

Electra

The Freedom to Charge



Business Plan

Date: April 18, 2012

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Table of Contents

Table of Contents	2
Executive Summary	3
Business Vision.....	4
Problem.....	4
Company Vision	4
Mission Statement.....	4
Products and Services	4
Special licenses/permits	5
The Market.....	5
Target Market.....	5
Market Growth.....	6
Strengths	6
Weaknesses	7
Opportunities.....	7
Threats	7
Business Model.....	9
Marketing and Sales Strategy	11
The Market.....	11
Sales Strategy.....	11
First Year Costs.....	12
Return on Investment.....	12
Future Earnings Projections	12
12 Month Profit and Loss Projection	13
Operational Plan.....	13
Production.....	13
R&D Personnel	13
Location	13
Exit Strategy.....	14
Appendices.....	15

Executive Summary

The business world of today is more connected than ever before. As business travelers find themselves away from their workplace more often, the ever-growing need to remain connected has spawned the laptop, the smartphone, and the tablet industries. Unfortunately, some areas of this technology have evolved much more quickly than others. While the functionality of these devices has increased exponentially, their average battery lifespan has not been able to keep up. As business travelers gather in places such as airports or in meetings, they find their devices running out of battery at critical moments. Because electricity is an electronic device's lifeline, business travelers find themselves drawn to and even bound to the power outlet. Essentially, their mobility is hindered by their devices' need for electricity. Attempts in the past to solve this problem have offered only temporary 'painkiller' solutions that almost always fail. Electra LLC, founded by a team of six innovative entrepreneurs, offers a practical and innovative way to solve this ever-present problem.

Attempts in the past to solve hindered mobility, interrupted connectivity, and/or lifestyle disruption have ranged from creating external battery cases to making 'Powermats' that allow one to charge his or her device without a cord. Unfortunately, these solutions fail to solve these critical problems. None of these solutions are able to achieve a situation where a business traveler has access to a power source no matter where he or she goes. Electra is developing a world where one can charge his or her devices wirelessly. Wireless charging addresses the several problems including hindered mobility, limited connectivity, and a disrupted lifestyle by creating an unlimited power source for travelers. This is accomplished by installing transmitters throughout a certain location, creating an 'Electra-Zone', where one can receive power through a special receiver that can be plugged into electronic devices.

Electra has a very large market potential. Electra targets the rapidly growing charging accessories market, which is currently valued at \$1.5 billion. An important segment of the market for this service, the business travelers, has a very large need for a solution to alleviate their problems.

Electra has several revenue streams that can be used. Giving companies the chance to sponsor this service allows them to receive greater recognition and promote the company's brand. Additionally, many businesses such as Wi-Fi providers would like the chance to add another service to what they offer, creating an attractive potential market for Electra. Because no geographical restrictions exist, Electra has a unique opportunity to expand its services to many places including partnerships and licensing deals in other countries. Three years after startup, Electra will be able to make profit. Currently, Electra is looking for a funding of \$2,200,000 for further product customization. Investors can expect a return of 18% within 36 months.

Eventually, Electra will be able to allow any person to receive power wirelessly no matter where he or she is or will be. Electra will begin the new technological revolution, creating a world where one is free of the restraint of the old-age power outlet.

Business Vision

Problem

In the status quo, the business traveler is more mobile now than ever. He/she is traveling more, working more, and remaining connected to his work and family at all times. Additionally, the business traveler using more devices for work (e.g. most now may carry a laptop, a tablet, and even multiple cell phones). Advancements in technology are solving almost all the issues present. For example, Facebook and LinkedIn allow for better connectivity. Faster computers allow for faster analysis and work. 4G and Wi-Fi hotspots allow for work to be done anywhere. However, one component that is the key enabler is still far behind – the power to run all this electronic equipment. Batteries still run out of energy all the time. Everybody has had his/her device die on him/her at one point in time. In a recent market research study conducted by Mintel, battery life is the second most important factor for consumers when choosing a new phone; this was cited by respondents across all the age groups. Through just this issue, three main problems arise.

