

Sonata Software North America, Inc.

Financial Statements

Three-month and year-to-date periods ended
December 31, 2011 and 2010

with

Report of Independent Auditors

CERTIFIED PUBLIC
ACCOUNTANTS

DONALD WILSON
ALAN MARKLE
CHARLES STUCKEY
DAVID HARDESTY
DAVID BOTT
DAVID BAILEY
MICHAEL SMITH

Report of Independent Auditors

To the Board of Directors of
Sonata Software North America, Inc.

We have audited the accompanying balance sheets of Sonata Software North America, Inc. as of December 31, 2011 and 2010, and the related statements of income and retained earnings (accumulated deficit) and cash flows for the three-month and year-to-date periods then ended. These financial statements are the responsibility of the management of Sonata Software North America, Inc. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Sonata Software North America, Inc. as of December 31, 2011 and 2010, and the results of its operations and cash flows for the three-month and year-to-date periods then ended, in conformity with accounting principles generally accepted in the United States.

Sonata Software North America, Inc. is a wholly owned subsidiary of Sonata Software Limited, and has significant transactions with its parent company.

The accompanied condensed financial statements, without the detailed notes, have been prepared solely for the purpose of consolidation and reporting by Sonata Software Limited.

Wilson Markle Stuckey Hardesty & Bott
Wilson Markle Stuckey Hardesty & Bott
January 13, 2012

Sonata Software North America, Inc.
Balance Sheets

	<u>December 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
Assets		
Current assets		
Cash and cash equivalents	\$220,183	\$167,767
Accounts receivable, net of allowance	3,496,381	4,738,015
Prepaid expenses	<u>24,047</u>	<u>32,066</u>
Total current assets	3,740,611	4,937,848
Property and equipment, at cost	340,816	308,807
Accumulated depreciation	<u>(290,612)</u>	<u>(276,463)</u>
Property and equipment, net	50,204	32,344
Deposits and other assets	<u>13,528</u>	<u>9,175</u>
Total assets	<u><u>\$3,804,343</u></u>	<u><u>\$4,979,367</u></u>
Liabilities and Stockholder's Equity		
Current liabilities		
Accounts payable	\$ —	\$403
Accounts payable - Sonata, net	5,091,508	6,583,094
Accrued expenses	<u>337,437</u>	<u>368,796</u>
Total current liabilities	5,428,945	6,952,293
Preferred stock; redeemable, \$0.0001 par value, liquidation value of \$1.00 per share; 6,500,000 shares authorized, no shares outstanding	—	—
Net capital deficiency		
Common stock; \$0.0001 par value; 3,500,000 shares authorized, 300,000 shares issued and outstanding	300,000	300,000
Retained earnings (accumulated deficit)	<u>(1,924,602)</u>	<u>(2,272,926)</u>
Total net capital deficiency	<u>(1,624,602)</u>	<u>(1,972,926)</u>
Total preferred stock and net capital deficiency	<u>(1,624,602)</u>	<u>(1,972,926)</u>
Total liabilities and stockholder's equity	<u><u>\$3,804,343</u></u>	<u><u>\$4,979,367</u></u>

Sonata Software North America, Inc.
Statements of Income and Retained Earnings (Accumulated Deficit)

	<u>Quarter ended December 31, 2011</u>	<u>Quarter ended December 31, 2010</u>	<u>Year to date December 31, 2011</u>	<u>Year to date December 31, 2010</u>
Revenues				
Computer programming services	\$5,992,531	\$6,897,222	\$20,645,767	\$17,802,200
Direct costs				
Computer programming services	<u>5,372,631</u>	<u>6,295,337</u>	<u>18,898,463</u>	<u>16,331,234</u>
Income from operations	619,900	601,885	1,747,304	1,470,966
General and administrative expenses				
Sales, general and administrative expenses	486,233	471,958	1,471,626	1,115,951
Depreciation	<u>3,761</u>	<u>2,330</u>	<u>11,238</u>	<u>6,461</u>
Total general and administrative expenses	<u>489,994</u>	<u>474,288</u>	<u>1,482,864</u>	<u>1,122,412</u>
Income before income taxes	129,906	127,597	264,440	348,554
Taxes on income	<u>36,408</u>	<u>3,901</u>	<u>36,408</u>	<u>3,901</u>
Net income	93,498	123,696	228,032	344,653
Retained earnings (accumulated deficit)				
Beginning of period	<u>(2,018,100)</u>	<u>(2,396,622)</u>	<u>(2,152,634)</u>	<u>(2,617,579)</u>
End of period	<u>(\$1,924,602)</u>	<u>(\$2,272,926)</u>	<u>(\$1,924,602)</u>	<u>(\$2,272,926)</u>

Sonata Software North America, Inc.
Statements of Cash Flows

	Quarter ended December 31, 2011	Quarter ended December 31, 2010	Year to date December 31, 2011	Year to date December 31, 2010
Cash flows from operating activities				
Net Income	\$93,498	\$123,696	\$228,032	\$344,653
Adjustments to reconcile net income to net cash provided (used) by operating activities				
Depreciation	3,761	2,330	11,238	6,461
Changes in current assets and liabilities				
Accounts receivable	693,123	122,774	932,101	(2,143,839)
Prepaid expenses	2,276	14,306	39,127	(20,184)
Accounts payable	-	403	-	403
Accrued expenses	(86,196)	80,097	(69,377)	157,272
Net cash provided (used) by operating activities	706,462	343,606	1,141,121	(1,655,234)
Cash flows from investing activities				
Purchases of property and equipment	(365)	(9,679)	(16,353)	(23,755)
Net change in deposits and other assets	-	-	-	-
Net cash provided (used) by investing activities	(365)	(9,679)	(16,353)	(23,755)
Cash flows from financing activities				
Net change in accounts payable - Sonata	(1,010,876)	(747,954)	(1,178,719)	1,502,931
Net cash provided (used) by financing activities	(1,010,876)	(747,954)	(1,178,719)	1,502,931
Net change in cash and cash equivalents	(304,779)	(414,027)	(53,951)	(176,058)
Cash and cash equivalents,				
Beginning of period	524,982	581,794	274,134	343,825
End of period	\$220,183	\$167,767	\$220,183	\$167,767
Supplemental cash flow information				
Cash paid for income taxes during the period	\$46,408	\$3,901	46,408	\$3,901