

Exhibit 1
Alternative Scenarios for Improving the PPR
For a Typical CIPH Member

| | <u>Current</u> | 4.3% <u>Sales Growth</u> | 4.1% <u>Payroll Reduction</u> | 1.2% <u>Point Higher Gross Margin</u> |
|-----------------------------|-------------------|-----------------------------|----------------------------------|--|
| Net Sales | \$60,000,000 | \$62,591,793 | \$60,000,000 | \$60,000,000 |
| Cost of Goods Sold | <u>44,100,000</u> | <u>46,004,968</u> | <u>44,100,000</u> | <u>43,413,175</u> |
| Gross Margin | 15,900,000 | 16,586,825 | 15,900,000 | 16,586,825 |
| Payroll and Fringe Benefits | 7,679,700 | 7,679,700 | 7,361,700 | 7,679,700 |
| All Other Expenses | <u>5,520,300</u> | <u>5,520,300</u> | <u>5,520,300</u> | <u>5,520,300</u> |
| Total Expenses | <u>13,200,000</u> | <u>13,200,000</u> | <u>12,882,000</u> | <u>13,200,000</u> |
| Profit Before Taxes | \$2,700,000 | \$3,386,825 | \$3,018,000 | \$3,386,825 |
| | | | | |
| PPR | 48.3% | 46.3% | 46.3% | 46.3% |
| | | | | |
| Profit Before Taxes--% | 4.5% | 5.4% | 5.0% | 5.6% |