

**APW Ltd.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(In thousands, except per share data)*  
*(Unaudited)*

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>February 28,</b>		<b>February 28,</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Net sales	\$ 200,855	\$ 317,563	\$ 420,684	\$ 677,286
Cost of products sold	185,219	254,207	383,161	523,166
Gross profit	15,636	63,356	37,523	154,120
Engineering, selling and administrative expenses	51,156	57,254	91,514	113,265
Amortization and impairment of intangible assets	397,372	6,416	403,674	12,441
Restructuring charges	7,465	-	17,476	-
(Gain) loss on sale of subsidiary	(8,210)	-	(8,210)	2,667
Operating earnings (loss)	(432,147)	(314)	(466,931)	25,747
Financing costs	16,439	7,309	30,939	13,773
Other expense (income), net	(132)	741	(494)	1,058
Earnings (loss) before income tax expense (benefit)	(448,454)	(8,364)	(497,376)	10,916
Income tax expense (benefit)	40,336	(2,484)	28,106	4,034
Net earnings (loss)	<u>\$ (488,790)</u>	<u>\$ (5,880)</u>	<u>\$ (525,482)</u>	<u>\$ 6,882</u>
Basic earnings (loss) per share:				
Earnings (loss) per share	<u>\$ (12.20)</u>	<u>\$ (0.15)</u>	<u>\$ (13.12)</u>	<u>\$ 0.17</u>
Weighted average common shares outstanding	<u>40,055</u>	<u>39,444</u>	<u>40,050</u>	<u>39,343</u>
Diluted earnings (loss) per share:				
Diluted earnings (loss) per share	<u>\$ (12.20)</u>	<u>\$ (0.15)</u>	<u>\$ (13.12)</u>	<u>\$ 0.17</u>
Weighted average common and potential dilutive common shares outstanding	<u>40,055</u>	<u>39,444</u>	<u>40,050</u>	<u>41,219</u>

**APW Ltd.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(In thousands, except share and per share data)*

	<b>February 28, 2002</b>	August 31, 2001
	(Unaudited)	
<b><u>ASSETS</u></b>		
Current assets		
Cash and cash equivalents	\$ 9,004	\$ 8,542
Accounts receivable, net	94,436	112,992
Inventories	104,148	135,019
Prepaid expenses	16,758	14,325
Deferred income taxes	-	16,650
Total current assets	224,346	287,528
Property, plant and equipment	431,652	477,915
Less: Accumulated depreciation	(212,172)	(222,886)
Net property, plant and equipment	219,480	255,029
Goodwill, net	301,611	679,225
Other intangible assets, net	4,192	27,616
Other assets	47,475	58,601
Total assets	\$ 797,104	\$ 1,307,999
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</u></b>		
Current liabilities		
Short-term borrowings	\$ 644,015	\$ 5,745
Trade accounts payable	80,231	118,466
Accrued compensation and benefits	28,189	29,594
Income taxes payable	43,946	37,196
Other current liabilities	65,096	40,163
Total current liabilities	861,477	231,164
Long-term debt	-	615,704
Other long-term liabilities	38,274	45,375
Shareholders' equity (deficit)		
Common Stock—\$0.01 par value per share; authorized 250,000,000 shares; issued and outstanding, less contingent shares, 40,055,453 and 40,042,207 shares, respectively	400	400
Share premium	679,429	669,772
Accumulated deficit	(753,451)	(227,927)
Accumulated other comprehensive loss	(29,025)	(26,489)
Total shareholders' equity (deficit)	(102,647)	415,756
Total liabilities and shareholders' equity (deficit)	\$ 797,104	\$ 1,307,999

**APW Ltd.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(In thousands)*  
*(Unaudited)*

	Six Months Ended February 28,	
	2002	2001
<u>Operating activities</u>		
Net earnings (loss)	\$ (525,482)	\$ 6,882
Adjustments to reconcile net earnings (loss) to net cash used in operating activities:		
Depreciation and amortization	440,917	31,515
Amortization of financing fees	4,683	-
Gain from sale of assets	(252)	-
(Gain) loss on sale of subsidiary	(8,210)	2,667
Deferred income taxes	27,565	326
Restructuring charges	17,476	-
Changes in operating assets and liabilities:		
Accounts receivable	31,765	4,709
Inventories	26,323	(28,738)
Prepaid expenses and other assets	(4,406)	(4,755)
Trade accounts payable	(35,658)	1,521
Income taxes	7,506	(33,412)
Other liabilities	5,201	(12,076)
Net cash used in operating activities	(12,572)	(31,361)
<u>Investing activities</u>		
Proceeds on the sale of property, plant and equipment	4,112	295
Additions to property, plant and equipment	(11,874)	(57,848)
Net proceeds on sale of subsidiary, net of cash sold	19,241	1,782
Business acquisitions, net of cash acquired	-	(241,546)
Other investing activities	(398)	(727)
Net cash provided by (used in) investing activities	11,081	(298,044)
<u>Financing activities</u>		
Net short term borrowings (repayments)	(5,548)	(86)
Principal repayments on long-term debt	(132,687)	(79,448)
Principal borrowings on long-term debt	161,378	364,587
Net commercial paper borrowings	-	50,124
Net receivables financed	(18,859)	(50)
Debt financing costs	(2,100)	-
Stock option exercises	-	1,405
Other financing activities	(42)	(823)
Net cash provided by financing activities	2,142	335,709
Effect of exchange rate changes on cash	(189)	(2,580)
Net increase in cash and cash equivalents	462	3,724
Cash and cash equivalents - beginning of period	8,542	570
Cash and cash equivalents - end of period	\$ 9,004	\$ 4,294