferred to the Company.

Equipment includes the following amounts where the Company is a lessee under a finance lease:

	2010	2009
Net carrying amount:	$ -	$ 14,434

During the year ended December 31, 2010, the Company disposed of its property and equipment in conjunction with the Company's plan to wind down its operations, resulting in a gain on sale in the amount of $11,066.

NOTE 5 - INTANGIBLE ASSET - PATENT

The intangible asset represents a patent purchased for the manufacture of parts to compliment products purchased from the Parent. Amortization expense for the years ended December 31, 2010 and 2009 was $4,500 and $9,000, respectively.

During the year ended December 31, 2010, the patent was disposed of, in conjunction with the Company's plan to wind down its operations, resulting in a gain on sale in the amount of $2,250.

NOTE 6 - BORROWINGS

	2010	2009
Non-current		
Finance lease liabilities	$ -	$ 2,775
Current		
Finance lease liabilities	-	16,988
Total	$ -	$ 19,763

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. In May 2010, the Company paid off all of its existing finance lease liabilities in conjunction with its plan to wind down the Company.

NOTE 7- TRADE AND OTHER PAYABLES

	2010	2009
Trade payables	$ 133,207	$ 445,291
Amounts due to related parties	205,000	206,200
Accrued expenses	10,000	12,241
Total	$ 348,207	$ 663,732

NOTE 8 - EQUITY

The Company has issued common stock with $1 par value with 1,000 shares authorized and 100 shares issued and outstanding as of December 31, 2010.

NOTE 9 - OTHER ADMINISTRATIVE EXPENSES

Included in other administrative expenses are:

	2010	2009
Advertising	$ -	$ 1,561
Bad debt expense	1,968	7,662
Dues and subscriptions	90	50
Employee benefits	10,245	28,592
Equipment rental	2,066	4,007
Insurance expense	15,276	14,674
Interest expense	2,563	777
Office expenses	4,630	8,124
Repairs and maintenance	2,056	785
Taxes and licenses	14,862	23,965
Utilities	3,234	12,629
Overhead allocation	-	(58,872)
Total	$ 56,990	$ 43,954

NOTE 10 - INCOME TAXES

Amounts for deferred tax assets are as follows:

	2010	2009
Current Deferred Tax Assets		
Federal	$ -	$ 120
	-	120
Non-Current Deferred Tax Assets		
Federal	12,666	20,397
California	6,606	13,997
Valuation allowance	(19,272)	-
	-	34,394
Total Deferred Tax Assets	$ -	$ 34,514

The provision for income taxes for operations for the years ended December 31, 2010 and 2009, consisted of:

	2010	2009
Current income tax		
California	$ 800	$ 800
	800	800
Deferred income tax		
Federal	(3,361)	(1,461)
California	783	(2,837)
Increase in Valuation Allowance	19,272	-
	16,694	(4,298)
Provision (Benefit) for Income Taxes	$ 17,494	$ (3,498)

The provision for income taxes for other comprehensive income for the years ended December 31, 2010 and 2009, consisted of:

	2010	2009
Deferred income tax		
Federal	$ 11,212	$ -
California	6,608	-
Provision for Income Taxes	$ 17,820	$ -

The Company has unused net operating losses for the years ended December 31, 2010 and 2009, of $84,438 and $160,572, respectively, for federal income tax purposes and $162,266 and $74,727, respectively, for state income tax purposes. A valuation allowance has been made as the Company is winding down its operations and management believes that it is more likely than not that the remaining unused net operating losses will not be utilized due to forfeiture in 2011.

NOTE 11 - LEASE COMMITMENTS

The Company leased a copier with terms expiring September 2010. Total lease expense for the years ended December 31, 2010 and 2009, was $2,066 and $4,007, respectively.

NOTE 12 - RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Hermann Gutmann Werke AG, which is located in Germany.

The Company purchased the majority of its inventory from its Parent. Invoices received from the Parent are valued using the Euro currency at the date of the invoice. The Company converts the invoice to US dollars at the date the goods are received in the warehouse. The balance due to the Parent as of December 31, 2010 and 2009, was $0 and $428,967, respectively.

The Company borrowed money from the Parent in the amount of $205,000 in 2008. The maturity date of the loan was December 31, 2010. As of December 31, 2010 and 2009, the balance due on the loan was $205,000.

The patent discussed in Note 5 of these financial statements was purchased from a related party owned 100% by the minority shareholder of the Company. The purchase was based on the costs incurred by the related party to develop the patent. The patent was subsequently sold during the year ended December 31, 2010, in conjunction with the Company's pending dissolution.

The Company sold materials to a related party owned 30% by the minority shareholder of the Company. The amount of materials sold for the years ended December 31, 2010 and 2009, was $900,446 and $631,269, respectively. Amounts receivable from the related party for the years ended December 31, 2010 and 2009, was $0 and $207,276, respectively.

The minority stockholder of the Company purchased certain office furnishings capitalized by the Company using personal funds. The amount due to this stockholder for the years ended December 31, 2010 and 2009, was $0 and $1,200, respectively.

The Company was obligated under a lease agreement dated December 31, 2007 for its premises. This location is owned by a related limited liability company which the minority shareholder of the Company is a one-third owner. The monthly rent under the agreement was $5,035 and the this lease agreement expired on April 30, 2010. Total rental expense for the years ended December 31, 2010 and 2009, was $30,144 and $69,673, respectively.

Compensation to key management personnel for the years ended December 31, 2010 and 2009, was $15,750 and $57,000, respectively.