
Table of Contents

ISI “Duca degli Abruzzi” – Padova
DrPNursery
A drought resistant plant Nursery
Business plan

1. Executive Summary	2
1.1. Objectives	2
1.2. Mission.....	2
1.3. Keys to Success.....	3
2. Company Summary	3
2.1. Company Ownership	4
2.2. Start-up Summary	4
3. Products.....	5
4. Market Analysis Summary	5
4.1. Market Segmentation	6
4.2. Target Market Segment Strategy	7
4.3. Industry Analysis	8
4.3.1. Competition and Buying Patterns	8
5. Strategy and Implementation Summary.....	8
5.1. Competitive Edge.....	9
5.2. Marketing Strategy.....	9
5.3. Sales Strategy.....	9
5.3.1. Sales Forecast.....	9
5.4. Milestones	11
6. Management Summary	12
6.1. Personnel Plan.....	12
7. Financial Plan.....	13
7.1. Start-up Funding	13
7.2. Important Assumptions	14
7.3. Break-even Analysis	15
7.4. Projected Profit and Loss	15
7.5. Projected Cash Flow	19
7.6. Projected Balance Sheet.....	21
7.7. Business Ratios	22

1. Executive Summary

DrpNursery is dedicated to providing a quality choice for people looking for drought resistant plants, as well as serving contractors who need a reliable source of products. Our start-up expenses come to € 116.300 which includes the cost of the greenhouses and the cost of rent for the land. The start-up costs will be financed entirely by Luca Meloni, Giovanni Fucigna and Andrea Rizzato.

We will offer a wide variety of plants for low maintenance gardens, particularly for gravel and scree gardens which need drought resistant plants. Most of the plants we sell will be grown in our nursery. With a convenient location *DrpNursery* intends to successfully market to the residential customer, as well as contractors and renters.

We would like to see a five to ten percent increase in our customer base each year. Our marketing strategy includes providing a knowledgeable staff, affordable prices, a great location, and top notch customer service.

DrPNursery has been the dream of the owners, Luca, Giovanni and Andrea for many years, and has been a project in the making for the last two years. The owners will manage all aspects of operations at *DrpNursery*. Luca will be responsible for the ordering of plants for initial inventory and for the maintenance and renewal of mother plants. Giovanni and Andrea will be responsible for growing plants in the greenhouse and in open space. Andrea will be also responsible for overseeing staff and working with contractors. Giovanni will be responsible for advertising and marketing.

DrPNursery aims to experience a growth rate of 20% in sales for the first year of operation and build upon that as the company grows. With creative marketing, and a quality choice of plants we *DrP* intends to make its presence known in the nursery community.

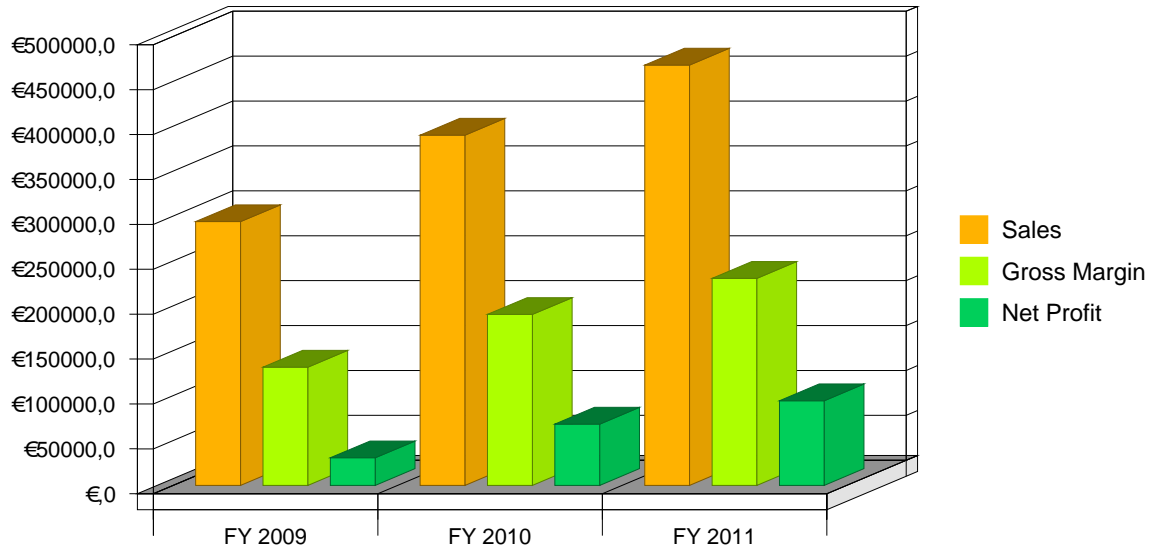
1.1. Objectives

1. Maintain an average gross margin of 40%.
2. Generate an average of € 450 of sale each business day of each month..
3. Realize an annual growth rate of 10% in the year 2008

1.2. Mission

DrPNursery is dedicated to providing a wide variety of drought-resistant plants for gravel and scree gardens in an aesthetic setting. Our nursery is different from the others because our aim is saving an important resource like water. Customer service is also extremely important. We want each customer to have a pleasant shopping service, and it is the intention of our staff to answer questions with expertise and to offer advice when we feel it is needed.

Highlights



1.3. Keys to Success

We will base the success of our company on the factors listed below:

- Sell products of the highest quality with excellent customer service and support.
- Retain customers to generate repeat purchases and make referrals.
- Continue to expand daily sales by adding new varieties of plants to our catalogue.
- Communicate with our customers through creative advertising.
- Create a web site with a catalogue and some sample project to allow customers buy plants via internet.

2. Company Summary

DrPNursery is a project by three friends, Luca Meloni, Giovanni Fucigna and Andrea Rizzato. With an opening date of April 2008, they are fulfilling their dream. The company, at 172 Via Cave Padova, is located near a great and lively town surrounded by a reach countryside. The company will focus on providing quality drought resistant plant to serve both customers and landscaping contractors interested in new plants for a low maintenance garden. Our start-up costs are €116.300.

2.1. Company Ownership

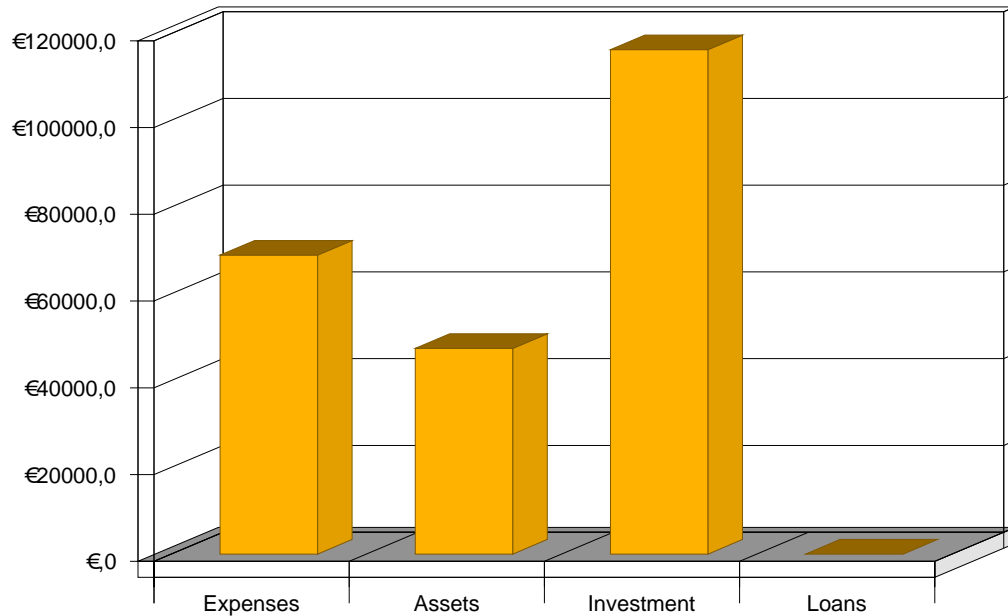
Luca Meloni, Giovanni Fucigna and Andrea Rizzato are the owners and the operators of *DrPNursery*. They have attended a school of Agriculture specialized in growing flowers and garden plants and have worked in Vanin Nursery near Treviso. Luca Meloni is the owner of the land. The regular rental fee is € 500 a month.

