

Base Case A		0	1	2	3	4	5
Income Statement							
Gross Revenues	R\$	7.119.000	14.275.800	21.558.729	28.360.810	36.691.798	45.571.214
VAT Deductions	R\$	685.560	1.051.010	1.119.733	884.812	616.644	315.290
Net Revenues	R\$	6.433.440	13.224.790	20.438.996	27.475.999	36.075.155	45.255.924
CSS	R\$	0	0	0	0	0	0
Labor	R\$	372.170	771.303	1.198.865	1.656.392	2.145.493	2.667.857
Gross Result	R\$	6.061.271	12.453.488	19.240.131	25.819.607	33.929.661	42.588.067
Selling Expenses	R\$	133.635	223.734	319.395	468.454	584.274	767.537
Administrative Expenses	R\$	232.167	376.991	531.700	693.710	756.858	823.645
EBITDA	R\$	5.695.469	11.852.763	18.389.036	24.657.443	32.588.529	40.996.885
Depreciation	R\$	0	5.250.000	15.508.750	29.940.556	47.299.076	66.052.183
EBIT	R\$	5.695.469	6.602.763	2.880.286	(5.283.113)	(14.710.546)	(25.055.298)
Interest Expenses	R\$	1.627.500	4.901.502	9.167.684	14.121.344	19.612.989	25.252.269
Interest Income	R\$	0	0	0	0	0	0
EBT	R\$	4.067.969	1.701.260	-6.287.398	-19.404.457	-34.323.536	-50.307.567
Taxes	R\$	911.275	1.017.734	149.598	-164.825	-247.226	-173.348
Net Income	R\$	3.156.694	683.526	-6.436.996	-19.239.632	-34.076.310	-50.134.219
Mandatory Dividends	R\$	0	7.966.875	10.870.716	11.251.191	11.644.982	12.052.557
Common Dividends	R\$	0	0	0	0	0	0
Net Revenues Variation	%		106%	55%	34%	31%	25%
EBITDA Variation	%		108%	55%	34%	32%	26%
Gross Margin	% of Net Rev		94%	94%	94%	94%	94%
EBITDA Margin	% of Net Rev		90%	90%	90%	90%	91%
Net Margin	% of Net Rev		5%	-31%	-70%	-94%	-111%
Assets							
Operating Cash	R\$	31.014	64.275	99.905	138.033	178.791	222.321
Marketable Securities	R\$	2.589.560	0	0	0	0	0
Accounts Receivable	R\$	536.120	1.102.066	1.703.250	2.289.667	3.006.263	3.771.327
Inventory	R\$	0	0	0	0	0	0
Other Current Assets	R\$	0	0	0	0	0	0
Total Current Assets	R\$	3.156.694	1.166.341	1.803.155	2.427.699	3.185.054	3.993.648
Fixed Assets	R\$	52.500.000	102.587.500	144.318.063	173.585.195	187.531.077	184.832.424
Other LT Assets	R\$	0	0	0	0	0	0
Total Assets	R\$	55.656.694	103.753.841	146.121.218	176.012.894	190.716.130	188.826.073
Liabilities							
Short Term Debt	R\$	0	1.042.996	19.178.772	40.768.083	65.241.661	92.529.146
Accounts Payable	R\$	0	0	0	0	0	0
Accruals	R\$	0	0	0	0	0	0
Other Current Liabilities	R\$	0	0	0	0	0	0
Total Current Liabilities	R\$	0	1.042.996	19.178.772	40.768.083	65.241.661	92.529.146
Long Term Debt	R\$	42.000.000	85.470.000	126.261.450	164.280.601	199.430.422	231.610.487
Other Liabilities	R\$	0	0	0	0	0	0
Total Liabilities	R\$	42.000.000	86.512.996	145.440.222	205.048.683	264.672.083	324.139.632
Preferred Equity	R\$	10.500.000	21.367.500	22.115.363	22.889.400	23.690.529	24.519.698
Common Equity	R\$	0	0	0	0	0	0
Reserves	R\$	0	0	0	0	0	0
Retained Earnings	R\$	3.156.694	-4.126.655	-21.434.367	-51.925.190	-97.646.482	-159.833.257
Total Equity	R\$	13.656.694	17.240.845	680.996	-29.035.789	-73.955.952	-135.313.560
Total Liabilities + Equity	R\$	55.656.694	103.753.841	146.121.218	176.012.894	190.716.130	188.826.073
Total Debt Including Preferred	R\$	52.500.000	107.880.496	167.555.585	227.938.084	288.362.612	348.659.330
Total Debt	R\$	42.000.000	86.512.996	145.440.222	205.048.683	264.672.083	324.139.632
Net Debt	R\$	39.410.440	86.512.996	145.440.222	205.048.683	264.672.083	324.139.632
TDIP/EBITDA	Ratio		9,1x	9,1x	9,2x	8,8x	8,5x
TD/EBITDA	Ratio		7,3x	7,9x	8,3x	8,1x	7,9x
ND/EBITDA	Ratio		7,3x	7,9x	8,3x	8,1x	7,9x
EBITDA/Interest Expense	Ratio		2,4x	2,0x	1,7x	1,7x	1,6x
EBITDA/Int Exp+Mandatory Dividends	Ratio		0,9x	0,9x	1,0x	1,0x	1,1x

Cash Flow Statement

EBITDA	R\$	5.695.469	11.852.763	18.389.036	24.657.443	32.588.529	40.996.885
Change in Working Capital	R\$		-599.207	-636.814	-624.544	-757.355	-808.594
Taxes	R\$	-911.275	-1.017.734	-149.598	164.825	247.226	173.348
Operating Cash Flow	R\$	4.784.194	10.235.821	17.602.624	24.197.724	32.078.401	40.361.639
CAPEX	R\$	-52.500.000	-55.337.500	-57.239.313	-59.207.688	-61.244.958	-63.353.531
Free Cash Flow	R\$	-47.715.806	-45.101.679	-39.636.688	-35.009.965	-29.166.557	-22.991.892
Net Interest Expense	R\$	-1.627.500	-4.901.502	-9.167.684	-14.121.344	-19.612.989	-25.252.269
Preferred Equity Dividends	R\$	0	-7.966.875	-10.870.716	-11.251.191	-11.644.982	-12.052.557
Debt Repayments	R\$	0	0	-4.200.000	-8.547.000	-13.046.145	-17.702.760
Preferred Equity Redemption	R\$	0	0	-10.500.000	-10.867.500	-11.247.863	-11.641.538
Debt Service	R\$	-1.627.500	-12.868.377	-34.738.400	-44.787.034	-55.551.979	-66.649.123
Cash Flow after Debt Service	R\$	-49.343.306	-57.970.056	-74.375.088	-79.796.999	-84.718.536	-89.641.016
Common Dividends	R\$	0	0	0	0	0	0
Short Term Debt Drawings	R\$	0	1.042.996	18.135.776	21.589.311	24.473.579	27.287.485
Long Term Debt Drawings	R\$	42.000.000	43.470.000	44.991.450	46.566.151	48.195.966	49.882.825
Preferred Equity Issuance	R\$	10.500.000	10.867.500	11.247.863	11.641.538	12.048.992	12.470.706
Common Equity Issuance	R\$	0	0	0	0	0	0
Translation Loss (Gain)	R\$	0	0	0	0	-0	-0
Change in Marketable Securities	R\$	3.156.694	-2.589.560	0	0	-0	0

Unlevered Cash Flow

EBITDA	R\$		11.852.763	18.389.036	24.657.443	32.588.529	40.996.885
CAPEX	R\$		-55.337.500	-57.239.313	-59.207.688	-61.244.958	-63.353.531
Working Capital	R\$		-599.207	-636.814	-624.544	-757.355	-808.594
Taxes over EBIT	R\$		-1.017.734	-149.598	164.825	247.226	173.348
Unlevered Cash Flow	R\$		-45.101.679	-39.636.688	-35.009.965	-29.166.557	-22.991.892

15,37%

-10.500.000

55,39%

-2.900.625

10.122.853

10.477.153

10.843.853

11.223.388

Firm Value with Leverage of 80% Figures in R\$

		Cost of Equity		
		45%	50%	55%
Perpetuity Growth Rate	1,0%	31.675.201	10.945.970	-5.727.926
	2,0%	32.763.078	11.671.899	-5.237.231
	3,0%	34.045.081	12.516.755	-4.672.234

Equity Value with Leverage of 80% Figures in R\$

		Cost of Equity		
		45%	50%	55%
Perpetuity Growth Rate	1,0%	-541.651.247	-562.380.478	-579.054.374
	2,0%	-540.563.370	-561.654.549	-578.563.679
	3,0%	-539.281.367	-560.809.693	-577.998.682

WACC Demonstration

	45,0%	50,0%	55,0%
Cost of Equity	45,0%	50,0%	55,0%
Cost of Debt	7,8%	7,8%	7,8%
Marginal Tax Rate	16,0%	16,0%	16,0%
After Tax Cost of Debt	6,5%	6,5%	6,5%
Leverage (D/D+E)	80,0%	80,0%	80,0%
WACC	14,2%	15,2%	16,2%

Net Debt Pre-Transaction

Short Term Debt	338.105.693
Long Term Debt	235.679.482
Total Debt	573.785.175
Marketable Securities	0
Operating Cash	458.727
Net Debt	573.326.448

Valuation 1

# of Days	Days		360	720	1.080	1.440	1.800
Unlevered Cash Flow	R\$		-45.101.679	-39.636.688	-35.009.965	-29.166.557	-22.991.892
PV Cash Flow	R\$	14,2%	-39.490.823	-30.388.153	-23.501.852	-17.143.483	-11.832.924
PV Cash Flow	R\$		19.930.299				
PV Perpetuity 1	R\$	1,0%	11.744.902	31.675.201			
PV Perpetuity 2	R\$	2,0%	12.832.779	32.763.078			
PV Perpetuity 3	R\$	3,0%	14.114.782	34.045.081			

Valuation 2

# of Days	Days		360	720	1.080	1.440	1.800
Unlevered Cash Flow	R\$		-45.101.679	-39.636.688	-35.009.965	-29.166.557	-22.991.892
PV Cash Flow	R\$	15,2%	-39.148.044	-29.862.907	-22.895.164	-16.555.969	-11.328.216
PV Cash Flow	R\$		2.540.342				
PV Perpetuity 1	R\$	1,0%	8.405.628	10.945.970			
PV Perpetuity 2	R\$	2,0%	9.131.557	11.671.899			
PV Perpetuity 3	R\$	3,0%	9.976.413	12.516.755			

