

Exhibit 1
The Impact of a 2.0% Reduction in Cost of Goods Sold
For the Typical WFFSA Member

	Current Results	No Price Changes	2.0% Price Reduction
Income Statement--\$			
Net Sales	\$3,500,000	\$3,500,000	3,430,000
Cost of Goods Sold	<u>2,240,000</u>	<u>2,195,200</u>	<u>2,195,200</u>
Gross Margin	1,260,000	1,304,800	1,234,800
Fixed Expenses	1,060,000	1,060,000	1,060,000
Variable Expenses	<u>175,000</u>	<u>175,000</u>	<u>171,500</u>
Total Expenses	<u>1,235,000</u>	<u>1,235,000</u>	<u>1,231,500</u>
Profit Before Taxes	\$25,000	\$69,800	\$3,300
Change in Profit		\$44,800	-\$21,700
Income Statement--%			
Net Sales	100.0	100.0	100.0
Cost of Goods Sold	<u>64.0</u>	<u>62.7</u>	<u>64.0</u>
Gross Margin	36.0	37.3	36.0
Fixed Expenses	30.3	30.3	30.9
Variable Expenses	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Total Expenses	<u>35.3</u>	<u>35.3</u>	<u>35.9</u>
Profit Before Taxes	0.7	2.0	0.1
Change in Profit--%		179.2	-86.8