

Taglich Brothers, Inc.

The Standard of Excellence in the Microcap Market

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Research Report - Update

Investors should consider this report as only a single factor in making their investment decision.

UFP Technologies, Inc.

Rating: Speculative Buy

John Nobile

UFPT \$1.15 — (NASDAQ SC)

June 18, 2003

	FY (2001)*	FY (2002)	FY (2003)E	FY (2004)E
Revenues (millions)	\$61.6	\$61.2	\$61.0	\$68.0
Earnings per share (diluted)	\$(0.72)	\$(0.05)	\$(0.13)	\$0.19

52week range	\$0.65 – \$1.72	Fiscal year ends:	December
Shares outstanding (millions)	4.5	Revenue per share (TTM)	\$13.61
Trading float (millions)	2.4	Price/Sales (TTM)	0.1X
Insider + 5% ownership	47%	Price/Sales (2004)E	0.1X
Tangible book value/share	\$1.63	Price/Earnings (TTM)	NA
Price/ tangible book	0.7X	Price/Earnings (2004)E	6.1X

*Includes a \$1 million restructuring charge.

UFP Technologies is a designer and manufacturer of a broad range of high performance cushion foam and molded fiber products, and specialty foam and plastic products for the industrial and consumer markets. These products are custom designed and fabricated or molded to provide protection for fragile and valuable items, and are sold primarily to original equipment manufacturers in the computer, electronics, telecommunications, industrial, medical and pharmaceutical markets. (www.ufpt.com)

Key investment considerations:

We are reiterating our speculative buy rating for shares of UFP Technologies (UFPT) and maintaining our 12-month price target of \$2.50 per share.

For the first quarter ended March 31, 2003, UFP Technologies' net sales decreased 8% to \$14.2 million from \$15.5 million in the same period in 2002. The net loss was \$0.4 million or \$(0.08) per share versus a net loss of \$0.3 million or \$(0.07) per share in the same period in 2002.

UFPT anticipates results for its second quarter of fiscal 2003 to show a solid improvement over the first quarter. After a year of relatively flat growth, we view this as a reason to believe that the worst may be over for the Company.

Although we do not see any real improvement in UFPT's operating results in 2003, we believe that industry forecasts and the start of the \$77 million contract suggest double digit growth for the Company's top line and profitability for the bottom line in fiscal 2004.

For fiscal 2003, we estimate UFPT will generate revenue of approximately \$61.0 million and the Company will report a net loss of \$0.6 million or \$(0.13) per share. For fiscal 2004, we estimate UFPT's sales will increase by 11% to \$68.0 million and the Company will report net income of \$0.9 million or \$0.19 per diluted share.

**Please view our disclaimer located on page 8 of this report.*

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Recent Financial Results

For the first quarter ended March 31, 2003, versus the same period in 2002:

- Net sales decreased 8% to \$14.2 million from \$15.5 million.
- Gross margins decreased to 15.9% from 18.5%.
- SG&A expenses decreased by \$0.5 million or 14.8% to \$2.7 million from \$3.2 million.
- The net loss was \$0.4 million or \$(0.08) per share versus a net loss of \$0.3 million or \$(0.07) per share.

In comparison, Taglich Brothers' estimates called for net sales of \$14.5 million and a net loss of \$0.1 million or \$(0.02) per share.

Sales generated from the Components Segment increased to \$7.7 million from \$7.6 million while sales from the Packaging Segment decreased to \$6.5 million from \$7.9 million. The decline in sales from the Packaging Segment was primarily due to a weak U.S. economy. The decrease in gross margins was primarily due to the impact of fixed costs on a lower sales basis as well as start-up costs relating to the launch of two new automotive programs.

Balance Sheet as of March 31, 2003

Cash was approximately \$29,000. The Company has working capital of \$2.5 million, a tangible book value of \$1.63 per share and a long-term debt-to-equity ratio of 0.5X. Cash used in operations for the first quarter of fiscal 2003 was approximately \$0.3 million. UFPT obtained a new credit facility in February 2003 that expires in February 2006. The Company has an available balance under this credit facility of \$2.2 million. We believe that UFPT's current line of credit and future expected cash flows from operations will be sufficient to fund operations for the next twelve months.