Valuation 3

# of Days	Days		360	720	1.080	1.440	1.800
Unlevered Cash Flow	R\$		-45.101.679	-39.636.688	-35.009.965	-29.166.557	-22.991.892
PV Cash Flow	R\$	16,2%	-38.811.165	-29.351.163	-22.309.179	-15.993.410	-10.849.122
PV Cash Flow	R\$		-11.787.321				
PV Perpetuity 1	R\$	1,0%	6.059.396	-5.727.926			
PV Perpetuity 2	R\$	2,0%	6.550.090	-5.237.231			
PV Perpetuity 3	R\$	3,0%	7.115.087	-4.672.234			

% Utilization	%	100%	100%	100%	100%	100%	100%
Actual Rent Contracts	R\$	1.356.000	2.732.400	4.126.359	5.428.283	7.022.841	8.722.368
Default	%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Gross Rev CL	R\$	1.356.000	2.732.400	4.126.359	5.428.283	7.022.841	8.722.368

Used Tipo Tanque

Potential Rent Contracts	R\$	1.017.000	1.980.000	2.990.115	3.933.538	5.089.015	6.320.557
% Utilization	%	100%	100%	100%	100%	100%	100%
Actual Rent Contracts	R\$	1.017.000	1.980.000	2.990.115	3.933.538	5.089.015	6.320.557
Default	%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Gross Rev CL	R\$	1.017.000	1.980.000	2.990.115	3.933.538	5.089.015	6.320.557

Gross Revenue	R\$	7.119.000	14.275.800	21.558.729	28.360.810	36.691.798	45.571.214
		7.119.000	13.541.550	18.530.439	21.246.828	22.953.804	22.623.489

Costs

Insurance	R\$	0%	0%	0%	0%	0%	0%
Maintenace		0%	0%	0%	0%	0%	0%
Reform		0%	0%	0%	0%	0%	0%
Total costs	R\$	0	0	0	0	0	0

Gross Margin	R\$	7.119.000	14.275.800	21.558.729	28.360.810	36.691.798	45.571.214
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VAT

ICMS or ISS	% of Dom Sales	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
PIS	% of Dom Sales	1,65%	1,25%	0,86%	0,49%	0,23%	0,06%
Cofins	% of Dom Sales	7,60%	5,74%	3,96%	2,25%	1,07%	0,26%
CPMF	% of Dom Sales	0,38%	0,38%	0,38%	0,38%	0,38%	0,38%
ICMS or ISS	R\$	0	0	0	0	0	0
PIS	R\$	117.464	177.801	185.123	138.607	85.125	25.351
Cofins	R\$	541.044	818.961	852.687	638.433	392.090	116.768
CPMF	R\$	27.052	54.248	81.923	107.771	139.429	173.171
VAT Deductions	R\$	685.560	1.051.010	1.119.733	884.812	616.644	315.290

Recuperação Impostos

Crédito ICMS -combustíveis	%	0%	0%	0%	0%	0%	0%
Recuperação PIS	%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Recuperação COFINS	%	7,60%	7,60%	7,60%	7,60%	7,60%	7,60%
VAT Créditos totais	R\$	0	0	0	0	0	0

Net Operating Margin	R\$	6.433.440	13.224.790	20.438.996	27.475.999	36.075.155	45.255.924
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Operational Employees

Monitoring	# of emp	2	4	6	8	10	12
Maintenance	# of emp	3	5	8	11	13	16
xx							
xx							
xx							
xx							
xx							
xx							
xx							
Total Operational Employees	# of emp	5	9	14	19	23	28
Operational Employees Variation	%		100%	50%	33%	25%	20%

Employee factor		1	1	1	1	1	1
Average Wage - Monitoring	R\$/yr	101.501	105.178	108.988	112.936	117.027	121.266
Average Wage - Maintenance	R\$ /yr	63.438	65.736	68.117	70.585	73.142	75.791
Inflator Factor	% of Inflation	100%	104%	104%	104%	104%	104%
Operational Employees - Cost	R\$	372.170	771.303	1.198.865	1.656.392	2.145.493	2.667.857

Administrative Employees

Administrative Employees	# of Emp	2	3	4	5	5	5
Average Wage	R\$ /yr	100.000	103.623	107.376	111.266	115.297	119.473
Inflator Factor	% of Inflation	100%	104%	104%	104%	104%	104%
Administrative Employees - Cost	R\$	200.000	310.868	429.505	556.330	576.483	597.366

Sales Employees

Sales Employees	# of Emp	1	1	1	2	2	3
Average Wage	R\$ /yr	50.000	51.811	53.688	55.633	57.648	59.737
Inflator Factor	% of Inflation	100%	104%	104%	104%	104%	104%
Sales Employees - Cost	R\$	50.000	51.811	53.688	111.266	115.297	179.210

Selling Expenses

Labor	R\$	50.000	51.811	53.688	111.266	115.297	179.210
Marketing	R\$	19.300	39.674	61.317	82.428	108.225	135.768
Commissions	R\$	64.334	132.248	204.390	274.760	360.752	452.559
Total Selling Expenses	R\$	133.635	223.734	319.395	468.454	584.274	767.537
Marketing (% of Net Revenue)	%	0,3%	0,3%	0,3%	0,3%	0,3%	0,3%
Commission (% Net Revenue)	%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%

Administrative Expenses

Labor	R\$	200.000	310.868	429.505	556.330	576.483	597.366
Others	R\$	32.167	66.124	102.195	137.380	180.376	226.280
Total Administrative Expenses	R\$	232.167	376.991	531.700	693.710	756.858	823.645
Others % of Net Revenues	%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%

Net Revenues	R\$	6.433.440	13.224.790	20.438.996	27.475.999	36.075.155	45.255.924
Total Expenses		737.972	1.372.028	2.049.960	2.818.555	3.486.625	4.259.039

Accounts Receivable	R\$	536.120	1.102.066	1.703.250	2.289.667	3.006.263	3.771.327
Days Sale	R\$	30	30	30	30	30	30

Inventory	R\$	0	0	0	0	0	0
Days Inventory	R\$	0	0	0	0	0	0

Operating Cash	R\$	31.014	64.275	99.905	138.033	178.791	222.321
Days Operating Cash	R\$	30	30	30	30	30	30

Accounts Payable	R\$	0	0	0	0	0	0
Days Payable	R\$	30	30	30	30	30	30

Accruals	R\$	0	0	0	0	0	0
Days Accrual	R\$	30	30	30	30	30	30

Working Capital	R\$	567.134	1.166.341	1.803.155	2.427.699	3.185.054	3.993.648
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Long Term Debt (Bridge)							
Drawings	R\$	0	0	0	0	0	0
Repayments	R\$	0	0	0	0	0	0
Final Balance	R\$	0	0	0	0	0	0
Spread	R\$	6,00%	6,00%	6,00%	6,00%	6,00%	6,00%
Interest Rate	R\$	12,00%	12,00%	12,00%	11,50%	11,50%	11,50%
Interest Expense	R\$	0	0	0	0	0	0
Initial Balance	R\$	0	0	0	0	0	0
Drawings	R\$	0	0	0	0	0	0
Repayments	R\$	0	0	0	0	0	0
Translation Gain/(Loss)	R\$	0	0	0	0	0	0
Final Balance	R\$	0	0	0	0	0	0
Interest Expense	R\$	0	0	0	0	0	0
Long Term Debt (BNDES)							
% BNDES		80%	80%	80%	80%	80%	80%
Drawings	R\$	42.000.000	43.470.000	44.991.450	46.566.151	48.195.966	49.882.825
Repayments	R\$	0	0	4.200.000	8.547.000	13.046.145	17.702.760
Final Balance	R\$	42.000.000	85.470.000	126.261.450	164.280.601	199.430.422	231.610.487
Spread	R\$	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Interest Rate	R\$	7,75%	7,58%	7,42%	7,14%	7,14%	7,14%
Interest Expense	R\$	1.627.500	4.833.708	7.853.269	10.374.665	12.987.380	15.391.593
Initial Balance	R\$	0	42.000.000	85.470.000	126.261.450	164.280.601	199.430.422
Drawings	R\$	42.000.000	43.470.000	44.991.450	46.566.151	48.195.966	49.882.825
Repayments	R\$	0	0	4.200.000	8.547.000	13.046.145	17.702.760
Translation Gain/(Loss)	R\$	0	0	0	0	0	0
Final Balance	R\$	42.000.000	85.470.000	126.261.450	164.280.601	199.430.422	231.610.487
Interest Expense	R\$	1.627.500	4.833.708	7.853.269	10.374.665	12.987.380	15.391.593
Long Term Debt (Total)							
Drawings	R\$	0	42.000.000	85.470.000	126.261.450	164.280.601	199.430.422
Repayments	R\$	0	43.470.000	44.991.450	46.566.151	48.195.966	49.882.825
Final Balance	R\$	42.000.000	85.470.000	126.261.450	164.280.601	199.430.422	231.610.487
Interest Expense	R\$	1.627.500	4.833.708	7.853.269	10.374.665	12.987.380	15.391.593
Initial Balance	R\$	0	42.000.000	85.470.000	126.261.450	164.280.601	199.430.422
Drawings	R\$	42.000.000	43.470.000	44.991.450	46.566.151	48.195.966	49.882.825
Repayments	R\$	0	0	4.200.000	8.547.000	13.046.145	17.702.760
Translation Gain/(Loss)	R\$	0	0	0	0	0	0
Final Balance	R\$	42.000.000	85.470.000	126.261.450	164.280.601	199.430.422	231.610.487
Interest Expense	R\$	1.627.500	4.833.708	7.853.269	10.374.665	12.987.380	15.391.593
Plug							
Assets	R\$	53.067.134	103.753.841	146.121.218	176.012.894	190.716.130	188.826.073
Liabilities	R\$	55.656.694	102.710.845	126.942.446	135.244.811	125.474.469	96.296.927
Plug	R\$	-2.589.560	1.042.996	19.178.772	40.768.083	65.241.661	92.529.146
Marketable Securities	R\$	2.589.560	0	0	0	0	0
Short Term Debt	R\$	0	1.042.996	19.178.772	40.768.083	65.241.661	92.529.146
Short Term Debt							
Initial Balance	R\$	0	0	1.042.996	19.178.772	40.768.083	65.241.661
Drawings	R\$	0	1.042.996	18.135.776	21.589.311	24.473.579	27.287.485
Repayments	R\$	0	0	0	0	0	0
Final Balance	R\$	0	1.042.996	19.178.772	40.768.083	65.241.661	92.529.146
Spread	R\$	7,00%	7,00%	7,00%	7,00%	7,00%	7,00%
Interest Rate	R\$	13,00%	13,00%	13,00%	12,50%	12,50%	12,50%
Interest Expense	R\$	0	67.795	1.314.415	3.746.678	6.625.609	9.860.675
Marketable Securities							
Marketable Securities	R\$	2.589.560	0	0	0	0	0
Investment Rate	R\$	9,0%	8,8%	8,6%	8,2%	8,2%	8,2%
Interest Income	R\$	234.096	0	0	0	0	0

