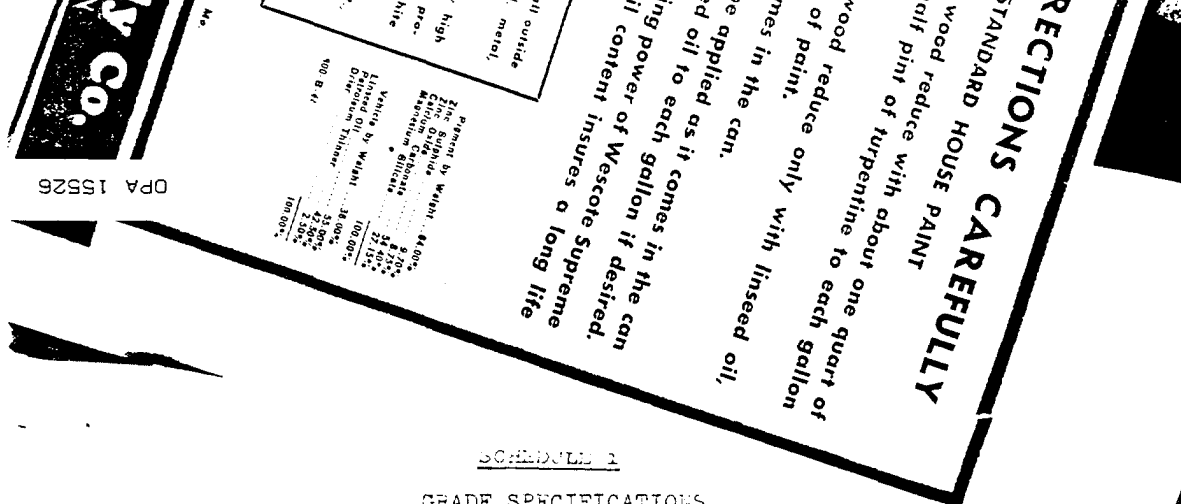




SCHEDULE 1 GRADE SPECIFICATIONS

COST AND SELLING PRICES AS OF MARCH 31, 1942

TRADE NAME: Peb-O-Lac
CATEGORY: Interior Enamel
COLOR: White
NUMBER: 900
QUALITY.

	POUNDS	YIELD IN GALLONS	UNIT COST*	TOTAL COST
PIGMENT: 41.25%				
Titanated Lithopone	500	13.95	.056 Per Lb.	\$28.00
VEHICLE: 58.75%				
Mixing Varnish	289	40.00	.64 Per Gal.	25.60
Gloss Oil	323	40.00	.25 Per Gal.	10.00
Paint Oil	67.50	9.00	.90 Per Gal.	8.10
Mineral Spirits	32.00	5.00	.08 Per Gal.	.40
Calculated Yield	1211.50	107.95		72.10
Manufacturing Loss - 2 1/2%		2.70		
Actual Yield		105.25		

* The above unit costs are figured as of Jan. 1, 1942, which is the last time our formulas were costed and are based on inventory and contract costs as of that date. Replacement costs as of March 31, 1942, would show considerable increase in above unit costs and cost per gallon as shown below.

COST ANALYSIS:

Material Cost Per Gallon.....	\$.69
Direct Labor Cost Per Gallon (We have no allocated cost records)...	
Factory Overhead Per Gallon (We have no allocated cost records)....	
Bulk Cost Per Gallon (We have no allocated cost records).....	
Complete Package Cost Per Gal. (Does not include filling expense)...	.12
Factory cost in package, per gallon (We can only show raw material, can, carton and label cost).....	\$.81
	(No labor or overhead included.)

PRICES

(A) To a company owned or controlled outlet.....	\$ 1.00
(B) To an independent wholesaler.....	1.30
(C) By company owned or controlled outlet to retail customer.....	2.60
(D) To an independent retailer (dealer).....	2.24
(E) To others.....	None