

DM Products, Inc.

Consolidated Financial Statements

September 30, 2007

DM Products, Inc.

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Accountant's Compilation Report

Board of Directors
DM Products, Inc.
Walnut Creek, California

We have compiled the accompanying consolidated balance sheet of DM Products, Inc. (a Nevada corporation and Direct Success, Inc. its wholly owned subsidiary) as of September 30, 2007, and the related consolidated statements of operations, shareholders' equity and cash flows for the 9 months 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 financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Kenneth A. Carroll, CPA PC
Irvine, California
December 13, 2007

DM Products, Inc.
Consolidated Balance Sheet
September 30, 2007

Current Assets		
Cash	7,653	
Tristar Receivable	51,891	
Other Receivable	879	
Prepaid Expense	4,203	
Total Current Assets		64,626
Property and Equipment - Note 3		
Mold	3,000	
Furniture & Fixtures	10,739	
Office Equipment	18,637	
Web Site	1,300	
Total Cost	33,676	
Less: Accumulated Depreciation	(26,813)	
Property and Equipment, Net		6,863
Other Assets		
Deposit	992	
Total Other Assets		992
Intangible Assets-Note 6		
Infomercial Productions	235,373	
Other Intangibles	4,225	
Total Cost	239,598	
Less: Accumulated Amortization	(233,478)	
Total Intangible Assets		6,120
TOTAL ASSETS		78,601
	LIABILITIES & SHAREHOLDERS' EQUITY	
Current Liabilities		
Accounts Payable	9,234	
Sales Tax Payable	2,424	
Other Current Liabilities	23,414	
Total Current Liabilities		35,072
Long Term Liabilities		-
Total Liabilities		35,072
Shareholders' Equity		
Common Stock: \$0.001 par value; 300,000,000 shares authorized; 213,684,532 issued and outstanding at September 30, 2007 -Note 7	177,133	
Additional Paid In Capital	640,236	
Buena Vista Investment	150,000	
Accumulated Deficit	(923,840)	
Total Shareholders' Equity		43,529
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		78,601

See accompanying notes to consolidated financial statements and accountants' compilation report

DM Products, Inc.
Consolidated Statements of Operations
For the 9 Months ended September 30, 2007

	07/01/07- 09/30/07	01/01/07- 09/30/07
Sales Revenues		50,236
Royalty Income	86,384	200,927
	<u>86,384</u>	<u>251,163</u>
 Cost of Sales	 <u>35,762</u>	 <u>144,441</u>
 Gross Profit	 50,623	 106,722
 Operating Expenses		
Bank Service Charges	468	612
D & O and Liability Insurance	4,028	12,083
Depreciation	200	600
Dues & Subscription Fees	-	4,500
Financing Charges	(655)	-
Health Insurance	573	1,056
Legal Fees	1,506	4,224
Taxes & Licenses	77	9,100
Miscellaneous	515	960
Outside Services	4,688	7,737
Payroll Service Fees	12,638	52,355
Office Supplies	346	397
Postage and Delivery	980	1,421
Printing and Reproduction	1,314	1,748
Professional Fees - other	1,738	1,981
Rent	13,510	18,541
Salary & Wages - Other	521	2,913
Salary- Employer Taxes	23,939	51,437
Repairs	3,418	5,415
Telephone	175	525
Travel & Ent	363	1,232
Website Host	3,568	9,728
Total Operating Expense	<u>2,807</u>	<u>6,907</u>
	<u>76,715</u>	<u>195,471</u>
 Operating (loss) before other income (loss)	 (26,093)	 (88,749)
 Other Income (Loss)	 <u>-</u>	 <u>-</u>
 (Loss) before income taxes	 (26,093)	 (88,749)
 Provision for income taxes-Note 5	 <u>(3,500)</u>	 <u>(5,900)</u>
 Net (loss)	 <u>(29,593)</u>	 <u>(94,649)</u>

See accompanying notes to consolidated financial statements and accountants' compilation report

DM Products, Inc.
Consolidated Statements of Shareholders' Equity
For the 9 Months ended September 30, 2007

	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance at December 31, 2006	163,684,532	127,133	635,236	(829,191)	(66,822)
Capital Contribution	50,000,000	50,000	5,000		55,000
Net Income (Loss)				(94,649)	(94,649)
Balance at September 30, 2007	213,684,532	177,133	640,236	(923,840)	(106,471)

See accompanying notes to consolidated financial statements and accountants' compilation report

DM Products, Inc.
Consolidated Statements of Cash Flows
For the 9 Months ended September 30, 2007

Cash flow from operating activities		
Net (Loss)	\$	(94,649)
Adjustment to reconcile net loss to net cash used by operating activities:		
Depreciation		600
Amortization		7,500
(Increase) or decrease in current assets:		
Accounts receivables		(52,347)
Other current asset		30,741
Other assets		47,317
Increase (decrease) in liabilities:		
Liabilities		(5,128)
Net cash used by operating activities		<u>(65,966)</u>
Cash flow from investing activities		
Decrease in tangible assets		
Decrease in intangible assets		
Increase in additional paid in capital		5,000
Net cash provided by investing activities		<u>5,000</u>
Cash flow from financing activities		
Issuance of stock		50,000
Net cash provided by financing activities		<u>50,000</u>
Net change in cash		(10,966)
Cash at beginning of period		18,619
Cash at end of period	\$	<u><u>7,653</u></u>

