

Histograms of the data contained in the 1999 through 2003 Rock of Ages' Statements of Operations are depicted in Figures 1 - 15, below. Included is information about the Revenues, Gross Profits and Net Profit or Loss by dollars and percentage of change, collectively and by separate operating divisions. Following is an analysis of the data, with reference to the pertinent Figure(s).

- Figures 1, 2 & 3 depict the annual Net Revenues, Gross Profits and Net Profit or Loss by dollars and percentage of change (“Delta”), respectively, as well as the trends and the Gross Margin Ratio.
  - Net Revenues: As shown in Figure 1, during the 5-year period, the Net Revenues for the entire company declined gradually, yet steadily, from \$96.4MM to \$84.4MM, decreasing a total of just under \$12MM (12.4%, as seen in Figure 2), trending downward. Significantly, during 2002, net revenues show a marked plunge, due almost entirely to adjustments made to accounting principles, as opposed to operational matters or sales declines.
  - Gross Profits: During the period, Gross Profits remained fairly steady, decreasing approximately \$44,000 (-0.12%). The Gross Margin Ratio (Gross Profits / Net Revenues - Figure 3) would indicate that direct costs (materials & labor) were reduced nearly 10 ½ %, from 44.23% to 38.79%.
- Figures 4 thru 9 give a breakdown by operating division of the Net Revenues and Gross Profits, by dollars, by relative percentages, and by the annual percentage of change, respectively.
  - Figures 4 & 5 demonstrate that Retailing consistently produced the most net revenue, averaging nearly \$39MM annually (43.36% of total), with Quarrying and Manufacturing contributing an average of \$29.6MM (28.65%) and 29.4MM (27.99%), respectively, each year.
  - Figure 6 presents a very interesting look at the fluctuations in Net Revenues during the period, which differ considerably from the dollar figures, demonstrating the following:

- Retailing showed initial gains from 1999 to 2001, then declined, such that its 5-year shift was a negative 3.44%. As described in Item 7 (Overview) of the Annual Report for 2003, this was perhaps due to a sharp increase in operating and general expenses, with a concurrent drop in unit sales.
  - Quarrying showed steady improvement from 1999 through 2002, with a slight dip during 2003 as a result of the decrease in saleable stone from the Pennsylvania Black quarry due to poor geological formations, finishing the 5-year period with a substantial Net Revenue gain of 28.91%.
  - Manufacturing showed markedly less Net Revenue each year except 2003, declining a total of 45.55% from the sales of 1999.
- Figures 7, 8 & 9 show the Gross Profits for each of the operating divisions, with dollar amounts, relative percentages and annual fluctuations comparable to those of Net Revenues. That is, Retailing produced the highest Gross Profit dollars and the largest percentage of company totals; while Quarrying demonstrated the largest marginal gains from 1999 to 2003 (11.62%, compared with 4.13% for Retailing & 25.89% for Manufacturing, respectively.)
- Figures 11 - 15 depict the Net Revenue and Gross Profit trends, along with Gross Margin Ratios (GMR) for each of the operating divisions. The GMR is the percentage of sales dollars left after subtracting the cost of goods sold from net sales, and provides a good opportunity to compare each division's operating efficiency across different time periods. The GMR figures demonstrate that Retailing, with an average GMR of 55.94%, was the most cost-efficient operational entity of the company - not surprising, as the direct costs of retailing would naturally be far below those requiring substantial outlays for equipment, and skilled labor - followed by Quarrying with a GMR of 43.6%; while Manufacturing attained a GMR of 25.31% during the period.

