

POINT BLANK SOLUTIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	June 30, 2009	December 31, 2008
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash	\$ 1,099	\$ 1,707
Accounts receivable, less allowance for doubtful accounts of \$556 and \$279, respectively	21,227	33,620
Inventories, net	17,484	38,700
Income tax receivables	18	11,951
Deferred income taxes	12,181	14,829
Prepaid expenses and other current assets	1,883	2,782
Total current assets	<u>53,892</u>	<u>103,589</u>
Property and equipment, net	<u>10,463</u>	<u>10,742</u>
Other assets:		
Deferred income taxes	13,409	10,931
Deposits and other assets	101	113
Total other assets	<u>13,510</u>	<u>11,044</u>
Total assets	<u>\$ 77,865</u>	<u>\$ 125,375</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Revolving line of credit	\$ 2,336	\$ 29,207
Term Loan	8,500	10,000
Note payable	2,950	2,950
Income taxes payable	-	285
Accounts payable	11,391	23,310
Accrued expenses and other current liabilities	7,880	4,927
Reserve for class action settlement	4,172	4,172
Vest replacement program obligation	409	410
Employment tax withholding obligation	7,898	8,154
Total current liabilities	<u>45,536</u>	<u>83,415</u>
Long term liabilities:		
Unrecognized tax benefits	-	11,239
Other liabilities	452	418
Total long term liabilities	<u>452</u>	<u>11,657</u>
Total liabilities	<u>45,988</u>	<u>95,072</u>
Commitments and contingencies		
Contingently redeemable common stock (related party)	19,326	19,326
Stockholders' equity:		
Common stock, \$0.001 par value, 100,000,000 shares authorized, 51,699,297 shares and 51,446,585 shares issued and outstanding, respectively	48	48
Additional paid in capital	94,675	89,673
Accumulated deficit	(83,409)	(79,155)
Total Point Blank Solutions, Inc. stockholders' equity	<u>11,314</u>	<u>10,566</u>
Noncontrolling Interests	1,237	411
Total stockholders' equity	<u>12,551</u>	<u>10,977</u>
Total liabilities and stockholders' equity	<u>\$ 77,865</u>	<u>\$ 125,375</u>

See notes to condensed consolidated financial statements.