1. **Hindered Mobility**- power outlets minimize the mobility of their users, binding the users to the outlet if they wish to charge their device.
2. **Interrupted Connectivity**- when battery on a device runs out, the user's connection to his/her contacts and the world is lost, causing them to miss important phone calls and messages.
3. **Disrupted lifestyle**- people change how they live because they need their battery to last them throughout the day, so they use their phone less, and don't check their messages as often. However, they should not be forced to adapt their way of living in this way.

Company Vision

Electra gives people new ways to use the products that they already own. Electra will simplify power acquisition for mobile electronic devices. Electra's vision is to combine the technology of today with wireless charging to create an immortal device. Consumers will be able to charge their devices without hassle wherever they are, and power will be accessible nearly everywhere. Electra's wireless charging products will eventually be used everywhere, charging devices within homes, offices, and even cars.

Mission Statement

Electra's mission is to provide wireless charging solutions that enable complete mobility and continuous connectivity while eliminating the need for change in lifestyle that has resulted from limited battery life.

Products and Services

To achieve wireless charging, Electra's service uses a technology known as magnetically coupled resonance. This has a transmitter, the EZtransmitter (ElectraZone Transmitter), and a receiver, the EZreceiver. Both consist of coils of wire that resonate at the same frequency, producing a magnetic field that both can interact in. The size of the EZreceiver is a little smaller than the size of a typical cell phone. Users can have additional plugs to the EZreceiver that allow it to attach to any portable electronic device. As shown by *figure 1*, the EZtransmitters will be slightly larger than dinner plates, and can be attached to the ceiling with some additional wiring. These EZtransmitters create a magnetic field, and any EZreceiver that is in that magnetic field can receive power. Additionally, the technology is completely safe. Tests from MIT have shown that the magnetic fields produced have no adverse affects on the human body, and there is no interference with other electronic devices. The technology will be able to pass FCC, UM, CA, and CE certification tests.

Figure 1



Special licenses/permits

Electra uses the technology patented exclusively by WiTricity, an off-shoot from MIT. To be able to use the technology, Electra will obtain licensing from WiTricity, as the use of the technology is different from what WiTricity plans on using the it for. In the past, WiTricity has shown interest in licensing their technology, as it needs additional businesses to further develop the technology. Through further research and development, Electra will create additional intellectual property that will need to be patented.

The Market

Target Market

Electra's target market is the business traveler. Electra gets to the target market through an intermediary consumer. The consumers consist of companies that deal with large congregations of people. Corporations including airlines (providers of airline lounges), Boingo (provider of Wi-Fi at public places), and Freeman (organizer of conventions) will rent the

product form Electra in order to provide the service to the end user. Business travelers are the most likely to have a Boingo subscription, be seen in an airline lounge, or be at a formal convention. Airline lounges are places of gathering for many business travelers that constantly fly. Boingo has about 200,000 users, which will be targeted as the end user for wireless charging in many of the domestic Boingo locations. Freeman, on the other hand, organizes and carries out 54% of conventions within the U.S.

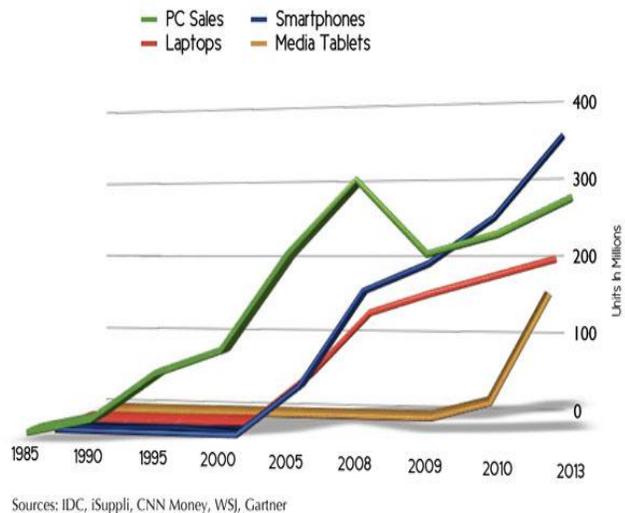
Electra chose the domain of consumer electronic devices for two reasons. The growing battery charging industry is a \$1.5 billion market, so a large opportunity for entry into the market exists. Second, projected sales in the industry show that the number of devices will exponentially grow; hence the problem will increase in magnitude. Both of these projections can be seen in *figure 2*

Market Growth

The growth seen in the graph above is expected to continue from year to year. The sales of electronic devices will continue increasing people move towards more electronic devices in their households. Also, the business travel in airports is expected to increase by 5-7% this year alone. This means the market of business travelers that use electronic devices is expanding. With the expansion of the target market, the sales will not diminish in later years. Instead, they will continue increasing.

