Purchase point Media Corporation: Using variable costing and break-even analysis to examine market share feasibility

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Abstract

Variable costing is typically taught as a measure for ***internal*** use and decision-making purposes. This case illustrates how skills associated with variable costing may take the form of and be used for an ***external*** application, including market share feasibility and a related stock purchase decision.

The case is based on actual financial projections developed and provided by a publicly traded firm, Purchase Point Media Corporation (PPMC). You are to examine PPMC's projections, which are in poor ***form***, but ***substantively*** provide a format suitable for break-even calculation, contribution margin analysis and forecasting within the relevant range of the cost equation. After calculating the break-even point, use additional information, easily developed from public sources, to come to a decision with respect to market potential or feasibility. The increase in the price per share of PPMC stock suggests that, over time, the market may have reacted to these results and analyses, favoring the PPMC information disclosed on its website, using a comparable methodology.

Purchase Point Media Corporation (Pink Sheets: PPMC) was what some might refer to as a thinly traded "corporate shell." The firm held patents in the United States, Canada, United Kingdom, and Germany for a shopping cart display device, but was a non-reporting and non-operating entity. On March 18, 2002, the firm reported its intention to sell its patents and related trademarks. The initial estimates suggested a stock price of nearly $2.50 per share, before related per share deductions for brokerage commissions and legal fees (i.e., friction). At the time of the news release, the firm's stock was trading at $0.04 per share. In less than 60 days the stock was trading at more than $0.60 per share (Cataldo 2003, 55-60), for a 1,400 percent increase in price per share.[1]

The news release attracted speculators, causing the stock to rise; however, after months without any additional news releases, the stock price drifted down again. On August 20, 2003, PPMC again announced its intentions to sell the firm's intangible assets (Business Wire 2003).

The case instructs you to review and comment on the "form" of the public disclosure circulated by PPMC. Once that task is completed, you are to use the information they provided to develop per unit sales-based contribution margins and break-even points for the first year of operations. Lastly, students will be asked to gather other publicly available information to determine the market feasibility of achieving its break-even point.

I. The PPMC Announcement of Intent to Sell

On August 20, 2003, PPMC management announced that they intended to sell the company's patents and trademarks. In their announcement, management referred interested investors to their

[1] Note that speculators would view this as a very risky investment and the price per share for PPMC stock would be expected to fall short of or sell at a significant discount to the "anticipated" selling price for the firm's intangible assets (see Arbel and Strebel 1982 and 1983; Arbel, Carvell and Strebel 1983; and Arbel 1985 for guidance on thinly traded or "neglected" firms).

corporate web site. Among the data provided, the firm included a financial projection and other items they determined to be of interest to potential purchasers of the firm's intangible assets. This information was captured from that corporate web site and is contained in Exhibit I. Exhibit II provides a framework for analysis of the data contained in Exhibit I.

Refer Exhibits I and II and III

With very few exceptions (e.g., spacing), the original "form" of the firm's web site disclosures are contained in Exhibit I and remain unaltered. The form is poor, but the substance provides the means for determining market feasibility. Exhibit III summarizes data with respect to the size of the U.S. component of the market for the patents held by PPMC.

Supplemental information is provided in Figures 1 and 2. Figure 1 illustrates the price per share for PPMC common stock for the time period August 20, 2003 through September 27, 2004. The latter date was selected and represents the *event date* when PPMC filed its 10QSB with the U.S. Securities and Exchange Commission. Figure 2 compares the PPMC price per share to comparable index measures, such as the Dow Jones Industrial Average, Standard and Poor's 500, NASDAQ, and Russell 2000 indices, for the same period of time.

Refer Figures 1 and 2

II. Substance Over Form

The PPMC data contained in Exhibit I is in ***poor*** form. However, it important to note that fraudulent financial information provided by Enron, WorldCom, and Bernie Madoff was in ***good*** form. A distinction must be made between "form" and "substance." It is possible for good form to lack substance; it is possible for poor form to be substantive. The instructor will decide to what extent classroom discussion focuses on the form of the projection. Effectively, critical thinking skills might represent an area of focus.

Students should notice vertical decimal point alignment problems, no commas for thousands, totals or subtotals that are not underlined, and some odd names for financial data not previously covered in course work (e.g., projected statement of net income). It is quite likely that the individual preparing this "projection" might not have completed even an introductory course in financial accounting. While these problems are pervasive, it should not prevent students from developing a forecast.

