

Exhibit 1
The Impact of Different Price Strategies
for the Typical WF&FSA Member

	Current Results	5.0% Vendor Price Increase	
		Dollar Pass Through	Percent Pass Through
Income Statement--\$			
Net Sales	\$3,500,000	\$3,611,250	\$3,675,000
Cost of Goods Sold	<u>2,225,000</u>	<u>2,336,250</u>	<u>2,336,250</u>
Gross Margin	1,275,000	1,275,000	1,338,750
Expenses			
Fixed Expenses	1,075,000	1,075,000	1,075,000
Variable Expenses	<u>175,000</u>	<u>180,563</u>	<u>183,750</u>
Total Expenses	<u>1,250,000</u>	<u>1,255,563</u>	<u>1,258,750</u>
Profit Before Taxes	\$25,000	\$19,438	\$80,000
Income Statement--%			
Net Sales	100.0	100.0	100.0
Cost of Goods Sold	<u>63.6</u>	<u>64.7</u>	<u>63.6</u>
Gross Margin	36.4	35.3	36.4
Expenses			
Fixed Expenses	30.7	29.8	29.3
Variable Expenses	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Total Expenses	<u>35.7</u>	<u>34.8</u>	<u>34.3</u>
Profit Before Taxes	0.7	0.5	2.2