STRETCH 'R WINGS

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1.0 Executive Summary

Stretch 'r Wings is a start-up company making medical interior equipment for aircraft operators and hospital flight programs. Stretch 'r Wings will design thoughtful, complete, and cost-effective medical interior solutions and sub-contract some of the manufacturing.

Stretch 'r Wings has identified and is working to complete four objectives that will assist them on their path to profitability. The first objective is to obtain Supplemental Type Certification (STC) approval from the FAA. The second objective is an initial prototype of the design. Next is the need to secure parts manufacturer approval. Finally, there is the need to develop a comprehensive marketing plan and promotional campaign.

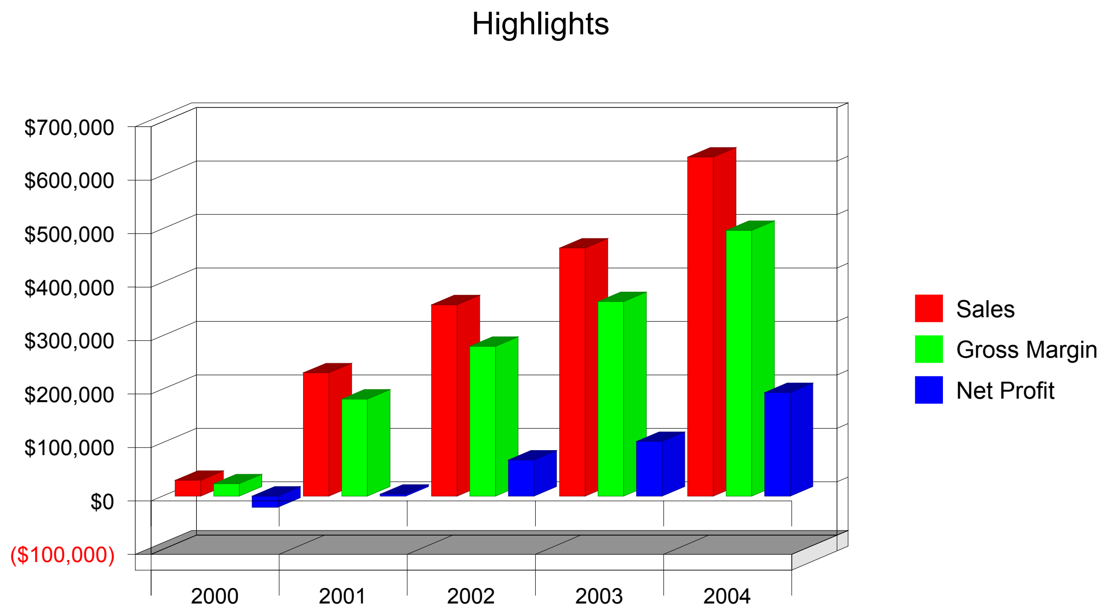
Stretch 'r Wings will target aircraft operators and hospital flight programs in both the United States and international markets. Currently, these two segments have the highest market potential. Stretch 'r Wings will reach these segments in several ways, including direct mailings, brochures, through a website and e-commerce, advertisements in trade publications, and a demo unit. The main segments that will be targeted are the US market as a whole, international markets, and the military. All three segments have a five percent growth rate. The US market has 800 potential customers, 300 for the international market, and 100 for the military market.

Stretch 'r Wings will leverage their competitive edges, which are based on product innovations/features and price competitiveness. The first edge is their use of an aluminum frame that creates a strong, light unit that is easily assembled. The next edge is a built in storage device, maximizing the precious available space. Lastly, Stretch 'r Wings will employ a glide ease stretcher system making entry and exit as easy as possible. All Stretch 'r Wings units are designed to be compact, efficient and safe.

Stretch 'r Wings has assembled a strong management team to execute their solid plan. ** is the product design master for Stretch 'r Wings. He has a 20-year career in industrial design and recently has been concentrating his designs on medical applications due in part to the fact that his wife is a physician. **, the business mind of the company, complements our design master. ** will assume operations and strategic planning functions. He has spent the last 17 years as the Vice President of operations of a $45 million bicycle manufacturer.

Stretch 'r Wings will achieve profitability by the end of year one, with $3,487 in profit for year two, rising to $195,000 for year five. Sales for year two are conservatively pegged at $230,000, growing to $634,000 in year five. Stretch 'r Wings is an exciting business that combines innovative designs for an unmet market need. It will be led by a seasoned management team.

***Names have been removed for confidentiality.*



1.1 Objectives

The following are the business goals and objectives for Stretch 'r Wings:

1. Obtain STC approval from the FAA on eight of the most popular general aviation aircraft.
2. Build a protype of a medical interior for FAA conformity inspection.
3. Upon completion of the first STC, Stretch 'r Wings will secure a Parts Manufacture Approval (PMA) from the FAA.
4. Develop a marketing plan, sales literature, website, e-commerce, and sales department. This step will be implemented after the approval of several STCs.

1.2 Mission

Stretch 'r Wings intends to develop and market a quick-change medical unit for aircraft and helicopters. This unique product will allow the aircraft owner/operator to carry regular passengers or quickly change to carry a medical passenger. The medical unit is a self-contained life support system with an internal component of oxygen, air, vacuum, and both DC and AC electrical power. Stretch 'r Wings will develop, manufacture, and market this product.

1.3 Keys to Success

Since the aircraft industry is highly regulated for product conformity, Stretch 'r Wings will need to obtain the necessary STCs and PMAs from the FAA. Although the company's staff has had several years of successful experience in doing STCs, this process may take longer than is planned, which could negatively affect the company's prospects.

Once the company's products are approved by the FAA, the next key to success will be strong marketing efforts to increase brand awareness and customer acceptance. For this purpose, Stretch 'r Wings will attend all major trade shows, publish high quality sales literature, and provide after-sales service to its clients.

2.0 Company Summary

Stretch 'r Wings is a start-up company which provides quality-designed and manufactured medical units for aircraft and helicopters. The business will be located in the Metro, IL area. This area has many advantages for shipping and receiving, including: manpower, access to State University's engineering program, and an abundance of manufacturing space for lease.