2.2. Start-up Summary

Our start-up costs come to € 116.300 wich includes the first month's rent of the land for our nursery. The regular rental fee is € 500 a month. The start-up costs will be financed entirely by the three owners society.

<i>Start-up</i>	
Requirements	
Start-up Expenses	
Legal	€800
Insurance	€500
Rent	€500
Expensed equipment	€65.000
Brochures	€2.100
Total Start-up Expenses	€68.900
Start-up Assets	
Cash Required	€20.000
Start-up Stock	€27.400
Other Current Assets	€0
Fixed Assets	€0
Total Assets	€47.400
Total Requirements	€116.300

Start-up



3. Products

DrPNursery will offer a wide variety of drought resistant plant like perennials plants, grasses, cactus plants and bulbous. Most of the plants will be grown on-site in state-of-the-art greenhouse. Initially though, we will buy full grown plants for our first few months of inventory.

4. Market Analysis Summary

DrPNursery target market strategy is based on becoming an attractive choice for homeowners and landscape contractors in the greater Padova province and Veneto Region. The target markets we are going to pursue are the residential consumers looking for a wide variety of perennial plants and grasses to beautify their residences. Our customers will be people with environmental awareness and they will be interested in low maintenance gardens. Landscape contractors will be attracted by competitive prices and a diverse inventory. People will want to shop at our location also because of the superior customer service we will provide. *DrPNursery* would like to see a five to ten percent increase in customers annually.

4.1. Market Segmentation

The profile of our customer consists of the following geographic and demographic information:

Geographics

- Our immediate geographic market is the Padova province area with a population of 882.779 people
- The geographic area of the Veneto region, with a population of 4,8 million people, would want our services, as we become a well known nursery.
- We can meet other customers from the Northern part of Italy during the flowers shows we will participate.
- As the characteristic of our products, the total target market is estimated at 900.000 people.

Demographics

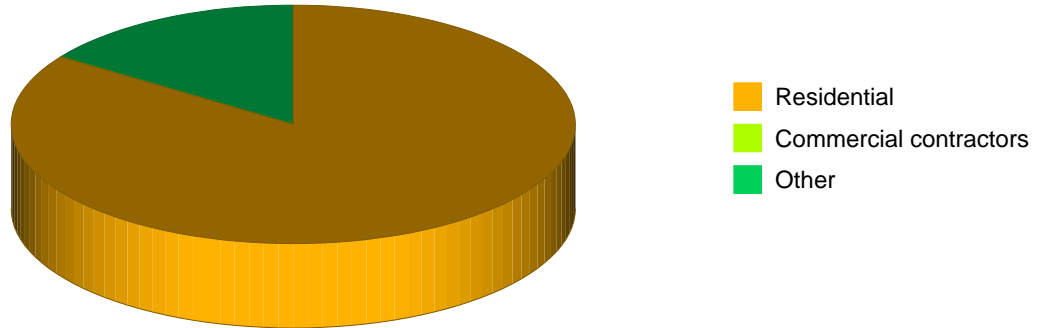
- Male and Female
- Married and Single
- Age range of 25 to 80 years, with a median age of 40.
- Own or rental their houses or townhouses.
- Own their country houses with large gardens.
- Most work out of the home by choice in a variety of work environments.

We know the following regarding the profile of the typical resident of the Padova province:

- 50% have lived in the area for 5 or more years.
- 30% are between the ages of 30 and 45 years of age.
- 45% have completed some high school.
- 30% are professionals and/or business owners, or managers.
- 60% have children living at home.
- 60% own their own residence.

Market Analysis							
		2008	2009	2010	2011	2012	
Potential Customers	Growth						CAGR
Residential	10%	55.000	60.500	66.550	73.205	80.526	10,00%
Commercial contractors	10%	50	55	61	67	74	10,30%
Other	5%	10.000	10.500	11.025	11.576	12.155	5,00%
Total	9,28%	65.050	71.055	77.636	84.848	92.755	9,28%

Market Analysis (Pie)



4.2. Target Market Segment Strategy

Our target market is based on becoming a resource for people looking to buy perennials plants, grasses, cactus plants and bulbous for a low maintenance garden that doesn' need of irrigation.

Our marketing strategy centers around superior performance in the following areas:

- Customer service
- Large selection and fair pricing
- Quality products

The target markets are separated into three segments; "Residential, Homeowners," "Commercial Contractors," and "Rare plants Lovers". The primary marketing opportunity is selling to these accessible target market segments that focus on the beautification of people's homes and places of business.

Residential, Homeowners--D.r.P. Nursery would like to be an attractive choice for residential purchasing plants and garden supplies. With our large an varied selection of perennial plants, grasses, cactus plants an bulbous it is our aim to give individual attention to every customer and to serve their planting needs. The residential sector has a wide range of income levels, but on average the annual household income of our customers is € 35,000.

Commercial Contractors--Commercial contractors are important D.r.P. Nursery customers. A consistent inventory, and providing the large quantities contractors need, is important. With prompt and affordable service, contractors will known that they can count or us to meet their needs in a professional manner. Most of the contracting business we will service have an annual revenue of at least € 50,000 to over €100,000.

Rare plants Lovers -- Plants Lovers are interesting in plants collection. We will meet this target market segment during the Flowers Shows we are going to participate.

4.3. Industry Analysis

The nursery business is highly competitive, and its products, and give the consumer a wide variety of choices when shopping for plants and trees. Our approach will be to offer a diverse selection of plants, trees, and garden supplies. Exceptional customer service will be important in meeting the plants artistically. Plants are a commodity that will always have a market as people consider them to be very important to have around their residences. There are four other nurseries around the greater Lane County area, and we will have to provide top quality service to be successful.

4.3.1. Competition and Buying Patterns

Current local competition includes the following:

- Cactus Planet--Locally owned, and selling a limited variety of cactus plant to the general public. They have a very pleasant facility in which to shop, but prices are little more on average than *D.r.P.'s* with not a very good selection of plant.
- Il Girasole--Locally owned, offers a limited selection of plants. Their prices aren't competitive and the location is not convenient for a lot of people, as it is 25 miles out of town.
- Il sentiero dei fiori--Locally owned, offers a large selection plant, but they don't have a large enough inventory to service some of the large contractors in the area.