Studies also show a potential for a high volume sales in convention halls. For instance, in Las Vegas alone, there were 1,983 conventions in February 2010. This creates a huge potential market that will be targeted in cities all around the United States.

Figure 2: Electronic Device Sales over Time- Global



SWOT Analysis

Strengths

While there may be several companies working on the concept of wireless charging, there is no product available in the market that uses magnetically coupled resonance. Electra is focusing on wireless transmission through this technology for its several advantages over existing solutions. Through continued research in this field, Electra will build a bigger IP portfolio that will place it as leaders in the charging market. Research indicates that any direct competition that uses similar technology will not produce a product within two years. Additionally, the product is placed strategically in places that showcase the product to millions of customers a day, therefore, increasing brand awareness.

Weaknesses

Because Electra is a startup, there would be low trust in both the technology as well as the company. Many people would not know about the brand, making the market hard to enter. Additionally, as a startup, there will need to be major strain in increasing product awareness as quickly as possible. The technology poses another minor weakness as it has not been used commercially.

Opportunities

The market for small, powerful mobile devices is exploding. This provides Electra with an excellent opportunity to enter the charging accessory market with a groundbreaking solution. Currently there is no product that provides a similar service, allowing for Electra to take the first step in the market.

Another opportunity is that Electra's product is distributed initially in conventions, airline lounges, and select Wi-Fi hotspots. Those locations have a constant stream of potential buyers. Also, because so many people travel to airports and hotels, there is the potential for advertisement by word of mouth. This leads to continual product exposure to new potential customers.

Threats

Being first to the market has its advantages, but it also comes with several challenges. Since this is an emerging market, there may be significant investments made by other players into researching of this technology, of which Electra may not have knowledge at this time. There are currently no standards set in the industry, for use of this new technology. Although research shows no safety or interference issues, there is a threat of overzealous government legislation that may affect the way in which Electra deploys its technology. Unfortunately, Electra will need to overcome initial pessimism, resistance, and doubts by endorsing its technology.

Electra identifies six threats through substitutes for our product. These are advanced batteries with longer life, secondary batteries, induction chargers, magnetically coupled resonance chargers (the same technology Electra uses), Radio wave chargers, and traditional wire chargers. The table below lists the main companies that are pursuing each of these options. It also shows why Electra will be able to overcome these forms of competition.

Table 1: Competition

What is the threat?	Who is the threat?	Why is Electra better?
Increasing battery life	Dell, Intel, Other Laptop and Cell Phone Manufacturers	This does not solve interrupted connectivity or reduced efficiency, as the charge will eventually run out and the problem will exist once again.
Secondary battery charger for cell phone	Mophie	This does not solve interrupted connectivity or reduced efficiency, as the charge will eventually run out and the problem will exist once again.
Induction chargers	Powermat and Duracell	This does not solve hindered mobility as it requires direct contact with the device and a stationary mat.
Magnetically coupled resonance	WiTricity	WiTricity does not have any commercially available products. Additionally, it is focusing on wirelessly charging electric cars.
Radio wave chargers	Powercast	Powercast cannot charge devices with large amounts of energy consumption that business travelers use.
Traditional wire chargers	Wire Chargers	Electra will break free of the current world of wired charging and solve the problems associated with them.

Business Model

Initially, Electra will target business travelers through three methods. Firstly, Electra will partner with Freeman Co. Freeman organizes and conducts conventions around the world in order to make sure they work out well for multimillion dollar deals. Through a partnership with Freeman, both the companies will benefit; the majority of conventions that Freeman organizes will have the added feature and prestige of wireless charging. Revenues are realized through receiver rentals on site for instant use.

