

Cunningham Art Products, Inc. (the "Company") was incorporated under the laws of the State of Georgia on August 22, 1968. The Company designs, manufactures and distributes, both throughout the United States and abroad, on a wholesale and retail basis, a broad line of adult arts and crafts products. The Company's products are designed for the creation of a do-it-yourself fashion or home decor item as the craft objective, and accordingly, most of its products are purchased by or for women. The Company's products consist of semi-finished components and various paints and finishes for the creation of objects which are designed to satisfy a creative need for self-expression on the part of the purchaser. The Company's 10 major product line includes over 900 individual items. The amount of sales (rounded to the nearest \$1,000) of the Company's more significant products, and their respective contributions to the Company's total sales, for the last five (5) years are as follows:

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
<u>1. Decoupage</u>					
Sales	\$2,803,000	3,574,000	3,215,000	3,928,000	3,566,964
% of Total	58.5	41.5	23.8	24.6	33.9
<u>2. Spray Paints &amp; Finishes</u>					
Sales	\$ 810,000	1,068,000	1,259,000	1,384,441	745,680
% of Total	16.9	12.4	9.3	8.7	7.1
<u>3. Craft Kits</u>					
Sales	\$ 283,000	1,464,000	2,672,000	5,046,263	3,084,365
% of Total	5.9	17.0	19.8	31.6	29.3
<u>4. Candles</u>					
Sales	\$ -0-	121,000	1,253,000	855,043	486,016
% of Total	-0-	1.4	9.3	5.4	4.6
<u>5. Craft Books</u>					
Sales	\$ -0-	482,000	539,000	466,814	313,476
% of Total	-0-	5.6	4.0	2.9	3.0
<u>6. Ceramic Accessories (1)</u>					
Sales	\$ -0-	-0-	759,000	1,709,664	1,991,147
% of Total	-0-	-0-	5.5	10.7	18.9
<u>7. Others</u>					
Sales	\$ 896,000	1,903,000	3,827,000	2,575,655	345,079
% of Total	18.7	22.1	28.3	16.1	3.2

(1) see "Recent Developments"