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FORM 10-K405

ESCALADE INC - ESCA

Filed: March 22, 1996 (period: December 31, 1995)

Annual report filed under Regulation S-K Item 405 (Discontinued)

Securities and Exchange Commission
Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 30, 1995
COMMISSION FILE NUMBER 0-6966

ESCALADE, INCORPORATED

(Exact name of registrant as specified in its charter)

Indiana ----- (State of incorporation)	13-2739290 ----- (I.R.S. EIN)
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817 Maxwell Avenue, Evansville, Indiana 47717

(Address of principal executive office)

(812) 467-1200

(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act
NONE

Securities registered pursuant to Section 12(g) of the Act

Common Stock, No Par Value

(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act
of 1934 during the preceding 12 months (or for such shorter period that

the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

YES X NO

Aggregate market value of voting stock held by nonaffiliates of the registrant as of March 1, 1996: \$15,352,881

The number of shares of Registrant's common stock (no par value) outstanding as of March 1, 1996: 4,133,954

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's Proxy Statement relating to its annual meeting of stockholders scheduled to be held on April 26, 1996 are incorporated by reference into Part III of this Report.

Index to Exhibits is found on page 16.

Escalade, Incorporated And Subsidiaries

Index to Annual Report on Form 10-K

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Part I

ITEM 1 - BUSINESS

GENERAL

Escalade, Incorporated (Escalade or Company) is a diversified company engaged in the manufacture and sale of sporting goods and office and graphic arts products. Escalade and its predecessors have produced sporting goods for over 65 years and have produced office machines for over 35 years.

Escalade is the successor to The Williams Manufacturing Company, an Ohio-based manufacturer and retailer of women's and children's footwear formed in 1922. Through a series of acquisitions commencing in the 1970's, the Company has diversified its business. The Company currently manufactures sporting goods in Evansville, Indiana, Compton, California and Tijuana, Mexico and manufactures office and graphic arts products in Wabash, Indiana.

In 1972, the Company merged with Martin Yale Industries, Inc. (Martin Yale), an Illinois manufacturer of office and graphic arts products and leisure time items such as toys and hobby and craft items. In 1973, the Company acquired both Indian Industries, Inc. (Indian), an Indiana manufacturer of archery equipment and table tennis tables and accessories, and Harvard Table Tennis, Inc., a Massachusetts manufacturer of table tennis accessories. Escalade discontinued the Williams Manufacturing footwear operations in 1976 and sold Martin Yale's leisure time product line to an unaffiliated

party in 1979. In 1980, the Company purchased Harvard Sports, Inc (formerly Crown Recreation (West), Inc.), a California manufacturer of table tennis tables and home pool tables. In 1983, the Company closed Harvard Table Tennis, Inc. and consolidated it with Harvard Sports, Inc. (Harvard). In 1989, the Company acquired a 55% stock interest in Marcy Fitness Products, Inc. (Marcy), a California manufacturer of home fitness and exercise equipment, such as multi-purpose gyms, barbells, weight benches and recumbent exercise bikes. In 1991, the Company acquired the remaining 45% stock interest and Marcy became a wholly owned subsidiary of Escalade. In 1992, the Company closed Marcy and consolidated its production with the sporting goods operations of Indian and Harvard.

Escalade has diversified within both the sporting goods and office and graphic arts products industries, principally through the introduction of new product lines and acquisitions of related assets and businesses. Escalade expanded its sporting goods business in 1982 with the introduction of basketball backboards, goals and poles, and again in 1985 with the introduction of family games such as volleyball, badminton and croquet. In 1986, the Company acquired the graphic arts-related assets of Geiss America, Inc. and in 1988, the Company acquired the business machine division assets of Swingline, Inc., further expanding the range of products offered within the office machine and equipment product lines. In 1989, the Company started limited manufacturing in Tijuana, Mexico under a shelter program known as "maquiladora", and acquired Marcy. In 1990, the Company built a new manufacturing and office facility in Wabash, Indiana and consolidated the manufacturing of office and graphic arts products into the new facility. In 1992, the company established a European sales office and warehouse based in the United Kingdom under the name of Escalade International Limited. In 1994, the Company purchased certain assets of Data-Link Corporation which manufactured products to apply postage and other stamps.

Escalade's sporting goods products are produced by Indian and Harvard and are sold through a single consolidated sales and marketing group, Escalade Sports. Escalade's office and graphic arts products are manufactured and marketed through Martin Yale.

The following table presents the percentages contributed to Escalade's net sales by each of its business segments:

FISCAL YEAR	1995	1994	1993
Sporting goods	81%	83%	85%
Office and graphic arts products	19	17	15
	-----	-----	-----
Total net sales	100%	100%	100%
	=====	=====	=====

For additional segment information, see the notes to consolidated financial statements.

SPORTING GOODS

Escalade manufactures and sells a variety of sporting goods such as table tennis tables and accessories, archery equipment, home pool tables and accessories, combination bumper pool and card tables, game tables, basketball backboards, goals and poles, darts, dart cabinets, volleyball and badminton equipment, junior sporting goods including Mini Ping Pong, Mini Pool, Mini Court basketball and Shot Clock basketball and home fitness machines, weight benches, cast iron weight sets, steppers and other home fitness accessories. Approximately 25% of Escalade's domestic sporting goods shipments are made from Harvard, which primarily services the Company's U. S. Western marketing region, and 75% of such shipments are made from Indian, which primarily serves the rest of the United States. The majority of foreign shipments are made through Escalade FSC Inc., a foreign sales corporation established by the Company in 1994.

Escalade produces and sells sporting goods under various brand

names in addition to its Indian, Harvard and Marcy brand names. Beginning in 1985, Indian and Harvard entered into an agreement with Spalding and Evenflo Companies, Inc. (Spalding) for the exclusive right and license to utilize the Spalding trademark in conjunction with the manufacture, sale and distribution in the United States of certain sporting goods product lines. The principal product lines covered by licensing agreements with Spalding are basketball backboards, goals and poles, volleyball and badminton sets, croquet, horseshoes, tether ball, bocce ball, flying discs, indoor darts, table tennis sets and pool accessories. Beginning in 1990, Indian entered into an agreement and contract with Baker Sport AB, a Swedish company, for the exclusive right and license to distribute and produce table tennis equipment under the brand name STIGA for the United States and Canada. Subsequently, Baker Sport AB filed bankruptcy under Swedish laws. A plan of reorganization was instituted and a new company was formed called Sweden Table Tennis AB and, effective February 2, 1994, Escalade purchased 37.5%, the Bandstigen Family purchased 37.5% and AB Traction purchased 25% of Sweden Table Tennis AB.

Escalade also manufactures various sporting goods under private label for Sears Roebuck & Co. (Sears) and various other customers. Many of Escalade's products are sold to Sears, Escalade's largest customer, which accounted for approximately 42% of Escalade's sporting goods item net sales in 1995. No other customer accounted for more than 10% of Escalade's sporting goods net sales in 1995.

Certain of the Company's sporting goods products are subject to the regulation of the Consumer Product Safety Commission. The Company believes that it is in compliance with such regulations.

OFFICE AND GRAPHIC ARTS PRODUCTS

Escalade's office and graphic arts products include paper trimmers, paper folding machines, paper drills, collators, decollators, bursting machines, letter openers, automated paper joggers, checksigners, stamp affixers, paper shredders, bindery carts, platemakers, sinks, light tables, cameras and related accessories. Escalade's office and graphic arts products business is conducted exclusively through Martin Yale.

In 1986, the Company introduced a combination checksigner and bursting machine, which automatically imprints facsimile signatures on payroll checks and then separates each check for distribution. The Company also further diversified its office equipment product lines by its August, 1986 purchase of the graphic arts-related assets of Geiss America, Inc., consisting primarily of the Sandmar product lines which include such items as photo and plate sinks, light tables and platemakers and by its August, 1988 purchase of the business machine division assets of Swingline, Inc. consisting primarily of a line of forms handling equipment including decollators, bursters and checksigners and a line of shredders and other products, and by its 1994 purchase of certain assets of Data-Link Corporation consisting primarily of products which apply postage and other stamps.

Escalade produces and sells office and graphic arts products under the Martin Yale brand name and the Premier trademark. The Company also manufactures various office and graphic arts products under private label for original equipment manufacturers.

The Company announced in October, 1994 that it intends to distribute 100% of the Martin Yale stock to Escalade's stockholders in a tax-free spinoff following the satisfaction of certain contingencies. The Company's management believes that the spinoff will be in the best interests of the Company and its stockholders, although as announced in February, 1995 the proposed distribution has been delayed until the Company makes satisfactory progress in improving Escalade's overall profitability. The Company's Board of Directors has not established a target date for when the proposed distribution may be completed.

RELATIONSHIP WITH SEARS

The Company has supplied sporting goods to Sears for over 30 years beginning with sales of archery equipment by Indian to Sears. Sears currently purchases for resale a wide variety of Escalade's sporting goods. Sales to Sears accounted for approximately 34% of Escalade's consolidated sales in 1995 and for approximately 27% and 20% of consolidated sales in 1994 and 1993. Even though the Company has no long-term contracts with Sears, the Company believes that sales to Sears will continue and that relations with Sears are good.

Escalade has been recognized by Sears for its outstanding service in each of the last ten years and in twenty of the last twenty-three years. For the last ten years, Sears has awarded Escalade the Sears "Partners in Progress Award" based upon quality, service and product innovation. Sears makes this award to less than 80 suppliers each year. During this period, Sears had more than 10,000 suppliers. In 1987, Sears further recognized the Company by awarding Escalade the Sears 1986 "Source of the Year Award" in the recreation-automotive group.

MARKETING AND PRODUCT DEVELOPMENT

Escalade has developed its existing product lines to adapt to changed conditions. Escalade believes that it is prepared to react to changing market and economic developments primarily by continuing the quality/price structure of the Company's product lines and by conducting ongoing research and development of new products.

For many of its sporting goods products, Escalade offers its customers a choice, based on quality and price, of its line of "good, better and best" items. Such products are priced in relation to their quality which enables the Company to sell its goods through a variety of department stores, mass merchandisers, wholesale clubs, catalog showrooms, discount houses, general sporting goods stores, specialty sporting goods stores and hardware chains. As a result of such quality/price structure, Escalade is able to meet the quality/price objectives of the consumers served by such retail channels.

Escalade sells its office and graphic arts products through office machine dealers, office supply houses and office product catalogs. Certain of Escalade's office products, such as paper trimmers and paper folders, are marketed in a quality/price range designed to accommodate customer needs. Lower cost items are generally intended for light duty office applications, whereas higher cost items are more rugged or more sophisticated, and are intended for use in heavy duty or commercial applications.

Escalade conducts much of its marketing efforts through a network of independent sales representatives in the office and graphic arts industries. The Company also currently employs thirteen sales representatives for its sporting goods business. The Company's efforts through all of its sales representatives are directed toward increasing the number of Escalade customers and expanding the breadth of Escalade products purchased by such customers.

The Company engaged in ongoing research and development activities for new products in each of its business segments. Escalade spent approximately \$1,700,000 in 1995, \$2,300,000 in 1994, and \$1,500,000 in 1993 for research and development activities.

COMPETITION

Escalade is subject to competition with various manufacturers of each product line produced or sold by Escalade. The Company is not aware of any other single company that is engaged in both the same industries as Escalade or that produces the same range of products as Escalade within such industries. Nonetheless, competition exists for many Escalade products within both the sporting goods and office and graphic arts industries and some competitors are larger and have substantially greater resources than the Company. Escalade believes that its long-term success depends on its ability

to strengthen its relationship with existing customers, to attract new customers and to develop new products that satisfy the quality and price requirements of sporting goods and office and graphic arts customers.

LICENSES, TRADEMARKS AND BRAND NAMES

Indian and Harvard are licensed to use the Spalding trademark pursuant to licensing agreements entered into with Spalding in 1985. The Company pays royalties to Spalding for the use of the Spalding trademark in accordance with certain schedules set forth in the agreements. The licensing agreements further require that the Company pay Spalding certain minimum annual royalties from sales of Spalding branded goods and that the Company provide Spalding with periodic reports and maintain quality standards acceptable to Spalding. In 1995, royalties paid by the Company to Spalding were less than 1% of net sales. The Company believes that it currently satisfies all material terms of its agreements with Spalding. The licensing agreements with Spalding expire on September 30, 1997.

Escalade is the owner of several registered trademarks and brand names. For its sporting goods, the Company holds the Ping-Pong, and Harvard registered trademarks and utilizes the Indian, Marcy, Indian Archery and Indian Xi brand names. The Company permits limited uses of the Ping-Pong trademark by other manufacturers pursuant to various licensing agreements. The Company also owns the Premier and Sandmar registered trademarks for its office and graphic arts products, in addition to manufacturing such products under the Martin Yale brand name.

Seasonality

The backlog of unshipped orders by industry segment is shown below at the Company's 1995, 1994, and 1993 fiscal year end. All orders in backlog at year end are generally shipped during the following year. The backlog includes all orders received but not shipped. Escalade's sporting goods business is seasonal and, therefore, the backlog is subject to fluctuations. The increased sporting goods backlog in 1994 was due to a large order for dartboard cabinets to be shipped during the first quarter of 1995.

Years Ended December 30, and December 25	1995	1994	1993
Orders received but not shipped			
Sporting goods	\$3,128,200	\$7,043,600	\$1,875,300
Office and graphic arts products	392,300	210,600	82,600

EMPLOYEES

The Company employs between 535 and 700 employees, consisting of between 310 and 425 people at Indian's Evansville, Indiana facilities, between 100 and 150 at Harvard's Compton, California and Tijuana, Mexico facilities and approximately 125 employees at Martin Yale's Wabash, Indiana facilities. All hourly rated employees at Evansville are represented by the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers AFL-CIO, whose contract expires April 27, 1997. All hourly rated employees at Compton are represented by the International Brotherhood of Teamsters whose contract expires on December 31, 1997.

Escalade believes that its employee relations are satisfactory.

