## I. HORIZONTAL AND VERTICAL ANALYSIS

### THE COMPUTER WAREHOUSE

#### Comparative Balance Sheet
December 31, 2002

<table>
<thead>
<tr>
<th>Assets</th>
<th>2002</th>
<th>2001</th>
<th>CHANGE</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$46,000</td>
<td>$41,000</td>
<td>$5,000</td>
<td>12.2</td>
</tr>
<tr>
<td>Accounts Receivable (Net)</td>
<td>60,000</td>
<td>90,000</td>
<td>(30,000)</td>
<td>(33.3)</td>
</tr>
<tr>
<td>Inventory</td>
<td>70,000</td>
<td>40,000</td>
<td>30,000</td>
<td>75.0</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>10,000</td>
<td>15,000</td>
<td>(5,000)</td>
<td>(33.3)</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>$186,000</td>
<td>$186,000</td>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>Investments</td>
<td>$50,000</td>
<td>$70,000</td>
<td>($20,000)</td>
<td>(14.3)</td>
</tr>
<tr>
<td>Plant Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Various Assets</td>
<td>$240,000</td>
<td>$280,000</td>
<td>(40,000)</td>
<td>(14.3)</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>50,000</td>
<td>70,000</td>
<td>(20,000)</td>
<td>(14.3)</td>
</tr>
<tr>
<td>Net Plant Assets</td>
<td>$290,000</td>
<td>$350,000</td>
<td>(60,000)</td>
<td>(17.1)</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$426,000</td>
<td>$466,000</td>
<td>($40,000)</td>
<td>(8.6)</td>
</tr>
</tbody>
</table>

| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts Payable | $40,000 | $60,000 | ($20,000) | (33.3) |
| Accrued Liabilities | 10,000 | 12,000 | (2,000) | (16.7) |
| Income Taxes Payable | 6,000 | 4,000 | 2,000 | 50.0 |
| Total Current Liabilities | $56,000 | $76,000 | ($20,000) | (26.3) |
| Long-Term Liabilities | | | | |
| Bonds Payable | $80,000 | $110,000 | ($30,000) | (27.3) |
| Total Liabilities | $136,000 | $266,000 | ($130,000) | (49.8) |

| Stockholders' Equity | | | | |
| Common Stock, $5 Par | $100,000 | $100,000 | $0 | 0 |
| Preferred Stock | 120,000 | 100,000 | 20,000 | 20.0 |
| Paid in Capital in Excess | 15,000 | 14,000 | 1,000 | 7.1 |
| Retained Earnings | 55,000 | 46,000 | 9,000 | 19.6 |
| Total Stockholders' Equity | $290,000 | $250,000 | $40,000 | 16.0 |
| Total Liabilities and Stockholders' Equity | $426,000 | $466,000 | ($40,000) | (8.6) |

Note: Data taken from page A110, other data not given in Quick Notes.

## II. TREND ANALYSIS

<table>
<thead>
<tr>
<th>Sales (Net)</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td>$350,000</td>
<td>$360,000</td>
<td>$400,000</td>
<td>$450,000</td>
<td>$540,000</td>
</tr>
<tr>
<td>% Change</td>
<td>2.9</td>
<td>11.1</td>
<td>12.5</td>
<td>20.0</td>
<td></td>
</tr>
</tbody>
</table>

### PROJECTIONS

<table>
<thead>
<tr>
<th>Sales</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td>$350,000</td>
<td>$360,000</td>
<td>$400,000</td>
<td>$450,000</td>
<td>$540,000</td>
</tr>
<tr>
<td>% Change</td>
<td>2.9</td>
<td>11.1</td>
<td>12.5</td>
<td>20.0</td>
<td></td>
</tr>
</tbody>
</table>