

IPVG CORP. & SUBSIDIARIES**Audited Balance Sheet as of Dec. 31, 2006 & Unaudited Balance Sheet as of March 31, 2007**

	March 31, 2007	Dec. 31, 2006	Increase /	
	UnAudited	Audited	Decrease	%
ASSETS				
Current Assets				
Cash	28,527,791	47,665,264	(19,137,473)	-40%
Receivables - net	76,155,879	62,850,343	13,305,536	21%
Due from related parties	19,067,709	5,401,724	13,665,985	253%
Inventory	2,893,843	4,055,781	(1,161,938)	-29%
Prepaid expenses and Other Current Assets	31,745,305	24,594,490	7,150,815	29%
Total Current Assets	158,390,527	144,567,602	13,822,925	10%
Noncurrent Assets				
Investment in shares of stock	5,375,000	-	5,375,000	NA
Property Plant and Equipment - net (Note 4)	98,022,062	94,069,092	3,952,970	4%
Intangible Assets - net	36,892,237	26,601,947	10,290,290	39%
Deferred Income tax	28,881,855	28,881,855	(0)	0%
Other Assets	4,382,684	4,382,684	(0)	0%
Total Noncurrent Assets	173,553,838	153,935,578	19,618,260	13%
Total Assets	331,944,365	298,503,180	33,441,185	11%
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current Liabilities				
Accounts Payable and accrued expenses	135,148,371	116,601,683	18,546,688	16%
Short-term loans	1,946,092	7,013,275	(5,067,183)	-72%
Current portion of obligations under finance lease	2,580,181	3,180,510	(600,329)	-19%
Other Current Liabilities	79,980,216	74,281,149	5,699,067	8%
Total Current Liabilities	219,654,860	201,076,617	18,578,243	9%
Noncurrent Liabilities				
Loans Payable	29,989,493	29,989,493	0	0%
Advances from officers and stockholders	5,813,102	5,813,102	(0)	0%
Obligations under finance lease	7,737,069	8,390,540	(653,471)	-8%
Other noncurrent liabilities	12,129,209	13,016,521	(887,312)	-7%
Total Noncurrent Liabilities	55,668,873	57,209,656	(1,540,783)	-3%
Total Liabilities	275,323,733	258,286,273	17,037,460	7%
Minority Interest				
Share in Accumulated Losses of a Subsidiary in excess of Investment	(13,933,065)	(13,933,065)	(0)	0%
Stockholders' Equity	70,553,697	54,149,972	16,403,725	30%
Total Liabilities & Stockholders Equity	331,944,365	298,503,180	33,441,185	11%

IPVG CORP and Subsidiary
Statements of Income
For the Quarter Ending March 31, 2007

	March 31, 2007	March 31, 2006	Increase /	
	UnAudited	UnAudited	(Decrease)	%
Gross Sales	156,170,263	26,097,485		
Less: Discount	18,333,388	166,144		
Net Revenues	137,836,875	25,931,341	111,905,534	432%
Less: COST OF SERVICES	84,900,914	16,538,838	68,362,075	413%
GROSS PROFIT	52,935,961	9,392,503	43,543,458	464%
EXPENSES				
Salaries, Wages and Benefits	14,466,914	7,697,691	6,769,222	88%
Depreciation expense	9,787,045	4,679,694	5,107,351	109%
Transportation and Travel	5,008,733	643,371	4,365,361	679%
Advertising and Promotions	3,772,246	3,645,203	127,044	3%
Outside Services	2,768,301	2,640,817	127,484	5%
Rental expenses	1,722,279	-	1,722,279	NA
Communication Expenses	1,650,616	393,588	1,257,029	319%
Fees & Subscription	1,494,419	345,416	1,149,003	333%
Taxes and licenses	923,618	201,962	721,656	357%
Office Supplies	832,044	187,240	644,804	344%
Meals expense	672,840	89,646	583,193	651%
Representation expenses	516,052	433,859	82,193	19%
Trainings, Meetings & Seminars	456,874	14,842	442,032	2978%
Hosting and internet charges	389,307	9,857	379,449	3849%
Bank charges	262,713	26,947	235,766	875%
Association dues	207,095	984,352	(777,256)	-79%
Repairs and Maintenance	188,179	8,750	179,429	2051%
Power, light & water	153,234	20,357	132,877	653%
Commission expense	95,300	135,000	(39,700)	-29%
Insurance expense	71,379	31,091	40,289	130%
General Office exp.	66,186	40,957	25,230	62%
Miscellaneous expense	50,622	69,701	(19,079)	-27%
Total Operating Expenses	45,555,996	22,300,340	23,255,656	104%
Income (Loss) From Operations	7,379,965	(12,907,837)	20,287,802	NA
Other Income/Expenses				
Interest Income	117,955	6,848	111,107	1622%
Interest Expense	(1,279,703)	(2,063,471)	783,768	-38%
Other Income	316,190	61,083	255,107	418%
Gain/loss on forex	(405,497)	(112,486)	(293,010)	260%
Other Income/Expense	(1,251,056)	(2,108,027)	856,971	-41%
Income (Loss) Before Income Tax	6,128,909	(15,015,864)	21,144,773	NA
Provision for Income Tax	-	-		
Net Profit (Loss)	6,128,909	(15,015,864)	21,144,773	NA
Earnings (Loss) Per share	0.0108	(0.0378)		
Outstanding Shares	565,831,163	396,980,785		