SOURCES OF SUPPLIES

Raw materials for Escalade's various product lines consist of wood,

particle board, slate, standard grades of steel, steel tubing, plastic vinyl, steel cables, cast iron weights, fiberglass and packaging. Escalade relies upon European suppliers for its requirement of billiard balls and slate utilized in the production of home pool tables and upon various Asian manufacturers for certain of its table tennis needs and other items. The Company also imports croquet sets, horseshoe sets, flying discs, bocce ball sets, weight sets and gloves for distribution to Escalade's customers.

The Company believes that these sources will continue to provide adequate supplies as needed. All other materials needed for the Company's various operations are available in adequate quantities from a variety of domestic and foreign sources.

ITEM 2 - PROPERTIES

The Company operates the following facilities:

LOCATION	SIZE	LEASED OR OWNED
Evansville, Indiana	346,000 sq. ft.	Owned and leased
Compton, California manufacturing	102,000 sq. ft.	Leased
Compton, California warehouse	72,400 sq. ft.	Leased
Tijuana, Mexico	20,000 sq. ft.	Owned
Wabash, Indiana	141,000 sq. ft.	Owned
Swansea, United Kingdom	13,500 sq. ft.	Owned

The Company's Evansville facilities are, in part, subject to a mortgage. The Company leases its Compton manufacturing facilities at a rate of \$29,600 per month through March 31, 1998 and has a five-year option to extend the lease. The Company leases its Compton warehouse building next door to the plant at a cost of \$21,000 per month through March 31, 1998. The Company intends to vacate this building in 1996 and will negotiate a lease cancellation and has expensed its estimate of the lease cancellation penalties.

The Company's Wabash facilities are held subject to a mortgage financed by Economic Development Revenue Bonds. The 141,000 square foot facility is a pre-engineered metal building supported by structured steel and concrete block consisting of 21,000 square feet warehousing, 6,000 square feet office and 114,000 square feet manufacturing.

The Company purchased its Tijuana facilities for a cost of \$450,000 in 1994.

The Company believes that its facilities are in excellent condition and suitable for their respective operations. The Evansville and Wabash sites also contain several undeveloped acres which could be utilized for expansion.

The Company believes that all of its facilities are in compliance with applicable environment regulations and is not subject to any proceeding by any federal, state or local authorities regarding such matter. The Company provides regular maintenance and service on its plants and machinery as required.

ITEM 3 - LEGAL PROCEEDINGS

The Company is involved in litigation arising in the normal course of its business. The Company does not believe that the disposition or ultimate of resolution of such claims or lawsuits will have a material adverse affect on the business or financial condition of the Company.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

Part II

ITEM 5 - MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is traded under the symbol "ESCA" on the Nasdaq National Market System. The following table sets forth, for the calendar periods indicated, the high and low bid prices of the Common Stock as reported by the Nasdaq National Market System:

Prices	High	Low
1995		
First quarter ended March 25, 1995	\$5.25	\$4.25
Second quarter ended July 15, 1995	4.50	4.00
Third quarter ended October 7, 1995	5.25	4.00
Fourth quarter ended December 30, 1995	4.75	3.63
1994		
First quarter ended March 19, 1994	9.13	7.00
Second quarter ended July 9, 1994	8.25	7.00
Third quarter ended October 1, 1994	7.50	5.50
Fourth quarter ended December 31, 1994	5.75	4.50

The closing market price on March 1, 1996 was \$5.13 per share.

The Company paid no cash dividends during the last two fiscal years. The Company's existing bank indebtedness restricts the payment of cash dividends which would exceed 25% of consolidated net income for any fiscal year.

The Company intends to reinvest all of its earnings for use in its business and to finance future expansion. Accordingly, the Company does not anticipate paying cash dividends in the foreseeable future.

There were approximately 500 holders of record of the Company's Common Stock at March 1, 1996. The approximate number of stockholders, including those held by depository companies for certain beneficial owners, was 1,000.

On February 19, 1994, the Board of Directors declared a 15% stock dividend payable to stockholders of record on March 11, 1994, which was paid on March 31, 1994. The stock prices have been adjusted to reflect the 15% stock dividend.

ITEM 6 - SELECTED FINANCIAL DATA (In thousands, except per share data)

At and For Years Ended	December 30, 1995	December 31, 1994	December 25, 1993 (2)	December 26, 1992	December 28, 1991
Income Statement Data					
Net sales					
Sporting goods	\$73,858	\$85,318	\$80,397	\$78,779	\$77,598
Office and graphic arts products	17,321	17,276	14,338	12,548	10,986
Total net sales	91,179	102,594	94,735	91,327	88,584
Net income (loss)	448	(2,403)	6,213	1,818	(443)
Weighted average shares	4,134	4,129	4,111	4,110	4,110
Per Share Data (1)					
Net income (loss)	\$.11	\$ (.58)	\$ 1.51	\$.44	\$ (.11)

Cash dividends	0	0	0	0	0
Balance Sheet Data					
Working capital	17,069	16,837	22,289	20,920	10,078
Total assets	57,767	75,883	66,142	60,524	54,799
Short-term debt	16,732	31,215	16,640	13,715	21,511
Long-term debt	6,266	9,148	11,563	13,640	5,823
Total stockholders' equity	23,338	22,889	25,163	18,939	17,121

<FN>

- (1) Earnings per common share are based on average shares outstanding adjusted to reflect the Company's 15% stock dividend declared on February 19, 1994. Dilutive effects of stock options were not material in any year.
- (2) Includes a cumulative effect adjustment of \$3,089,893 relating to the adoption of Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes.

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

1995 Compared to 1994

In 1995, net sales decreased 11.1%, or \$11,415,000, to \$91,179,000 from \$102,594,000 in 1994.

Sporting goods net sales decreased \$11,460,000, or 13.4%, to \$73,858,000 from \$85,318,000. This decrease was in the fourth quarter and was due mainly to weak Christmas shipments in the retail segment.

Office and graphic arts machines and equipment net sales increased \$45,000, or .3%, to \$17,321,000 from \$17,276,000. Graphic arts sales were down about 8.8% and office product sales were up about 1.5%.

Cost of sales of \$73,433,000, as a percentage of net sales was 80.6% in 1995 as compared to \$83,433,000, or 81.3%, in 1994. Sporting goods cost of sales, as a percentage of net sales was the same in both years, while office and graphic arts machines and equipment cost of sales was down .8% in 1995 from 1994. A 3% decrease in the Evansville cost of sales percentage was offset by a 7% increase in the cost of sales percentage at Compton, netting out to no change in sporting goods overall. The decrease in the office and graphic arts machines and equipment cost of sales was mainly in factory expense.

Selling, administrative and general expenses totaled \$13,867,000 in 1995 as compared to \$16,298,000 in 1994. As a percentage of net sales, they were 15.2% in 1995 as compared to 15.9% in 1994. This decrease was in sporting goods mainly and was due to lower sales promotion and advertising expenses and lower sales volume.

In the fourth quarter of 1994, a restructuring charge of \$4,340,053 before taxes was recorded as a part of a plan to reduce staff and discontinue a certain product due to notification by a major customer that the product was being removed from its line and would not be ordered any more. This notification was received in December, 1994. In the second quarter of 1995, an additional charge of \$1,040,000 was booked that related to the 1994 restructuring charge. This additional amount was for the discontinued product that was written down and was necessary because the product had to be marked down lower than originally projected to sell the inventory. There were no other material differences in the actual vs. estimated costs of the restructuring charge. The exit plan was completed in the fourth quarter of 1995 with the sale of the marked down discontinued product.

Interest expense of \$2,268,000 in 1995 was up \$148,000, or 7% over 1994's \$2,120,000. This increase is due to higher average

borrowing levels.

The income tax provision was \$387,000. This is an effective tax rate of 46.4%. The difference between this and the actual tax rate is due to nondeductible foreign losses.

Net income for the year of \$448,000 compares to a net loss of \$2,403,000 in 1994. This is a change of \$2,851,000. Sporting goods loss decreased \$2,411,000 and office and graphic arts machines and equipment income increased \$440,000.

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

1994 COMPARED TO 1993

In 1994, net sales increased 8.3%, or \$7,859,000, to \$102,594,000 from \$94,735,000 in 1993. The Company's 1994 fiscal year had 53 weeks as compared to 52 weeks in 1993.

Sporting goods net sales increased \$4,921,000, or 6.1%, to \$85,318,000 from \$80,397,000. This increase was mainly due to increased volume with department store and premium accounts. There was an increase in volume of 16% in dartboard cabinets, fitness machines and game tables offset by a decrease in volume of 24% in archery and basketball.

Office and graphic arts machines and equipment net sales increased \$2,938,000, or 20%, to \$17,276,000 from \$14,338,000. Total graphic arts sales were up 13% while U. S. office product sales were up 25% and export office sales were up 35%. These increases were due to increased volume and the new stamp affixer from the Data-Link acquisition.

Cost of sales, of \$83,432,921, as a percentage of net sales, was 81.3% in 1994 as compared to \$72,269,412, or 76.3%, in 1993. Sporting goods cost of sales, as a percentage of net sales was up 6.9% and office and graphic arts machines and equipment cost of sales was down 2%. The increase in the cost of sales of sporting goods was in new products whose costs were higher than originally estimated. These cost increases were in material and tooling. The decrease in cost of sales in office and graphics arts machines and equipment was in material costs.

Selling, administrative and general expenses totaled \$16,297,865 in 1994 compared to \$15,995,677 in 1993. As a percentage of net sales, they were 15.9% in 1994 and 16.9% in 1993. The decrease as a percentage of net sales was due to higher sales volume. The \$302,188 increase in these expenses was in sales promotion and marketing development expenses.

During the fourth quarter of 1994, a restructuring charge of \$4,340,053 before taxes was recorded in connection with various restructuring actions taken by the Company to strengthen its sporting goods segment. Product lines and products within those lines were reviewed for sales viability and profitability. This charge included writedowns associated with discontinued products of \$2,807,414 for inventory; \$802,100 for tooling; \$360,000 for royalty minimums; and \$370,539 for severance arrangements.

The goodwill set up as a part of the Data-Link acquisition was written off in the fourth quarter. This amounted to \$399,000. The main reason for this write off was due to lower sales than projected of the Stamp E-Z affixer in 1994 and anticipated lower sales of this product in 1995 than originally projected. These reduced sales levels are the result of the emergence of a competing product copied after the Stamp E-Z affixer. This product was not in the market at the time of purchase. While the Data-Link product will still be marketed and sold, management determined that the goodwill has no future value.

Interest expense of \$2,120,104 in 1994 was up \$531,383, or 33.4%, over 1993's \$1,588,721. This increase is due to higher short-term borrowing levels and higher interest rates in 1994.

The Company's benefit for income taxes for 1994 was \$1,283,983. This is an effective tax benefit of 34.8%. The difference between this and the actual tax rate is due to nondeductible foreign losses and tax timing differences.

The 1994 net loss of \$2,403,421 compares to net income before cumulative effect of accounting change of \$3,123,243 in 1993. This reduction in net income of \$5,526,664 is mainly due to the restructuring charges and goodwill writedowns with the balance attributable to less profitable operations, as previously discussed.

LIQUIDITY AND CAPITAL RESOURCES

OPERATING ACTIVITIES

The Company's net cash provided (used) by operating activities was \$18,666,358, (\$5,697,082), and \$4,397,477 in 1995, 1994 and 1993. Inventory management provided \$8,244,785 of cash in 1995 and used \$7,636,716 and \$1,263,100 of cash in 1994 and 1993. The cash provided in 1995 was from the sale of the excess inventory. Accounts receivable provided \$6,411,341 of cash in 1995 and used \$2,717,424 and \$3,991,108 in 1994 and 1993. The decrease in year-end receivables in 1995 was due to lower fourth quarter sales.

INVESTING ACTIVITIES

The Company's net cash used by investing activities was \$1,048,336, \$6,095,344 and \$5,792,420 in 1995, 1994 and 1993. The Company used \$1,142,922, \$4,262,237 and \$5,674,406 in 1995, 1994 and 1993 to purchase property and equipment.

FINANCING ACTIVITIES

Net cash used by financing activities was \$17,363,055 in 1995 and net cash provided by financing activities was \$12,304,396 and \$878,813 in 1994 and 1993. In 1995, the decrease in cash was primarily attributed to the reduction of short-term debt by \$14,887,500 and long-term debt by \$2,477,500.

The Company's working capital requirements are funded by cash flow from operations and a domestic short-term line of credit. The maximum amount that could be drawn under its domestic line of credit at year end was \$28,000,000, of which \$14,350,000 was used. The domestic line of credit has been paid down to \$6,250,000 as of March 1, 1996.

EFFECT OF INFLATION

The Company cannot accurately determine the precise effects of inflation; however, there were some increases in sales and costs due to inflation in 1995. The Company attempts to pass on increased costs and expenses through price increases when necessary. The Company is working on reducing expense levels, improving manufacturing technologies and redesigning products to keep these costs under control.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data required by Item 8 are set forth in Part IV, Item 14.

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required under this item with respect to Directors and Executive Officers is contained in the registrant's Proxy Statement relating to its annual meeting of stockholders scheduled to be held on April 26, 1996 under the captions "Certain Beneficial Owners" and "Election of Directors" and is incorporated herein by reference.

