



Net Cash Flow (Before Tax)
 Plastic Bottle Manufacturing Division
 Replace Equipment Analysis

September 24, 2009
 Investit Decisions
 Replace Example with Revenue & Expenses

Year	Investment	Working Capital		Financing		Operating Cash Flow (Before Tax)	Sale Proceeds (Before Tax)	Net Cash Flow (Before Tax)
		Additions	Reductions	Borrow	Paid Back			
Year 1 Jan-Year 1 Dec	\$ (11,578,479)	\$ (90,000)	-	\$ 6,000,000	-	\$ 565,586	-	\$ (5,102,893)
Year 2 Jan-Year 2 Dec	-	-	-	-	-	745,636	-	745,636
Year 3 Jan-Year 3 Dec	-	-	-	-	-	840,149	-	840,149
Year 4 Jan-Year 4 Dec	-	-	-	-	-	939,348	-	939,348
Year 5 Jan-Year 5 Dec	-	-	-	-	-	1,043,461	-	1,043,461
Year 6 Jan-Year 6 Dec	-	-	-	-	-	1,152,735	-	1,152,735
Year 7 Jan-Year 7 Dec	-	-	-	-	-	1,267,422	-	1,267,422
Year 8 Jan-Year 8 Dec	-	-	-	-	-	2,546,205	-	2,546,205
Year 9 Jan-Year 9 Dec	-	-	90,000	-	-	2,762,539	1,000,000	3,852,539
							Total	\$ 7,284,604

Note

The first year investment has been reduced by the Salvage Value of \$ 800,000 before tax and increased by the \$ 1,378,479 Loan Repayment.

Financial Returns (Before Tax)

Internal Rate of Return (IRR)	14.62%
Net Present Value (NPV) at 13.00%	\$ 473,360
Modified Internal Rate of Return (MIRR)	10.39%
Short Term Financing Rate (Before Tax)	8.000%
Short Term Reinvestment Rate (Before Tax)	2.500%
Annual Equivalency at 13.00%	\$ 92,243
Benefit to Cost Ratio at 13.00%	0.97
Payback Period	6.30 years.
Discounted Payback Period at 13.00%	8.63 years.



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Year	Investment	Working Capital		Financing		Operating Cash Flow (After Tax)	Sale Proceeds (After Tax)	Net Cash Flow (After Tax)
		Additions	Reductions	Borrow	Paid Back			
Year 1 Jan-Year 1 Dec	\$ (11,638,479)	\$ (90,000)	-	\$ 6,000,000	-	\$ 660,531	-	\$ (5,067,948)
Year 2 Jan-Year 2 Dec	-	-	-	-	-	1,180,758	-	1,180,758
Year 3 Jan-Year 3 Dec	-	-	-	-	-	949,655	-	949,655
Year 4 Jan-Year 4 Dec	-	-	-	-	-	796,395	-	796,395
Year 5 Jan-Year 5 Dec	-	-	-	-	-	698,932	-	698,932
Year 6 Jan-Year 6 Dec	-	-	-	-	-	739,667	-	739,667
Year 7 Jan-Year 7 Dec	-	-	-	-	-	781,079	-	781,079
Year 8 Jan-Year 8 Dec	-	-	-	-	-	1,826,837	-	1,826,837
Year 9 Jan-Year 9 Dec	-	-	90,000	-	-	1,827,150	650,000	2,567,150
							Total	\$ 4,472,525

Note

The first year investment has been reduced by the Salvage Value of \$ 740,000 after tax and increased by the \$ 1,378,479 Loan Repayment.

Financial Returns (After Tax)

Internal Rate of Return (IRR)	11.10%
Net Present Value (NPV) at 8.45%	\$ 759,691
Modified Internal Rate of Return (MIRR)	7.23%
Short Term Financing Rate (After Tax)	5.200%
Short Term Reinvestment Rate (After Tax)	1.625%
Annual Equivalency at 8.45%	\$ 123,897
Payback Period	6.90 years.
Discounted Payback Period at 8.45%	8.39 years.