

**MORO CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2009 AND DECEMBER 31, 2008**

	<u>(Unaudited)</u> <u>June 30,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 2,674,507	\$ 2,852,015
Trade receivables, net	6,034,393	6,210,233
Accounts receivable on contracts (including retentions)	8,973,793	10,053,813
Inventories	3,595,477	3,296,530
Costs and estimated earnings in excess of billings on uncompleted contracts	851,108	1,791,946
Investment in joint ventures	65,693	237,925
Prepaid income taxes	489	230,495
Prepaid and other current assets	215,729	169,209
Total current assets	22,411,189	24,842,166
Property and equipment, net	2,710,431	2,971,341
Deferred financing fees, net of accumulated amortization	35,938	37,561
Other assets	16,582	17,031
Goodwill	1,819,646	1,819,646
	\$ 26,993,786	\$ 29,687,745
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Lines of credit	\$ 5,067,999	\$ 7,047,999
Current portion of long-term debt	788,297	536,360
Trade accounts payable	4,070,599	5,218,429
Due to former owner	46,759	62,957
Accrued expenses	1,931,110	2,005,648
Billings in excess of costs and estimated earnings on uncompleted contracts	2,271,859	2,217,380
Total current liabilities	14,176,623	17,088,773
Long-Term Liabilities		
Long-term debt	1,836,890	2,067,610
Subordinated debentures	1,750,000	1,800,000
Deferred income taxes	146,886	146,886
	3,733,776	4,014,496
<b>MINORITY INTEREST IN CONSOLIDATED SUBSIDIARY</b>	24,158	26,428
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$.001 par value, authorized 5,000,000 shares; none issued or outstanding	-	-
Common stock, \$.001 par value, authorized 25,000,000 shares; issued and outstanding 6,369,643 shares at June 30, 2009 and December 31, 2008	6,370	6,370
Additional paid-in-capital	1,013,205	1,013,205
Retained earnings	8,039,654	7,538,473
	9,059,229	8,558,048
	\$ 26,993,786	\$ 29,687,745

**MORO CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**SIX MONTHS ENDED JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Construction material sales, net	\$ 11,957,964	\$ 16,298,552
Mechanical contracts revenue earned	19,649,935	16,020,199
	<u>31,607,899</u>	<u>32,318,751</u>
<b>COST OF REVENUES</b>		
Cost of goods sold	8,968,182	13,664,484
Cost of mechanical contracts revenue earned	16,727,303	13,383,152
	<u>25,695,485</u>	<u>27,047,636</u>
<b>GROSS PROFIT</b>	5,912,414	5,271,115
<b>OPERATING EXPENSES</b>		
Selling, general, and administrative expenses	4,835,053	4,941,365
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>1,077,361</u>	<u>329,750</u>
<b>OTHER INCOME (EXPENSE)</b>		
Interest income	19,464	7,979
Interest expense	(250,222)	(351,401)
Equity in earnings of joint ventures	-	50,000
Other	84,562	44,015
	<u>(146,196)</u>	<u>(249,407)</u>
<b>INCOME (LOSS) BEFORE TAXES AND MINORITY INTEREST</b>	931,165	80,343
<b>PROVISION FOR (BENEFIT FROM) INCOME TAXES</b>	432,254	13,665
<b>INCOME (LOSS) BEFORE MINORITY INTEREST</b>	498,911	66,678
<b>MINORITY INTEREST IN INCOME (LOSS) OF SUBSIDIARY</b>	<u>(2,270)</u>	<u>(7,217)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 501,181</u>	<u>\$ 73,895</u>
<b>NET INCOME (LOSS) PER SHARE, BASIC &amp; DILUTED</b>	<u>\$ 0.08</u>	<u>\$ 0.01</u>
Weighted average shares outstanding - basic and diluted	<u>\$ 6,369,643</u>	<u>\$ 6,369,643</u>