DrPNursery will provide competitive pricing for its products, and will guarantee to match competitors' prices, but exceptional customer service and product knowledge will make us stand out to our target markets. The size of our inventory and the variety of choice our customers will have when choosing perennial plants, cactus, grasses and bulbs will make *DrPNursery* an attractive choice. Our location is very convenient, only 5 minutes outside the center of town.

5. Strategy and Implementation Summary

5.0 Strategy and Implementation Summary

Our strategy is based on service our customers with expert service and product knowledge.

Also:

- We are building our marketing plan to reach homeowners, renters, and contractors.
- We focus on satisfying the needs of our customers.
- We focus on providing quality plants at affordable prices.

5.1. Competitive Edge

D.r.P. Nursery will have one of the most affordable perennial plants and grasses selections in Padova province area, and a very knowledgeable staff ready to provide unparalleled customer service. Contractors looking for a reliable nursery will find Drp very supportive and easy to work with. The ease and convenience of our location is a very big plus.

5.2. Marketing Strategy

Our marketing strategy is based on becoming an option for contractors and the general public to fill their plant and shrubbery needs. Our marketing strategy is based on superior performance in the following areas:

- Customer service
- Knowledgeable staff
- Affordable prices
- Great location.

5.3. Sales Strategy

The primary sales strategy includes these factors:

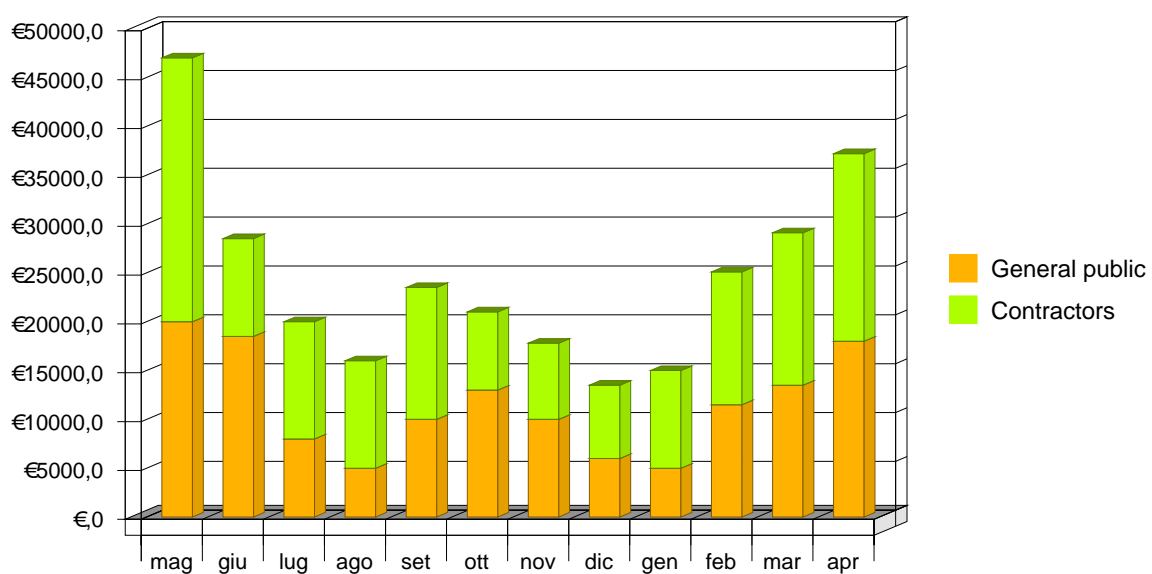
- Exceptional customer service
- Exceptional product knowledge
- Large and varied inventory
- Convenient location

5.3.1. Sales Forecast

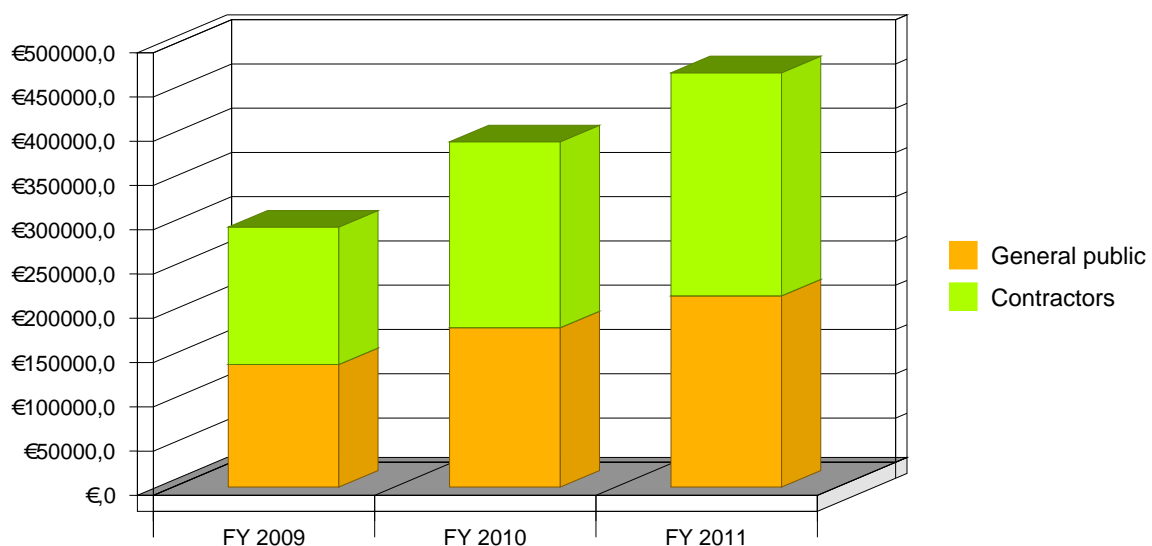
The sales forecast is broken down into two main revenue streams: the general public and contractors. The sales forecast for the upcoming year is based on a modest growth rate for sales. Being a start-up business we are projecting a growth rate of 20% hoping our advertising will bring in new customers daily.

<i>Sales Forecast</i>			
	FY 2009	FY 2010	FY 2011
Sales			
General public	€138.500	€180.000	€216.000
Contractors	€155.200	€210.000	€252.000
Total Sales	€293.700	€390.000	€468.000
Direct Cost of Sales	FY 2009	FY 2010	FY 2011
Flowers, Shrubs, Bulbous	€9.100	€19.100	€42.000
Pesticides and Others	€26.000	€38.500	€45.500
Cultivation Substrates	€36.900	€42.000	€50.000
Subtotal Direct Cost of Sales	€62.000	€99.600	€137.500

