

LAPOLLA INDUSTRIES, INC.
BUSINESS SEGMENTS
(UNAUDITED)

Three Months Ended June 30,

	2008			2007		
	Foam	Coatings	Totals	Foam	Coatings	Totals
Sales	\$ 9,110,929	\$ 2,922,556	\$ 12,033,485	\$ 5,601,725	\$ 3,918,146	\$ 9,519,871
Cost of Sales	7,302,090	1,994,735	9,296,825	4,726,382	3,000,095	7,726,477
Gross Profit	1,808,838	927,822	2,736,660	868,811	924,583	1,793,394
Depreciation and Amortization	30,994	9,942	40,936	10,508	50,378	60,886
Interest Expense	132,519	42,509	175,028	97,461	68,169	165,630
Segment Profit (Loss)	297,669	493,709	791,378	(189,740)	(56,384)	(133,356)
Segment Assets ⁽¹⁾	10,768,487	5,340,668	16,182,989	8,925,528	6,770,477	15,696,005
Expenditures for Segment Assets	\$ —	\$ 17,868	\$ 17,868	\$ 845,751	\$ 89,866	\$ 935,617

Six Months Ended June 30,

	2008			2007		
	Foam	Coatings	Totals	Foam	Coatings	Totals
Sales	\$ 15,175,004	\$ 5,031,724	\$ 20,206,728	\$ 10,125,114	\$ 6,664,079	\$ 16,789,103
Cost of Sales	12,367,295	3,601,749	15,969,044	8,731,950	5,081,400	13,813,350
Gross Profit	2,807,709	1,429,975	4,237,684	1,388,713	1,587,130	2,975,843
Depreciation and Amortization	61,485	20,387	81,872	21,960	104,620	126,580
Interest Expense	248,336	82,343	330,680	148,236	97,565	245,801
Segment Profit (Loss)	(67,332)	527,303	459,971	(770,039)	46,276	(723,763)
Segment Assets ⁽¹⁾	10,768,487	5,340,668	16,182,989	8,925,528	6,770,477	15,696,005
Expenditures for Segment Assets	\$ —	\$ 17,868	\$ 17,868	\$ 134,204	\$ 284,751	\$ 418,955

The following are reconciliations of reportable segment profit or loss, and assets, to the Company's consolidated totals at:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Profit or Loss				
Total Profit or Loss for Reportable Segments	\$ 791,378	\$ (133,356)	\$ 459,971	\$ (723,763)
Unallocated Amounts:				
Corporate Expenses ⁽²⁾	(722,689)	(487,559)	(1,510,448)	(906,785)
Income (Loss) Before Income Taxes	\$ 68,689	\$ (620,915)	\$ (1,050,477)	\$ (1,630,548)
Assets				
Total Assets for Reportable Segments ⁽¹⁾	\$ 16,085,471	\$ 11,260,074		
Other Unallocated Amounts ⁽³⁾	370,719	605,972		
Consolidated Total	\$ 16,456,190	\$ 11,866,045		

⁽¹⁾ Segment assets are the total assets used in the operation of each segment.

⁽²⁾ Includes significant portions of non-cash items such as share based compensation and the amortization of discounts associated with certain debt instruments.

⁽³⁾ Includes corporate assets which are principally cash and cash equivalents.