ALLIANCE DISTRIBUTORS HOLDING INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
(In thousands, except per share amounts)
(unaudited)

	Three Months ended March 31,		Nine Months ended March 31,	
	2015	2014	2015	2014
NET SALES	$13,218	$14,921	$41,378	$48,026
COST OF GOODS SOLD	11,480	12,793	36,150	41,474
GROSS PROFIT	1,738	2,128	5,228	6,552
OPERATING COSTS AND EXPENSES	1,607	1,454	4,573	4,692
INCOME FROM OPERATIONS	131	674	655	1,860
Interest expense	68	80	219	277
INCOME BEFORE PROVISION FOR INCOME TAXES	63	594	436	1,583
Provision for income taxes	26	202	171	595
NET INCOME	$ 37	$ 392	$ 265	$ 988
Net income per share:				
Basic and diluted	$ -	$ 0.01	$ 0.02	$ 0.02
Weighted average common shares outstanding:				
Basic	44,157	44,157	44,157	44,157
Diluted	44,557	44,414	44,589	44,677

ALLIANCE DISTRIBUTORS HOLDING INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2015 and 2014
(unaudited, in thousands)

	March 31, 2015	March 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	$ 334	$ 173
Accounts receivable-net	6,425	8,067
Inventory	12,505	13,062
Advances to suppliers	618	962
Prepaid expenses and other current assets	61	107
Prepaid income taxes	119	130
Deferred income taxes	591	459
Total current assets	20,653	22,960
PROPERTY AND EQUIPMENT – NET	107	130
DEFERRED INCOME TAXES	179	115
OTHER ASSETS	62	56
TOTAL	$21,001	$23,261
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Asset-based revolving loan – bank	$ 6,955	$ 8,894
Current portion of long-term debt	-	364
Accounts payable	6,060	6,632
Accrued expenses and other current liabilities	395	430
Total current liabilities	13,410	16,320
LONG-TERM OBLIGATIONS	-	-
DEFERRED RENT	25	20
STOCKHOLDERS' EQUITY:		
Common Stock, 44,157 shares issued and outstanding	44	44
Additional paid in capital	3,651	3,522
Retained earnings	3,871	3,355
Total stockholders' equity	7,566	6,921
TOTAL	$21,001	$23,261

ALLIANCE DISTRIBUTORS HOLDING INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED MARCH 31, 2015 AND 2014
(unaudited, in thousands)

	2015	2014
OPERATING ACTIVITIES:		
Net income	$ 265	$ 988
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	46	55
Stock-based compensation expense	102	43
Deferred income taxes	(100)	(151)
Other	15	31
Changes in operating assets and liabilities-net	804	972
Net cash provided by operating activities	1,132	1,938
INVESTING ACTIVITIES:		
Purchase of property and equipment	(35)	(18)
Net cash used in investing activities	(35)	(18)
FINANCING ACTIVITIES:		
Payments of asset-based revolving loan – net of proceeds	(679)	(1,427)
Payment of deferred financing costs	-	(25)
Payment of long-term debt	(239)	(636)
Net cash used in financing activities	(918)	(2,088)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	179	(168)
CASH AND EQUIVALENTS, BEGINNING OF PERIOD	155	341
CASH AND EQUIVALENTS, END OF PERIOD	$ 334	$ 173