

249:7n



Sec: Foreign - Brazil - 8/16/66

STUDY OF PRICE
STABILIZATION EFFECTS ON
WOB RESULTS

KAISER SERVICES
CENTRAL FILES DEPT. August 1966

WILLYS OVERLAND DO BRASIL S.A.
Indústria e Comércio

STUDY OF PRICE STABILIZATION EFFECTS ON WOB RESULTS

TABLE OF CONTENT

- 1 - Profit and loss statement: actual July 1965 to June 1966 and estimated July to December 1966.
- 2 - Unit operating profit and loss - Aero Willys and Itamaraty.
- 3 - Unit operating profit and loss - Gordini and Jeep.
- 4 - Unit operating profit and loss - Rural 2WD and Pickup 2WD.
- 5 - Results of various price increases as of September 1, 1966.
- 6 - Graph - Comparison of percentage of results to net sales - July 1965 to December 1966.
- 7 - Graph - Comparison of indices of prices and costs - April 1964 to June 1966.
- 8 - Graph - Accumulated variance of economic and cost indices in relation to WOB price index - April 1964 to June 1966.
- 9 - Graph - Purchases, taxes, salaries and fringe benefits paid by WOB - fiscal years 1962 to 1966.

WILLYS OVERLAND DO BRASIL S.A.

PROFIT AND LOSS

(Millions of Cruzeiros)