Figure 1

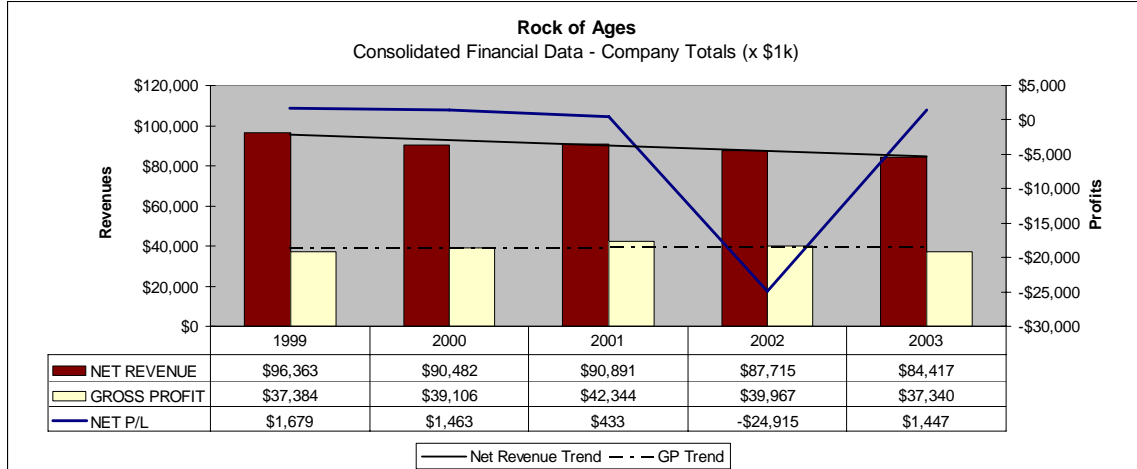


Figure 2

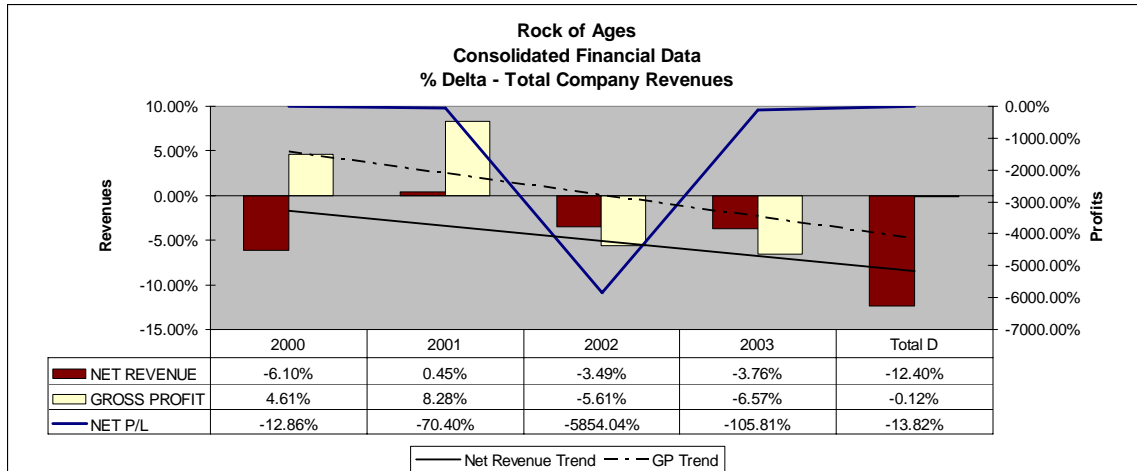


Figure 3

