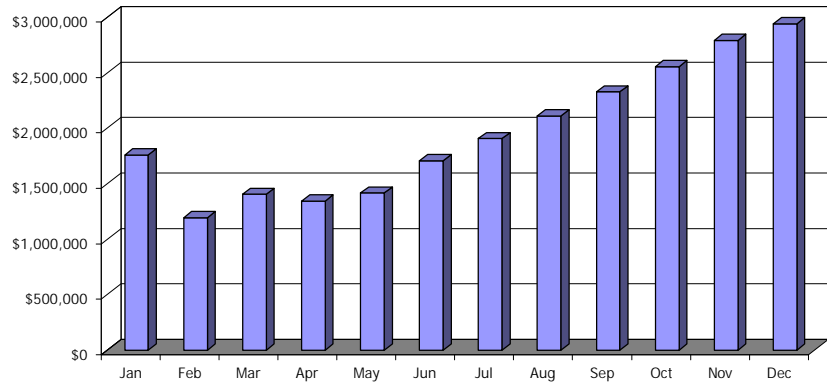


## Contribution Margin and Break-Even Analysis

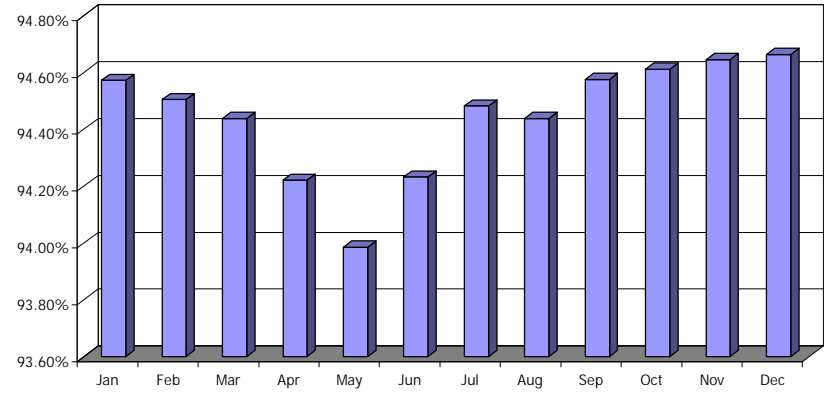
For the year: 2000

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year 1	% of Sales
<b>Sales</b>	\$1,873,026	\$1,819,864	\$2,140,220	\$2,055,118	\$2,169,929	\$2,606,388	\$2,901,318	\$3,210,882	\$3,535,815	\$3,876,888	\$4,234,911	\$4,462,993	\$34,887,352	
<b>Fixed Costs</b>														
Fixed Cost of Goods & Services	\$3,350	\$3,394	\$3,439	\$3,484	\$3,529	\$3,575	\$3,621	\$3,667	\$3,713	\$3,760	\$3,808	\$3,857	\$43,197	0.12%
Sales & Marketing Costs	1,650	1,751	1,853	1,955	2,057	2,159	2,261	2,363	2,466	2,569	2,672	2,775	\$26,531	0.08%
Research & Development	3,350	3,405	3,460	3,515	3,571	3,627	3,685	3,743	3,801	3,860	3,919	3,979	\$43,915	0.13%
General and Administrative	5,075	5,150	5,225	5,300	5,376	5,452	5,529	5,606	5,684	5,762	5,841	5,920	\$65,920	0.19%
<b>Total Fixed Costs</b>	\$13,425	\$13,700	\$13,977	\$14,254	\$14,533	\$14,813	\$15,096	\$15,379	\$15,664	\$15,951	\$16,240	\$16,531	\$179,563	0.51%
<b>Variable Costs</b>														
Material and Labor	\$8,000	\$9,000	\$12,000	\$16,000	\$22,000	\$20,000	\$15,000	\$18,000	\$15,000	\$15,000	\$15,000	\$15,000	\$180,000	0.52%
Commissions	93,651	90,993	107,011	102,756	108,496	130,319	145,066	160,544	176,791	193,844	211,746	223,150	\$1,744,368	5.00%
<b>Total Variable Costs</b>	\$101,651	\$99,993	\$119,011	\$118,756	\$130,496	\$150,319	\$160,066	\$178,544	\$191,791	\$208,844	\$226,746	\$238,150	\$1,924,368	5.52%
<b>Income from Operations</b>	\$1,757,950	\$1,706,171	\$2,007,232	\$1,922,108	\$2,024,899	\$2,441,256	\$2,726,156	\$3,016,959	\$3,328,360	\$3,652,092	\$3,991,926	\$4,208,312	\$32,783,422	93.97%