A C T U A L

E S T I M A T E D

	Jul-65	Aug-65	Sep-65	Oct-65	Nov-65	Dec-65	Jan-66	Feb-66	Mar-66	Apr-66	May-66	Jun-66	Total Jul-65 to Jun-66	Jul-66	Aug-66	Sep-66	Oct-66	Nov-66	Dec-66	Total Jul. to Dec-66
UNITS SOLD	5.325	5.008	5.074	4.830	5.672	7.815	6.250	4.784	6.563	4.811	5.805	6.472	68.479	4.923	5.500	6.000	5.683	6.315	6.565	34.986
GROSS SALES																				
Vehicles	25.094	23.576	24.098	22.107	27.545	39.481	33.915	26.714	38.326	30.108	36.351	40.549	367.864	30.207	35.332	38.632	35.235	41.140	43.196	223.742
Parts and Accessories	1.729	1.545	1.692	1.510	1.934	1.843	1.810	1.877	2.287	2.756	3.052	2.580	24.615	2.843	2.871	2.900	2.929	2.958	2.988	17.489
Other Products	364	318	404	1.494	696	700	478	1.325	1.416	807	867	886	9.755	745	752	760	768	776	784	4.585
Total Gross Sales	27.187	25.439	26.194	25.111	30.175	42.024	36.203	29.916	42.029	33.671	40.270	44.015	402.234	33.795	38.955	42.292	38.932	44.874	46.968	245.816
Less Taxes on Sales	2.925	3.510	4.309	4.416	5.662	7.646	7.759	6.178	8.849	7.114	8.436	9.235	76.039	6.711	8.037	8.751	7.872	9.399	9.902	50.672
NET SALES	24.262	21.929	21.885	20.695	24.513	34.378	28.444	23.738	33.180	26.557	31.834	34.780	326.195	27.084	30.918	33.541	31.060	35.475	37.066	195.144
COST OF PRODUCTS SOLD																				
Material	13.735	12.919	13.080	11.912	14.583	19.984	16.814	13.429	19.406	15.381	18.938	20.868	191.049	16.514	19.124	21.249	20.198	23.462	25.053	125.600
Direct Labor	793	763	797	752	886	1.133	975	783	1.114	1.076	1.381	1.739	12.192	1.154	1.474	1.413	1.456	1.365	1.442	8.304
Burden	4.244	3.730	3.771	3.374	4.054	5.311	4.770	3.851	5.139	4.838	5.720	6.260	55.062	5.053	5.990	6.242	6.225	6.519	6.657	36.686
Warranty	340	313	312	289	350	478	408	312	423	309	362	(219)	3.677	272	322	354	349	419	444	2.160
Amortization of Tooling	316	277	264	469	608	753	654	493	671	482	561	626	6.174	432	535	585	517	643	682	3.394
Parts and Accessories - Warehouse Exp.	123	110	120	132	140	159	157	123	157	202	196	212	1.831	200	202	207	209	221	222	1.261
Other Products	431	257	343	1.224	669	1.368	295	726	793	487	496	594	7.683	570	575	581	588	594	600	3.508
Total Cost of Products Sold	19.982	18.369	18.687	18.152	21.290	29.186	24.073	19.717	27.703	22.775	27.654	30.080	277.668	24.195	28.222	30.631	29.542	33.223	35.100	180.913
GROSS MARGIN	4.280	3.560	3.198	2.543	3.223	5.192	4.371	4.021	5.477	3.782	4.180	4.700	48.527	2.889	2.696	2.910	1.518	2.252	1.966	14.231
% of Net Sales	17,6	16,2	14,6	12,3	13,1	15,1	15,4	16,9	16,5	14,2	13,1	13,5	14,9	10,7	8,7	8,7	4,9	6,3	5,3	7,3
COMMERCIAL EXPENSES																				
Product Engineering	222	249	254	265	282	273	299	271	358	407	453	663	3.996	452	453	458	488	494	495	2.840
Selling and Advertising	548	554	557	590	598	1.018	758	756	792	883	945	1.041	9.040	955	961	968	969	980	985	5.818
Administrative	504	562	574	594	573	271	681	691	686	852	826	903	7.717	875	892	927	926	925	931	5.476
Total Commercial Expenses	1.274	1.365	1.385	1.449	1.453	1.562	1.738	1.718	1.836	2.142	2.224	2.607	20.753	2.282	2.306	2.353	2.383	2.399	2.411	14.134
OPERATING PROFIT OR (LOSS)	3.006	2.195	1.813	1.094	1.770	3.630	2.633	2.303	3.641	1.640	1.956	2.093	27.774	607	390	557	(865)	(147)	(445)	97
% of Net Sales	12,4	10,0	8,3	5,3	7,2	10,6	9,3	9,7	11,0	6,2	6,1	6,0	8,5	2,2	1,3	1,7	(2,8)	(0,4)	(1,2)	-
OTHER EXPENSES OR (INCOME)	154	146	96	73	(61)	(700)	(315)	(434)	(564)	(874)	(876)	(553)	(3.908)	(300)	(275)	(6)	227	243	249	138
PROFIT OR (LOSS) BEFORE INCOME TAX	2.852	2.049	1.717	1.021	1.831	4.330	2.948	2.737	4.205	2.514	2.832	2.646	31.682	907	665	563	(1.092)	(390)	(694)	(41)
% of Net Sales	11,8	9,3	7,8	4,9	7,5	12,6	10,4	11,5	12,7	9,5	8,9	7,6	9,7	3,4	2,2	1,7	(3,5)	(1,1)	(1,9)	-
INCOME TAX AT REGULAR RATE	1.131	813	681	405	726	1.718	1.169	1.086	1.668	997	1.123	1.049	12.566	363	266	225	(437)	(156)	(278)	(17)
BOOKED NET PROFIT OR (LOSS)	1.721	1.236	1.036	616	1.105	2.612	1.779	1.651	2.537	1.517	1.709	1.597	19.116	544	399	338	(655)	(234)	(416)	(24)
% of Net Sales	7,1	5,6	4,7	3,0	4,5	7,6	6,2	7,0	7,6	5,7	5,4	4,6	5,9	2,0	1,3	1,0	(2,1)	(0,7)	(1,1)	-
LESS MAINTENANCE OF WORKING CAPITAL	1.094	1.016	1.033	1.009	1.170	1.583	1.329	1.103	1.520	1.283	1.538	1.683	15.361	1.559	1.798	1.945	1.880	2.098	2.208	11.488
REAL NET PROFIT OR (LOSS)	627	220	3	(393)	(65)	1.029	450	548	1.017	234	171	(86)	3.755	(1.015)	(1.399)	(1.607)	(2.535)	(2.332)	(2.624)	(11.512)
% of Net Sales	2,6	1,0	-	(1,9)	(0,3)	3,0	1,6	2,3	3,1	0,9	0,5	(0,2)	1,2	(3,7)	(4,5)	(4,8)	(8,2)	(6,6)	(7,1)	(5,9)
PLUS TAX BENEFITS (REDUCTION ON INCOME TAX)	583	419	352	209	374	886	603	560	861	514	579	542	6.482							
REAL NET PROFIT OR (LOSS) PLUS TAX BENEFITS	1.210	639	355	(184)	309	1.915	1.053	1.108	1.878	748	750	456	10.237							
% of Net Sales	5,0	2,9	1,6	(0,9)	1,3	5,6	3,7	4,7	5,7	2,8	2,4	1,3	3,1							

WILLYS OVERLAND DO BRASIL S.A.

UNIT OPERATING PROFIT AND LOSS

(Thousands of Cruzeiros)

