SECURITIES AND EXCHANGE COMMISSION

FORM SC TO-T/A

Third party tender offer statement [amend]

Filing Date: **2001-08-03**
SEC Accession No. 0000950131-01-502636

(HTML Version on secdatabase.com)

SUBJECT COMPANY

FULL LINE DISTRIBUTORS INC

CIK:**913950**| IRS No.: **581724902** | State of Incorp.:**GA** | Fiscal Year End: **0102**
Type: **SC TO-T/A** | Act: **34** | File No.: **005-53337** | Film No.: **1697170**
SIC: **5130** Apparel, piece goods & notions

Mailing Address
1200 AIRPORT RD
BALL GROUND GA 30107

Business Address
1200 AIRPORT DR
BALL GROUND GA 30107
7704791877

FILED BY

FLD ACQUISITION CORP

CIK:**1144332**
Type: **SC TO-T/A**
SIC: **2200** Textile mill products

Mailing Address
45555 PORT ST
PLYMOUTH MI 48170

Business Address
45555 PORT ST
PLYMOUTH MI 48170
7344544800

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO/A
TENDER OFFER STATEMENT
UNDER SECTION 14(D)(1) OR 13(E)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 2)

FULL LINE DISTRIBUTORS, INC.
(Name of Subject Company (Issuer))

FLD ACQUISITION CORP.
BRODER BROS., CO.
(Names of Filing Persons (Offerors))

Common Stock, no par value per share	35967N 10 6
(Title of Class of Securities)	(CUSIP Number of Class of Securities)

Vincent Tyra
Chief Executive Officer
Broder Bros., Co.
45555 Port Street
Plymouth, Michigan 48170
Telephone: (734) 454-4800
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copies to:

Dennis M. Myers, Esq.
Kirkland & Ellis
200 East Randolph Drive
Chicago, Illinois 60601
(312) 861-2000

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
$13,343,590	$2,669

* For the purpose of calculating the filing fee only, this amount is based on the purchase of 4,222,501 shares of common stock and options to purchase 300,750 shares of common stock of Full Line Distributors, Inc. at the maximum tender offer price of $2.95 per share.

** Calculated as 1/50 of 1% of the transaction value.

[X] Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount Previously Paid:..................	$2,669	Filing party:......	FLD Acquisition Corp.
Form or Registration No.:..................	SC TO-T	Date Filed:........	July 13, 2001

[_] Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

[X] Third-party tender offer subject to Rule 14d-1.
[_] Going-private transaction subject to Rule 13e-3.
[_] Issuer tender offer subject to Rule 13e-4.
[_] Amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: [_]

This Amendment No. 2 (the "Amendment") amends and supplements the Tender Offer Statement on Schedule TO filed by FLD Acquisition Corp., a Georgia corporation ("Purchaser") and Broder Bros., Co., a Michigan corporation ("Broder") on July 13, 2001 (the "Schedule TO") relating to the offer by Purchaser to purchase all outstanding shares of common stock, no par value per share (the "Shares"), of Full Line Distributors, Inc., a Georgia corporation ("Full Line"), at a purchase price of $2.95 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to

Purchase dated July 13, 2001 (the "Offer to Purchase"), and in the related Letter of Transmittal, copies of which are attached as Exhibits (a)(1)(i) and (a)(1)(ii) to the Schedule TO (which, together with any amendments or supplements thereto, collectively constitute the "Offer"). Capitalized terms used but not defined in this Amendment shall have the meaning assigned to them in the Offer to Purchase.

Items 1 through 9, and 11.

Items 1 through 9, and 11 of the Schedule TO, which incorporate by reference the information contained in the Offer to Purchase, are hereby amended and supplemented by incorporating by reference therein the information set forth in the Supplement to Offer to Purchase, dated August 2, 2001 (the "Supplement").

Item 10. Financial Statements.

Summarized financial information specified by Item 1010(c) of Regulation M-A relating to Broder is set forth in the Supplement in Item 8 under the paragraph titled "Summary Financial Information." The audited consolidated financial statements of Broder as of and for the fiscal years ended December 30, 2000 and December 26, 1999 are filed as Exhibit (a)(5)(iv) and the unaudited consolidated financial statements of Broder as of March 31, 2001 and for the three month periods ended March 31, 2001 and March 25, 2000 are filed as Exhibit (a)(5)(v) to this Schedule TO and each are incorporated herein by reference.

Item 12. Exhibits.

Item 12 of the Schedule TO is hereby amended and supplemented by adding thereto the following:

<TABLE>
<CAPTION>

Exhibit No.	Description
<C>	<S>
(a)(5)(iii)	Supplement to Offer to Purchase, dated August 2, 2001.
(a)(5)(iv)	Audited Consolidated Financial Statements of Broder as of and for the years ended December 30, 2000 and December 26, 1999.
(a)(5)(v)	Unaudited Consolidated Financial Statements of Broder as of March 31, 2001 and for the three month periods ended March 31, 2001 and March 25, 2000.

</TABLE>

After due inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: August 3, 2001 Schedule TO

FLD ACQUISITION CORP.

/s/ Vincent J. Tyra
By: ___________________________________
Name: Vincent Tyra
Title: Chief Executive Officer

BRODER BROS., CO.

/s/ Vincent J. Tyra
By: ___________________________________
Name: Vincent Tyra
Title: Chief Executive Officer

EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit No.	
<C>	<S>
*(a)(1)(i)	Offer to Purchase, dated July 13, 2001.
*(a)(1)(ii)	Form of Letter of Transmittal.
*(a)(1)(iii)	Form of Notice of Guaranteed Delivery.
*(a)(1)(iv)	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
*(a)(1)(v)	Form of Letter to clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
*(a)(1)(vi)	Form of Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
*(a)(5)(i)	Joint Press Release issued by Broder and Full Line on July 10, 2001.
*(a)(5)(ii)	Joint Press Release issued by Broder and Purchaser on July 17, 2001.
(a)(5)(iii)	Supplement to Offer to Purchase, dated August 1, 2001.
(a)(5)(iv)	Audited Consolidated Financial Statements of Broder as of and for the years ended December 30, 2000 and December 26, 1999.
(a)(5)(v)	Unaudited Consolidated Financial Statements of Broder as of March 31, 2001 and for the three month periods ended March 31, 2001 and March 25, 2000.
*(b)	Commitment Letter, dated as of July 6, 2001, among Bank One, Michigan, Banc One Capital Markets, Inc. and Broder.

