JLM COUTURE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

	October 31, 2014	July 31, 2015 (Unaudited)
Current assets:		
Cash and cash equivalents	$ 1,888,779	$ 2,003,379
Accounts receivable, net of allowance for doubtful accounts of $ 275,000 at October 31, 2014 and $290,000 at July 31, 2015	4,603,597	4,598,591
Inventories	5,953,463	5,164,147
Prepaid expenses and other current assets	291,749	547,644
Deferred income taxes	583,000	583,000
Total current assets	13,320,588	12,896,761
Equipment and leasehold improvements, net of accumulated depreciation and amortization of $1,215,527 at October 31, 2014 and $1,304,613 at July 31, 2015	867,278	835,966
Goodwill	211,272	211,272
Samples, net of accumulated amortization of $504,829 at October 31, 2014 and $872,854 at July 31, 2015	621,385	453,360
Other Assets	519,043	449,460
Total Assets	$ 15,539,566	$14,846,819

JLM COUTURE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

	October 31, 2014	July 31, 2015 (Unaudited)
Current liabilities:		
Accounts payable	$ 2,935,895	$ 2,233,716
Accrued expenses and other current liabilities	897,268	796,722
Revolving credit line	200,000	208,687
Income taxes payable	595,998	385,741
Customer deposits	474,682	658,205
Total current liabilities	5,103,843	4,283,071
Deferred Income taxes	36,000	36,000
Total liabilities	5,139,843	4,319,071
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 at October 31, 2015 and 1,776,719 at July 31, 2015	489	489
Additional paid-in capital	4,331,002	4,331,002
Retained earnings	7,548,874	7,718,992
	11,880,365	12,050,483
Less: Notes receivable and accrued interest	(36,710)	(36,710)
Treasury stock at cost: 671,938 shares at October 31,2014 and 687,761 at July 31, 2015 respectively	(1,443,932)	(1,486,025)
Total shareholders' equity	10,399,723	10,527,748
Total Liabilities and Shareholders' Equity	$15,539,566	$14,846,819

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

	July 31, 2015 (Unaudited)	July 31, 2014 (Unaudited)
Net sales	$ 23,235,983	$ 22,882,612
Cost of goods sold	14,371,212	14,079,489
Gross profit	8,864,771	8,803,123
Selling, general and administrative expenses	8,539,223	8,534,672
Operating income	325,548	268,451
Interest expense	30,430	15,155
Income before income taxes	295,118	253,296
Provision for income taxes	125,000	110,000
Net income	$ 170,118	$ 143,296

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

Note 1. Basis of Presentation

The consolidated balance sheet as of July 31, 2015 and the consolidated statement of income for the nine months ended July 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 July 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	July 31, 2015
Raw materials	$4,051,661	$3,378,021
Work-in-process	1,115,213	939,974
Finished Goods	786,589	846,152
	$5,953,463	$5,164,147

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 July 31, 2015 and October 31, 2014 the Company had $208,687 and $ 200,000 outstanding balances respectively under the revolving line of credit. Interest on the line accrues at the bank's prime rate plus 2.5% per annum.