2.1 Company Ownership

Stretch 'r Wings will be incorporated. The company will be privately owned by **, who has worked for thirty-four years in the aircraft field. For fourteen years, the owner has designed and manufactured aircraft medical units under the FAA, STC, and PMA.

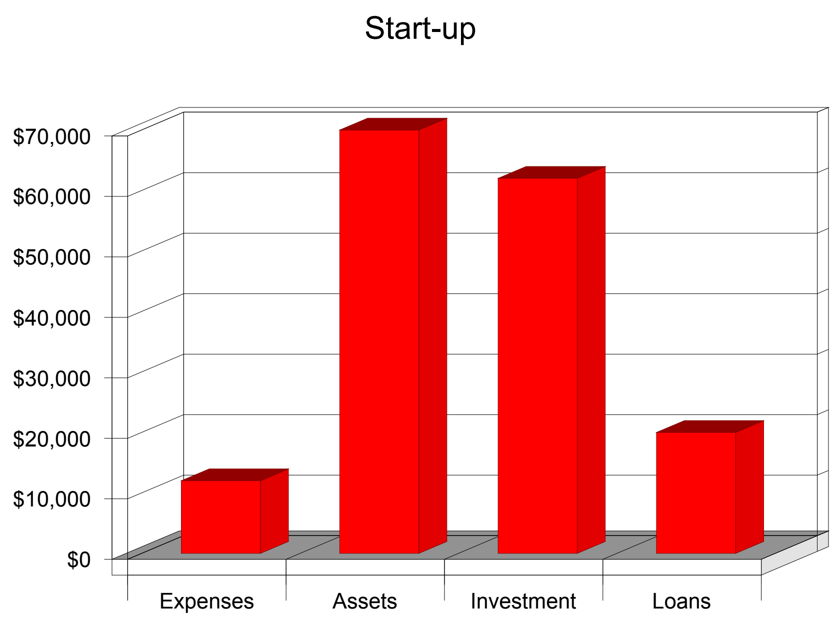
***Names have been removed for confidentiality.*

2.2 Start-up Summary

Stretch 'r Wings' start-up costs will be $82,000. This includes $12,000 for start-up expenses, $50,000 for cash reserve, $10,000 for inventory, and $10,000 in shop equipment assets (furnished by the owner). High cash reserves are required to offset the operating expenses before the company reaches its sales targets. The start-up expenses will be covered by the owner, a second investor, and a $20,000, three-year loan from the bank.

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Legal	$1,000
Stationery etc.	$800
Accounting	$600
Jig and Fabricating Equipment	$1,000
Aug. Rent and Security Deposit	$1,050
Research and Development Prototype	$3,000
Aluminum Inventory	$1,000
Software	$500
Engineering Fee - April, May, June, July	$2,500
Other	$550
Total Start-up Expenses	$12,000
Start-up Assets Needed	
Cash Balance on Starting Date	$50,000
Start-up Inventory	$10,000
Other Current Assets	$10,000
Total Current Assets	$70,000
Long-term Assets	$0
Total Assets	$70,000
Total Requirements	$82,000
Funding	
Investment	
Owner	$35,000
Investor 1	$27,000
Other	$0
Total Investment	$62,000
Current Liabilities	
Accounts Payable	$0
Current Borrowing	$0
Other Current Liabilities	$0
Current Liabilities	$0
Long-term Liabilities	$20,000
Total Liabilities	$20,000
Loss at Start-up	($12,000)
Total Capital	$50,000
Total Capital and Liabilities	$70,000



3.0 Products

The medical unit that Stretch 'r Wings will manufacture is designed to meet all FAA regulations. The unit is fabricated from aircraft-grade aluminum and aircraft hardware. The main frame member is ** aluminum, which is the main key to the design. The interior layout is compact, making use of the new lightweight-composites oxygen cylinder, and the small lightweight-size air pump, vacuum pump, and static inverter. All of the components are protected from damage by the unit's design. The unit is finished with a durable powder-coat epoxy paint. Additional manufactured items are medical stretchers, isollette stretchers, loading ramps, an equipment shelf, and gas bar. When customers order a unit, we ship it directly to them. We will install the unit in their aircraft at their request.

***Names have been removed for confidentiality.*

4.0 Market Analysis Summary

Stretch 'r Wings will target aircraft operators and hospital flight programs in both the United States and international markets. Currently, these two segments have the highest market potential (the chart and table below summarize demand in units). Stretch 'r Wings will reach these segments in several ways, including direct mailings, brochures, through a website and e-commerce, advertisements in trade publications, and a demo unit.

Market Analysis (Pie)

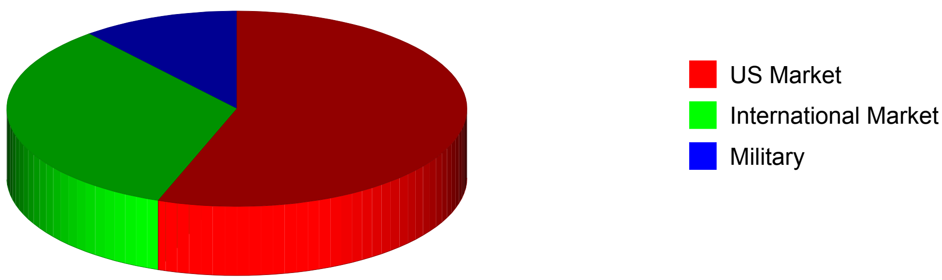


Table: Market Analysis

Market Analysis Potential Customers	Growth	2000	2001	2002	2003	2004	CAGR
US Market	5%	500	525	551	579	608	5.01%
International Market	5%	300	315	331	348	365	5.03%
Military	3%	100	103	106	109	112	2.87%
Total	4.78%	900	943	988	1,036	1,085	4.78%

4.1 Market Segmentation

The markets for the medical unit are summarized into the following groups:

US Market:

1. **Fixed Base Operator (FBO):** Typically, the aircraft owner is operating a charter business for hire and is looking for ways to increase utilization of his aircraft. He will set up an air ambulance business with a local hospital.
2. **Local hospital with an Air Medical Program:** This existing program is starting their own aircraft program, or adding additional aircraft to their fleet.
3. **Aircraft Broker:** They are selling an aircraft to a customer wishing to have a medical unit installed. This generally happens with international sales.

