

POINT BLANK SOLUTIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	For the Nine Months Ended September 30,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	\$ (7,475)	\$ 3,312
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	1,669	940
Amortization of deferred financing costs	88	88
Deferred income tax (benefit) expense	(9,163)	3,148
Equity-based compensation	664	5,056
Changes in assets and liabilities:		
Accounts receivable	26,374	10,359
Inventories	25,971	(5,756)
Income tax receivable	11,743	8,213
Prepaid expenses and other current assets	391	200
Deposits and other assets	17	(37)
Accounts payable	(13,000)	2,666
Accrued expenses and other current liabilities	4,221	426
Vest replacement program obligation	(7)	(110)
Income taxes payable	(285)	-
Unrecognized tax benefits	-	(74)
Employment tax withholding obligation	(1,521)	(26,022)
Other liabilities	(33)	(104)
Net cash provided by operating activities	39,654	2,305
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	-	4
Purchases of property and equipment	(1,277)	(3,553)
Net cash used in investing activities	(1,277)	(3,549)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank overdraft	-	(426)
Contribution from minority owners	-	250
Loan to minority owners	-	200
Net (repayments) proceeds from credit facility	(33,207)	1,252
Net proceeds from the issuance of stock options	1	-
Net proceeds from exercise of stock warrants	-	28
Net cash (used in) provided by financing activities	(33,206)	1,304
Net increase in cash and cash equivalents	5,171	60
Cash at beginning of year	1,707	213
Cash at end of period	\$ 6,878	\$ 273
Supplemental cash flow information:		
Property and equipment acquired by issuing a note payable	\$ 23	\$ 2,500