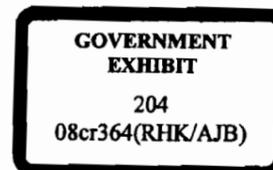


04/08/02

PETERS COMPANY, INC.
Profit & Loss
 January through December 2001

	<u>Jan - Dec '01</u>
Ordinary Income/Expense	
Income	
Returns & Allowances	-118,631.37
Sales - Merchandise	875,868,291.01
Subsidiary Interest Income	513,051.09
Subsidiary Mgmt Fee Earned	9,150,000.00
Subsidiary Net Income	3,526,519.24
Total Income	<u>888,739,229.97</u>
Cost of Goods Sold	
Commissions/Participation	110,666,346.22
Purchases - Merchandise	748,765,885.45
Subsidiary Commissions	9,314,547.97
Warehouse Expense	2,844.12
Total COGS	<u>868,749,623.78</u>
Gross Profit	19,989,606.21
Expense	
Accounting	44,899.25
Amortization	9,754.44
Bank/Credit Charges	16,323.02
Business Meetings	49,042.63
Consulting	300,841.59
Contract Labor	80,499.99
Courier	4,598.71
Depreciation	31,714.20
Facility Fee	120,000.00
Insurance - General	346,503.12
Insurance - Life/Medical	149,614.26
Legal	196,806.10
Miscellaneous	4,614.89
Payroll 401K	8,307.70
Payroll Flex 125	500.00
Payroll Office Salaries	448,673.05
Payroll Taxes - Federal	99,370.66
Payroll Taxes - FICA/MED	23,932.98
Payroll Taxes - MN	28,418.25
Postage	398.85
Telephone	21,857.37
Travel & Lodging	38,067.06
Total Expense	<u>2,024,738.22</u>
Net Ordinary Income	<u>17,964,867.99</u>
Net Income	<u>17,964,867.99</u>

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04/08/02

PETTERS COMPANY, INC.
Balance Sheet
 As of December 31, 2001

	Dec 31, '01
ASSETS	
Current Assets	
Checking/Savings	
Associated Bank	212,363.99
Associated Bank - CD	2,000,000.00
Bank of America	2,686.76
Crown Bank	3,044,648.69
Crown Bank - CD	2,000,000.00
Highland Bank	3,123.05
M & I Bank	9,484,112.43
M & I Bank - CD	2,000,000.00
Petty Cash	671.74
Total Checking/Savings	16,727,607.65
Other Current Assets	
Accounts Receivable - Inventory	221,065,659.58
Inter - Companies Loans	7,472,682.77
Loan to Officer	22,151.00
Notes - Subsidiary	6,374,140.64
Subsidiary Interest balance	171,929.04
Subsidiary Mgmt Fee	4,244,680.13
Total Other Current Assets	239,351,143.16
Total Current Assets	256,078,750.81
Fixed Assets	
Accumulated Amortization	-28,306.01
Accumulated Depreciation	-86,527.16
Equipment	52,387.15
Furniture & Fixtures	167,670.43
Leasehold Improvements	64,159.16
Security Deposit	20,088.00
Total Fixed Assets	179,472.56
Other Assets	
Equity in Subsidiary	85,835.67
Investment - Petters Warehouse	6,897,675.00
Investment - Real Estate	60,000.00
Total Other Assets	7,043,710.67
TOTAL ASSETS	268,301,934.04
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	11,069,414.08
Total Accounts Payable	11,069,414.08
Other Current Liabilities	
Associated Bank, Line of Credit	2,000,000.00
Crown Bank, Line of Credit	2,000,000.00
M & I Bank, Line of Credit	2,000,000.00
Notes Payable	194,167,788.90
Total Other Current Liabilities	200,167,788.90
Total Current Liabilities	211,237,200.98
Total Liabilities	211,237,200.98

04/08/02

PETTERS COMPANY, INC.
Balance Sheet
As of December 31, 2001

	<u>Dec 31, '01</u>
Equity	
Common Stock	5,000.00
Dividend Payment	-2,600,000.00
Retained Earnings	9,245,825.07
Retained Earnings Prior Years	28,449,040.00
Net Income	17,964,867.99
Total Equity	<u>54,064,733.06</u>
TOTAL LIABILITIES & EQUITY	<u>286,301,934.04</u>

PETTERS COMPANY, INC.
Balance Sheet
As of December 31, 2002

Dec 31, 02

ASSETS

Current Assets

Checking/Savings

Associated Bank	333,671.85
Crown Bank	15,610.96
Euro Sweep	9,959,581.78
Highland Bank	15,305.06
M & I Bank	1,600,000.00
Petty Cash	<u>269.68</u>

Total Checking/Savings 11,924,419.33

Other Current Assets

Accounts Receivable-Subsidiary	36,319,313.14
Accounts Receivable - Inventory	186,132,114.09
Inter - Companies Loans	40,092,640.88
Note - Subsidiary	31,623,963.75
Subsidiary Interest balance	968,843.14
Subsidiary Mangt Fee	<u>38,504.99</u>

