

Plan assets were invested in the following classes of securities (none of which were securities of the company):

(dollars in thousands)	2004 Union Plan	2004 Director Plans	2003 Union Plan	2003 Director Plans
Equity	28%	7%	20%	38%
Fixed Income	59	93	56	62
Real Estate	13	—	24	—
	100%	100%	100%	100%

The expected return on assets is developed in consideration of the anticipated duration of investment period for assets held by the plan, the allocation of assets in the plan, and the historical returns for plan assets.

Estimated future benefit payments under the plans are as follows (dollars in thousands):

	Union Plan	Director Plans
2005	\$ 276	\$ 7,749
2006	281	—
2007	278	20
2008	273	20
2009	257	20
2010 thru 2014	1,349	300

In conjunction with the retirement of the former Chairman of the Board in December 2004, the company entered into an agreement to settle obligations relating to the former Chairman's

pension. As part of this settlement, the company agreed to make payments aggregating to \$7.6 million, which will be funded in part by existing plan assets, in the first quarter of 2005 to fully settle all pension obligations due to the former Chairman. Contributions to the directors' plan beyond the funding of the Chairman pension settlement are based upon actual retirement benefits for directors as they retire. These funding requirements are expected to amount to \$0.2 million in 2005.

Contributions under the union plan are funded in accordance with provisions of The Employee Retirement Income Security Act of 1974. Expected contributions to be made in 2005 are \$0.3 million.

(B) 401K SAVINGS PLANS The company maintains a defined contribution plan for all employees in the United States other than union employees at the Elgin, Illinois facility, which participates in a separate plan. The discretionary profit sharing contributions approved relating to the plan years ending 2004, 2003, and 2002 for the profit sharing and 401K plan amounted to \$800,000, \$750,000 and \$600,000, respectively.

In conjunction with the freeze on future benefits under the defined benefit plan for union employees at the Elgin, Illinois facility, the company established a 401K savings plan for this group of employees. The company makes contributions to this plan in accordance with its agreement with the union. These contributions amounted to \$221,400 in 2004, \$157,400 in 2003 and \$82,500 in 2002.

(14) Quarterly Data (Unaudited)

(dollars in thousands, except per share data)	1st	2nd	3rd	4th	Total year
2004					
Net sales	\$ 62,463	\$ 72,913	\$ 70,620	\$ 65,119	\$ 271,115
Gross profit	23,176	28,793	26,394	24,265	102,628
Income from operations	10,104	14,653	12,582	920	38,259
Net earnings (loss)	\$ 5,591	\$ 8,289	\$ 10,368	\$ (660)	\$ 23,588
Basic earnings per share ⁽¹⁾	\$ 0.61	\$ 0.90	\$ 1.12	\$ (0.07)	\$ 2.56
Diluted earnings (loss) per share ⁽¹⁾	\$ 0.56	\$ 0.82	\$ 1.03	\$ (0.07)	\$ 2.38
2003					
Net sales	\$ 56,393	\$ 65,408	\$ 60,894	\$ 59,505	\$ 242,200
Gross profit ⁽²⁾	19,052	22,650	22,633	21,518	85,853
Income from operations ⁽²⁾	6,407	9,644	9,986	8,979	35,016
Net earnings ⁽²⁾	\$ 2,609	\$ 4,597	\$ 5,651	\$ 5,841	\$ 18,698
Basic earnings per share ⁽¹⁾⁽²⁾	\$ 0.29	\$ 0.51	\$ 0.63	\$ 0.64	\$ 2.06
Diluted earnings per share ⁽¹⁾⁽²⁾	\$ 0.28	\$ 0.49	\$ 0.59	\$ 0.60	\$ 1.99

(1) Sum of quarters may not equal the total for the year due to changes in the number of shares outstanding during the year.

(2) The 2003 fourth quarter included an adjustment to the LIFO provision for inventory, which increased pretax earnings by \$0.6 million and net earnings by \$0.4 million, or \$0.04 per share.