ITEM 11 - EXECUTIVE COMPENSATION

Information required under this item is contained in the registrant's Proxy Statement relating to its annual meeting of stockholders scheduled to be held on April 26, 1996 under the caption "Executive Compensation" and is incorporated herein by reference, except that the information required by Items 402(k) and (l) of Regulation S-K which appear within such caption under the sub-headings "Compensation and Stock Option Committees" and "Financial Performance" are specifically not incorporated by reference into this Form 10-K or into any other filing by the registrant under the Securities Act of 1933 or the Securities Exchange Act of 1934.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required under this item is contained in the Registrant's Proxy Statement relating to its annual meeting of stockholders scheduled to be held on April 26, 1996 under the caption "Certain Beneficial Owners" and is incorporated herein by reference.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None

Part IV

ITEM 14 - EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(A) Documents filed as a part of this report:

(1) FINANCIAL STATEMENTS

Independent Auditor's Report
Consolidated financial statements of Escalade,
Incorporated and subsidiaries:
Consolidated Balance Sheet-December 30, 1995
and December 31, 1994
Consolidated Statement of Income-fiscal years
ended December 30, 1995, December 31, 1994, and
December 25, 1993
Consolidated Statement of Stockholders' Equity-fiscal
years ended December 30, 1995, December 31, 1994 and
December 25, 1993
Consolidated Statement of Cash Flows-fiscal
years ended December 30, 1995, December 31, 1994
and December 25, 1993
Notes to consolidated financial statements.

(2) FINANCIAL STATEMENT SCHEDULES

Independent Auditor's Report on financial statement schedule
For the three-year period ended December 30, 1995:
Schedule II Valuation and qualifying accounts

All other schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the consolidated financial statements or notes thereto.

(3) EXHIBITS

- 3.1 Articles of Incorporation of Escalade, Incorporated (a)
 - 3.2 By-Laws of Escalade, Incorporated (a)
 - 4.1 Form of Escalade, Incorporated's common stock certificate (a)
 - 10.1 Licensing agreement between Spalding and Evenflo Companies, Inc. and Indian Industries, Inc. dated October 1, 1992 and extension letter dated May 25, 1995 (f)
 - 10.3 Licensing agreement between Sweden Table Tennis AB and Indian Industries, Inc. dated January 1, 1995
 - 10.4 Amendment to lease agreement dated April 1, 1983 among Irving J. Karp, Trustee of the Karp 1977 Trust, Irving J. Karp, Trustee of the Feldman 1976 Trust and Harvard Sports, Inc. dated September 8, 1992 (f)
 - 10.5 Lease agreement dated as of May 1, 1977 between City of Evansville and Indian Industries, Inc. (a)
 - 10.6 Addendum No. 1 to lease agreement (lease agreement dated as of May 1, 1977) dated as of June 1, 1981 between City of Evansville and Indian Industries, Inc. (a)
- (3) EXHIBITS (continued)
- 10.8 Federal trademark registration 283,766 for Ping-Pong bats and rackets (a)
 - 10.9 Federal trademark registration 283,767 for Ping-Pong balls (a)
 - 10.10 Federal trademark registration 294,408 for Ping-Pong tables and parts (a)
 - 10.11 Federal trademark registration 520,270 for Ping-Pong game (a)
 - 10.12 Federal trademark registration 1,003,289 for Mr. Table Tennis table tennis equipment (a)
 - 10.13 Federal trademark registration 1,187,832 for Harvard table tennis equipment (a)
 - 10.14 Federal trademark registration 1,442,274 for Mini Court (a)
 - 10.15 Federal trademark registration 1,292,167 for Premier table tennis tables and accessories (a)
 - 10.16 Federal trademark registration 1,456,647 for Mini Pool (a)
 - 10.17 Trademark Assignment--Federal trademark registration 1,348,890 for Sandmar office machines (b)
 - 10.18 Agreement dated January 3, 1993 between Indian Industries, Inc. and International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers, AFL-CIO Local No. 848 (g)
 - 10.19 Amendment to agreement dated April 1, 1991 between Harvard Sports, Inc. and Food, Industrial and Beverage Warehouse, Driver and Clerical Employees, Local 630 dated January 16, 1995 (i)
 - 10.20 Lease Agreement dated January 25, 1989 between Orbis International, S.A. DE C.V. and Harvard Sports, Inc. (c)
 - 10.21 Amendments to credit agreement dated June 5, 1990 between Escalade, Incorporated and Bank One, Indianapolis, National Association dated March 1, 1995, May 31, 1995 and July 15, 1995
 - 10.30 Mortgage, security agreement, collateral assignment of rents and fixture, filing dated June 4, 1990 between Martin Yale Industries, Inc. and Bank One, Indianapolis, National Association (d)
 - 10.31 Trust Indenture between the City of Wabash, Indiana and The Citizens National Bank of Evansville as Trustee dated May 1, 1990 relating to the Economic Development Revenue Bonds, Series 1990 (Martin Yale Industries,

- Inc. Project) (d)
- 10.32 Real Estate Sales Contract dated September 17, 1990 between Martin Yale Industries, Inc. and Fritkin-Jones Design Group, Inc. (d)
- 10.33 Stock and Warrant Exchange Agreement dated June 30, 1991 between Escalade and the minority stockholders of Marcy (e)
- 10.34 Lease agreement dated April 1, 1993 between A. C. Properties and Harvard Sports, Inc. (h)
- 21 Subsidiaries of the Registrant
- 23 Consent of Geo. S. Olive & Co.LLC
- 27 Financial Data Schedule

(4) EXECUTIVE COMPENSATION PLANS AND ARRANGEMENTS

- 10.24 The Harvard Sports/Indian Industries, Inc. 401(k) Plan as amended and merged in 1993(h)
- 10.26 Martin Yale Industries, Inc. 401(k) Retirement Plan as amended in 1993 (h)
- 10.27 Incentive Compensation Plan for Escalade, Incorporated and its subsidiaries (a)
- 10.28 Escalade, Incorporated 1984 Incentive Stock Option Plan (a)
- 10.29 Example of contributory deferred compensation agreement between Escalade, Incorporated and certain management employees allowing for deferral of compensation (a)

- (a) Incorporated by reference from the Company's Form S-2 Registration Statement, File No. 33-16279, as declared effective by the Securities and Exchange Commission on September 2, 1987.
- (b) Incorporated by reference from the Company's 1988 Annual Report on Form 10-K
- (c) Incorporated by reference from the Company's 1989 Annual Report on Form 10-K
- (d) Incorporated by reference from the Company's 1990 Annual Report on Form 10-K
- (e) Incorporated by reference from the Company's 1991 Second Quarter Report on Form 10-Q
- (f) Incorporated by reference from the Company's 1991 Annual Report on Form 10-K
- (g) Incorporated by reference from the Company's 1992 Annual Report on Form 10-K
- (h) Incorporated by reference from the Company's 1993 Annual Report on Form 10-K
- (i) Incorporated by reference from the Company's 1994 Annual Report on Form 10-K

- (B) No reports on Form 8-K for the fourth quarter ended December 30, 1995 were required to be filed.

Independent Auditor's Report

To the Stockholders and Board of Directors
Escalade, Incorporated
Evansville, Indiana

We have audited the consolidated balance sheet of Escalade, Incorporated and subsidiaries as of December 30, 1995 and December 31, 1994 and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 30, 1995. These financial statements are the responsibility of the Company's management. Our responsibility

is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Escalade, Incorporated and subsidiaries at December 30, 1995 and December 31, 1994 and the results of their operations and their cash flows for each of the three years in the period ended December 30, 1995 in conformity with generally accepted accounting principles.

As discussed in the notes to consolidated financial statements, the Company changed its method of accounting for income taxes in 1993.

GEO. S. OLIVE & CO.LLC

Evansville, Indiana
February 9, 1996

Escalade, Incorporated and Subsidiaries

Consolidated Balance Sheet

December 30 and December 31	1995	1994
Assets		
Current assets		
Cash	\$ 1,246,668	\$ 994,501
Receivables, less allowances of \$726,352 and \$777,195	25,285,014	31,871,914
Inventories	15,151,696	24,436,481
Prepaid expenses	266,770	258,462
Income tax refundable	275,000	398,909
Deferred income tax benefit	1,828,489	1,644,261
	-----	-----
Total current assets	44,053,637	59,604,528
Property, plant and equipment	11,223,763	13,709,966
Other assets	1,827,628	1,862,373
Deferred income tax benefit	662,326	705,699
	-----	-----
	\$57,767,354	\$75,882,566
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities		
Notes payable--bank	\$14,350,000	\$29,237,500
Current portion of long-term debt	2,382,500	1,977,500
Trade accounts payable	2,369,637	3,585,944
Accrued liabilities	7,553,307	7,967,063
Federal income tax payable	329,072	
	-----	-----

Total current liabilities	26,984,516	42,768,007
Other liabilities		
Long-term debt	6,265,500	9,148,000
Deferred compensation	1,178,863	1,077,762
	7,444,363	10,225,762
Stockholders' equity		
Preferred stock		
Authorized 1,000,000 shares; no par value, none issued		
Common stock		
Authorized 10,000,000 shares; no par value Issued and outstanding 4,133,954 and 4,133,361 shares for 1995 and 1994	17,572,397	17,570,452
Retained earnings	5,766,078	5,318,345
	23,338,475	22,888,797
	\$57,767,354	\$75,882,566

<FN>

See notes to consolidated financial statements.

Escalade, Incorporated and Subsidiaries

Consolidated Statement of Income

Years Ended December 30, December 31, and December 25	1995	1994	1993
Net Sales	\$91,178,757	\$102,594,116	\$94,734,870
Costs, Expenses and Other Income			
Cost of products sold	73,443,333	83,432,921	72,269,412
Selling, administrative and general expenses	13,867,421	16,297,865	15,995,677
Restructuring charge	1,040,000	4,340,053	
Write-off of goodwill		399,000	
Interest	2,267,620	2,120,104	1,588,721
Other income	(274,483)	(308,423)	(233,949)
	90,343,891	106,281,520	89,619,861
Income (Loss) Before Income Taxes and Cumulative Effect of a Change in Accounting Method	834,866	(3,687,404)	5,115,009
Provision (Benefit) for Income Taxes	387,133	(1,283,983)	1,991,766
Income (Loss) Before Cumulative Effect of a Change in Accounting Method	447,733	(2,403,421)	3,123,243
Cumulative Effect of Change in Accounting for Income Taxes			3,089,893
Net Income (Loss)	\$ 447,733	\$ (2,403,421)	\$ 6,213,136
Per Share Data			
Income (loss) before cumulative effect of a change in accounting method	\$.11	\$ (.58)	\$.76
Cumulative effect of change in accounting for income taxes			.75
Net income (loss) per share	\$.11	\$ (.58)	\$1.51
Weighted average shares outstanding	4,133,566	4,128,865	4,110,611

<FN>

See notes to consolidated financial statements.

Escalade, Incorporated And Subsidiaries

Consolidated Statement of Stockholders' Equity

Common Stock	Retained
Shares	Earnings
Amount	

Balances at December 26, 1992	4,109,734	\$11,796,628	\$7,142,245
Exercise of stock options	2,127	11,313	
Net income			6,213,136
Common stock dividend		5,631,454	(5,631,454)
Balances at December 25, 1993	4,111,861	17,439,395	7,723,927
Exercise of stock options	21,500	131,057	
Net loss			(2,403,421)
Cash paid for fractional shares			(2,161)
Balances at December 31, 1994	4,133,361	17,570,452	5,318,345
Exercise of stock options	593	1,945	
Net income			447,733
Balances at December 30, 1995	4,133,954	\$17,572,397	\$5,766,078

<FN>

See notes to consolidated financial statements.

Escalade, Incorporated And Subsidiaries

Consolidated Statement of Cash Flows

Years Ended December 30, December 31 and December 25	1995	1994	1993
Operating Activities			
Net income (loss)	\$ 447,733	\$ (2,403,421)	\$6,213,136
Items not affecting net cash provided (used) by operating activities			
Depreciation and amortization	3,618,194	4,436,609	3,204,703
Provision for losses on accounts receivable	175,559	181,732	354,403
Provision for deferred income tax	(140,855)	(1,251,833)	(1,098,127)
Provision for deferred compensation	98,101	93,133	79,256
Provision for restructuring charges	1,040,000	4,340,053	
Gain on disposals of equipment	(23,293)	(699)	(2,730)
Amortization of prepaid loan fees	8,502	8,502	8,502
Write-off of goodwill		399,000	
Change in cash surrender value (net of loans and premiums)	(39,407)	(31,298)	(8,075)
Changes in			
Accounts receivable	6,411,341	(2,717,424)	(3,991,108)
Income tax refundable	123,909	(142,631)	2,558,165
Inventories	8,244,785	(7,636,716)	(1,263,100)
Prepays	(8,308)	(57,434)	(52,334)
Other assets	9,289	83,509	(51,305)
Income tax payable	329,072		
Accounts payable and accrued expenses	(1,628,264)	(998,164)	(1,553,909)
Net cash provided (used) by operating activities	18,666,358	(5,697,082)	4,397,477
Investing Activities			
Premiums paid for life insurance	(131,600)	(35,000)	(85,800)
Proceeds from non-trade notes receivable			21,630
Purchase of property and equipment	(1,144,922)	(4,262,437)	(5,674,406)
Proceeds from sale of property and equipment	34,425	10,000	13,700

Purchase of long-term investments	(99,256)	(917,407)	(73,065)
Purchase of certain Data-Link Corporation assets		(900,000)	
Proceeds from sale of long-term investments	290,217	9,500	5,521
	-----	-----	-----
Net cash used by investing activities	(1,051,136)	(6,095,344)	(5,792,420)
	-----	-----	-----
Financing Activities			
Net increase (decrease) in notes payable--bank	\$ (14,887,500)	\$ 14,675,000	\$ 2,462,500
Proceeds from exercise of stock options	1,945	131,057	11,313
Cash paid for fractional shares		(2,161)	
Proceeds from loan against life insurance		15,000	20,000
Reduction of long-term debt	(2,477,500)	(2,514,500)	(1,615,000)
	-----	-----	-----
Net cash provided (used) by financing activities	(17,363,055)	12,304,396	878,813
	-----	-----	-----
Increase (Decrease) in Cash	252,167	511,970	(516,130)
Cash, Beginning of Year	994,501	482,531	998,661
	-----	-----	-----
Cash, End of Year	\$ 1,246,668	\$ 994,501	\$ 482,531
	=====	=====	=====

Supplemental Cash Flows Information

Interest paid	\$ 2,332,038	\$ 1,864,327	\$ 1,503,958
Income taxes paid (refunded), net	(413,773)	891,607	(2,558,165)
Fixed assets in accounts payable	10,000	11,799	72,137

<FN>

See notes to consolidated financial statements.