Total Other Current Assets 295,175,379.99

Total Current Assets 307,099,799.32

Fixed Assets

Accumulated Amortization	-38,059.45
Accumulated Depreciation	-128,241.36
Equipment	52,387.15
Furniture & Fixtures	167,670.43
Leasehold Improvements	64,159.15
Security Deposit	<u>20,088.00</u>

Total Fixed Assets 138,003.92

Other Assets

Equity in Subsidiary	85,835.67
Investment - Petters Warehouse	6,897,875.00
Investment - Real Estate	<u>60,000.00</u>

Total Other Assets 7,043,710.67

TOTAL ASSETS 314,281,513.91

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable	<u>27,050,625.86</u>
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Total Accounts Payable 27,050,625.86

Other Current Liabilities

Notes Payable	<u>215,228,986.31</u>
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Total Other Current Liabilities 215,228,986.31

PETERS COMPANY, INC.
Balance Sheet
As of December 31, 2002

	<u>Dec 31, 02</u>
Total Current Liabilities	<u>242,279,612.17</u>
Total Liabilities	242,279,612.17
Equity	
Common Stock	5,000.00
Dividend Payment	-6,100,000.00
Retained Earnings 2001	17,964,867.99
Retained Earnings Prior Years	38,694,865.07
Net Income	<u>21,437,168.68</u>
Total Equity	<u>72,001,901.74</u>
TOTAL LIABILITIES & EQUITY	<u><u>314,281,513.91</u></u>

PETERS COMPANY, INC. AND SUBSIDIARIES
COMBINED BALANCE SHEET
 December 31, 2005

For Management Use Only

ASSETS

Current assets:	
Cash and cash equivalents	\$ 11,788,145
Restricted cash	19,572,208
Accounts receivable	2,351,073,400
Interest receivable	36,379,571
Other Receivables	-
Inventory	-
Promotional material	-
Deferred tax asset	-
Prepaid expenses	74,326
Note receivable	-
Note receivable, related party	493,397,839
Due from related parties	252,468
Employee advances	-
	<hr/>
Total current assets	2,912,537,957
Property and equipment:	
Land and Buildings	76,087
Computer equipment	-
Capitalized software	-
Leasehold improvements	41,486
Equipment	446,681
	<hr/>
	564,254
Less accumulated depreciation and amortization	535,838
	<hr/>
	28,416
Other assets:	
Deposit	-
Intangibles	124,623
Note receivable, related party	-
Note receivable, long term	-
Investments	83,282,287
Interest receivable, related party	-
	<hr/>
	83,406,910
	<hr/>
	\$ 2,995,973,283
	<hr/>

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LIABILITIES AND MEMBER'S EQUITY (DEFICIT)

Current liabilities:		
Checks issued in excess of deposits	\$	0
Current maturities of long-term debt		0
Notes payable, financing		2,129,686,624
Notes payable, financing, related party		-
Short-term debt		-
Deferred payable		141,426,892
Accounts payable		623,514
Royalties and related payables		-
Accrued:		
Salaries and commissions		12,284,500
Interest		61,075,386
Credit returns		-
Other		14,316,682
Due to related parties		113,765
		<u>2,359,527,363</u>
Total current liabilities		<u>2,359,527,363</u>
Long-term debt, net of current portion		<u>-</u>
Deferred income taxes (benefit)		<u>-</u>
Long-term accrued interest due to affiliates		<u>-</u>
Long-term debt due to affiliates		<u>-</u>
Reserve for investment losses in affiliates		<u>80,808,157</u>
Minority interest		<u>6,002,322</u>
		<u>549,635,441</u>
Member's equity (deficit)		<u>549,635,441</u>
	\$	<u><u>2,995,973,283</u></u>

0204.0007

PETERS COMPANY, INC. AND SUBSIDIARIES
COMBINED STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005

For Management Use Only

	<u>Amount</u>	<u>Percent of Sales</u>
Net Revenues	\$ 728,416,611	100.0 %
Cost of Revenues	<u>-</u>	<u>.0</u>
Gross profit	728,416,611	100.0
Rental income	<u>4,547,892</u>	<u>.6</u>
Income (loss) before operating expenses	732,964,503	100.6
Operating expenses	<u>298,607,467</u>	<u>41.1</u>
Income (loss) from operations	<u>434,357,036</u>	<u>59.5</u>
Other income (expense):		
Other income	576,695	.1
Other expense	(491,000)	.1
Interest income	39,684,295	5.5
Interest expense	(370,937,346)	(50.9)
Gain (loss) on disposal of property and equipment	<u>2,843,292</u>	<u>.4</u>
	<u>(328,324,064)</u>	<u>(45.0)</u>
Income (loss) before income taxes	106,032,972	14.5
(Provision) benefit for income taxes	(332,168)	.0
Loss from investment in affiliated companies	(530,245)	.0
Minority interest in subsidiaries profits	<u>(2,064,428)</u>	<u>(.3)</u>
Net income (loss)	<u>103,106,131</u>	<u>14.2 %</u>

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