ANACOMP, INC.

CONSOLIDATED BALANCE SHEET

(In thousands, except share amounts)

Assets	*June 30,* **2016**	September 30, **2015**
Current assets:		
Cash and cash equivalents	**$ 3,910**	**$ 5,340**
Accounts receivable, net of allowance for doubtful accounts of $0	**1,047**	**1,120**
Restricted short-term certificates of deposit	**60**	**60**
Prepaid expenses and other current assets	**186**	**126**
Total current assets	**5,203**	**6,646**
Property and equipment, net	**707**	**590**
Other assets	**48**	**42**
Pension assets	**4,586**	**4,659**
Total Assets	**$ 10,544**	**$ 11,937**
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	**172**	**89**
Accrued compensation, benefits and withholdings	**148**	**305**
Other accrued liabilities	**196**	**228**
Current portion of long-term promissory note, net of debt discount	**870**	**1,197**
Current portion of capital lease obligations	**84**	**47**
Total current liabilities	**1,470**	**1,866**
Capital lease obligations, less current portion	**227**	**184**
Long-term promissory note, net of debt discount	**-**	**532**
Pension obligation	**7,503**	**7,619**
Total Liabilities	**9,200**	**10,201**
Stockholders' Deficit:		
Common stock, $.000001 par value; 10,000,000 shares authorized; 3,702,510 shares issued and outstanding at December 31, 2013	**-**	**-**
Additional paid-in capital	**94,132**	**94,082**
Accumulated other comprehensive loss	**(1,553)**	**(1,596)**
Accumulated deficit	**(91,235)**	**(90,750)**
Total Stockholders' Deficit	**1,344**	**1,736**
Total Liabilities and Stockholders' Deficit	**$ 10,544**	**$ 11,937**

ANACOMP, INC.

CONSOLIDATED STATEMENT OF INCOME

(In thousands)

	Three Months Ended		Nine Months Ended	
	June 30, 2016	**June 30, 2015**	**June 30, 2016**	**June 30, 2015**
Revenues	**$ 1,188**	**$ 2,502**	**$ 4,573**	**$ 7,653**
Cost of revenues	**915**	**1,380**	**3,182**	**4,144**
Gross profit	**273**	**1,122**	**1,391**	**3,509**
Operating expenses:				
Selling, general and administrative	**589**	**817**	**1,729**	**2,305**
Restructuring charges				
Income (loss) from operations	**(316)**	**305**	**(338)**	**1,204**
Other income (expense):				
Interest income	**-**	**-**	**-**	**1**
Amortization of debt discount	**(27)**	**(21)**	**(101)**	**(64)**
Interest expense	**-**	**-**	**-**	**(2)**
Income (loss) before income taxes	**(343)**	**284**	**(439)**	**1,139**
Income tax provision	**-**	**-**	**(2)**	**-**
Income before extraordinary items	**(343)**	**284**	**(441)**	**1,139**
Extraordinary expense	**(44)**	**-**	**(44)**	**-**
Net income (loss)	**$ (387)**	**$ 284**	**$ (485)**	**$ 1,139**

ANACOMP, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands)

	Three Months Ended		Nine Months Ended	
	June 30, 2016	**June 30, 2015**	**June 30, 2016**	**June 30, 2015**
Cash flows from operating activities:				
Net income	**$ (387)**	**$ 284**	**$ (485)**	**$ 1,139**
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	**64**	**51**	**173**	**150**
Amortization of debt discount	**24**	**21**	**91**	**64**
Stock-based compensation	**16**	**16**	**50**	**49**
Recoveries of doubtful accounts	**-**	**-**	**-**	**-**
Change in assets and liabilities:				
Accounts receivables	**(480)**	**790**	**73**	**243**
Restricted short-term certificates of deposit	**-**	**-**	**-**	**-**
Prepaid expenses and other assets	**(3)**	**(6)**	**(66)**	**(55)**
Accounts payable	**114**	**(61)**	**83**	**(51)**
Accrued compensation, benefits and withholdings	**(94)**	**13**	**(157)**	**(46)**
Other accrued liabilities	**134**	**(338)**	**88**	**(113)**
Net cash provided by operating activities	**(612)**	**770**	**(150)**	**1,380**
Cash flows from investing activities:				
Purchases of property and equipment	**(217)**	**(32)**	**(290)**	**(61)**
Net cash used in investing activities	**(217)**	**(32)**	**(290)**	**(61)**
Cash flows from financing activities:				
Principal payments on promissory note	**(270)**	**(470)**	**(950)**	**(745)**
Principal payments on capital lease obligations	**(20)**	**(28)**	**(40)**	**(82)**
Net cash used in financing activities	**(290)**	**(498)**	**(990)**	**(827)**
Effect of exchange rate changes on cash and cash equivalents	**-**	**-**	**-**	**-**
Increase (decrease) in cash and cash equivalents	**(1,119)**	**239**	**(1,430)**	**492**
Cash and cash equivalents at beginning of year	**5,029**	**5,029**	**5,340**	**4,776**
Cash and cash equivalents at end of year	**$ 3,910**	**$ 5,268**	**$ 3,910**	**$ 5,268**