

JLM COUTURE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

	October 31, 2008 -----	April 30, 2009 (Unaudited) -----
Current assets:		
Cash and cash equivalents	\$ 2,516,376	\$ 854,825
Accounts receivable, net of allowance for doubtful accounts of \$ 370,000 at October 31, 2008 and \$425,000 at April 30, 2009	3,227,763	4,281,625
Inventories	4,571,540	4,084,998
Prepaid expenses and other current assets	702,957	484,557
Prepaid taxes	80,250	80,250
Deferred income taxes	335,000	225,000
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Total current assets	11,433,886	10,011,255
Equipment and leasehold improvements, net of accumulated depreciation and amortization of \$1,075,657 at October 31, 2008 and \$1,134,362 at April 30, 2009	413,811	390,599
Goodwill	211,272	211,272
Samples, net of accumulated amortization of \$218,371 at October 31, 2008 and \$243,539 at April 30, 2009	349,651	399,483
Other Assets	107,164	105,552
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Total Assets	\$ 12,515,784 =====	\$11,118,161 =====

JLM COUTURE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

	October 31, 2008	April 30, 2009 (Unaudited)
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Current liabilities:		
Accounts payable	\$ 1,030,066	\$ 1,012,674
Accrued expenses and other current liabilities	1,070,279	456,485
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Total current liabilities	2,100,345	1,469,159
Deferred income taxes	379,000	44,000
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Total liabilities	2,479,345	1,513,159
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Shareholders' equity:		
Preferred stock - \$.0001 par value, authorized 1,000,000 shares; issued and outstanding- none	-	-
Common stock - \$.0002 par value, authorized 10,000,000 shares; issued 2,434,480; outstanding 2,002,644	483	483
Additional paid-in capital	4,013,184	4,013,184
Retained earnings	7,315,079	6,958,642
Accumulated other comprehensive (loss)	(67,505)	(142,505)
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	11,261,241	10,829,804
Less: Notes receivable and accrued interest	(81,834)	(81,834)
Treasury stock at cost: 431,836 shares at October 31, 2008 and April 30, 2009	(1,142,968)	(1,142,968)
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Total shareholders' equity	10,036,439	9,605,002
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Total Liabilities and Shareholders' Equity	\$12,515,784	\$11,118,161
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JLM COUTURE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED APRIL 30, 2009 AND 2008
(UNAUDITED)

	2009 -----	2008 -----
Net sales	\$10,474,499	\$12,380,804
Cost of goods sold	6,527,379	7,284,337
Gross profit	3,947,120	5,096,467
Selling, general and administrative expenses	4,535,553	4,847,194
Operating income (loss)	(588,433)	249,273
Interest income, net of \$ 1,459 and \$-0- of interest expense for 2009 and 2008 respectively	6,996	24,038
Income (loss) before provision (benefit)for income taxes	(581,437)	273,311
Provision (benefit) for income taxes	(225,000)	105,117
Net (loss) income	\$ (356,437) =====	\$ 168,194 =====