

## KATY INDUSTRIES, INC. SUMMARY OF OPERATIONS

(In thousands, except per share data)

	Three Months Ended		\$ Change Inc/(Dec)	% Change Inc/(Dec)
	December 31, 2001	December 31, 2000		
Sales	\$ 125,414	\$ 149,100	\$ (23,686)	(15.89%)
Cost of goods sold	103,262	125,786	(22,524)	(17.91%)
Gross profit	22,152	23,314	(1,162)	(4.98%)
Selling, general & administrative expenses	19,504	21,825	(2,321)	(10.63%)
Impairments of long-lived assets	11,325	-	11,325	N/M
Severance & restructuring costs	3,093	532	2,561	481.39%
Operating (loss) income	(11,770)	957	(12,727)	N/M
Equity in income (loss) of unconsolidated affiliates	(398)	(277)	(121)	(43.68%)
Interest and other, net	(2,403)	(3,536)	1,133	32.04%
Loss before income taxes	(14,571)	(2,856)	(11,715)	(410.19%)
(Provision for) benefit from income taxes	(2,933)	1,011	(3,944)	(390.11%)
Loss before distributions on preferred securities	(17,504)	(1,845)	(15,659)	(848.73%)
Distributions on preferred interest of subsidiary, net of tax	(205)	(430)	225	52.33%
Net loss	(17,709)	(2,275)	(15,434)	(678.42%)
Payment in kind dividends on convertible preferred stock	(2,704)	-	(2,704)	N/M
Net loss available to common shareholders	\$ (20,413)	\$ (2,275)	\$ (18,138)	N/M
<b>Earnings per share of common stock - Basic &amp; Diluted:</b>				
Continuing operations - excluding unusual and extraordinary items	\$ (0.89)	\$ (0.20)	\$ (0.69)	(345.00%)
Unusual items	(1.54)	(0.08)	(1.46)	N/M
Net loss	\$ (2.43)	\$ (0.28)	\$ (2.15)	(767.86%)
Average shares outstanding - Basic & Diluted	8,392	8,396		
Dividends paid per share	\$ -	\$ 0.075		
<b><u>Other Information</u></b>				
Working capital, excluding current bank debt	\$ 73,976	\$ 104,802	\$ (30,826)	(29.41%)
Bank debt, including portions classified as current	\$ 84,093	\$ 133,838	\$ (49,745)	(37.17%)
Preferred interest in subsidiary	\$ 16,400	\$ 32,900	\$ (16,500)	(50.15%)
Stockholders' equity	\$ 157,864	\$ 150,333	\$ 7,531	5.01%
Capital expenditures	\$ 3,872	\$ 2,468	\$ 1,404	56.89%

N/M - Not meaningful

## KATY INDUSTRIES, INC. SUMMARY OF OPERATIONS

(In thousands, except per share data)

	Twelve Months Ended		\$ Change Inc/(Dec)	% Change Inc/(Dec)
	December 31, 2001	December 31, 2000		
Sales	\$ 505,960	\$ 579,629	\$ (73,669)	(12.71%)
Cost of goods sold	429,140	473,823	(44,683)	(9.43%)
Gross profit	76,820	105,806	(28,986)	(27.40%)
Selling, general & administrative expenses	85,567	94,949	(9,382)	(9.88%)
Impairments of long-lived assets	47,469	-	47,469	N/M
Severance & restructuring costs	13,648	2,651	10,997	414.82%
Operating (loss) income	(69,864)	8,206	(78,070)	N/M
Equity in income (loss) of unconsolidated affiliates	72	(61)	133	218.03%
Interest and other, net	(11,397)	(13,914)	251700.00%	18.09%
Loss before provision for income taxes	(81,189)	(5,769)	(75,420)	N/M
Benefit from income taxes	20,383	2,022	18,361	908.06%
(Loss) income before distributions on preferred securities	(60,806)	(3,747)	(57,059)	N/M
Distributions on preferred interest of subsidiary, net of tax	(1,274)	(1,711)	437	25.54%
Loss from continuing operations before extraordinary loss	(62,080)	(5,458)	(56,622)	N/M
Extraordinary loss on early extinguishment of debt, net of tax	(1,182)	-	(1,182)	N/M
Net loss	(63,262)	(5,458)	(57,804)	N/M
Gain on early redemption of preferred interest of subsidiary	6,600	-	6,600	N/M
Payment in kind dividends on convertible preferred stock	(4,459)	-	(4,459)	N/M
Net loss available to common shareholders	\$ (61,121)	\$ (5,458)	\$ (55,663)	N/M
Earnings per share of common stock - Basic and diluted:				
Continuing operations - excluding unusual and extraordinary items	\$ (0.33)	\$ (0.26)	\$ (0.07)	(26.92%)
Unusual items	(6.81)	(0.39)	(6.42)	N/M
Income from continuing operations	(7.14)	(0.65)	(6.49)	(998.46%)
Extraordinary loss on early extinguishment of debt	(0.14)	-	(0.14)	N/M
Net loss	\$ (7.28)	\$ (0.65)	\$ (6.63)	N/M
Average shares outstanding - Basic & Diluted	8,393	8,404		
Dividends paid per share	\$ -	\$ 0.300		
<b>Other Information</b>				
Working capital, excluding current bank debt	\$ 73,976	\$ 104,802	\$ (30,826)	(29.41%)
Bank debt, including portions classified as current	\$ 84,093	\$ 133,838	\$ (49,745)	(37.17%)
Preferred interest in subsidiary	\$ 16,400	\$ 32,900	\$ (16,500)	(50.15%)
Stockholders' equity	\$ 157,864	\$ 150,333	\$ 7,531	5.01%
Capital expenditures	\$ 12,566	\$ 14,196	\$ (1,630)	(11.48%)

