

ALLIANCE DISTRIBUTORS HOLDING INC.
INCOME STATEMENTS
THREE MONTHS ENDED MARCH 31, 2009 AND 2008
(Unaudited; in thousands)

	<u>2009</u>	<u>2008</u>
NET SALES	\$16,418	\$22,817
COST OF GOODS SOLD	<u>14,148</u>	<u>20,994</u>
GROSS PROFIT	2,270	1,823
OPERATING COSTS AND EXPENSES	<u>1,882</u>	<u>1,603</u>
INCOME FROM OPERATIONS	388	220
Interest expense	<u>126</u>	<u>188</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	262	32
Provision for income taxes	<u>106</u>	<u>-</u>
NET INCOME	<u>\$ 156</u>	<u>\$ 32</u>
Net income per share:		
Basic and diluted	<u>\$ -</u>	<u>\$ -</u>
Weighted average common shares outstanding:		
Basic	<u>52,883</u>	<u>53,410</u>
Diluted	<u>53,098</u>	<u>53,790</u>

ALLIANCE DISTRIBUTORS HOLDING INC.
CONDENSED BALANCE SHEETS
(in thousands)

	March 31, <u>2009</u> Unaudited	December 31, <u>2008</u> Derived from audited financial statements
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	\$ 81	\$ 924
Accounts receivable-net	6,545	5,334
Inventory	6,280	7,262
Due from vendors	177	342
Prepaid expenses and other current assets	192	215
Deferred income taxes	<u>389</u>	<u>263</u>
Total current assets	13,664	14,340
PROPERTY AND EQUIPMENT – NET	470	501
DEFERRED INCOME TAXES	191	178
OTHER ASSETS	<u>83</u>	<u>88</u>
TOTAL	<u>\$14,408</u>	<u>\$15,107</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable – bank	\$ 7,300	\$ 6,806
Accounts payable	3,180	4,630
Accrued expenses and other current liabilities	<u>504</u>	<u>425</u>
Total current liabilities	10,984	11,861
DEFERRED LEASE OBLIGATIONS	49	50
STOCKHOLDERS' EQUITY	<u>3,375</u>	<u>3,196</u>
TOTAL	<u>\$14,408</u>	<u>\$15,107</u>
COMMON SHARES OUTSTANDING	<u>52,883</u>	<u>52,883</u>