Sales Monthly



Sales by Year

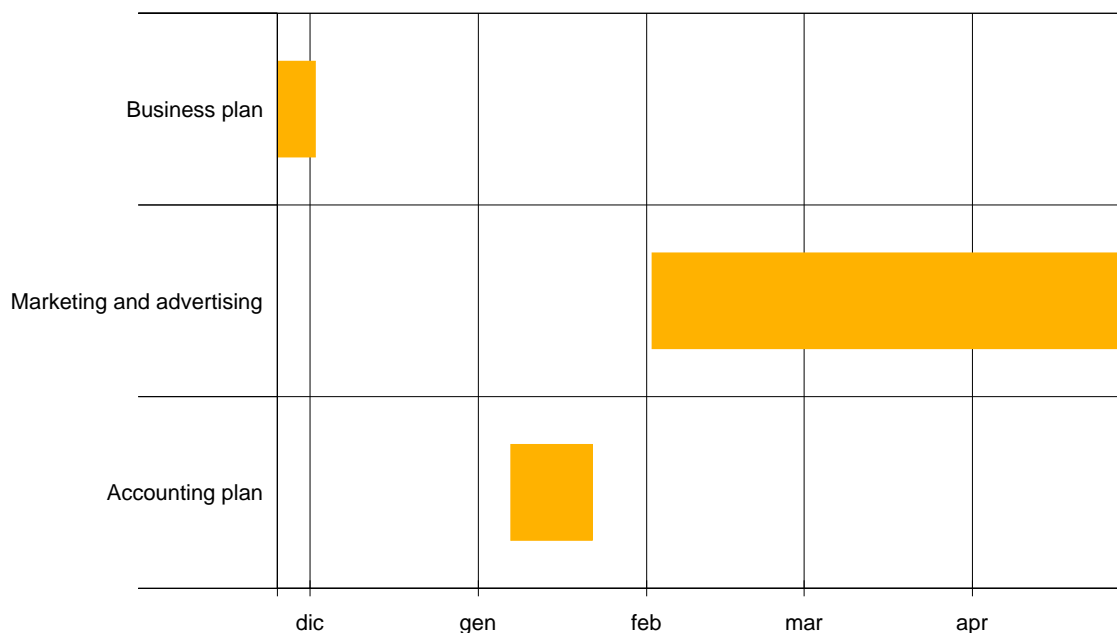


5.4. Milestones

The milestones chart is accompanied by a table outlining key activities critical to our success.

<i>Milestones</i>					
Milestone	Start Date	End Date	Budget	Manager	Department
Business plan	25/11/2007	2/12/2007	€1.200	Andrea Rizzato	Management
Marketing and advertising	2/2/2008	30/4/2008	€1.500	G.Fucigna	Management
Accounting plan	7/1/2008	22/1/2008	€30	Luca Meloni	Accountant
Totals			€3.230		

Milestones



6. Management Summary

Owners Luca Meloni, Giovanni Fucigna and Andrea Rizzato will oversee and manage all aspects of their business. Luca will be responsible for the ordering of plants for initial inventory and for the maintenance and renewal of mother plants. Giovanni and Andrea will be responsible for growing plants in the greenhouse and in open space. Andrea will be also responsible for overseeing staff and working with contractors. Giovanni will be responsible for advertising and marketing.

6.1. Personnel Plan

The personnel plan contains one part-time employee in addition to Luca Meloni, Giovanni Fucigna and Andrea Rizzato. The owners will draw € 1500 per month. The part-time employee will make € 800 per month.

<i>Personnel Plan</i>			
	FY 2009	FY 2010	FY 2011
Owners	€4.000	€7.000	€8.000
Part-time employee	€9.600	€9.900	€10.100
Total People	4	4	4
Total Payroll	€63.600	€66.900	€68.100

7. Financial Plan

The financial plan contains these essential factors:

- A growth rate in sales of about 20% for the year 2009 and beyond.
- Average in sales per business day (305 days per year) of € 450.

Difficulties and Risks

- Slow sales resulting in less-than projected cash flow.
- Overly aggressive and debilitating actions by competitors.
- A parallel entry by a new competitor.
- Sluggish economic conditions.

7.1. Start-up Funding

The start-up costs come to € 116.300 which includes the first month's rent of the land of our nursery. The regular rental fee is € 500 a month. The start up costs will be financed entirely by the owners.

<i>Start-up Funding</i>	
Start-up Expenses to Fund	€68.900
Start-up Assets to Fund	€47.400
Total Funding Required	€116.300
Assets	
Non-cash Assets from Start-up	€27.400
Cash Requirements from Start-up	€20.000
Additional Cash Raised	€0
Cash Balance on Starting Date	€20.000
Total Assets	€47.400
Liabilities and Capital	
Liabilities	
Current Borrowing	€0
Fixed Liabilities	€0
Accounts Payable (Outstanding Bills)	€0
Other Current Liabilities (interest-free)	€0
Total Liabilities	€0
Capital	
Planned Investment	
Owner	€116.300
Investor	€0
Additional Investment Requirement	€0
Total Planned Investment	€116.300
Loss at Start-up (Start-up Expenses)	(€68.900)
Total Capital	€47.400
Total Capital and Liabilities	€47.400
Total Funding	€116.300

7.2. Important Assumptions

The following critical assumptions will determine the potential for future success.

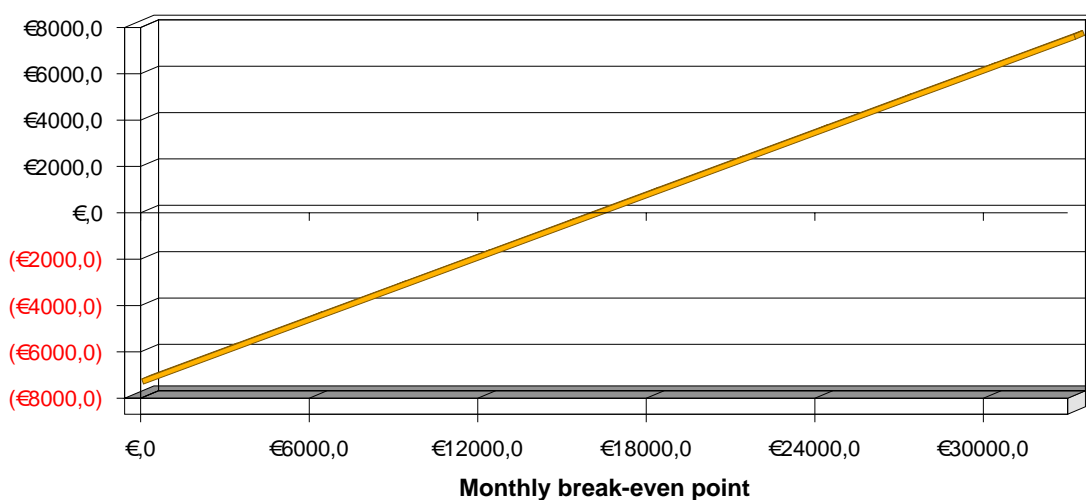
- A healthy economy that supports moderate growth in our market.
- Low operating expenses, particularly in the area of buying plants that could be grown on-site.