Secondly, Electra will partner with Boingo. Boingo creates free/paid Wi-Fi spots inside different locations including airports, conventions, and hotels and is the largest Wi-Fi provider in the United States. A partnership with Boingo will get Electra access to 191,000 customers allows them to take advantage of combined sales of internet access with access to wireless charging.

Thirdly, Electra will partner with VIP lounges owned by airlines at airports. Electra's product in this segmentation will be sponsored by companies such as Cisco or Coca-Cola, which will supply the capital needed to produce Electra's inventory. The sponsors will receive additional recognition and advertising, while providing startup costs for Electra. After the initial startup, the second phase will consist of expanding the service to office conference rooms of large companies as well as other places of public gathering such as lounges, cyber cafes, and coffee shops. The third phase will expand the service to portions of college campuses, individual hotel rooms, and other schools.

Note: The schedule of growth is tentative, for further expansions of partnerships will be based off the company's stability and the risk of action. The company will determine whether or not the time is right for expansion by evaluating growth trends, sustainability, and profitability.

Table 2: Summary of Business Models

	ULTIMATE USER – BUSINESS TRAVELER		
	Location 1- Airports	Location 2- Conventions	Location 3- Wi-Fi Hotspots
BASIS	MASS PRODUCTION	MASS CUSTOMIZATION	Mass Production
KEY PARTNER	Brookstone, Inmotion, and Best Buy-Revenue Sharing Coke and Cisco will be key sponsors- Sponsor model	FREEMAN (other partners include Marriott etc.)	BOINGO (other partners to be added include Brookstone, Inmotion, and Best Buy)
KEY ACTIVITIES	enhance existing infrastructure of Boingo's installations for Wi-Fi with Electra Transmitters to create an ElectraZone of wireless charging	provide wireless charging at all conventions organized by Freeman	enhance existing infrastructure of Boingo's installations for Wi-Fi with Electra Transmitters to create an ElectraZone of wireless charging
KEY RESOURCES	patented / licensed Electra transmitter + receiver	patented / licensed Electra portable transmitter + receiver	patented / licensed Electra transmitter + receiver
VALUE PROPOSITION	Boingo gets to expand their current Wi-Fi offerings to include wireless charging Electra gets an established infrastructure and a large customer base	Freeman expands their current convention services to include wireless charging Electra gets entry to a large number of business customers every year	Boingo gets to expand their current Wi-Fi offerings to include wireless charging Electra gets an established infrastructure and a large customer base
CUSTOMER SEGMENTS	business travelers in transit	business travelers in temporary work locations e.g. conventions, meetings, conferences, and seminars	business travelers in transit
STRATEGIC PARTNERSHIP	Boingo sponsors the technology and invests in marketing and advertising the new service Electra invests in upgrading Boingo's infrastructure by installing transmitters	Freeman advertises, distributes, and charges attendees for the service and the receivers Electra supplies conventions with the portable transmitters and enough receivers for all registered attendees at the conferences	Boingo sponsors the technology and invests in marketing and advertising the new service Electra invests in upgrading Boingo's infrastructure by installing transmitters
REVENUE MODEL	Sponser Model- Cisco and Coke Revenue Sharing- Boingo	Revenue sharing	Revenue sharing

Marketing and Sales Strategy

The Market

The target market will be business travelers who take part in large conventions and business travelers who are frequent flyers and are often in airline lounges. More and more business people are beginning to own laptops (50% in 2008), which is relatively higher than the total percentage of people in the United States who own laptops (39% in 2008). With this large of a gap, it is obvious that business travelers are a larger potential market to target. Because business travel is expected to increase by about 5% within one year, Electra has ample opportunity to enter into a growing market.