IPVG Corp and Subsidiaries
Consolidated Statement of Cashflow
For the Period ended March 31, 2007 and December 31, 2006

	March 31, 2007	Dec. 31, 2006	March 31, 2006
	UnAudited	Audited	UnAudited
CASHFLOWS FROM OPERATING ACTIVITIES			
Net Income (loss)	6,128,909	(123,230,999)	(14,395,032)
Adjustments for:			
Provision for Impairment Loss		1,432,304	
Depreciation, Amortization	9,787,045	30,050,011	4,679,694
Stock options benefit		31,775,000	
Interest expense		17,436,942	
Loss on disposal of property and equipment		61,785	
Interest Income	(117,955)	(352,905)	(6,849)
Operating loss before working capital changes	15,797,999	(42,827,862)	(9,722,187)
Changes in operating assets and liabilities			
Decrease (increase) in:			
Receivable	(13,305,536)	(53,330,418)	(8,331,932)
Due from related parties	(13,665,985)	(2,346,438)	(4,379,166)
Inventory	1,161,938	(4,055,781)	(2,585,500)
Prepayments and other current assets	(7,150,815)	(19,586,535)	-
Increase (Decrease) in:			
Accounts Payable and accrued expenses	18,546,688	75,767,307	(9,528,153)
Obligations under finance lease	(1,253,800)	1,772,093	3,629,602
Other Current Liabilities	5,699,067	64,010,100	16,550,165
Cash Provided by (used) in Operations	5,829,556	19,402,466	(14,367,171)
Interest received	117,955	352,905	6,849
Income taxes paid		(1,103,894)	-
Interest paid		(16,768,426)	-
Net Cash Provided by (used in) Operating Activities	5,947,511	1,883,051	(14,360,322)
CASHFLOWS FROM INVESTING ACTIVITIES			
Increase in Investment of Shares of Stock	(5,375,000)		
Proceeds from disposal of property and equipment		139,727	
Acquisitions (Disposal) of:			
Property and equipment	(11,909,635)	(59,284,237)	(4,433,352)
Intangible Assets	(12,120,671)	(21,471,091)	437,155
Increase in other assets	0	7,861,009	
Net Cash used in Investing Activities	(29,405,305)	(72,754,592)	(3,996,197)
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans	0	29,989,493	5,233,905
Payment of short-term loans	(5,067,183)	(1,323,508)	
Decrease in other noncurrent liabilities	(887,312)	1,745,224	
Issuance of shares of stock	10,000,000	92,872,312	
Deposits for Future Subscription			15,000,000
Increase in share in accumulated losses of subsidiaries in excess of investments		(10,927,817)	
Repayment of advances from officers and stockholders	(0)	3,018,353	
Increase in APIC	274,817		
Net Cash Provided by Financing Activities	4,320,322	115,374,057	20,233,905
Net Increase / (Decrease) in Cash and Cash Equivalents	(19,137,472)	44,502,516	1,877,385
Cash and Cash Equivalents at the Beginning of the Year	47,665,264	3,162,748	3,162,748
Cash and Cash Equivalents at the End of the Period	28,527,791	47,665,264	5,040,133