- 2 -

A C T U A L

E S T I M A T E D

	Jul-65	Aug-65	Sep-65	Oct-65	Nov-65	Dec-65	Jan-66	Feb-66	Mar-66	Apr-66	May-66	Jun-66	Jul-66	Aug-66	Sep-66	Oct-66	Nov-66	Dec-66
VEHICLE: AERO WILLYS																		
UNITS SOLD	1.849	1.482	1.300	768	1.406	1.046	1.055	773	1.138	899	996	1.154	641	1.063	1.163	954	1.353	1.478
GROSS SALES	6.380	6.611	6.925	7.243	7.237	7.267	7.969	8.185	8.174	8.453	8.511	8.497	8.649	8.649	8.649	8.649	8.649	8.649
LESS TAXES ON SALES	732	1.028	1.337	1.652	1.641	1.654	2.043	2.102	2.102	2.171	2.191	2.176	2.194	2.194	2.194	2.194	2.194	2.194
NET SALES	5.648	5.583	5.588	5.591	5.596	5.613	5.926	6.083	6.072	6.282	6.320	6.321	6.455	6.455	6.455	6.455	6.455	6.455
COST OF SALES																		
Material	3.090	3.168	3.203	3.214	3.179	3.212	3.262	3.309	3.393	3.492	3.537	3.669	3.737	3.816	3.902	3.995	4.095	4.195
Direct Labor	177	184	193	209	197	190	189	198	200	264	289	276	293	324	284	319	258	260
Burden	885	870	902	897	862	837	871	938	889	1.102	1.118	1.129	1.182	1.229	1.174	1.257	1.157	1.129
Amortization of Tooling	101	101	101	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187
Warranty	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	77	77	77
Total Cost of Sales	4.323	4.393	4.469	4.577	4.495	4.496	4.579	4.702	4.739	5.115	5.201	5.331	5.469	5.626	5.617	5.835	5.774	5.848
GROSS MARGIN	1.325	1.190	1.119	1.014	1.101	1.117	1.347	1.381	1.333	1.167	1.119	990	986	829	838	620	681	607
% of Net Sales	23,5	21,3	20,0	18,1	19,7	19,9	22,7	22,7	22,0	18,0	17,7	15,7	15,3	12,8	13,0	9,6	10,5	9,4
COMMERCIAL EXPENSES	303	352	361	419	341	255	363	456	348	520	454	400	541	480	451	493	435	418
OPERATING PROFIT OR (LOSS)	1.022	838	758	595	760	862	984	925	985	647	665	590	445	349	387	127	246	189
% of Net Sales	18,1	15,0	13,6	10,6	13,6	15,4	16,6	15,2	16,2	10,3	10,5	9,3	6,9	5,4	6,0	2,0	3,8	2,9

VEHICLE: ITAMARATY

UNITS SOLD					5	636	514	378	559	462	534	581	430	541	594	386	634	697
GROSS SALES					8.898	8.984	9.322	9.592	9.645	9.937	9.964	9.925	10.125	10.125	10.125	10.125	10.125	10.125
LESS TAXES ON SALES					2.008	2.025	2.380	2.465	2.484	2.535	2.563	2.546	2.568	2.568	2.568	2.568	2.568	2.568
NET SALES					6.890	6.959	6.942	7.127	7.161	7.402	7.401	7.379	7.557	7.557	7.557	7.557	7.557	7.557
COST OF SALES																		
Material					3.666	3.706	3.778	3.885	3.992	4.126	4.183	4.350	4.430	4.524	4.627	4.736	4.855	4.973
Direct Labor					226	249	247	256	257	344	371	356	381	422	370	415	336	338
Burden					1.001	998	1.036	1.104	1.055	1.308	1.334	1.341	1.391	1.447	1.383	1.480	1.363	1.329
Amortization of Tooling					187	187	187	187	187	187	187	187	187	187	187	187	187	187
Warranty					70	140	140	140	140	140	140	140	140	140	140	154	154	154
Total Cost of Sales					5.150	5.280	5.388	5.572	5.631	6.105	6.215	6.374	6.529	6.720	6.707	6.972	6.895	6.981
GROSS MARGIN					1.740	1.679	1.554	1.555	1.530	1.297	1.186	1.005	1.028	837	850	585	662	576
% of Net Sales					25,3	24,1	22,4	21,8	21,4	17,5	16,0	13,6	13,6	11,1	11,2	7,7	8,8	7,6
COMMERCIAL EXPENSES					420	316	425	536	411	613	533	467	631	562	529	578	510	489
OPERATING PROFIT OR (LOSS)					1.320	1.363	1.129	1.019	1.119	684	653	538	397	275	321	7	152	87
% of Net Sales					19,2	19,6	16,3	14,3	15,6	9,7	8,8	7,3	5,3	3,6	4,2	0,1	2,0	1,2

WILLYS OVERLAND DO BRASIL S.A.
UNIT OPERATING PROFIT AND LOSS
(Thousands of Cruzeiros)