International Market:

1. **Aircraft Owners and Operators:** They are looking for ways to increase the usage of their aircraft.
2. **Government Run Programs:** Aircraft owners are contacted to run an air ambulance business for the local government.
3. **Military:** Countries such as those in South America and the Middle East are very interested in the aircraft medical unit in order to meet the needs of their militaries.

4.2 Target Market Segment Strategy

Stretch 'r Wings' market strategy will be to approach all potential customers outlined in section 4.1. The transportation of medical patients is a global need. With a well-designed medical unit, sales literature, and informed sales staff, we can meet our customers' needs to have a medical unit installed in their aircraft.

4.2.1 Market Needs

Customer needs in aircraft medical units are uniform across different countries and geographical areas. Customers seek lightweight, dependable, and easy-to-store medical units that are convenient to both clients and the medical personnel that may accompany clients to stationary medical facilities. Air ambulance services run by hospitals require fast patient delivery, especially from areas with limited medical facilities. Similarly, such medical units are required by various civil and military services that are involved in rescuing people during avalanches, earthquakes, flooding, forest fires, or from combat areas.

4.3 Main Competitors

1. **Company A,** located in Metro, CA. Company A, Inc. is a leader in the aircraft and helicopter medical units industry. This company attends many trade shows. They advertise in all trade publications and do an excellent job of marketing their product. A typical unit to compare with other competitors is priced between $34,000 and $36,000. They are known to be a high-priced company; this is due to a large overhead.

2. **Company B,** located in Metro, IN. This company has been in business the longest. Their product does not compare in quality to competitors, but they have sold many units. A typical unit to compare to the competitors is approximately $30,000.
3. **Company C,** located in Metro, LA. Today, they have ten part-time employees and advertise in many trade publications. A typical unit to compare to the competitors is between $27,000 and $30,000.
4. **Company D,** located in Metro, NY. Company D, Inc. has been in business since 1987. This company has a good product, but is limited in growth because of capital. Funds are not available to hire new employees or promote the product. At the present time, this company has one full-time employee and one part-time employee. A typical unit to compare to the competitors is $23,995.

4.3.1 Competition and Buying Patterns

The market for aircraft medical units is fragmented, with several incumbent firms offering products in different niches. As outlined in Section 4.3, all the products offered by current suppliers are high-end specialty items. Each of the suppliers has certain features. The market access barriers are high because of the required FAA approvals. However, Stretch 'r Wings staff has had many years of experience working in this field and do not anticipate trouble gaining the required approval.

As with many other specialty items, a key approach in targeting future customers is advertising in trade publications and trade shows. This allows the customer to compare the quality and price of the products available, including delivery times, ease of installation, and weight of the unit. The customer collects all his data and often takes one week to six months buy a unit.

5.0 Strategy and Implementation Summary

Stretch 'r Wings will set up a sales department after we secure several STCs. This will keep overhead to a minimum. We estimate starting a sales department within nine months of start-up.

5.1 Competitive Edge

The medical unit we will manufacture and market has the following special features.

1. **Aluminum Frame:** Our aluminum frame is lightweight and assembles quickly. Our competitors either bend or weld their frames together, thus making the unit heavy and cumbersome.
2. **Built-in Storage Drawers:** Our built-in drawers are a convenience. The competitors do not have drawers as standard options.
3. **Glide Ease Stretcher Systems:** These systems cause less back strain and give greater patient comfort. The competitors use a variety of systems.
4. **Cost of the Medical Unit:** We feel our pricing is our main competitive edge. We have a high-quality medical unit, provide excellent customer service, and all at an aggressively low price.

5.2 Sales Strategy

Stretch 'r Wings will employ a professional sales staff with sales expertise in the aircraft and helicopter markets. Along with interface of the medical unit, the sales staff will demonstrate ways in which the the customer can turn more revenue in their business.

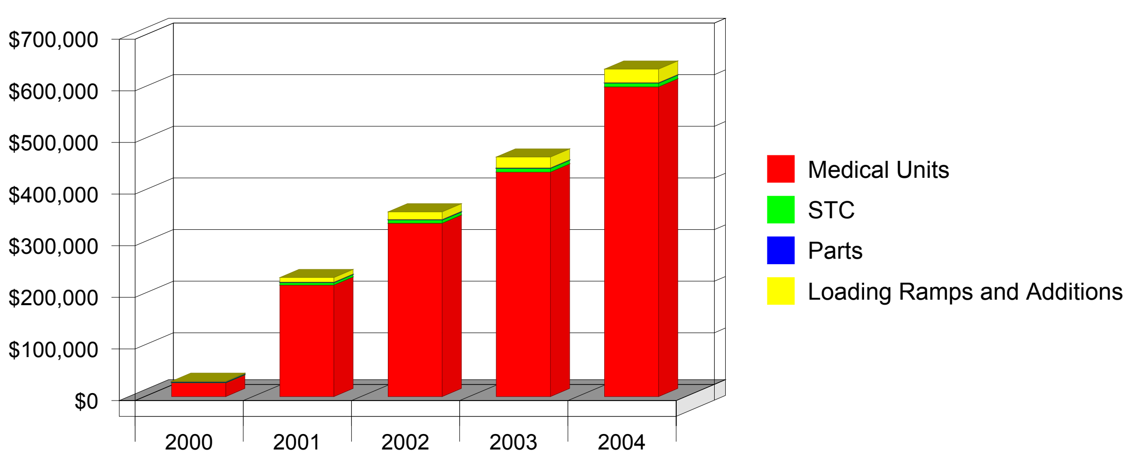
5.2.1 Sales Forecast

Our sales forecast is atypical, due to the time required to obtain STCs from the FAA. Stretch 'r Wings plans to develop our first STC and sales network within nine months. We are projecting the first sale occurring in up to twelve months, possibly 2001.

