



P & F INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS

(In Thousand \$)	<u>June 30, 2013</u> (Unaudited)	<u>December 31, 2012</u> (NOTE 1)
<u>Assets</u>		
Cash	\$ 905	\$ 695
Accounts receivable - net	11,928	6,675
Inventories - net	23,292	24,073
Deferred income taxes - net	1,139	1,139
Prepaid expenses and other current assets	<u>838</u>	<u>547</u>
Total current assets	38,102	33,129
Net property and equipment	10,616	11,102
Goodwill	5,150	5,150
Other intangible assets - net	1,618	1,752
Deferred income taxes – net	2,427	3,211
Other assets – net	<u>745</u>	<u>813</u>
Total assets	<u>\$ 58,658</u>	<u>\$ 55,157</u>
<u>Liabilities and Shareholders' Equity</u>		
Short-term borrowings	\$ 6,613	\$ 2,793
Accounts payable	3,751	4,843
Accrued liabilities	3,632	4,332
Current maturities of long-term debt	<u>460</u>	<u>460</u>
Total current liabilities	14,456	12,428
Long-term debt, less current maturities	7,133	7,363
Other Liabilities	<u>270</u>	<u>278</u>
Total liabilities	21,859	20,069
Total shareholders' equity	<u>36,799</u>	<u>35,088</u>
Total liabilities and shareholders' equity	<u>\$ 58,658</u>	<u>\$ 55,157</u>

NOTE-1

The unaudited consolidated condensed balance sheet information as of December 31, 2012 was derived from the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

P & F INDUSTRIES, INC. AND SUBSIDIARIES

**CONSOLIDATED CONDENSED
STATEMENTS OF INCOME**

(In Thousand \$)	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2013</u> (Unaudited)	<u>2012</u> (Unaudited)	<u>2013</u> (Unaudited)	<u>2012</u> (Unaudited)
Net revenue	\$ 19,476	\$ 15,241	\$ 40,185	\$ 29,558
Cost of sales	<u>12,374</u>	<u>9,564</u>	<u>25,349</u>	<u>18,270</u>
Gross profit	7,102	5,677	14,836	11,288
Selling, general and admin expenses	<u>5,580</u>	<u>4,721</u>	<u>12,212</u>	<u>9,461</u>
Operating income	1,522	956	2,624	1,827
Interest expense	<u>118</u>	<u>133</u>	<u>227</u>	<u>275</u>
Income before income taxes	1,404	823	2,397	1,552
Income tax expense	<u>529</u>	<u>27</u>	<u>901</u>	<u>50</u>
Net income	\$ <u>875</u>	\$ <u>796</u>	\$ <u>1,496</u>	\$ <u>1,502</u>

End