Outlook and Valuation

In the May 2003 earnings release, UFPT announced that several programs were launched during the first quarter of fiscal 2003 and that other programs will launch in the second and third quarters as well as a \$77 million program that is scheduled to start in mid-2004. The Company said that these programs all incurred significant start-up costs and that many of these costs were absorbed in February and March of 2003.

UFPT also stated that although sales remain sluggish, recent trends have been positive. The Company said that each month in its first quarter was better than the previous month. In fact, UFPT anticipates results for the second quarter of fiscal 2003 to show a solid improvement over the first quarter. After a year of relatively flat growth, we view this as a reason to believe that the worst may be over for the Company.

Approximately one-half of UFPT's sales are generated from its components products segment and one-half from its packaging products segment. A significant portion of the Company's packaging products sales are to manufacturers of computer peripherals and other consumer products while a significant portion of component products sales are to the automotive industry. Because of this, UFPT's sales have a direct correlation with the level of sales in the automotive and computer/electronics Industry.

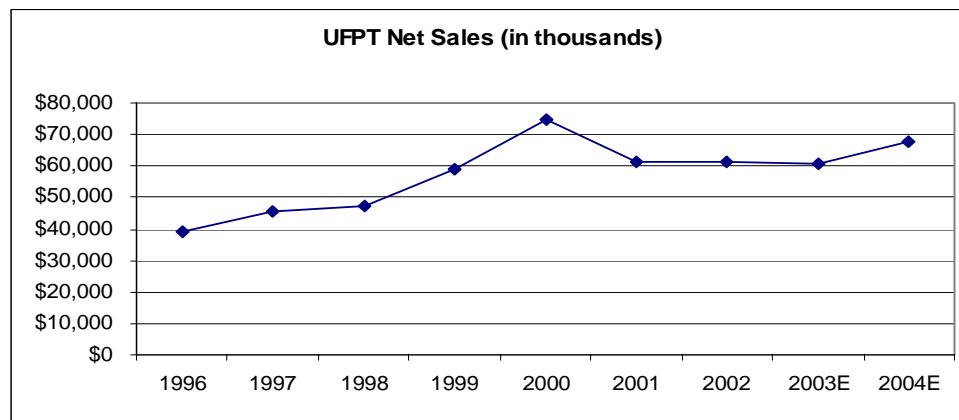
We are going to take a look at recent projections for IT spending on hardware in 2003 and 2004 in order to get a clearer picture of where the computer/electronics industry is heading. According to the research firm IDC, worldwide IT spending on hardware is projected to decrease by 0.5% in 2003. However, IDC projects worldwide IT spending on hardware to recover in 2004 with growth of 4-6%. We believe this data suggests that the packaging segment of UFPT's business will see relatively flat growth in 2003 and increased growth in 2004.

UFP Technologies, Inc.

As far as the automotive industry is concerned, General Motors (NYSE: GM), the world's largest vehicle manufacturer, reduced its industry forecast for the number of vehicles sold in the U.S. in 2003 to the low-to-mid 16 million unit range from earlier forecasts of 16.5 million vehicles. This translates into as much as a 3% decline from 2002 numbers of 16.8 million vehicles sold in the U.S. In view of this, we believe that UFPT's sales of component products will be relatively flat in 2003. However, the \$77 million contract that was announced late last year should provide a nice boost to component sales in 2004. The eight-year contract calls for UFPT to provide molded door panels to a large Tier-1 automotive supplier. Manufacturing is expected to begin on this new contract in 2004 with full rate production estimated for 2006.

We believe the above information suggests that UFP Technology's sales should remain relatively flat in fiscal 2003 but should start to grow in 2004.

For fiscal 2003, we estimate UFPT will generate revenue of approximately \$61.0 million and the Company will report a net loss of \$0.6 million or \$(0.13) per share. For fiscal 2004, we estimate UFPT's sales will increase by 11% to \$68.0 million and the Company will report net income of \$0.9 million or \$0.19 per diluted share. We believe that both the Company's packaging segment and component segment will see sales of approximately \$30.5 million each in 2003. In fiscal 2004, we believe that UFP Technologies' packaging sales will increase by approximately 5% to \$32.0 million and the component segment's sales will increase by \$5.5 million to \$36.0 million.