Escalade, Incorporated and Subsidiaries

Notes to Consolidated Financial Statements

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Escalade is primarily engaged in the manufacture and sale of sporting goods and office and graphic arts products. The Company is located in Evansville, Indiana and has four manufacturing facilities, one in Evansville, Indiana, Compton, California, Tijuana, Mexico, and Wabash, Indiana. The Company sells products to customers throughout the United States and provides foreign shipments of sporting goods through a foreign sales corporation. The consolidated financial statements include the accounts of all significant subsidiaries. Intercompany transactions have been eliminated.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Inventories are stated at the lower of cost or market. Cost is based on the first-in, first-out method.

The Company has long-term marketable equity securities, which are included in other assets on the consolidated balance sheet and are recorded at fair value. The effects of Statement of Financial Accounting Standard (SFAS) No. 115, Accounting for Certain Investments in Debt and Equity Securities, is not material to the financial statements.

Land, buildings and equipment are recorded at cost. Contracts under which certain facilities are leased have been treated as

purchases. Provisions for depreciation and amortization are computed by the straight-line and double declining balance methods.

The estimated useful lives used in computing depreciation are as follows:

	Years
Buildings	20 to 30
Leasehold improvements	4 to 8
Machinery and equipment	5 to 15
Tooling, dies and molds	2 to 4

Maintenance and repairs are expensed and major renewals and improvements are capitalized. The cost of assets sold or otherwise disposed of, and the related allowances for depreciation, are eliminated from the accounts in the year of disposal and the resulting gains or losses are included in operations.

Earnings per common share information is based on average shares outstanding adjusted for stock dividends. Dilutive effects of stock options and warrants were not material in any year.

The Company's fiscal year ends on the Saturday nearest December 31, within the calendar year.

Escalade, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements

The Company has an employee profit sharing salary reduction plan, pursuant to the provisions of Section 401(k) of the Internal Revenue Code, for non-union employees. It is the Company's policy to fund costs accrued on a current basis.

Deferred federal income taxes applicable to the difference between financial statement income and taxable income and the bases of assets and liabilities for financial statement and tax purposes are provided in the financial statements.

The Company paid no cash dividends during the last three fiscal years. The Company's existing bank indebtedness restricts the payment of cash dividends which would exceed 25% of consolidated net income for any fiscal year.

On February 19, 1994, the Board of Directors of the Company declared a 15% stock dividend to stockholders of record on March 11, 1994. The dividend was paid March 31, 1994. All share and per share data was adjusted to reflect the stock dividend.

The Company expenses advertising costs as incurred. Advertising costs were \$3,874,981, \$5,411,800 and \$4,491,089 for 1995, 1994 and 1993.

Research and development costs are charged to income as incurred. The research and development costs incurred during 1995, 1994 and 1993 were \$1,700,000, \$2,300,000 and \$1,500,000, respectively.

From time to time during the year, the Company's cash accounts exceeded federally insured limits.

INVENTORIES

December 30 and December 31	1995	1994
Finished products	\$ 5,323,465	\$13,117,361
Work in process	3,135,909	3,723,052
Raw materials and supplies	6,692,322	7,596,068
	-----	-----
	\$15,151,696	\$24,436,481
	=====	=====

Escalade, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements

PROPERTY, PLANT AND EQUIPMENT

December 30 and December 31	1995	1994
Land	\$ 340,210	\$ 340,210
Buildings and leasehold improvements	9,672,666	9,862,687
Machinery and equipment	23,051,491	27,321,979
	-----	-----
	33,064,367	37,524,876
Accumulated depreciation and amortization	(21,840,604)	(23,814,910)
	-----	-----
	\$ 11,223,763	\$13,709,966
	=====	=====

LONG-TERM DEBT

December 30 and December 31	1995	1994
Mortgage payable, due in annual installments varying from \$307,500 in 1996 to \$340,500 in 1997, 88% of prime (current prime 8 1/4%), due 1997, secured by real estate	\$ 648,000	\$ 925,500
Mortgage payable, due in annual installments varying from \$200,000 in 1996 to \$500,000 in 2005, interest varies from 7.55% to 7.95%, due 2005, secured by plant facility, machinery and equipment, and letter of credit	3,500,000	3,700,000
Term loan, due in quarterly installments varying from \$625,000 in 1996 to \$1,000,000 in 1997, interest varies from prime plus .75% or London Interbank Offered Rate (LIBOR) plus 2.50%, unsecured	4,500,000	6,500,000
	-----	-----
	8,648,000	11,125,500
Portion classified as current	(2,382,500)	(1,977,500)
	-----	-----
	\$ 6,265,500	\$ 9,148,000
	=====	=====

Maturities of long-term indebtedness for the ensuing five years are: 1996, \$2,382,500; 1997, \$3,265,500; 1998, \$300,000; 1999, \$300,000; 2000, \$300,000 and thereafter, \$2,100,000.

Escalade, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements

The mortgages payable and term loan agreements contain certain restrictive covenants, of which the more significant include maintenance of specified net worth and working capital, restrictions on capital expenditures and dividends, and maintenance of specified ranges of current and leverage ratios. At December 30, 1995, the Company was in violation of the net worth covenant; however, the lender waived compliance with this covenant.

STOCK OPTIONS AND WARRANTS

A total of 227,700 common shares were initially reserved for issuance of stock options under the 1984 Stock Option Plan. At the Company's 1991 annual meeting, the stockholders approved an amendment to the Incentive Stock Option Plan increasing the total number of common shares reserved for issuance of stock options to 345,000. Total options granted under this plan are 331,205 and the date for granting options expired on October 26, 1994.

Stock option transactions (adjusted for the 1994 15% stock dividend) are summarized as follows:

	1995		1994		1993	
	Shares	Option Price	Shares	Option Price	Shares	Option Price
Outstanding at beginning of year	204,211	\$3.26 to	162,358	\$3.26 to 6.93	139,415	\$3.26 to 8.59
Issued during year			71,374	\$5.50 to 7.25	81,650	6.30 to 6.93
Canceled or expired	7,037		(8,021)		(56,580)	
Exercised during year	593	\$3.26	(21,500)	\$3.26 to 6.30	(2,127)	\$3.26 to \$6.72
Outstanding at end of year	196,581	\$3.26 to 7.25	204,211	\$3.26 to 7.25	162,358	\$3.26 to 6.93
Exercisable at end of year	92,925		45,928		33,672	

The options granted in 1993 and 1994 are exercisable at the rate of 25% over each of the four years beginning in 1994 and 1995.

In connection with the Company's 1987 public offering of its common stock, the Company sold to Oppenheimer & Co., Inc., the representative of the underwriters for such offering, warrants to purchase 75,900 shares of common stock for \$.85 per warrant, or an aggregate of \$65,000. Each warrant gives the holder the right to buy one share of the Company's common stock at a price equal to \$12.33. Each warrant became exercisable on September 2, 1988 and the initial termination date of September 1, 1992 was extended by three years to September 1, 1995. These warrants expired during 1995.

To acquire all of the common stock of Marcy Fitness Products, Inc., the Company exchanged 272,113 Escalade warrants with an exercise price of \$9.13 per share. The warrants are exercisable until August 19, 1999. These warrants are outstanding at December 30, 1995.

Escalade, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements

OPERATING LEASES

The Company leases manufacturing, warehousing and office space at three locations. The Company's Evansville facilities are held subject to a mortgage. The Company leases its Compton facilities for \$29,600 per month from October 1, 1990 through March 31, 1998. The Company has a five-year option to extend the lease. On April 1, 1993, the Company leased a new warehouse facility adjacent to its Compton facilities for \$21,000 per month through March 31, 1998. The Company has a five year option to extend this lease. The Company intends to vacate this warehouse facility in 1996 and will negotiate a lease cancellation.

At December 30, 1995, the minimum rental payments under noncancelable leases with terms of more than one year are as follows:

Years Ending	Amount
1996	\$ 636,192
1997	632,723
1998	152,587

	\$1,421,502
	=====

The following schedule shows the composition of total rental expense for operating leases except those with terms of a month or less:

	1995	1994	1993
Rentals	\$638,670	\$656,670	\$663,544

Escalade, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements

INCOME TAXES

Provision for income taxes consists of the following:

Years Ended December 30, December 31, and December 25	1995	1994	1993
Current			
Federal	\$329,072	\$ 132,240	
State	198,916	(164,390)	
	527,988	(32,150)	
Deferred			
Federal	(85,548)	(1,070,217)	\$1,591,255
State	(55,307)	(181,616)	400,511
	(140,855)	(1,251,833)	1,991,766
	\$387,133	\$ (1,283,983)	\$1,991,766

The provision for income taxes was computed based on financial statement income. A reconciliation of the provision for income taxes to the amount computed using the statutory rate follows:

Years Ended December 30, December 31, and December 25	1995	1994	1993
Income tax at statutory rate	\$283,854	\$ (1,253,717)	\$1,739,103
Increase (decrease) in income tax resulting from			
Recurring permanent differences (goodwill amortization, dividend exclusion, and non-deductible officers' life insurance expense)	(5,522)	10,196	7,595
State tax expense (benefit)-- net of federal effect	94,782	(228,364)	264,337
Benefit of foreign subsidiary loss not recognized	138,846	76,373	19,886
Other	(124,827)	111,529	(39,155)
Provision (benefit) for income taxes recorded	\$387,133	\$ (1,283,983)	\$1,991,766

The Company had alternative minimum tax credit carryforwards in the amount of \$362,713 at December 30, 1995. Such credits do not have expiration dates.

The \$834,866 income before income taxes for the year ended December 30, 1995 was comprised of \$408,370 foreign losses and \$1,243,236

domestic income. The \$3,687,404 loss before income taxes for the year ended December 31, 1994 was comprised of \$224,626 foreign losses and \$3,462,778 domestic losses.

Escalade, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements

In 1993, the Company adopted SFAS No. 109. The change required by SFAS No. 109 resulted in the recording of a deferred tax asset of \$3,089,893 in the first quarter of 1993.

At December 30, 1995 and December 31, 1994, a cumulative deferred tax asset of \$2,490,815 and \$2,349,960 is included in current and other assets.

The components of the net deferred tax asset were as follows:

December 30 and December 31	1995	1994
Depreciation	\$ 78,654	\$ 32,534
Deferred compensation	447,662	473,676
Valuation reserves	851,968	774,001
Net operating loss carryover		272,823
Alternative minimum tax credit carryover	362,713	220,594
Differences in accounting for royalties	88,390	144,000
Differences in accounting for goodwill	135,846	148,960
Differences in accounting for employee benefits	234,877	283,372
Differences in accounting for lease expense	182,672	
Differences in accounting for professional fees	108,033	
	\$ 2,490,815	\$2,349,960

EMPLOYEE BENEFIT PLANS

The Company has an employee profit sharing salary reduction plan, pursuant to the provisions of Section 401(k) of the Internal Revenue Code, for non-union employees. The Company's contribution is a matching percentage of the employee contribution as determined by the Board of Directors annually. The Company's expense for the plan was \$60,940, \$111,808 and \$343,563 for 1995, 1994 and 1993.

Escalade, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements

SEGMENT INFORMATION AND CONCENTRATIONS

Years Ended December 30, December 31, and December 25	1995	1994	1993
	(In Thousands)		
Sales to unaffiliated customers			
Sporting goods	\$73,858	\$ 85,318	\$80,397
Office and graphic arts products	17,321	17,276	14,338
Total consolidated	\$91,179	\$102,594	\$94,735
Operating profit (loss)			
Sporting goods	\$ (262)	\$ (4,303)	\$ 4,623
Office and graphic arts products	3,363	2,872	2,105

Corporate	(273)	(445)	(258)
Total consolidated	2,828	(1,876)	6,470
Consolidated other income	274	309	234
Consolidated interest expense	3,102	(1,567)	6,704
Consolidated income (loss) from operations before income taxes	\$ 835	\$ (3,687)	\$ 5,115
Identifiable assets			
Sporting goods	\$43,122	\$61,475	\$55,108
Office and graphic arts products	10,317	10,039	9,072
Corporate	4,328	4,369	1,962
Total assets	\$57,767	\$75,883	\$66,142
Depreciation and amortization charged to operations			
Sporting goods	\$ 2,886	\$ 3,827	\$ 2,625
Office and graphic arts products	732	610	580
Total consolidated	\$ 3,618	\$ 4,437	\$ 3,205
Capital expenditures			
Sporting goods	\$ 617	\$ 3,750	\$ 5,324
Office and graphic arts products	526	452	361
	\$ 1,143	\$ 4,202	\$ 5,685

Escalade, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements

The Company operates principally in two industries, sporting goods and office and graphic arts products. The Company sells its products primarily to retailers located throughout the United States. Operations in the sporting goods industry consist of production and sale of table tennis tables and accessories, archery equipment, home pool tables and accessories, combination bumper pool and card tables, game tables, basketball backboards, goals and poles, darts, dart cabinets, volleyball and badminton equipment, junior sporting goods including Mini Ping Pong, Mini Pool, Mini Court basketball and Shot Clock basketball and home fitness machines, weight benches, cast iron weight sets, and other home fitness accessories. The Company has a licensing agreement with Spalding to manufacture and distribute basketball backboards, goals and poles; volleyball and badminton sets, croquet, horseshoe, tether ball, bocce ball, flying discs, indoor darts, table tennis sets and pool accessories under the Spalding brand name. Operations in the office and graphic arts products industry consist of production and sale of paper trimmers, paper folding machines, paper drills, collators, decollators, bursting machines, letter openers, automated paper joggers, electric staplers, checksigners, stamp affixers, paper shredders, bindery carts, platemakers, sinks, light tables, cameras and related accessories.

Operating profit is total revenue less operating expenses. In computing operating profit neither interest expense nor income taxes have been deducted.

