

ANACOMP, INC.
CONSOLIDATED BALANCE SHEET

(In thousands, except share amounts)

	<i>December 31,</i> 2015	September 30, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,661	\$ 5,340
Accounts receivable, net of allowance for doubtful accounts of \$0	1,161	1,120
Restricted short-term certificates of deposit	60	60
Prepaid expenses and other current assets	192	126
Total current assets	<u>6,074</u>	<u>6,646</u>
Property and equipment, net	590	590
Other assets	42	42
Pension assets	4,586	4,659
Total Assets	<u><u>\$ 11,292</u></u>	<u><u>\$ 11,937</u></u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	37	89
Accrued compensation, benefits and withholdings	192	305
Other accrued liabilities	243	228
Current portion of long-term promissory note, net of debt discount	1,328	1,197
Current portion of capital lease obligations	46	47
Total current liabilities	<u>1,846</u>	<u>1,866</u>
Capital lease obligations, less current portion	177	184
Long-term promissory note, net of debt discount	-	532
Pension obligation	7,503	7,619
Total Liabilities	<u><u>9,526</u></u>	<u><u>10,201</u></u>
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	94,097	94,082
Accumulated other comprehensive loss	(1,553)	(1,596)
Accumulated deficit	(90,778)	(90,750)
Total Stockholders' Deficit	<u>1,766</u>	<u>1,736</u>
Total Liabilities and Stockholders' Deficit	<u><u>\$ 11,292</u></u>	<u><u>\$ 11,937</u></u>

ANACOMP, INC.
CONSOLIDATED STATEMENT OF INCOME

(In thousands)

	Three Months Ended	
	December 31, 2015	December 31, 2014
Revenues	\$ 1,863	\$ 2,410
Cost of revenues	1,240	1,227
Gross profit	623	1,183
Operating expenses:		
Selling, general and administrative	597	742
Restructuring charges		
Income from operations	26	441
Other income (expense):		
Interest income	-	-
Amortization of debt discount	(52)	(24)
Interest expense	-	(1)
Income (loss) before income taxes	(26)	416
Income tax provision	(2)	-
Net income (loss)	\$ (28)	\$ 416

ANACOMP, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands)

	Three Months Ended	
	December 31, 2015	December 31, 2014
Cash flows from operating activities:		
Net income	\$ (28)	\$ 416
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	55	49
Amortization of debt discount	49	24
Stock-based compensation	15	-
Recoveries of doubtful accounts	-	-
Change in assets and liabilities:		
Accounts receivables	(41)	(372)
Restricted short-term certificates of deposit	-	-
Prepaid expenses and other assets	(66)	(54)
Accounts payable	(52)	(37)
Accrued compensation, benefits and withholdings	(113)	(63)
Other accrued liabilities	15	51
Net cash provided by operating activities	(166)	14
Cash flows from investing activities:		
Purchases of property and equipment	(45)	(12)
Net cash used in investing activities	(45)	(12)
Cash flows from financing activities:		
Principal payments on promissory note	(450)	(165)
Principal payments on capital lease obligations	(18)	(27)
Net cash used in financing activities	(468)	(192)
Effect of exchange rate changes on cash and cash equivalents	-	-
Increase (decrease) in cash and cash equivalents	(679)	(190)
Cash and cash equivalents at beginning of year	5,340	4,776
Cash and cash equivalents at end of year	\$ 4,661	\$ 4,586