Common Equity

Common Equity	R\$	0	0	0	0	0	0
New Equity	R\$						
New Equity from Conversion	R\$	0	0	0	0	0	0
Common Equity	R\$	0	0	0	0	0	0

Preferred Equity

		10.500.000	10.867.500	11.247.863	11.641.538	12.048.992	12.470.706
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% of Preferred Equity

		20%	20%	20%	20%	20%	20%
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Initial Balance	R\$	0	10.500.000	21.367.500	22.115.363	22.889.400	23.690.529
Issuance	R\$	10.500.000	10.867.500	11.247.863	11.641.538	12.048.992	12.470.706
Conversion	R\$						
Redemption	R\$			10.500.000	10.867.500	11.247.863	11.641.538
Final Balance	R\$	10.500.000	21.367.500	22.115.363	22.889.400	23.690.529	24.519.698
Interest Rate	R\$		50,00%	50,00%	50,00%	50,00%	50,00%
Interest Expense	R\$	0	7.966.875	10.870.716	11.251.191	11.644.982	12.052.557
Initial Balance	R\$	0	10.500.000	21.367.500	22.115.363	22.889.400	23.690.529
Drawings	R\$	10.500.000	10.867.500	11.247.863	11.641.538	12.048.992	12.470.706
Conversion	R\$	0	0	0	0	0	0
Repayments	R\$	0	0	10.500.000	10.867.500	11.247.863	11.641.538
Translation Gain/(Loss)	R\$	0	0	0	0	0	0
Final Balance	R\$	10.500.000	21.367.500	22.115.363	22.889.400	23.690.529	24.519.698
Mandatory Dividends	R\$	0	7.966.875	10.870.716	11.251.191	11.644.982	12.052.557

Retained Earnings

Initial Balance	R\$	0	3.156.694	-4.126.655	-21.434.367	-51.925.190	-97.646.482
Net Income (Loss)	R\$	3.156.694	683.526	-6.436.996	-19.239.632	-34.076.310	-50.134.219
Mandatory Dividends	R\$	0	7.966.875	10.870.716	11.251.191	11.644.982	12.052.557
Common Dividends	R\$	0	0	0	0	0	0
Final Balance	R\$	3.156.694	-4.126.655	-21.434.367	-51.925.190	-97.646.482	-159.833.257
Dividends Pay-Out	%	25%	25%	25%	25%	25%	25%
Pays Only After Repayment?	T/F	VERDADEIRO	VERDADEIRO	VERDADEIRO	VERDADEIRO	VERDADEIRO	VERDADEIRO
Final Balance	30%	947.008	-1.237.997	-6.430.310	-15.577.557	-29.293.944	-47.949.977

Income Taxes							
EBT	R\$	4.067.969	1.701.260	-6.287.398	-19.404.457	-34.323.536	-50.307.567
Taxes	R\$	911.275	1.017.734	149.598	-164.825	-247.226	-173.348
Tax Rate	%	16,0%	15,4%	5,2%	3,1%	1,7%	0,7%

Taxes over EBIT							
EBIT	R\$	5.695.469	6.602.763	2.880.286	-5.283.113	-14.710.546	-25.055.298
Taxes over EBIT	R\$	911.275	1.017.734	149.598	-164.825	-247.226	-173.348

PIS		117.464	177.801	185.123	138.607	85.125	25.351
COFINS		541.044	818.961	852.687	638.433	392.090	116.768
CPMF		27.052	54.248	81.923	107.771	139.429	173.171
Lucro Real/base CSLL pre 30%		4.067.969	3.451.260	-1.117.814	-9.424.271	-18.557.177	-28.290.173
Lucro Real/base CSLL pos 30%		4.067.969	3.451.260	-782.470	-6.596.990	-12.990.024	-19.803.121
Alíquota IRPJ		15%	15%	15%	15%	15%	15%
IRPJ		610.195	517.689	0	0	0	0
Alíquota IRPJ (adicional)		10%	10%	10%	10%	10%	10%
IRPJ (adicional)		382.797	321.126	0	0	0	0
Alíquota CSLL		9%	9%	9%	9%	9%	9%
CSLL		366.117	310.613	0	0	0	0
Prejuízo Fiscal/Base negativa de CSLL		0	0	-1.117.814	-9.424.271	-18.557.177	-28.290.173
Utilização de Base negativa		0	0	-335.344	-2.827.281	-5.567.153	-8.487.052
Saldo de Base negativa a utilizar		0	0	-1.453.159	-13.704.711	-37.829.042	-74.606.266
Tributação Cheia		2.044.669	2.200.438	1.119.733	884.812	616.644	315.290
Alíquota Efetiva		16,00%	15,41%	5,19%	3,12%	1,68%	0,69%
PIS		1,65%	1,25%	0,86%	0,49%	0,23%	0,06%
COFINS		7,60%	5,74%	3,96%	2,25%	1,07%	0,26%
CPMF		0,38%	0,38%	0,38%	0,38%	0,38%	0,38%
IRPJ		8,57%	3,63%	0,00%	0,00%	0,00%	0,00%
IRPJ (Adicional)		5,38%	2,25%	0,00%	0,00%	0,00%	0,00%
CSLL		5,14%	2,18%	0,00%	0,00%	0,00%	0,00%

CAPEX Plan

Wagon (net adds)

01. Vagao new Hooper	#	100	100	100	100	100	100
02. Vagao new Tanque	#	100	100	100	100	100	100
03. Vagao used Hooper	#	100	100	100	100	100	100
04. Vagao used Tanque	#	100	100	100	100	100	100

Wagon qty (accum.)

01. Vagao new tipo Hooper	#	100	200	300	400	500	600
02. Vagao new tipo Tanque	#	100	200	300	400	500	600
03. Vagao used tipo Hooper	#	100	200	300	400	500	600
04. Vagao used tipo Tanque	#	100	200	300	400	500	600

Wagon (net adds)

01. Vagao new tipo Hooper	R\$	20.000.000	20.700.000	21.424.500	22.174.358	22.950.460	23.753.726
02. Vagao new tipo Tanque	R\$	15.000.000	15.525.000	16.068.375	16.630.768	17.212.845	17.815.295
03. Vagao used tipo Hooper	R\$	10.000.000	10.350.000	10.712.250	11.087.179	11.475.230	11.876.863
04. Vagao used tipo Tanque	R\$	7.500.000	7.762.500	8.034.188	8.315.384	8.606.423	8.907.647

% of new		67%	67%	67%	67%	67%	67%
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Discretionary CAPEX	R\$	52.500.000	54.337.500	56.239.313	58.207.688	60.244.958	62.353.531
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Fixed Assets

Initial Balance	R\$	0	52.500.000	107.837.500	165.076.813	224.284.501	285.529.458
Expansion CAPEX	R\$	52.500.000	54.337.500	56.239.313	58.207.688	60.244.958	62.353.531
Maintenance CAPEX	R\$	0	1.000.000	1.000.000	1.000.000	1.000.000	1.000.000
CAPEX	R\$	52.500.000	55.337.500	57.239.313	59.207.688	61.244.958	63.353.531
Depreciation	R\$	0	5.250.000	20.758.750	50.699.306	97.998.382	164.050.565
Final Balance taxes	R\$	52.500.000	102.587.500	144.318.063	173.585.195	187.531.077	184.832.424
Final Balance Accounting	R\$	52.500.000	106.105.000	161.691.425	219.522.005	279.801.147	342.694.464
Depreciation for taxes	R\$	0	5.250.000	15.508.750	29.940.556	47.299.076	66.052.183
Depreciation Expense			1.732.500	3.385.388	4.762.496	5.728.311	6.188.526
Taxes Depreciation Rate	%		10,0%	10,0%	10,0%	10,0%	10,0%
Accounting Depreciation Rate			3,3%	3,3%	3,3%	3,3%	3,3%
Depreciation new			3.500.000	10.339.167	19.960.371	31.532.717	44.034.789
check - empurradores Inativos		(100)	(200)	(300)	(400)	(500)	(600)

Macro Drivers

Exchange Rate	R\$/US\$	1,90	1,93	1,96	1,99	2,02	2,05
Devaluation	%		3,5%	3,5%	3,5%	3,5%	3,5%
Inflation USA	%	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%
Inflation Brasil	%	3,5%	3,5%	3,5%	3,5%	3,5%	3,5%
Inflation Factor	Factor	1,000	1,035	1,071	1,109	1,148	1,188
LIBOR	% p.a.	6,0%	6,0%	6,0%	5,5%	5,5%	5,5%
CDI	% p.a.	11,3%	11,0%	10,7%	10,2%	10,2%	10,2%
CDI ACUMULADO	% p.a.	111,3%	123,5%	136,8%	150,7%	166,1%	183,0%
CDI CURVE		11,3%	11,1%	11,0%	10,8%	10,7%	10,6%
TJLP		6,3%	6,1%	5,9%	5,6%	5,6%	5,6%
Risco Pais		1,8%	1,5%	1,2%	1,2%	1,2%	1,2%

	2008	% da Receita	2009	% da Receita
Receita Operacional Líquida	797.651	100,00%	881.296	100,00%
Custo dos Produtos Vendidos	525.045		591.600	
Lucro Bruto	272.606	34,18%	289.696	32,87%
Despesas Operacionais				
Com Vendas	47.061	5,90%	51.996	5,90%
Gerais e Administrativas	87.742	11,00%	96.943	11,00%
Outras				
Total	134.803	16,90%	148.939	16,90%
EBIT	#REF!	#REF!	#REF!	#REF!
Resultado Financeiro				
Receita Financeira	#REF!	#REF!	#REF!	#REF!
Despesa Financeira	#REF!	#REF!	#REF!	#REF!
Total	#REF!	#REF!	#REF!	#REF!
Resultado Operacional	#REF!	#REF!	#REF!	#REF!
Receita Não-Operacional			4.290	0,49%
Despesa Não-Operacional				
Resultado Não-Operacional			4.290	0,49%
Imposto de Renda Social (25%)	#REF!	#REF!	#REF!	#REF!
Resultado Líquido	#REF!	#REF!	#REF!	#REF!