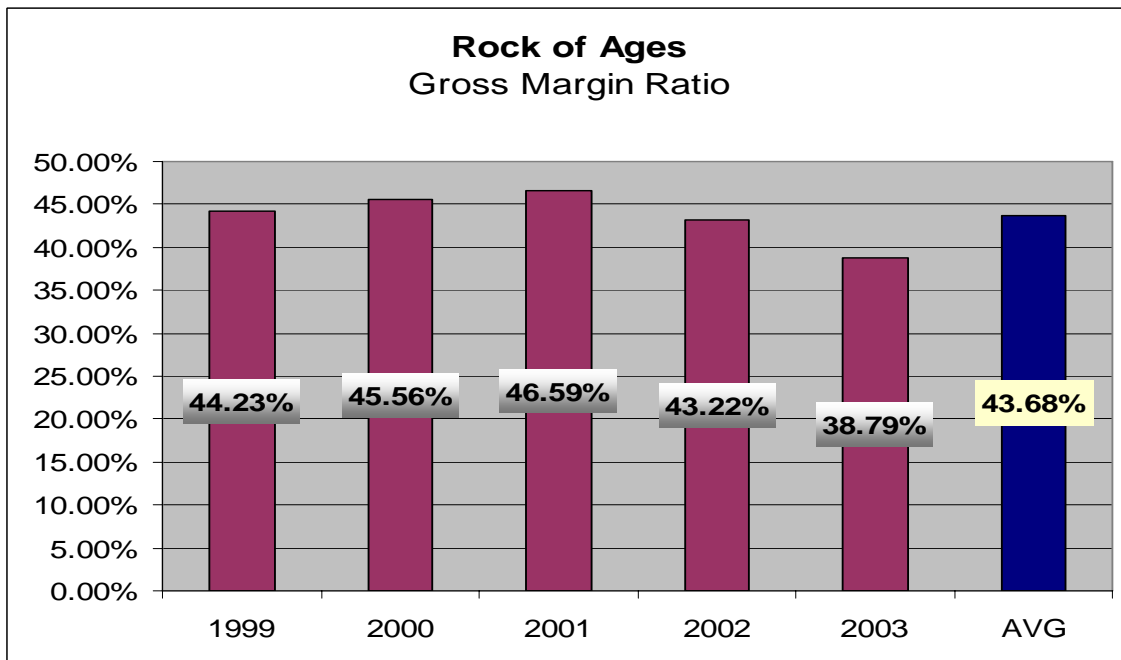


Figure 4

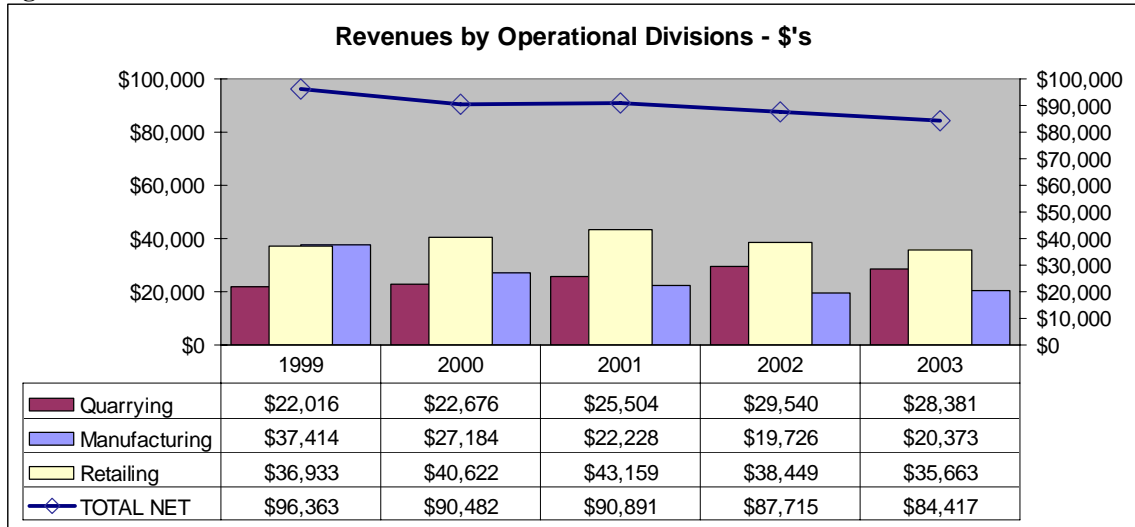


Figure 5

