

Muscle Flex Inc.
Balance Sheet
As of December 31, 2008
Unaudited

	Total
ASSETS	
Current Assets	
Bank Accounts	
Cash on Hand	(925.94)
Total Bank Accounts	\$ (925.94)
Other Current Assets	
Due from Stockholders	0.00
Muscle Flex	67,883.85
Prepaid Expenses	9,975.00
Total Other Current Assets	\$ 77,858.85
Total Current Assets	\$ 76,932.91
Other Assets	
Goodwill Assets	4,684.98
Total Other Assets	\$ 4,684.98
TOTAL ASSETS	\$ 81,617.89
 LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	42,091.18
Total Accounts Payable	\$ 42,091.18
Other Current Liabilities	
Shareholder Loan	415,473.45
Total Other Current Liabilities	\$ 415,473.45
Total Current Liabilities	\$ 457,564.63
Total Liabilities	\$ 457,564.63
Equity	
Common Class A	58,032.25
Paid-In Capital or Surplus	904,136.73
Retained Earnings	(664,419.84)
Net Income	(673,695.88)
Total Equity	\$ (375,946.74)
TOTAL LIABILITIES AND EQUITY	\$ 81,617.89

Muscle Flex Inc.
Profit & Loss
January - December 2008
Unaudited

	Total
Income	
Sales	12,118.27
Service/Fee Income	1.95
Total Income	\$ 12,120.22
Cost of Goods Sold	
Muscle Flex Unit	4,641.15
Transaction Fees	385.52
Total Cost of Goods Sold	\$ 5,026.67
Gross Profit	\$ 7,093.55
Expenses	
Advertising	30,100.31
Bad Debts	30,000.00
Bank Charges	470.00
Call Center	6,835.09
Car Rental	2,565.13
Cellular Phone	3,984.21
Consulting Fees	21,417.24
Dues & Subscriptions	20,088.75
Freight & Delivery	6,153.62
Go Daddy Internet	4,622.47
Insurance - Liability	5,835.75
Legal & Professional Fees	413,592.24
Meals and Entertainment	4,571.41
Muscle Flex Moulds	32,700.00
News / Press	7,360.00
Office Expenses	7,477.43
Other General and Admin Expenses	538.71
Promotional	15,069.95
Rent or Lease	16,626.29
Research & Development	5,037.88
Talent Agent	3,000.00
Trademark / Patent	325.00
Travel	8,432.22
Video & Film	6,521.37
Website	1,500.00
Total Expenses	\$ 654,825.07
Net Operating Income	\$ (647,731.52)
Other Expenses	
Amortization	25,964.36
Total Other Expenses	\$ 25,964.36
Net Other Income	\$ (25,964.36)
Net Income	\$ (673,695.88)

Muscle Flex Inc.

Shareholder's Equity Statement

As of December 31, 2008

Unaudited

	Shares	Amount	Paid-In Capital	Retained Deficit	Total
December 31, 2007	44,685,170	44,685.17	192,005.14	(664,419.84)	(427,729.53)
Shares Issued for Cash	5,288,050	5,288.05	376,131.59		
Shares Issued Without Cash	17,815,279	17815.28	336,000.00		
Shares Cancelled	(9,756,250)	(9,756.25)			
Net Loss				(673,695.88)	(673,695.88)
December 31, 2008	58,032,249	58,032.25	904,136.73	(1,338,115.72)	(375,946.74)