Ativo							
Ativo Total	26.972.342	26.436.798	26.660.258	29.103.993	27.802.593	28.365.014	28.540.987
Ativo Circulante	6.293.170	6.810.087	7.639.470	9.725.123	9.014.715	10.041.831	10.498.730
Disponível e Inv CP	1.478.914	1.789.454	2.411.910	4.325.513	3.617.448	4.845.288	4.863.317
Creditos Comerciais CP	3.112.307	3.327.691	3.665.365	3.533.479	3.589.162	3.584.653	3.734.924
Clientes CP	3.112.307	3.327.691	3.665.365	3.533.479	3.589.162	3.584.653	3.734.924
Duplicatas a Receber	3.434.957	3.632.882	4.085.177	3.872.989	3.942.648	3.895.580	4.040.411
Saques Cambiais Desc	0	0	0	0	0	0	0
Duplicatas Descontadas	0	0	0	0	0	0	0
Prov Contas Cobr Duvid	-322.650	-305.191	-419.812	-339.510	-353.486	-310.927	-305.487
Creditos diversos	0	0	0	0	0	0	0
Titulos a Receber CP	0	0	0	0	0	0	0
A Receber de Control CP	0	0	0	0	0	0	0
Aplicacoes Financ CP	0	0	0	0	0	0	0
Outros Creditos CP	0	0	0	0	0	0	0
Estoques	146.968	122.885	85.091	136.865	206.904	183.635	354.331
Outros Ativos CP	1.554.981	1.570.057	1.477.104	1.729.266	1.601.201	1.428.255	1.546.158
Ativo nao circulante	20.679.172	19.626.711	19.020.788	19.378.870	18.787.878	18.323.183	18.042.257
Realizavel LP	2.459.661	2.171.031	2.071.853	2.510.258	2.573.957	2.564.780	2.533.678
Creditos Comerciais LP	2.182.488	1.826.634	1.732.220	237.670	1.628.042	1.582.946	1.501.477
A Receber de Control LP	0	0	0	15.577	16.130	15.610	15.011
de Coligadas	0	0	0	0	0	0	0
de Controladas	0	0	0	15.577	16.130	15.610	15.011
de Outras Pessoas Ligads	0	0	0	0	0	0	0
Outros Ativos LP	277.173	344.397	339.633	2.257.011	929.785	966.224	1.017.190
Permanente	18.219.511	17.455.680	16.948.935	16.868.612	16.213.921	15.758.403	15.508.579
Inv em Subsid e Outros	392.835	369.046	350.463	305.052	289.501	320.546	302.188
Inv em coligadas	4.506	5.719	5.077	0	0	0	0
Inv em coligadas - agio	0	0	0	0	0	0	0
Invest em Subsidiarias	295.209	279.671	264.133	0	230.228	262.716	243.951
Inv em subsid - agio	0	0	0	0	0	0	0
Outros Investimentos	93.120	83.656	81.253	305.052	59.273	57.830	58.237
Outros	0	0	0	0	0	0	0
Imobilizado	17.236.056	16.512.562	16.040.946	16.004.849	15.383.076	14.913.626	14.699.112
Imobiliz antes Deprec	42.351.545	42.453.966	42.805.040	43.572.416	43.765.766	44.093.870	44.685.959
Depreciacao Acumulada	-25.115.489	-25.941.404	-26.764.094	-27.567.567	-28.382.690	-29.180.244	-29.986.847
Intangiveis e agio	0	0	0	0	0	0	0
Intang antes da amortiz	0	0	0	0	0	0	0
Amortizacao acumulada	0	0	0	0	0	0	0
Diferido	590.620	574.072	557.526	558.711	541.344	524.231	507.279
Diferido antes Amort	645.547	645.593	645.608	687.224	667.398	667.156	667.171
Amortizacao Acumulada	-54.927	-71.521	-88.082	-128.513	-126.054	-142.925	-159.892

Passivo							
Passivo e Patrimonio Liq	26.972.342	26.436.798	26.660.258	29.103.993	27.802.593	28.365.014	28.540.987
Passivo Circulante	4.392.308	4.451.933	5.213.676	6.893.456	5.721.809	6.043.660	6.526.553
Financiamento CP	1.955.024	2.243.312	2.513.868	2.646.244	2.756.618	2.747.807	2.784.825
Financ Moeda Estrg CP	-	-	-	-	-	-	-
Financ Moeda Nacion CP	-	-	-	-	-	-	-
Adiant de Contr de Camb	-	-	-	-	-	-	-
Debentures CP	98.237	20.706	92.223	15.661	63.838	13.997	63.407
Fornecedores CP	1.187.921	1.093.695	1.235.501	1.902.744	1.427.228	1.526.501	1.802.130
Impostos a Pagar CP	466.355	463.031	715.056	805.886	736.897	979.370	1.103.657
Dividendos a Pagar CP	151.237	149.190	153.901	1.066.717	299.066	335.088	373.058
Provisoes CP	29.318	0	0	0	0	0	0
A Pagar a Controlad CP	0	0	0	0	0	0	0
Outros Passivos CP	504.216	481.999	503.127	456.204	438.162	440.897	399.476
Passivo nao circulante	11.472.543	11.049.502	10.563.878	11.664.311	11.405.647	11.603.341	11.309.651
Exigivel LP	11.472.543	11.049.502	10.563.878	11.657.859	11.399.765	11.549.472	11.232.009
Financiamento LP	8.187.629	7.922.612	7.340.104	8.290.679	7.977.782	8.231.172	7.807.540
Financ Moeda Estrg LP	-	-	-	-	-	-	-
Financ Moeda Nacion LP	-	-	-	-	-	-	-
Debentures LP	1.300.000	1.207.200	1.207.200	1.207.200	1.207.200	1.207.200	1.207.200
Provisoes LP	1.871.560	1.130.570	1.089.555	1.206.822	1.264.607	1.202.990	1.344.014
A Pagar a Controlad LP	75.382	0	0	0	0	0	0
Adiant p fut aum de cap	0	0	0	0	0	0	0
Outros Passivos LP	37.972	789.120	927.019	953.158	950.176	908.110	873.255
Resultados de Exer Futur	0	0	0	6.452	5.882	53.869	77.642
Part Acionistas Minorit	2.099.601	2.092.973	2.052.116	2.001.593	2.010.141	1.989.867	1.972.881
Patrimonio Liquido	9.007.890	8.842.390	8.830.588	8.544.633	8.664.996	8.728.146	8.731.902
Capital Social	4.216.383	4.383.990	4.383.990	4.383.988	4.551.593	4.536.422	4.586.608
Reservas de Capital	536.698	369.092	369.092	369.093	201.487	201.487	201.487

Reservas de Reavaliacao	0	0	0	0	0	0	0
Ativos Proprios	0	0	0	0	0	0	0
Ativos de Contr/Colig	0	0	0	0	0	0	0
Reserva de Lucros	4.410.092	4.410.092	4.410.092	3.791.552	3.791.551	3.791.551	3.585.816
Reserva Legal	26.818	26.818	26.818	60.483	60.484	60.484	60.484
Reserva Estatutaria	0	0	0	0	0	0	0
Reserva p/ Contingencias	0	0	0	0	0	0	0
Reservas de Luc a Realz	543.951	543.951	543.951	0	0	0	0
Resv de Retencao de Luc	0	0	0	0	0	0	0
Resv Esp p/ Div nao Dist	0	0	0	0	0	0	0
Outras Reservas	3.839.323	3.839.323	3.839.323	3.731.069	3.731.067	3.731.067	3.525.332
Lucros Acumulados	-155.283	-320.784	-332.586	0	120.365	198.686	357.991
Adiant p fut aum de cap	0	0	0	0	0	0	0
Divida Fin Moeda Estrang	8.878.422	7.570.714	7.402.747	8.196.254	8.112.579	10.513.530	7.303.595
Demonstracao de Resultad							
Meses	12	12	12	12	12	12	12
Receita Bruta	16.785.943	17.581.442	18.527.362	19.426.935	20.118.470	20.864.323	21.385.541
Rec Bruta Merc Interno	-	-	-	-	-	-	-
Rec Bruta Merc Externo	-	-	-	-	-	-	-
Impostos sobre Vendas	4.478.297	4.711.192	4.969.474	5.424.131	5.645.078	5.935.624	6.143.225
Receita Liquida Operac	12.307.646	12.870.250	13.557.888	14.002.804	14.473.392	14.928.699	15.242.316
Crescimento de Receita	#REF!	4,57%	5,34%	3,28%	3,36%	3,15%	2,10%
Custo Produtos Vendidos	8.387.776	8.615.619	8.668.019	8.684.542	8.659.833	8.830.311	8.976.184
Lucro Bruto	3.919.870	4.254.631	4.889.869	5.318.262	5.813.559	6.098.388	6.266.132
Margem Bruta	31,85%	33,06%	36,07%	37,98%	40,17%	40,85%	41,11%
Despesas Operac Proprias	2.363.005	2.479.896	2.581.349	2.593.929	2.727.565	2.792.631	2.866.935
Despesas com Vendas	1.323.913	1.422.050	1.628.808	1.738.617	1.895.152	1.976.634	1.928.272
Despesas Administrativ	1.039.092	1.057.846	952.541	855.312	832.413	815.997	938.663
Lucro Operac EBIT	1.556.865	1.774.735	2.308.520	2.724.333	3.085.994	3.305.757	3.399.197
Resultado Financeiro	-2.220.075	-2.237.556	-1.984.831	-2.105.501	-2.064.323	-2.004.317	-1.815.809
Receitas Financeiras	495.917	500.545	542.525	567.428	591.029	611.912	587.809
Desp Fin e Juros s/ Patr	2.715.992	2.738.101	2.527.356	2.672.929	2.655.352	2.616.229	2.403.618
Despesas Financeiras	2.715.992	2.738.101	2.527.356	2.672.929	2.655.352	2.616.229	2.403.618
Juros s/Patrim Liquido	0	0	0	0	0	0	0
Outras Rec Desp Operac	-97.888	-159.495	-254.643	-260.912	-333.261	-430.337	-443.982
Outras Receitas Operac	952.112	1.218.599	1.319.320	1.058.039	1.011.887	875.494	844.756
Outras Despesas Operac	1.050.000	1.378.094	1.573.963	1.318.951	1.345.148	1.305.831	1.288.738
Equivalenc Patrimonial	32.619	28.610	33.156	74.606	31.288	43.352	25.336
Lucro Operacional	-728.479	-593.706	102.202	432.526	719.698	914.455	1.164.742
Resultado nao Operac	8.249	-69.501	-65.518	-68.560	-37.412	28.453	28.454
Receitas Nao Operac	123.668	189.160	205.225	124.112	132.376	99.380	79.466
Despesas Nao Operac	115.419	258.661	270.743	192.672	169.788	70.927	51.012
LAIR	-720.230	-663.207	36.684	363.966	682.286	942.908	1.193.196
Provisao Impost de Rend	-335.455	-206.862	-298.385	-112.620	-144.157	-282.555	-65.043
IR Diferido	3.386	-13.177	417.214	0	-15.171	95.509	-104.247
Partic/Contrib Estatut	142.095	183.748	184.646	118.389	154.901	164.567	160.528
Participacoes Estatut	142.095	183.748	184.646	118.389	154.901	164.567	160.528
Contribuicoes Estatut	0	0	0	0	0	0	0
Rever Juros s/Patr Liqui	0	0	0	0	0	0	0
Partic Acion Minoritar	140.660	133.170	135.245	145.484	141.389	176.239	229.922
Lucro Liquido	-670.916	-760.086	-402.036	212.713	545.324	789.148	972.036
Margem Liquida	-5,45%	-5,91%	-2,97%	1,52%	3,77%	5,29%	6,38%
Crescimento do Lucro	#REF!	13,29%	-47,11%	-152,91%	156,37%	44,71%	23,18%