III. Summary

This case provides students with the rare opportunity to use actual financial information when calculating break even, contribution margin and other ratios. Typically, such data is held tightly by management. Further, students are afforded the opportunity to use internal data to make external investment decisions, such as market share feasibility and stock purchases.

The format of the data provided by PPMC is crude at best. Students may enhance their critical thinking skills and test their accounting knowledge as they decipher the financial information. As is the case here, often actual data are messy and ambiguous and the accountant is called to bring clarity and rigorous analysis to the situation. Students will benefit from not having the information simply handed to them in a workable format.

References

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Exhibit I

PURCHASE POINT MEDIA CORP.

Projected Statement of Net Income

For the first twelve months of operations

> Safe harbor statement under the private securities litigation act of 1995. This project statement of net income contains forward looking statements, all such forward looking statements are by necessity only estimates of future results and actual results achieved by this company may differ materially from these statements due to a number of factors. Both the Corporate house and Purchase Point Media Corp., assumes no obligation to update these forward-looking statements to reflect actual results. Changes in assumptions or changes in other factors effecting such statements. You should independently investigate and fully understand all risk before making investment decisions.

Suite 100 - 141 5th Ave., New York, NY. 10010

C O R P O R A T E H O U S E

Purchase Point Media Corp., 141 5th Ave., Suite 1100, New York, NY 10010

Attention: Albert Folsom

Dear Sirs:

We have prepared the attached *Projected Statement* of Net Income for a twelve Month period for Purchase Point Media Corp., (The Company") from information supplied to us by management and from various other periodicals and reports. These figures do not include start-up and development costs.

We have made basic assumptions in compiling the information given to us in that revenue will commence to be generated once the Company's patented display panels have been installed in 1,200 stores, and a total of 1,200 stores subsequent to the first month will be added to the Company's list of clients each month thereafter for a total of 14,400 stores in year one.

The *Projected Statement* of Net Income has been prepared in accordance with generally accepted accounting principles except that no consideration has been given for Federal and State taxes which, had the taxes been calculated at the statutory rates in effect, would have had an impact on net income.

If the Company decides to remain with only 14,400 stores during its second year of operations and does not expand at all, projected gross revenue will increase to approximately $150,000,000.

If you have any questions regarding the above please feel free to contact us at any time.

Yours very truly; Corporate House

Per: /S/______________________________

Richard T. Hethey, Director, Attachment

PURCHASE POINT MEDIA CORP.

NOTES TO THE PROJECTED STATEMENT OF NET INCOME

1. Advertising Revenue It is expected a minimum of 14,400 stores will be using the Company's unique display panel by the end of the first year. The Company expects to affix its display panel on 100% of the grocery carts or the equivalent of 200 carts per store.

Month	Number of Stores at End of Month (i)	Gross Advertising Revenue Monthly (ii)	**Gross Advertising Revenue by Quarter**
1st	1200	1,620,000	
2nd	2400	3,240,000	
3rd	3600	4,860,000	
			$ 9,720,000
4th	4800	6,480,000	
5th	6000	8,100,000	
6th	7200	9,720,000	
			24,300,000
7th	8400	11,340,000	
8th	9600	12,960,000	
9th	10800	14,580,000	
			38,880,000
10th	12000	16,200,000	
11th	13200	17,820,000	
12th	14400	19,440,000	
			53,460,000
Total			**$ 126,360,000**

(i) As mentioned above, 14,400 individual supermarkets have been selected for the first year of operations. The estimate assumes 1,200 new stores each month subsequent to the initial opening of 1,200 stores in the first month. The Company required a minimum of 300 stores in the first month to qualify for contracting with advertising agencies since they require a $5,000,000,000 annual sales figure from the companies they will be advertising with.

(ii) Statistics indicate there are on the average 60,000 customers per month shopping at any given supermarket in the United States. The cost to the advertiser is $2.25 per 1,000 customers, which equates to $135.00 per month for display on the advertising panels. The advertiser is under a quarterly contractual agreement. With 10 advertisers on a display panel each supermarket will provide a gross revenue of $1,350 per month. With 1,200 stores coming on stream in the first month, the total gross revenue is projected at $1,620,000.

2. Amortization of Display Panels The display panel is manufactured using an injection mold process. The end product is made of heavy durable plastic. In addition to the display panel itself, fastenings are an integral part of the assembly of the panel on the grocery cart. Total manufacturing and installation cost is $6.22 per display unit.

