

**Mace Security International, Inc.**  
**Consolidated Statements of Operations**  
(in thousands, except share and per share information)  
(Unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2010</u>	<u>2009</u>
Revenues		
Security	\$ 4,267	\$ 4,177
Digital media marketing	2,729	3,047
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	6,996	7,224
Cost of revenues		
Security	3,016	2,943
Digital media marketing	2,269	2,142
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	5,285	5,085
Selling, general and administrative expenses	3,515	3,472
Arbitration award	4,500	-
Depreciation and amortization	209	176
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Operating loss	(6,513)	(1,509)
Interest (expense) income, net	(10)	13
Other income (expense)	4	(3)
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Loss from continuing operations before income taxes	(6,519)	(1,499)
Income tax expense	25	40
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Loss from continuing operations	(6,544)	(1,539)
Loss from discontinued operations, net of tax	(271)	(59)
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Net loss	<u>\$ (6,815)</u>	<u>\$ (1,598)</u>
Per share of common stock (basic and diluted):		
Loss from continuing operations	\$ (0.41)	\$ (0.10)
Loss from discontinued operations	(0.02)	-
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Net loss	<u>\$ (0.43)</u>	<u>\$ (0.10)</u>
Weighted average shares outstanding		
Basic	15,913,775	16,285,377