*(d)(1)	Agreement and Plan of Merger, dated as of July 9, 2001, among Broder, Purchaser and Full Line.
*(d)(2)	Stockholders' Agreement, dated as of July 9, 2001, among Broder, Purchaser and the shareholders named therein.
*(d)(3)	Employment Agreement, dated as of July 9, 2001, between the Purchaser and Isador E. Mitzner.
*(d)(4)	Employment Agreement, dated as of July 9, 2001, between the Purchaser and J. David Keller.
*(d)(5)	Non-Compete Agreement, dated as of July 9, 2001, between the Purchaser and Isador E. Mitzner.
*(d)(6)	Non-Compete Agreement, dated as of July 9, 2001, between the Purchaser and J. David Keller.
*(d)(7)	Letter of Intent, dated as of May 14, 2001, between Broder and Full Line.
(g)	None.
(h)	None.

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*Previously filed.

Supplement to the Offer to Purchase for Cash

Dated July 13, 2001

All Outstanding Shares of Common Stock

of

Full Line Distributors, Inc.

at

$2.95 Net Per Share

by

FLD Acquisition Corp.
a wholly owned subsidiary of

Broder Bros., Co.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, AUGUST 9, 2001, UNLESS THE OFFER IS EXTENDED.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE TRANSACTION, PASSED UPON THE MERITS OR FAIRNESS OF THE TRANSACTION, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

YOU SHOULD READ THIS ENTIRE DOCUMENT AND THE OFFER TO PURCHASE PREVIOUSLY CIRCULATED CAREFULLY BEFORE DECIDING WHETHER TO TENDER YOUR SHARES IN THE OFFER.

The Information Agent for the Offer is:

August 2, 2001

TABLE OF CONTENTS

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EXPLANATORY NOTE

This Supplement should be read in conjunction with the Offer to Purchase. This Supplement has been prepared to include additional information requested by the SEC in the course of its review of the Offer to Purchase. The terms and conditions previously set forth in the Offer to Purchase and the Letter of Transmittal previously mailed to stockholders remain applicable in all respects to the Offer. Capitalized terms used herein but not defined shall have the meaning set forth in the Offer to Purchase.

SUMMARY TERM SHEET

The sixth question in the Summary Term Sheet of the Offer to Purchase is hereby amended and restated in its entirety to read as follows:

Is your financial condition relevant to my decision to tender my shares in the offer?

Our financial condition may be relevant to your decision to tender your shares in the offer. While the payment for your shares consists solely of cash, we have arranged for all of our funding to come from the bank borrowings and our obligation to purchase your shares in the offer is expressly conditioned upon our receipt of such funds. See Section 8 of this Supplement for more information regarding our financial condition.

To the Holders of Shares of Common Stock
of Full Line Distributors, Inc.:

INTRODUCTION

This Supplement to Offer to Purchase (the "Supplement") amends and supplements the Offer to Purchase dated July 13, 2001 (the "Offer to Purchase") of FLD Acquisition Corp. (the "Purchaser"), a Georgia corporation and wholly owned subsidiary of Broder Bros., Co. ("Broder"), a Michigan corporation, pursuant to which Purchaser is offering to purchase all outstanding shares of common stock, no par value per share (the "Common Stock"), of Full Line Distributors, Inc. ("Full Line"), a Georgia corporation (the shares of Common Stock are referred to as the "Shares"), at a price of $2.95 per Share, net to the seller in cash (the "Offer Price"), upon the terms and subject to the conditions set forth in the Offer to Purchase, this Supplement and in the related Letter of Transmittal (which, together with any amendments or supplements hereto or thereto, collectively constitute the "Offer").

This Supplement, the Offer to Purchase and the related Letter of Transmittal contain important information that you should read carefully and in their entirety before you make any decision with respect to the offer.

THE TENDER OFFER

2. Acceptance for Payment and Payment for Shares.

The first full paragraph of Section 2 of the Offer to Purchase is hereby amended and restated in its entirety to read as follows:

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the Purchaser will accept for payment and will pay for all shares validly tendered prior to the Expiration Date and not properly withdrawn in accordance with Section 4 promptly after the Expiration Date. The Purchaser, subject to the Merger Agreement, expressly reserves the right, in its sole discretion, to delay acceptance for payment of or payment for Shares in order to comply in whole or in part with any applicable law. See Section 16. Any such delays will be effected in compliance with Rule 14e-1(c) under the Exchange Act (relating to a bidder's obligations to pay for or return tendered securities promptly after the termination or withdrawal of such bidder's offer).

8. Certain Information Concerning the Purchaser, Broder and Certain Affiliates.

The following information is added before the last full paragraph in Section 2 of the Offer to Purchase:

Summary Financial Information. Set forth below is certain summary consolidated financial information for each of Broder's last two fiscal years and the three months ended March 31, 2001 and March 25, 2000. Broder's audited consolidated financial statements as of and for the fiscal years ended December 26, 1999 and December 30, 2000 and unaudited consolidated financial statements as of March 31, 2001 and for the three months ended March 31, 2001 and March 25, 2000 have been filed as an exhibit to the Amendment No. 2 to Schedule TO (as defined below), and the following summary is qualified in its entirety by reference to such financial statements and notes contained therein. Copies of such financial statements may be examined at or obtained from the SEC in the manner set forth in the Offer to Purchase and below.

Broder Bros., Co.
Summary Consolidated Financial Information

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	Fiscal Year Ended December 26, 1999 (1)	Fiscal Year Ended December 30, 2000 (1)	Three Months Ended March 25, 2000	Three Months Ended March 31, 2001
			(Unaudited)	
	(Dollars in thousands, except for per share amounts)			
<S>	<C>	<C>	<C>	<C>
Statement of Operations Data:				
Net sales............	$339,591	$396,007	$ 71,072	$ 82,362
Gross profit.........	54,252	65,025	11,626	14,069
Income from operations...........	13,115	13,332	1,969	2,174
Net income (2)........	7,332	1,924	718	(1,291)
Balance Sheet Data (at end of period):				
Current assets........	$106,460	$144,394	$113,768	$133,719
Noncurrent assets.....	8,799	19,151	9,177	12,314
Current liabilities...	50,968	80,121	62,036	52,999
Noncurrent liabilities..........	50,913	94,516	111,023	111,966
Stockholders' equity (deficit)...........	13,377	(11,093)	11,861	(12,384)
Other Financial Data:				
Book value per share..				$ (2.71)

Ratio of earnings to fixed charges (3)..........	1.92x	1.45x	1.52x	0.62x

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(1) Broder operates on a 52/53-week year basis with the year ending on the last Saturday of December. The year ended December 30, 2000 and December 26, 1999 consisted of 53 and 52 weeks, respectively.