It is assumed the display panel will be affixed to 100% of the carts in the supermarket. Statistics show the average supermarket uses 200 grocery carts. Therefore, 200 carts will have the Company's panel installed. It is assumed the panels will have a life expectancy of 5 years or longer. The total cost in the first year of operations is $17,913,600. For conservative purposes, amortization of the display panels is taken over a two-year period rather than a five-year period. Assuming a two-year amortization based on the straight-line method, the annual expense will be $8,956,800. Therefore, in the first year, each quarter will bear the cost of $2,239,200

3. **Printing of Inserts** The advertising agreement with an advertiser will be for a three-month period after which the advertiser is free to renew or discontinue the service. If one advertiser decides not to renew the agreement or is willing to renew but wishes to use another product, the entire insert must be reprinted. This assumes that every quarter a new set of inserts must be printed. The cost to print each of the inserts is $0.11, which covers freight and spoilage. The figure of $0.11 is conservative based on quotes received by management which indicates 300,000 inserts can be printed on #50 Smooth White Offset paper in four colors one side process for $8,454 or $0.03 per insert. The following analysis determines the expense each month and by quarter for printing charges.

Month	New Grocery Carts with Advertising	Renewal Printing	Total Per Month	Quarterly Total	**Quarterly**
1st	240,000	-	240,000		
2nd	480,000	-	480,000		
3rd	720,000	-	720,000	1,440,000	
					158,400
4th	960,000	240,000	1,200,000		
5th	1,200,000	240,000	1,440,000		
6th	1,440,000	240,000	1,680,000	4,320,000	
					475,200
7th	1,680,000	240,000	1,920,000		
8th	1,920,000	240,000	2,160,000		
9th	2,160,000	240,000	2,400,000	6,480,000	
					712,800
10th	2,400,000	240,000	2,640,000		
11th	2,640,000	240,000	2,880,000		
12th	2,880,000	240,000	3,120,000	8,640,000	
					950,400
				20,880,000	**$ 2,296,000**

4. Replacement Due to Vandalism regardless of the security precautions taken by the individual supermarkets, vandalism and theft will occur. This will represent a cost to the Company since it cannot be charged to either the supermarkets or advertisers. Management is currently seeking insurance, which will lessen this expense, but for conservative purposes no consideration has been given to recovery of these costs by way of insurance benefits.

It is estimated vandalism will effect 5% of the display panels. This is relatively high but until facts are known a conservative approach has been adopted. Vandalism will occur in two different fashions: first, by placing graffiti on the display unit and, secondly, by smashing the unit in some way. Both will result in the replacement of the unit. No consideration has been given for grocery carts that have been stolen from the supermarkets since until the cart is located no replacement of the display unit will occur and might not be required.

The panels are fully recyclable and therefore will have the effect of reducing the overall cost of manufacturing the pane. No recovery from this source has been considered in this projection of net income during the twelve-month period.

Since there are 2,880,000 panels installed at the end of the first year, this would mean 144,000 would require a replacement panel. Assuming an even distribution by quarter over the year, each quarter would result in 36,000 panels being replaced at a cost of $223,920 and the printing of inserts will add an addition cost of $3,960 for a total replacement cost of $227,880.

5. Cart Rentals to Supermarkets The Company will enter into a five-year contract with each supermarket chain to ensure longevity for its advertisers. Under this contractual commitment, the Company will pay the supermarket chains 10% of the gross revenue each quarter for the rental of space on a grocery cart.

6. Marketing, Sales and Commissions The Company has contracted with a media company to handle all marketing materials and advertising, their budget for the first year is $2,500,000. And has contracted with an advertisement sales company that is responsible for booking the advertisements, their budget for the first year is $2,000,000. The Company has allowed for a 15% Commission to be paid to the advertiser in the form of a discount or in some cases paid to their ad agency of record.

Quarter	**Marketing & Advertising**	**Bookings Advertisers**	**15% Commissions**	**Total**
1st	$ 625,000	$ 500,000	$ 1,458,000	$ 2,583,000
2nd	625,000	500,000	3, 645,000	4,777,000
3rd	625,000	500,000	5,382,000	6,957,000
4th	625,000	500,000	8,019,000	9,144,000
	$2,500,000	**$2,000,000**	**$18,954 000**	**$23,454,000**

7. Grocery Store Operations The Company has contracted with ITG Retail Services Group LLC., a company that has relationships with most of the leading grocery chains in North America. ITG's responsibilities includes signing up the various grocery chains (see note 5 above), installing the advertisement display device and changing the advertisements inserts. The cost to perform this service is as follows:

Signing up the store	$1.00 per cart
Per annum, store contract fee	$0.50 per cart
Installation of Ad Holder	$2.00 per cart
Changing the Advertisement	$0.50 per cart

Based on 240,000 carts being commissioned each month from 1,200 new stores being introduced into the system, there is a charge for signing up the stores of $240,000 per month or a quarterly charge of $720,000.

