

I. WISS & SONS CO.

PRESIDENT'S

1973 REPORT TO STOCKHOLDERS

SALES HIGHLIGHTS

1973 Vs. 1972

(Dollars)

<u>Product Line</u>	<u>% Sales Increase</u>	<u>% Total Shipment</u>	<u>% Total Gross Profit</u>	<u>% Price</u>
Shears/Scissors	12.9%	55.3%	51.3%	12.1%
Snips	22.3%	27.6%	32.9%	8.6%
Garden Tools	11.2%	9.6%	9.7%	19.1%
Knives	25.5%	7.5%	6.1%	5.7%
Total Company	16.8%	100.0%	100.0%	10.5%
Gross Nat'l Product	11.5%			
Crook-Miller	36.2%			
OEM, GSA, PRIVATE Label	29.2%			

1973 SIGNIFICANT SALES EVENTS

- 1st Q: - Shears & Scissors, Snips and Knife Price Increase
- 2nd Q:
- \$100 Minimum Order Size Installed
 - Imported Knife Increase
 - Limited Edition Knife - 20,000 Units
 - Wiss of California - Phased out Operation
 - 3 Edge of Excellence Awards
 - Pruned Customers Under \$500/Year
- 3rd Q:
- Consolidated Finished Goods Warehouse at Maplewood
 - Oversold Metalmaster Promotion - 350,000 pairs
 - Published 125th Anniversary Booklet
 - Phase IV Price Controls
 - Loss of Trimline Name
 - Colonel Knife - 8,000 Units to One Customer
- 4th Q:
- Introduced New Utility Knife
 - Anniversary Knife - 30,000 Units
 - New Wiss Logo - Edge of Excellence Slogan
 - New Polyester Shear - 9200 Units

BACKLOG COMPARISON

(\$000's)

	<u>Past Due</u>	<u>Futures</u>	<u>Total</u>
<u>YE 1972</u>			
Newark	416	195	611
Maplewood	134	9	143
Purchased	<u>19</u>	<u>5</u>	<u>24</u>
Total	569	209	778

YE 1973

Newark	317	434	751
Maplewood	664	1680	2344
Purchased	<u>12</u>	<u>4</u>	<u>16</u>
Total	993	2118	3111

Change (73 vs. 72)

Newark	-99	+239	+140
Maplewood	+530	+1671	+2201
Purchased	<u>-7</u>	<u>-1</u>	<u>-8</u>
TOTAL	+424	+1909	+2333

PRODUCTION COMPARISON

000's of Pairs

<u>PLANT</u>	<u>1972</u>	<u>1973</u>	<u>Change</u>	<u>% Change</u>
Newark	2998	3277	+279	+9.3%
Maplewood	<u>3804</u>	<u>3965</u>	<u>+161</u>	<u>+4.2%</u>
TOTAL	6802	7242	+440	+6.5%

MANPOWER COMPARISON

<u>FUNCTION</u>	<u>YE 1972</u>	<u>YE 1973</u>	<u>Change</u>	<u>% Change</u>
Mktg. G & A	170	161	-9	
Newark Plt. Admin.	77	70	-7	
Maplewood Plt. Admin.	44	53	+9	
Crook Miller	<u>7</u>	<u>7</u>	<u>-0</u>	
S/T Salary	298	291	-7	-2.3%
Newark Hourly	627	574	-53	
Maplewood Hourly	262	374	+112	
Crook-Miller	<u>37</u>	<u>37</u>	<u>-0</u>	
S/T Hourly	926	985	+59	+6.4%
 TOTAL MANPOWER	 1224	 1276	 +52	 +4.2%

MAJOR CAPITAL EXPENDITURES

	<u>\$000's</u>
<u>NEWARK</u>	
4 - Siepman Grinders	45
2 - Emat Drill & Mill	32
9 - Siepman Inside Grinders	58
4 - Visconti Grinders	38
New Plating System	166
New Power Supplies	<u>30</u>
<u>TOTAL NEWARK</u>	369
 <u>MAPLEWOOD</u>	
2 - Emat Grinding/Buffers	36
1 - Berger Grinder	19
New Parts Washer	<u>27</u>
<u>TOTAL MAPLEWOOD</u>	82
 <u>TOTAL COMPANY</u>	 451

MAJOR 1974 CHALLENGES

Profit Improvement Through:

- 1.5% Manufacturing Cost Reduction
- Improvement of Cost/Price Relationship
- Improved Expense Control
- De-Skilling Manufacturing Operations
- Better Ability to attract Skilled Personnel
- Improved Vendor Reliability
- Increased Inventory Turns - 3
- Restructure Company Debt

Secure Increased Market Share - Capitalize on Competitor Failures

Develop Long Range Plans for Products, Sales, Profits and Facilities to Insure Future Company Growth With a Return to Adequate Profits and Return on Stockholder Equity.

1974 GOALS

	%
	<u>Increase</u>
Sales	12.2%
Pre-Tax Earnings	89.6%
Net Earnings	67.8%
Earnings Per Share	51.9%

SUMMARY

1973 Was Better than 1972.

1974 Goals Better than 1973.

Your Management is Dedicated to Company Growth, Drastically Improved Profitability and an Early Return to Adequate Return on Stockholders' Equity.

We Intend to Make Wiss "THE EDGE OF EXCELLENCE" In Profits As Well As Product Quality.