(2) Broder is a privately held company. As a result, Broder does not as a manner of course prepare earnings per share information. In addition, Broder believes that earnings per share information is not meaningful information due to its existing capital structure and, as a result, has not included any such information in this Supplement.

(3) The ratio of earnings to fixed charges is determined by dividing pretax income from operations, adjusted for changes in accounting policy, interest expense, debt expense amortization and the portion of rental expense deemed representative of an interest factor by the sum of interest expense, debt expense amortization and the portion of rental expense deemed representative of the interest factor. For the three months ended March 31, 2001, Broder's earnings were insufficient to cover its fixed charges by $1,143.

11. The Merger Agreement; Other Arrangements.

The last sentence of the first full paragraph under the heading "Merger Agreement" in Section 11 of the Offer to Purchase is hereby amended and restated in its entirety to read as follows:

> The conditions described in Section 15 hereof are for the sole benefit of Broder and the Purchaser and may be asserted by Broder or the Purchaser regardless of the circumstances giving rise to any such conditions and, except for the Minimum Condition, may be waived by Broder or the Purchaser, in whole or in part, at any time and from time to time, in their sole discretion prior to the Expiration Date.

15. Certain Conditions of the Offer.

The last sentence of the penultimate paragraph in Section 15 of the Offer to Purchase is hereby amended and restated in its entirety to read as follows:

> The failure by Broder, Purchaser or any other affiliate of Broder at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right and the waiver of such right with respect to any other

> facts or circumstances shall not be deemed a waiver with respect to any other facts and circumstances, and each such right will be deemed and ongoing right which may be asserted at any time and from time to time, in their sole discretion prior to the Expiration Date.

Miscellaneous. The Purchaser has filed with the SEC a Tender Offer Statement on Schedule TO pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, together with exhibits furnishing certain additional information with respect to the Offer, and has filed amendments thereto. In addition, Full Line has filed with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9, together with exhibits, pursuant to Rule 14d-9 under the Exchange Act, setting forth the recommendation of the Full Line Board with respect to the Offer and the reasons for such recommendation and furnishing certain additional related information. A copy of such documents, and any amendments thereto, may be examined at, and copies may be obtained from, the SEC (but not the regional offices of the SEC) at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549 (telephone no. 1-800-SEC-0330). These documents are also available to the public on the SEC's Internet site (http://www.sec.gov).

This Supplement should be read together with the Offer to Purchase and Solicitation/Recommendation Statement on Schedule 14D-9 referred to above and issued by Full Line to its securityholders.

August 2, 2001 FLD Acquisition Corp.

Facsimile copies of the Letter of Transmittal, properly completed and duly signed, will be accepted. The Letter of Transmittal, Share Certificates, and any other required documents should be sent by each shareholder or such shareholder's broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of the addresses set forth below:

The Depositary for the Offer Is:

SunTrust Bank

Facsimile for Eligible Institutions:	By Mail:	By Overnight Courier or by Hand:
404-865-5371	SunTrust Bank	SunTrust Bank
Confirm by Telephone:	Post Office Box 4625	Stock Transfer Department
1-800-568-3476	Atlanta, Georgia 30302	58 Edgewood Avenue
		Room 225, Annex
		Atlanta, Georgia 30303

Questions and requests for assistance may be directed to the Information Agent at its address and telephone number as set forth below. Additional copies of this Supplement, Offer to Purchase, the Letter of Transmittal, or other related tender offer materials may be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

The Information Agent for the Offer Is:

156 Fifth Avenue
New York, New York 10010
proxy@mackenziepartners.com
(212) 929-5500 (call collect)
or
toll-free (800) 322-2885

EXHIBIT (a)(5)(iv)

Broder Bros., Co.
Consolidated Financial Statements and Audit Report
For the Years Ended December 30, 2000 and December 26, 1999

Broder Bros., Co.
Contents

	Page(s)

Report of Independent Accountants

To the Board of Directors
Broder Bros., Co.

In our opinion, the accompanying consolidated balance sheet as of December 30, 2000 and the related consolidated statements of income, changes in shareholders' deficit and cash flows for the year then ended present fairly, in all material respects, the financial position of Broder Bros., Co. and its subsidiaries at December 30, 2000, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. The financial statements of the Company as of December 26, 1999 and for the year then ended were audited by other independent accountants whose report dated February 24, 2000 expressed an unqualified opinion on those statements.

March 28, 2001

Broder Bros., Co.
Consolidated Balance Sheet
December 30, 2000 and December 26, 1999

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<S>	2000 <C>	1999 <C>
Assets		
Current assets		
Cash	$ 1,725,778	$ 1,312,862
Accounts receivable, net of allowance for doubtful accounts of $700,000 and $500,000	31,617,397	26,376,965
Inventory	107,227,291	77,363,520
Prepaid and other current assets	2,591,881	1,406,530
Deferred income taxes	1,231,461	-
Total current assets	144,393,808	106,459,877

Fixed assets, net	6,752,611	4,914,934
Goodwill, net	8,541,273	-
Deferred financing fees, net	2,508,052	688,313
Cash value - Officers' life insurance	142,816	2,880,542
Other assets	1,206,147	315,009
Total assets	$ 163,544,707	$ 115,258,675
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities		
Current portion of capital lease obligations and subordinated debt	$ 1,165,819	$ 1,239,657
Accounts payable	72,477,309	47,225,630
Accrued liabilities	6,478,314	2,502,834
Total current liabilities	80,121,442	50,968,121
Long term obligations, net of current portion	92,613,549	50,913,194
Deferred income taxes	40,417	-
Other long term liabilities	1,862,195	-
Total liabilities	174,637,603	101,881,315
Shareholders' equity (deficit)		
Class A common stock; par value $1 per share; 100 shares authorized; 0 and 12 shares issued and outstanding, respectively	-	12
Class B common stock; par value $1 per share; 49,900 shares authorized; 0 and 4,896 shares issued and outstanding, respectively	-	4,896
Class A common stock; par value $.01 per share; 27,000,000 shares authorized; 10,061,111 and 0 issued and outstanding, respectively	100,611	-
Class L common stock; par value $.01 per share; 3,000,000 shares authorized; 1,000,000 and 0 issued and outstanding, respectively	10,000	-
Additional paid-in capital	15,378,146	30,631
Retained earnings (accumulated deficit)	(26,581,653)	13,341,821
Total shareholders' equity (deficit)	(11,092,896)	13,377,360
Total liabilities and shareholders' equity (deficit)	$ 163,544,707	$ 115,258,675