7.3. Break-even Analysis

The following chart and table summarize our break-even analysis. Our fixed cost will be € 10.493 per month

Break-even Analysis	
Monthly Revenue Break-even	€16.319
Assumptions:	
Average Percent Variable Cost	55%
Estimated Monthly Fixed Cost	€7.318

Break-even Analysis



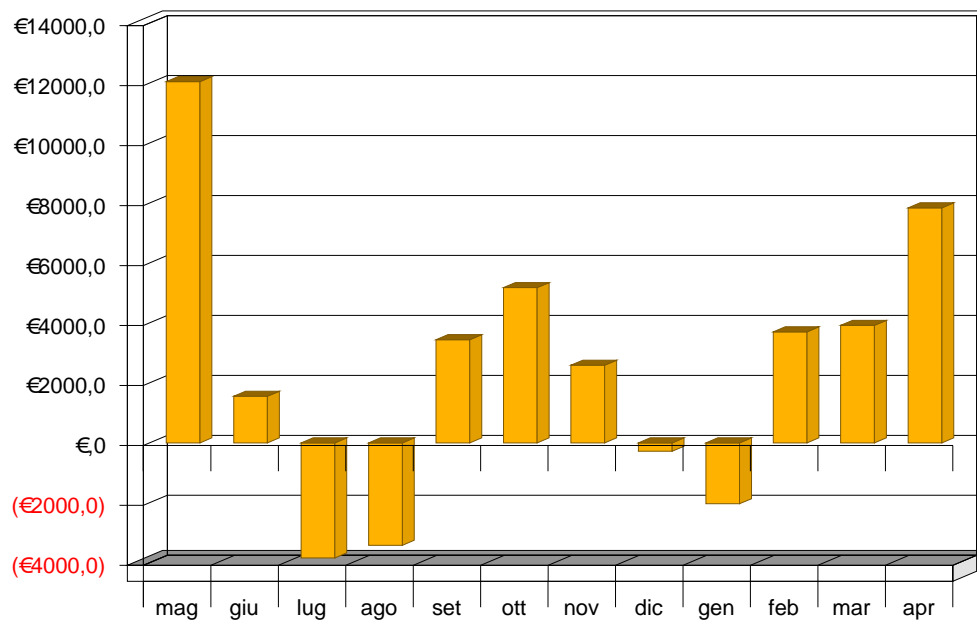
Break-even point = where line intersects with 0

7.4. Projected Profit and Loss

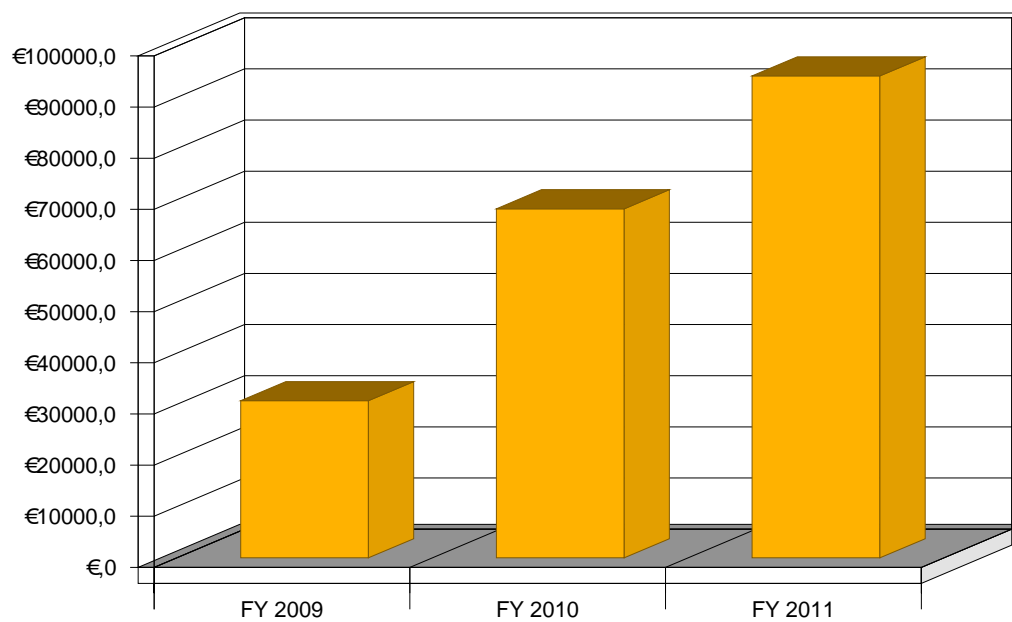
The following represents the projected profit and loss for *DrPNursery* based on sale and expenses, for 2008 and beyond. We are anticipating a steady increase in sales trough April, May and June. Business is expected to slow during the winter season. Our net profit is less than 20%, but, being a star up business this is expected.

<i>Pro Forma Profit and Loss</i>			
	FY 2009	FY 2010	FY 2011
Sales	€293.700	€390.000	€468.000
Direct Costs of Goods	€162.000	€199.600	€237.500
Other Costs of Goods	€0		
	-----	-----	-----
Cost of Goods Sold	€162.000	€199.600	€237.500
Gross Margin	€131.700	€190.400	€230.500
Gross Margin %	44,84%	48,82%	49,25%
Expenses			
Payroll	€63.600	€66.900	€68.100
Marketing/Promotion	€2.910	€3.200	€3.500
Depreciation	€0	€0	€0
Rent	€6.000	€6.500	€7.000
Rates	€0	€0	€0
Utilities	€3.600	€4.400	€5.000
Insurance	€960	€1.000	€1.100
Payroll Taxes (National Insurance, etc.)	€6.900	€7.000	€7.100
Payroll taxes (employee)	€3.840	€3.920	€4.100
Other	€0	€0	€0
	-----	-----	-----
Total Operating Expenses	€87.810	€92.920	€95.900
Profit Before Interest and Taxes	€43.890	€97.480	€134.600
EBITDA	€43.890	€97.480	€134.600
Interest Expense	€0	€0	€0
Taxes Incurred	€13.167	€29.244	€40.380
Net Profit	€30.723	€68.236	€94.220
Net Profit/Sales	10,46%	17,50%	20,13%

