

Principal Assumptions / Relationships Report

Demo Company
Multi-Year Scenario #1

	<i>Actual</i>				<i>Forecast</i>				
	12 Months 12/31/07	12 Months 12/31/08	12 Months 12/31/09	9 Months 09/30/10	12 Months 12/31/10	12 Months 12/31/11	12 Months 12/31/12	12 Months 12/31/13	12 Months 12/31/14
1. Net Sales	\$1,613	\$2,506	\$2,652	\$2,413	\$3,352	\$3,620	\$3,910	\$4,223	\$4,561
% Change in Net Sales	NA	55.4%	5.8%	NA	26.4%	8.0%	8.0%	8.0%	8.0%
2. Cost of Goods Sold	\$1,205	\$1,823	\$1,846	\$1,733	\$2,413	\$2,570	\$2,776	\$2,998	\$3,238
3. Gross Margin \$'s	\$408	\$683	\$806	\$680	\$939	\$1,050	\$1,134	\$1,225	\$1,323
4. Gross Margin %	25.3%	27.3%	30.4%	28.2%	28.0%	29.0%	29.0%	29.0%	29.0%
5. Operating Expenses	\$206	\$281	\$312	\$318	\$442	\$434	\$469	\$507	\$547
% Change in Operating Expenses	NA	36.4%	11.0%	NA	41.7%	(1.8)%	8.1%	8.1%	7.9%
Operating Expenses as % of Net Sales	12.8%	11.2%	11.8%	13.2%	13.2%	12.0%	12.0%	12.0%	12.0%
6. Historical Interest Expense	\$24	\$35	\$27	\$51	\$0	\$0	\$0	\$0	\$0
7. Other Income (Expense)	\$(32)	\$(16)	\$(20)	\$(36)	\$(40)	\$(40)	\$(40)	\$(40)	\$(40)
8. Interest Rate on Borrowings	NA	NA	NA	NA	6.0%	4.0%	4.0%	4.0%	4.0%
9. Interest Rate on Subordinated Debt	NA	NA	NA	NA	9.0%	9.0%	9.0%	9.0%	9.0%
10. Income Tax									
Amount	\$10	\$118	\$134	\$89	\$131	\$171	\$190	\$210	\$233
Rate	6.9%	33.6%	30.0%	32.4%	32.0%	32.0%	32.0%	32.0%	32.0%
11. Cash	\$61	\$102	\$101	\$353	\$100	\$100	\$100	\$100	\$100
12. Number of Days Sales in Accounts Receivable	94.4	92.8	102.1	94.6	95.0	95.0	95.0	95.0	95.0
13. Number of Days Cost of Goods Sold in Inventory	149.6	123.5	124.0	191.9	150.0	150.0	150.0	150.0	150.0
14. Other Current Assets	\$75	\$79	\$86	\$117	\$40	\$40	\$40	\$40	\$40
15. Intangibles	\$563	\$561	\$572	\$1,445	\$1,436	\$1,388	\$1,340	\$1,292	\$1,244
16. Investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17. Other Assets	\$48	\$69	\$62	\$107	\$100	\$100	\$100	\$100	\$100
18. Current Maturities	\$9	\$69	\$7	\$22	\$25	\$25	\$25	\$25	\$25
19. Number of Days Cost of Goods Sold in Accounts Payable	44.5	45.9	30.9	57.0	30.0	30.0	30.0	30.0	30.0
20. Number of Days Operating Expenses in Accrued Expenses	265.8	272.8	202.4	217.8	200.0	200.0	200.0	200.0	200.0

Principal Assumptions / Relationships Report

Demo Company
Multi-Year Scenario #1

	<i>Actual</i>				<i>Forecast</i>				
	12 Months 12/31/07	12 Months 12/31/08	12 Months 12/31/09	9 Months 09/30/10	12 Months 12/31/10	12 Months 12/31/11	12 Months 12/31/12	12 Months 12/31/13	12 Months 12/31/14
21. Taxes Payable	\$55	\$70	\$46	\$70	\$70	\$70	\$70	\$70	\$70
22. Other Current Obligations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23. Other Current Liabilities	\$158	\$252	\$183	\$271	\$300	\$325	\$350	\$375	\$400
24. Term Loan	\$527	\$502	\$500	\$1,487	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
25. Subordinated Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26. Other Long Term Obligations	\$161	\$218	\$198	\$229	\$230	\$230	\$230	\$230	\$230
27. Other Liabilities	\$50	\$53	\$82	\$92	\$0	\$0	\$0	\$0	\$0
28. Common Stock	\$672	\$679	\$688	\$1,056	\$1,056	\$1,056	\$1,056	\$1,056	\$1,056
29. Preferred Stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30. Treasury Stock	\$(1)	\$(1)	\$(1)	\$(1)	\$(1)	\$(1)	\$(1)	\$(1)	\$(1)
31. Other Equity	\$(3)	\$(96)	\$(2)	\$(18)	\$(20)	\$(20)	\$(20)	\$(20)	\$(20)
32. Capital Expenditures (Net)	NA	\$87	\$63	\$110	\$125	\$135	\$145	\$155	\$165
33. Dividends									
Amount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
% of Net Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
34. Depreciation (Net)	NA	\$9	\$37	\$20	\$30	\$40	\$45	\$50	\$55
35. Retained Earnings:									
Beginning Balance		\$143	\$368	\$674	\$674	\$951	\$1,315	\$1,719	\$2,166
Net Earnings		233	313	186	277	364	404	447	494
Dividends		0	0	0	0	0	0	0	0
Other		(8)	(7)	(7)	0	0	0	0	0
Ending Balance		\$143	\$368	\$674	\$853	\$951	\$1,315	\$1,719	\$2,166
36. Common Shares Outstanding (Fully Diluted)	70	75	76	81	81	81	81	81	81