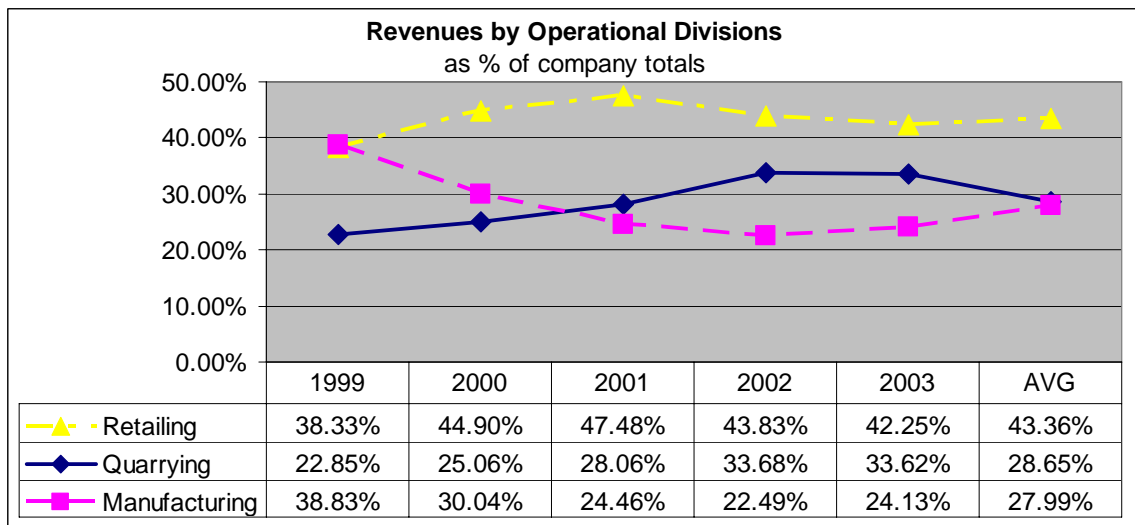


Figure 6

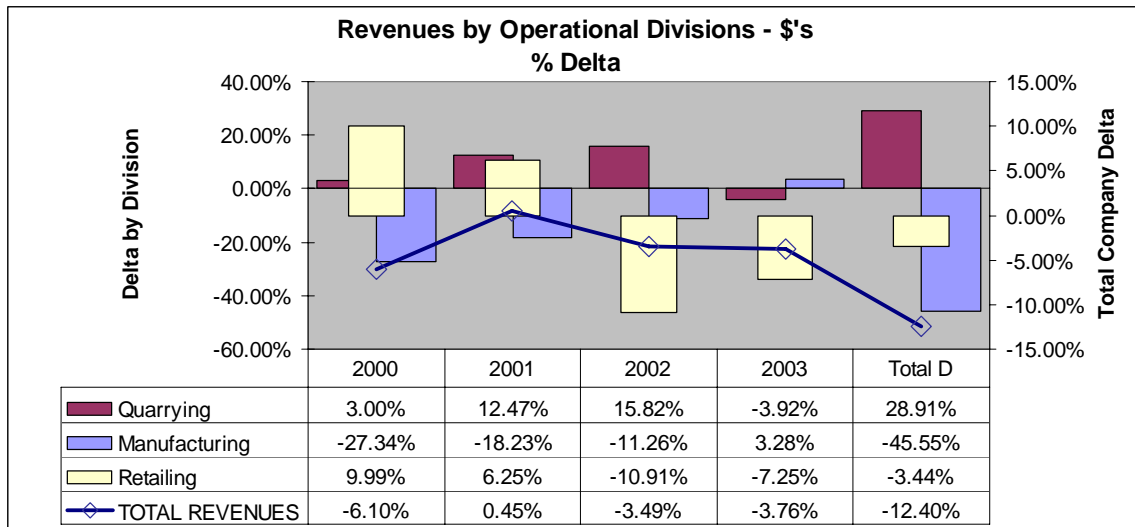


Figure 7