Based on a per annum store contract fee for the number of carts employed each month there is a charge of $120,000 per month or $360,000 per quarter.

The installation of Ad Holders is $2.00 per cart. With 1,200 new shores using the Company's advertising system each month and each store have 200 shopping carts in use this results in 240,000 installation each month. This would result in $480,000 being paid each month to the Distribution company performing this service for the Company.

It is estimated that advertising will be changed on a quarterly basis. As noted above the cost to change the advertisements is estimated at $0.50 per Ad Holder. The following represents the cost to change the advertisements:

Month	Number of new Cart at End of Month	Number of Cart to be Changed Each Quarter	Monthly Cost to Change Advertising	**Gross Quarterly Expense**
1st	240,000	-	$ -	
2nd	240,000	-	-	
3rd	240,000	-	-	
				$ -

4th	240,000	240,000	120,000	
5th	240,000	240,000	120,000	
6th	240,000	240,000	120,000	
				360,000
7th	240,000	480,000	240,000	
8th	240,000	480,000	240,000	
9th	240,000	480,000	240,000	
				720,000
10th	240,000	720,000	360,000	
11th	240,000	720,000	360,000	
12th	240,000	720,000	360,000	
				1,080,000
				$ 2,160,000

The total cost of maintenance and service each quarter based on the above figures is as follows:

Quarter	Signing up Fee	Store Contract Fee	Installation of Ad Holders	Changing of Advertisements	Total Expense
1st	$ 720,000	$ 360,000	$ 1,440,000	$ -	**$ 2,520,000**
2nd	720,000	360,000	1,440,000	360,000	**2,880,000**
3rd	720,000	360,000	1,440,000	720,000	**3,240,000**
4th	720,000	360,000	1,440,000	1,080,000	**3,600,000**
TOTAL	$ 2,880,000	$ 1,440,000	$ 5,760,000	$ 2,160,000	**$12,240,000**

8. Accounting and Audit The accounting functions required are as follows:

- Ensuring the revenue derived from each advertiser and/or ad-agency is received and deposited on a timely basis;
- Administering monthly payroll, creditor invoices and expense advances;
- Preparation of quarterly financial statements to meet listing requirements; and
- Ensuring adherence to budgetary requirement.

It is assumed an accountant will be hired initially to set up the accounting, payroll and other office functions. This person will be paid $6,000 per month, which will include the preparation of all filings with regulatory bodies. It is assumed a junior clerk will be hired in the last quarter to assist with filing and other work around the office. This junior clerk might be a part time accountant initially and later in the second year would be hired full time. Salary compensation for this clerk will be $2,000 per month in the last quarter. Therefore, the first three-quarters will bear a cost of $18,000 and the last quarter will have a cost of $24,000. In addition, to the estimate of salaries, the will be a cost for the year-end audit to meet the listing requirements of regularity bodies. It is estimated this audit will cost the Company approximately $15,000.

9. Advertising The Company will advertise extensively in trade journals, newspapers and other media such as the following:

- Leasing top 10 Advertisement Agency magazines in the United States which specialize in the food and grocery industry and are distributed to the top Ad-Agencies monthly;
- Packages of advertising material to the top 10 grocery store chains in the country;
- Brochures and pamphlets will be sent to the 3 top executives in 35 grocery chain stores in the United States;
- Advertising packages will be sent to the top 100 food manufacturing companies which will be directed towards the advertising executives;
- Other media to be identified as required.

The cost of printing and assembling of brochures and pamphlets is estimated to be $35.00 each. A minimum of 1,500 brochures will be used during the first year for a total cost of $52,500. For simplicity, this cost will be spread evenly over the four quarter. Advertising in magazines and periodicals is a major cost but this form of advertising will alert advertisers and their agents to the services being offered by the Company. It is estimated each article in a magazine will cost approximately $3,500. If advertisements are placed in the top 10 Ad-Agencies magazine, each results in a monthly cost of $35,000 or $105,000 for each quarter. Total advertising costs for each quarter, including brochures and pamphlets, is $118,125.

