

ANACOMP, INC.
CONSOLIDATED BALANCE SHEET

(In thousands, except share amounts)

	<i>March 31,</i> 2016	September 30, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,029	\$ 5,340
Accounts receivable, net of allowance for doubtful accounts of \$0	567	1,120
Restricted short-term certificates of deposit	60	60
Prepaid expenses and other current assets	184	126
Total current assets	<u>5,840</u>	<u>6,646</u>
Property and equipment, net	554	590
Other assets	47	42
Pension assets	4,586	4,659
Total Assets	<u><u>\$ 11,027</u></u>	<u><u>\$ 11,937</u></u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	58	89
Accrued compensation, benefits and withholdings	242	305
Other accrued liabilities	182	228
Current portion of long-term promissory note, net of debt discount	1,116	1,197
Current portion of capital lease obligations	45	47
Total current liabilities	<u>1,643</u>	<u>1,866</u>
Capital lease obligations, less current portion	166	184
Long-term promissory note, net of debt discount	-	532
Pension obligation	7,503	7,619
Total Liabilities	<u><u>9,312</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	94,116	94,082
Accumulated other comprehensive loss	(1,553)	(1,596)
Accumulated deficit	(90,848)	(90,750)
Total Stockholders' Deficit	<u>1,715</u>	<u>1,736</u>
Total Liabilities and Stockholders' Deficit	<u><u>\$ 11,027</u></u>	<u><u>\$ 11,937</u></u>

ANACOMP, INC.
CONSOLIDATED STATEMENT OF INCOME

(In thousands)

	Three Months Ended		Six Months Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Revenues	\$ 1,522	\$ 2,742	\$ 3,385	\$ 5,152
Cost of revenues	1,027	1,537	2,267	2,764
Gross profit	495	1,205	1,118	2,388
Operating expenses:				
Selling, general and administrative	543	746	1,140	1,488
Restructuring charges				
Income (loss) from operations	(48)	459	(22)	900
Other income (expense):				
Interest income	-	-	-	-
Amortization of debt discount	(22)	(19)	(74)	(43)
Interest expense	-	(1)	-	(1)
Income (loss) before income taxes	(70)	439	(96)	856
Income tax provision	-	-	(2)	-
Net income (loss)	\$ (70)	\$ 439	\$ (98)	\$ 856

ANACOMP, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands)

	Three Months Ended		Six Months Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash flows from operating activities:				
Net income	\$ (70)	\$ 440	\$ (98)	\$ 856
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	53	50	108	99
Amortization of debt discount	18	19	67	43
Stock-based compensation	19	33	34	33
Recoveries of doubtful accounts	-	-	-	-
Change in assets and liabilities:				
Accounts receivables	594	(175)	553	(547)
Restricted short-term certificates of deposit	-	-	-	-
Prepaid expenses and other assets	3	5	(63)	(49)
Accounts payable	21	47	(31)	10
Accrued compensation, benefits and withholdings	50	4	(63)	(59)
Other accrued liabilities	(73)	174	(46)	225
Net cash provided by operating activities	615	597	461	611
Cash flows from investing activities:				
Purchases of property and equipment	(7)	(17)	(62)	(29)
Net cash used in investing activities	(7)	(17)	(62)	(29)
Cash flows from financing activities:				
Principal payments on promissory note	(230)	(110)	(680)	(275)
Principal payments on capital lease obligations	(10)	(27)	(30)	(54)
Net cash used in financing activities	(240)	(137)	(710)	(329)
Effect of exchange rate changes on cash and cash equivalents	-	-	-	-
Increase (decrease) in cash and cash equivalents	368	443	(311)	253
Cash and cash equivalents at beginning of year	4,661	4,586	5,340	4,776
Cash and cash equivalents at end of year	<u>\$ 5,029</u>	<u>\$ 5,029</u>	<u>\$ 5,029</u>	<u>\$ 5,029</u>