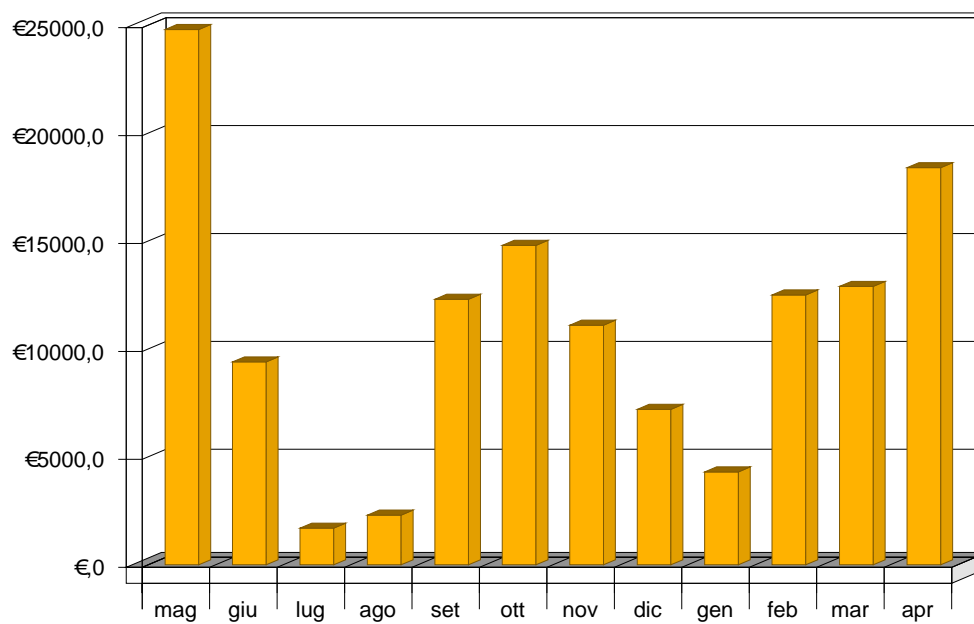
Profit Monthly



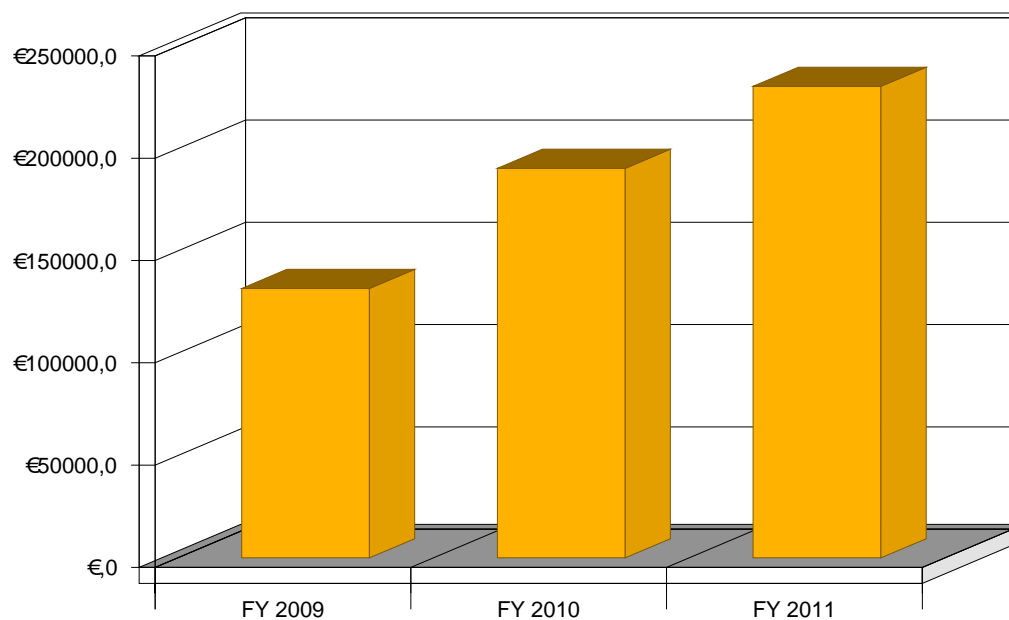
Profit Yearly



Gross Margin Monthly



Gross Margin Yearly

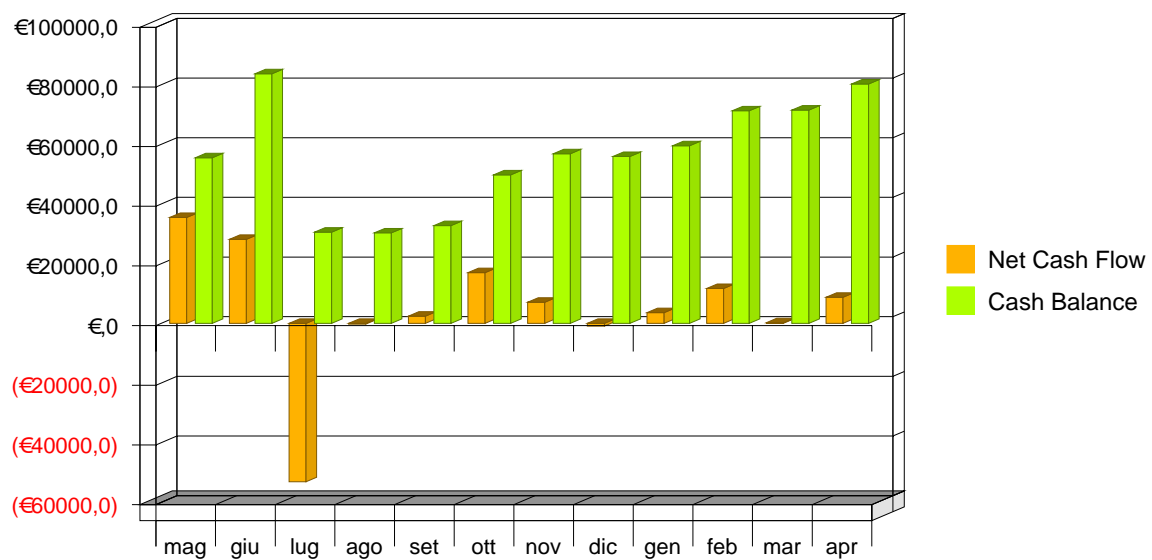


7.5. Projected Cash Flow

The cash flow projections are outlined below. These projections are based on our basic assumptions with revenue generation factors carrying the most significant weight regarding the outcome. We are anticipating that we will have a steadily increasing cash flow as the business continues to grow.

<i>Pro Forma Cash Flow</i>			
	FY 2009	FY 2010	FY 2011
Cash Received			
Cash from Operations			
Cash Sales	€293.700	€390.000	€468.000
Subtotal Cash from Operations	€293.700	€390.000	€468.000
Additional Cash Received			
VAT Received (Output Tax)	€29.370	€39.000	€46.800
VAT Repayments	€9.380	€2.711	€0
New Current Borrowing	€0	€0	€0
New Other Liabilities (interest-free)	€0	€0	€0
New Fixed Liabilities	€0	€0	€0
Sales of Other Current Assets	€0	€0	€0
Sales of Fixed Assets	€0	€0	€0
New Investment Received	€0	€0	€0
Subtotal Cash Received	€332.450	€431.711	€514.800
Expenditures	FY 2009	FY 2010	FY 2011
Expenditures from Operations			
Cash Spending	€63.600	€66.900	€68.100
Bill Payments	€166.860	€285.424	€310.504
Subtotal Spent on Operations	€230.460	€352.324	€378.604
Additional Cash Spent			
VAT Paid Out (Input Tax)	€34.727	€38.741	€45.572
VAT Payments	€6.993	€0	€1.228
Principal Repayment of Current Borrowing	€0	€0	€0
Other Liabilities Principal Repayment	€0	€0	€0
Fixed Liabilities Principal Repayment	€0	€0	€0
Purchase Other Current Assets	€0	€0	€0
Purchase Fixed Assets	€0	€0	€0
Dividends	€0	€0	€0
Subtotal Cash Spent	€72.179	€391.065	€425.404
Net Cash Flow	€60.270	€40.646	€89.396
Cash Balance	€80.270	€120.916	€210.312

Cash



7.6. Projected Balance Sheet

Our balance sheet is outlined below.

Pro Forma Balance Sheet			
	FY 2009	FY 2010	FY 2011
Assets			
Current Assets			
Cash	€80.270	€120.916	€110.312
Stock	€56.400	€69.490	€82.685
Other Current Assets	€2.970	€0	€0
Total Current Assets	€139.640	€190.406	€292.997
Fixed Assets			
Fixed Assets	€0	€0	€0
Accumulated Depreciation	€0	€0	€0
Total Fixed Assets	€0	€0	€0
Total Assets	€139.640	€190.406	€292.997
Liabilities and Capital	FY 2009	FY 2010	FY 2011
Current Liabilities			
Accounts Payable	€61.517	€44.047	€52.418
Current Borrowing	€0	€0	€0
Other Current Liabilities	€0	€0	€0
Subtotal Current Liabilities	€61.517	€44.047	€52.418
Fixed Liabilities	€0	€0	€0
Total Liabilities	€61.517	€44.047	€52.418
Paid-in Capital	€116.300	€116.300	€116.300
Retained Earnings	(€68.900)	(€38.177)	€30.059
Earnings	€30.723	€68.236	€94.220
Total Capital	€78.123	€146.359	€240.579
Total Liabilities and Capital	€139.640	€190.406	€292.997
Net Worth	€78.123	€146.359	€240.579

7.7. Business Ratios

Business ratios for the years of this plan are shown below. The company profile ratios are shown for comparison. Our ratios are different because of particularly features of our start- up business.

