

**TITANIUM HOLDINGS GROUP, INC. & SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

Net Sales	\$ 7,739,780
Cost of sales	<u>6,193,413</u>
Gross profit	<u>1,546,367</u>
Operating expenses:	
Salaries	803,029
Professional fees	97,661
Depreciation and amortization	12,419
Marketing	81,505
Rent	96,142
Payroll and other taxes	38,322
Other	<u>259,549</u>
Total operating expenses	<u>1,388,627</u>
Operating profit	157,740
Other expense	<u>(122,008)</u>
Income before income tax expense	35,732
Income tax expense	<u>15,303</u>
Net income attributable to common stockholders	<u>\$ 20,429</u>
Income per share-basic and diluted	<u>\$ 0.002</u>
Weighted average number of shares outstanding	<u>9,228,997</u>