Identifiable assets are principally those assets used in each industry. Corporate assets are principally deferred taxes, marketable equity securities and the cash surrender value of life insurance.

In 1995, approximately 42% of the sporting goods were sold to Sears, Roebuck & Co. (34% of consolidated sales). In 1994 and

1993, the percentages were 32% (27% consolidated) and 23% (20% consolidated). At December 30, 1995, accounts receivable included \$10,439,845 due from Sears, Roebuck & Co.

During 1994, the Company announced that it intended to distribute 100% of the stock of its wholly owned subsidiary, Martin Yale Industries, Inc., to its stockholders. The Company's Board of Directors will discuss this distribution and other ways of increasing stockholder value in future meetings.

Approximately 44% of the Company's labor force is covered by collective bargaining agreements. Management acknowledges that there usually will be differences between Company offers and union demands during negotiations. However, management has no reason to expect such differences to result in protracted conflict. The current contracts all expire in 1997.

Escalade, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements

CERTAIN SIGNIFICANT ESTIMATES

Management's estimates that influence the financial statements are normally based on knowledge and experience about past and current events and assumptions about future events. The following estimates affecting the financial statements are particularly sensitive because of their significance, and it is at least reasonably possible that a change in these estimates will occur in the near term:

Product warranty reserves based on an analysis of customers' product return histories, current status, sales volume and management's expectations from new products introduced into the market.

Customer allowance reserves based on agreements for customer purchase rebates and shared advertising, and prior year's shipments.

Inventory valuation reserves based on estimates of costs of inventory amounts overstocked or obsolete in excess of realizable value.

ADDITIONAL INFORMATION

December 30 and December 31	1995	1994

Accrued Liabilities		
Employees' compensation	\$1,031,435	\$1,569,859
Payroll taxes and taxes withheld from employees' compensation	167,499	280,238
Taxes other than taxes on income	460,066	229,915
Accrued interest	182,362	291,933
Customer volume discounts payable	1,522,000	2,131,852
Other accrued items	4,189,945	3,463,266
	-----	-----
	\$7,553,307	\$7,967,063
	=====	=====
Long-Term Marketable Equity Securities (included in other assets)	\$ 517,493	\$ 445,497
	=====	=====

Escalade, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements

LINE OF CREDIT

The Company has available an unsecured line of credit for short-term

borrowings. The line-of-credit arrangement is based upon a written agreement and can be withdrawn at the banks' option. At December 30, 1995, the line of credit for short-term borrowings aggregated \$28,000,000, of which \$14,350,000 was borrowed. The interest rate on the line of credit is at the Bank One Indianapolis, N.A. prime rate plus .50%. A LIBOR option is also available to use for the interest rate. This line of credit is subject to the same restrictive covenants that are as discussed in the long-term debt footnote to the consolidated financial statements.

DEFERRED COMPENSATION PLAN

In October, 1985, the Board of Directors approved the adoption of a Contributory Deferred Compensation Plan pursuant to which some recipients of incentive compensation could elect to defer receipt thereof. For each dollar of deferred compensation, the Company provided a 75% matching amount. Amounts deferred earn interest at the rate of 9%. Such amounts are not intended to be recognized for tax purposes until receipt. All deferrals allowed under this plan have been made. Participants have no vested rights in deferred amounts credited to their accounts and are general creditors of the Company until such amounts are actually paid.

COMMITMENTS AND CONTINGENCIES

At December 30, 1995, standby letters of credit aggregated \$4,000,000, of which the Company was obligated in the amount of \$769,076 relating to the purchase of certain raw materials and finished goods from suppliers.

Additionally, the Company has obtained a letter of credit for the benefit of the mortgage holders. At December 30, 1995, the balance of the letter of credit was \$3,649,479. It is to be used in the event of a default in either interest or principal payments.

The Company is involved in litigation arising in the normal course of its business. The Company does not believe that the disposition or ultimate resolution of existing claims or lawsuits will have a material adverse effect on the business or financial condition of the Company.

Escalade, Incorporated and Subsidiaries
Notes to Consolidated Financial Statements

RESTRUCTURING CHARGE

During the fourth quarter of 1994, a restructuring charge of \$4,340,053 before taxes was recorded in connection with various restructuring actions taken by the Company to strengthen its sporting goods segment. Product lines and products within those lines were reviewed for sales viability and profitability. This charge included writedowns associated with discontinued products of \$2,807,414 for inventory; \$802,100 for tooling; \$360,000 for royalty minimums; and \$370,539 for severance arrangements.

The exit plan for this restructuring charge was completed in the fourth quarter of 1995. In the second quarter of 1995, an additional \$1,040,000 restructuring charge was taken as a part of the 1994 restructuring charge. This additional amount, related to the discontinued product writedown, was the result of larger than anticipated markdowns to sell this inventory. There were no other material differences in the actual vs. estimated costs of the exit plan. The exit plan was completed in the fourth quarter of 1995 with the sale of the marked down discontinued product.

SUMMARY OF QUARTERLY RESULTS

(In Thousands, Except Per Share Data)
(Unaudited)

1995	March 25	July 15	October 7	December 30
Net sales	\$18,110	\$19,160	\$22,857	\$31,052
Gross profit	3,993	3,459	4,805	5,479
Net income (loss)	(41)	(1,418)	589	1,318
Earnings (loss) per share	(.01)	(.34)	.14	.32

1994	March 19	July 9	October 1	December 31
Net sales	\$14,200	\$19,340	\$25,395	\$43,659
Gross profit	2,612	3,606	5,530	7,413
Net income (loss)	(677)	(1,030)	657	(1,353)
Earnings (loss) per share	(.16)	(.25)	.16	(.33)

ACQUISITIONS

ACQUISITION OF SWEDEN TABLE TENNIS AB

On February 2, 1994, the Company, along with the Bandstigen Family and AB Traction, purchased Sweden Table Tennis AB. The Bandstigen Family of Sweden has been actively involved with table tennis internationally since the late 1960's. AB Traction is a major Swedish venture-capital company. Sweden Table Tennis AB manufactures and distributes products under the Stiga and Banda brand names. These products are sold in 75 countries throughout the world. Sweden Table Tennis AB has offices and warehousing in Eskilstuna, Sweden and a manufacturing plant in Tranas, Sweden. Escalade is the North American distributor of Stiga brand products and is the world's only licensed manufacturer of Stiga table tennis tables.

Escalade, Incorporated and Subsidiaries Notes to Consolidated Financial Statements

Escalade owns 37.5%, the Bandstigen Family owns 37.5% and AB Traction owns 25% of Sweden Table Tennis AB. The Company made an equity investment of 675,000 SEK and a loan of 3,000,000 SEK (\$85,357 and \$379,363 in U. S. dollars). The loan has an interest rate of 12.75%. Interest on the loan was paid through October 31, 1995. The investment in Sweden Table Tennis AB by all the principals was switched to Valhalla and Sweden Table Tennis is now owned by Valhalla, which is owned by the same principals in the same percentages.

ACQUISITION OF CREATUM AB (NOW VALHALLA FASTIGHETS AB)

On June 20, 1994, the Company, along with the Bandstigen Family, each purchased 37.5% of Creatum AB from AB Traction. Creatum AB owns the real estate in Eskilstuna, Sweden where Sweden Table Tennis AB has its offices and warehousing. Creatum AB leases these facilities to Sweden Table Tennis AB. The Company made an equity investment of 91,500 SEK and a loan of 2,062,000 SEK (\$11,693 and \$262,908 in U. S. dollars). The loan had an interest rate of 12.50% and was paid in 1995. The name was changed in 1995 to Valhalla Fastighets AB.

ACQUISITION OF PACIFIC WORLD TRADE, INC.

On June 7, 1994, the Company acquired a 10% ownership interest in Pacific World Trade, Inc. (PWT). PWT is an Indiana based company and will provide Escalade with two primary services, including the management of the purchasing and supply and sales and distribution functions in Asia. The 10% equity investment totalled \$142,500.

Acquisition of Certain Data-Link Corporation Assets

In July, 1994, Martin Yale Industries, Inc., a wholly-owned subsidiary of the Company, acquired certain assets of Data-Link Corporation (Data-Link), which was a manufacturer of certain stamp

Description	Balance at Beginning of Period	Additions		Deductions Describe (2)	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts Describe		
Allowance for doubtful accounts and discounts (1)					
Fiscal year ended December 30, 1995	\$777,195	\$175,559		\$226,402	\$726,352
Fiscal year ended December 31, 1994	650,111	181,732		54,648	777,195
Fiscal year ended December 25, 1993	630,874	354,403		335,166	650,111

<FN>

- (1) Deducted from related assets
(2) Accounts charged off, less recoveries

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ESCALADE, INCORPORATED

By: C. W. BILL REED

March 15, 1996

C. W. "Bill" Reed
President and Chief Operating Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

ROBERT E. GRIFFIN	Chairman and Director (Principal Executive Officer)	March 15, 1996
_____ Robert E. Griffin		
JOHN R. WILSON	Secretary and Treasurer (Principal Financial Officer)	March 15, 1996
_____ John R. Wilson		
BLAINE E. MATTHEWS JR.	Director	March 15, 1996
_____ Blaine E. Matthews, Jr.		
A. GRAVES WILLIAMS, JR.	Director	March 15, 1996
_____ A. Graves Williams, Jr.		
GERALD J. FOX	Director	March 15, 1996
_____ Gerald J. Fox		
KEITH P. WILLIAMS	Director	March 15, 1996
_____ Keith P. Williams		
YALE BLANC	Director	March 15, 1996
_____ Yale Blanc		
ROBERT D. ORR	Director	March 15, 1996
_____ Robert D. Orr		

Exhibit 21

Escalade, Incorporated and Subsidiaries

List of Subsidiaries at December 30, 1995

Parent	State or Other Jurisdiction of Incorporation	Percent of Voting Securities Owned by Parent
Escalade, Incorporated	Indiana	
Subsidiaries		
Indian Industries, Inc. (1)	Indiana	100%
Martin Yale Industries, Inc. (1)	Indiana	100%
Harvard Sports, Inc. (1)	California	100%
Escalade, International Limited (1)	United Kingdom	100%

(1) Each subsidiary company so designated has been included in Consolidated Financial Statements for all periods following its acquisition. See Notes to Consolidated Financial Statements.

Exhibit 23

Independent Auditor's Consent

We consent to the incorporation by reference in Registration Statement No. 33-16279 of Escalade, Incorporated on Form S-8 of our report dated February 9, 1996, appearing in this Annual Report on Form 10-K of Escalade, Incorporated for the year ended December 30, 1995.

Evansville, Indiana
March 18, 1996

May 25, 1995

Mr. Daniel A. Messmer
INDIAN INDUSTRIES, INC.
817 Maxwell Avenue
Evansville, Indiana 47711

Reference: License Extension

Dear Dan:

This will acknowledge receipt of your letter of May 18, 1995 whereby Indian is exercising their right to extend the current Spalding/Indian license agreement until September 30, 1997 and Spalding is agreement to such extension.

We look forward to continued growth with Indian Industries over the two year renewal period.

Very truly yours,

WILLIAM C. MULDOON
Manager
Licensing/Contract Administration

cc: Bob Adikes - Tampa Legal
Al Bender
Ralph Carlson

EIGHTH AMENDMENT TO CREDIT AGREEMENT

ESCALADE, INCORPORATED, an Indiana corporation (the "Company") and BANK ONE, INDIANAPOLIS, NATIONAL ASSOCIATION, a national banking association (the "Bank"), being parties to that certain Credit Agreement dated June 5, 1990, as amended (collectively, the "Agreement"), hereby agree to further amend the Agreement by this Eighth Amendment to Credit Agreement (this "Eighth Amendment"), on the terms and subject to the conditions set forth as follows:

1. DEFINITIONS.

a. Terms used in this Eighth Amendment with their initial letter capitalized and which are not defined herein shall have the meanings ascribed to them in the Agreement.

b. Subsection vv. Of Section 1 of the Agreement is amended and restated in its entirety, to read as follows:

vv. Applicable margin. "Applicable Margin" means that number of percentage points to be taken into account in determining the per annum rate at which interest will accrue on the Loans, determined in accordance with the following table:

Loan	Applicable Margin	
	Prime-based Rate	LIBOR-based Rate
Revolving Loan	0.50	2.00
Term Loan	0.75	2.50

and means that number of percentage points to be taken in account in determining the per annum Commission payable with respect to Standby Letters of Credit and in determining the Negotiation Fee and the Sight Draft Fee payable with respect to the Commercial Letters of Credit, determined in accordance with the following table:

Letter of Credit	Commission	Applicable Margin	
		Negotiation Fee	Sight Draft Fee
Standby	1.75	N/A	N/A
Commercial	N/A	.25	.25

c. The following new subsection is added to Section 1 of the Agreement, reading as follows:

kkk. Eighth Amendment. "Eighth Amendment" means that agreement entitled "Eighth Amendment to Credit Agreement" dated as of March 1, 1995, entered into by and between the Company and the Bank for the purpose of amending this Agreement.

2. AFFIRMATIVE COVENANTS. SUBSECTION (i), (ii) and (iii) of Section 5.g of the Agreement are hereby amended and restated in each of their respective entireties, so that hereafter they will read, respectively, as follows:

(i) Tangible Net Worth. The Company shall maintain its Tangible Net Worth, determined on a consolidated basis, at levels not less than those shown in the following table during the periods indicated:

Period	Tangible Net Worth
at March 25, 1995	\$22,450,000.00
at March 26, 1995, and until October 7, 1995	\$21,500,000.00
at October 7, 1995, and until fiscal year-end 1995	\$22,500,000.00
at fiscal year-end 1995	\$25,250,000.00

(ii) Ratio of Debt to Tangible Net Worth. The Company shall maintain the ratio of its total liabilities to its Tangible Net Worth, all determined on a consolidated basis, at levels not greater than those shown in the following table during the periods indicated:

Period	Ratio
from the dated of the Eighth Amendment and until October 7, 1995	2.00 to 1.00
at October 7, 1995, and until fiscal year-end 1995	2.25 to 1.0
at fiscal year-end 1995	2.00 to 1.0

For purposes of testing compliance with this covenant, the term "liabilities: shall include the present value of all capital lease obligations of the Company, determined as of any date the ratio is to be tested.