The following will enable us to keep on track. If we fail in any of these areas, we will need to reevaluate our business model:

- Gross margin at or above 40%.
- Do not depend on a credit line to meet cash requirements.

Ratio Analysis				
	FY 2009	FY 2010	FY 2011	Industry Profile
Sales Growth	0,00%	32,79%	20,00%	3,53%
Percent of Total Assets				
Stock	40,39%	36,50%	28,22%	39,04%
Other Current Assets	2,13%	0,00%	0,00%	26,48%
Total Current Assets	100,00%	100,00%	100,00%	77,96%
Fixed Assets	0,00%	0,00%	0,00%	22,04%
Total Assets	100,00%	100,00%	100,00%	100,00%
Current Liabilities	44,05%	23,13%	17,89%	35,94%
Fixed Liabilities	0,00%	0,00%	0,00%	10,40%
Total Liabilities	44,05%	23,13%	17,89%	46,34%
Net Worth	55,95%	76,87%	82,11%	53,66%
Percent of Sales				
Sales	100,00%	100,00%	100,00%	100,00%
Gross Margin	44,84%	48,82%	49,25%	37,24%
Selling, General & Administrative Expenses	34,38%	31,32%	29,12%	16,55%
Advertising Expenses	0,00%	0,00%	0,00%	3,71%
Profit Before Interest and Taxes	14,94%	24,99%	28,76%	1,61%
Main Ratios				
Current	2,27	4,32	5,59	1,84
Quick	1,35	2,75	4,01	0,66
Total Debt to Total Assets	44,05%	23,13%	17,89%	54,80%
Pre-tax Return on Net Worth	56,18%	66,60%	55,95%	3,90%
Pre-tax Return on Assets	31,43%	51,20%	45,94%	8,63%
Additional Ratios	FY 2009	FY 2010	FY 2011	
Net Profit Margin	10,46%	17,50%	20,13%	n.a
Return on Equity	39,33%	46,62%	39,16%	n.a
Activity Ratios				
Stock Turnover	3,92	3,17	3,12	n.a
Accounts Payable Turnover	3,71	6,08	6,08	n.a
Payment Days	51	72	55	n.a
Total Asset Turnover	2,10	2,05	1,60	n.a
Debt Ratios				
Debt to Net Worth	0,79	0,30	0,22	n.a
Current Liab. to Liab.	1,00	1,00	1,00	n.a
Liquidity Ratios				

DrPNursery

Net Working Capital	€78.123	€146.359	€240.579	n.a
Interest Coverage	0,00	0,00	0,00	n.a
Additional Ratios				
Assets to Sales	0,48	0,49	0,63	n.a
Current Debt/Total Assets	44%	23%	18%	n.a
Acid Test	1,35	2,75	4,01	n.a
Sales/Net Worth	3,76	2,66	1,95	n.a
Dividend Payout	0,00	0,00	0,00	n.a

Appendix

<i>Sales Forecast</i>													
Sales	VAT Rate	mag-08	giu-08	lug-08	ago-08	set-08	ott-08	nov-08	dic-08	gen-09	feb-09	mar-09	apr-09
General public	10,00%	€20.000	€18.500	€8.000	€5.000	€10.000	€13.000	€10.000	€6.000	€5.000	€11.500	€13.500	€18.000
Contractors	10,00%	€27.000	€10.000	€12.000	€11.000	€13.500	€8.000	€7.800	€7.500	€10.000	€13.600	€15.600	€19.200
Total Sales		€47.000	€28.500	€20.000	€16.000	€23.500	€21.000	€17.800	€13.500	€15.000	€25.100	€29.100	€37.200
Direct Cost of Sales	VAT Rate	mag-08	giu-08	lug-08	ago-08	set-08	ott-08	nov-08	dic-08	gen-09	feb-09	mar-09	apr-09
Flowers, Shrubs, Bulbous	10,00%	€13.100	€13.000	€11.800	€8.900	€6.700	€4.100	€4.500	€4.100	€5.600	€7.600	€8.700	€11.000
Pesticides and Others	20,00%	€5.000	€2.000	€1.500	€3.000	€3.500	€1.000	€1.000	€1.000	€1.000	€1.000	€3.000	€3.000
Cultivation Substrates	4,00%	€4.100	€4.100	€5.000	€1.800	€1.000	€1.100	€1.200	€1.200	€4.100	€4.000	€4.500	€4.800
Subtotal Direct Cost of Sales		€22.200	€19.100	€18.300	€13.700	€11.200	€6.200	€6.700	€6.300	€10.700	€12.600	€16.200	€18.800

Appendix

<i>Personnel Plan</i>													
		mag-08	giu-08	lug-08	ago-08	set-08	ott-08	nov-08	dic-08	gen-09	feb-09	mar-09	apr-09
Owners	0%	€4.500	€4.500	€4.500	€4.500	€4.500	€4.500	€4.500	€4.500	€4.500	€4.500	€4.500	€4.500
Part-time employee	0%	€800	€800	€800	€800	€800	€800	€800	€800	€800	€800	€800	€800
Total People	200%										4	4	4
Total Payroll		€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300

Appendix

<i>Pro Forma Profit and Loss</i>													
		mag-08	giu-08	lug-08	ago-08	set-08	ott-08	nov-08	dic-08	gen-09	feb-09	mar-09	apr-09
Sales	VAT Rate	€47.000	€28.500	€20.000	€16.000	€23.500	€21.000	€17.800	€13.500	€15.000	€25.100	€29.100	€37.200
Direct Costs of Goods		€22.200	€19.100	€18.300	€13.700	€11.200	€6.200	€6.700	€6.300	€10.700	€12.600	€16.200	€18.800
Other Costs of Goods	17,50%		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
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Cost of Goods Sold		€22.200	€19.100	€18.300	€13.700	€11.200	€6.200	€6.700	€6.300	€10.700	€12.600	€16.200	€18.800
Gross Margin		€24.800	€9.400	€1.700	€2.300	€12.300	€14.800	€11.100	€7.200	€4.300	€12.500	€12.900	€18.400
Gross Margin %		52,77%	32,98%	8,50%	14,38%	52,34%	70,48%	62,36%	53,33%	28,67%	49,80%	44,33%	49,46%
Expenses	VAT Rate												
Payroll		€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300
Marketing/Promotion	20,00%	€500	€100	€100	€100	€300	€300	€300	€500	€100	€110	€200	€300
Depreciation		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Rent	0,00%	€500	€500	€500	€500	€500	€500	€500	€500	€500	€500	€500	€500
Rates	0,00%	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Utilities	20,00%	€200	€200	€200	€200	€200	€400	€400	€400	€400	€400	€400	€200
Insurance	0,00%	€80	€80	€80	€80	€80	€80	€80	€80	€80	€80	€80	€80
Payroll Taxes		€680	€680	€680	€680	€680	€500	€500	€500	€500	€500	€500	€500
(National Insurance, etc.)													
Payroll taxes (employee)	0,00%	€320	€320	€320	€320	€320	€320	€320	€320	€320	€320	€320	€320
Other	20,00%	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
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Total Operating Expenses	VAT Rate	€7.580	€7.180	€7.180	€7.180	€7.380	€7.400	€7.400	€7.600	€7.200	€7.210	€7.300	€7.200

