

**IMPRESO, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET**

**ASSETS**  
**(unaudited)**

	May 31, 2015	August 31, 2014
Current assets:		
Cash	\$ -	\$ -
Trade accounts receivable, net of allowance for doubtful accounts of \$667,416 as of May 31, 2015 and \$569,854 as of August 31, 2014	7,375,972	7,024,732
Inventories, net of allowances	13,311,638	14,531,013
Prepaid expenses and other	567,663	549,840
Deferred income tax assets	412,155	426,471
Total current assets	<u>21,667,428</u>	<u>22,532,056</u>
Property, plant and equipment, at cost	18,994,708	19,676,963
Less-Accumulated depreciation	<u>(14,342,370)</u>	<u>(14,657,062)</u>
Net property, plant and equipment	<u>4,652,338</u>	<u>5,019,901</u>
Noncurrent assets:		
Other assets	<u>51,789</u>	<u>59,049</u>
Total assets	<u>\$ 26,371,555</u>	<u>\$ 27,611,006</u>

**IMPRESO, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS (CONTINUED)**

**LIABILITIES AND STOCKHOLDERS' EQUITY**  
**(unaudited)**

	<u>May 31,</u> <u>2015</u>	<u>August 31,</u> <u>2014</u>
Current liabilities:		
Accounts payable	\$ 4,042,100	\$ 4,035,783
Accrued liabilities	1,012,625	2,788,293
Accrued commissions	1,630,929	1,347,679
Current maturities of long-term debt	<u>180,845</u>	<u>183,097</u>
Total current liabilities	6,866,499	8,354,852
Long-term debt, net of current maturities	586,292	722,660
Line of Credit	3,944,485	3,943,969
Deferred tax liability	<u>460,783</u>	<u>353,592</u>
Total liabilities	<u>11,858,059</u>	<u>13,375,073</u>
Stockholders' equity:		
Preferred stock, \$.01 par value; 5,000,000 shares authorized; 0 shares issued and outstanding	-	-
Common stock, \$.01 par value; 15,000,000 shares authorized; 5,292,780 issued and 4,021,263 outstanding	52,928	52,928
Additional paid-in capital	6,353,656	6,353,656
Retained earnings	<u>9,466,197</u>	<u>9,188,634</u>
Stockholders' equity	15,872,781	15,595,218
Treasury stock (1,271,517 shares, at cost)	<u>(1,359,285)</u>	<u>(1,359,285)</u>
Total stockholders' equity	<u>14,513,496</u>	<u>14,235,933</u>
Total liabilities and stockholders' equity	<u>\$ 26,371,555</u>	<u>\$ 27,611,006</u>

**IMPRESO, INC. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

	Three Months Ended		Nine Months Ended	
	May 31, 2015	May 31, 2014	May 31, 2015	May 31, 2014
Net sales	\$ 21,171,193	\$ 21,202,248	\$ 62,724,350	\$ 58,763,900
Cost of sales	<u>19,020,693</u>	<u>19,261,993</u>	<u>56,343,650</u>	<u>53,073,241</u>
Gross profit	2,150,500	1,940,255	6,380,700	5,690,659
Loss on disposal of assets	202	197,804	54,207	201,069
Selling, general and administrative expenses	<u>2,075,470</u>	<u>1,869,145</u>	<u>5,750,125</u>	<u>5,198,508</u>
Operating income (loss)	74,828	(126,694)	576,368	291,082
Other expenses (income):				
Interest expense	20,070	70,283	126,715	183,971
Other (income) expense, net	<u>(6,619)</u>	<u>(42,861)</u>	<u>21,403</u>	<u>(1,173)</u>
Total other expense, net	13,451	27,422	148,118	182,798
Income (loss) before income tax expense	61,377	(154,116)	428,250	108,284
Income tax expense (benefit):				
Current	-	838	29,180	30,838
Deferred	<u>38,318</u>	<u>(59,401)</u>	<u>121,507</u>	<u>(5,315)</u>
Total income tax expense (benefit)	38,318	(58,563)	150,687	25,523
Net income (loss)	<u>\$ 23,059</u>	<u>\$ (95,553)</u>	<u>\$ 277,563</u>	<u>\$ 82,761</u>

**IMPRESO, INC. AND SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

	Nine Months Ended May 31,	
	2015	2014
Cash Flows From Operating Activities:		
Net income	\$ 277,563	\$ 82,761
Adjustments to reconcile net income to net cash provided by (used in ) operating activities-		
Depreciation and amortization	416,272	386,786
Bad debt expense (recovery)	97,562	(113,488)
Decrease in provision of losses of inventory	(143,685)	(156,160)
Loss on disposal of property, plant and equipment	54,207	201,069
Deferred income tax expense (benefit)	121,507	(5,315)
Increase in trade accounts receivable	(448,802)	(1,011,144)
Decrease (increase) in inventory	1,363,059	(2,828,127)
Increase in prepaid expenses and other	(17,823)	(142,607)
Decrease (increase) in noncurrent assets	7,261	(15,300)
Increase (decrease) in accounts payable	6,318	(1,256,097)
(Decrease) increase in accrued liabilities	(1,492,419)	582,900
	241,020	(4,274,722)
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(160,247)	(714,067)
Proceeds from sale of property, plant and equipment	57,331	26,030
	(102,916)	(688,037)
Cash Flows From Financing Activities:		
Net borrowings on line of credit	516	4,604,404
Net (payments) borrowings on debt	(138,620)	358,355
Purchase of Treasury Stock	-	-
	(138,104)	4,962,759
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	-	\$ -