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

Broder Bros., Co.
Consolidated Statements of Income
For the Years Ended December 30, 2000 and December 26, 1999

<TABLE>
<CAPTION>

<S>	2000 <C>	1999 <C>
Net sales	$ 396,007,337	$ 339,591,496
Cost of sales	330,982,776	285,339,914
Gross profit	65,024,561	54,251,582
Operating expenses		
Warehouse, selling and administrative	46,144,515	41,136,890
Transaction expenses	1,975,625	-
Special shareholder compensation	3,572,712	-
Total operating expenses	51,692,852	41,136,890
Income from operations	13,331,709	13,114,692
Other expense		
Interest expense	8,274,705	5,656,868
Other	239,768	125,339
Total other expense	8,514,473	5,782,207
Income before income taxes	4,817,236	7,332,485
Income tax provision	2,893,564	-
Net income	$ 1,923,672	$ 7,332,485

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

Broder Bros., Co.
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For the Years Ended December 30, 2000 and December 26, 1999

<TABLE>
<CAPTION>

	Common stock					
	Shares (A)	Amount	Shares (B)	Amount	Shares (L)	Amount
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 27, 1998	12	$ 12	4,896	$ 4,896	-	$ -
Contributions	-	-	-	-	-	-
Distributions	-	-	-	-	-	-
Net income	-	-	-	-	-	-
Balance, December 26, 1999	12	12	4,896	4,896	-	-
Shareholder distributions prior to recapitalization						
Issuance of Class B common stock	-	-	154	154	-	-
Distribution to shareholders and related transaction costs	(12)	(12)	(5,050)	(5,050)	-	-
Issuance of new Class A and Class L common stock	9,000,000	90,000	-	-	1,000,000	10,000
Exercise of warrants	1,061,111	10,611	-	-	-	-
Net income	-	-	-	-	-	-
Balance, December 30, 2000	10,061,111	$ 100,611	-	$ -	1,000,000	$ 10,000

<CAPTION>

	Additional paid-in capital	(Accumulated deficit) retained earnings	Total
<S>	<C>	<C>	<C>
Balance, December 27, 1998	$ 24,838	$ 8,512,336	$ 8,542,082
Contributions	5,793	-	5,793
Distributions	-	(2,503,000)	(2,503,000)
Net income	-	7,332,485	7,332,485
Balance, December 26, 1999	30,631	13,341,821	13,377,360
Shareholder distributions prior to recapitalization		(5,846,765)	(5,846,765)
Issuance of Class B common stock	689,846	-	690,000
Distribution to shareholders and related transaction costs	(720,477)	(36,000,381)	(36,725,920)
Issuance of new Class A and Class L common stock	15,182,477	-	15,282,477
Exercise of warrants	195,669	-	206,280
Net income	-	1,923,672	1,923,672
Balance, December 30, 2000	$ 15,378,146	$ (26,581,653)	$ (11,092,896)

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

Broder Bros., Co.
Consolidated Statements of Cash Flows
For the Years Ended December 30, 2000 and December 26, 1999

<TABLE>

	2000	1999
Cash flows from operating activities		
Net income	$ 1,923,672	$ 7,332,485
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	1,599,302	1,202,259
Amortization	1,222,390	-
Deferred taxes	(169,523)	-
Deferred compensation	707,000	-
Stock-based compensation	690,000	-
Changes in current assets and liabilities, net of assets acquired		
Accounts receivable	1,006,290	306,976
Inventory	(20,302,817)	7,828,259
Prepaid and other current assets	(936,746)	(519,731)
Accounts payable and accrued liabilities	24,924,747	(152,732)
Net cash provided by operating activities	10,664,315	15,997,516
Cash flows from investing activities		
Acquisition of fixed assets	(1,799,564)	(791,638)
Cash surrender value of officers life insurance	(246,038)	(1,011,758)
Acquisition of St. Louis T's - net of cash acquired	(20,387,603)	-
Net cash used in investing activities	(22,433,205)	(1,803,396)
Cash flows from financing activities		
Borrowings (repayments) on revolving credit agreement, net	16,400,000	(10,400,000)
Repayment on revolving credit agreement due to recapitalization	(50,000,000)	-
Borrowing on revolving credit agreement due to recapitalization	64,000,000	-
Proceeds from issuance of senior subordinated notes	7,981,817	-
Payments of principal on former subordinated debt	(3,940,123)	-
Payments of principal on capital lease obligations, net	(921,522)	(540,117)
Debt issuance costs	(3,336,500)	-
Other shareholder distributions	(2,863,000)	(2,503,000)
Distributions paid to former shareholders and related transaction costs	(29,313,328)	-
Equity issuance pursuant to recapitalization	13,968,182	-
Exercise of stock warrants	206,280	-
Net cash provided by (used in) financing activities	12,181,806	(13,443,117)
Net increase in cash	412,916	751,003
Cash at beginning of year	1,312,862	561,859
Cash at end of year	$ 1,725,778	$ 1,312,862
Supplemental disclosure of cash flow information		
Interest paid	$ 6,991,976	$ 6,581,257
Taxes paid	$ 1,699,000	$ -

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

Broder Bros., Co.
Notes to Consolidated Financial Statements

1. Organization

Nature of business
Broder Bros., Co. (the "Company") is a national wholesale distributor of imprintable sportswear and related products to screen printers, embroiderers and advertising specialty companies. Products are sold through distribution centers located in Michigan, Florida, Texas, New York, California, North Carolina and Missouri. Approximately 60% and 63% of products sold by the Company were purchased from three suppliers in 2000 and 1999, respectively. Substantially all product shipped to customers is handled through one national parcel shipping company. In September 2000,

the Company purchased 100% of the common stock of St. Louis T's, Inc. ("St. Louis T's"). Accordingly, St. Louis T's has been consolidated as of the purchase date. All significant intercompany accounts and transactions have been eliminated.

The Company operates on a 52/53-week year basis with the year ending on the last Saturday of December. The years ended December 30, 2000 and December 26, 1999 consisted of 53 and 52 weeks, respectively.

2. Summary of Significant Accounting Policies

Cash
The Company considers all highly-liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Accounts receivable
Credit risk is minimized due to the Company's minimal concentration of customers with significant balances. The Company controls credit risk of its customers through credit evaluations and authorization prior to shipment, credit limits, and other monitoring procedures. At times, the Company obtains personal guarantees from certain customers, security interests in customer assets or letters of credit to further enhance collectibility of accounts receivable.

