

2003 ANNUAL REPORT

STORIX, INC.

This Annual report has been prepared by Anthony Johnson, President of Storix, Inc. for presentation to and filing by Anthony Johnson, Secretary at the annual shareholder's meeting.

General Notes

2003 represented the first 10 months in the life of Storix as a Corporation. Prior to 2003, Storix Software was a sole proprietorship. All assets from Storix Software were transferred to Storix Inc, as of its incorporation of February 24, 2003.

August 1, 2003, Storix Inc moved its corporate headquarters to 7801 Mission Center Court, Suite 320, San Diego, CA 92108. This move provided a small office size increase but with private offices for the President/CEO and computer room. It also provided better access, security and parking for employees.

It was discovered in April, 2002 that another company, New Age International in Los Angeles, CA was marketing a backup hardware device as a STORIX DRIVE. Anthony Johnson, then owner of Storix Software, sent a cease and desist letter. Upon no response, an attorney was hired later that year to begin litigation. This attorney proved incompetent and made no attempt to resolve the issue timely and was dismissed. In February, 2003, newly formed Storix, Inc. filed legal action against New Age International and its officers. That dispute is still unresolved despite actions to stop the infringing party and considerable costs of legal action and other costs associated with this infringement.

Financials

Total Income:	\$271,592
Total Expenses:	\$221,421
Net Profit:	\$ 50,171
Total Cash Assets:	\$103,436

2003 Marketing expenditures were \$40,664 and employment expenses were \$135,109.

Upon transfer of Storix Software to Storix, Inc, a debt for Note to Shareholder (Anthony Johnson) was incurred for \$137,191. At year-end, this note was reduced to 52,101.

Summary

Storix SBA Version 4 for Linux was announced in 2002, but saw no new sales until early 2003. By end of year 2003, Linux sales made up 29% of total sales (previously included only AIX sales).

There was no change in active employees, and a modest increase in overall sales was seen from the prior year.

Dated: March 15, 2004


Anthony Johnson
President