JLM COUTURE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

	October 31, 2014	January 31, 2015 (Unaudited)
Current assets:		
Cash and cash equivalents	$ 1,888,779	$ 1,300,948
Accounts receivable, net of allowance for doubtful accounts of $ 275,000 at October 31, 2014 and $310,000 at January 31, 2015	4,603,597	5,093,489
Inventories	5,953,463	5,842,654
Prepaid expenses and other current assets	291,749	694,861
Deferred income taxes	583,000	583,000
Total current assets	13,320,588	13,514,952
Equipment and leasehold improvements, net of accumulated depreciation and amortization of $1,215,527 at October 31, 2014 and $1,243,389 at January 31, 2015	867,278	875,339
Goodwill	211,272	211,272
Samples, net of accumulated amortization of $504,829 at October 31, 2014 and $628,679 at January 31, 2015	621,385	497,535
Other Assets	519,043	449,460
Total Assets	$ 15,539,566	$15,548,558

JLM COUTURE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

	October 31, 2014	January 31, 2014 (Unaudited)
Current liabilities:		
Accounts payable	$ 2,935,895	$ 3,075,307
Accrued expenses and other current liabilities	897,268	804,618
Revolving credit line	200,000	200,000
Income taxes payable	595,998	313,614
Customer deposits	474,682	649,669
Total current liabilities	5,103,843	5,043,208
Deferred Income taxes	36,000	36,000
Total liabilities	5,139,843	5,079,208
Shareholders' equity:		
Preferred stock - $.0001 par value, authorized 1,000,000 shares; issued and outstanding- none	-	-
Common stock - $.0002 par value, authorized 10,000,000 shares; issued 2,464,480; outstanding 1,792,542	489	489
Additional paid-in capital	4,331,002	4,331,002
Retained earnings	7,548,874	7,618,501
	11,880,365	11,949,992
Less: Notes receivable and accrued interest	(36,710)	(36,710)
Treasury stock at cost: 671,938 shares at October 31,2014 and January 31, 2015	(1,443,932)	(1,443,932)
Total shareholders' equity	10,399,723	10,469,350
Total Liabilities and Shareholders' Equity	$15,539,566	$15,548,558

JLM COUTURE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED JANUARY 31,2015 & 2014
(UNAUDITED)

	January 31, 2015 (Unaudited)	January 31, 2014 (Unaudited)
Net sales	$7,148,291	$ 6,213,846
Cost of goods sold	4,460,906	3,819,938
Gross profit	2,687,385	2,393,908
Selling, general and administrative expenses	2,565,461	2,522,640
Operating income(loss)	121,924	(128,732)
Interest expense	(7,297)	(5,910)
Income (Loss) before provision (benefit)for income taxes	114,627	(134,642)
Provision (benefit) for income taxes	45,000	(40,000)
Net income (loss)	$ 69,627	$(94,642)

JLM COUTURE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JANUARY 31,2015 & 2014
(UNAUDITED)

Note 1. Basis of Presentation

The consolidated balance sheet as of January 31, 2015 and the consolidated statement of income for the three months ended January 31, 2015 & 2014 have been prepared by the company without audit. In the opinion of management, all adjustments necessary to present fairly the financial position and results of operations as of January 31, 2015 and for all periods presented have been made. The results of operations are not necessarily indicative of the results to be expected for the full year.

Certain statements, information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principals have been omitted. It is suggested that these financial statements be read in conjunction with the Company's annual audited financial statements and notes thereto for the year ended October 31, 2014.

Note 2. Inventories

Inventories are stated at the lower of cost (first in, first out) or market and include material, labor and overhead.

Inventories consisted of the following:

	October 31, 2014	January 31, 2015
Raw materials	$4,051,661	$3,943,102
Work-in-process	1,115,213	964,999
Finished Goods	786,589	934,553
	$5,953,463	$5,842,654

Note 3. Revolving Line of Credit

The Company has an available line of credit of up to $1,500,000 with a financial institution. Borrowings are collateralized by the Company's cash, accounts receivable, securities, deposits and general intangibles. At January 31, 2015 and October 31, 2014 the Company had a $200,000 outstanding balance under the revolving line of credit. Interest on the line accrues at the bank's prime rate plus 2.5% per annum.