**MORO CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**THREE MONTHS ENDED JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Construction material sales, net	\$ 6,377,259	\$ 9,599,696
Mechanical contracts revenue earned	<u>9,644,833</u>	<u>8,837,133</u>
	<u>16,022,092</u>	<u>18,436,829</u>
<b>COST OF REVENUES</b>		
Cost of goods sold	4,717,663	8,028,831
Cost of mechanical contracts revenue earned	<u>8,323,402</u>	<u>7,305,763</u>
	<u>13,041,065</u>	<u>15,334,594</u>
<b>GROSS PROFIT</b>	2,981,027	3,102,235
<b>OPERATING EXPENSES</b>		
Selling, general, and administrative expenses	<u>2,255,279</u>	<u>2,377,578</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>725,748</u>	<u>724,657</u>
<b>OTHER INCOME (EXPENSE)</b>		
Interest income	7,980	2,564
Interest expense	(80,901)	(161,008)
Equity in earnings of joint ventures	-	-
Other	<u>74,185</u>	<u>38,972</u>
	<u>1,264</u>	<u>(119,472)</u>
<b>INCOME (LOSS) BEFORE TAXES AND MINORITY INTEREST</b>	727,012	605,185
<b>PROVISION FOR (BENEFIT FROM) INCOME TAXES</b>	<u>292,604</u>	<u>234,920</u>
<b>INCOME (LOSS) BEFORE MINORITY INTEREST</b>	434,408	370,265
<b>MINORITY INTEREST IN INCOME (LOSS) OF SUBSIDIARY</b>	<u>(4,029)</u>	<u>1,214</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 438,437</u>	<u>\$ 369,051</u>
<b>NET INCOME (LOSS) PER SHARE, BASIC &amp; DILUTED</b>	<u>\$ 0.07</u>	<u>\$ 0.05</u>
Weighted average shares outstanding - basic and diluted	<u>\$ 6,369,643</u>	<u>\$ 6,369,643</u>

**MORO CORPORATION**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**SIX MONTHS ENDED JUNE 30, 2009**

	Common Stock	Additional Paid In Capital	Retained Earnings	Total
<b>BALANCE, JANUARY 1, 2009</b>	\$ 6,370	\$ 1,013,205	\$ 7,538,473	\$ 8,558,048
Net income	-	-	501,181	501,181
<b>BALANCE, JUNE 30, 2009</b>	<u>\$ 6,370</u>	<u>\$ 1,013,205</u>	<u>\$ 8,039,654</u>	<u>\$ 9,059,229</u>

**MORO CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**SIX MONTHS ENDED JUNE 30, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 501,181	\$ 73,895
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	437,600	351,401
Equity in earnings in joint ventures	-	138,000
Deferred income taxes (benefit)	-	7,300
Minority interest in consolidated subsidiary	(2,270)	(7,217)
Changes in operating assets and liabilities:		
Trade receivables	175,840	(1,673,063)
Accounts receivable on contracts	1,080,020	(2,530,362)
Inventories	(298,947)	(1,757,418)
Costs and estimated earnings in excess of billings on uncompleted contracts	940,838	92,820
Prepaid income taxes	230,006	-
Other current assets	(46,520)	(14,149)
Other assets	449	449
Trade accounts payable	(1,147,830)	1,698,628
Accrued expenses	(74,538)	1,326,950
Income taxes payable	-	(66,527)
Due to former owners	(16,198)	(204,364)
Billings in excess of costs and estimated earnings on uncompleted contracts	54,479	1,257,060
	<u>1,834,110</u>	<u>(1,306,597)</u>
Net cash provided by (used in) operating activities		
	<u>1,834,110</u>	<u>(1,306,597)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Distribution from joint venture	172,232	-
Capital expenditures	(175,067)	(765,991)
	<u>(2,835)</u>	<u>(765,991)</u>
Net cash provided by (used in) investing activities		
	<u>(2,835)</u>	<u>(765,991)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from (repayments of) lines of credit	(1,980,000)	976,000
Proceeds from (repayments of) notes payable	(28,783)	329,046
	<u>(2,008,783)</u>	<u>1,305,046</u>
Net cash provided by (used in) financing activities		
	<u>(2,008,783)</u>	<u>1,305,046</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(177,508)	(767,542)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<u>2,852,015</u>	<u>2,070,370</u>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<u>\$ 2,674,507</u>	<u>\$ 1,302,828</u>
<b>SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 238,806	\$ -
Cash paid for taxes	\$ 201,501	\$ -