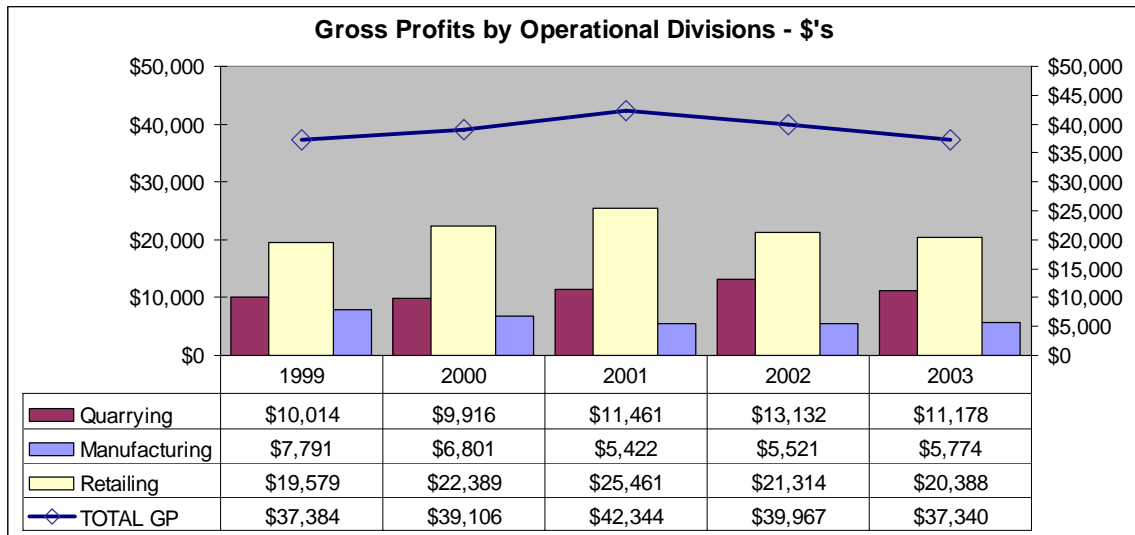


Figure 8

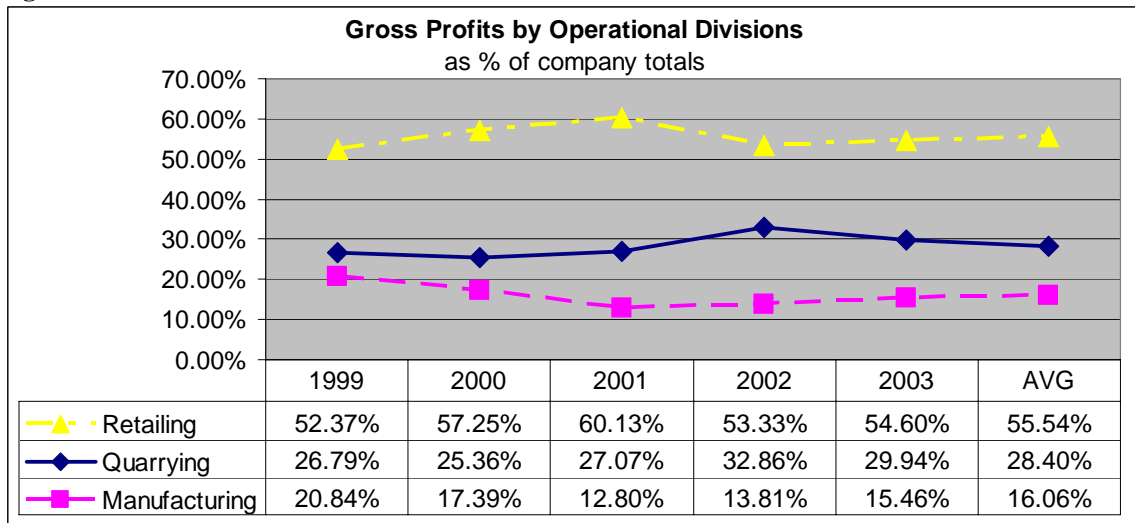


Figure 9

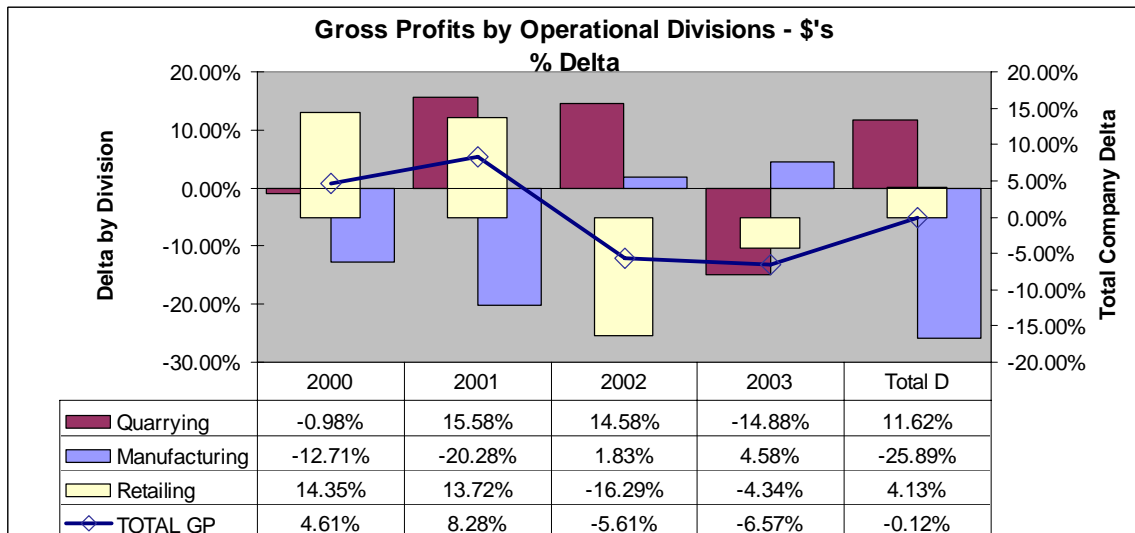


