

# NOBILITY HOMES, INC.

## Consolidated Statements of Operations and Comprehensive Loss (Unaudited)

|  | Three Months Ended |                     | Six Months Ended    |                     |
|--|--------------------|---------------------|---------------------|---------------------|
|  | May 7,<br>2011     | May 1,<br>2010      | May 7,<br>2011      | May 1,<br>2010      |
| Net sales  | \$ 3,229,214       | \$ 3,708,529        | \$ 6,461,903        | \$ 7,001,403        |
| Cost of goods sold   | <u>(2,586,747)</u> | <u>(2,888,795)</u>  | <u>(5,163,181)</u>  | <u>(5,606,967)</u>  |
| Gross profit   | 642,467            | 819,734             | 1,298,722           | 1,394,436           |
| Selling, general and administrative expenses                           | <u>(785,874)</u>   | <u>(1,056,662)</u>  | <u>(1,613,125)</u>  | <u>(2,042,957)</u>  |
| Operating loss   | <u>(143,407)</u>   | <u>(236,928)</u>    | <u>(314,403)</u>    | <u>(648,521)</u>    |
| Other income (loss):   |                    |                     |                     |                     |
| Interest income  | 37,068             | 61,676              | 73,389              | 129,345             |
| Undistributed earnings in joint venture - Majestic 21                  | 11,968             | (21)                | 17,496              | 11,404              |
| Earnings from finance revenue sharing agreement                        | -                  | -                   | -                   | -                   |
| Losses from investments in retirement<br>community limited partnership | (82,605)           | (194,825)           | (110,805)           | (450,049)           |
| Miscellaneous  | <u>19,463</u>      | <u>5,802</u>        | <u>37,691</u>       | <u>24,018</u>       |
| Total other income (loss)  | <u>(14,106)</u>    | <u>(127,368)</u>    | <u>17,771</u>       | <u>(285,282)</u>    |
| Loss before provision for income taxes                                 | (157,513)          | (364,296)           | (296,632)           | (933,803)           |
| Income tax benefit   | <u>100,469</u>     | <u>162,267</u>      | <u>123,202</u>      | <u>394,429</u>      |
| Net loss   | (57,044)           | (202,029)           | (173,430)           | (539,374)           |
| Other comprehensive income, net of tax:                                |                    |                     |                     |                     |
| Unrealized investment gain   | <u>2,763</u>       | <u>30,809</u>       | <u>28,186</u>       | <u>47,455</u>       |
| Comprehensive loss   | <u>\$ (54,281)</u> | <u>\$ (171,220)</u> | <u>\$ (145,244)</u> | <u>\$ (491,919)</u> |
| Weighted average number of shares outstanding:                         |                    |                     |                     |                     |
| Basic  | 4,056,144          | 4,056,144           | 4,056,144           | 4,056,144           |
| Diluted  | 4,056,144          | 4,056,144           | 4,056,144           | 4,056,144           |
| Loss per share:  |                    |                     |                     |                     |
| Basic  | \$ (0.01)          | \$ (0.05)           | \$ (0.04)           | \$ (0.13)           |
| Diluted  | \$ (0.01)          | \$ (0.05)           | \$ (0.04)           | \$ (0.13)           |
| Cash dividends paid per common share                                   | \$ -               | \$ -                | \$ -                | \$ 0.25             |