Source: UFPT reports and Taglich Brothers' estimates

Our fiscal 2003 earnings estimates have been reduced when compared to our last report primarily due to the effect of the recent start-up costs on gross margins. We anticipate lower than normal gross margins for the second and third quarters due to the launch of additional programs. We have increased our earnings estimates for fiscal 2004 due to lower SG&A expenses than we originally anticipated. It appears from the first quarter results that the Company has significantly reduced its SG&A expenses.

We chose to value shares of UFPT using the industry (containers & packaging) multiple of 19X earnings and applying a 30% discount to take into consideration the risks listed below. This leaves us with a multiple of 13X earnings. When we apply a multiple of 13X to our forecasted earnings of \$0.19 per share for fiscal 2004, we arrive at a price target of approximately \$2.50.

Comparable Company Analysis

Company Name	Symbol	Price	Market Cap (\$M)	Price/Earnings	Price/Sales	Price/Book
Graphic Packaging	GPK	\$5.07	\$170.9	NA	0.2	0.8
Peak International	PEAK	\$4.98	\$63.2	NA	1.0	0.9
Polyair Inter Pack	PPK	\$8.46	\$52.5	11.8	0.4	2.2
Carmel Container Systems	KML	\$4.30	\$10.8	NA	NA	NA
RADVA Corporation	RDVA	\$0.19	\$0.8	6.8	0.1	0.2
Average			\$59.6	9.3	0.4	1.0
Industry				18.9	1.0	3.5
UFP Technologies	UFPT	\$1.15	\$5.2	NA	0.1	0.4

Risks*Cash concerns*

Although we believe that the Company will have adequate resources to fund operations for the next twelve months, future cash flows may be less than we anticipate due to depressed market conditions. If market conditions remain at weak levels, we believe UFP Technologies will need to secure additional financing in order to maintain its current level of operations. As there can be no assurance of the Company's success in obtaining additional capital, shares of UFPT should only be purchased by those who are comfortable taking on above average risk.

Competition

The packaging and specialty foam products industry is highly competitive. The Company's foam and fiber packaging products compete against other alternative products made from materials such as expanded polystyrene foams, die-cut corrugated, plastic peanuts, plastic bubbles and foam-in-place urethane. UFP Technologies also faces competition in the specialty foam products area from smaller companies that typically concentrate on production for specific industries.

IT spending forecasts

Although recent forecasts support an increase in IT spending for 2004, there can be no assurance that this will actually happen. Should IT spending remain at depressed levels, the operating results of UFP Technologies are likely to be adversely affected.

Liquidity

With only 4.4 million shares outstanding and 2.2 million in the float, liquidity issues must be considered. Average daily volume is approximately 1,000 shares and there are many days when the stock does not trade at all. Any significant trading in shares of UFPT could result in large swings in the price of the stock.