- 3 -

	A C T U A L												E S T I M A T E D					
	Jul-65	Aug-65	Sep-65	Oct-65	Nov-65	Dec-65	Jan-66	Feb-66	Mar-66	Apr-66	May-66	Jun-66	Jul-66	Aug-66	Sep-66	Oct-66	Nov-66	Dec-66
VEHICLE: GORDINI																		
UNITS SOLD	552	643	505	444	533	734	639	537	1.067	728	777	746	492	484	502	572	615	733
GROSS SALES	3.682	3.813	3.954	4.038	4.304	4.310	4.545	4.636	4.683	4.866	4.879	4.864	4.974	4.974	4.974	4.974	4.974	4.974
LESS TAXES ON SALES	389	525	663	797	834	835	1.002	1.032	1.033	1.072	1.079	1.074	1.073	1.073	1.073	1.073	1.073	1.073
NET SALES	3.293	3.288	3.291	3.291	3.470	3.475	3.543	3.654	3.650	3.794	3.800	3.790	3.901	3.901	3.901	3.901	3.901	3.901
COST OF SALES																		
Material	1.992	2.006	2.027	2.027	2.062	2.081	2.133	2.209	2.284	2.367	2.390	2.447	2.492	2.545	2.603	2.664	2.731	2.798
Direct Labor	141	149	160	163	157	155	154	161	171	231	261	243	244	270	237	266	215	216
Burden	601	601	615	599	639	629	668	699	705	965	1.043	989	1.052	1.094	1.043	1.121	1.029	1.006
Amortization of Tooling	58	58	58	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124
Warranty	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	88	88	88
Total Cost of Sales	2.872	2.894	2.940	2.993	3.062	3.069	3.159	3.273	3.364	3.767	3.898	3.883	3.992	4.113	4.087	4.263	4.187	4.232
GROSS MARGIN	421	394	351	298	408	406	384	381	286	27	(98)	(93)	(91)	(212)	(186)	(362)	(286)	(331)
% of Net Sales	12,8	12,0	10,7	9,1	11,8	11,7	10,8	10,4	7,8	0,7	(2,6)	(2,5)	(2,3)	(5,4)	(4,8)	(9,3)	(7,3)	(8,5)
COMMERCIAL EXPENSES	177	207	212	246	212	158	218	276	210	314	274	240	327	289	273	297	263	252
OPERATING PROFIT OR (LOSS)	244	187	139	52	196	248	166	105	76	(287)	(372)	(333)	(418)	(501)	(459)	(659)	(549)	(583)
% of Net Sales	7,4	5,7	4,2	1,6	5,6	7,1	4,7	2,9	2,1	(7,6)	(9,8)	(8,8)	(10,7)	(12,8)	(11,8)	(16,9)	(14,1)	(14,9)

VEHICLE: JEEP																		
UNITS SOLD	579	620	673	662	818	1.166	1.031	818	1.089	914	1.172	1.114	1.243	1.170	1.270	1.277	1.223	1.250
GROSS SALES	3.455	3.524	3.545	3.625	3.592	3.648	3.850	3.939	3.962	4.105	4.176	4.169	4.257	4.257	4.257	4.257	4.257	4.257
LESS TAXES ON SALES	293	352	400	456	452	452	542	557	559	586	589	586	582	582	582	582	582	582
NET SALES	3.162	3.172	3.145	3.169	3.140	3.195	3.308	3.382	3.403	3.519	3.587	3.583	3.675	3.675	3.675	3.675	3.675	3.675
COST OF SALES																		
Material	2.008	2.055	2.062	2.084	2.117	2.123	2.163	2.228	2.298	2.362	2.410	2.491	2.537	2.591	2.649	2.712	2.780	2.848
Direct Labor	95	100	103	104	106	103	101	107	111	143	153	147	157	173	152	170	138	139
Burden	701	629	621	616	577	577	608	644	605	756	708	726	771	803	766	821	755	736
Amortization of Tooling	14	14	14	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Warranty	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	22	22	22
Total Cost of Sales	2.838	2.818	2.820	2.869	2.865	2.868	2.937	3.044	3.079	3.326	3.336	3.429	3.530	3.632	3.632	3.770	3.740	3.790
GROSS MARGIN	324	354	325	300	275	327	371	338	324	193	251	154	145	43	43	(95)	(65)	(115)
% of Net Sales	10,3	11,2	10,3	9,5	8,8	10,2	11,2	10,0	9,5	5,5	7,0	4,3	3,9	1,2	1,2	(2,6)	(1,8)	(3,1)
COMMERCIAL EXPENSES	169	200	203	238	191	145	202	255	195	292	258	226	319	283	266	291	257	246
OPERATING PROFIT OR (LOSS)	155	154	122	62	84	182	169	83	129	(99)	(7)	(72)	(174)	(240)	(223)	(386)	322	(361)
% of Net Sales	4,9	4,9	3,9	2,0	2,7	5,7	5,1	2,5	3,8	(2,8)	(0,2)	(2,0)	(4,7)	(6,5)	(6,1)	(10,5)	(8,8)	(9,8)

WILLYS OVERLAND DO BRASIL S.A.

