newAX, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2008

newAX, INC.
AND SUBSIDIARY

MARCH 31, 2008

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Cohen & Company
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BOARD OF DIRECTORS
newAX, INC. AND SUBSIDIARY

We have compiled the accompanying consolidated balance sheet of newAX, Inc. and subsidiary as of March 31, 2008, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of consolidated financial statements information that is the representation of management. We have not audited or reviewed the accompanying consolidated financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Cohen & Company

June 26, 2008
Cleveland, Ohio

CONSOLIDATED BALANCE SHEET

MARCH 31, 2008

ASSETS

CURRENT ASSETS		
Cash and cash equivalents		$ 641,996
Note receivable		57,596
		699,592
OTHER ASSETS		
Marketable securities - At fair value	$ 357,542	
Investment - At cost	193,750	
		551,292
		$ 1,250,884

LIABILITIES

SHAREHOLDERS' EQUITY	
PREFERRED STOCK SERIES A - $5 par value; 500 shares authorized, none issued or outstanding	
PREFERRED STOCK SERIES B - $.01 par value; 1,600 shares authorized, 152 issued and outstanding (liquidation preference $255,000)	$ 15,942
COMMON STOCK - $.01 par value; 2,500 shares authorized, 214 issued and outstanding	73,800
ADDITIONAL PAID-IN CAPITAL	3,979,963
RETAINED EARNINGS	2,188,418
	6,258,123
Less: Treasury stock - At cost - 770,460 shares	4,515,864
Less: Accumulated other comprehensive loss	491,375
	$ 1,250,884

See Accountants' Compilation Report and notes to the financial statements.

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2008

REVENUES	
Interest and dividends	$ 85,616
EXPENSES AND OTHER ITEMS	
Board fees	10,000
Interest	13,778
Loss on sale of marketable securities	121,742
Management fees	175,000
Other	4,901
Professional fees	10,540
Transfer agent fees	2,118
	338,079
LOSS BEFORE INCOME TAXES	(252,463)
INCOME TAX EXPENSE	1,080
NET LOSS	$ (253,543)
NET LOSS PER SHARE OF COMMON STOCK	
Basic:	
Net loss per share	$ (692.74)
Weighted average number of common shares outstanding	366

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

YEAR ENDED MARCH 31, 2008

	SERIES B PREFERRED STOCK		COMMON STOCK		ADDITIONA
	NUMBER OF SHARES	AMOUNT	NUMBER OF SHARES	AMOUNT	PAID-IN CAPITAL
BALANCE - BEGINNING OF YEAR	167	$ 15,942	292	$ 73,800	$ 3,979,9
CONSOLIDATED NET LOSS					
PURCHASE OF TREASURY STOCK	(15)		(78)		
DISTRIBUTION OF INVESTMENT					
NET UNREALIZED LOSS ON MARKETABLE SECURITIES					
BALANCE - END OF YEAR	152	$ 15,942	214	$ 73,800	$ 3,979,

Compilation Report and notes to the financial statements

COMPREHENSIVE LOSS	RETAINED EARNINGS	TREASURY STOCK		ACCUMULATED OTHER COMPREHENSIVE LOSS (Accumulated unrealized loss on available for sale securities)	TOTAL
		NUMBER OF SHARES	AMOUNT		
	$ 2,441,961	770,367	$ 4,089,614	$ (206,800)	$ 2,215,252
$ (253,543)	(253,543)				(253,543)
		93	370,000		(370,000)
			56,250		(56,250)
(284,575)				(284,575)	(284,575)
$ (538,118)					
	$ 2,188,418	770,460	$ 4,515,864	$ (491,375)	$ 1,250,884

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2008

CASH FLOW USED IN OPERATING ACTIVITIES	
Net loss	$ (253,543)
Noncash items included in net loss	
Loss on sale of marketable securities	121,742
Increase in cash caused by changes in current items	
Interest receivable	7,449
Accrued expenses	(90,392)
Net cash flow used in operations	(214,744)
CASH FLOW USED IN INVESTING ACTIVITIES	
Collections on notes receivable	287,329
Purchase of treasury stock	(370,000)
Proceeds from the sale of marketable securities	816,531
Purchase of marketable securities	(1,390,765)
	(656,905)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(871,649)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,513,645
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 641,996
NONCASH INVESTING AND FINANCING ACTIVITIES	
Net unrealized loss on marketable securities	$ 284,575
Distribution of investment as treasury stock	$ 56,250
SUPPLEMENTAL FINANCIAL INFORMATION	
Income taxes paid	$ 3,164
Interest paid	$ 104,167

See Accountants' Compilation Report and notes to the financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

newAX, Inc. (newAX), formerly known as Astrex, Inc., sold its operating business and substantially all of its assets for cash and other assets to RAD Electronics, Inc., a privately held Delaware corporation on July 1, 2005.