Table: Sales Forecast

Sales Forecast					
Unit Sales	2000	2001	2002	2003	2004
Medical Units	1	8	12	15	20
STC	1	4	5	6	6
Parts	1	1	1	1	1
Loading Ramps and Additions	1	6	10	12	15
Total Unit Sales	4	19	28	34	42
Unit Prices	2000	2001	2002	2003	2004
Medical Units	$26,495	$26,995	$27,995	$28,995	$29,995
STC	$1,195	$1,195	$1,195	$1,195	$1,195
Parts	$1,000	$1,000	$1,000	$1,000	$1,000
Loading Ramps and Additions	$1,000	$1,500	$1,500	$1,750	$1,750
Sales					
Medical Units	$26,495	$215,960	$335,940	$434,925	$599,900
STC	$1,195	$4,780	$5,975	$7,170	$7,170
Parts	$1,000	$1,000	$1,000	$1,000	$1,000
Loading Ramps and Additions	$1,000	$9,000	$15,000	$21,000	$26,250
Total Sales	$29,690	$230,740	$357,915	$464,095	$634,320
Direct Unit Costs	2000	2001	2002	2003	2004
Medical Units	$5,300	$5,700	$6,000	$6,200	$6,400
STC	$225	$250	$275	$275	$275
Parts	$750	$750	$750	$750	$750
Loading Ramps and Additions	$200	$300	$350	$400	$450
Direct Cost of Sales	2000	2001	2002	2003	2004
Medical Units	$5,300	$45,600	$72,000	$93,000	$128,000
STC	$225	$1,000	$1,375	$1,650	$1,650
Parts	$750	$750	$750	$750	$750
Loading Ramps and Additions	$200	$1,800	$3,500	$4,800	$6,750
Subtotal Direct Cost of Sales	$6,475	$49,150	$77,625	$100,200	$137,150

Sales by Year



5.3 Milestones

The following table lists important program milestones, with dates and responsibilities assigned, and a budget for each. The milestone schedule indicates our emphasis on planning for implementation.

***Names have been removed from the table below for confidentiality.*

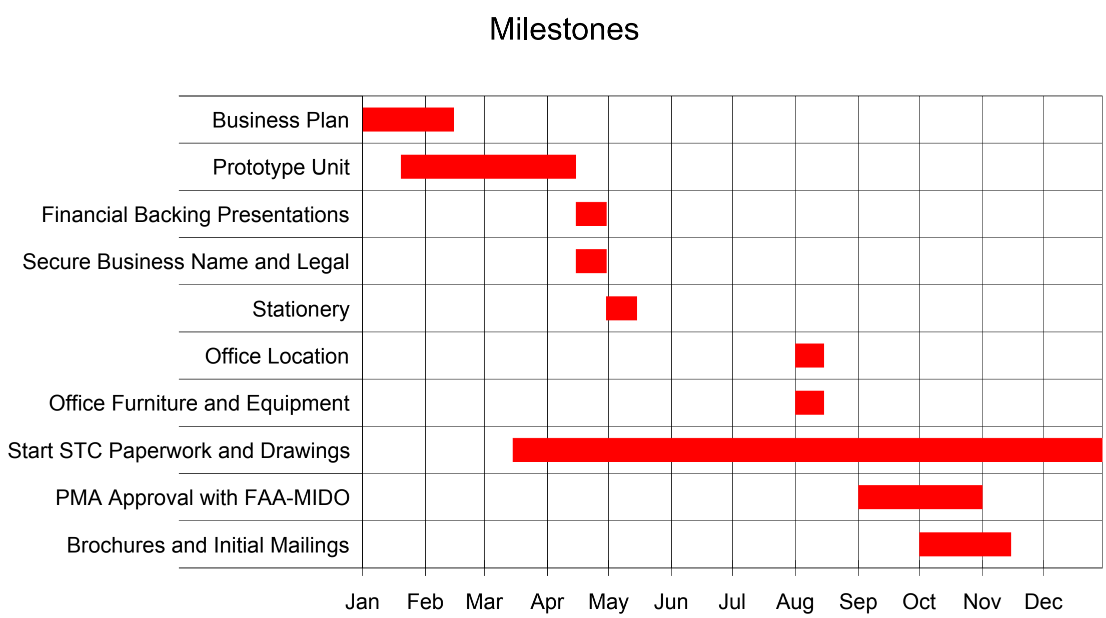


Table: Milestones

Milestones					
Milestone	Start Date	End Date	Budget	Manager	Department
Business Plan	1/1/2000	2/15/2000	$100	**	Management
Prototype Unit	1/20/2000	4/15/2000	$1,000	**	Management
Financial Backing Presentations	4/15/2000	4/30/2000	$500	**	Management
Secure Business Name and Legal	4/15/2000	4/30/2000	$1,000	**	Management
Stationery	4/30/2000	5/15/2000	$300	**	Management
Office Location	8/1/2000	8/15/2000	$525	**	Management
Office Furniture and Equipment	8/1/2000	8/15/2000	$3,700	**	Management
Start STC Paperwork and Drawings	3/15/2000	12/30/2000	$3,500	**	Consultant
PMA Approval with FAA-MIDO	9/1/2000	11/1/2000	$200	**	Management
Brochures and Initial Mailings	10/1/2000	11/15/2000	$3,000	**	Sales dept.
Totals			$13,825		

6.0 Management Summary

Stretch 'r Wings is a small company owned and operated by **. The company will add personnel as it grows, based on projections and timetables, keeping the cost of overhead low. The following is our plan for management, sales staff, and additional employees.

***Names have been removed for confidentiality.*

6.1 Personnel Plan

The personnel plan layout is the foundation for Stretch 'r Wings; having the key people in place will enable the company to start with a solid foundation. Employees will be added as business necessitates them. A projected number to start with is four employees, to be doubled within five years.

** is the developer and designer of the medical products. He will be the manager of the company, and will be responsible for setting up the office and shop area. ** will be hired as the consultant engineer to do drawings for the FAA. ** and ** have worked together doing STC with the FAA, and both know the system.

After several STCs are secured, and the PMA approval is completed, we will add a sales manager. The sales manager will develop the aspects of our marketing plan including the sales literature, website, mass mailing, etc. Next, an office person will be added. The skills necessary will be secretarial, an excellent phone demeanor, and data entry. Following will be production personnel, who will have duties associated with the assembly and installation of medical units.