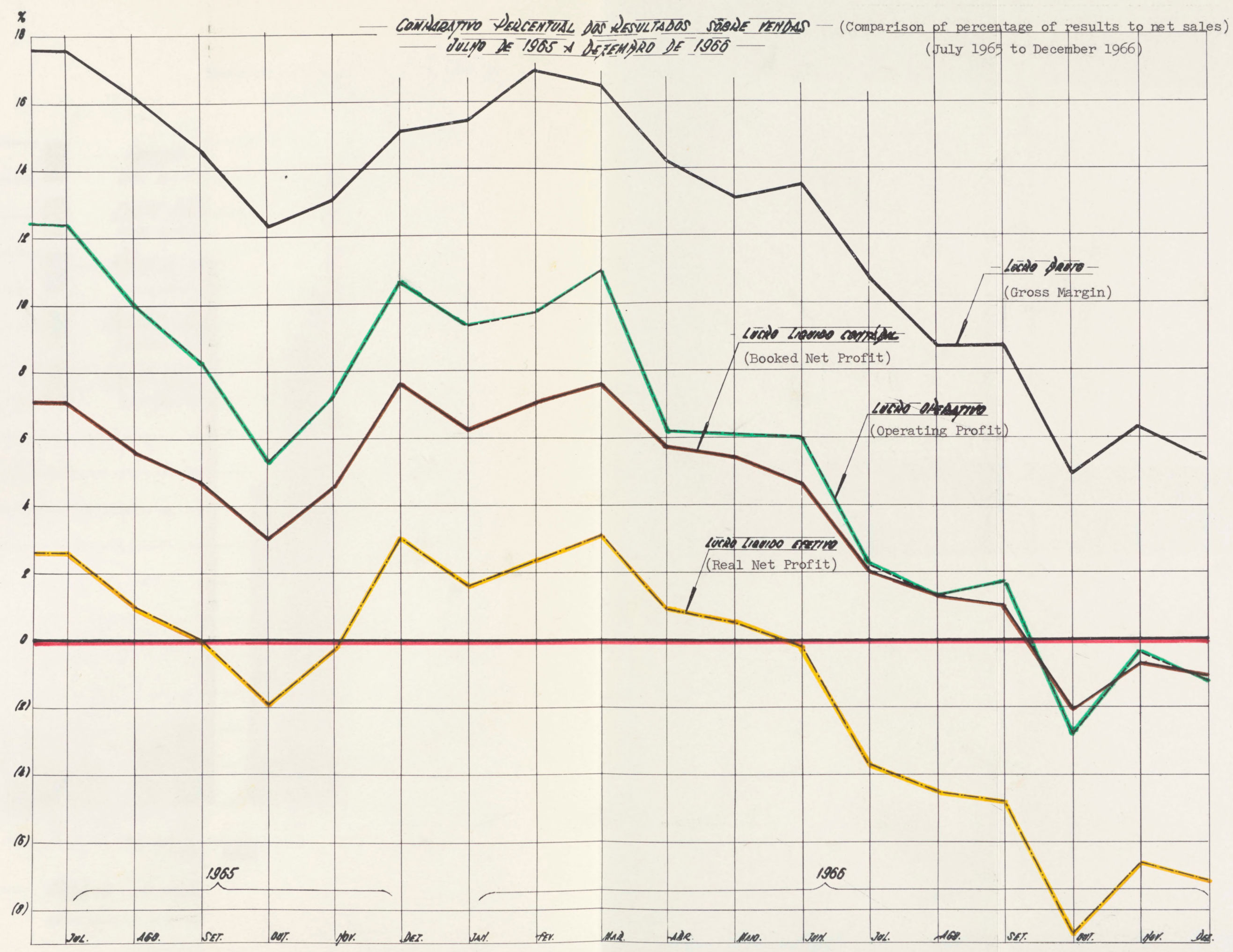
UNIT OPERATING PROFIT AND LOSS

(Thousands of Cruzeiros)