(iii) Debt Service Coverage. For each period of consecutive fiscal periods indicated in the table below, the Company shall maintain a debt service coverage ratio, determined on a consolidated basis, of not less than that indicated opposite such period in the table. For purposes of this covenant, the phrase "debt service coverage ratio" means the ration of (A) the sum of net income plus depreciation, amortization and interest expense, all for which the period for which the ratio is being determined, over (B) the sum of (I) payments made on long-term debt, including capital lease payments made, during the period for which the ratio is being determined, plus (II) interest expense and capital expenditures, all for the period for which such ratio is being determined.

Period	Ratio
for the three fiscal periods in calendar year 1995 ending on March 25, 1995	.75 to 1.0
for the seven fiscal periods in calendar year 1995 ending on July 15, 1995	.50 to 1.0
for the ten fiscal periods in calendar year 1995 ending on October 7, 1995	.90 to 1.0
for the thirteen fiscal periods in calendar year 1995 ending on the Company's 1995 fiscal year-end	1.15 to 1.0

3. NEGATIVE COVENANTS. Section 6.j of the Agreement is amended and restated in its entirety, to read as follows:

j. Capital Expenditure Limitation. The Company shall not make consolidated capital expenditures in excess of \$3,000,000.00 in the aggregate in any fiscal year. For purposes of testing for compliance with this covenant, any expenditure or obligation which is not required, under generally accepted accounting principles, to be recorded in full as an expense in the fiscal period when made or incurred shall be considered a capital expenditure and capital expenditures shall include, without limitation, the present value of all capital lease obligations incurred by the Company, determined as of the date such obligations are incurred.

4. WAIVER. The Bank hereby waives the violations of (a) Section 5.g(I) of the Agreement (with respect to the failure by the Company to maintain its Tangible Net Worth at levels above the minimum required level), (b) Section 5.g(ii) of the Agreement (with respect to the failure by the Company to maintain the ratio of its debt to Tangible Net Worth within the permitted level, and (c) 5.g(iii) of the Agreement (with respect to the failure by the Company to maintain compliance with the debt service coverage ratio), which violations occurred prior to the date of this Eighth Amendment, but strict compliance with these covenants shall be required at

all times hereafter. Nothing in this paragraph shall be construed as a waiver of any other term or condition of the Agreement, nor shall be construed as a commitment on the part of the Bank to waive any subsequent violation of the same or any other term or condition set forth in the Agreement, as amended by this Eighth Amendment.

5. REAFFIRMATION OF REPRESENTATIONS AND WARRANTIES/NO EVENT OF DEFAULT. To induce the Bank to enter into this Eighth Amendment, the Company reaffirms, as of the date of the Eighth Amendment, each of the representations and warranties contained in Section 3 of the Agreement, as fully as if restated herein in each of their respective entireties, except that the representations and warranties contained in Section 3.d of the Agreement shall, for the purpose of this Eighth Amendment, be deemed to refer to the latest fiscal year end and interim financial statements of the Company delivered to the Bank. To induce the Bank to enter into this Eighth Amendment, the Company further represents and warrants that, as of the date of the Eighth Amendment, no Event of Default or Unmatured Event of Default has occurred and is continuing.

6. CONDITIONS PRECEDENT. This Eighth Amendment shall become effective upon receipt by the Bank of the following, contemporaneously with the execution and delivery of this Eighth Amendment, each duly executed, dated and in form and substance satisfactory to the Bank:

- a. This Eighth Amendment
- b. Such other documents as the Bank may reasonably request.

7. PRIOR AGREEMENTS. The Agreement, as amended by this Eighth Amendment, supersedes all previous agreements and commitments made or issued by the Bank with respect to the Loans, the Letters of Credit and all other subjects of the Agreement, as amended by this Eighth Amendment, including, without limitation, the letter dated March 3, 1995, from the Bank to the Company and the letter dated March 20, 1995, from the Bank to the Company, and accepted by the Company on March 20, 1995, and any oral or written proposals or commitments made or issued by the Bank.

8. REAFFIRMATION. Except as expressly amended by this Eighth Amendment, all of the terms and conditions of the Agreement and each of the Loan Documents remain in full force and effect.

IN WITNESS WHEREOF, the Company and the Bank, by their duly authorized officers, have executed and delivered this Eighth Amendment to Credit Agreement on March, 30, 1995, but with effect as of March 1, 1995.

ESCALADE, INCORPORATED

By: John R. Wilson
Vice President & CFO

BANK ONE, INDIANAPOLIS
NATIONAL ASSOCIATION

By: D. Kelly Queisser
Vice President

NINTH AMENDMENT TO CREDIT AGREEMENT

ESCALADE, INCORPORATED, and Indiana corporation (the "Company"), and BANK ONE, INDIANAPOLIS, NATIONAL ASSOCIATION, a national banking association (the "Bank"), being parties to that certain Credit Agreement dated June 5, 1990 (as amended, the "Agreement"), hereby agree to further amend the Agreement by this Ninth Amendment to Credit Agreement (this "Ninth Amendment"), on the terms and subject to the conditions set forth as follows:

1. DEFINITIONS.

a. Terms used in this Ninth Amendment with their initial letter capitalized and which are not defined herein shall have the meanings ascribed to them in the Agreement.

b. Subsection vv. Of Section 1 of the Agreement is amended and restated in its entirety, to read as follows:

vv. Applicable Margin. "Applicable Margin" means that number of percentage points to be taken into account in determining the per annum rate at which interest will accrue on the Loans, determined by reference to the ratio of the Company's total liabilities to its Tangible Net Worth, all determined on a consolidated basis, in accordance with the following table:

Ratio of Total Liabilities To Tangible Net Worth	Applicable Margin	
	Prime-based Rate	LIBOR-based rate
Greater than or equal to 1.75:1.0		
- Revolving Loan	.50	2.00
- Term Loan	.75	2.50
Less than 1.75:1.0, but greater than or equal to 1.50:1.0		
- Revolving Loan	0.00	1.50
- Term Loan	.25	2.00
Less than 1.50:1.0, but greater than or equal to 1.00:1.0		
- Revolving Loan	0.00	1.25
- Term Loan	.25	1.75
Less than 1.00:1.0		
- Revolving Loan	0.00	1.00
- Term Loan	0.00	1.50

and means that number of percentage points to be taken in account in determining the per annum Commission payable with respect to Standby Letters of Credit and in determining the Negotiation Fee and the Sight Draft Fee payable with respect to the Commercial Letters of Credit, determined by reference to the ratio of the Company's total liabilities to its Tangible Net Worth, all determined on a consolidated basis, in accordance with the following table:

Ratio of Total Liabilities to Tangible Net Worth	Applicable Margin		
	Commission	Negotiation Fee	Sight Draft Fee
Greater than or equal to 1.75:1.0			
- Standby	1.75	N/A	N/A
- Commercial	N/A	.375	.375
Less than 1.75:1.0, but greater than or equal to 1.50:1.0			
- Standby	1.25	N/A	N/A
- Commercial	N/A	.25	.25
Less than 1.50:1.0, but greater than or equal to 1.00:1.0			
- Standby	1.125	N/A	N/A
- Commercial	N/A	.1875	.1875
Less than 1.00:1.0			
- Standby	1.00	N/A	N/A
- Commercial	N/A	.1875	.1875

The Applicable Margin shall be determined initially on the basis of the ratio of the Company's total liabilities to Tangible Net Worth of greater than or equal to 1.75 to 1.0. Thereafter, the Applicable Margin shall be determined on the basis of the financial statements of the Company for each fiscal year furnished to the Bank pursuant to the requirement of Section 5.b(I), with effect on the first interest payment date on the Loans which follows receipt by the Bank of such financial statements. Interest will accrue and be payable on the Loans, including, without limitation, those portions of the Loans on which interest is accruing at a Prime-based Rate or at a LIBOR-based Rate, beginning on the first interest payment date following receipt by the Bank of such financial statements, based on the Applicable Margin determined from such financial statements. On the first interest payment date which follows receipt of such financial statements, the amount of Commission which was previously paid by the Company on account of each Standby Letter of Credit shall be adjusted for the remaining term for which such Standby Letter of Credit was issued, based on the Applicable Margin determined from such financial statements, with any overpayment of Commission for such remaining period being credited against the interest payment then due or any deficiency then being due and payable by the Company to the Bank. With respect to any Commercial Letters of Credit which are outstanding, on the first interest payment date which follows the Bank's receipt of such financial statements, no adjustment shall be made with respect to Negotiation Fees which have been previously paid by the Company to the Bank, but the amount of the Sight Draft Fees shall be redetermined on the basis of the Applicable Margin determined from such financial statements. For the avoidance of doubt, it is noted that the provisions set forth in this definition are not intended to and shall not be construed as authorizing any violation by the Company of Section 5.g(ii) or of waiving or of the making of any commitment on the part of the Bank to waive any violation by the Company of Section 5.g(ii), notwithstanding the fact that this definition includes provision for an Applicable Margin which would violate the maximum levels of the total liabilities to Tangible Net Worth ratio permitted by Section 5.g(ii).

c. The following new subsection is added to Section 1 of the Agreement, reading as follows:

111. Ninth Amendment. "Ninth Amendment" means that agreement entitled "Ninth Amendment to Credit Agreement" dated as of May 31, 1995, entered into by and between the Company and the Bank for the purpose of amending this Agreement.

2. REVOLVING LOAN.

a. On the terms and subject to the conditions set forth in this Ninth Amendment, including, without limitations, the execution and delivery by the Company to the Bank of the Revolving Note in the form of Exhibit "A" attached to the Ninth Amendment, the Bank is willing to renew and extend the Revolving Loan Maturity Date of May 31, 1996. This renewal and extension of the Revolving Loan Maturity Date is made pursuant to Section 2.a(iv) of the Agreement.

b. Subsection (I) of Section 2.a of the Agreement is amended and restated in its entirety, so that hereafter it will read as follows:

(I) The Commitment -- Use of Proceeds. From the date of the Ninth Amendment and until the Revolving Loan Maturity Date, the Bank agrees to make Advances (Collectively, the "Revolving Loan") under a revolving line of credit from time to time to the Company in amounts not exceeding Twenty Eight Million and No/100 Dollars (\$28,000,000.00) (the "Commitment") in the aggregate at any time outstanding, provided that all conditions of lending stated in Section 7 of this Agreement as being applicable to the Revolving Loan have been fulfilled at the time of each Advance. Proceeds of the Revolving Loan may be used by the Company only to fund its working capital requirements.

c. The first sentence of Section 2.a(ii) of the Agreement is amended and restated in its entirety, to read as follows:

(ii) The obligation of the Company to repay the Revolving Loan shall be evidenced by a promissory note (the "Revolving Note") of the Company in the form of Exhibit "A" attached to the Ninth Amendment.

3. THE LETTERS OF CREDIT. Section 2.b of the Agreement is amended and restated in its entirety, so that hereafter it will read as follows:

b. The Letters of Credit. Provided that no Event of Default or Unmatured Event of Default has occurred and is continuing, the Bank shall from time to time prior to May 31, 1996, upon application by the Company or any Subsidiary, issue commercial letters of credit (each a "Commercial Letter of Credit") and standby letters of credit (each a "Standby Letter of Credit") (all of such Commercial Letters of Credit and Standby Letter of Credit being referred to herein as the "Letters of Credit") for the account of the Company or any Subsidiary. Commercial Letters of Credit will be issued for the purpose of facilitating foreign trade transactions entered into by the Company or any Subsidiary in the ordinary course of its business. Standby Letters of Credit will be issued for the purpose of supporting any transaction by the Company or any Subsidiary in the ordinary course of its business. It shall be a condition precedent to the Bank's obligation to issue any Letter of Credit for the account of the Company or any Subsidiary that the account party (whether the Company or any Subsidiary) execute and deliver to the Bank, the Bank's standard form, then in use, of application for commercial letter of credit (an "Application for Commercial Letter of Credit") or of application for standby letter of credit, (an "Application for Standby Letter of Credit"), as the case may be. All obligations undertaken by any Subsidiary pursuant to an application for Letter of Credit, including without limitation, the obligation to immediately reimburse the Bank for all draws made under the Letter of Credit, together with interest, all as further provided in the application for Letter of Credit, together with interest, all as further provided in the application for Letter of Credit, will be supported by the unconditional guaranty of prompt payment of the Company and each other Subsidiary. All obligations undertaken by the Company pursuant to an application for a Letter of Credit, including without limitation, the obligation to immediately reimburse the Bank for all draws made under the Letter of Credit, together with interest, will be supported by the unconditional guaranty of prompt payment of each Subsidiary. Each such guaranty shall be evidenced by a Guaranty Agreement (each a "Letter of Credit Guaranty Agreement") in the form of Exhibit "D" attached to the Second Amendment. The aggregate amount of all Letters of Credit issued pursuant to the provisions of this Agreement outstanding at any time shall not exceed \$4,000,000.00 and the Bank has no obligation to issue any Letter of Credit having an expiry date beyond May 31, 1996, but may do so from time to time in its sole discretion. The issuance of each Commercial Letter of Credit shall be subject to the payment by the applicant (the "Account Party") to the Bank of a fee (a "Negotiation Fee") which shall be equal to the Applicable Margin multiplied times the amount thereof, which

Negotiation Fee shall be due and payable within ten (10) days following the issue of any Commercial Letter of Credit. Upon presentation of each draft drawn under a Commercial Letter of Credit to the Bank by the beneficiary thereof, the Account Party shall also pay the Bank a fee (a "Sight Draft Fee") , which shall be an amount equal to the Applicable Margin (determined at the time of such presentation) multiplied times the amount drawn of such Commercial Letter of Credit. The issuance and each renewal of each Standby Letter of Credit shall be subject to the payment by the Account Party to the Bank of a fee (a "Commission"), which shall be equal to the applicable Margin per annum (calculated on the basis that an entire year's Commission is earned in 360 days) multiplied times the amount thereof, which Commission shall be due and payable within ten (10) days following the issuance or renewal of any Standby Letter of Credit. On the date of the Ninth Amendment, the Company shall pay to the Bank an amount with respect to each Letter of Credit which is outstanding as of the date of this Ninth Amendment, an amount equal to the difference, for each Standby Letter of Credit, between the amount of Commission which would have been payable if such Letter of Credit would have been reissued by the Bank for the balance of the term of such Letter of Credit, and the pro rata amount of the Commission actually paid by the Company with respect to such Letter of Credit for the balance of the term of such Letter of Credit, and for each Commercial Letter of Credit, between the Negotiation Fee which would be payable on such Letter of Credit if it would have been reissued by the Bank on the date of The Ninth Amendment, minus the Negotiation Fee actually paid by the Company with respect to such Letter of Credit, multiplied times a fraction, the numerator of which is the number of days from the date of the Ninth Amendment to the expiry date of such Letter of Credit and the denominator Of which is the number of days from the later of the date of issuance or the most recent renewal of such Letter of Credit to the expiry date of such Commercial Letter of Credit.