Consolidation

The consolidated financial statements include the accounts of newAX and AVest, Inc., a wholly-owned subsidiary (collectively, the Company). AVest, Inc. is inactive. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Accounting Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

The Company considers all highly liquid, short-term debt securities purchased with a maturity of three months or less to be cash equivalents. The Company's cash and cash equivalents are held in accounts with balances which, at times, may be in excess of the related federal depository insurance.

Marketable Securities

Marketable securities consist of equity securities classified as "available-for-sale". Securities classified as "available-for-sale" are carried in the consolidated financial statements at fair value. Realized gains and losses, determined using the specific identification method, are included in earnings; unrealized holding gains and losses are reported as a component of other comprehensive income, net of deferred income taxes.

Investment

Investments in companies where the Company holds less than a 20% voting interest are accounted for using the cost method, because the Company does not exercise significant influence over financial or operating policies of these companies. Additional investments in the investee increase the carrying value of the investment and distributions from the investee reduce the carrying value of the investment. Income distributions, if any, are recorded when received. At March 31, 2008, the Company holds less than a 20% ownership in a privately held corporation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Income taxes are accounted for under the asset and liability method under the provisions of SFAS No. 109, *Accounting for Income Taxes.* Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered.

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 – *Accounting for Uncertainty in Income Taxes* that requires the tax effects of certain tax positions to be recognized. These tax positions must meet a "more likely than not" standard that, based on their technical merits, have a more than 50 percent likelihood of being sustained upon examination. FASB Interpretation No. 48 is effective for fiscal periods beginning after December 15, 2007. At adoption, the financial statements must be adjusted to reflect only those tax positions that are more likely than not to be sustained. Management of the Company is currently evaluating the impact that FASB Interpretation No. 48 will have on the Company's financial statements.

Net Loss per Common Share

Net loss per share is computed by dividing net loss available to common stockholders (for the period) by the weighted average number of common shares outstanding during the same period.

The following table sets forth the components used in the net loss per share calculation for the year ended March 31, 2008:

Numerator:	
Net loss	$ (253,543)
Denominator:	
Weighted average shares during the period	366
Net loss per share	$ (692.74)

2. MARKETABLE SECURITIES

Marketable equity securities consisted of the following at March 31, 2008:

	Amortized Cost	Gross Unrealized Losses	Fair Value
Available-for-sale equity securities	$ 848,917	$ 491,375	$ 357,542

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. NOTE RECEIVABLE

At March 31, 2008, the Company had an unsecured note, due from an unrelated entity, payable in monthly installments of $11,751, including interest at 8% through July 2008. The note includes an option to convert into 331,200 shares, adjusted for payments to date, of common stock anytime prior to maturity. At March 31, 2008, the outstanding balance of the unsecured note amounted to $57,596.

Interest income on all notes receivable for the year amounted to approximately $41,000, of which $20,943 was from a related party. Notes receivable due from a related party were repaid during 2007.

4. NOTE PAYABLE – RELATED PARTY

During 2007, the Company repaid certain notes payable due to related parties. Interest incurred on notes payable amounted to $13,778 for the year ended March 31, 2008, of which approximately $13,000 was to related parties.

5. INCOME TAXES

At March 31, 2008, the Company has a net operating loss carryforward available for federal and state income tax purposes of approximately $3,600,000 expiring beginning in 2008 through 2026, which resulted in a deferred tax asset of approximately $711,500 (20% tax). The amount is fully reserved through a valuation allowance as management cannot opine that it is more likely than not that the Company will realize a future tax benefit from its net operating loss carryforward. There are no other differences that give rise to any deferred tax assets or liabilities.

6. SHAREHOLDERS' EQUITY

In June 2007, the Company repurchased 93 shares of its common (78) and preferred (15) stock held by a shareholder and director of the Company in the amount of $3,979 per share. In addition, the shareholder was distributed a 22.58% interest in the Company's investment in the privately held corporation. The investment will continue to be managed at the Company's discretion without duty of care to the interest of the shareholder.

7. RELATED PARTY TRANSACTIONS

The Company has arrangements with two companies, each owned by a different officer of the Company, which provide management services to the Company. Management fees for the year ended March 31, 2008, amounted to $175,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. RELATED PARTY TRANSACTIONS (Continued)

The Company manages its own investments but maintains a securities account with a brokerage company owned by two directors of the Company (one of whom is also an officer of the Company). During the year ended March 31, 2008, the Company paid this brokerage company approximately $2,100 for the purchase and sale of securities at the direction of the Company.

8. FAIR VALUE INSTRUMENTS

In September 2006, FASB issued Statement on Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosure about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007.

The changes to current generally accepted accounting principles from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosure about fair value measurements. Management is currently evaluating the impact the adoption of SFAS No. 157 will have on the financial statements.