

SMDK CORP.

**CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2011**

	December 31,	
	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 343	\$ 431
Total current assets	343	431
Total Assets	<u>\$ 343</u>	<u>\$ 431</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	247	246
Accrued liabilities	110	115
Term Loan	<u>3,877</u>	<u>3,640</u>
Total current liabilities	<u>4,234</u>	<u>4,001</u>
Stockholders' equity:		
Common stock, \$.001 par value; 60,000 shares authorized; 26,885 issued and 26,420 outstanding at December 31, 2010 and 2009.....	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 deficit	<u>(152,954)</u>	<u>(152,632)</u>
Total stockholders' equity	(3,892)	(3,570)
Total Liabilities and Stockholders' Equity	<u>\$ 343</u>	<u>\$ 431</u>

Note: Fiscal 2011 and Fiscal 2010 Balance Sheets are unaudited.

SMDK CORP.

**CONSOLIDATED STATEMENTS OF OPERATIONS
AS OF DECEMBER 31, 2011**

	December 31,	
	2011	2010
	(in thousands)	
Revenues:		
Royalty income and license fees	\$ 115	\$ 495
Total revenues	<u>115</u>	<u>495</u>
Operating expenses:		
General and administrative	200	654
Total operating expenses	<u>200</u>	<u>654</u>
Operating loss	(85)	(159)
Interest and other income	1	10
Interest and other expenses	(237)	(223)
Loss before income taxes	<u>(322)</u>	<u>(371)</u>
Net loss	<u>\$ (322)</u>	<u>\$ (371)</u>

Note: Fiscal 2011 and Fiscal 2010 Statements of Operations are unaudited.