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

	Three Months ended March 31,		Nine Months ended March 31,	
	2016	2015	2016	2015
NET SALES	$13,997	$13,218	$44,841	$41,378
COST OF GOODS SOLD	12,268	11,480	39,238	36,150
GROSS PROFIT	1,729	1,738	5,603	5,228
OPERATING COSTS AND EXPENSES	1,639	1,607	4,889	4,573
INCOME FROM OPERATIONS	90	131	714	655
Interest expense	72	68	231	219
INCOME BEFORE PROVISION FOR INCOME TAXES	18	63	483	436
Provision for income taxes	8	26	185	171
NET INCOME	$ 10	$ 37	$ 298	$ 265
Net income per share:				
Basic and diluted	$ -	$ -	$ 0.01	$ 0.01
Weighted average common shares outstanding:				
Basic	44,157	44,157	44,157	44,157
Diluted	45,156	44,557	44,830	44,589

ALLIANCE MEDIA HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2016 and 2015
(unaudited, in thousands)

	March 31, 2016	March 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	$ 36	$ 334
Accounts receivable-net	6,175	6,425
Inventory	13,079	12,505
Advances to suppliers	663	618
Prepaid expenses and other current assets	243	61
Prepaid income taxes	163	119
Deferred income taxes	601	591
Total current assets	20,960	20,653
PROPERTY AND EQUIPMENT – NET	63	107
DEFERRED INCOME TAXES	141	179
OTHER ASSETS	60	62
TOTAL	$21,224	$21,001
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Asset-based revolving loan – bank	$ 8,411	$ 6,955
Accounts payable	3,843	6,060
Accrued expenses and other current liabilities	879	395
Total current liabilities	13,133	13,410
DEFERRED RENT	12	25
STOCKHOLDERS' EQUITY:		
Common Stock, 44,157 shares issued and outstanding	44	44
Additional paid in capital	3,805	3,651
Retained earnings	4,230	3,871
Total stockholders' equity	8,079	7,566
TOTAL	$21,224	$21,001

ALLIANCE MEDIA HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED MARCH 31, 2016 AND 2015
(unaudited, in thousands)

	2016	2015
OPERATING ACTIVITIES:		
Net income	$ 298	$ 265
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	45	46
Stock-based compensation expense	121	102
Deferred income taxes	(20)	(100)
Other	(6)	15
Changes in operating assets and liabilities-net	(2,666)	804
Net cash (used in) provided by operating activities	(2,228)	1,132
INVESTING ACTIVITIES:		
Purchase of property and equipment	(6)	(35)
Net cash used in investing activities	(6)	(35)
FINANCING ACTIVITIES:		
Payments of asset-based revolving loan – net of proceeds	-	(679)
Proceeds from asset-based revolving loan – net of payments	1,923	-
Payment of long-term debt	-	(239)
Net cash provided by (used in) financing activities	1,923	(918)
(DECREASE) INCREASE IN CASH AND EQUIVALENTS	(311)	179
CASH AND EQUIVALENTS, BEGINNING OF PERIOD	347	155
CASH AND EQUIVALENTS, END OF PERIOD	$ 36	$ 334