PROJEÇÃO DE RESULTADO 2007

	2007	% da Receita	08/07 (%)	2008	% da Receita	06/05 (%)	2009	% da Receita
Receita Bruta								
				1,07			1,07	
Receita Operacional Líquida	517	100,00%	7,00%	553	100,00%	7,0%	591	
Custo dos Produtos Vendidos	204			218			234	
Lucro Bruto	313	60,51%	7,00%	334	60,51%		358	60,51%
Despesas Operacionais								
Com Vendas	96	5,90%	7,00%	102	5,90%		109	5,90%
Gerais e Administrativas	64	11,00%	7,00%	68	11,00%		73	11,00%
Outras	20			21			23	
Total	180	34,77%	7,00%	192	34,77%		206	
Resultado da Equivalência Patrimonial				0			0	
EBIT	178	34,4%		190	34,4%		203	34,4%
Receita Financeira	45	8,71%	7,00%	48	8,71%		52	
Despesa Financeira	14	2,71%	7,00%	15	2,71%		16	
Total	59	11,42%	7,00%	63	11,42%		68	
Resultado Operacional	192			205			220	
Receita Não-Operacional								
Despesa Não-Operacional								
Resultado Não-Operacional								
Resultado Antes dos Tributos e Participação Minoritária								
Imposto de Renda e Contribuição Social	32			34			37	
Resultado Antes da Participação Minoritária								
Participação Minoritária	0	0,06%	7,00%	0	0,06%		0	
Resultado Líquido	160	30,91%	7,00%	171	30,91%		183	30,91%
Resultado por lote de 1000 ações								

milhões R\$	2009 e	2008 e	2007 e	2006
Ativo Total	27.721	27.629	27.544	27.464
Receita Líquida	591	553	517	486
Lucro Líquido	183	171	160	100
Pat. Líquido	9.512	9.403	9.300	8.959
Dívida Líquida	5.185	5.125	4.006	4.883
n.ações	120	120	120	120
Ebitda	232	111	118	295
Mg Ebitda	39,2%	20,1%	22,9%	60,8%
Cotação	42,1	42,1	42,1	31,63
LPA	1,52	1,42	1,33	0,83
P/L	27,63	29,56	31,63	37,96
VPA	79,27	78,35	77,50	74,66
P/VPA	0,53	0,54	0,54	0,42
ROE	1,92	1,82	1,72	1,12
ROA	0,66	0,62	0,58	0,36
EO / PL	55%	55%	43%	55%
Margem Bruta	60,5%	60,5%	60,5%	1546,9%
Margem Líquida	30,9%	30,9%	30,9%	20,6%

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	Base 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Perp.
Consolidado												
Crescimento Volume			1,07	1,07	1,05	1,05	1,05	1,05	1,05	1,05	1,05	1,04

Patrimônio Líquido	530
Endividamento Total (considera cronogr. de amo)	130
Caixa	400
Capitalização Total	660
% Recursos Próprios	80,30%
Custo Médio da Dívida em moeda nacional (102% do CDI)	
Valor de Mercado	
Valor de Mercado Parcial	
Custo Médio da Dívida em moeda estrangeira (Libor + 3% a.a. ou 7% fixo)	
Valor de Mercado	
Valor de Mercado Parcial	
% Dívida em Moeda Nacional	

Anos	Base 2004	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Perp.
Receita Líquida		517	553	591	621	652	685	719	755	793	832	866
Margem EBIT		34,40%	34,40%	34,40%	34,40%	34,40%	34,40%	34,40%	34,40%	34,40%	34,40%	34,40%
EBIT		178	190	203	214	224	236	247	260	273	286	298
EBIT (1-Alíquota IR 35%)	75%	133	143	153	160	168	177	185	195	204	215	223
(-) Invest. físicos		41	44	47	50	52	55	58	60	63	67	69
(+) Depreciação (20% da Receita Líquida)		52	55	59	62	65	68	72	75	79	83	87
(-) Invest. líquidos		-8	-9	-9	-10	-10	-11	-12	-12	-13	-13	-14
(-) Var. capital de giro (3% da Receita)		8	9	9	10	10	11	12	12	13	13	14
(+) Todos os itens sem efeito caixa do DRE												
(+) Variação de capital		0										
(-) Pagamento de principal												
(-) Participações obrigatórias (dividendos 33% EB)	40%	53	57	61	64	67	71	74	78	82	86	89
(=)FCFE (Valor da empresa)		80	86	92	96	101	106	111	117	123	129	134

Perp. = Valor do Fluxo (I - G)

Perp. = 133,9757
(0,164-0,04)

Perp. = 2679,513

WACC		1,115	1,110	1,100	1,100	1,100	1,090	1,090	1,090	1,090	1,090	1,090
Perp.	2016	1057,18	1178,75	1308,41	1439,26	1583,18	1741,50	1898,23	2069,08	2255,29	2458,27	2679,51
	2015	50,83	56,67	62,90	69,20	76,11	83,73	91,26	99,47	108,43	118,19	
	2014	52,76	58,83	65,30	71,83	79,01	86,92	94,74	103,26	112,56		
	2013	54,77	61,07	67,79	74,57	82,02	90,23	98,35	107,20			
	2013	56,86	63,40	70,37	77,41	85,15	93,66	102,09				
	2012	59,02	65,81	73,05	80,36	88,39	97,23					
	2011	61,27	68,32	75,83	83,42	91,76						
	2010	64,19	71,57	79,45	87,39							
	2009	67,25	74,98	83,23								
	2008	69,13	77,08									
	2007	71,72										

Participações em controladas

FCFE	1,935
Dívida Líquida	-270
FCFF	1,665
Nº de ações	120
FCFE por ação	16,12
Dividendo por ação	0,44
Yield	2,76%
Cotação fech. 26/10	13,50
Upside potencial	19,44%
FCFF por ação	13,87

Forecasting Variables:

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenue growth factor	20%	30%	40%	50%	60%	50%	40%	30%	20%	10%
Expected gross profit margin	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%
S, G, & A expense % of revenue	50%	40%	30%	29%	28%	27%	26%	25%	24%	23%
Depr. & Amort. % of revenue	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Capital expenditure growth factor	40%	35%	30%	25%	20%	-10%	-15%	-20%	-25%	-30%
Net working capital to sales ratio	19%	18%	17%	16%	15%	14%	13%	12%	11%	10%

Income tax rate	40%									40%	
Assumed long-term sustainable growth rate	5%	per year after 2011									5%
Discount rate	20%									20%	

Valuation Model Outputs:

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gross profit margin	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%
Net operating profit margin	-10%	1%	12%	10%	10%	11%	12%	13%	14%	16%
Free cash flow (\$ mil)	(\$1,3)	(\$1,4)	(\$1,3)	(\$1,4)	(\$1,0)	\$0,7	\$2,8	\$5,2	\$7,3	\$8,8
Terminal value (\$ mil)										\$61,8