4. AFFIRMATIVE COVENANTS.

a. Section 5.b of the Agreement is hereby amended by adding a new subsection to the end thereof, reading as follows:

(viii) Additional Monthly Reports. Contemporaneously with the furnishing of each set of financial statements provided for in Section 5.b(ii) and at such other times as the Bank may request, the Company shall provide the Bank with a monthly operations report of those business units of Escalade Sports - Evansville Operations, commonly known as "Game Parlor," "Fitness and Basketball" and "Archery," comparing actual results of operations of such business unit to the operations report for the prior year and to the budget for the current year, together with a monthly closed-out inventory report by product lines with respect to the Company's slow-moving inventory, and copies of the quarterly management reports from the business unit managers of the Company to the Board of Directors of the Company. Such reports shall be in form and substance satisfactory to the Bank, and shall contain such detail as may be satisfactory to the Bank.

b. Section 5.g of the Agreement is amended and restated in its entirety, so that hereafter it will read as follows:

g. Financial Covenants. The Company shall observe the following financial covenants:

(I) Tangible Net Worth. The Company shall maintain its Tangible Net Worth, determined on a consolidated basis, at levels not less than those shown in the following table during the periods indicated:

Period	Tangible Net Worth
from the date of the Ninth Amendment and until October 7, 1995	\$21,500,000.00
at October 7, 1995, and until fiscal year-end 1995	\$22,500,000.00
at fiscal year-end 1995	\$25,250,000.00
at January 1, 1996, and through the last day of the third fiscal month in fiscal year 1996	\$25,000,000.00

at the first day of the fourth
fiscal month in fiscal year
1996, and until the last day of
the sixth fiscal month in fiscal
year 1996 \$24,750,000.00

at the last day of the sixth fiscal
period in fiscal year 1996, and
at all times thereafter \$28,500,000.00

(ii) Ratio of Debt to Tangible Net Worth. The Company shall maintain the ratio of its total liabilities to its Tangible Net Worth, all determined on a consolidated basis, at levels not greater than those shown in the following table during the periods indicated:

Period	Ratio
from the date of the Ninth Amendment and until October 7, 1995	2.00 to 1.00
at October 7, 1995, and until fiscal year-end, 1995	2.25 to 1.0
at fiscal year-end 1995, and all times thereafter	2.00 to 1.0

For purposes of testing compliance with this covenant, the term "liabilities: shall include the present value of all capital lease obligations of the Company, determined as of any date the ratio is to be tested.

(iii) Debt Service Coverage. For each period of consecutive fiscal periods indicated in the table below, the Company shall maintain a debt service coverage ratio, determined on a consolidated basis, of not less than that indicated opposite such period in the table. For purposes of this covenant, the phrase "debt service coverage ratio" means the ratio of (A) the sum of net income after taxes, plus depreciation, amortization and interest expense, all for which the period for which the ratio is being determined, over (B) the sum of (I) payments on long-term debt, including capital lease payments, made during the period for which the ratio is being determined, plus (II) interest expense and capital expenditures which were not financed, all for the period for which such ratio is being determined.

Period	Ratio
for the seven fiscal periods in calendar year 1995 ending on July 15, 1995	.50 to 1.0
for the ten fiscal periods in calendar year 1995 ending on October 7, 1995	.90 to 1.0
for the thirteen fiscal periods in calendar year 1995 ending on the Company's 1995 fiscal year-end, and for each period of four consecutive fiscal quarters ending at any time thereafter	1.15 to 1.0

c. For the avoidance of doubt it is noted that the annual cleanup requirement with respect to Advances outstanding under the Revolving Loan, which was contained in Section 5.g(iv) of the Agreement prior to the execution of the Ninth Amendment has been deleted in its entirety.

5. NEGATIVE COVENANTS. Section 6.a of the Agreement is amended and restated in its entirety, so that hereafter it will read as follows:

a. Restrictive Payments. The Company shall not purchase or redeem any shares of the capital stock of the Company or declare or pay any dividends thereon except for dividends payable entirely in capital stock. The Company shall not make any other distributions to shareholders as shareholders, or set aside any funds for any such purpose, or prepay,

purchase or redeem any subordinated indebtedness to the Company.

6. WAIVER. The Bank hereby waives the violations of Section 5.g(iv) of the Agreement as it existed prior to the execution of this Ninth Amendment (with respect to the failure by the Company to observe the annual clean-up requirement with respect to the Revolving Loan), which violations occurred prior to the date of this Ninth Amendment. Strict compliance with all of the terms and conditions set forth in the Agreement shall be required at all times hereafter. Nothing in this paragraph shall be construed as a waiver of any of the terms or conditions of the Agreement or shall be construed as a commitment on the part of the Bank to waive any subsequent violations of the same or any other term or condition set forth in the Agreement, as amended by this Ninth Amendment.

7. REAFFIRMATION OF REPRESENTATIONS AND WARRANTIES/NO EVENT OF DEFAULT. To induce the Bank to enter into this Ninth Amendment, the Company reaffirms, as of the date of the Ninth Amendment, each of the representations and warranties contained in Section 3 of the Agreement, as fully as if restated herein in each of their respective entireties, except that the representations and warranties contained in Section 3.d of the Agreement shall, for the purpose of this Ninth Amendment, be deemed to refer to the latest fiscal year-end and interim financial statements of the Company delivered to the Bank. To induce the Bank to enter into this Ninth Amendment, the Company further represents and warrants that, as of the date of this Ninth Amendment, no Event of Default or Unmatured Event of Default has occurred and is continuing.

8. CONDITIONS PRECEDENT. This Ninth Amendment shall become effective upon:

a. Receipt by the Bank of the following, contemporaneously with the execution and delivery of this Ninth Amendment, each duly executed, dated and in form and substance satisfactory to the Bank:

(I) This Ninth Amendment.

(ii) The Revolving Note.

(iii) Certified copy of the Resolutions of the Board of Directors of the Company authorizing the execution, delivery and performance, respectively, of this Ninth Amendment and the other Loan Documents provided for in this Ninth Amendment to which the Company is a party.

(iv) Certificate of the Secretary of the Company, certifying the names of the officer or officers authorized to sign this Ninth Amendment and the other Loan Documents provided for in this Ninth Amendment to which the Company is a party, together with a sample of the true signature of each such officer.

(v) Sixth Amendment to Credit Agreement, with respect to the Credit Agreement dated June 4, 1990, between the Bank and Martin Yale Industries, Inc.

(vi) Such other documents as the Bank may reasonably request.

b. Payment to the Bank of accrued interest through the date of this Ninth Amendment on the Revolving Loan, together with payment of the facility fee which is due and payable by the Company to the Bank pursuant to Section 2.a(vi) of the Agreement, and payment with respect to the outstanding Letters of Credit as provided in Section 2.b.

9. PRIOR AGREEMENTS. The Agreement, as amended by this Ninth Amendment, supersedes all previous agreements and commitments made or issued by the Bank with respect to the Loans, the Letters of Credit and all other subjects of the Agreement, as amended by this Ninth Amendment, including, without limitation, the letter dated March 3, 1995, from the Bank to the Company and the letter dated March 20, 1995, from the Bank to the Company, and accepted by the Company on March 20, 1995, and any oral or written proposals or commitments made or issued by the Bank.

10. REAFFIRMATION. Except as expressly amended by this Ninth Amendment, all of the terms and conditions of the Agreement and each of the Loan Documents remain in full force and effect.

Executed on June 2, 1995, but with effect as of May 31, 1995.

ESCALADE, INCORPORATED

By: Robert E. Griffin
Chairman and CEO

BANK ONE, INDIANAPOLIS
NATIONAL ASSOCIATION

By: D. Kelly Queisser
Vice President

TENTH AMENDMENT TO CREDIT AGREEMENT

ESCALADE, INCORPORATED, an Indiana corporation (the "Company") and BANK ONE, INDIANAPOLIS, NATIONAL ASSOCIATION, a national banking association (the "Bank"), being parties to that certain Credit Agreement dated June 5, 1990 (as amended, the "Agreement"), hereby agree to further amend the agreement by this Tenth Amendment to Credit Agreement (this "Tenth Amendment"), on the terms and subject to the conditions set forth as follows:

1. DEFINITIONS.

a. Terms used in this Tenth Amendment with their initial letter capitalized and which are not defined herein shall have the meanings ascribed to them in the Agreement.

b. The following new subsection is added to Section 1 of the Agreement, reading as follows:

mmm. Tenth Amendment. "Tenth Amendment" means that agreement entitled "Tenth Amendment to Credit Agreement" dated as of July 15, 1995, entered into by and between the Company and the Bank for the purpose of amending this Agreement.

2. AFFIRMATIVE COVENANTS. Sections 5.g(I) and 5.g(iii) of the Agreement are amended and restated in their entirety, so that hereafter they will read as follows:

(I) Tangible Net Worth. The Company shall maintain its Tangible Net Worth, determined on a consolidated basis, at levels not less than those shown in the following table during the periods indicated:

Period	Tangible Net Worth
from the date of the Tenth Amendment and until October 7, 1995	\$21,100,000.00
at October 7, 1995, and until fiscal year-end 1995	\$21,500,000.00
at fiscal year-end 1995	\$24,000,000.00
at January 1, 1996, and through the last day of the third fiscal month in fiscal year 1996	\$23,500,000.00
at the first day of the fourth fiscal month in fiscal year	

1996, and until the last day of
the seventh fiscal month in fiscal
year 1996 \$23,250,000.00

at the last day of the seventh fiscal
period in fiscal year 1996, and
at all times thereafter \$28,500,000.00

(iii) Debt Service Coverage. For each period of consecutive fiscal periods indicated in the table below, the Company shall maintain a debt service coverage ratio, determined on a consolidated basis, of not less than that indicated opposite such period in the table. For purposes of this covenant, the phrase "debt service coverage ratio" means the ratio of (A) the sum of net income after taxes, plus depreciation, amortization and interest expense, all computed for the period for which the ratio is being determined, over (B) the sum of (I) payments on long-term debt, including capital lease payments, made during the period for which the ratio is being determined, plus (II) interest expense and capital expenditures which were not financed, all for the period for which such ratio is being determined.

Period	Ratio
for the ten fiscal periods in calendar year 1995 ending on October 7, 1995	.60 to 1.0
for the thirteen fiscal periods in calendar year 1995 ending on the Company's 1995 fiscal year-end	1.05 to 1.0
for each period of four consecutive fiscal quarters ending at any time thereafter	1.15 to 1.0

3. WAIVER. The Bank hereby waives the violations of Section 5.g(i) of the Agreement (with respect to the failure by the Company to observe the minimum Tangible Net Worth required), which violations occurred prior to the date of this Tenth Amendment. Strict compliance with this covenant and all of the other terms and conditions set forth in the Agreement shall be required at all times hereafter. Nothing in this paragraph shall be construed as a waiver of any other term or condition of the Agreement nor shall be construed as a commitment on the part of the Bank to waive any subsequent violation of the same or any other term or condition set forth in the Agreement, as amended by this Tenth Amendment.

4. REAFFIRMATION OF REPRESENTATIONS AND WARRANTIES/NO EVENT OF DEFAULT. To induce the Bank to enter into this Tenth Amendment, the Company reaffirms, as of the date of the Tenth Amendment, each of the representations and warranties contained in Section 3 of the Agreement, as fully as if restated herein in each of their respective entireties, except that the representations and warranties contained in Section 3.d of the Agreement shall, for the purpose of this Tenth Amendment, be deemed to refer to the latest fiscal year-end and interim financial statements of the Company delivered to the Bank. To induce the Bank to enter into this Tenth Amendment, the Company further represents and warrants that, as of the date of this Tenth Amendment, no Event of Default or Unmatured Event of Default has occurred and is continuing.

5. PRIOR AGREEMENTS. The Agreement, as amended by this Tenth Amendment, supersedes all previous agreements and commitments made or issued by the Bank with respect to the Loans, the Letter of Credit and all other subjects of the Agreement, as amended by this Tenth Amendment, including, without limitation, the letter dated August 3, 1995, sent by the Bank of the Company, and any oral or written proposals or commitments made or issued by the Bank.

6. REAFFIRMATION. Except as expressly amended by this Tenth Amendment, all of the terms and conditions of the Agreement and each of the Loan Documents remain in full force and effect.

Executed on August 21, 1995, but with effect as of July 15, 1995.