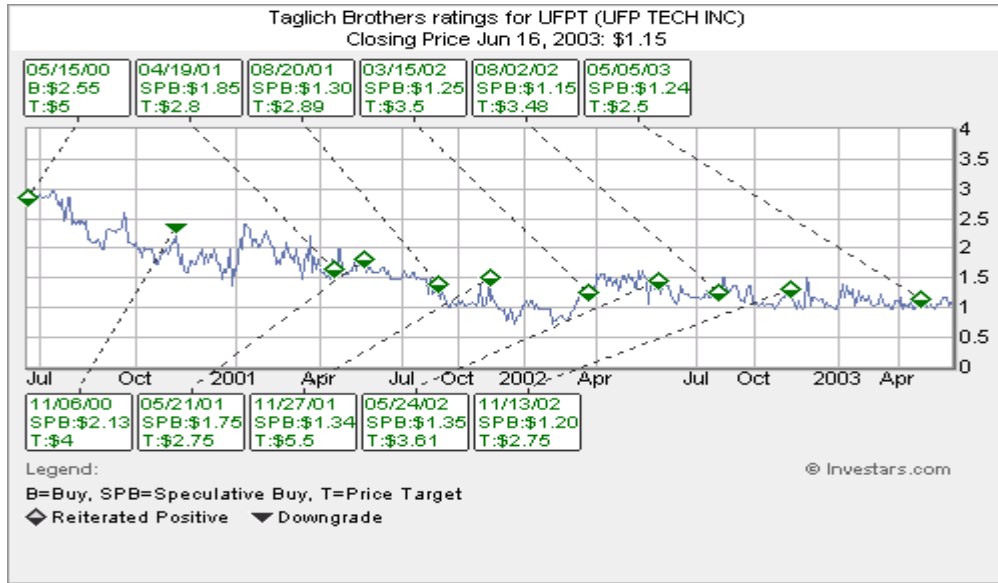
Miscellaneous risks

The Company's financial results and equity values are subject to other risks and uncertainties known and unknown, including but not limited to competition, operations, financial markets, regulatory risk, and/or other events. These risks may cause actual results to differ from expected results.

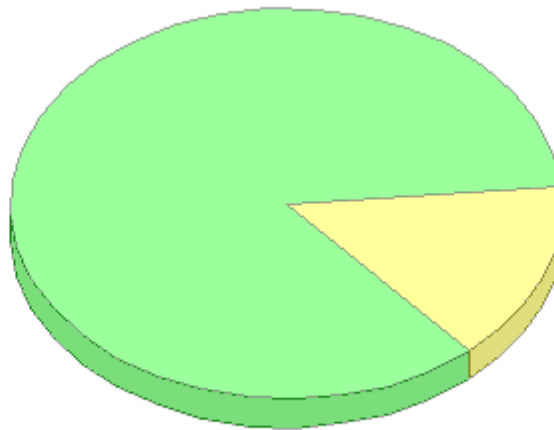
Conclusion

We are reiterating our **speculative buy** rating for shares of UFP Technologies (UFPT) and maintaining our **12-month price target of \$2.50 per share**. UFPT anticipates results for its second quarter of fiscal 2003 to show a solid improvement over the first quarter. After a year of relatively flat growth, we view this as a reason to believe that the worst may be over for the Company. Although we do not see any real improvement in UFPT's operating results in 2003, we believe that industry forecasts and the start of the \$77 million contract suggest double digit growth for the Company's top line and profitability for the bottom line in fiscal 2004.

For fiscal 2003, we estimate UFPT will generate revenue of approximately \$61.0 million and the Company will report a net loss of \$0.6 million or \$(0.13) per share. For fiscal 2004, we estimate UFPT's sales will increase by 11% to \$68.0 million and the Company will report net income of \$0.9 million or \$0.19 per diluted share.



Taglich Brothers' Current Ratings Distribution



85.11 % Buy 14.89 % Hold

Meaning of Ratings

Buy

We believe the Company is undervalued relative to its market and peers. We believe its risk reward ratio strongly advocates purchase of the stock relative to other stocks in the marketplace. Remember, with all equities there is always downside risk.

Speculative Buy

We believe that the long run prospects of the Company are positive. We believe its risk reward ratio advocates purchase of the stock. We feel the investment risk is higher than our typical “buy” recommendation. In the short run, the stock may be subject to high volatility and continue to trade at a discount to its market.

Neutral

We will remain neutral pending certain developments.

Underperform

We believe that the Company may be fairly valued based on its current status. Upside potential is limited relative to investment risk.

Sell

We believe that the Company is significantly overvalued based on its current status. The future of the Company's operations may be questionable and there is an extreme level of investment risk relative to reward.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

Public companies mentioned in this report:

Carmel Container Systems (AMEX: KML)
General Motors (NYSE: GM)
Graphic Packaging (NYSE: GPK)
Peak International (NASDAQ NM: PEAK)
Polyair Inter Pack (AMEX: PPK)
RADVA Corp. (OTC BB: RDVA)

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I, John Nobile, the research analyst of this report, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

Taglich Brothers, Inc.

UFP Technologies, Inc.

