

## Actual and Forecast Sources and Uses of Cash

Demo Company  
Multi-Year Scenario #1

|  | <i>Actual</i>         |                       |                       |                      | <i>Forecast</i>       |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 12 Months<br>12/31/97 | 12 Months<br>12/31/98 | 12 Months<br>12/31/99 | 3 Months<br>03/31/00 | 12 Months<br>12/31/00 | 12 Months<br>12/31/01 | 12 Months<br>12/31/02 | 12 Months<br>12/31/03 | 12 Months<br>12/31/04 |
| Cash Provided by Operations:                 |                       |                       |                       |                      |                       |                       |                       |                       |                       |
| Net Sales                                    | \$33,859              | \$32,699              | \$39,040              | \$8,500              | \$46,614              | \$55,657              | \$66,454              | \$79,346              | \$94,739              |
| Income and Expense Items:                    |                       |                       |                       |                      |                       |                       |                       |                       |                       |
| Cost of Goods Sold                           | (25,220)              | (23,776)              | (27,790)              | (6,120)              | (32,923)              | (38,993)              | (46,172)              | (54,654)              | (64,688)              |
| Operating Expenses                           | (4,278)               | (4,304)               | (4,655)               | (1,175)              | (5,500)               | (6,501)               | (7,689)               | (9,093)               | (10,753)              |
| Depreciation                                 | 1,176                 | 1,224                 | 1,592                 | 531                  | 1,592                 | 1,592                 | 1,592                 | 1,592                 | 1,592                 |
| Historical Interest Expense                  | (1,456)               | (1,789)               | (2,142)               | (391)                | 0                     | 0                     | 0                     | 0                     | 0                     |
| Interest Expense on Line of Credit           | 0                     | 0                     | 0                     | 0                    | (58)                  | (131)                 | (101)                 | 60                    | 388                   |
| Interest Expense on Term Loan                | 0                     | 0                     | 0                     | 0                    | (1,670)               | (1,461)               | (1,251)               | (1,042)               | (833)                 |
| Interest Expense on Subordinated Debt        | 0                     | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| Other Income (Expense)                       | (187)                 | 177                   | 310                   | 150                  | 310                   | 310                   | 310                   | 310                   | 310                   |
| Income Tax (Expense) Credit                  | (201)                 | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
|  | 3,693                 | 4,231                 | 6,355                 | 1,495                | 8,365                 | 10,473                | 13,143                | 16,519                | 20,755                |
| Investment and Financing Transactions:       |                       |                       |                       |                      |                       |                       |                       |                       |                       |
| Capital Expenditures                         | \$(2,128)             | \$(1,818)             | \$(3,210)             | \$(532)              | \$(3,210)             | \$(3,210)             | \$(3,210)             | \$(3,210)             | \$(3,210)             |
| (Incr.) Decr. in Accounts Receivable         | (1,119)               | 81                    | (1,053)               | 638                  | (1,308)               | (1,561)               | (1,863)               | (2,225)               | (2,657)               |
| (Incr.) Decr. in Inventory                   | 223                   | (76)                  | (1,180)               | (1,001)              | (914)                 | (1,081)               | (1,278)               | (1,511)               | (1,787)               |
| (Incr.) Decr. in Other Current Assets        | 190                   | 103                   | (72)                  | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| (Incr.) Decr. in Intangibles                 | 0                     | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| (Incr.) Decr. in Investments                 | 0                     | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| (Incr.) Decr. in Other Assets                | (159)                 | 0                     | (376)                 | 149                  | 0                     | 0                     | 0                     | 0                     | 0                     |
| Incr. (Decr.) in Line of Credit              | 0                     | 0                     | 0                     | 0                    | 1,299                 | 307                   | (972)                 | (2,607)               | (4,684)               |
| Incr. (Decr.) in Current Maturities          | 4,396                 | (3,305)               | 583                   | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| Incr. (Decr.) in Other Current Obligations   | 0                     | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| Incr. (Decr.) in Accounts Payable            | 403                   | (584)                 | 722                   | (205)                | 422                   | 499                   | 590                   | 697                   | 825                   |
| Incr. (Decr.) in Accrued Expenses            | 43                    | (576)                 | 179                   | 85                   | 382                   | 452                   | 537                   | 635                   | 750                   |
| Incr. (Decr.) in Taxes Payable               | 0                     | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| Incr. (Decr.) in Other Current Liabilities   | (415)                 | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| Incr. (Decr.) in Term Loan                   | 11,756                | 2,734                 | (80)                  | 0                    | (2,327)               | (2,327)               | (2,327)               | (2,327)               | (2,327)               |
| Incr. (Decr.) in Subordinated Debt           | 0                     | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| Incr. (Decr.) in Other Long Term Obligations | 0                     | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| Incr. (Decr.) in Other Liabilities           | (1,558)               | (214)                 | (78)                  | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| Incr. (Decr.) in Common Stock                | (5,238)               | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| Incr. (Decr.) in Preferred Stock             | 0                     | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| Incr. (Decr.) in Other Equity                | 0                     | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| (Incr.) Decr. in Treasury Stock              | 0                     | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
| Dividends                                    | (12,656)              | (362)                 | (1,905)               | (610)                | (2,709)               | (3,552)               | (4,620)               | (5,971)               | (7,665)               |
| Other  | 0                     | 0                     | 0                     | 0                    | 0                     | 0                     | 0                     | 0                     | 0                     |
|  | (6,262)               | (4,017)               | (6,470)               | (1,476)              | (8,365)               | (10,473)              | (13,143)              | (16,519)              | (20,755)              |
| Net Incr. (Decr.) in Cash                    | (2,569)               | 214                   | (115)                 | 19                   | 0                     | 0                     | 0                     | 0                     | 0                     |
| Cash at Beginning of Period                  | 3,120                 | 551                   | 765                   | 650                  | 650                   | 650                   | 650                   | 650                   | 650                   |
| Cash at End of Period                        | \$551                 | \$765                 | \$650                 | \$669                | \$650                 | \$650                 | \$650                 | \$650                 | \$650                 |