***Names have been removed for confidentiality.*

Table: Personnel

Personnel Plan	2000	2001	2002	2003	2004
Owner/Manager	$15,000	$45,000	$50,000	$52,000	$54,000
Office Personnel	$0	$21,320	$22,500	$23,500	$24,500
Production Personnel	$0	$21,320	$22,500	$44,820	$47,000
Sales Manager	$5,000	$30,000	$31,000	$32,000	$33,000
Total People	2	4	4	5	5
Total Payroll	$20,000	$117,640	$126,000	$152,320	$158,500

7.0 Financial Plan

The following topics summarize the financial information of Stretch 'r Wings.

7.1 Important Assumptions

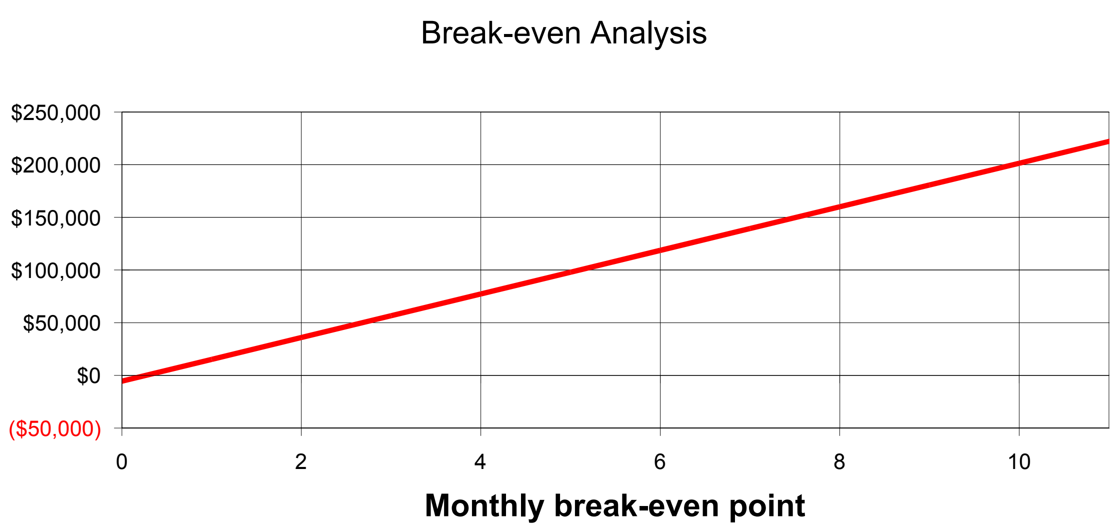
The following table summarizes key financial assumptions.

Table: General Assumptions

General Assumptions	2000	2001	2002	2003	2004
Plan Month	1	2	3	4	5
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	25.42%	25.00%	25.42%	25.00%	25.42%
Other	0	0	0	0	0

7.2 Break-even Analysis

The following chart and table summarize the break-even analysis, including monthly units and sales break-even points.



Break-even point = where line intersects with 0

Table: Break-even Analysis

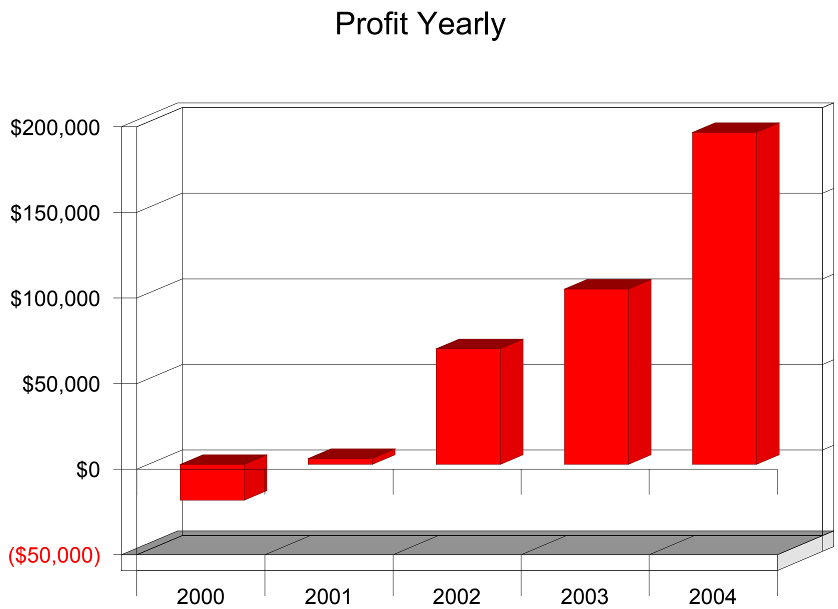
Break-even Analysis:	
Monthly Units Break-even	0.27
Monthly Revenue Break-even	$7,041
Assumptions:	
Average Per-Unit Revenue	$26,495.00
Average Per-Unit Variable Cost	$5,800.00
Estimated Monthly Fixed Cost	$5,500

7.3 Projected Profit and Loss

The detailed monthly pro forma income statement for the first year is included in the appendix. The annual estimates are included here.

Table: Profit and Loss

Pro Forma Profit and Loss	2000	2001	2002	2003	2004
Sales	$29,690	$230,740	$357,915	$464,095	$634,320
Direct Costs of Goods	$6,475	$49,150	$77,625	$100,200	$137,150
Other	$0	$0	$0	$0	$0
	------------	------------	------------	------------	------------
Cost of Goods Sold	$6,475	$49,150	$77,625	$100,200	$137,150
Gross Margin	$23,215	$181,590	$280,290	$363,895	$497,170
Gross Margin %	78.19%	78.70%	78.31%	78.41%	78.38%
Expenses:					
Payroll	$20,000	$117,640	$126,000	$152,320	$158,500
Sales and Marketing and Other Expenses	$15,300	$28,400	$30,000	$37,500	$40,000
Depreciation	$0	$1,200	$1,200	$1,200	$1,200
Leased Equipment	$0	$0	$0	$0	$0
Utilities	$350	$1,200	$1,400	$1,500	$1,500
Phone	$950	$2,500	$3,000	$3,000	$3,000
Rent	$2,625	$6,000	$6,500	$7,000	$7,500
Payroll Taxes	$3,000	$17,646	$18,900	$22,848	$23,775
Other	$0	$0	$0	$0	$0
	------------	------------	------------	------------	------------
Total Operating Expenses	$42,225	$174,586	$187,000	$225,368	$235,475
Profit Before Interest and Taxes	($19,010)	$7,004	$93,290	$138,527	$261,695
Interest Expense	$1,946	$2,354	$2,579	$1,934	$1,676
Taxes Incurred	$0	$1,162	$23,056	$34,148	$66,088
Net Profit	($20,956)	$3,487	$67,655	$102,445	$193,931
Net Profit/Sales	-70.58%	1.51%	18.90%	22.07%	30.57%



7.4 Projected Cash Flow

Cash flow projections are critical to our success. The monthly cash flow is shown in the illustration, with one bar representing the cash flow per month and the other representing the monthly balance. The annual cash flow figures are included here. Detailed monthly numbers are included in the appendix. Payments on the three-year $20,000 loan will start in September, 2000. Further, to increase the cash balance in FY 2001, a one-year, $20,000 loan will be secured from the bank.