Inventory
Inventory is stated at the lower of cost or market using the first-in, first-out method. Inventory consists of finished goods held for sale.

Fixed assets
Fixed assets are stated at cost less accumulated depreciation. Depreciation of property and equipment is computed using the straight-line and declining balance methods based upon estimated useful lives of seven years for machinery and equipment and furniture and fixtures and three and five years for computers and software.

Revenue recognition
Revenue is recognized upon shipment of product to the customer. Incentives received from various suppliers are recognized at the time that they are earned as defined in the respective agreements. Shipping and handling fees paid by the customer are included in sales. Shipping and handling costs paid by the Company are included in cost of sales.

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2. Summary of Significant Accounting Policies (continued)

Catalog costs
Direct response catalog costs, consisting primarily of the Company's annual catalog production, printing, and postage costs, are capitalized and amortized over the expected life of the catalog, not to exceed twelve months. At December 30, 2000 and December 26, 1999, $2,009,974 and $1,141,935 of prepaid catalog costs were reported as other current assets, respectively. Total catalog expense, net of expected vendor co-op advertising allowances earned and reimbursements by customers for catalogs purchased, were approximately $1,700,000 and $1,800,000 in 2000 and 1999, respectively.

Deferred financing costs and goodwill
Costs relating to obtaining the Revolving Credit Facility and Senior Subordinated Notes are capitalized and amortized over the term of the debt using the straight-line method. Amortization expense for the years ended December 30, 2000 and December 26, 1999 was $569,469 and $201,000, respectively. Deferred financing costs of $545,625 related to the prior Revolving Credit Facility were expensed upon the effective date of the Recapitalization.

Goodwill represents the excess of the purchase price over the estimated fair value of the net assets of the acquired company. Goodwill is amortized on a straight-line basis over a period of 20 years. Amortization expense was $107,300 for the year ended December 30, 2000.

The carrying value and useful lives of goodwill are based on management's current assessment of recoverability. The Company evaluates potential impairment of goodwill as deemed necessary based upon undiscounted expected future cash flows.

Income taxes
The Company had operated as an S corporation since January 1, 1987 under the election of Subchapter S of the Internal Revenue Code. During such period, federal income taxes and certain state income taxes were the

responsibility of the Company's shareholders. The S Corporation election was terminated prior to the consummation of the Recapitalization Plan (see Note 3). Accordingly, the provision for federal income taxes includes taxes based upon the results of operations from May 3, 2000 through the end of the year. Deferred federal income taxes were recorded effective May 3, 2000 upon termination of S corporation status. Deferred income taxes are provided on the differences in the book and tax bases of assets and liabilities at the statutory tax rates expected to be in effect when such differences are reversed.

Stock options
The Company accounts for stock-based compensation using the intrinsic value method described in Accounting Principles Board Opinion No. 25 "Accounting for Stock Issued to Employees" and related interpretations. In accordance with APB 25, compensation cost for stock options is recognized in income based on the excess, if any, of the fair market value of the stock at the date of grant over the amount an employee must pay to acquire the stock.

Financial instruments disclosure
Cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short maturity of those instruments. The fair value of the Company's long-term debt is estimated to approximate carrying value based on the variable nature of the interest rates and current market rates available to the Company.

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2. Summary of Significant Accounting Policies (continued)

Use of estimates
The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities reported in its consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

New accounting pronouncements
In June 1998, the FASB issued Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities," ("FAS 133"), which establishes accounting and reporting standards for derivative instruments. FAS 133 requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. In June 1999, the FASB issued FAS 137 "Accounting for Derivative Instruments and Hedging Activities--Deferral of the Effective Date of FASB Statement No. 133", which postponed the adoption date of FAS 133. As such, the Company is not required to adopt FAS 133 until the year 2001. The Company is currently evaluating the effect that implementation of the new standard will have on its results of operations and financial position.

Reclassifications
Certain amounts reported in the prior-year financial statements and notes thereto have been reclassified to conform to December 30, 2000 classifications.

3. Merger and recapitalization

Effective May 3, 2000 the Company entered into an agreement and plan of merger (the "Merger Agreement") with BB Merger Corp., a transitory Delaware merger corporation formed by Bain Capital, Inc., resulting in a recapitalization of the company and ensuing change in ownership (the "Recapitalization"). Pursuant to the Merger Agreements, on May 3, 2000, BB Merger Corp. was merged into the Company, with the Company being the surviving corporation. In connection with the Recapitalization, the former shareholders of the Company converted a significant portion of their prior Class A and Class B common stock into a right to receive specified payments, while simultaneously, certain equity investors, affiliates of Bain Capital, Inc. and executives of the Company acquired an approximate 86% economic equity stake in the Company. The remaining 14% is owned by former shareholders of the Company.

Subsequent to the Recapitalization, the issued and outstanding capital stock of the Company consisted of Class A common stock ("Class A"), par value $0.01 per share issued at $0.1944 per share and Class L common stock ("Class L"), par value $0.01 issued at $15.75 per share. The Class L shares provide for a liquidation preference over the Class A shares with respect to any distribution by the Company to holders of its capital stock equal to the original cost of the shares plus an amount that accrues at the annual rate of 12.5% compounded on a quarterly basis. The Class A and Class L common shares are identical in all other respects. As of December 30, 2000 the liquidation preference attributable to the Common L shares issued and subject to warrants associated with the Senior Subordinated Notes was $1,486,000.

3. Merger and recapitalization (continued)

The Recapitalization was funded through a new Revolving Credit Facility, the issuance of $10,000,000 of Senior Subordinated Notes distributed to the shareholders on a pro rata basis effective with the merger, the retention of $5,000,000 seller subordinated debt payable to one of the pre-merger Broder Bros., Co. shareholders and through proceeds from the issuance of new Class A and Class L common shares.

The Merger Agreement impose certain restrictions on share voting rights, elections of directors and the sale of common stock, require consents to certain transactions and impose other specified duties and obligations. Several of the foregoing provisions terminate upon the consummation of an Initial Public Offering.

The Recapitalization resulted in a direct charge to retained earnings of $36,000,381, consisting primarily of the cost of redeeming the previously issued Class A and Class B common shares. Prior to the Recapitalization, the prior shareholders received distributions totaling $5,846,765 for the assignment of certain life insurance policies previously funded by the Company and to pay shareholders' taxes attributable to prior S Corporation earnings. Additionally, the Company charged $3,572,712 of compensation expense to operations effective May 2, 2000 in connection with compensation commitments to shareholders or former shareholders of the Company. Other transaction costs of $1,268,625 were also charged to operations during the period.