PV of Company Operations (\$ mil) **\$11,1**

Market Value of Company Assets (\$ mil) **\$11,6**

Years Ending December 31

	Actual	Forecast									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total revenue	\$2.000.000	\$2.400.000	\$3.120.000	\$4.368.000	\$6.552.000	\$10.483.200	\$15.724.800	\$22.014.720	\$28.619.136	\$34.342.963	\$37.777.260
Cost of Goods Sold	1.200.000	1.200.000	1.528.800	2.096.640	3.079.440	4.822.272	7.076.160	9.686.477	12.306.228	14.424.045	15.488.676
Gross profit	800.000	1.200.000	1.591.200	2.271.360	3.472.560	5.660.928	8.648.640	12.328.243	16.312.908	19.918.918	22.288.584
Selling, general and administrative expenses	1.200.000	1.200.000	1.248.000	1.310.400	1.900.080	2.935.296	4.245.696	5.723.827	7.154.784	8.242.311	8.688.770
Earnings before interest, taxes, depr. & amort. (EBITDA)	-400.000	0	343.200	960.960	1.572.480	2.725.632	4.402.944	6.604.416	9.158.124	11.676.607	13.599.814
Depreciation and amortization	200.000	240.000	312.000	436.800	655.200	1.048.320	1.572.480	2.201.472	2.861.914	3.434.296	3.777.726
Earnings before Interest and taxes (EBIT)	-600.000	-240.000	31.200	524.160	917.280	1.677.312	2.830.464	4.402.944	6.296.210	8.242.311	9.822.088
Available tax-loss carryforwards	0	-600.000	-840.000	-808.800	-284.640	0	0	0	0	0	0
Net taxable earnings	0	0	0	0	632.640	1.677.312	2.830.464	4.402.944	6.296.210	8.242.311	9.822.088
Federal and State Income Taxes	0	0	0	0	253.056	670.925	1.132.186	1.761.178	2.518.484	3.296.924	3.928.835
Net Operating Profit After-Tax (NOPAT)	-600.000	-240.000	31.200	524.160	664.224	1.006.387	1.698.278	2.641.766	3.777.726	4.945.387	5.893.253
Add back depreciation and amortization	200.000	240.000	312.000	436.800	655.200	1.048.320	1.572.480	2.201.472	2.861.914	3.434.296	3.777.726
Subtract Capital Expenditures	-1.000.000	-1.400.000	-1.890.000	-2.457.000	-3.071.250	-3.685.500	-3.316.950	-2.819.408	-2.255.526	-1.691.645	-1.184.151
Subtract New Net Working Capital		76.000	129.600	212.160	349.440	589.680	733.824	817.690	792.530	629.621	343.430
Free Cash Flow	(\$1.400.000)	(\$1.324.000)	(\$1.417.200)	(\$1.283.880)	(\$1.402.386)	(\$1.041.113)	\$687.632	\$2.841.521	\$5.176.644	\$7.317.659	\$8.830.257
Terminal value, 2011											\$61.811.799
Present Value of Free Cash Flows @ 20%		-1.103.333	-984.167	-742.986	-676.305	-418.400	230.287	793.016	1.203.922	1.418.211	11.409.086
Total Present Value of Company Operations											\$11.129.331
Plus Current Assets											500.000
											from Pie in the Skys' December 31, 2001 Balance Sheet
Total Market Value of Great Expectations' Assets											\$11.629.331

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INITIAL INVESTMENT	
Initial Investment=	\$50.000
Opportunity cost (if any)=	\$7.484
Lifetime of the investment	10
Salvage Value at end of project=	\$10.000
Deprec. method(1:St.line;2:DDI)	2
Tax Credit (if any)=	10%
Other invest.(non-depreciable)=	0

CASHFLOW DETAILS	
Revenues in year 1=	\$40.000
Var. Expenses as % of Rev=	50%
Fixed expenses in year 1=	0
Tax rate on net income=	40%

DISCOUNT RATE	
Approach(1:Direct;2:CAPM)=	2
1. Discount rate =	10%
2a. Beta	0,9
b. Riskless rate=	8,00%
c. Market risk premium =	5,50%
d. Debt Ratio =	30,00%
e. Cost of Borrowing =	9,00%
Discount rate used=	10,69%

WORKING CAPITAL	
Initial Investment in Work. Cap	\$10.000
Working Capital as % of Rev=	25%
Salvageable fraction at end=	100%

GROWTH RATES										
	1	2	3	4	5	6	7	8	9	10
Revenues	Do not enter	10,00%	10,00%	10,00%	10,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Fixed Expenses	Do not enter	10,00%	10,00%	10,00%	10,00%	0,00%	0,00%	0,00%	0,00%	0,00%

Default: The fixed expense growth rate is set equal to the growth rate in revenues by default.

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
INITIAL INVESTMENT											
Investment		\$50.000									
- Tax Credit		\$5.000									
Net Investment		\$45.000									
+ Working Cap		\$10.000									
+ Opp. Cost		\$7.484									
+ Other invest.		\$0									
Initial Investment		\$62.484									

SALVAGE VALUE											
	0	1	2	3	4	5	6	7	8	9	10
Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10.000
Working Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14.641

OPERATING CASHFLOWS											
	1	1	1	1	1	1	1	1	1	1	
Lifetime Index											
Revenues	\$40.000	\$44.000	\$48.400	\$53.240	\$58.564	\$58.564	\$58.564	\$58.564	\$58.564	\$58.564	
-Var. Expenses	\$20.000	\$22.000	\$24.200	\$26.620	\$29.282	\$29.282	\$29.282	\$29.282	\$29.282	\$29.282	
- Fixed Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
EBITDA	\$20.000	\$22.000	\$24.200	\$26.620	\$29.282	\$29.282	\$29.282	\$29.282	\$29.282	\$29.282	
- Depreciation	\$10.000	\$8.000	\$6.400	\$5.120	\$4.096	\$3.277	\$2.621	\$486	\$0	\$0	
EBIT	\$10.000	\$14.000	\$17.800	\$21.500	\$25.186	\$26.005	\$26.661	\$28.796	\$29.282	\$29.282	
-Tax	\$4.000	\$5.600	\$7.120	\$8.600	\$10.074	\$10.402	\$10.664	\$11.518	\$11.713	\$11.713	
EBIT(1-t)	\$6.000	\$8.400	\$10.680	\$12.900	\$15.112	\$15.603	\$15.996	\$17.278	\$17.569	\$17.569	
+ Depreciation	\$10.000	\$8.000	\$6.400	\$5.120	\$4.096	\$3.277	\$2.621	\$486	\$0	\$0	
- ∅ Work. Cap	\$0	\$1.000	\$1.100	\$1.210	\$1.331	\$0	\$0	\$0	\$0	\$0	
NATCF	(\$62.484)	\$16.000	\$15.400	\$15.980	\$16.810	\$17.877	\$18.880	\$18.618	\$17.764	\$17.569	\$17.569
Discount Factor	1	1,10685	1,225116923	1,356020666	1,500911474	1,661283865	1,838792046	2,035266976	2,252735252	2,493440014	2,759864079
Discounted CF	(\$62.484)	\$14.455	\$12.570	\$11.784	\$11.200	\$10.761	\$10.268	\$9.148	\$7.885	\$7.046	\$15.294

Investment Measures	
NPV =	\$47.928
IRR =	23,55%
ROC =	60,12%

BOOK VALUE & DEPRECIATION											
	0	1	2	3	4	5	6	7	8	9	10
Book Value (beginning)	\$50.000	\$40.000	\$32.000	\$25.600	\$20.480	\$16.384	\$13.107	\$10.486	\$10.000	\$10.000	\$10.000
Depreciation		\$10.000	\$8.000	\$6.400	\$5.120	\$4.096	\$3.277	\$2.621	\$486	\$0	\$0
BV(ending)	\$50.000	\$40.000	\$32.000	\$25.600	\$20.480	\$16.384	\$13.107	\$10.486	\$10.000	\$10.000	\$10.000

Cost of capital		20%						
Year	0	1	2	3	4	5	6	7
Depreciation (for taxes)		20,00%	32,00%	19,20%	11,52%	11,52%	5,76%	
Net working capital		550	1.289	3.261	4.890	3.583	2.002	
Change in net working capital		550	739	1.972	1.629	(1.307)	(1.581)	(2.002)
Net property, plant & equipment	10.000	8.000	4.800	2.880	1.728	576	-	
Sales		523	12.887	32.610	48.901	35.834	19.717	
Less COGS		(837)	(7.729)	(19.552)	(29.345)	(21.492)	(11.830)	
Less depreciation		(2.000)	(3.200)	(1.920)	(1.152)	(1.152)	(576)	
Less other costs	(4.000)	(2.200)	(1.210)	(1.331)	(1.464)	(1.611)	(1.772)	
EBIT	(4.000)	(4.514)	748	9.807	16.940	11.579	5.539	
Less taxes @ 35%	1.400	1.580	(262)	(3.432)	(5.929)	(4.053)	(1.939)	
EBIAT	(2.600)	(2.934)	486	6.375	11.011	7.526	3.600	
Plus depreciation	-	2.000	3.200	1.920	1.152	1.152	576	-
Less change in net working cap	-	(550)	(739)	(1.972)	(1.629)	1.307	1.581	2.002
Cash flow from operations	(2.600)	(1.484)	2.947	6.323	10.534	9.985	5.757	2.002
Less capital investment	(10.000)	-	-	-	-	-	-	-
Plus capital disposal	-	-	-	-	-	-	-	1.949
Less taxes on capital disposal	-	-	-	-	-	-	-	(682)
Net cash flow	(12.600)	(1.484)	2.947	6.323	10.534	9.985	5.757	3.269
Present value factor	100%	83%	69%	58%	48%	40%	33%	28%
PV of cash flow	(12.600)	(1.237)	2.047	3.659	5.080	4.013	1.928	912
Cumulative PV	(12.600)	(13.837)	(11.790)	(8.131)	(3.051)	962	2.890	3.802
Net present value		3.802						

	Pre-Startup	Month 1	Month 2	Month 3	Month 4	Month 5
1. CASH ON HAND [Beginning of month]		-	-	-	-	-
2. CASH RECEIPTS						
(a) Cash Sales						
(b) Collections from Credit Accounts						
(c) Loan or Other Cash Injection						
3. TOTAL CASH RECEIPTS [2a + 2b + 2c=3]	-	-	-	-	-	-
4. TOTAL CASH AVAILABLE [Before cash out] (1 + 3)	-	-	-	-	-	-
5. CASH PAID OUT						
(a) Purchases (Merchandise)						
(b) Gross Wages (excludes withdrawals)						
(c) Payroll Expenses (Taxes, etc.)						
(d) Outside Services						
(e) Supplies (Office and operating)						
(f) Repairs and Maintenance						
(g) Advertising						
(h) Auto, Delivery, and Travel						
(i) Accounting and Legal						
(j) Rent						
(k) Telephone						
(l) Utilities						
(m) Insurance						
(n) Taxes (Real Estate, etc.)						
(o) Interest						
(p) Other Expenses [Specify each]						
(q) Miscellaneous [Unspecified]						
(r) Subtotal	-	-	-	-	-	-
(s) Loan Principal Payment						
(t) Capital Purchases [Specify]						
(u) Other Start-up Costs						
(v) Reserve and/or Escrow [Specify]						
(w) Owner's Withdrawal						
6. TOTAL CASH PAID OUT [Total 5a thru 5w]	-	-	-	-	-	-
7. CASH POSITION [End of month] (4 minus 6)	-	-	-	-	-	-
ESSENTIAL OPERATING DATA [Non-cash flow information]						
A. Sales Volume [Dollars]						
B. Accounts Receivable [End of Month]						
C. Bad Debt [End of Month]						
D. Inventory on Hand [End of Month]						
E. Accounts Payable [End of Month]						
F. Depreciation						
CHECKING (calculation verification) [See Guidelines worksheet for details]						
CHECK #1		Verified				
CHECK #2		Verified				
CHECK #3		Verified				
CHECK #4		Verified				