Figure 10

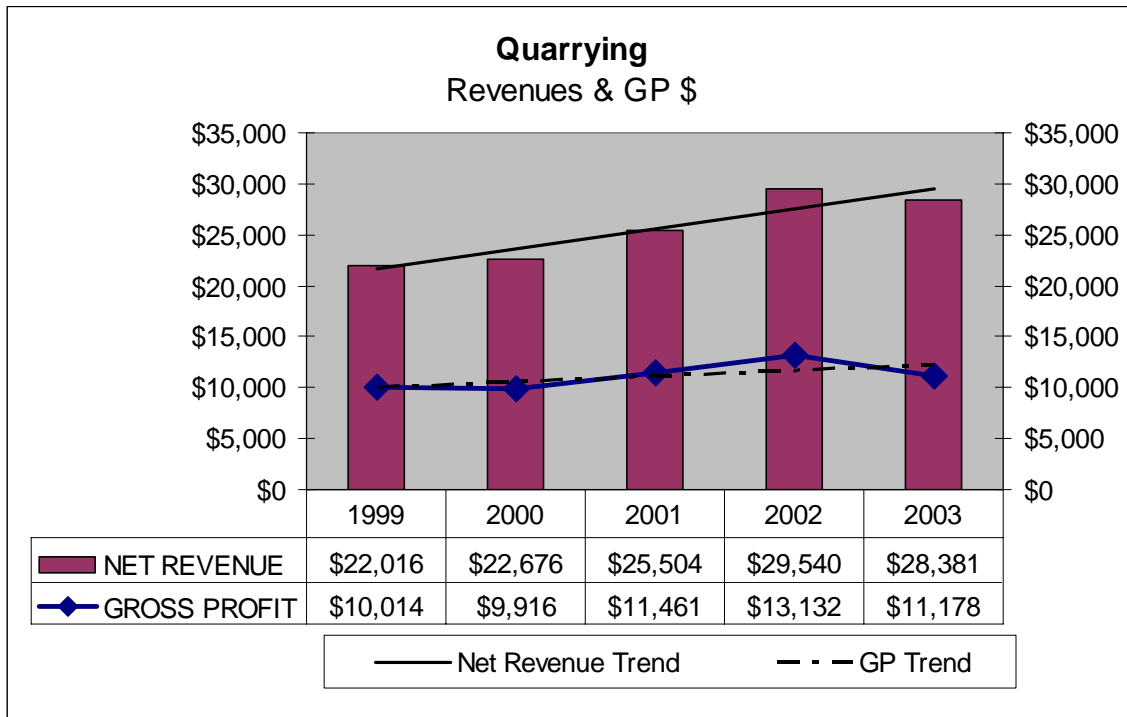
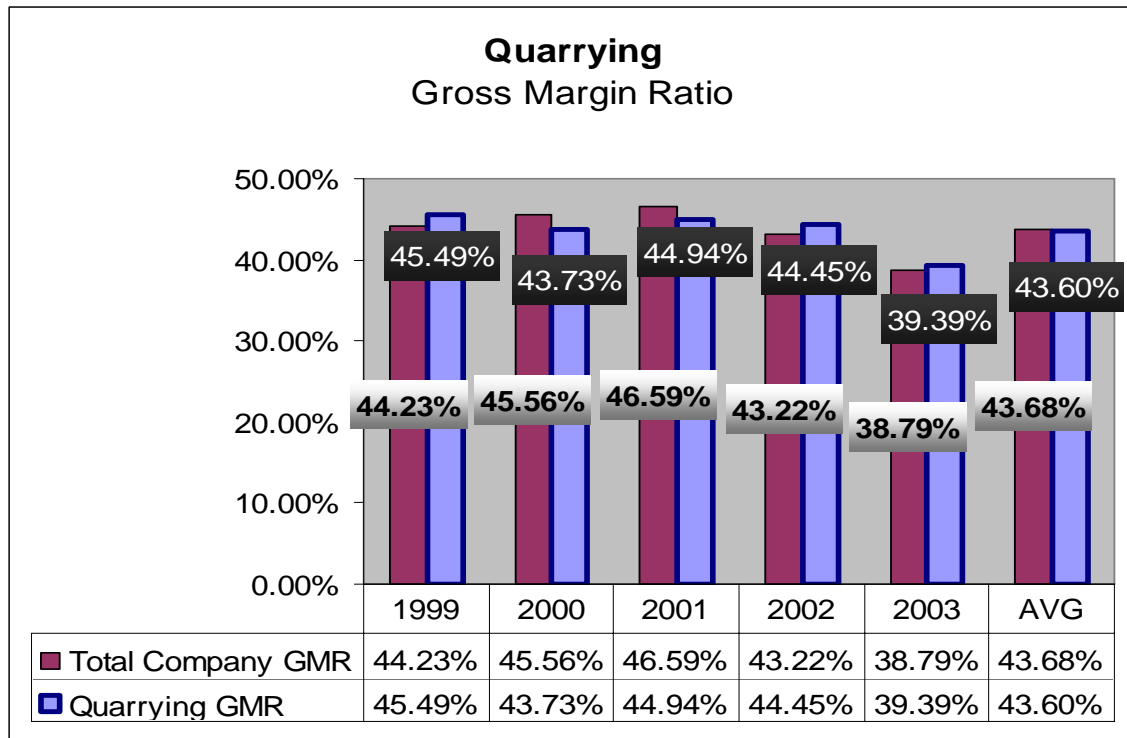