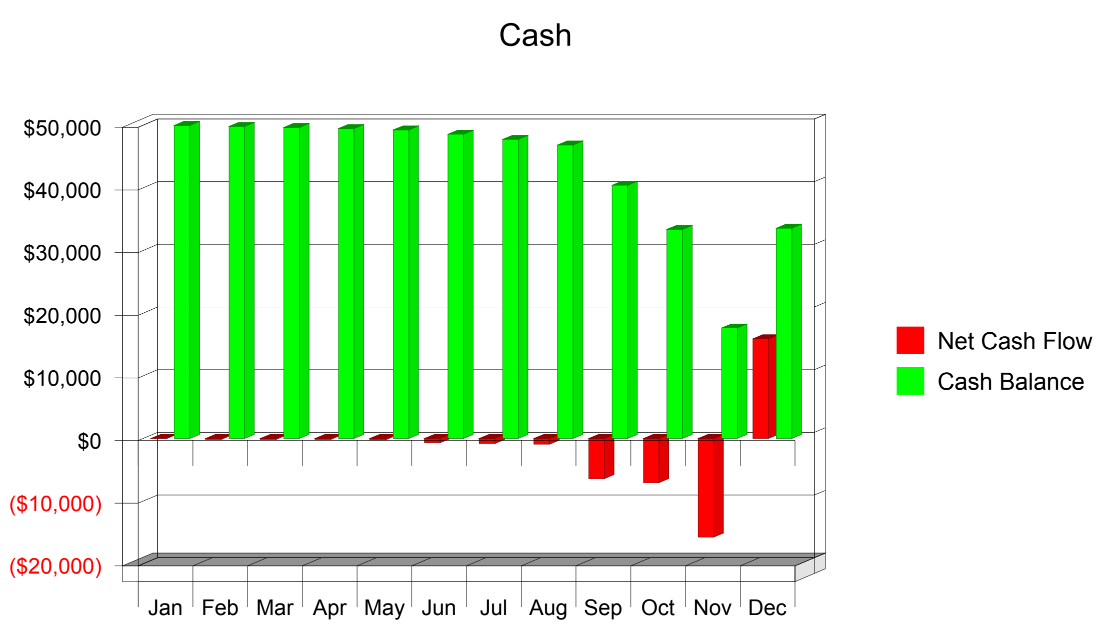


Table: Cash Flow

Pro Forma Cash Flow	2000	2001	2002	2003	2004
Cash Received					
Cash from Operations:					
Cash Sales	$29,690	$230,740	$357,915	$464,095	$634,320
Cash from Receivables	$0	$0	$0	$0	$0
Subtotal Cash from Operations	$29,690	$230,740	$357,915	$464,095	$634,320
Additional Cash Received					
Sales Tax, VAT, HST/GST Received	$0	$0	$0	$0	$0
New Current Borrowing	$0	$20,000	$0	$0	$0
New Other Liabilities (interest-free)	$0	$0	$0	$0	$0
New Long-term Liabilities	$0	$0	$0	$0	$0
Sales of Other Current Assets	$0	$0	$0	$0	$0
Sales of Long-term Assets	$0	$0	$0	$0	$0
New Investment Received	$0	$0	$0	$0	$0
Subtotal Cash Received	$29,690	$250,740	$357,915	$464,095	$634,320
Expenditures	2000	2001	2002	2003	2004
Expenditures from Operations:					
Cash Spending	$2,412	$13,344	$17,226	$20,786	$29,278
Payment of Accounts Payable	$41,125	$239,138	$294,541	$356,949	$434,241
Subtotal Spent on Operations	$43,537	$252,482	$311,767	$377,735	$463,519
Additional Cash Spent					
Sales Tax, VAT, HST/GST Paid Out	$0	$0	$0	$0	$0
Principal Repayment of Current Borrowing	$0	$0	$0	$0	$0
Other Liabilities Principal Repayment	$0	$0	$21,000	$0	$0
Long-term Liabilities Principal Repayment	$2,584	$7,750	$7,750	$5,160	$0
Purchase Other Current Assets	$0	$0	$0	$0	$0
Purchase Long-term Assets	$0	$0	$0	$0	$0
Dividends	$0	$0	$0	$0	$0
Subtotal Cash Spent	$46,121	$260,232	$340,517	$382,895	$463,519
Net Cash Flow	($16,431)	($9,492)	$17,398	$81,200	$170,801
Cash Balance	$33,569	$24,077	$41,476	$122,676	$293,477

7.5 Projected Balance Sheet

The projected balance sheet is quite solid. We do not project any trouble meeting our debt obligations, as long as we can achieve our specified objectives.

