

**SOLPOWER CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2004 and 2003**  
(Unaudited)

	2004	2003
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<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 96,487	\$ 71,790
Accounts receivable	119,527	52,054
Prepaid expenses	5,030	6,440
Inventory	<u>141,596</u>	<u>87,346</u>
Total Current Assets	<u>362,640</u>	<u>217,630</u>
Property & Equipment, at cost:		
Equipment	100,966	79,896
Less: Accumulated depreciation	<u>(37,403)</u>	<u>(25,613)</u>
	<u>63,563</u>	<u>54,283</u>
Other Assets:		
Long-term receivables - net	-	25,665
Marketing licenses, net of amortization	113,715	119,700
Other intangibles, net of amortization	-	5,474
Goodwill, net	<u>56,997</u>	<u>64,525</u>
	<u>170,712</u>	<u>215,364</u>
	<u>\$ 596,915</u>	<u>\$ 487,277</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current Liabilities:		
Current portion of long-term debt	\$ 31,429	\$ 19,414
Accounts payable - trade	796,882	493,848
- related parties	179,093	70,606
Customer deposits	381	302
Accrued expenses	<u>110,608</u>	<u>90,664</u>
Total Current Liabilities	<u>1,118,393</u>	<u>674,834</u>
Long-Term Liabilities:		
Notes payable, less current portion	13,809	36,007
Loans payable to related parties, less current portion	<u>471,365</u>	<u>471,365</u>
	<u>485,174</u>	<u>507,372</u>
Total Liabilities	<u>1,603,567</u>	<u>1,182,206</u>
Commitments and Contingencies		
Stockholders' Deficit:		
Preferred stock; \$0.001 par value, 5,000,000 shares authorized; issued and outstanding, none	-	-
Common stock; \$0.01 par value, 100,000,000 shares authorized; issued and outstanding 50,912,127 and 49,212,127, respectively	509,122	492,122
Common stock subscribed	5,000	-
Additional paid in capital	10,764,858	10,712,158
Accumulated deficit	(12,287,862)	(11,899,690)
Cumulative translation account	<u>2,230</u>	<u>481</u>
Total Stockholders' Deficit	<u>(1,006,652)</u>	<u>(694,929)</u>
	<u>\$ 596,915</u>	<u>\$ 487,277</u>

**SOLPOWER CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED MARCH 31 2004 and 2003**  
(Unaudited)

	2004	2003
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Revenues	\$ 670,628	\$ 951,997
Cost of Revenues	<u>229,795</u>	<u>492,239</u>
Gross Profit	440,833	459,758
Expenses:		
Selling, general and administrative	<u>808,305</u>	<u>524,178</u>
Operating Loss	<u>(367,472)</u>	<u>(64,420)</u>
Other Income (Expense)		
Interest income	1	3
Loss on disposition of assets	-	(3,752)
Forgiveness of debt	9,685	31,098
Interest expense	<u>(29,930)</u>	<u>(34,924)</u>
Total Other Income (Expense)	<u>(20,244)</u>	<u>(7,575)</u>
Net (Loss) Before Provision for Income Taxes and Minority Interest	(387,716)	(71,995)
Provision for Income Taxes	<u>(456)</u>	<u>-</u>
Net Loss	<u>\$ (388,172)</u>	<u>\$ (71,995)</u>
Basic (Loss) Per Share	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>
Weighted Average Number of Shares Outstanding	<u>50,066,771</u>	<u>35,499,799</u>