10. Automobile Expenses Automobiles will be leased for the top three Executives at $6,000 per quarter.

11. Bank Charges Bank charges will represent the transfer of funds from various advertisement agencies in payment on behalf of their clients, monthly service charges, etc. It is assumed this cost will be $500 per quarter.

12. Entertainment and Promotion Entertainment and promotion mainly covers the cost of "wining and dining" advertisement agents and other media personnel and on occasion holding seminar-style meetings. Since money must be spent in this area to create a willingness to use the Company's display panels, it is estimated that $10,000 a month will be allotted. This results in $30,000 a quarter.

13. Insurance Insurance coverage will have to be obtained for general liability, office contents, directors' liability insurance and gross profit protection. Additional insurance will be carried for protection in the event a malfunction of the display unit causes harm. The chances of this ever happening is extremely remote. Insurance coverage is estimated $25,000 per quarter.

14. Legal Legal costs are associated with preparation of advertising contracts with the supermarket chains, advertising agencies and advertisers themselves as well as employee contracts and various other contracts as required. In addition, legal services will be needed for the filing of the documents with the regulatory bodies. Legal expenses will vary depending upon the needs of management. For conservative purposes, legal expenses have been assumed at $10,000 per month or $30,000 per quarter.

15. Management Fees Management fee comprises the following individuals:

Position	Annual Remuneration	Quarterly Remuneration	Monthly
President	$ 120,000	$ 30,000	$ 10,000
Vice-President – Marketing	90,000	22,500	7,500
Treasurer/Controller	80,000	20,000	6,667
Total	**$ 290,000**	**$ 72,500**	**$ 24,167**

16. Office and Sundry Office and sundry expenses comprise photocopying paper, office supplies, envelopes, binders, coffee, pens and pencils, computer tapes and paper, postage, filing cabinets, adding machines and other items of lesser dollar value which are normally required in an office. Initially, the cost of starting two offices; one in the eastern part of the United States and the other in the western part, which will require a greater outlay than in subsequent months. Therefore, the following has been budgeted by quarter:

First Quarter	$ 15,000
Second Quarter	$ 9,000
Third Quarter	$ 12,000
Fourth Quarter	$ 15,000

17. Public Relations Public relations are a high priority for management. Public relations firms will be hired to search for new institutional investors and to prepare the required information to be circulated monthly to current and potential shareholders. There will be a constant need to inform the public-at-large and private institutions of the Company's achievements and its direction in the future. It is projected, as a minimum, the quarterly charge for public relations will be approximately $100,000. In future years with more stores being added to the client base, the public relations budget will be increased substantially.

18. Rent

The Company will require two offices; one located in the East and the other located in the West. The offices will not have to be large in space since limited personnel will be required to manage the operations. Nevertheless, the executives will each require an office, a boardroom for meeting customers and advertising agents, an office for accounting, a reception area, storage facilities and a general working area. The building does not have to be a class A rating and can be located outside of the busier section of a city. Therefore, estimated rent expenses each month will be $5,000 for each of the two buildings for a total of $10,000 per month.

19. Salaries and Benefits The accountant's and assistant accountant's salaries have been covered under *Accounting and Auditing* noted in 8 above. There are employees other than the aforementioned; being two receptionists, two administrative assistants and two account representatives to sell the advertising. Other employees will be hired either on a part time basis or else as demand requires. The estimated cost of the above noted employees is as follows:

Personnel	Monthly Salary (i)	Employee Benefits (ii)	Total	Quarterly
Executive Secretary	$ 3,000	$ 600	$ 3,600	$ 10,800
2 Admin. Assistants	$ 4,000	$ 800	$ 4,800	$ 14,400
2 Receptionists	3,000	600	3,600	10,800
2 Account Representatives	10,000	2,000	12,000	36,000
Total				$ 72,000

(i) Monthly salaries are distributed as follows:

Executive Secretary $ 3,000 per month
Administrative Assistant $ 2,000 each per month
Receptionist $ 1,500 each per month
Accountant Representative $ 5,000 each per month

(ii) It is assumed employee benefits will be 20% of the salaries paid. The type of benefits available to the employees will be dental, extended health and life insurance. The Company will absorb one half the cost and the employees will be responsible for contributing from their salaries the balance.