Consolidated Balance Sheets
(in thousands)

	<u>March 31, 2003</u>	<u>December 31, 2002</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 28	\$ 26
Receivables	8,507	8,542
Inventories	4,875	4,693
Prepaid expenses and other	<u>2,632</u>	<u>1,861</u>
Total current assets	16,042	15,122
Net property, plant and equipment	10,709	11,206
Goodwill, net	6,481	6,481
Other assets	<u>2,522</u>	<u>2,574</u>
Total Assets	<u>\$ 35,754</u>	<u>\$ 35,383</u>
Liabilities & stockholders' equity		
Current liabilities:		
Notes payable	\$ 5,759	\$ 6,201
Current portion of long-term debt	922	812
Current portion of capital lease obligations	161	156
Accounts payable	3,697	2,596
Accrued restructuring charge	39	142
Accrued expenses and payroll	<u>2,946</u>	<u>3,674</u>
Total current liabilities	13,524	13,581
Long-term debt	6,578	5,866
Capital lease obligations	939	985
Retirement and other liabilities	<u>900</u>	<u>900</u>
Total liabilities	21,941	21,332
Total stockholder's equity	<u>13,813</u>	<u>14,051</u>
Total liabilities & stockholder's equity	<u>\$ 35,754</u>	<u>\$ 35,383</u>

UFP Technologies, Inc.

Annual Income Statements for the Years Ended
(in thousands)

	<u>FY(12/00)</u>	<u>FY(12/01)</u>	<u>FY(12/02)</u>	<u>FY(12/03)E</u>	<u>FY(12/04)E</u>
Net sales	\$ 74,491	\$ 61,574	\$ 61,189	\$ 60,995	\$ 68,000
Cost of sales	<u>56,870</u>	<u>50,649</u>	<u>49,084</u>	<u>50,236</u>	<u>53,629</u>
Gross profit	17,621	10,925	12,105	10,759	14,371
<i>Gross Margin</i>	23.66%	17.74%	19.78%	17.64%	21.13%
Restructuring charge	-	1,016	-	-	-
SG&A	<u>14,236</u>	<u>13,649</u>	<u>11,639</u>	<u>10,936</u>	<u>12,200</u>
Operating income	3,385	(3,740)	466	(177)	2,171
<i>Operating Margin</i>	4.54%	-6.07%	0.76%	-0.29%	3.19%
Interest expense	(1,221)	(1,030)	(843)	(803)	(800)
Other income (expense)	<u>(162)</u>	<u>16</u>	<u>-</u>	<u>35</u>	<u>-</u>
Income before taxes	2,002	(4,754)	(377)	(945)	1,371
Income tax	<u>921</u>	<u>(1,711)</u>	<u>(143)</u>	<u>(359)</u>	<u>521</u>
<i>Tax rate</i>	46.00%	35.99%	37.93%	37.99%	38.00%
Net Income / (Loss)	<u>\$ 1,081</u>	<u>\$ (3,043)</u>	<u>\$ (234)</u>	<u>\$ (586)</u>	<u>\$ 850</u>
Basic EPS	<u>\$ 0.25</u>	<u>\$ (0.72)</u>	<u>\$ (0.05)</u>	<u>\$ (0.13)</u>	<u>\$ 0.19</u>
Diluted EPS	<u>\$ 0.25</u>	<u>\$ (0.72)</u>	<u>\$ (0.05)</u>	<u>\$ (0.13)</u>	<u>\$ 0.19</u>
Basic Shares Outstanding	4,374	4,248	4,343	4,476	4,492
Diluted Shares Outstanding	4,386	4,248	4,343	4,476	4,492
<u>Percent of Revenue</u>					
Cost of goods sold	76.34%	82.26%	80.22%	82.36%	78.87%
SG&A	19.11%	22.17%	19.02%	17.93%	17.94%
<u>Year / Year Growth</u>					
Total Revenues	26.68%	-17.34%	-0.63%	-0.32%	11.48%
Net Income	-36.19%	NA	NA	NA	245.05%
EPS	-28.77%	NA	NA	NA	244.53%

UFP Technologies, Inc.

Quarterly Income Statement for the Year Ended 2002
(in thousands)