Appendix

Profit Before Interest and Taxes	€17.220	€2.220	(€5.480)	(€4.880)	€4.920	€7.400	€3.700	(€400)	(€2.900)	€5.290	€5.600	€11.200
EBITDA	€17.220	€2.220	(€5.480)	(€4.880)	€4.920	€7.400	€3.700	(€400)	(€2.900)	€5.290	€5.600	€11.200
Interest Expense	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Taxes Incurred	€5.166	€666	(€1.644)	(€1.464)	€1.476	€2.220	€1.110	(€120)	(€870)	€1.587	€1.680	€3.360
Net Profit	€12.054	€1.554	(€3.836)	(€3.416)	€3.444	€5.180	€2.590	(€280)	(€2.030)	€3.703	€3.920	€7.840
Net Profit/Sales	25,65%	5,45%	-19,18%	-21,35%	14,66%	24,67%	14,55%	-2,07%	-13,53%	14,75%	13,47%	21,08%

Appendix

<i>Pro Forma Cash Flow</i>													
		mag-08	giu-08	lug-08	ago-08	set-08	ott-08	nov-08	dic-08	gen-09	feb-09	mar-09	apr-09
Cash Received													
Cash from Operations													
Cash Sales		€47.000	€28.500	€20.000	€16.000	€23.500	€21.000	€17.800	€13.500	€15.000	€25.100	€29.100	€37.200
Subtotal		€47.000	€28.500	€20.000	€16.000	€23.500	€21.000	€17.800	€13.500	€15.000	€25.100	€29.100	€37.200
Cash from Operations													
Additional Cash Received	VAT Rate												
VAT Received (Output Tax)		€4.700	€2.850	€2.000	€1.600	€2.350	€2.100	€1.780	€1.350	€1.500	€2.510	€2.910	€3.720
VAT Repayments		€0	€6.185	€0	€0	€0	€0	€0	€0	€0	€0	€3.195	€0
New Current Borrowing		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
New Other Liabilities (interest-free)		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
New Fixed Liabilities		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Sales of Other Current Assets	17,50%	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Sales of Fixed Assets	17,50%	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0

Appendix

	€	€	€	€	€	€	€	€	€	€	€	€	€
New Investment Received													
Subtotal Cash Received	€1.700	€37.535	€22.000	€17.600	€25.850	€23.100	€19.580	€14.850	€16.500	€27.610	€35.205	€40.920	
Expenditures	mag-08	giu-08	lug-08	ago-08	set-08	ott-08	nov-08	dic-08	gen-09	feb-09	mar-09	apr-09	
Expenditures from Operations													
Cash Spending Bill	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300	€5.300
Payments Subtotal Spent on Operations	€	€2.295	€66.963	€12.472	€15.612	€641	€7.061	€4.283	€3.326	€7.288	€24.826	€22.093	
Additional Cash Spent VAT Paid Out (Input Tax)	€5.300	€7.595	€72.263	€17.772	€20.912	€5.941	€12.361	€9.583	€8.626	€12.588	€30.126	€27.393	
VAT Rate	€10.885	€1.775	€2.843	€60	€730	€140	€140	€968	€4.283	€3.305	€4.845	€4.755	
VAT Payments	€	€	€	€	€1.773	€	€	€5.220	€	€	€	€	€
Principal Repayment of Current Borrowing	€	€	€	€	€	€	€	€	€	€	€	€	€
Other Liabilities	€	€	€	€	€	€	€	€	€	€	€	€	€
Principal Repayment													

Appendix

Fixed Liabilities		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Principal Repayment		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Purchase Other Current Assets	17,50%	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Purchase Fixed Assets	17,50%	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Dividends		€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Subtotal Cash Spent		€6.185	€9.370	€75.105	€17.832	€23.415	€6.081	€12.501	€15.771	€12.908	€15.893	€34.971	€32.148
Net Cash Flow		€5.515	€28.165	(€53.105)	(€232)	€2.436	€17.019	€7.079	(€921)	€3.592	€11.717	€234	€8.772
Cash Balance		€55.515	€83.680	€30.575	€30.343	€32.778	€49.797	€56.876	€55.956	€59.547	€71.265	€71.498	€80.270

Appendix

<i>Pro Forma Balance Sheet</i>												
Assets	Starting Balances	mag-08	giu-08	lug-08	ago-08	set-08	ott-08	nov-08	dic-08	gen-09	feb-09	mar-09
Current Assets												
Cash	€20.000	€55.515	€83.680	€30.575	€30.343	€32.778	€49.797	€56.876	€55.956	€59.547	€71.265	€71.490
Stock	€27.400	€66.600	€57.300	€54.900	€41.200	€33.600	€27.400	€20.700	€18.900	€32.100	€37.800	€48.600
Other	€0	€6.185	€0	€0	€0	€0	€0	€0	€0	€2.400	€3.195	€1.930
Current Assets												
Total Current Assets	€47.400	€128.300	€140.980	€85.475	€71.543	€66.378	€77.197	€77.576	€74.856	€94.047	€112.259	€122.030
Fixed Assets												
Fixed Assets	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Accumulated Depreciation	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Total Fixed Assets	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Total Assets	€47.400	€128.300	€140.980	€85.475	€71.543	€66.378	€77.197	€77.576	€74.856	€94.047	€112.259	€122.030
Liabilities and Capital		mag-08	giu-08	lug-08	ago-08	set-08	ott-08	nov-08	dic-08	gen-09	feb-09	mar-09
Current Liabilities												
Accounts Payable	€0	€68.846	€78.897	€28.070	€16.014	€7.558	€11.237	€7.386	€9.783	€31.387	€45.896	€51.750
Current Borrowing	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Other	€0	€0	€1.075	€233	€1.773	€1.620	€3.580	€5.220	€83	€0	€0	€0

Appendix

Current Liabilities Subtotal	€0	€68.846	€79.972	€28.303	€17.787	€9.178	€14.817	€12.606	€10.166	€31.387	€45.896	€117.750
Current Liabilities												
Fixed Liabilities	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Total Liabilities	€0	€68.846	€79.972	€28.303	€17.787	€9.178	€14.817	€12.606	€10.166	€31.387	€45.896	€117.750
Paid-in Capital	€16.300	€16.300	€16.300	€16.300	€16.300	€16.300	€16.300	€16.300	€16.300	€16.300	€16.300	€16.300
Retained Earnings	(€68.900)	(€68.900)	(€68.900)	(€68.900)	(€68.900)	(€68.900)	(€68.900)	(€68.900)	(€68.900)	(€68.900)	(€68.900)	(€68.900)
Earnings	€0	€12.054	€13.608	€9.772	€6.356	€9.800	€14.980	€17.570	€17.290	€15.260	€18.963	€22.880
Total Capital	€16.300	€38.354	€35.908	€35.172	€33.756	€36.200	€39.380	€44.970	€44.690	€42.660	€46.363	€59.280
Total Liabilities and Capital	€16.300	€107.200	€115.880	€63.475	€51.543	€45.378	€54.197	€57.576	€54.856	€94.047	€112.259	€172.030
Net Worth	€16.300	€38.354	€35.908	€35.172	€33.756	€36.200	€39.380	€44.970	€44.690	€42.660	€46.363	€59.280