	A C T U A L												E S T I M A T E D					
	Jul-65	Aug-65	Sep-65	Oct-65	Nov-65	Dec-65	Jan-66	Feb-66	Mar-66	Apr-66	May-66	Jun-66	Jul-66	Aug-66	Sep-66	Oct-66	Nov-66	Dec-66
VEHICLE: RURAL 2WD																		
UNITS SOLD	266	345	447	410	425	498	364	343	539	432	536	460	414	464	593	602	606	594
GROSS SALES	4.690	4.829	4.983	5.172	5.161	5.208	5.664	5.827	5.800	6.002	6.092	6.032	6.134	6.134	6.134	6.134	6.134	6.134
LESS TAXES ON SALES	493	653	826	1.001	1.002	1.012	1.249	1.282	1.273	1.319	1.345	1.335	1.323	1.323	1.323	1.323	1.323	1.323
NET SALES	4.197	4.176	4.157	4.171	4.159	4.196	4.415	4.545	4.527	4.683	4.747	4.697	4.811	4.811	4.811	4.811	4.811	4.811
COST OF SALES																		
Material	2.550	2.629	2.657	2.688	2.713	2.720	2.764	2.842	2.929	3.012	3.073	3.170	3.229	3.297	3.372	3.451	3.538	3.624
Direct Labor	143	148	154	153	152	148	146	154	158	202	213	208	218	242	212	237	192	193
Burden	944	817	783	752	751	732	772	817	766	954	920	937	978	1.020	974	1.042	959	935
Amortization of Tooling	23	23	23	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54
Warranty	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	55	55	55
Total Cost of Sales	3.710	3.667	3.667	3.697	3.720	3.704	3.786	3.917	3.957	4.272	4.310	4.419	4.529	4.663	4.662	4.839	4.798	4.861
GROSS MARGIN	487	509	490	474	439	492	629	628	570	411	437	278	282	148	149	(28)	13	(50)
% of Net Sales	11,6	12,2	11,8	11,4	10,6	11,7	14,2	13,8	12,6	8,8	9,2	5,9	5,9	3,1	3,1	(0,6)	0,3	(1,0)
COMMERCIAL EXPENSES	225	263	268	312	254	190	271	341	259	388	342	297	403	358	336	367	323	312
OPERATING PROFIT OR (LOSS)	262	246	222	162	185	302	358	287	311	23	95	(19)	(121)	(210)	(187)	(395)	(310)	(362)
% of Net Sales	6,3	5,9	5,3	3,9	4,4	7,2	8,1	6,3	6,9	0,5	2,0	(0,4)	(2,5)	(4,4)	(3,9)	(8,2)	(6,4)	(7,5)
VEHICLE: PICKUP 2WD																		
UNITS SOLD	64	109	109	68	55	147	94	44	55	47	80	125	113	126	139	141	156	144
GROSS SALES	4.303	4.469	4.578	4.538	4.621	4.621	4.904	5.073	5.216	5.331	5.436	5.363	5.409	5.409	5.409	5.409	5.409	5.409
LESS TAXES ON SALES	379	535	620	720	736	685	874	906	925	953	983	932	939	939	939	939	939	939
NET SALES	3.924	3.934	3.958	3.818	3.885	3.936	4.030	4.167	4.291	4.378	4.453	4.431	4.470	4.470	4.470	4.470	4.470	4.470
COST OF SALES																		
Material	2.289	2.324	2.358	2.390	2.420	2.426	2.473	2.527	2.615	2.685	2.743	2.830	2.882	2.955	3.022	3.093	3.171	3.248
Direct Labor	128	132	137	137	137	134	133	141	144	186	196	191	205	227	198	223	180	181
Burden	873	753	742	692	700	680	717	763	710	880	851	870	921	959	915	981	905	879
Amortization of Tooling	23	23	23	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54
Warranty	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	55	55	55
Total Cost of Sales	3.363	3.282	3.310	3.323	3.361	3.344	3.427	3.535	3.573	3.855	3.894	3.995	4.112	4.245	4.239	4.406	4.365	4.417
GROSS MARGIN	561	652	648	495	524	592	603	632	718	523	559	436	358	225	231	64	105	53
% of Net Sales	14,3	16,6	16,4	13,0	13,5	15,0	15,0	15,2	16,7	11,9	12,6	9,8	8,0	5,0	5,2	1,4	2,3	1,2
COMMERCIAL EXPENSES	210	248	255	286	236	179	246	314	246	363	321	281	381	338	319	349	309	296
OPERATING PROFIT OR (LOSS)	351	404	393	209	288	413	357	318	472	160	238	155	(23)	(113)	(88)	(285)	(204)	(243)
% of Net Sales	8,9	10,3	9,9	5,5	7,4	10,5	8,9	7,6	11,0	3,7	5,4	3,5	(0,5)	(2,5)	(2,0)	(6,4)	(4,6)	(5,4)

