

WESTSPHERE ASSET CORPORATION, INC.
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2008

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WESTSPHERE ASSET CORPORATION, INC.
Consolidated Balance Sheet
March 31, 2008 and 2007

ASSETS	March 31, 2008 <u>(Unaudited)</u>	December 31, 2007 <u>(Note 1)</u>
CURRENT ASSETS		
Cash	\$ 137,421	\$ 211,710
Accounts receivable net of allowance for doubtful accounts of \$85,026 and \$88,258, respectively	466,353	483,934
Accounts receivable – related parties	42,974	39,656
Inventory	262,918	264,027
Prepaid expense and deposit	60,021	62,839
Total current assets	<u>969,687</u>	<u>1,062,166</u>
Property and equipment, net of depreciation	333,207	377,986
Note receivable	8,231	11,502
Intellectual property	42,487	39,228
Deferred tax benefits	<u>53,619</u>	<u>55,866</u>
Total assets	<u>\$ 1,407,231</u>	<u>\$ 1,546,748</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 506,957	\$ 504,886
Current portion of loans	113,034	113,034
Accounts payable, related parties	152,756	178,350
Current loan payable, related parties	53,755	—
Total current liabilities	<u>826,502</u>	<u>796,270</u>
Shareholder loans	251,491	264,310
Loans payable, less current portion	289,744	324,633
Total liabilities	<u>1,367,737</u>	<u>1,385,213</u>
Minority interest in subsidiaries	—	—
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' EQUITY		
Preferred stock – authorized 75,000,000 shares, no par value, 1,416,143 shares issued and outstanding at March 31, 2008 and December 31, 2007	1,400,719	1,400,719
Common stock - authorized 75,000,000 shares, no par value; 592,785 shares issued and outstanding at March 31, 2008 and 592,785 at December 31, 2007	558,960	558,960
Accumulated other comprehensive income	147,290	151,657
Accumulated deficit	<u>(2,067,475)</u>	<u>(1,949,801)</u>
Total stockholders' equity	<u>39,494</u>	<u>161,535</u>
Total liabilities and stockholders' equity	<u>\$ 1,407,231</u>	<u>\$ 1,546,748</u>

The accompanying notes are an integral part of these statements.

WESTSPHERE ASSET CORPORATION, INC.
Consolidated Statements of Operations
For the Three Months Ended March 31,
(Unaudited)

	2008	2007
Revenue -		
Equipment and supplies	\$ 24,994	\$ 90,457
Residual and interchange income	943,689	924,747
Other	14,889	14,740
Total revenue	983,572	1,029,944
Cost of sales -		
Equipment and supplies	27,523	69,935
Residual and interchange costs	553,441	551,252
Commissions	5,341	56
Other	38,767	34,500
Total cost of sales	625,072	655,743
Gross profit	358,500	374,201
Operating expenses -		
Depreciation and amortization	27,712	35,779
Consulting fees	43,182	41,171
Legal and accounting fees	206	11,499
Salaries and benefits	236,826	182,162
Travel, delivery and vehicle expenses	30,635	34,150
Other	115,030	105,104
Total operating expenses	453,591	409,865
(Loss) from operations	(95,091)	(35,664)
Other income (expense) -		
Interest income	951	4,071
Interest expense	(23,534)	(12,508)
Net (loss) before income taxes	(117,674)	(44,101)
Provision for income taxes	—	—
Net (loss)	\$ (117,674)	\$ (44,101)
Basic net (loss) per common share	\$ (.20)	\$ (.08)
Weighted number of shares outstanding	592,785	572,244
Other comprehensive income (loss) -		
Net (loss)	\$ (117,674)	\$ (44,101)
Foreign currency translation adjustment	(4,367)	3,675
Total comprehensive (loss)	\$ (122,041)	\$ (40,426)

The accompanying notes are an integral part of these statements.

WESTSPHERE ASSET CORPORATION, INC.
Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)

	<u>Preferred Stock</u>		<u>Common Stock</u>		Foreign Currency Translation Adjustment	Accumulated (Deficit)	Total
	Shares	Amount	Shares	Amount			
Balance, December 31, 2007	1,416,143	\$ 1,400,719	592,785	\$ 558,960	\$ 151,657	\$ (1,949,801)	\$ 161,535
Net loss for the three months ended March 31, 2008	—	—	—	—	(4,367)	(117,674)	(122,041)
Balance, March 31, 2008	1,416,143	\$ 1,400,719	592,785	\$ 558,960	\$ 147,290	\$ (2,067,475)	\$ 39,494

The accompanying notes are an integral part of these statements.