Table: Balance Sheet

Pro Forma Balance Sheet					
Assets					
Current Assets	2000	2001	2002	2003	2004
Cash	$33,569	$24,077	$41,476	$122,676	$293,477
Inventory	$6,475	$49,150	$77,625	$100,200	$137,150
Other Current Assets	$10,000	$10,000	$10,000	$10,000	$10,000
Total Current Assets	$50,044	$83,227	$129,101	$232,876	$440,627
Long-term Assets					
Long-term Assets	$0	$0	$0	$0	$0
Accumulated Depreciation	$0	$1,200	$2,400	$3,600	$4,800
Total Long-term Assets	$0	($1,200)	($2,400)	($3,600)	($4,800)
Total Assets	$50,044	$82,027	$126,701	$229,276	$435,827
Liabilities and Capital					
Current Liabilities	2000	2001	2002	2003	2004
Accounts Payable	$3,585	$19,830	$25,598	$30,888	$43,509
Current Borrowing	$0	$20,000	$20,000	$20,000	$20,000
Other Current Liabilities	$0	$0	($21,000)	($21,000)	($21,000)
Subtotal Current Liabilities	$3,585	$39,830	$24,598	$29,888	$42,509
Long-term Liabilities	$17,416	$9,666	$1,916	($3,244)	($3,244)
Total Liabilities	$21,001	$49,496	$26,514	$26,644	$39,265
Paid-in Capital	$62,000	$62,000	$62,000	$62,000	$62,000
Retained Earnings	($12,000)	($32,956)	($29,469)	$38,186	$140,632
Earnings	($20,956)	$3,487	$67,655	$102,445	$193,931
Total Capital	$29,044	$32,531	$100,186	$202,632	$396,563
Total Liabilities and Capital	$50,044	$82,027	$126,701	$229,276	$435,827
Net Worth	$29,044	$32,531	$100,186	$202,632	$396,563

7.6 Business Ratios

The following table outlines important ratios from the laboratory apparatus and furniture industry, as determined by the Standard Industrial Classification (SIC) Index code 3821, Laboratory Equipment and Furniture.

Table: Ratios

Ratio Analysis	2000	2001	2002	2003	2004	Industry Profile
Sales Growth	0.00%	677.16%	55.12%	29.67%	36.68%	5.10%
Percent of Total Assets						
Accounts Receivable	0.00%	0.00%	0.00%	0.00%	0.00%	30.00%
Inventory	12.94%	59.92%	61.27%	43.70%	31.47%	28.60%
Other Current Assets	19.98%	12.19%	7.89%	4.36%	2.29%	25.10%
Total Current Assets	100.00%	101.46%	101.89%	101.57%	101.10%	83.70%
Long-term Assets	0.00%	-1.46%	-1.89%	-1.57%	-1.10%	16.30%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Current Liabilities	7.16%	48.56%	19.41%	13.04%	9.75%	37.80%
Long-term Liabilities	34.80%	11.78%	1.51%	-1.41%	-0.74%	14.30%
Total Liabilities	41.96%	60.34%	20.93%	11.62%	9.01%	52.10%
Net Worth	58.04%	39.66%	79.07%	88.38%	90.99%	47.90%
Percent of Sales						
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Gross Margin	78.19%	78.70%	78.31%	78.41%	78.38%	38.90%
Selling, General & Administrative Expenses	148.77%	77.19%	59.30%	56.34%	47.63%	25.40%
Advertising Expenses	8.42%	6.50%	4.19%	4.31%	3.15%	1.40%
Profit Before Interest and Taxes	-64.03%	3.04%	26.06%	29.85%	41.26%	2.00%
Main Ratios						
Current	13.96	2.09	5.25	7.79	10.37	2.36
Quick	12.15	0.86	2.09	4.44	7.14	1.33
Total Debt to Total Assets	41.96%	60.34%	20.93%	11.62%	9.01%	52.10%
Pre-tax Return on Net Worth	-72.15%	14.29%	90.54%	67.41%	65.57%	3.80%
Pre-tax Return on Assets	-41.88%	5.67%	71.59%	59.58%	59.66%	8.00%
Additional Ratios	2000	2001	2002	2003	2004	
Net Profit Margin	-70.58%	1.51%	18.90%	22.07%	30.57%	n.a
Return on Equity	-72.15%	10.72%	67.53%	50.56%	48.90%	n.a
Activity Ratios						
Accounts Receivable Turnover	0.00	0.00	0.00	0.00	0.00	n.a
Collection Days	0	0	0	0	0	n.a
Inventory Turnover	0.67	1.77	1.22	1.13	1.16	n.a
Accounts Payable Turnover	12.47	12.88	11.73	11.73	10.27	n.a
Payment Days	13	17	28	28	30	n.a
Total Asset Turnover	0.59	2.81	2.82	2.02	1.46	n.a
Debt Ratios						
Debt to Net Worth	0.72	1.52	0.26	0.13	0.10	n.a
Current Liab. to Liab.	0.17	0.80	0.93	1.12	1.08	n.a
Liquidity Ratios						
Net Working Capital	$46,460	$43,397	$104,502	$202,988	$398,119	n.a
Interest Coverage	-9.77	2.98	36.17	71.64	156.18	n.a
Additional Ratios						
Assets to Sales	1.69	0.36	0.35	0.49	0.69	n.a
Current Debt/Total Assets	7%	49%	19%	13%	10%	n.a
Acid Test	12.15	0.86	2.09	4.44	7.14	n.a
Sales/Net Worth	1.02	7.09	3.57	2.29	1.60	n.a
Dividend Payout	0.00	0.00	0.00	0.00	0.00	n.a

Appendix Table: Sales Forecast

Sales Forecast													
Unit Sales		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Medical Units		0	0	0	0	0	0	0	0	0	0	0	1
STC		0	0	0	0	0	0	0	0	0	0	0	1
Parts		0	0	0	0	0	0	0	0	0	0	0	1
Loading Ramps and Additions		0	0	0	0	0	0	0	0	0	0	0	1
Total Unit Sales		0	0	0	0	0	0	0	0	0	0	0	4
Unit Prices		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Medical Units		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$26,495.00
STC		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,195.00
Parts		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,000.00
Loading Ramps and Additions		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,000.00
Sales													
Medical Units		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$26,495
STC		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,195
Parts		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,000
Loading Ramps and Additions		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,000
Total Sales		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$29,690
Direct Unit Costs		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Medical Units	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$5,300.00
STC	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$225.00
Parts	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$750.00
Loading Ramps and Additions	0.00%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$200.00
Direct Cost of Sales		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Medical Units		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$5,300
STC		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$225
Parts		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$750
Loading Ramps and Additions		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$200
Subtotal Direct Cost of Sales		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,475