	Annual		Daily	
Annual Sales	\$ 25.000.000		\$ 68.493	
Gross Margin	11%			
Cost of goods(Material, labor, subcontractors)	\$ 22.250.000		\$ 60.959	

Month Ending Balance	Month One	Gap Days	Month Two	Gap Days	Month Three	Gap Days	Three Month Average	
Inventory	\$ 500.000	8	\$ 650.000	11	\$ 850.000	14	\$ 666.667	11
Cost in Excess	\$ 1.000.000	16	\$ 1.200.000	20	\$ 1.750.000	29	\$ 1.316.667	22
Accounts Receivable	\$ 3.500.000	51	\$ 3.750.000	55	\$ 3.900.000	57	\$ 3.716.667	54
Billings in excess	\$ 1.000.000	(15)	\$ 500.000	(7)	\$ 250.000	(4)	\$ 583.333	(9)
Accounts Payable	\$ 2.300.000	(38)	\$ 2.100.000	(34)	\$ 1.900.000	(31)	\$ 2.100.000	(34)
CASH GAP DAYS		23		43		65		44
Average Cost per day							\$ 60.959	
Cash Gap Days		23		43		65		43,83
Amount of Money that needs to be borrowed	\$ 1.425.000		\$ 2.642.500		\$ 3.948.500		\$ 2.672.000	
Borrowing rate	8,5%		8,5%		8,5%		8,5%	
Borrowing Cost per day	\$ 332		\$ 615		\$ 920		\$ 622	

Financial Projection Model	LAST YEAR	FUTURE YEARS
YEAR OF FIRST INPUT DATA	1983	
SALES (LAST YEAR)	\$6.469	
SALES GROWTH (YEARS +1 TO +5)		6,00%
COGS/SALES (% OF SALES)	88,00%	87,00%
SALES EXPENSE (% OF SALES)	7,00%	7,00%
ADMINIST. EXPENSE (% OF SALES)	0,00%	0,00%
DEPRECIATION EXPENSE (% FIXED/ASSETS)	5,00%	5,00%
INTEREST INCOME LAST YEAR (\$)	\$50	
INTEREST EXPENSE LAST YEAR (\$)	\$140	
INTEREST RATE - DEBT (%)		8,50%
INTEREST RATE - INVESTMENTS (%)		6,00%
TAX RATE (% OF B/T INCOME)	36,00%	36,00%
LAST PREFERRED STOCK DIVIDEND (\$)	\$0	
FUTURE PREFERRED STOCK DIVIDENDS (\$)		\$0
LAST COMMON STOCK DIVIDEND (\$)	\$86	
FUTURE COMMON DIVIDENDS (\$)		\$90
BEGINNING CASH BALANCE	\$100	
MINIMUM CASH BALANCE (% SALES)		2,00%
BEGIN MARKETABLE SECURITIES	\$300	
ACCOUNTS RECEIVABLE (% SALES)	10,00%	10,00%
INVENTORIES (% SALES)	13,00%	13,00%
OTHER CURR. ASSETS (% SALES)	0,00%	0,00%
BEGIN FIXED ASSETS DOLLAR AMOUNT	\$3.463	
CHANGE IN FIXED ASSETS YEAR +1		\$338
CHANGE IN FIXED ASSETS YEAR +2		\$31
CHANGE IN FIXED ASSETS YEAR +3		\$42
CHANGE IN FIXED ASSETS YEAR +4		\$10
ACCUMULATED DEPRECIATION	\$0	
ACCOUNTS PAYABLE (% SALES)	10,00%	10,00%
TAXES PAYABLE & OTHER ACCRUALS	6,00%	6,00%
BEGINNING SHORT TERM DEBT & NOTES	\$0	
SHORT-TERM LOANS - DO NOT ENTER -->	PLUG	PLUG
OTHER CURR. LIABS. (% SALES)	7,40%	8,70%
LONG-TERM DEBT & LIABILITIES	\$1.523	
NEW LONG TERM DEBT YEAR +1		\$0
NEW LONG TERM DEBT YEAR +2		\$0
NEW LONG TERM DEBT YEAR +3		\$0
NEW LONG TERM DEBT YEAR +4		\$0
PREFERRED STOCK	\$0	
STARTING COMMON STOCK	\$2.242	
STARTING RETAINED EARNINGS	\$0	
STOCK ISSUE YEAR +1		\$0
STOCK ISSUE YEAR +2		\$0
STOCK ISSUE YEAR +3		\$0
STOCK ISSUE YEAR +4		\$0
EXTRAORDINARY GAIN / (LOSS) YEAR 0	(\$118)	
EXTRAORDINARY GAIN / (LOSS) YEAR +1		\$0
EXTRAORDINARY GAIN / (LOSS) YEAR +2		\$0
EXTRAORDINARY GAIN / (LOSS) YEAR +3		\$0
EXTRAORDINARY GAIN / (LOSS) YEAR +4		\$0
INFORMATION FOR VALUATION OF FIRM		
BETA OF FIRM'S STOCK (EXISTING) (B_t)	1,11	
ASSUMED RATE OF GROWTH	5,00%	
RISK FREE RATE (T - BOND)	8,49%	

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INCOME STATEMENT	LAST YEAR	YEAR +1	YEAR +2	YEAR +3	YEAR +4	YEAR +5
SALES	\$6.469	\$6.857	\$7.269	\$7.705	\$8.167	\$8.657
INTEREST ON MARK. SECS. & CASH	\$50	\$26	\$27	\$36	\$50	\$67
COGS	\$5.693	\$5.966	\$6.324	\$6.703	\$7.105	\$7.532
GROSS PROFIT	\$826	\$918	\$972	\$1.037	\$1.112	\$1.192
SALES/DISTRIBUTION EXPENSE	\$453	\$480	\$509	\$539	\$572	\$606
ADMINISTRATIVE EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0
DEPRECIATION EXPENSE	\$173	\$190	\$192	\$193	\$196	\$194
EXTRAORDINARY GAIN (LOSS)	(\$118)	\$0	\$0	\$0	\$0	\$0
EBIT	\$318	\$248	\$271	\$305	\$344	\$392
INTEREST EXPENSE (S/T & L/T DEBT)	\$140	\$146	\$132	\$129	\$129	\$129
PROFIT BEFORE TAX	\$178	\$102	\$139	\$175	\$215	\$263
TAX EXPENSE	\$64	\$37	\$50	\$63	\$77	\$95
PROFIT AFTER TAX	\$114	\$65	\$89	\$112	\$137	\$168
PREFERRED STOCK DIVIDENDS	\$0	\$0	\$0	\$0	\$0	\$0
COMMON STOCK DIVIDENDS	\$86	\$90	\$90	\$90	\$90	\$90
EARNINGS RETAINED	\$28	(\$25)	(\$1)	\$22	\$47	\$78
BALANCE SHEET						
CASH	\$100	\$137	\$145	\$154	\$163	\$173
MARKETABLE SECURITIES	\$300	\$300	\$300	\$300	\$300	\$300
EXCESS CASH	\$0	\$0	\$0	\$139	\$371	\$642
ACCOUNTS RECEIVABLE	\$647	\$686	\$727	\$770	\$817	\$866
INVENTORIES	\$841	\$891	\$945	\$1.002	\$1.062	\$1.125
OTHER CURRENT ASSETS	\$0	\$0	\$0	\$0	\$0	\$0
FIXED ASSETS	\$3.463	\$3.801	\$3.832	\$3.874	\$3.884	\$3.884
ACCUMULATED DEPRECIATION	\$0	(\$190)	(\$382)	(\$575)	(\$771)	(\$965)
TOTAL ASSETS	\$5.351	\$5.625	\$5.567	\$5.664	\$5.826	\$6.025
ACCOUNTS PAYABLE	\$647	\$686	\$727	\$770	\$817	\$866
TAXES PAYABLE & OTHER ACCRUALS	\$388	\$411	\$436	\$462	\$490	\$519
SHORT TERM LOANS & NOTES (With Interest)	\$0	\$0	\$0	\$0	\$0	\$0
NEW SHORT-TERM LOANS REQUIRED	\$72	\$191	\$33	\$0	\$0	\$0
OTHER CURRENT LIABILITIES	\$479	\$597	\$632	\$670	\$711	\$753
LONG-TERM DEBT/LIABILITIES	\$1.523	\$1.523	\$1.523	\$1.523	\$1.523	\$1.523
PREFERRED STOCK	\$0	\$0	\$0	\$0	\$0	\$0
COMMON STOCK	\$2.242	\$2.242	\$2.242	\$2.242	\$2.242	\$2.242
RETAINED EARNINGS	\$0	(\$25)	(\$26)	(\$4)	\$44	\$122
TOTAL LIABILITIES AND EQUITY	\$5.351	\$5.625	\$5.567	\$5.664	\$5.826	\$6.025
ESTIMATE DEBT/EXCESS CASH						
TRIAL ASSETS	\$5.351	\$5.625	\$5.567	\$5.525	\$5.455	\$5.383
TRIAL LIABILITIES AND EQUITY	\$5.279	\$5.434	\$5.534	\$5.664	\$5.826	\$6.025
PLUG: DEBT (EXCESS CASH)	\$72	\$191	\$33	(\$139)	(\$371)	(\$642)
PERFORMANCE MEASURES						
ROE	5,09%	2,94%	4,01%	5,01%	6,01%	7,11%
ROA	2,13%	1,16%	1,60%	1,98%	2,36%	2,79%
RETURN ON SALES	1,76%	0,95%	1,22%	1,46%	1,68%	1,94%
TIMES INTEREST EARNED	2,27	1,70	2,05	2,35	2,66	3,03
TOTAL DEBT TO ASSETS	29,81%	30,48%	27,95%	26,89%	26,14%	25,28%
LONG TERM DEBT TO ASSETS	28,46%	27,07%	27,36%	26,89%	26,14%	25,28%
SHORT TERM DEBT TO ASSETS	1,35%	3,40%	0,59%	0,00%	0,00%	0,00%
DEBT TO EQUITY	0,71	0,77	0,70	0,68	0,67	0,64
EARNINGS PER SHARE	\$0,51	\$0,29	\$0,40	\$0,50	\$0,61	\$0,75
CURRENT RATIO	1,19	1,07	1,16	1,24	1,34	1,45
QUICK RATIO	0,66	0,60	0,64	0,72	0,82	0,93
ACCOUNTS RECEIVABLE TURNOVER	10,00	10,00	10,00	10,00	10,00	10,00
AVERAGE COLLECTION PERIOD	36,50	36,50	36,50	36,50	36,50	36,50
INVENTORY TURNOVER	6,77	6,69	6,69	6,69	6,69	6,69
FIXED ASSET TURNOVER	1,87	1,90	2,11	2,34	2,62	2,97
CASH FLOW RETURN ON ASSETS	----	1,29%	7,24%	7,51%	8,54%	9,16%

