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

	Three Months ended December 31,		Six Months ended December 31,	
	2015	2014	2015	2014
NET SALES	$18,196	$14,980	$30,844	$28,160
COST OF GOODS SOLD	15,778	13,266	26,970	24,669
GROSS PROFIT	2,418	1,714	3,874	3,491
OPERATING COSTS AND EXPENSES	1,870	1,614	3,250	2,966
INCOME FROM OPERATIONS	548	100	624	525
Interest expense	89	74	159	151
INCOME BEFORE PROVISION FOR INCOME TAXES	459	26	465	374
Provision for income taxes	177	12	177	145
NET INCOME	$ 282	$ 14	$ 288	$ 229
Net income per share:				
Basic and diluted	$ $0.01	$ -	$ 0.01	$ 0.01
Weighted average common shares outstanding:				
Basic	44,157	44,157	44,157	44,157
Diluted	44,608	44,611	44,655	44,621

ALLIANCE MEDIA HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2015 and 2014
(unaudited, in thousands)

	December 31, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	$ 1,413	$ 244
Accounts receivable-net	6,472	5,034
Inventory	11,721	10,660
Advances to suppliers	-	160
Prepaid expenses and other current assets	281	107
Prepaid income taxes	125	183
Deferred income taxes	601	561
Total current assets	20,613	16,949
PROPERTY AND EQUIPMENT – NET	76	110
DEFERRED INCOME TAXES	141	164
OTHER ASSETS	61	63
TOTAL	$20,891	$17,286
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Asset-based revolving loan – bank	$ 9,338	$ 6,840
Accounts payable	2,701	2,514
Accrued expenses and other current liabilities	816	414
Total current liabilities	12,855	9,768
DEFERRED RENT	14	29
STOCKHOLDERS' EQUITY:		
Common Stock, 44,157 shares issued and outstanding	44	44
Additional paid in capital	3,758	3,610
Retained earnings	4,220	3,835
Total stockholders' equity	8,022	7,489
TOTAL	$20,891	$17,286

ALLIANCE MEDIA HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED DECEMBER 31, 2015 AND 2014
(unaudited, in thousands)

	2015	2014
OPERATING ACTIVITIES:		
Net income	$ 288	$ 229
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	30	31
Loss on disposition of assets	-	-
Deferred income taxes	(20)	(55)
Stock-based compensation expense	74	61
Other	(5)	11
Changes in operating assets and liabilities-net	(2,147)	868
Net cash (used in) provided by operating activities	(1,780)	1,145
INVESTING ACTIVITIES:		
Security deposit	-	-
Purchase of property and equipment	(4)	(23)
Net cash used in investing activities	(4)	(23)
FINANCING ACTIVITIES:		
Repayments of asset-based revolving loan – bank, net of proceeds	-	(794)
Proceeds from asset-based revolving loan – bank, net of repayments	2,850	-
Payment of long-term debt	-	(239)
Net cash provided by (used) in financing activities	2,850	(1,033)
INCREASE IN CASH AND EQUIVALENTS	1,066	89
CASH AND EQUIVALENTS, BEGINNING OF PERIOD	347	155
CASH AND EQUIVALENTS, END OF PERIOD	$ 1,413	$ 244