

**SMDK CORP.**  
**CONSOLIDATED BALANCE SHEETS**  
**AS OF DECEMBER 31, 2009**

	<b>December 31,</b>	
	<b>2009</b>	<b>2008</b>
	<b>(in thousands, except par value)</b>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents.....	\$ 577	\$ 81
Accounts receivable, less allowance for doubtful accounts of \$0 in 2008.....		49
Total current assets .....	577	130
Deposits and other assets.....		1,510
<b>TOTAL ASSETS</b> .....	<b>\$ 577</b>	<b>\$1,640</b>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable.....	\$ 243	334
Accrued liabilities .....	115	559
Term Loan.....	3,417	3,208
Total current liabilities.....	3,775	4,101
Preferred stock, \$.001 par value; 5,000 shares authorized; none issued and outstanding at December 31, 2009 and 2008.....	—	—
Stockholders' equity:		
Common stock, \$.001 par value; 60,000 shares authorized; 26,885 issued and 26,420 outstanding at December 31, 2009 and 2008 .....	27	27
Capital in excess of par value.....	149,134	149,134
Common stock held in treasury, 100 shares at December 31, 2009 and 2008, at cost .....	(99)	(99)
Accumulated other comprehensive loss .....		(6)
Accumulated deficit .....	(152,260)	(151,517)
Total stockholders' equity .....	(3,198)	(2,461)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> .....	<b>\$ 577</b>	<b>\$ 1,640</b>

Note: Fiscal 2009 and Fiscal 2008 Balance Sheets are un-audited

**SMDK CORP.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

**AS OF DECEMBER 31, 2009**

	<b>Year Ended December 31,</b>	
	<b>2009</b>	<b>2008</b>
	<b>(in thousands, except per share amounts)</b>	
Revenues:		
Royalty income and license fees .....	\$ 80	0
Total revenues.....	80	0
Operating expenses:		
General and administrative.....	620	779
Total operating expenses .....	620	779
Operating loss .....	(540)	(779)
Interest and other income.....	8	0
Interest and other expenses .....	(210)	(264)
Loss before income taxes.....	(742)	(1,043)
Net loss .....	(742)	(1,043)

Note: Fiscal 2009 and Fiscal 2008 Statements of Operations are un-audited