WESTSPHERE ASSET CORPORATION, INC.
Consolidated Statements of Cash Flows
For the Three Months Ended March 31,
(Unaudited)

	2008	2007
Cash flows from operating activities:		
Net (loss) from operations	\$ (117,674)	\$ (44,101)
Reconciling adjustments -		
Depreciation and amortization	27,712	35,779
Other non-cash transactions	—	42,916
Changes in operating assets and liabilities		
Accounts receivable	14,263	(14,497)
Inventory	1,109	(2,121)
Prepaid expenses and other	5,065	(4,118)
Accounts payable and accrued liabilities	(23,523)	(81,158)
Net cash (used for) operations	(93,048)	(67,300)
Cash flows from investing activities:		
Purchase of equipment	(24,914)	(57,461)
Disposal of equipment	24,192	6,086
Collections of loans receivable	3,271	60,994
Net cash provided by investing activities	2,549	9,619
Cash flows from financing activities:		
Exercise of options	—	7,017
Proceeds from loans	53,755	—
Repayments of loans	(47,708)	(29,900)
Net cash provided by (used in) financing activities	6,047	(22,883)
Foreign currency translation adjustment	10,163	2,706
Net change in cash and cash equivalents	(74,289)	(77,858)
Cash at beginning of period	211,710	413,398
Cash at end of period	\$ 137,421	\$ 335,540
Supplemental schedules:		
Cash paid for interest	\$ 17,786	\$ 2,837
Cash paid for income taxes	\$ —	\$ —
Noncash investing and financing activities		
Shares issued to settle debt	\$ —	\$ —

The accompanying notes are an integral part of these statements.

WESTSPHERE ASSET CORPORATION, INC.
Notes to the Consolidated Financial Statements
March 31, 2008 and 2007
(Unaudited)

Note 1 – Basis of Presentation and Nature of Operations

The accompanying consolidated balance sheet as of December 31, 2007 has been derived from audited financial statements and the accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and the interim reporting requirements of Regulation S-X. The accompanying consolidated financial statements included herein have been prepared by Westsphere Asset Corporation, Inc. (the “Company”) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission for reporting on Form 10-QSB. In management's opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. Certain information and footnote disclosure normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations, and Westsphere Asset Corporation, Inc. believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the December 31, 2007 audited financial statements and the accompanying notes thereto contained in the Annual Report on Form 10-KSB filed with the Securities and Exchange Commission. While management believes the procedures followed in preparing these financial statements are reasonable, the accuracy of the amounts are in some respects dependent upon the facts that will exist, and procedures that will be accomplished by Westsphere Asset Corporation, Inc. later in the year. The results of operations for the interim periods are not necessarily indicative of the results of operations for the full year. In management’s opinion all adjustments necessary for a fair presentation of the Company’s financial statements are reflected in the interim periods included.

The Company’s primary business is the sale and operation of cash vending (ATM) and point of sale (POS) machines in Canada.

There is no provision for dividends for the quarter to which this quarterly report relates.

Note 2 – Recent Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS No. 159"). SFAS No. 159 permits entities to choose to measure, on an item-by-item basis, specified financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected are required to be reported in earnings at each reporting date. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007, the provisions of which are required to be applied prospectively. The Company believes that SFAS 159 should not have a material impact on the consolidated financial position or results of operations.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), "Business Combinations" ("SFAS No. 141R"). SFAS No. 141R will change the accounting for business combinations. Under SFAS No. 141R, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. SFAS No. 141R will change the accounting

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Notes to the Consolidated Financial Statements
March 31, 2008 and 2007
(Unaudited)

treatment and disclosure for certain specific items in a business combination. SFAS No. 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Accordingly, any business combinations the Company engages in will be recorded and disclosed following existing GAAP until January 1, 2009. The Company expects SFAS No. 141R will have an impact on accounting for business combinations once adopted but the effect is dependent upon acquisitions at that time. The Company is still assessing the impact of this pronouncement.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements--An Amendment of ARB No. 51, or SFAS No. 160" ("SFAS No. 160"). SFAS No. 160 establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008. The Company believes that SFAS 160 should not have a material impact on the consolidated financial position or results of operations.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS No. 161"). SFAS 161 requires companies with derivative instruments to disclose information that should enable financial-statement users to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under FASB Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities" and how derivative instruments and related hedged items affect a company's financial position, financial performance and cash flows. SFAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The adoption of this statement is not expected to have a material effect on the Company's future financial position or results of operations.

Note 3 – Inventory

Inventory consists primarily of cash vending and POS machines, which are valued at the lesser of cost (on a first-in, first-out method) or net realizable value.

Note 4 – Related Party

On January 2008, an officer of the Company provided short term advances for working capital purposes, which were considered unsecured, interest-free and due on demand totaling \$ 53,755 (\$55,000 CDN).

Note 5 – Subsequent Events

On March 17, 2008, the Company has entered into an agreement to sell all inactive companies to external arms-length investors and is expecting to complete the sales by the second quarter of year 2008. The purpose of the sale is to reduce the audit and legal costs since these companies do not have business activities.