**Exhibit**

**BNO Company**

**Results of Operations, 2009**

**A** **B** **A + B**

**Electrical and Plastic Industrial**

**Mechanical Components\*** **Housing** **Drills**

Sales: 100,000 units @ $100 $10,000,000

Variable expenses:

Direct materials $4,400,000 $ 500,000 4,900,000

Direct labor 400,000 300,000 700,000

Variable factory overhead 100,000 200,000 300,000

Sales commissions @ 10% of sales 1,000,000

Total variable expenses 6,900,000

Contribution margin 3,100,000

Direct fixed expenses 900,000 400,000 1,300,000

Indirect fixed expenses 800,000 600,000 1,400,000

Total fixed expenses 2,700,000

Operating income $ 400,000

\*Not including the costs of plastic housing (column B).