



**P & F INDUSTRIES, INC. AND SUBSIDIARIES**

**CONSOLIDATED CONDENSED BALANCE SHEETS**

**(In thousands \$)**

	<b><u>September 30, 2009</u></b> (Unaudited)	<b><u>December 31, 2008</u></b> (Audited)
<b><u>Assets</u></b>		
Cash	\$ 660	\$ 1,043
Accounts receivable - net	10,965	8,507
Inventories - net	30,947	31,286
Notes and other receivables	305	---
Deferred income taxes - net	1,584	1,584
Income tax refund receivable	1,074	327
Prepaid expenses and other current assets	<u>1,803</u>	<u>990</u>
<b>Total current assets</b>	47,338	43,737
Property and equipment	28,745	24,754
Less accumulated depreciation and amortization	<u>12,656</u>	<u>11,232</u>
Net property and equipment	16,089	13,522
Goodwill	8,972	4,183
Other intangible assets - net	5,704	3,121
Deferred Income taxes – net	4,773	5,424
Other assets – net	<u>689</u>	<u>485</u>
<b><u>Total assets</u></b>	<b><u>\$ 83,565</u></b>	<b><u>\$ 70,472</u></b>
<b><u>Liabilities and Shareholders' Equity</u></b>		
Short-term borrowings	\$ 21,285	\$ 15,000
Accounts payable	5,671	1,962
Other accrued liabilities	4,339	3,768
Current maturities of long-term debt	<u>10,586</u>	<u>6,516</u>
<b>Total current liabilities</b>	41,881	27,246
Other long-term liabilities	5,043	331
Note Payable	4,053	---
Long-term debt, less current maturities	<u>495</u>	<u>9,028</u>
<b>Total liabilities</b>	51,472	36,605
<b><u>Total shareholders' equity</u></b>	<b><u>32,093</u></b>	<b><u>33,867</u></b>
<b><u>Total liabilities and shareholders' equity</u></b>	<b><u>\$ 83,565</u></b>	<b><u>\$ 70,472</u></b>

**P & F INDUSTRIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED**  
**STATEMENTS OF EARNINGS**

(In thousands of \$, except per share data)	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2009</u> (Unaudited)	<u>2008</u> (Unaudited)	<u>2009</u> (Unaudited)	<u>2008</u> (Unaudited)
Net revenue	\$ 20,470	\$ 22,104	\$ 54,560	\$ 71,983
Cost of sales	<u>15,157</u>	<u>15,225</u>	<u>39,905</u>	<u>49,377</u>
Gross profit	5,313	6,879	14,655	22,606
Selling, general and administrative expenses	<u>5,734</u>	<u>6,083</u>	<u>16,076</u>	<u>19,274</u>
Operating (loss) income	(421)	796	(1,421)	3,332
Interest expense – net	<u>686</u>	<u>407</u>	<u>1,358</u>	<u>1,416</u>
(Loss) earnings before income taxes	(1,107)	389	(2,779)	1,916
Income taxes	<u>(331)</u>	<u>115</u>	<u>(832)</u>	<u>785</u>
(Loss) earnings	<u>\$ (776)</u>	<u>\$ 274</u>	<u>\$ (1,947)</u>	<u>\$ 1,131</u>
(Loss) earnings per common share:				
Basic:				
Net (loss) earnings per common share	<u>\$(0.21)</u>	<u>\$0.08</u>	<u>\$(0.54)</u>	<u>\$0.31</u>
Diluted:				
Net (loss) earnings per common share	<u>\$(0.21)</u>	<u>\$0.07</u>	<u>\$(0.54)</u>	<u>\$0.30</u>
Weighted average common shares outstanding:				
Basic	<u>3,614,562</u>	<u>3,625,864</u>	<u>3,614,562</u>	<u>3,633,507</u>
Diluted	<u>3,614,562</u>	<u>3,800,990</u>	<u>3,614,562</u>	<u>3,729,861</u>

# End #