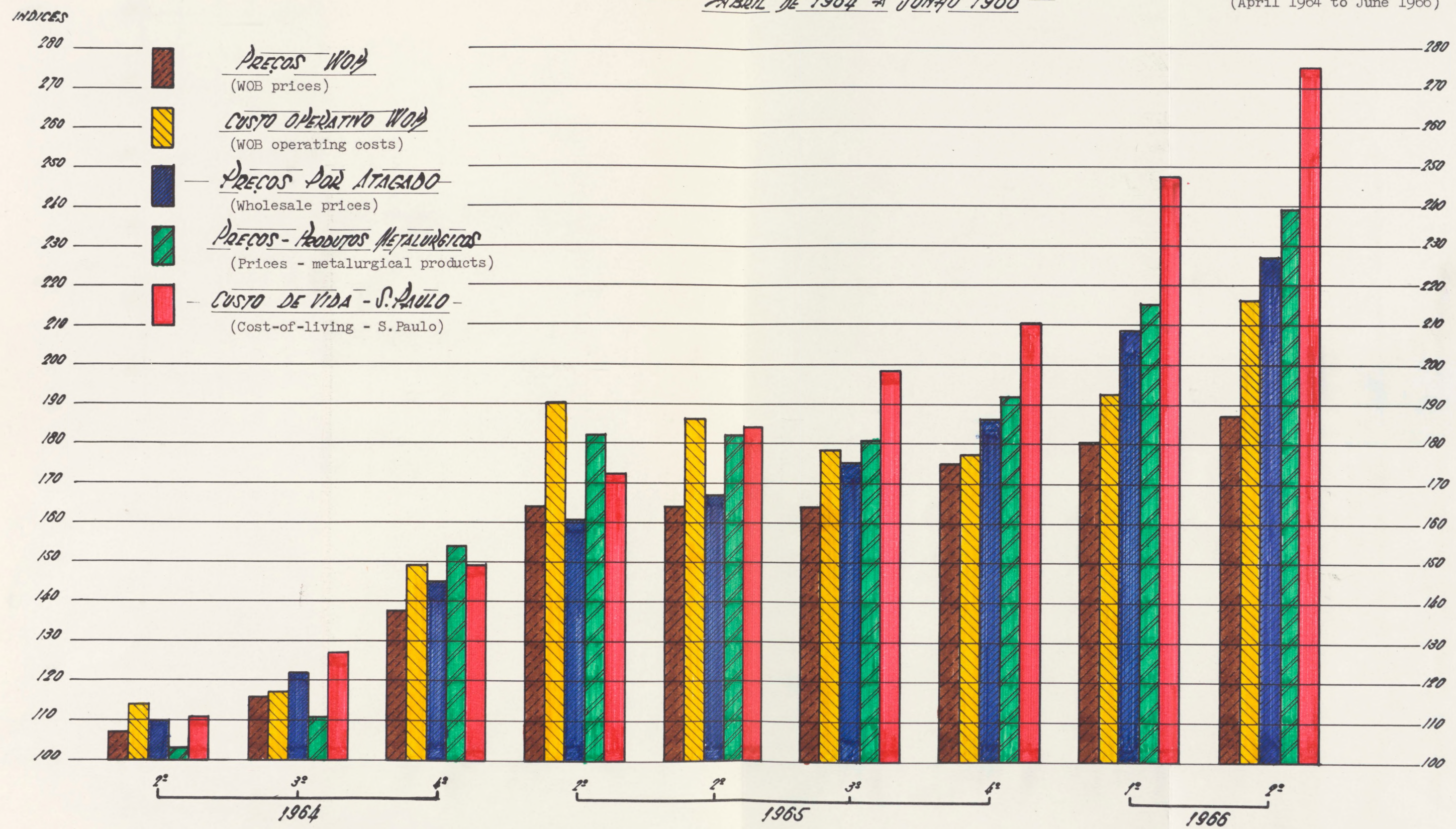
WILLYS OVERLAND DO BRASIL S.A.
RESULTS OF VARIOUS PRICE INCREASES AS OF SEPTEMBER 1, 1966
(Millions of Cruzeiros)

	<u>Jul.</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Total</u>
<u>ESTIMATED NET SALES</u>							
As per Profit and Loss Projection	27,084	30,918	33,541	31,060	35,475	37,066	195,144
Increases in the above Net Sales deriving from price increases of:							
5.0%			1,677	1,553	1,774	1,853	6,857
7.5%			2,516	2,330	2,661	2,780	10,287
10.0%			3,354	3,106	3,548	3,707	13,715
12.0%			4,025	3,727	4,257	4,448	16,457
15.0%			5,031	4,659	5,321	5,560	20,571
<u>ESTIMATED NET PROFIT OR (LOSS)</u>							
Booked Net Profit or (Loss) as per Profit and Loss Projection	544	399	338	(655)	(234)	(416)	(24)
Real Net Profit or (loss) as per Profit and Loss Projection	(1,015)	(1,399)	(1,607)	(2,535)	(2,332)	(2,624)	(11,512)
Increases in the above Net Profits deriving from price increases of:							
5.0%			976	904	1,032	1,078	3,990
7.5%			1,464	1,356	1,549	1,618	5,987
10.0%			1,952	1,808	2,065	2,157	7,982
12.0%			2,343	2,169	2,478	2,589	9,579
15.0%			2,928	2,712	3,097	3,236	11,973
<u>PERCENTAGE ON NET SALES</u>							
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Booked Net Profit or (Loss) as per Profit and Loss Projection	2.0	1.3	1.0	(2.1)	(0.7)	(1.1)	-
Booked Net Profit or (Loss) from Sales with price increases of:							
5.0%			3.7	0.8	2.1	1.7	2.0
7.5%			5.0	2.1	3.4	3.0	2.9
10.0%			6.2	3.4	4.7	4.3	3.8
12.0%			7.1	4.4	5.6	5.2	4.5
15.0%			8.5	5.8	7.0	6.6	5.5
Real Net Profit or (Loss) as per Profit and Loss Projection	(3.7)	(4.5)	(4.8)	(8.2)	(6.6)	(7.1)	(5.9)
Real Net Profit or (Loss) from Sales with price increases of:							
5.0%			(1.8)	(5.0)	(3.5)	(4.0)	(3.7)
7.5%			(0.4)	(3.5)	(2.1)	(2.5)	(2.7)
10.0%			0.9	(2.1)	(0.7)	(1.1)	(1.7)
12.0%			2.0	(1.1)	0.4	(0.1)	(0.9)
15.0%			3.4	0.5	1.9	1.4	0.2



