

PREMIUM ALCOHOLIC BEVERAGES INC.
Consolidated Balance Sheet
December 31, 2000 & December 31, 2001

Assets

Current Assets:	2001		2000
Cash and cash equivalents	\$ 35,000.00		\$ 22,000.00
Accounts receivable (net)	24,000.00		18,000.00
Inventories	119,000.00		78,000.00
Prepaid Expenses	5,000.00		1,700.00
Total Current Assets	\$ 183,000.00		\$ 119,700.00
 Plant and Equipment:			
Land	500,000.00		500,000.00
Buildings and Equipment	\$ 950,000.00		\$ 950,000.00
Less: Accumulated Depreciation	230,000.00		200,000.00
	720,000.00		750,000.00
Total Assets:	\$ 1,403,000.00		\$ 1,369,700.00

Liabilities & Shareholders' Equity

Current Liabilities:	2001		2000
Accounts Payable	\$ 200,000.00		\$ 362,000.00
Interest Payable	8,000.00		36,000.00
Total Current Liabilities	\$ 208,000.00		\$ 398,000.00
 Long-Term Liabilities			
Bonds Payable	445,000.00		445,000.00
Total Liabilities	\$ 653,000.00		\$ 843,000.00
 Shareholder's Equity			
Cumulative \$8 preferred stock, no-par, callable at \$120, authorized, an unlimited number of shares, issued and outstanding, 2500 shares	\$ 20,000.00		\$ 20,000.00
Common Stock, no-par, authorized, an unlimited number of shares, issued and outstanding, 50,000 shares	250,000.00		250,000.00
Retained Earnings	480,000.00		256,700.00
Total Shareholders' Equity	\$ 750,000.00		\$ 526,700.00
Total Liabilities & Shareholders' Equity	\$ 1,403,000.00		\$ 1,369,700.00