	<u>Q1(3/02)</u>	<u>Q2(6/02)</u>	<u>Q3(9/02)</u>	<u>Q4(12/02)</u>	<u>FY(12/02)</u>
Net sales	\$ 15,531	\$ 16,648	\$ 15,283	\$ 13,727	\$ 61,189
Cost of sales	<u>12,659</u>	<u>13,156</u>	<u>12,017</u>	<u>11,252</u>	<u>49,084</u>
Gross profit	2,872	3,492	3,266	2,475	12,105
<i>Gross Margin</i>	18.49%	20.98%	21.37%	18.03%	19.78%
SG&A	<u>3,154</u>	<u>3,135</u>	<u>3,061</u>	<u>2,288</u>	<u>11,639</u>
Operating income	(282)	357	205	187	466
<i>Operating Margin</i>	-1.82%	2.14%	1.34%	1.36%	0.76%
Interest expense	(227)	(238)	(199)	(180)	(843)
Other income (expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income before taxes	(509)	119	6	7	(377)
Income tax	<u>(193)</u>	<u>45</u>	<u>2</u>	<u>3</u>	<u>(143)</u>
<i>Tax rate</i>	37.92%	37.82%	33.33%	42.86%	37.93%
Net Income / (Loss)	<u>\$ (316)</u>	<u>\$ 74</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ (234)</u>
Basic EPS	<u>\$ (0.07)</u>	<u>\$ 0.02</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (0.05)</u>
Diluted EPS	<u>\$ (0.07)</u>	<u>\$ 0.02</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (0.05)</u>
Basic Shares Outstanding	4,302	4,400	4,410	4,365	4,343
Diluted Shares Outstanding	4,302	4,400	4,410	4,365	4,343
<u>Percent of Revenue</u>					
Cost of goods sold	81.51%	79.02%	78.63%	81.97%	80.22%
SG&A	20.31%	18.83%	20.03%	16.67%	19.02%
<u>Year / Year Growth</u>					
Total Revenues	-8.46%	7.54%	9.67%	-9.64%	-0.63%
Net Income	NA	127.51%	100.42%	100.27%	NA
EPS	NA	133.33%	100.00%	100.26%	NA

UFP Technologies, Inc.

Quarterly Income Statement for the Year Ending 2003
(in thousands)

	<u>Q1(3/03)</u>	<u>Q2(6/03)E</u>	<u>Q3(9/03)E</u>	<u>Q4(12/03)E</u>	<u>FY(12/03)E</u>
Net sales	\$ 14,245	\$ 15,500	\$ 15,500	\$ 15,750	\$ 60,995
Cost of sales	<u>11,985</u>	<u>12,865</u>	<u>12,865</u>	<u>12,521</u>	<u>50,236</u>
Gross profit	2,260	2,635	2,635	3,229	10,759
<i>Gross Margin</i>	15.87%	17.00%	17.00%	20.50%	17.64%
SG&A	<u>2,686</u>	<u>2,700</u>	<u>2,750</u>	<u>2,800</u>	<u>10,936</u>
Operating income	(426)	(65)	(115)	429	(177)
<i>Operating Margin</i>	-2.99%	-0.42%	-0.74%	2.72%	-0.29%
Interest expense	(203)	(200)	(200)	(200)	(803)
Other income (expense)	<u>35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35</u>
Income before taxes	(594)	(265)	(315)	229	(945)
Income tax	<u>(226)</u>	<u>(101)</u>	<u>(120)</u>	<u>87</u>	<u>(359)</u>
<i>Tax rate</i>	38.05%	38.00%	38.00%	38.00%	38.03%
Net Income / (Loss)	<u>\$ (368)</u>	<u>\$ (164)</u>	<u>\$ (195)</u>	<u>\$ 142</u>	<u>\$ (586)</u>
Basic EPS	<u>\$ (0.08)</u>	<u>\$ (0.04)</u>	<u>\$ (0.04)</u>	<u>\$ 0.03</u>	<u>\$ (0.13)</u>
Diluted EPS	<u>\$ (0.08)</u>	<u>\$ (0.04)</u>	<u>\$ (0.04)</u>	<u>\$ 0.03</u>	<u>\$ (0.13)</u>
Basic Shares Outstanding	4,429	4,492	4,492	4,492	4,476
Diluted Shares Outstanding	4,429	4,492	4,492	4,492	4,476
<u>Percent of Revenue</u>					
Cost of goods sold	84.13%	83.00%	83.00%	79.50%	82.36%
SG&A	18.86%	17.42%	17.74%	17.78%	17.93%
<u>Year / Year Growth</u>					
Total Revenues	-8.28%	-6.90%	1.42%	14.74%	-0.32%
Net Income	NA	NA	NA	NMF	NA
EPS	NA	NA	NA	NMF	NA

UFP Technologies, Inc.