In connection with the Recapitalization, the Company entered into a non-contingent deferred compensation agreement, with an officer of the Company for $1,000,000 payable in seven years. The deferred benefit is accelerated in the event of a sale of the Company, or in the event of death or permanent disability of the recipient. Interest is accrued on a monthly basis at the short term applicable federal rate and is compounded annually. This amount has been charged to operations as a transaction cost during the period.

In connection with the Recapitalization, the Company entered into employment agreements with certain former shareholders under which the Company is committed to pay annual salaries in the amount of $192,000 each for a period of three years. The total commitment for the three-year period has been recorded as a charge to retained earnings as a component of the purchase price for the common stock.

The previous employment agreement with a former shareholder of the company was terminated effective May 2, 2000.

4. Acquisition of St. Louis T's Inc. and Proforma Results of Operations

In September, 2000, the Company completed the purchase of St. Louis T's by acquiring all of the St. Louis T's outstanding capital stock for a total purchase price of $20,387,603, net of cash acquired of $649,358. The acquisition was accounted for by the purchase method of accounting resulting in goodwill of $8,648,573. The results of operations of St. Louis T's have been included in the consolidated financial statements since the date of acquisition.

4. Acquisition of St. Louis T's Inc. and Proforma Results of Operations (continued)

The following table represents the allocation of the purchase price to assets acquired and liabilities assumed at the time of the acquisition:

<TABLE>

<S>	<C>
Accounts receivable	$ 6,246,722

Inventories	9,560,954
Other assets, primarily fixed assets	644,059
Accounts payable and accrued expenses	(4,712,705)

</TABLE>

The following (unaudited) pro forma consolidated results of operations have been prepared as if the acquisition of St. Louis T's had occurred prior to 1999:

	December 30, 2000	December 26, 1999
Sales	$ 439,143,579	$ 387,634,635
Gross margin	71,740,329	60,321,496
Operating expenses (excluding nonrecurring expenses)	47,242,715	42,561,005
EBITDA (excluding nonrecurring expenses)	24,497,614	17,760,491

The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisition been consummated as of that time, nor is it intended to be a projection of future results.

5. Debt

Long-term obligations consist of the following:

	December 30, 2000	December 26, 1999
Revolving credit facility	$ 75,000,000	$ 44,600,000
Senior subordinated notes	10,455,063	-
Subordinated debt - selling shareholder	5,000,000	-
Former subordinated debt	-	4,440,123
Capital lease obligations	3,324,305	3,112,728
	93,779,368	52,152,851
Less - current portion	1,165,819	1,239,657
	$ 92,613,549	$ 50,913,194

5. Debt (continued)

Revolving credit facility
Effective May 3, 2000, the Company entered into a new five-year $90,000,000 revolving credit facility (the "Revolver"). The Revolver has subsequently been increased to $105,000,000. The borrowing base is limited to and computed upon the basis of eligible accounts receivable, eligible inventory, and a fixed asset reliance amount. The Revolver is used for working capital purposes and for the issuance of up to $10,000,000 in letters of credit. The Revolver agreement provides for interest based upon a fixed spread above the banks' prime lending rate, or other rate options which are periodically fixed at a spread over the bank's LIBOR lending rate. Beginning October 1, 2000, the interest rate will vary on a quarterly basis depending upon the ratio of the total funded debt of the Company to its Earnings Before Interest Taxes and Depreciation (EBITDA) as defined in the Revolver agreement. The effective interest rate at December 30, 2000 was 9.54%.

The Company is required to maintain certain financial ratios, indebtedness tests and cash flow tests. In addition, certain activities of the company are restricted under the Revolver agreement, including limitations on the payment of dividends, incurring additional encumbrances or indebtedness, or making certain acquisitions without the advanced consent of the banks.

As collateral for the Revolver, the Company has granted the banks a security interest in substantially all assets of the Company, including accounts receivable, inventory, and fixed assets.

Included in the accounts payable balance at December 30, 2000 and December 26, 1999 are outstanding checks of $10,909,661 and $4,310,503, respectively.

Senior subordinated notes
In connection with the Merger Agreement and Recapitalization, the Company issued $10,000,000 of Senior Subordinated Notes (the "Notes") on a pro rata

basis to its shareholders. The Notes are unsecured and subordinated to the Revolver and mature two months subsequent to the Revolver's maturity date, or earlier in the event of certain prescribed sale or merger transactions of the Company. Principal payments are not permitted prior to maturity. Each of the Notes bears interest at 15% annually, with 6% payable in cash (1-1/2% quarterly) and the remaining 9% being added to the then outstanding note balance.

The Notes contain various financial covenants, restrictions and prohibitions, and are payable in 2005.

Warrants to purchase 1,061,111 shares of Class A common stock at $0.1944 per share and 111,111 shares of Class L common stock at $15.75 per share were issued to the note holders pursuant to the Senior Subordinated Note Agreement. The warrants to purchase the Class A common stock were exercised during the year. All of the proceeds received for the Notes were allocated to the Notes due to the minimal value ascribed to the warrant component.

Subordinated debt - selling shareholder
In connection with the Merger Agreement and Recapitalization, the Company owes one of the selling shareholders a total of $5,000,000 in unsecured subordinated debt (comprised of a $2,000,000 and a $3,000,000 note) (the "Seller Debt"). The $2,000,000 note bears interest at a rate of 9% payable annually. The $3,000,000 note bears interest at 9% compounded annually, and payable upon maturity. Principal payments are not permitted prior to maturity of either note. The Seller Debt matures at the earlier of one year after maturity of the Notes or certain prescribed sale or merger transactions of the Company, but no later than ten years from the issuance date. The terms of the Seller Debt preclude the shareholders from receiving proceeds from certain transactions until the Seller Debt is satisfied. Both notes are subordinated to the Revolver.

5. Debt (continued)

Former subordinated debt
Pursuant to the Merger Agreement, $3,940,123 of the former subordinated debt was repaid and $318,182 and $181,818 was converted into equity and Notes, respectively.

Interest rate swaps
The Company has entered into interest rate swap agreements in accordance with the specific requirements of the Revolver to reduce the effect of changes in interest rates on a portion of its floating rate debt. At December 30, 2000 the Company had three outstanding interest rate swap agreements with a commercial bank with a total notional amount of $30 million. Of this balance, $20 million matures in May 2002, and $10 million matures in October 2005. Swap agreements with a notional amount of $20 million and $10 million may be extended by the counter party through May 2005 and October 2005, respectively. The Company is exposed to credit loss in the event of nonperformance by the counter party. The Company does not anticipate nonperformance to be likely.