Sales Strategy

The service will be given to individual airlines and conventions for them to control. The EZreceivers and EZtransmitters will be given to the airlines for free. They will be charged a monthly payment of \$250 per month in return for having access to 8 EZtransmitters and 60 EZreceivers. The EZtransmitter will not be sold by Electra. Instead, it will be rented out to businesses such as airlines (Delta, etc.) and Wi-Fi providers (Boingo) so that they will not have to worry about risks with complete ownership of the product. The EZreceivers will then be distributed in places with a heavy traffic of business travelers. Because it will be in airline lounges, airlines will independently promote the product. The airline lounges will offer it to their customers when they come in so it will be another form of advertisement. In convention halls, Electra will pay for small advertisements throughout the convention area. In order to fund this business, Electra will ask for some funds from sponsors. These sponsors will invest money into Electra, and in return, Electra will promote their brand. Marketing and promotional activities typically include TV, newspaper, radio, and Internet advertising, direct mail, and in-store events. According to a study released by the Consumer Electronics Association in February 2012, more than 80 percent of social media users turn to their online social networks to get information about consumer electronics devices before making a purchase. Almost 40 percent of consumers said a comment or recommendation from a friend influenced their purchase decision. Hence, to manage costs and to reach our target market most effectively, we plan to focus on internet, social media and sponsorship advertising.

Channels of Distribution

- Freeman: Freeman will offer the charging service as an option while organizing a convention. Freeman can be charged on average \$200 a day per transmitter for usage of the service.
- Boingo: Boingo will set up EZtransmitters in addition to the pre-existent Wi-Fi servers. These “add-ons” will allow Electra to package its product with Boingo wireless in order to allow for easier distribution and marketing.
- Airline lounge: Electra will rent out the service to airlines such as Delta for usage in its lounges. Delta and other airlines will distribute the EZreceivers in a method to their choosing.

Strategic Alliances

A partnership with airlines such as Delta, Emirates, and American Airlines will be necessary. The EZtransmitters will be placed in their airline lounges. The airlines will only allow the EZtransmitters to be placed in their air lounges if an agreement that is favorable for them can be reached.

A partnership with Freeman will be necessary because it is able to offer many conventions the option of having the wireless charging service. Freeman has multiple locations around the country and

even global locations, so a partnership with the company will help expand the product across the nation and later throughout the world. Electra will choose Freeman over its competitors because Freeman conducts more conventions in the United States and will provide Electra with the largest market to release its product to.

A partnership with Boingo will help because Boingo may allow Electra expand its services to the general population of the airports as well as the target market within conventions. To do this, Boingo can create packages that would offer both wireless charging and Wi-Fi to Boingo customers for a flat fee.

Large corporations are always interested in startups with the potential for a high amount sales due to the opportunity for brand promotion. They invest money into the startup and allow the startup to promote the company's brand for them. Simply being associated with a successful startup could mean increased publicity and popularity for the corporation which could lead to more sales and revenue.

Delta would be interested, as the company has recently invested huge sums of money (\$30-35 million) into revamping their lounges in hopes of attracting more customers. The company is also looking specifically into wireless charging, as seen in negotiations between Delta and Powermat. However, not all of the devices' charging needs would be met with Powermat, creating an opportunity for Electra to offer an even better service. American Airlines invests \$45-50 million each year in sponsorship and could prove to be a good investor if their airline lounges incorporate Electra's service.

Electra believes that AT&T will also be interested with the cell phone receivers. AT&T is also one of the highest investing companies in startups (\$160-165 million). Verizon would be equally interested and invests \$85-90 million each year in startups. Both of these cell phone providers would be interested because of the benefit the companies have with longer lasting phones. Obviously, companies like Verizon and AT&T want customer satisfaction. Recent studies show that battery life is one of the primary aspects looked into for buying phones. If the phones operate for longer periods, cell phone service is used more and raises sales for both AT&T and Verizon. Financial Management

First Year Costs

Team Electra's costs for the first year are projected to be approximately \$1.4 million. \$618,000 is expected to be spent on implementation of the service within the decided locations. \$462,500 will be used to pay a research team which will be provided with \$200,000 in working capital to continue to innovate with the technology and product. \$300,000 will be used toward marketing the product. \$277,000 will be used toward the renting and furnishing of a research facility which the research team will staff and use. \$150,000 will be used toward the upkeep of the technology including maintenance costs. A base \$100,000 will be allocated for licensing of the technology as well as another \$100,000 for insurance.

