

IMPRESO, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS
(unaudited)

	November 30 2013	August 31, 2013
Current assets:		
Cash	\$ -	\$ -
Trade accounts receivable, net of allowance for doubtful accounts of \$544,689 as of November 30, 2013 and \$590,516 as of August 31, 2013	6,183,694	6,665,881
Inventories, net of allowances	14,495,365	13,309,768
Prepaid expenses and other	382,737	298,769
Deferred income tax assets	406,675	429,823
Total current assets	<u>21,468,471</u>	<u>20,704,241</u>
Property, plant and equipment, at cost	20,349,697	20,243,142
Less-Accumulated depreciation	<u>(15,354,936)</u>	<u>(15,258,305)</u>
Net property, plant and equipment	<u>4,994,761</u>	<u>4,984,837</u>
Noncurrent assets:		
Other assets	<u>34,408</u>	<u>43,749</u>
Total assets	<u>\$ 26,497,640</u>	<u>\$ 25,732,827</u>

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

LIABILITIES AND STOCKHOLDERS' EQUITY
(unaudited)

	November 30 2013	August 31, 2013
Current liabilities:		
Checks issued in excess of funds held on deposit	\$ 1,617,599	\$ 1,571,268
Accounts payable	2,335,078	3,171,375
Accrued liabilities	2,189,504	2,115,879
Accrued commissions	988,894	1,189,156
Current maturities of long-term debt	107,599	95,394
Total current liabilities	7,238,674	8,143,072
Long-term debt, net of current maturities	537,091	499,527
Line of Credit	3,692,062	2,203,088
Deferred tax liability	545,769	507,826
Total liabilities	12,013,596	11,353,513
Stockholders' equity:		
Preferred stock, \$.01 par value; 5,000,000 shares authorized; 0 shares issued and outstanding	0	0
Common stock, \$.01 par value; 15,000,000 shares authorized; 5,292,780 issued and 4,001,263 outstanding	52,928	52,928
Additional paid-in capital	6,353,656	6,353,656
Retained earnings	9,436,745	9,332,015
Stockholders' equity	15,843,329	15,738,599
Treasury stock (1,291,517 shares, at cost)	(1,359,285)	(1,359,285)
Total stockholders' equity	14,484,044	14,379,314
Total liabilities and stockholders' equity	\$ 26,497,640	\$ 25,732,827

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended	
	November 30, 2013	November 30, 2012
Net sales	\$ 19,052,988	\$ 17,475,077
Cost of sales	<u>17,035,218</u>	<u>15,783,440</u>
Gross profit	2,017,770	1,691,637
Loss (gain) on sales of assets	2,668	(6,000)
Selling, General and administrative expenses	<u>1,767,758</u>	<u>1,675,105</u>
Operating Income	247,344	22,532
Other expenses (income):		
Interest expense	51,552	58,547
Other expense (income), net	<u>14,971</u>	<u>(215,135)</u>
Total other expense	66,523	(156,588)
Gain before income tax expense	180,821	179,120
Income tax expense (benefit):		
Current	15,000	15,000
Deferred	<u>61,091</u>	<u>58,333</u>
Total income tax expense	76,091	73,333
Net income	<u>\$ 104,730</u>	<u>\$ 105,787</u>

IMPRESO, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended November 30,	
	2013	2012
Cash Flows From Operating Activities:		
Net income	\$ 104,730	\$ 105,787
Adjustments to reconcile net loss to net cash provided by (used in) operating activities-		
Depreciation and amortization	120,640	112,083
Bad debt (benefit)	(45,827)	(39,293)
Decrease in provision of losses of inventory	(4,847)	(236)
Loss (gain) on sale of property, plant and equipment	2,667	(3,000)
Deferred income tax expense	61,091	58,333
Decrease in trade accounts receivable	528,014	1,705,274
Increase in inventory	(1,180,750)	(874,081)
(Increase) in prepaid expenses and other	(83,968)	(89,656)
Decrease (increase) in noncurrent assets	9,341	(2,909)
(Decrease) increase in accounts payable	(789,966)	322,833
Decrease in accrued liabilities	(126,637)	(829,172)
	<u>(1,405,512)</u>	<u>465,963</u>
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(133,231)	(371,268)
Proceeds from sale of property, plant and equipment	-	6,000
	<u>(133,231)</u>	<u>(365,268)</u>
Cash Flows From Financing Activities:		
Net borrowings (payments) on line of credit	1,488,974	(97,209)
Net Borrowings (payments) on debt	49,769	(3,486)
Purchase of Treasury Stock	-	-
	<u>1,538,743</u>	<u>(100,695)</u>
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of period	-	-
Cash and cash equivalents, end of period	\$ -	\$ -