20. Stationery and Printing Office stationery will be purchased during the first quarter in sufficient quantities to last the entire year. Said cost is estimated at $10,000. Printing expense will comprise mainly office photocopying since the brochures and pamphlets are covered in section 9 - *Advertising* above and the inserts are covered under section 3 – *Printing of Inserts.*

21. Telephone and Fax Telephone and fax charges will be relatively constant over the year. For conservative purposes, telephone charges for the two offices are estimated at $3,500 per month or $10,500 per quarter.

22. **Travel and Accommodation** Travel cost for the executives and account representatives is relatively high due to the nature of the business. Initially, the main travel will be based in the United States but eventually consideration will have to be given to extending travel to include the European countries where the Company has obtained patent protection for its display panel. It is anticipated this will occur in the last quarter of the year. As the year progresses, travelling in the United States will increase. Therefore, it is anticipated travel costs will be $10,000 a month for the first quarter, increasing by 100% for each the second and third quarters. In the last quarter it is anticipated travel locally in the United States will amount to $35,000 per month with the added cost each month of trips to Europe. The European trips are estimated to add an addition $10,000 per month to the travel costs. Therefore, travel costs by quarter is calculated as follows:

First Quarter	$ 30,000
Second Quarter	60,000
Third Quarter	90,000
Fourth Quarter	135,000

These attached schedules are an integral part of this Projected Statement of Net Income

EXHIBIT II: Framework to Use for PPMC Analysis

	PPMC Note
Stores	
Multiply by 200 carts	
Total Carts	
Multiply by Revenue per cart	
Total Revenues	**1**
Variable costs (VC):	
Amortization (2 year S/L)	**2**
Printing	**3**
Replacement (even distribution)	**4**
Cart Rental (10% Revenue)	**5**
Marketing, Sales & Comm.	**6**
Grocery Store Operations	**7**
Total VC	**2-7**
Contribution Margin (CM)	
CM per Unit/Cart	
Fixed costs (FC):	
Accounting & Audit	**8**
Advertising (even distribution)	**9**
Auto Lease	**10**
Bank Charges	**11**
Entertainment & Promotion	**12**
Insurance	**13**
Legal	**14**
Management Fees	**15**
Office & Sundry	**16**
Public Relations	**17**
Rent	**18**
Salaries & Benefits	**19**
Stationery & Printing	**20**

Telephone & FAX	**21**
Travel & Accommodation	**22**
Total FC	**8-22**
Total Expenses (VC+FC)	**2-22**
Net Operating Income	

Break-Even (BE) Point in terms of Carts
Break-Even (BE) Point in terms of Stores

EXHIBIT III

The solution below will change a bit, with time, as new retailers will be established, merge, fail, and so on; however, the variation should not be so great as to alter the solution. With a break-even point of approximately 3,455 stores, PPMC would require a bit more than 25 percent of the market (13,474 stores) to achieve break even. Therefore, break-even was feasible.

Number of North American Retail Grocery Stores for Publicly Traded Firms

Stock Ticker	No. of Stores	Firm Name
KR	2,488	Kroger
ABS	2,300	Albertson's
SWY	1,700	Safeway
ADR/DEG	1,485	Ahold
SVU	1,400	SUPERVALU
WIN	1,070	Winn-Dixie Stores
PUSH	740	Publix Super Markets
GAP	491	Great Atlantic & Pacific
SMF	240	Smart & Final
IMKTA	200	Ingles Markets
BSI	170	Blue Square-Israel
PTMK	140	Pathmark
RDK	140	Ruddick
WFMI	140	Whole Foods Market
WMK	131	Weis Markets
MARSA	110	Marsh Supermarkets
NAFC	109	Nash Finch
FRSH	103	Fresh Brands
OATS	100	Wild Oats Markets
SPTN	55	Spartan Stores
EGLE	50	Eagle Food Centers
GRI	50	Gristede's Foods
VLGEA	23	Village Super Market
FSM	21	Foodarama Supermarkets
ARDNA	18	Arden Group
Total	**13,474**	