Appendix Table: Personnel

Personnel Plan	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Owner/Manager	$0	$0	$0	$0	$0	$0	$0	$0	$3,750	$3,750	$3,750	$3,750
Office Personnel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Production Personnel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales Manager	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,500	$2,500
Total People	0	0	0	0	0	0	0	0	1	1	2	2
Total Payroll	$0	$0	$0	$0	$0	$0	$0	$0	$3,750	$3,750	$6,250	$6,250

Appendix Table: General Assumptions

General Assumptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Other	0	0	0	0	0	0	0	0	0	0	0	0

Appendix Table: Profit and Loss

Pro Forma Profit and Loss		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$29,690
Direct Costs of Goods		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,475
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------
Cost of Goods Sold		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,475
Gross Margin		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$23,215
Gross Margin %		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	78.19%
Expenses:													
Payroll		$0	$0	$0	$0	$0	$0	$0	$0	$3,750	$3,750	$6,250	$6,250
Sales and Marketing and Other Expenses		$0	$0	$0	$0	$500	$650	$650	$650	$300	$7,200	$5,200	$150
Depreciation		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Leased Equipment		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utilities		$0	$0	$0	$0	$0	$0	$0	$50	$50	$75	$75	$100
Phone		$0	$0	$0	$0	$0	$0	$0	$100	$150	$200	$250	$250
Rent		$0	$0	$0	$0	$0	$0	$0	$525	$525	$525	$525	$525
Payroll Taxes	15%	$0	$0	$0	$0	$0	$0	$0	$0	$563	$563	$938	$938
Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------
Total Operating Expenses		$0	$0	$0	$0	$500	$650	$650	$1,325	$5,338	$12,313	$13,238	$8,213
Profit Before Interest and Taxes		$0	$0	$0	$0	($500)	($650)	($650)	($1,325)	($5,338)	($12,313)	($13,238)	$15,003
Interest Expense		$167	$167	$167	$167	$167	$167	$167	$167	$161	$156	$151	$145
Taxes Incurred		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Profit		($167)	($167)	($167)	($167)	($667)	($817)	($817)	($1,492)	($5,499)	($12,468)	($13,388)	$14,857
Net Profit/Sales		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.04%

Appendix Table: Cash Flow

Pro Forma Cash Flow		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Received													
Cash from Operations:													
Cash Sales		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$29,690
Cash from Receivables		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Cash from Operations		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$29,690
Additional Cash Received													
Sales Tax, VAT, HST/GST Received	0.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$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 Long-term Liabilities		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales of Other Current Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sales of Long-term Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
New Investment Received		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Cash Received		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$29,690
Expenditures		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Expenditures from Operations:													
Cash Spending		$17	$17	$17	$17	$67	$82	$82	$149	$119	$816	$620	$412
Payment of Accounts Payable		$5	$150	$150	$150	$165	$605	$735	$755	$5,646	$5,589	$14,469	$12,706
Subtotal Spent on Operations		$22	$167	$167	$167	$232	$686	$817	$904	$5,764	$6,405	$15,089	$13,118
Additional Cash Spent													
Sales Tax, VAT, HST/GST Paid Out		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Principal Repayment of Current Borrowing		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Liabilities Principal Repayment		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Long-term Liabilities Principal Repayment		$0	$0	$0	$0	$0	$0	$0	$0	$646	$646	$646	$646
Purchase Other Current Assets		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Purchase Long-term Assets		$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		$22	$167	$167	$167	$232	$686	$817	$904	$6,410	$7,051	$15,735	$13,764
Net Cash Flow		($22)	($167)	($167)	($167)	($232)	($686)	($817)	($904)	($6,410)	($7,051)	($15,735)	$15,926
Cash Balance		$49,978	$49,812	$49,645	$49,478	$49,247	$48,561	$47,744	$46,839	$40,429	$33,378	$17,643	$33,569

Appendix Table: Balance Sheet

Pro Forma Balance Sheet													
Assets													
Current Assets	Starting Balances	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash	$50,000	$49,978	$49,812	$49,645	$49,478	$49,247	$48,561	$47,744	$46,839	$40,429	$33,378	$17,643	$33,569
Inventory	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$6,475
Other Current Assets	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
Total Current Assets	$70,000	$69,978	$69,812	$69,645	$69,478	$69,247	$68,561	$67,744	$66,839	$60,429	$53,378	$37,643	$50,044
Long-term Assets													
Long-term Assets	$0	$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	$0
Total Long-term Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Assets	$70,000	$69,978	$69,812	$69,645	$69,478	$69,247	$68,561	$67,744	$66,839	$60,429	$53,378	$37,643	$50,044
Liabilities and Capital													
Current Liabilities		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Accounts Payable	$0	$145	$145	$145	$145	$580	$711	$711	$1,298	$1,032	$7,096	$5,394	$3,585
Current Borrowing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Current Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Current Liabilities	$0	$145	$145	$145	$145	$580	$711	$711	$1,298	$1,032	$7,096	$5,394	$3,585
Long-term Liabilities	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$19,354	$18,708	$18,062	$17,416
Total Liabilities	$20,000	$20,145	$20,145	$20,145	$20,145	$20,580	$20,711	$20,711	$21,298	$20,386	$25,804	$23,456	$21,001
Paid-in Capital	$62,000	$62,000	$62,000	$62,000	$62,000	$62,000	$62,000	$62,000	$62,000	$62,000	$62,000	$62,000	$62,000
Retained Earnings	($12,000)	($12,000)	($12,000)	($12,000)	($12,000)	($12,000)	($12,000)	($12,000)	($12,000)	($12,000)	($12,000)	($12,000)	($12,000)
Earnings	$0	($167)	($333)	($500)	($667)	($1,333)	($2,150)	($2,967)	($4,458)	($9,957)	($22,426)	($35,814)	($20,956)
Total Capital	$50,000	$49,833	$49,667	$49,500	$49,333	$48,667	$47,850	$47,033	$45,542	$40,043	$27,574	$14,186	$29,044
Total Liabilities and Capital	$70,000	$69,978	$69,812	$69,645	$69,478	$69,247	$68,561	$67,744	$66,839	$60,429	$53,378	$37,643	$50,044
Net Worth	$50,000	$49,833	$49,667	$49,500	$49,333	$48,667	$47,850	$47,033	$45,542	$40,043	$27,574	$14,186	$29,044