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Earnings Before Interest & Taxes (EBIT)	\$318	\$248	\$271	\$305	\$344	\$392
PLUS Depreciation	N/A	\$190	\$192	\$193	\$196	\$194
MINUS Net Increase in Property, Plant & Equipment at Cost	N/A	\$338	\$31	\$42	\$10	\$0
MINUS Increase in Accounts Receivable	N/A	\$39	\$41	\$44	\$46	\$49
MINUS Increase in Inventories	N/A	\$50	\$53	\$57	\$60	\$64
PLUS Increase in Accounts Payable	N/A	\$39	\$41	\$44	\$46	\$49
PLUS Increase in Taxes Payable	N/A	\$23	\$25	\$26	\$28	\$29
EQUALS = Cash from Operations	N/A	\$72	\$403	\$425	\$498	\$552
LESS: Tax as % EBIT	N/A	\$89	\$98	\$110	\$124	\$141
EQUALS = <i>Free Cash Flow or Unlevered Free Cash Flow</i>	N/A	(\$17)	\$305	\$316	\$374	\$411

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UNLEVER BETA & CALCULATE WACC			
LEVERED BETA	1,11	= Existing Beta of Firm's Stock	
EXISTING D/E RATIO	0,71	= Existing Debt / Equity Ratio	
UNLEVERED BETA	0,65	= $B_L / (1 + D/E)$ Note: D/E = DEBT to EQUITY	
ASSUMED MARKET RISK PREMIUM (Enter Value)	8,40%	= Assumed Historical Market Risk Premium (Note: $R_M - R_F$)	
COST OF UNLEVERED EQUITY	13,94%	= $R_{SU} = R_F + (B_{UL} * \text{Market Risk Premium})$	
CALCULATION OF WACC		WACC = $[(\% \text{ Debt}) * (K_D) * (1 - T)] + [(\% \text{ Equity}) * (R_F + (B_L * (MRP)))]$	
		<u>% DEBT</u>	<u>% EQUITY</u>
		<u>BETA</u>	<u>K_D</u>
WACC AT EXISTING D/E	12,67%	41,6%	58,4%
D/E = .111	13,70%	10,00%	90,00%
D/E = .428	13,40%	30,00%	70,00%
D/E = 1.00	13,53%	50,00%	50,00%
D/E = 2.33	14,71%	70,00%	30,00%
D/E = 9.00	17,81%	90,00%	10,00%

Note: Cost of Debt (before tax) increases as D/E ratio increases, from $R_F + 1\%$ to $R_F + 5\%$.

CASH FLOW TO CAPITAL	YEAR +1	YEAR +2	YEAR +3	YEAR +4	YEAR +5	Assumed YEAR 6	
	(\$17)	\$305	\$316	\$374	\$411	With Growth \$431	(D ₁ / k - g)
TERMINAL VALUE - WITH GROWTH						No Growth \$411	(D ₁ / k - g)
TERMINAL VALUE - NO GROWTH							
PV FACTOR AT EXISTING WACC	0,8875	0,7877	0,6992	0,6205	0,5508		
NPV	DCF YR. 1	DCF YR. 2	DCF YR. 3	DCF YR. 4	DCF YR. 5 + DCF TV		
PV FLOWS TO CAPITAL AT ASSUMED GROWTH RATE AFTER LAST YEAR	\$4.157	(\$15)	\$241	\$221	\$232	\$3.479	
NPV	DCF YR. 1	DCF YR. 2	DCF YR. 3	DCF YR. 4	DCF YR. 5 + DCF TV		
PV FLOWS TO CAPITAL AT NO GROWTH AFTER LAST YEAR	\$3.855	(\$15)	\$241	\$221	\$232	\$3.176	

TOTAL VALUE OF FIRM - AT ASSUMED GROWTH RATE LESS DEBT	\$2.083	DCF Value of Firm Minus Existing Debt
TOTAL VALUE OF FIRM WITH NO GROWTH LESS DEBT	\$1.781	DCF Value of Firm Minus Existing Debt

VALUE OF FIRM & VALUE OF EQUITY AT VARIOUS D/E RATIOS					
D / E RATIOS	0,111	0,428	1,000	2,330	9,000
WACC	13,70%	13,40%	13,53%	14,71%	17,81%
TOTAL VALUE OF FIRM - AT ASSUMED GROWTH RATE AFTER TERMINAL YEAR	\$3.985	\$4.033	\$4.012	\$3.823	\$3.376
VALUE OF FIRM AT ASSUMED RATE OF GROWTH LESS EXISTING DEBT	\$1.911	\$1.959	\$1.938	\$1.749	\$1.302

NOPAT	5.242	5.569	6.660	8.328	7.524
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Annual EVA Summary
(\$ in Thousands)

Total Invested Capital and Cost of Capital

Year	1	2	3	4	5
Capital Employed:					
Debt	35.300	34.100	32.900	32.850	29.150
Equity	21.000	22.000	26.700	28.700	33.039
Book Value of Capital	56.300	56.100	59.600	61.550	62.189
Adjustments:					
Capitalized R&D	6.901	6.751	6.662	6.680	6.600
Depreciation	-	-	-	-	-
Goodwill	-	-	-	-	-
Present Value of Operating Leases	10.558	12.645	11.678	9.700	7.400
Total Adjusted Capital	73.759	75.495	77.940	77.929	76.188

Cost of Capital:

	Pre-Tax	After-Tax	Weighting
Debt (Kd)	6,5%	4,3%	55%
Equity	20,0%	20,0%	45%
Weighted Average (Kw)	12,6%	11,4%	
Tax Rate	34,0%		

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Annual EVA Summary
(\$ in Thousands)

Economic Value Added

Year	1	2	3	4	5
NOPAT	5.242	5.569	6.660	8.328	7.524
Capital Cost	8.379	8.576	8.854	8.852	8.655
Annual EVA	(3.137)	(3.006)	(2.193)	(525)	(1.130)
Current Value of Cumulative EVA	(2.040)	(4.217)	(5.985)	(6.457)	(7.587)
NOPAT Return on Adjusted Capital	7,1%	7,4%	8,5%	10,7%	9,9%
Return Hurdle (cost of capital)	11,4%	11,4%	11,4%	11,4%	11,4%
Value Added (-Shortfall)	-4,3%	-4,0%	-2,8%	-0,7%	-1,5%
Other Performance Measures					
EBIT	4.350	5.365	6.769	8.088	8.638
EBITDA	13.000	14.300	15.730	17.303	19.033
Sales Growth	-12,7%	10,0%	10,0%	10,0%	10,0%
Operating Earnings Growth	-34,8%	17,8%	27,0%	23,4%	20,8%
Net Earnings Growth	-76,3%	39,6%	40,2%	25,2%	5,7%
Operating Margin	4,5%	4,8%	5,6%	6,2%	6,9%
Net Profit Margin	1,7%	2,1%	2,7%	3,1%	3,0%
EBITDA Margin	12,9%	13,1%	13,0%	12,8%	12,0%
Return on Equity (ROE)	8,0%	10,6%	12,3%	14,3%	10,3%
Return on Net Assets (RONA)	2,9%	4,1%	5,4%	6,5%	5,9%

Sales / Gross Fixed Assets	1,1	1,1	1,1	1,1	1,1
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Current EBIT = (in currency)

Current tax rate = (in percent)

Capital Expenditures = (in currency)

Depreciation = (in currency)

Change in Working Capital = (in currency) *If negative, enter zero.*

Do you want to change the capital expenditure/depreciation ratio? (Yes or No)

If so, enter capital expenditures as a percent of depreciation

Debt ratio = (in percent)

Are you directly entering the cost of equity? (Yes or No)

If yes, enter cost of equity = (in percent)

If no, enter the inputs for the CAPM

Beta of the stock =

Riskfree rate = (in percent)

Risk Premium = (in percent)

Enter the cost of debt = *This is a pre-tax cost of borrowing.*

Expected Growth Rate = (in percent) *The expected growth rate for a stable firm cannot be significantly higher than the nominal growth rate in the economy in which the firm operates. It can be lower.*

Warnings:

This is the output from the Model

Firm Details: from inputs on prior page

EBIT (1- tax rate) =	\$982.40
- (Capital Spending - Depreciation)	\$100.00
- Change in Working Capital	\$160.00
Free Cashflow to Firm =	\$722.40

Cost of Equity =	13.05%
Cost of Debt =	5.44%
Cost of Capital =	10.77%
Expected Growth rate =	5.00%

Value of Firm

Growth rate	Value
7.00%	\$20,507.03
6.00%	\$16,055.75
5.00%	\$13,147.56
4.00%	\$11,098.61
3.00%	\$9,577.10
2.00%	\$8,402.60
1.00%	\$7,468.55