N/M - Not meaningful

## KATY INDUSTRIES, INC. SUMMARY OF UNUSUAL ITEMS

(In thousands, except per share data)

	Three Months Ended		
	December 31, 2001	Unusual Items	Excluding Unusual Items
Sales	\$ 125,414		\$ 125,414
Cost of goods sold	103,262	(618) (c)	102,644
Gross profit	22,152	618	22,770
Selling, general & administrative expenses	19,504	(485) (d) (717) (e)	18,302
Impairments of long-lived assets	11,325	(11,325) (a)	-
Severance & restructuring costs	3,093	(3,093) (b)	-
Operating (loss) income	(11,770)	16,238	4,468
Equity in loss of unconsolidated affiliates	(398)		(398)
Interest and other, net	(2,403)	-	(2,403)
(Loss) income before provision for income taxes	(14,571)	16,238	1,667
Provision for income taxes	(2,933)	(3,269)	(6,202)
Loss before distributions on preferred securities	(17,504)	12,969	(4,535)
Distributions on preferred interest of subsidiary, net of tax	(205)	-	(205)
Net loss	(17,709)	12,969	(4,740)

Earnings before interest, taxes, depreciation and amortization  
(excluding unusual items)

\$ 8,650

- (a) Impairments of long-lived assets
- (b) Severance & restructuring costs
- (c) Inventory valuation
- (d) Receivables Valuation
- (e) Other

## KATY INDUSTRIES, INC. SUMMARY OF UNUSUAL ITEMS

(In thousands, except per share data)

	Twelve Months Ended		
	December 31, 2001	Unusual Items	Excluding Unusual Items
Sales	\$ 505,960		\$ 505,960
Cost of goods sold	429,140	(8,976) (c)	420,164
Gross profit	76,820	8,976	85,796
Selling, general & administrative expenses	85,567	(1,293) (e) (2,973) (f) (1,637) (d)	79,664
Impairments of long-lived assets	47,469	(47,469) (a)	-
Severance & restructuring costs	13,648	(13,648) (b)	-
Operating (loss) income	(69,864)	75,996	6,132
Equity in income of unconsolidated affiliates	72	-	72
Interest and other, net	(11,397)	353 (e)	(11,044)
Loss before provision for income taxes	(81,189)	76,349	(4,840)
Benefit from income taxes	20,383	(19,171)	1,212
Loss before distributions on preferred securities	(60,806)	57,178	(3,628)
Distributions on preferred interest of subsidiary, net of tax	(1,274)		(1,274)
Loss (income) from continuing operations before extraordinary loss	(62,080)	57,178	(4,902)
Extraordinary loss on early extinguishment of debt, net of tax	(1,182)	1,182 (g)	-
Net loss	(63,262)	58,360	(4,902)
Earnings before interest, taxes, depreciation and amortization (excluding extraordinary and unusual items)			\$ 28,400

(a) Impairments of long-lived assets

(b) Severance & restructuring costs

(c) Inventory valuation

(d) Other

(e) Receivable valuation

(f) Costs associated with recapitalization

(g) Early extinguishment of debt