Annual Report

# SALES

Our Sales have breached previous years’ expectations and have allowed us to expand into two more regions this year: The Northwest and California. Contoso today announced financial results for its most recent fiscal quarter. The Company posted quarterly revenue of $28.27 million and quarterly net profit of $6. 2 million, or $7.25 per diluted share. These results compare to revenue of $21.65 million and net quarterly profit of $4.45 million, or $4.74 per diluted share, in the year-ago quarter. Gross margin was 42.3 percent compared to 38.9 percent in the year-ago quarter. International sales accounted for 27 percent of the quarter’s revenue.   
  
We are thrilled with the very strong finish of an outstanding second quarter, growing annual revenue to $108 million and growing earnings to $26 million. Customer response to our entertainment and video products has been fantastic, we have strong momentum going into the next quarter, and we remain really enthusiastic about our product pipeline.

# RESEARCH AND DEVELOPMENT

We have become Become Independent of outside Researchers. We have Streamline Financial Reports Process. Our International Sales goals have been exceeded.

Expenses have stayed steady throughout this year, despite setbacks and unexpected equipment failures.