Return on Investment

The return on the investment after 36 months is expected to be 21%. This is a result of the substantial profitability of the company over time. Since the company's value is increasing, investments are returned, and the capital that was invested is paid back. This percentage of return increases over time, signifying an increase in company value and sustainability.

Future Earnings Projections

Electra's revenue will grow steadily at a near constant rate over time. Electra will record a loss in its first year of existence; however, from the second year onwards, the company would become a profitable business. The company will make \$1,656,000 in its third year. Electra's future earnings increase at a constant rate and are sustainable. This opens the door for growth and more revenue.

12 Month Profit and Loss Projection

In the first year, Electra will lose approximately \$354,000 because of the start-up investments necessary and the little revenue the company will generate in that year. The start-up investments would be key in order to enable full implementation of the plan. In addition, the lack of consumer awareness for the company and its products is expected to generate a relatively low revenue first year.

Operational Plan

Production

Electra will research, design, and test the product through a highly specialized team of engineers and scientists in order to create a consumer ready product. The product will then be sent to a manufacturing company that supplies mass production on demand; therefore, inventory costs can be minimized.

The benefit of mass production on demand is that inventory costs are lowered because the product is created in bulk while still being manufactured only when it is needed by the consumer. This further decreases costs because production in bulk is faster and less labor intensive than production one unit at a time. Manufacturing on demand is necessary so that Electra doesn't need to hold on to a large inventory, and can simply order more devices as they are needed by the consumers.

Research and Development

Research and development for future products would take place at Electra's research center. \$200,000 will be allocated for a research and development budget that will be used to buy materials for prototyping and testing the product, allowing a viable consumer ready solution to be achieved. Additionally, \$412,500 per year will be devoted to the staffing of a research team. Electra's research team consists of an analyst, two industrial lab technicians, an operator, and a principal scientist. Maintenance officers will also be hired in order to allow the EZtransmitters to continue to function and meet the needs of the consumers. In management positions, there will be the six founders of Electra, which are displayed later below.

Location

Electra's research center will be located in the Atlanta area and will be used for further research and development of the products in order to augment their features. Electra's office will be in the same building as the research center. Electra's warehouse will also be located in Atlanta.

Organizational Structure

Electra is setup as an LLC with the following team structure:

Image 3



Exit Strategy

Electra's approach with wireless charging gives it the first mover advantage in the charging accessories industry, which will help Electra maximize investor return. Because Electra will be able to further the development of its technology through its investment in R&D, several large businesses would seek to own the technology's IP. Electra will either join a strategic partner or complete an outright sale of the company when it is positioned favorably to receive a higher multiple of its earnings.

Appendices

Income Statement

Electra LLC

For Period Ending April 26, 2013
(all numbers in \$000)

	The Year of 2012 Amount % of Sales		The Year of 2013 Amount % of Sales		The Year of 2013 Amount % of Sales	
REVENUE						
Gross Sales	\$1,677		\$2,355		\$3,105	
Less sales returns and allowances	0		0		0	
Net Sales	\$1,677	100%	\$2,355	100%	\$3,105	100%
COST OF SALES						
Beginning inventory	\$0	0%	\$618	26%	\$698	30%
Plus goods purchased / manufactured	618	37%	80	3%	80	3%
Total Goods Available	\$618	37%	\$698	30%	\$778	33%
Less ending inventory	0	0%	618	26%	698	30%
Total Cost of Goods Sold	\$618	37%	\$80	3%	\$80	3%
Gross Profit (Loss)	\$1,059	63%	\$2,275	97%	\$3,025	128%
OPERATING EXPENSES						
Selling						
Advertising	300	18%	300	13%	300	13%
Depreciation	124	7%	99	4%	79	3%
Other	0	0%	0	0%	0	0%
Total Selling Expenses	\$424	25%	\$399	17%	\$379	16%
General/Administrative						
Salaries and wages	\$413	25%	\$413	18%	\$413	18%
Employee benefits	50	3%	50	2%	50	2%
Licensing	100	6%	100	4%	100	4%
Insurance	50	3%	50	2%	50	2%
Rent	77	5%	77	3%	77	3%
Utilities	0	0%	0	0%	0	0%
Depreciation & amortization	0	0%	0	0%	0	0%
Office supplies	0	0%	0	0%	0	0%
Travel & entertainment	0	0%	0	0%	0	0%
Postage	0	0%	0	0%	0	0%
Equipment maintenance & rental	100	6%	100	4%	100	4%
Interest	0	0%	0	0%	0	0%
Research equipment	200	12%	200	8%	200	8%
Total General/Administrative Expenses	\$990	59%	\$990	42%	\$990	42%
Total Operating Expenses	\$1,413	84%	\$1,388	59%	\$1,369	58%
Net Income Before Taxes	(\$354)	-21%	\$887	38%	\$1,656	70%
Taxes on income	0	0%	0	0%	0	0%
Net Income After Taxes	(\$354)	-21%	\$887	38%	\$1,656	70%
Extraordinary gain or loss	\$0	0%	\$0	0%	\$0	0%
Income tax on extraordinary gain	0	0%	0	0%	0	0%
NET INCOME (LOSS)	(\$354)	-21%	\$887	38%	\$1,656	70%