Figure 11



**MANUFACTURING**

Figure 12

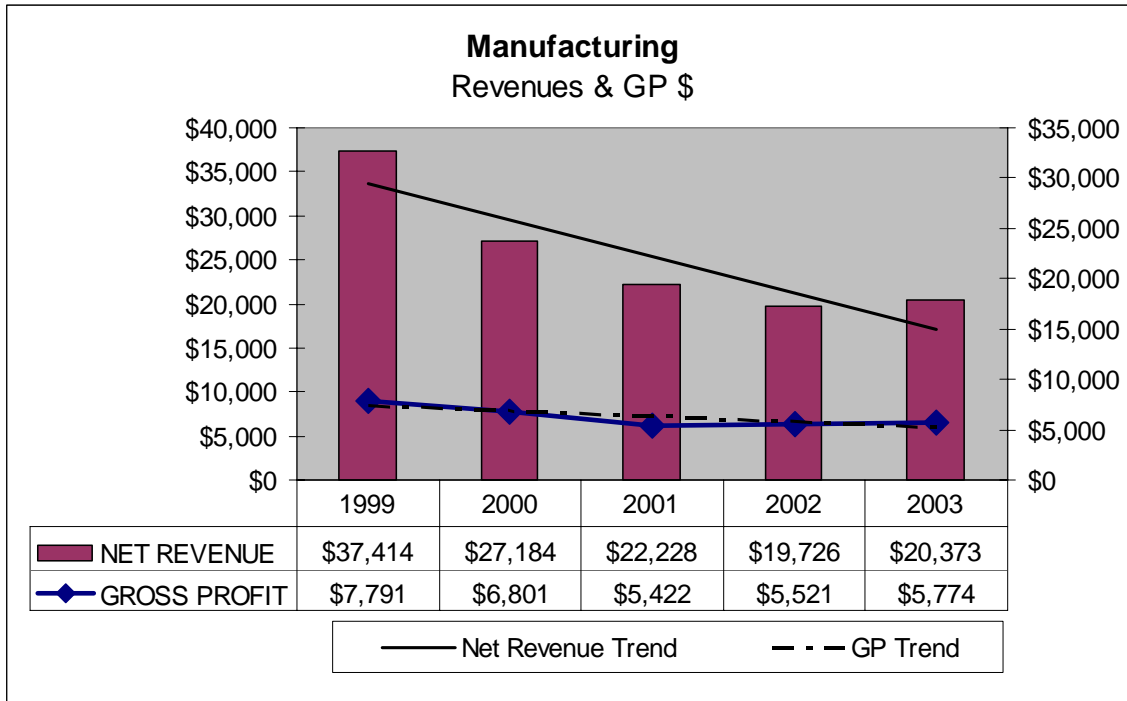
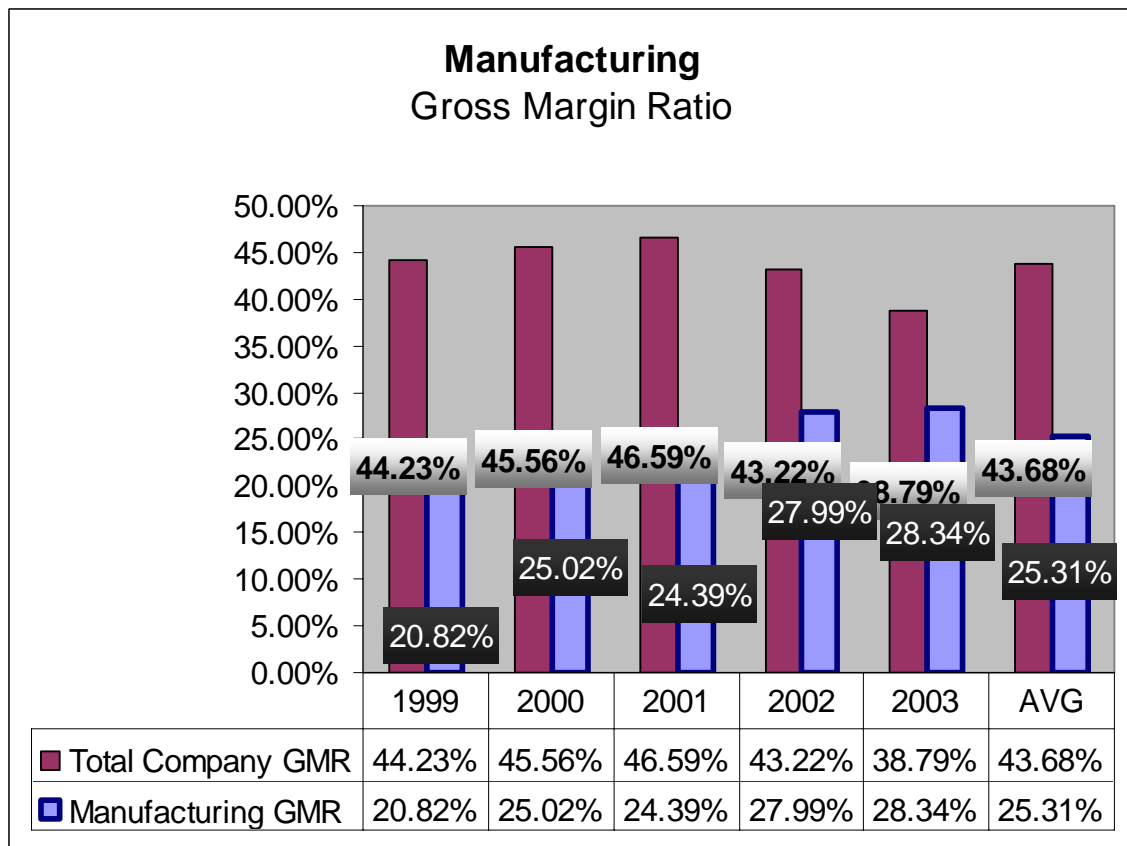