Interest Income (Expense)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$12,000)	-0.03%
Income Taxes	(2,000)	511,851	602,170	576,632	607,470	732,377	817,847	905,088	998,508	1,095,628	1,197,578	1,262,494	\$9,305,642	26.67%
<b>Net Income After Taxes</b>	\$1,758,950	\$1,193,320	\$1,404,063	\$1,344,476	\$1,416,429	\$1,707,879	\$1,907,309	\$2,110,871	\$2,328,852	\$2,555,465	\$2,793,348	\$2,944,818	\$23,465,780	67.26%
<b>Income from Operations Analysis</b>														
Contribution Margin	94.57%	94.51%	94.44%	94.22%	93.99%	94.23%	94.48%	94.44%	94.58%	94.61%	94.65%	94.66%	94.48%	
Break-Even Sales Volume	\$14,195	\$14,497	\$14,800	\$15,128	\$15,463	\$15,720	\$15,977	\$16,285	\$16,562	\$16,859	\$17,159	\$17,463	\$190,046	0.54%
Sales Volume Above (Below) Break-Even	\$1,858,831	\$1,805,367	\$2,125,420	\$2,039,990	\$2,154,466	\$2,590,668	\$2,885,341	\$3,194,597	\$3,519,253	\$3,860,029	\$4,217,752	\$4,445,530	\$34,697,306	99.46%
<b>Net Income After Taxes Analysis</b>														
Contribution Margin	94.68%	66.38%	66.30%	66.16%	65.99%	66.13%	66.29%	66.25%	66.34%	66.35%	66.37%	66.38%	67.81%	
Break-Even Sales Volume	\$13,123	\$19,132	\$19,572	\$20,032	\$20,507	\$20,887	\$21,263	\$21,704	\$22,106	\$22,533	\$22,963	\$23,399	\$247,104	0.71%
Sales Volume Above (Below) Break-Even	\$1,859,903	\$1,800,732	\$2,120,648	\$2,035,086	\$2,149,422	\$2,585,501	\$2,880,055	\$3,189,178	\$3,513,709	\$3,854,355	\$4,211,948	\$4,439,594	\$34,640,248	99.29%

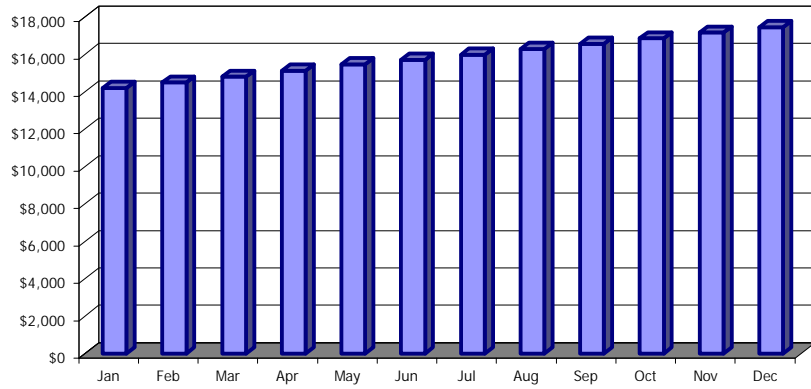
**Net Income After Taxes**



**Contribution Margin**



**Break-Even Sales Volume**



**Sales Volume Above (Below) Break-Even**

