

P & F INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 1998	December 31, 1997
Total Current Assets	28,938,380	24,019,209
Net Property and Equipment	10,628,567	5,657,766
Goodwill, net of accumulated amortization	8,274,918	2,788,045
Other Assets, net of accumulated amortization	<u>236,614</u>	<u>183,875</u>
Total Assets	<u>\$ 48,078,479</u>	<u>\$ 32,648,895</u>
Total Current Liabilities	12,944,363	6,959,339
Long-term Debt, less current maturities	10,193,064	3,755,683
Deferred Income Taxes	491,000	444,000
Subordinated Debentures	<u> --</u>	<u>1,369,200</u>
Total Liabilities	<u>23,628,427</u>	<u>12,528,222</u>
Total Shareholders' Equity	<u>24,450,052</u>	<u>20,120,673</u>
Total Liabilities and Shareholders' Equity	<u>\$ 48,078,479</u>	<u>\$ 32,648,895</u>

P & F INDUSTRIES, INC. AND SUBSIDIARIES

SUMMARY OF EARNINGS

	Three months ended December 31,		Year ended December 31	
	1998	1997	1998	1997
Revenues	\$ 19,508,530	\$ 15,184,361	\$ 58,165,715	\$ 50,026,947
Net Income				
Continuing Operations	\$ 991,844	\$ 793,711	\$ 3,943,441	\$ 2,513,779
Discontinued Operation	\$ --	\$ --	\$ --	\$ 542,837
Total	\$ 991,844	\$ 793,711	\$ 3,943,441	\$ 3,056,616
Weighted Average Common Shares Outstanding:				
Basic	3,240,469	3,024,002	3,208,181	2,986,920
Diluted	3,693,301	3,576,536	3,689,963	3,525,690
Net Income Per Class A Common Share(a):				
Basic				
Continuing Operations	\$ 0.31	\$ 0.26	\$ 1.23	\$ 0.83
Discontinued Operation	--	--	--	0.18
Total	\$ 0.31	\$ 0.26	\$ 1.23	\$ 1.01
Diluted				
Continuing Operations	\$ 0.27	\$ 0.22	\$ 1.07	\$ 0.71
Discontinued Operation	--	--	--	0.15
Total	\$ 0.27	\$ 0.22	\$ 1.07	\$ 0.86

(a) After dividends on preferred stock of \$21,858 in 1997.

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