ALLIANCE MEDIA HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
THREE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(In thousands, except per share amounts)

	2015	2014
NET SALES	$12,648	$13,180
COST OF SALES	11,192	11,403
GROSS PROFIT	1,456	1,777
OPERATING COSTS AND EXPENSES	1,380	1,352
INCOME FROM OPERATIONS	76	425
Interest expense	70	77
INCOME BEFORE PROVISION FOR INCOME TAXES	6	348
Provision for income taxes	-	133
NET INCOME	$ 6	$ 215
Net income per share – basic and diluted	$ -	$ -
Weighted average common shares outstanding –		
Basic	44,157	44,157
Diluted	45,184	44,620

ALLIANCE MEDIA HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2015 AND 2014
Unaudited, in thousands)

	September 30, 2015	2014
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	$ 117	$ 218
Accounts receivable-net	3,837	5,869
Inventory	15,192	12,160
Advances to suppliers	289	724
Prepaid expenses and other current assets	487	257
Deferred income taxes	601	580
Total current assets	20,523	19,808
PROPERTY AND EQUIPMENT – NET	88	123
DEFERRED INCOME TAXES	141	144
OTHER ASSETS	64	62
TOTAL	$20,816	$20,137
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Asset based revolving loan – bank	$9,674	$7,881
Accounts payable	3,006	4,385
Accrued expenses and other current liabilities	414	404
Total current liabilities	13,094	12,670
DEFERRED RENT	19	32
STOCKHOLDERS' EQUITY		
Common Stock, 44,157 shares issued and outstanding	44	44
Additional paid in capital	3,721	3,570
Retained earnings	3,938	3,821
Total stockholders' equity	7,703	7,435
TOTAL	$20,816	$20,137

ALLIANCE MEDIA HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(Unaudited, in thousands)

	2015	2014
OPERATING ACTIVITIES:		
Net income	$ 6	$ 215
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	15	15
Stock-based compensation expense	37	21
Deferred income taxes	(20)	(54)
Other	(2)	7
Changes in operating assets and liabilities, net	(3,451)	(129)
Net cash (used in) provided by operating activities	(3,415)	75
INVESTING ACTIVITIES:		
Purchase of property and equipment	(1)	(20)
Net cash used in investing activities	(1)	(20)
FINANCING ACTIVITIES:		
Proceeds from asset based revolving loan – bank, net of repayments	3,186	247
Payment of long-term debt	-	(239)
Net cash provided by (used in) financing activities	3,186	8
(DECREASE) INCREASE IN CASH AND EQUIVALENTS	(230)	63
CASH AND EQUIVALENTS, BEGINNING OF PERIOD	347	155
CASH AND EQUIVALENTS, END OF PERIOD	$ 117	$ 218