



P & F INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS

(In thousands \$)

	<u>March 31, 2009</u> (Unaudited)	<u>December 31, 2008</u> (Audited)
<u>Assets</u>		
Cash	\$722	\$1,043
Accounts receivable - net	9,390	8,507
Inventories - net	29,206	31,286
Deferred income taxes - net	1,584	1,584
Income tax refund receivable	469	327
Prepaid expenses and other current assets	<u>1,508</u>	<u>990</u>
Total current assets	42,879	43,737
Property and equipment	25,315	24,754
Less accumulated depreciation and amortization	<u>11,649</u>	<u>11,232</u>
Net property and equipment	13,666	13,522
Goodwill	4,184	4,184
Other intangible assets - net	3,031	3,121
Deferred Income taxes – net	5,424	5,424
Other assets – net	<u>630</u>	<u>484</u>
<u>Total assets</u>	<u>\$69,814</u>	<u>\$ 70,472</u>
<u>Liabilities and Shareholders' Equity</u>		
Short-term borrowings	\$ 20,000	\$ 15,000
Accounts payable	2,805	1,961
Other accrued liabilities	3,981	3,769
Current maturities of long-term debt	<u>3,132</u>	<u>6,515</u>
Total current liabilities	29,918	27,245
Long-term debt, less current maturities	6,240	9,029
Liabilities of discontinued operations	<u>325</u>	<u>331</u>
Total liabilities	36,483	36,605
<u>Total shareholders' equity</u>	<u>33,331</u>	<u>33,867</u>
<u>Total liabilities and shareholders' equity</u>	<u>\$ 69,814</u>	<u>\$ 70,472</u>

P & F INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

**Three Months Ended
March 31,**

(In thousands \$, except per share data)

	<u>2009</u>	<u>2008</u>
	(Unaudited)	(Unaudited)
Net revenue	\$15,562	\$24,325
Cost of sales	<u>10,931</u>	<u>16,653</u>
Gross profit	4,631	7,672
Selling, general and administrative expenses	<u>5,041</u>	<u>6,510</u>
Operating (loss) income	(410)	1,162
Interest expense – net	<u>309</u>	<u>558</u>
(Loss) earnings from continuing operations before income taxes	(719)	604
Income tax (benefit) expense	<u>(122)</u>	<u>254</u>
(Loss) earnings from continuing operations before discontinued operations	(597)	350
(Loss) earnings from discontinued operations, net of tax	<u>(9)</u>	<u>12</u>
Net (loss) earnings	<u>\$(606)</u>	<u>\$362</u>
Earnings (loss) per common share:		
Basic:		
Continuing operations	\$(0.17)	\$0.10
Discontinued operations	<u>-</u>	<u>-</u>
Net earnings per common share - basic	<u>\$(0.17)</u>	<u>\$0.10</u>
Diluted:		
Continuing operations	\$(0.17)	\$0.10
Discontinued operations	<u>-</u>	<u>-</u>
Net earnings per common share - diluted	<u>\$(0.17)</u>	<u>\$0.10</u>
Weighted average common shares outstanding:		
Basic	<u>3,615</u>	<u>3,637</u>
Diluted	<u>3,615</u>	<u>3,675</u>

End