Sales Revenue

Electra LLC

For the Period beginning 2012 and ending 2015

	2012	2013	2014	2015	Total
Monthly Payments- Boingo	135,000	405,000	675,000	945,000	2,160,000
Total	135,000	405,000	675,000	945,000	2,160,000
Monthly Payments- VIP Airport Lounges	192,000	360,000	720,000	1,080,000	2,352,000
Total	192,000	360,000	720,000	1,080,000	2,352,000
Monthly Payments- Freeman	1,350,000	1,590,000	1,710,000	1,860,000	6,510,000
Total	1,350,000	1,590,000	1,710,000	1,860,000	6,510,000
Total	1,677,000	2,355,000	3,105,000	3,885,000	11,022,000

Opening Day Balance Sheet

For Year Beginning April 28, 2012

(all numbers in \$000)

ASSETS

Current Assets

Cash	\$0
Accounts receivable	0
(less doubtful accounts)	0
Inventory	532
Temporary investment	0
Prepaid expenses	0

Total Current Assets \$532

Fixed Assets

Long-term investments	\$0
Land	0
Buildings	0
(less accumulated depreciation)	0
Plant & equipment	300
(less accumulated depreciation)	0
Furniture & fixtures	0
(less accumulated depreciation)	0

Total Net Fixed Assets \$300

TOTAL ASSETS \$832

LIABILITIES

Current Liabilities

Accounts payable	\$2,090
Short-term notes	0
Current portion of long-term notes	0
Interest payable	0
Taxes payable	0
Accrued payroll	413

Total Current Liabilities \$2,502

Long-term Liabilities

Mortgage	\$0
Other long-term liabilities	0

Total Long-term Liabilities \$0

Shareholders' Equity

Capital stock	\$0
Retained earnings	0

Total Shareholders' Equity \$0

TOTAL LIABILITIES & EQUITY \$2,502

Projected Balance Sheet

For Year Beginning April 28, 2013

(all numbers in \$000)

ASSETS

Current Assets

Cash	\$0
Accounts receivable	0
(less doubtful accounts)	0
Inventory	532
Temporary investment	0
Prepaid expenses	0
Total Current Assets	<u>\$532</u>

Fixed Assets

Long-term investments	\$0
Land	0
Buildings	0
(less accumulated depreciation)	0
Plant & equipment	300
(less accumulated depreciation)	0
Furniture & fixtures	0
(less accumulated depreciation)	0
Total Net Fixed Assets	<u>\$300</u>
TOTAL ASSETS	<u><u>\$832</u></u>

LIABILITIES

Current Liabilities

Accounts payable	\$1,616
Short-term notes	0
Current portion of long-term notes	0
Interest payable	0
Taxes payable	0
Accrued payroll	413
Total Current Liabilities	<u>\$2,029</u>

Long-term Liabilities

Mortgage	\$0
Other long-term liabilities	0
Total Long-term Liabilities	<u>\$0</u>

Shareholders' Equity

Capital stock	\$0
Retained earnings	0
Total Shareholders' Equity	<u>\$0</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$2,029</u></u>