

Mace Security International, Inc. and Subsidiaries

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

(Amounts in thousands)

	<b>Q1 2013</b>	<b>Q2 2013</b>	<b>Q3 2013</b>	<b>Q4 2013</b>	<b>FY 2013</b>
Net sales	2,192	1,776	1,951	2,099	8,018
Cost of goods sold	1,211	1,022	1,313	1,385	4,931
Gross profit	981	754	638	714	3,087
Selling, general, and administrative expenses	1,460	1,384	1,590	1,902	6,336
Depreciation	38	38	43	42	161
Operating loss	(517)	(668)	(995)	(1,230)	(3,410)
Interest expense	(60)	(53)	(53)	(55)	(221)
Interest income	13	13	15	19	60
Other income	-	18	17	(44)	(9)
Loss from continuing operations before income tax provision	(564)	(690)	(1,016)	(1,310)	(3,580)
Income tax provision	-	-	-	1	1
Loss from continuing operations	(564)	(690)	(1,016)	(1,311)	(3,581)
Income (loss) from discontinued operations, net of tax	(85)	(151)	(128)	1,924	1,560
Net income (loss)	(649)	(841)	(1,144)	613	(2,021)

The accompanying notes are an integral part of these consolidated financial statements.