See accompanying notes to consolidated financial statements and accountants' compilation report

DM Products, Inc.
Notes to Consolidated Financial Statements
September 30, 2007

Note 1: Summary of Significant Accounting Policies

Nature of Operations

DM Products, Inc.(the Company) was incorporated on March 1, 2001 as Effective Sport Nutrition Corporation. Subsequently, on April 11, 2005, the Company changed its name to Midwest E.S.W.T Corp and on December 14, 2005, it changed its name again to DM Products, Inc.

On July 18, 2005, the Company acquired Direct Success, Inc. a California Corporation in exchange for 70 % of the Company's Common Stock, making Direct Success, Inc. a wholly owned subsidiary of the Company.

Direct Success, Inc operates from Costa Mesa, California and it owns a limited liability company to market products through direct response to television infomercials. The companies obtain the distribution, production, and licensing rights to a product in exchange for royalty agreements based on the sales of the products. The Company sets up the production, marketing and the distribution of the products.

Basis of consolidation

The consolidated financial statements include the accounts of DM Products, Inc., Direct Success, Inc. and the accounts of its wholly owned subsidiaries Direct Success LLC #3. (collectively referred to as Direct Success, Inc.) The Company consolidated all entities in which it has a controlling interest. All material inter-company transactions have been eliminated.

Property, Equipment and Depreciation

Property and equipment has been stated at cost. Depreciation is provided on an accelerated double declining balance method over the estimated useful lives of the assets.

Use of Estimates

Timely preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts, some of which may require revision in future period.

Inventory

Inventory is valued on the cost basis, and accounted for on a first-in-first-out or FIFO basis.

Income Taxes

DM Products Inc. and Direct Success, Inc. is currently being taxed as a C corporation under the IRS code. LLC #3 has elected to be taxed as partnerships under the IRS code.

Note 2: Licensing Agreements

Direct Success entered into a manufacturing, marketing and distribution agreement with Banjo in Oct 2002 thereafter entered into a modification of said agreement in April 2005. In March 2007, Direct Success grants back to Banjo, the right, license and privilege for internet Parts sales and small parts sale of the product.

Under the agreement, Banjo will pay Direct Success a royalty on all sales of product set forth in this Agreement, on Gross Sales in the amount of 4%.

Note 3: Property and Equipment

Property and Equipment consists of the following:

Direct Success, Inc.

Furniture and fixtures	10,739
Office Equipment	18,637
	<hr/>
	29,376
	<hr/>

LLC #3

Mold	3,000
Website	1,300
	<hr/>
	4,300
	<hr/>

Total	33,676
Accumulated Depreciation	(26,813)
Property and Equipment, net	<hr/>
	6,863
	<hr/>

Note 4: Income Taxes

The tax benefit was not reflected due to a 100% valuation allowance provided as a result of losses and an uncertainty of future profitability.

Note 5: Operating Lease

Direct Success, Inc. leases office space under an operating lease agreement. The lease was month to month started August 1, 2006

Note 6: Acquired Intangible Assets

The company books intangibles at cost and amortizes them over their useful lives. The consolidated intangible assets consists of the following:

LLC #3	
Infomercial production costs	239,598
Accumulated amortization	<u>(233,478)</u>
Unamortized intangible assets	<u><u>6,120</u></u>

Total amortization expenses related to the above mentioned intangible assets were \$7,500 for the period ended September 30, 2007.

Note 7: Common Stock

During third quarter of 2007, additional 6,000,000 shares of Common Stocks was issued at par value of US\$0.001 in exchange for services from corporation officer and independant consultant, and starting the sencond quarter of 2007, the common stock of DM Products Inc. is listed on the Pink Sheet under unpriced quotation.

Note 8: Commitment and contingency

Management of the Company is conducting an internal review and possible additional receivable may exist pending the result of internal review.

Note 9: Going Concern

Before being acquired by DM Products, Inc., Direct Success, Inc. has an accumulated loss of \$6,195,881. Notwithstanding the continued losses, these financial statements have been prepared by management on a going concern basis.

The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Certain conditions, discussed below, currently exist which raise substantial doubt upon the validity of this assumption. The consolidated financial statements do not include any adjustments thus might result from the outcome of this uncertainty. If the Company were unable to continue as a going concern, assets and liabilities would require restatement on a liquidation basis, which would differ materially from the going concern basis.

The Company's future operations are dependant upon the marketing of its products and the Company's ability to secure sufficient financing to continue operations and marketing of its products. There can be no assurance that the Company's products will be able to secure market acceptance or that successful commercialization of its products will be achieved.

The Company does not have sufficient working capital to sustain its current level of operations until December 31, 2007. Continued and significant financial support from shareholders, related parties and external sources will be required to fund operations.