

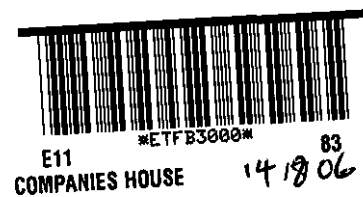
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**ALIGN COMMUNICATIONS
INTERNATIONAL, LTD.**

FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003



ALIGN COMMUNICATIONS INTERNATIONAL, LTD.
FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

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To the Board of Directors
Align Communications International, Ltd.
New York, New York

We have compiled the accompanying statements of assets, liabilities, and equity - income tax basis of Align Communications International, Ltd. as of December 31, 2004 and 2003, and the related statements of revenues and expenses, and retained earnings - income tax basis, for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the accounting basis used by the Company for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit the statement of cash flows and substantially all of the disclosures ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted statement of cash flows and the disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.



September 12, 2005

ALIGN COMMUNICATIONS INTERNATIONAL, LTD.
STATEMENTS OF ASSETS, LIABILITIES AND EQUITY
(INCOME TAX BASIS)
DECEMBER 31, 2004 AND 2003

A S S E T S		
	<u>2004</u>	<u>2003</u>
<i>Current Assets:</i>		
Cash	\$ 11,974	\$ 5,846
Employee Loans	<u>15,382</u>	<u>3,374</u>
Total Current Assets	<u>27,356</u>	<u>9,220</u>
<i>Fixed Assets</i> (Net of Accumulated Depreciation - \$103,259-2004, \$78,138-2003)	<u>174,065</u>	<u>180,399</u>
<i>Other Assets:</i>		
Deposits and Work in Progress	<u>48,907</u>	<u>44,970</u>
Total Assets	<u>\$ 250,328</u>	<u>\$ 234,589</u>
 LIABILITIES AND EQUITY		
<i>Current Liabilities:</i>		
Taxes Payable	\$ 65,920	\$ 55,423
Due to Related Entities	<u>3,221,587</u>	<u>2,001,340</u>
Total Liabilities	<u>3,287,507</u>	<u>2,056,763</u>
<i>Equity:</i>		
Common Stock	100	100
Retained Deficit	<u>(3,037,279)</u>	<u>(1,822,274)</u>
Total Equity	<u>(3,037,179)</u>	<u>(1,822,174)</u>
Total Liabilities and Equity	<u>\$ 250,328</u>	<u>\$ 234,589</u>

SEE ACCOUNTANTS' COMPILATION REPORT.

ALIGN COMMUNICATIONS INTERNATIONAL, LTD.
STATEMENTS OF REVENUES AND EXPENSES
(INCOME TAX BASIS)
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<i>Revenue</i>	\$ 1,040,467	\$ 1,398,990
<i>Direct Costs</i>	<u>(1,186,564)</u>	<u>(1,259,796)</u>
<i>Gross Profit/(Loss)</i>	(146,097)	139,194
<i>General and Administrative Expenses</i>	<u>(930,291)</u>	<u>(639,570)</u>
<i>Loss From Operations</i>	(1,076,388)	(500,376)
<i>Other Income/(Expense):</i>		
Interest Income	<u>75</u>	<u>41</u>
<i>Loss</i>	<u>\$ (1,076,313)</u>	<u>\$ (500,335)</u>

SEE ACCOUNTANTS' COMPILATION REPORT.

***ALIGN COMMUNICATIONS INTERNATIONAL, LTD.
STATEMENTS OF RETAINED EARNINGS/(DEFICIT)
(INCOME TAX BASIS)
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003***

	<u>2004</u>	<u>2003</u>
Retained Deficit - January 1	\$ (1,822,274)	\$ (1,327,154)
Loss for the Year	(1,076,313)	(500,335)
Currency Translation Gain/(Loss)	<u>(138,692)</u>	<u>5,215</u>
Retained Deficit - December 31	<u>\$ (3,037,279)</u>	<u>\$ (1,822,274)</u>

SEE ACCOUNTANTS' COMPILATION REPORT.