6. Fixed Assets

Property and equipment (and the estimated useful life of the related assets) consisted of the following:

	December 30, 2000	December 26, 1999
Leasehold improvements	$ 637,412	$ 425,281
Machinery and equipment	5,549,612	3,945,903
Furniture and fixtures	1,456,736	1,347,162
Computers and software	4,201,949	3,010,634
Telecommunications	912,568	891,094
	12,758,277	9,620,074
Less - accumulated depreciation	6,005,666	4,705,140
	$ 6,752,611	$ 4,914,934

7. Leases

Capital leases
During 2000, the Company entered into capital leases for equipment and software in the amount of $1,133,099 at a weighted average interest rate of 8.62%. During 1999, the company entered into capital leases for equipment in the amount of $1,500,000 at a weighted average rate of 8.53%. As of December 30, 2000, lease obligations under capital leases, included in long-term debt, are as follows:

Payable in	
2001	$ 1,165,819
2002	1,082,067
2003	673,015
2004	403,404
Total minimum capital lease payments	3,324,305
Less - imputed interest	432,533
Present value of net minimum capital lease payments	$ 2,891,772

Property and equipment recorded under capital leases as of December 30, 2000 and December 26, 1999 total $5,200,000 and $4,100,000, respectively, representing certain equipment and software. Interest expense on the outstanding obligations under the capital leases was $243,625 for the year ended December 30, 2000 and $165,700 for the year ended December 26, 1999.

Operating leases
The company leases facilities and equipment pursuant to operating leases expiring at various times over the next 15 years. Total rent expense incurred under the leases for the years ended December 30, 2000 and December 26, 1999 was $2,949,052 and $2,928,548 respectively.

The future minimum operating lease payments are as follows:

Payable in	
2001	$ 3,120,116
2002	2,789,749
2003	2,498,381
2004	1,982,572
2005	2,010,129
Thereafter	11,419,848
	$ 23,820,795

8. Related Party Transactions

The company entered into an Advisory Services Agreement with Bain Capital, Inc. pursuant to the Merger Agreement and Recapitalization of the Company. The Advisory Services Agreement requires the company to pay a quarterly advisory fee of $187,500 for a ten year period. In an event of a change of control or Initial Public Offering prior to the ten year period, Bain Capital will receive a lump sum payment equivalent to three years of advisory fees. The agreement also requires the Company to pay investment banking fees in the amount of 1% of certain prescribed transactions, part of which can be used to offset the quarterly advisory fee otherwise due. Payments during the year ended December 30, 2000 for investment banking services were $1,200,000 and for advisory fee services were $306,000.

The Company loaned an officer $1,000,000 as a note receivable with interest at the annual short-term federal rate compounded annually. The note is due May 3, 2007. As security, the officer has pledged shares in the Company. The note and related interest is included in other assets at December 30, 2000.

9. Employee Benefit Plan

The company is a sponsor of an employee savings 401(k) plan covering substantially all employees who meet predetermined eligibility requirements. Contributions made by the Company are at the discretion of the Board of Directors, and for the years ended December 30, 2000 and December 26, 1999. Such contributions amounted to 50% of the first 6% of compensation deferred by the employee. Contributions to the plan for the years ended December 30, 2000 and December 26, 1999 were $308,000 and

$261,000, respectively.

10. Commitments

Self-insurance programs
The Company has a self-insured health plan for all its employees. The Company has purchased stop loss insurance to supplement the healthplan, which will reimburse the Company for individual claims in excess of $90,000 annually or aggregate claims exceeding $2,200,000 annually.

11. Stock Option Plan

The Company adopted a Stock Option Plan (the "Plan") effective with the Recapitalizaiton under which officers, key employees, and non-employee directors or consultants may be granted options to purchase shares of the Company's authorized but unissued Class A and Class L common stock. The maximum number of shares of the Company's Class A and Class L common stock available for issuance under the Plan is 1,500,000 and 50,000 shares, respectively. As of December 30, 2000, the maximum number of shares available for future grants under the Plan were 400,000 Class A shares and 50,000 Class L shares. During 2000, 550,000 of stock options for Class A common stock were issued at an exercise price of $0.1944 per share (the Tranche I options). An additional 550,000 Class A shares were issued at an exercise price of $3.41 per share (the Tranche II options). Options otherwise unallocated from Tranche I and Tranche II will be allocated on a prorata basis to the then current option holders in the event of certain corporate transactions. Options expire no later than ten years from the grant date and vest over four years. Vesting may be accelerated in the event of specified transactions.

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11. Stock Option Plan (continued)

The Company applies APB Opinion No. 25 "Accounting for Stock Issued to Employees" in accounting for its employee stock options. Accordingly, no compensation expense has been recognized in the Company's financial statements because the exercise price of the Company's employee stock options equals the market price of the Company's common stock on the date of grant. Had compensation costs for the Company's option program been determined under SFAS 123, based on the fair value at grant date, the Company's pro forma net income would have approximated actual net income. The fair value of each option was estimated on the grant date using the Black-Scholes option pricing model with no assumed dividends or volatility, a weighted average risk free interest rate of 6.67% and expected lives of five years.

12. Income Taxes

The federal and state income tax provision is summarized as follows:

	Year ended December 31, 2000
Current	
Federal	$ 2,545,691
State	517,396
	3,063,087
Deferred, federal	(169,523)
Total provision for income taxes	$ 2,893,564

Total income tax expense differed from the amount computed by applying the U.S. federal income tax rate of 34% to earnings before income tax expense as a result of the following:

Computed expected tax expense	$ 1,637,860
Loss of benefit from taxable loss attributable to S-Corp shareholders through May 2, 2000	880,536
State and local taxes, net of federal tax benefit	341,481
Permanent difference	(86,259)
Other	119,946
Income tax expense	$ 2,893,564

Broder Bros., Co.
Notes to Consolidated Financial Statements

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12. Income Taxes (continued)

Deferred tax assets and liabilities at December 30, 2000 are as follows:

Deferred tax assets	
Inventory, principally due to costs capitalized for tax purposes in excess of those capitalized for financial reporting purposes and obsolescence reserve	$ 853,945
Reserve for self insurance	122,400
Reserve for bad debts	265,200
Deferred compensation	240,380
Other	76,410
Total deferred tax assets	1,558,335
Deferred tax liabilities	
Tax depreciation in excess of book depreciation	(268,964)
Goodwill and amortization	(29,582)
Book gain on fair market value of trading securities	(68,745)
Total deferred tax liabilities	(367,291)
Net deferred tax asset	$ 1,191,044