FIGURE 1

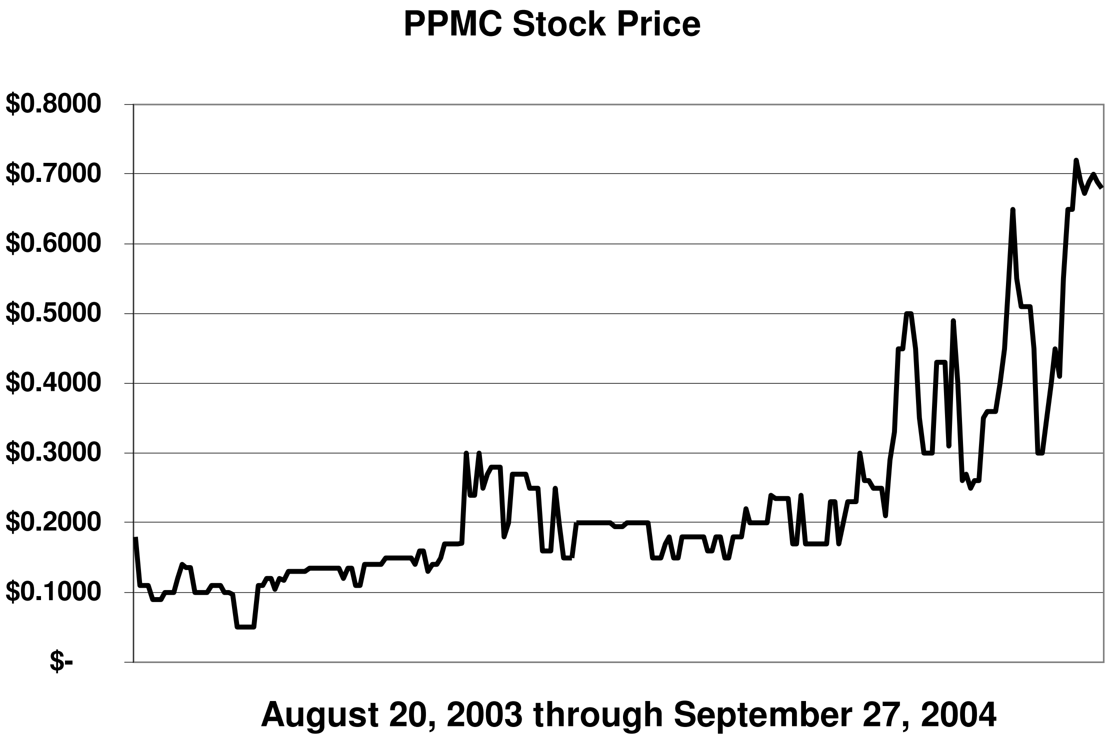
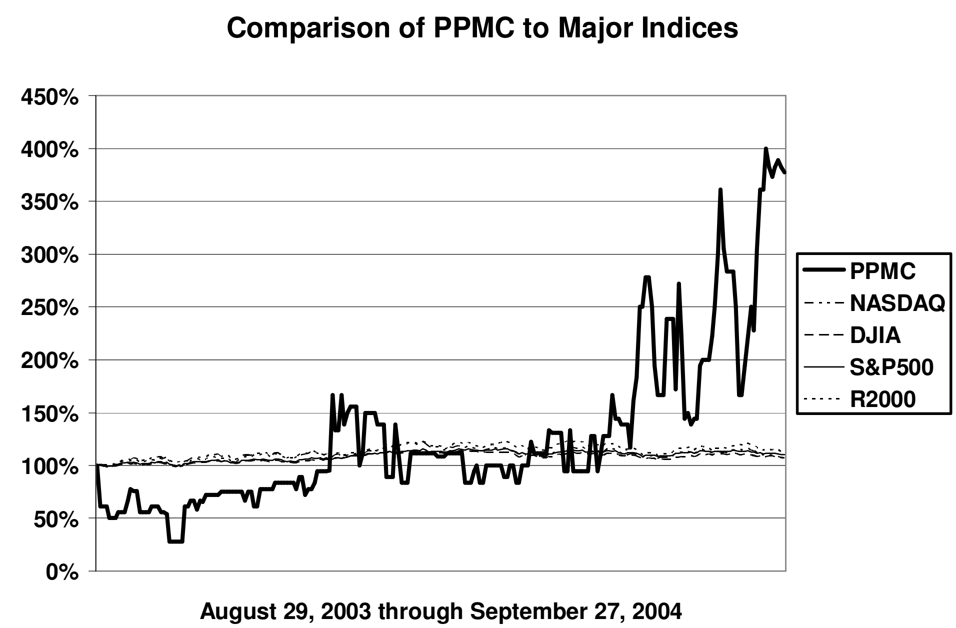


FIGURE 2



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