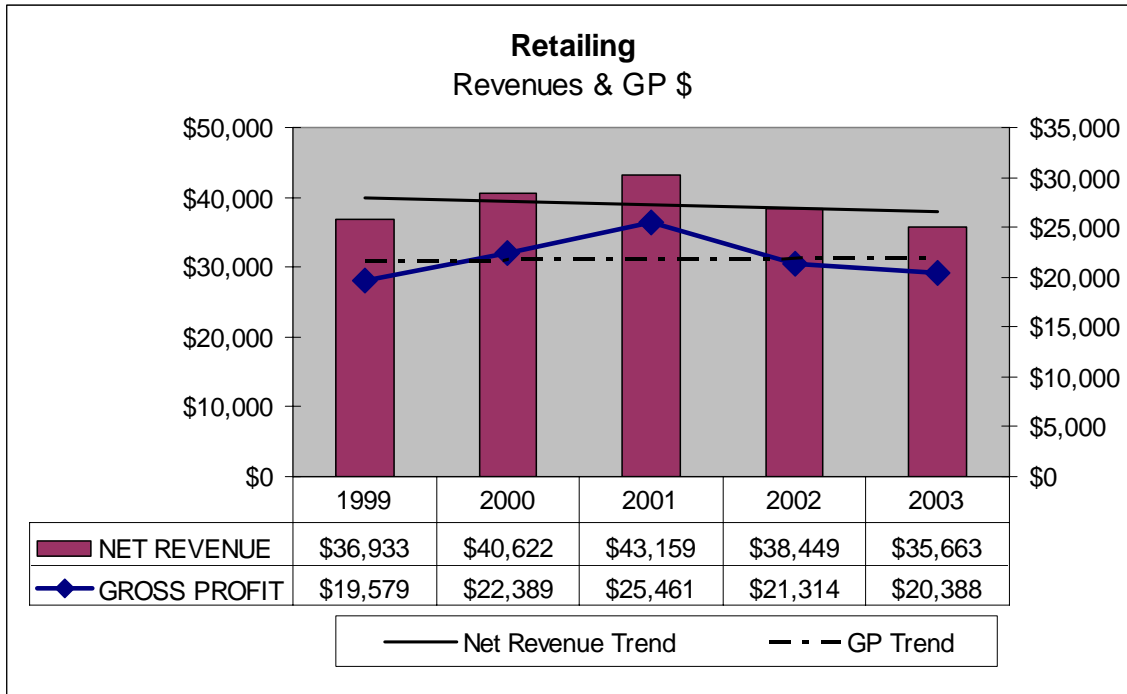


Figure 13



**RETAILING**

**Figure 14**



**Figure 15**