EXHIBIT (a)(5)(v)

Broder Bros., Co.
Unaudited Consolidated Financial Statements as of
March 31, 2001 and March 25, 2000

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	12/30/00	3/31/01
<S>	<C>	<C>
Assets		
Current Assets		
Cash	1,725,778	1,634,970
Accounts Receivable,		
net of allowance for doubtful accounts	31,617,397	29,488,180
Inventory	107,227,291	99,531,811
Prepaid and Other current assets	2,591,881	1,586,981
Deferred Income Taxes	1,231,461	1,476,566
	--------------	------------
Total Current Assets	144,393,808	133,718,508
Fixed Assets, net	6,752,611	6,548,355
Goodwill, net	8,541,273	8,544,566
Deferred financing fees, net	2,508,052	2,346,049
Cash value - Offercer's life insurance	142,816	-
Other assets	1,206,147	1,422,882
	--------------	------------
Total Assets	163,544,707	152,580,360
	==============	============
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities		
Current portion of capital lease obligations		
and subordinated debt	1,165,819	1,165,819
Accounts payable	72,477,309	49,173,306
Accrued liabilities	6,478,314	2,659,643
	--------------	------------
Total current liabilities	80,121,442	52,998,768
Long term obligations, net of current protion	92,613,549	109,865,715
Deferred income taxes	40,417	280,797
Other long term liabilities	1,862,195	1,819,244
	--------------	------------
Total liabilities	174,637,603	164,964,524
Shareholders' equity (deficit)		
Class A common stock;par value $1	-	-
Class B common stock;par value $1	-	-
Class A common stock;par value $.01	100,611	100,611
Class L common stock;par value $.01	10,000	10,000
Additional paid-in capital	15,378,146	15,378,146

Retained earnings	(26,581,653)	(27,872,921)
Total shareholders' equity (deficit)	(11,092,896)	(12,384,164)
Total liabilities and shareholders' equity (deficit)	163,544,707	152,580,360

</TABLE>

CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

<S>	3/31/01 <C>	3/25/00 <C>
Net Sales	82,362,178	71,072,297
Cost of Sales	68,292,994	59,445,827
Gross Profit	14,069,184	11,626,470
Operating expenses		
Warehouse, selling and administrative	12,327,493	9,657,688
Transaction expenses	-	-
Special shareholder compensation	-	-
Total operating expenses	12,327,493	9,657,688
Income from operations	1,741,691	1,968,782
Other expense		
Interest expense	2,440,758	1,098,584
Other	444,205	(7,659)
Total other expense	2,884,963	1,090,925
Income before income taxes	(1,143,272)	877,857
Income tax provision	148,002	159,621
Net Income	(1,291,274)	718,236

</TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

<S>	3/31/01 <C>	3/25/00 <C>
Cash Flows from Operating Activities		
Net income	(1,291,273)	718,236
Adjustments to Reconcile Net Income to Cash Flows from Operating Activities		
Depreciation	432,437	336,400

Amortization	284,179	-
Deferred Rent	30,249	81,792
Deferred Taxes	-	-
Deferred compensation	(73,202)	-
Stock-based compensation	-	-
Gain (Loss) on Sale of Assets	23,198	(409)
Change in Assets and Liabilities,		
Accounts receivable	2,129,217	414,107
Inventory	7,695,480	(7,431,729)
Prepaid and Other Curent Assets	701,770	(150,618)
Accounts payable and accrued liabilities	(26,283,089)	11,067,946
Net cash provided by operating activities	(16,351,034)	5,035,725
Cash Flows from Investing Activities		
Acquisition of fixed assets	(899,519)	(523,752)
Cash surrender value of officers life insurance	142,816	(282,934)
Acquisition of St. Louis T's, Net of cash acquired		
Net cash used in investing activities	(756,703)	(806,686)
Cash Flows from Financing Activities		
Borrowing (repayments) on revolving credit agreement, net	17,300,000	(1,766,901)
Repayment on revolving credit agreement due to recapitalization	-	-
Borrowing on revolving credit agreement due to recapitalization	-	-
Proceeds from issuance of subordinated debt	-	-
Payments of principal on subordinated debt	-	-
Payments of principal on capital lease obligations	(283,071)	(179,268)
Debt Issue Costs	-	-
Other distributions	-	(2,235,000)
Distributions Paid to Former Shareholders	-	-
Equity issuance pursuant to recapitalization	-	-
Exercise of Stock Warrants	-	-
Net cash provided by (used in) financing activities	17,016,929	(4,181,169)
Net increase in cash	(90,808)	47,870
Cash at beginning of year	1,725,778	1,312,862
Cash at end of year	1,634,970	1,360,732

</TABLE>

BRODER BROS., CO.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. The accompanying unaudited condensed consolidated financial statements have been prepared by Broder Bros., Co. (the "Company"). The information furnished in the condensed consolidated financial statements includes normal recurring adjustments and reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of such financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. Although the Company believes that the disclosures are adequate to make the information presented not misleading, it is suggested that these condensed consolidated financial statements be read in conjunction with the audited financial statements and the notes thereto.

Revenues and operating results for the three months ended March 31, 2001 are not necessarily indicative of the results expected for the full year.

2. Debt

Long-term obligations consist of the following:

<TABLE>
<CAPTION>

<S>	March 31, 2001 <C>	December 30, 2000 <C>
Revolving credit facility	$ 92,300,000	$ 75,000,000
Senior subordinated notes	10,690,301	10,455,063
Subordinated debt - selling shareholder	5,000,000	5,000,000
Capital lease obligations	3,041,233	3,324,305
	111,031,534	93,779,368
Less - current portion	1,165,819	1,165,819
	$109,865,715	$ 92,613,549

</TABLE>

The effective interest rate at March 31, 2001 was 8.73%.

3. Fixed Assets

Property and equipment (and the estimated useful life of the related assets) consisted of the following:

<TABLE>
<CAPTION>

<S>	March 31, 2001 <C>	December 30, 2000 <C>
Leasehold improvements	$ 650,809	$ 637,412
Machinery and equipment	5,688,400	5,549,612
Furniture and fixtures	1,502,059	1,456,736
Computers and software	4,214,708	4,201,949
Telecommunications	926,426	912,568
	12,982,402	12,758,277
Less - accumulated depreciation	6,434,046	6,005,666
	$ 6,548,356	$ 6,752,611

</TABLE>