ESCALADE, INCORPORATED

By: John R. Wilson
Vice President & CFO

BANK ONE, INDIANAPOLIS
NATIONAL ASSOCIATION

By: D. Kelly Queisser
Vice President

Sweden Table Tennis AB

CONTRACT

BETWEEN THE UNDERSIGNED:

1. Sweden Table Tennis AB, Box 642, 631 08 Eskilstuna, Sweden;
(hereinafter referred to as the company) on the one part

AND

2. Indian Industries, Inc., Evansville, Indiana, USA;
(hereinafter referred to as the producer) of the other part.

1. The company grants to the producer the exclusive licence, and for the period of the present contract, to reproduce the Stiga logo on table tennis tables, to manufacture such tennis table tables and sell them to wholesalers, department stores or retailers in the territory of USA.

2. The present agreement is concluded for a period of 3 years, January 1, 1995 - December 31, 1998. At the expiration of this agreement, this licence will be automatically renewed for additional one year periods, unless one party in writing signifies to the other part its unwillingness to renew this licence.

2.1 The company must in writing approve designs/models and any changes therein before introduction to the market.

2.2 The producer shall not duplicate the quality and/or construction of the Stiga table tennis in any way on any other product manufactured by the producer.

2.3 The producer shall not divulge any information concerning the quality and/or construction of Stiga table tennis tables to any other entity, manufacturer or company. All constructions and/or quality specifications are confidential.

3. It is understood that the right to reproduce and to use the name Stiga is only granted for reproduction on table tennis tables.

4. In compensation for the licence which has been granted by this agreement, the producer agrees to pay the company a royalty based on the invoiced prices, net of all taxes and other deductions.

The royalty per model is:

Model 1 (Expert Roller)	7%
Model 2 (Elite Roller)	6%
Model 3 (Private Roller)	4%
Model 4 (Outdoor model)	4%
Model 5 (Low end Stiga table)	3%

Payments shall be made quarterly to the company and shall be based on the invoices actually paid to the producer. Each payment shall be accompanied by quarterly reports detailing the number of table tennis tables sold together with the selling price of those tables.

The designated Stiga representative shall have the right to review the invoices and the quarterly reports at any time during regular business hours.

5. This agreement will immediately become null and void 30 days after simple presentation of a recommended letter of the company to the producer, if the producer is in default for any of the below reasons and if the default has not been cured 30 days after such notice. Reasons for default:

a) If the producer does not manufacture, sell or distribute the table tennis tables in reasonable volumes accepted by the company, or if the producer fails to make payments as required in paragraph 4 above, or if the producer fails to file the quarterly reports as defined in paragraph 4 above, or if the producer, generally speaking, does not respect any clause of this agreement;

b) If the producer uses, without prior authorization, the Stiga trademark on products other than table tennis tables;

c) If the producer is declared bankrupt or goes into liquidation.

6. Upon termination of this agreement, the producer will immediately remit to the company a complete inventory of its stock.

During the 6 months following the end of the contract the producer will have the right to sell (but not to manufacture) the table tennis tables remaining in stock. This right is granted to the producer on the conditions that it respects the dispositions of the present agreement pertaining to such sales.

7. The present contract can only be modified by written agreements between the producer and the company.

8. This contract shall be governed by and construed in accordance with the laws of Sweden.

9. Any dispute or claim arising out of this agreement shall be submitted to the jurisdiction of the Swedish courts. The company has however the exclusive right to have any dispute or claim submitted to the relevant US court and the parties agree in such a case that any dispute are to be settled in accordance with the law of the state of Indiana.

Made in two copies.

Sweden Table Tennis AB

Indian Industries, Inc.

Bengt Bandstigen

John R. Wilson

Eskilstuna 12th of June, 1995

Sweden Table Tennis AB

Between

Sweden Table Tennis Aktiebolag

whose registered office is at Box 642, Eskilstuna, Sweden

(hereinafter called "the Supplier")

and

Escalade Incorporated

whose registered office is at P.O. Box 889, Evansville, Indiana 47706, USA

(hereinafter called "the Distributor").

IT IS AGREED AS FOLLOWS

Article 1. Territory and products.

1.1 The Supplier grants and the Distributor accepts the exclusive right to market and sell Table Tennis equipment, clothing and footwear, under the brand name STIGA (hereinafter called "the Products") in USA (hereinafter called "the Territory").

The parties agreement concerning table tennis tables are agreed in a separate document.

1.2

If the Supplier decides to market any other products under the brand name STIGA in the Territory, it shall so inform the Distributor in order to discuss the possibility of including such other products within the Products defined above. However, the above obligation to inform the Distributor does not apply if, in consideration of the characteristics of the new products and the specialization of the Distributor, it is not to be expected that such products may be marketed by the Distributor.

Article 2. Good faith and fair dealing.

2.1

In carrying out their obligations under this contract, the parties will act in accordance with good faith and fair dealing.

2.2

The provisions of this contract, as well as any statements made by the parties in connection with this distributorship, shall be interpreted in good faith.

Article 3. Distributor's functions.

3.1

The Distributor sells in its own name and for its own account, in the Territory, the Products supplied by the Supplier.

3.2

The Distributor agrees to use its best efforts to promote the sale of the Products in the Territory in accordance with the Supplier's policy and shall protect the Supplier's interests with the diligence of responsible businessman.

3.3

The Distributor is not entitled to act in the name or on behalf of the Supplier, unless previously and specifically authorized to do so by the latter.

Article 4. Undertaking not to compete.

4.1

Without the prior written authorization of the Supplier, the Distributor shall not represent, manufacture, market or sell in the Territory any products which are in competition with the Products, for the entire term of this contract. The Distributor is allowed to sell low priced table tennis products under their own trademarks "Harvard", "Spalding", "Ping-pong" and "Apex" for the entire term of this contract.

Article 5. Sales organization.

5.1

The Distributor shall set up and maintain an adequate organization for sales and, where appropriate, after-sales service, with all means and personnel as are reasonably necessary in order to ensure the fulfilment of its obligations under this contract for all Products and throughout the Territory.

Article 6. Advertising and Fairs.

6.1

The parties shall discuss in advance the advertising programme for each year. All advertising should be in accordance with the Supplier's image and marketing policies. The costs of agreed advertising shall be for the account of the Distributor.

6.2

The parties shall agree on their participation in fairs or exhibitions within the Territory. The costs of the Distributor's participation in such fairs and exhibitions shall be for the account of the Distributor.

6.3

During September/October each year the parties shall agree on marketing support to the Distributor for the coming calendar year.

Article 7. Conditions of supply Prices.

7.1

The Supplier shall in principle supply all Products ordered, subject to their availability, and provided payment of the Products is adequately warranted.

7.2

The Supplier agrees to make its best efforts to fulfil the orders it has accepted.

7.3

Sales of the Products to the Distributor shall be governed by the Supplier's general conditions of sale.

7.4

The prices payable by the Distributor shall be those set forth in the Supplier's price-list in force at the time the order is received by the Supplier. Unless otherwise agreed, such prices are subject to change at any time, subject to one month's notice.

7.5

The Distributor agrees to comply, with the utmost care, with the terms of payment agreed upon between the parties.

7.6

It is agreed that the Products delivered remain the Supplier's property until the Supplier has received payment in full.

Article 8. Sales Target - Guaranteed Minimum Target.

8.1

The parties have agreed on the below stated Sales Targets for the years 1995, 1996 and 1997.

Targets	1995	1996	1997
Orders in MSEK	3,5	4,0	5,0
Orders in \$	\$500,000	\$575,000	\$650,000

8.2

The Distributor shall make its best efforts to attain the target agreed upon, however the nonfulfillment of these targets shall be considered as a breach of this contract and the Supplier has at such circumstances the right to terminate this contract in accordance with section 18.1 below.

Article 9. Subdistributors or agents.

9.1

The Distributor may not appoint subdistributors or agents for the sale of the Products in the Territory.

Article 10. Extra ordinary costs.

10.1

Any specific costs to authorities, organizations or others within the territory that have to be paid in connection with sales and marketing of the products in the territory are for the account of the Distributor.

Article 11. Supplier to be kept informed.

11.1

The Distributor shall exercise due diligence to keep the Supplier informed about the Distributor's activities, market conditions and the state of competition within the Territory. The Distributor shall answer any reasonable request for information made by the Supplier.

11.2

The Distributor shall exercise due diligence to keep the Supplier informed about:

(I) the laws and regulations which are applicable in the Territory and relate to the Products (e.g. import regulations, labeling, technical specifications, safety requirement, etc), and

(ii) as far as they are relevant for the Supplier, the laws and regulations concerning the Distributor's activity.

Article 12. Resale prices.

12.1

The Distributor is free to fix the resale prices of the Products. The Distributor shall avoid such pricing policies as would clearly adversely affect the image of the Products.

Article 13. Sales outside the Territory.

13.1

The Distributor agrees not to advertise the Products or establish any branch or maintain any distribution depot for distributing the Products outside the Territory.

Article 14. Supplier's trademarks and symbols.

14.1

The Distributor shall use the Supplier's trademark STIGA. However, the Distributor may do so only for the purpose of identifying and advertising the Products within the scope of this contract and in the Supplier's sole interest.

14.2

The Distributor's right to use the Supplier's trademark STIGA as provided for under the first paragraph of this Article, shall cease immediately upon the expiration or termination, for any reason, of the present contract. This does not preclude the Distributor's right to sell the Products in stock at the date of expiration of the contract which bear the Supplier's trademarks.

14.3

The Distributor shall notify the Supplier of any infringement in the Territory of the Supplier's trademark or other industrial property rights, that comes to the Distributor's attention.

Article 15. Stock of Products and spare parts - After-sales service.

15.1

The Distributor agrees to maintain at its own expense, for the whole term of this contract, a stock of Products and spare parts sufficient for normal needs of the Territory.

15.2

The Distributor agrees to provide sufficient after-sales service for the Products in the Territory.

Article 16. Sole distributorship.

16.1

The Supplier shall not, during the life of this contract, grant any other person or undertaking (including a subsidiary of the Supplier) within the Territory the right to represent or market the Products.

Article 17. Term of the Contract.

17.1

This contract enters into force on the 1st day of January, 1995 and shall remain in force until 31st of December, 1998.

17.2

This contract shall be automatically renewed for successive periods of one year, unless termination by either party by notice given in writing by means of communication ensuring evidence and date of receipt (e.g. registered mail with return receipt, special courier), not less than four months before the date of expiry.

Article 18. Earlier termination.

18.1

Each party may terminate this contract with immediate effect, by notice given in writing by means of communication ensuring evidence and date of receipt (e.g. registered mail with return receipt, special courier), in case of a substantial breach by the other party of the obligations arising out of the contract, or in case of exceptional circumstances justifying the

earlier termination.

18.2

Any failure by a party to carry out all or part of its obligations under the contract resulting in such detriment to the other party as to substantially deprive such other party of what it is entitled to expect under the contract, shall be considered a substantial breach for the purpose of Article 18.1 above.

18.3

The parties agree that the following situations shall be inter alia considered as exceptional circumstances which justify the earlier termination by the other party: bankruptcy, moratorium, receivership, liquidation or any kind of arrangement between debtor and creditors, or any other circumstances which are likely to affect substantially that party's ability to carry out its obligations under this contract.

Article 19. Indemnity in case of termination.

19.1

The Distributor shall not be entitled to an indemnity for goodwill or similar compensation ("indemnity") in case of termination of the contract.

Article 20. Return of documents and products in stock.

20.1

Upon expiry of this contract, the Distributor shall return to the Supplier all promotional material and other documents and samples which have been supplied to it by the Supplier and are in the Distributor's possession.

20.2

At the Supplier's option, the Supplier will buy from the Distributor all Products the latter has in stock, provided they are still currently sold by the Supplier and are in new condition and in original packaging, at the price originally paid by the Distributor. Products not so purchased by the Supplier must be sold by the Distributor in accordance with this contract as good terms as possible.

Article 21. Arbitration - Applicable law.

21.1

Any dispute arising out of or in connection with the present contract shall be finally settled in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said Rules.

21.2

This contract is governed by the laws of Sweden.

21.3

In any event, consideration shall be given to mandatory provisions of the law of the country where the Distributor is established which should be applicable even if the contract is governed by a foreign law. Any such provisions will be taken into account to the extent they embody principles which are universally recognized and provided their application appears reasonable in the context of international trade.

Article 22. Previous agreements - Modifications - Nullity - Assignment.

22.1

This contract replaces any other preceding agreement between the parties on the subject.

22.2

No addition or modification to this contract shall be valid unless made in writing.

22.3

If any provision or clause of this contract is found to be null or unenforceable, the contract will be construed as a whole to effect as closely as practicable the original intent of the parties; however, if for good cause, either party would not have entered in the contract knowing the interpretation of the contract resulting from the foregoing, the contract itself shall be null.

22.4

The present contract cannot be assigned without the prior written agreement of the parties.

Article 23. Authentic text.

The English text of this contract is the only authentic text.

The Supplier

The Distributor

Bengt Bandstigen

John R. Wilson

Made in Eskilstuna on the 12th day of June, 1995

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<MULTIPLIER> 1000

<PERIOD-TYPE>	12-MOS	
<FISCAL-YEAR-END>		DEC-30-1995
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<CASH>		1,247
<SECURITIES>		0
<RECEIVABLES>		26,011
<ALLOWANCES>		726
<INVENTORY>		15,152
<CURRENT-ASSETS>		44,054
<PP&E>		33,064
<DEPRECIATION>		21,840
<TOTAL-ASSETS>		57,767
<CURRENT-LIABILITIES>		26,985
<BONDS>		0
<PREFERRED-MANDATORY>		17,572
<PREFERRED>		0
<COMMON>		0
<OTHER-SE>		5,766
<TOTAL-LIABILITY-AND-EQUITY>		57,767
<SALES>		91,179
<TOTAL-REVENUES>		91,179
<CGS>		73,443
<TOTAL-COSTS>		88,351
<OTHER-EXPENSES>		(274)
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		2,268
<INCOME-PRETAX>		835
<INCOME-TAX>		387
<INCOME-CONTINUING>		448
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		448
<EPS-PRIMARY>		.11
<EPS-DILUTED>		.11