Quarterly Income Statement for the Year Ending 2004
(in thousands)

	<u>Q1(3/04)E</u>	<u>Q2(6/04)E</u>	<u>Q3(9/04)E</u>	<u>Q4(12/04)E</u>	<u>FY(12/04)E</u>
Net sales	\$ 16,250	\$ 16,750	\$ 17,250	\$ 17,750	\$ 68,000
Cost of sales	<u>12,878</u>	<u>13,233</u>	<u>13,584</u>	<u>13,934</u>	<u>53,629</u>
Gross profit	3,372	3,518	3,666	3,816	14,371
<i>Gross Margin</i>	20.75%	21.00%	21.25%	21.50%	21.13%
SG&A	<u>2,900</u>	<u>3,000</u>	<u>3,100</u>	<u>3,200</u>	<u>12,200</u>
Operating income	472	518	566	616	2,171
<i>Operating Margin</i>	2.90%	3.09%	3.28%	3.47%	3.19%
Interest expense	(200)	(200)	(200)	(200)	(800)
Other income (expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income before taxes	272	318	366	416	1,371
Income tax	<u>103</u>	<u>121</u>	<u>139</u>	<u>158</u>	<u>521</u>
<i>Tax rate</i>	38.00%	38.00%	38.00%	38.00%	38.00%
Net Income / (Loss)	<u>\$ 169</u>	<u>\$ 197</u>	<u>\$ 227</u>	<u>\$ 258</u>	<u>\$ 850</u>
Basic EPS	<u>\$ 0.04</u>	<u>\$ 0.04</u>	<u>\$ 0.05</u>	<u>\$ 0.06</u>	<u>\$ 0.19</u>
Diluted EPS	<u>\$ 0.04</u>	<u>\$ 0.04</u>	<u>\$ 0.05</u>	<u>\$ 0.06</u>	<u>\$ 0.19</u>
Basic Shares Outstanding	4,492	4,492	4,492	4,492	4,492
Diluted Shares Outstanding	4,492	4,492	4,492	4,492	4,492
<u>Percent of Revenue</u>					
Cost of goods sold	79.25%	79.00%	78.75%	78.50%	78.87%
SG&A	17.85%	17.91%	17.97%	18.03%	17.94%
<u>Year / Year Growth</u>					
Total Revenues	14.08%	8.06%	11.29%	12.70%	11.48%
Net Income	145.81%	388.64%	328.52%	81.97%	316.01%
EPS	145.16%	388.64%	328.52%	81.97%	315.26%

Statement of Cash Flows for the Three Months Ended
(in thousands)

	<u>March 31, 2003</u>	<u>March 31, 2002</u>
<i>Cash Flows from Operating Activities</i>		
Net loss	\$ (368)	\$ (316)
Depreciation & amortization	652	667
Equity in income of uncons. affiliate and partnership	(17)	-
Stock issued in lieu of compensation	108	81
<i>Changes in assets and liabilities</i>		
Receivables	35	(1,219)
Inventories	(182)	12
Prepaid expenses and other	(771)	(256)
Accounts payable	1,101	194
Accrued restructuring charge, net	(103)	(199)
Accrued expenses and payroll	(728)	(71)
Retirement and other liabilities	-	-
Other assets	<u>(2)</u>	<u>(46)</u>
Net Cash Provided by Operations	(275)	(1,153)
<i>Cash Flows from Investing Activities</i>		
Additions to property, plant and equipment	(136)	(364)
Payments from affiliated company	52	5
Acquisition of Excel	<u>-</u>	<u>(150)</u>
Net Cash Used in Investing	(84)	(509)
<i>Cash Flows from Financing Activities</i>		
Repayments of notes payable	(7,007)	-
Borrowing of notes payable	6,565	2,022
Principal repayments of long-term debt	(6,678)	(367)
Principle repayments of capital lease obligations	(40)	(27)
Proceeds from long-term borrowings	7,500	-
Net proceeds from sale of common stock	<u>22</u>	<u>29</u>
Net cash Provided Financing	362	1,657
Net change in Cash	3	(5)
Cash - Beginning of Period	<u>26</u>	<u>27</u>
Cash - End of Period	<u><u>\$ 29</u></u>	<u><u>\$ 22</u></u>