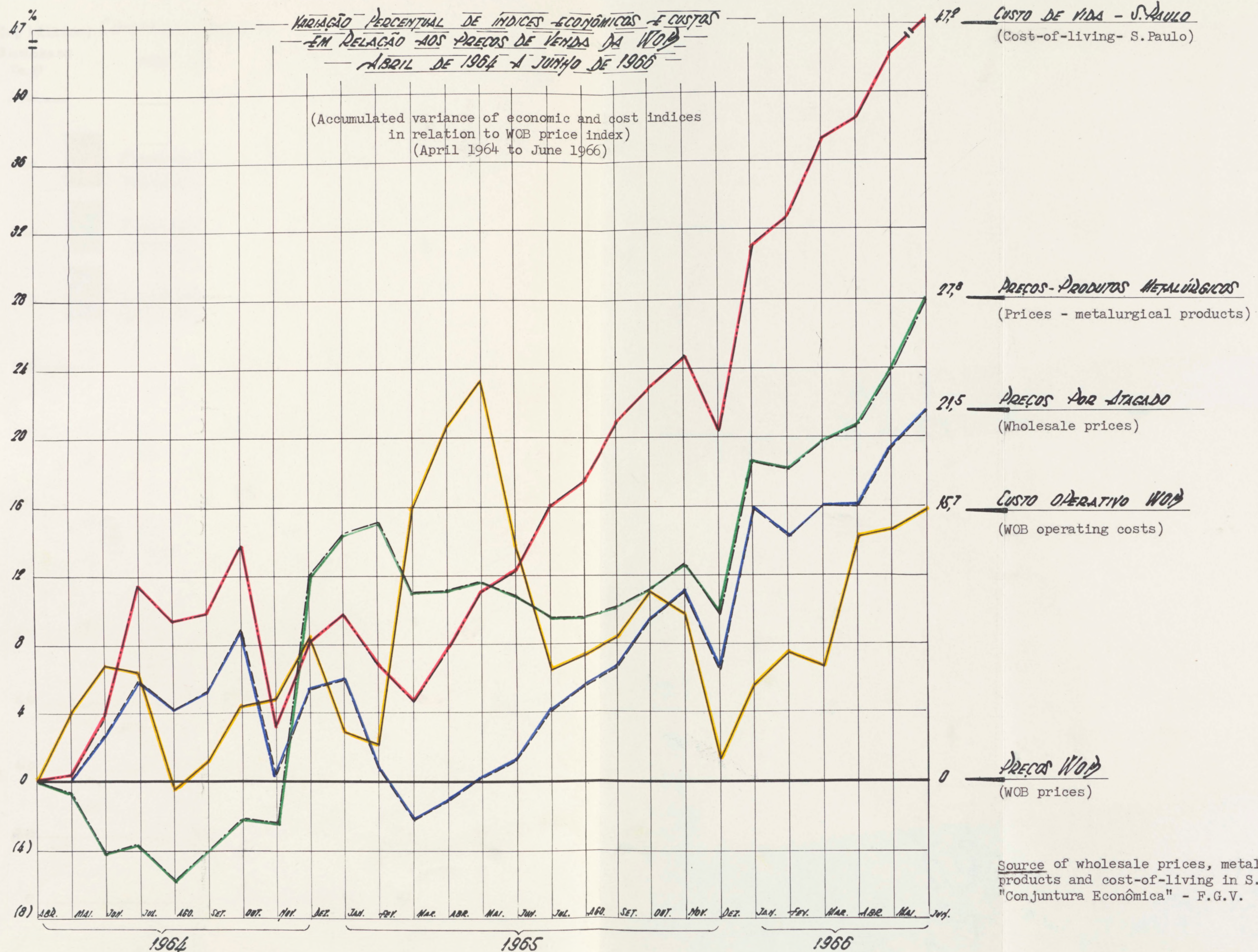
COMPARATIVO DE INDICES DE PREÇOS E CUSTOS
ABRIL DE 1964 A JUNHO 1966

(Comparison of indices of prices and costs)
(April 1964 to June 1966)



Posição no final de cada trimestre - ABRIL DE 1964 = 100
(Position at the end of each quarter - April 1964 = 100)

Source of the indices for wholesale prices, metalurgical products and cost-of-living in S. Paulo: "Conjuntura Econômica" - F.G.V.



Source of wholesale prices, metalurgical products and cost-of-living in S. Paulo:
"Conjuntura Econômica" - F.G.V.

(Cr\$ billion) *COMPRAS, IMPOSTOS, SALÁRIOS E BENEFÍCIOS TRABALHISTAS*

(Purchases, Taxes, Salaries and Fringe Benefits)

BILHÕES DE
Cr\$

NOS EXERCÍCIOS ENCERRADOS EM 30 DE JUNHO DE

(fiscal years 1962 to 1966)

