

ZM MEDIA LTD

1.7

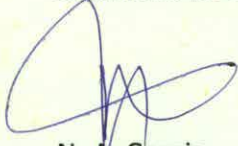
EXD

The approved project has fulfilled the investment requirements, which are: -

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest u.s.\$ 1.0 m
- (b) Legal entity has been incorporated under certificate No. 67867 of 9/10/2008

Based on the above, the letter of approval is hereby submitted for signature in order for the project to comply with the requirements of Section 17 of Tanzania Investment Act, 1997.

Submitted for signature.



N. A. Senzia

DIF

17th November 2008



2.0

EXD

In response to the TIC letter of registration dated 17th November 2008

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from Bancro Limited
- (c) Lease agreement as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 041601 herein attached.

18/02/2009



DIF



3.

As Exd

Certificate of Inventures has been amended
as per folio 8 and is hereby submitted for
your signature

18/05/2012


DIT

2M MEDIA LIMITED

P.O. Box 20574, Dar Es Salaam
TANZANIA - +255 22 2864410 , +255 764 744600

1

2MML/TIC/DSM/2110

21st October, 2008



The Executive Director,
Tanzania Investments Centre,
P.O. Box 938,
Dar Es Salaam.

Dear Sir,

RE : APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

2M Media Limited is a newly registered company in Tanzania which intends to invest in Digital Imaging Press project in Dar Es Salaam.

In order to implement the proposed project, the company is applying for a TIC certificate of incentives granted by your office.

Enclosed herewith please find relevant documents for your review and approval of the project.

- . Three copies of Application forms.
- . Three copies of Project business plan.
- . Copies of Memorandum and Articles of Association.
- . Copies of Certificate of Incorporation.

We will appreciate if you will let us know incase you need more clarification on our project.

Sincerely yours,
For **2M-MEDIA LIMITED**



Director

Encl As Above.



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)**

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

To: The Executive Director
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. ~~I/We~~ MR. AZIM M. SOMJI AND MRS. ANUBHA PANDHEY
(director/directors/agent of ZM MEDIA LIMITED
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVE (TIC)
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT NO. 93, DAKANA
..... ROAD, CHANG'OMBE INDUSTRIAL AREA, DAR ES SALAAM.

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at DAR ES SALAAM.

4. The Principal Officers of the Company are MR. AZIM M. SOMJI AND
..... MRS. ANUBHA PANDHEY
.....

5. Auditors of the Company are PATEL & COMPANY, ACCOUNTANT &
..... AUDITORS P O BOX 20480, DSM.

6. The authorized share capital of the Company is Tshs./US\$ 10,000,000/-
.....
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act

is Tshs./US\$ 1,000,000/2

8. The month and day of the financial year end is 31ST DECEMBER,

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

..... 100 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, MR. AZIM M. Samji of Post Office Number 20574, DAR ES SALAAM:

..... do solemnly and sincerely declare that I am a director/duly

authorized agent of ZM MEDIA LIMITED

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND** I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }
The 27th day of OCTOBER, 2008 }

x
.....
Applicant

Before me:

.....
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: 2 M MEDIA LIMITED

Certificate of Incorporation Number: 67867 Status: NEW

Certificate of Incorporation Date: 09/10/2008

Post Box: 20574

Town: DAR ES SALAAM

Sector: MANUFACTURING Sub-Sector: PRINTING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
..... -	US \$ 1,000,000 / = - -

Project Objectives: ESTABLISHMENT OF DIGITAL IMAGING

..... PRESS PROJECT IN DAR ES SALAAM

Capacity:

Employment: Foreign: 02 Local: 11 Total: 13

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: 93, CHANGOMBE INDUSTRIAL AREA

Street: DAKAWA ROAD District: TEMEKE Region: DAR ES SALAAM

(Attach sketch map showing project location)

Shareholders	Nationality	%
MR. AZIM M. SOMJI	TANZANIAN	30%
MRS. NAZNEEN A. SOMJI	TANZANIAN	20%
MRS. ANUBHA PANDAY	INDIAN	50%
.....
.....

Investment Breakdown US\$/Tshs.M

Land/Building	US\$ 15,000/=
Plant	US\$ 631,850/=
Vehicles	US\$ 214,000/=
Furniture & Fittings	US\$ 21,250/=
Pre-expenses	US\$ 18,000/=
Others	-
Working Capital	US\$ 100,000/=
TOTAL	US\$ 1,000,000/--

Contact Details:

Name: MR. AZIM M. SOMJI Title: DIRECTOR
Telephone: 0764744600 Fax: 2152416
Email: /

Payments to be made payable to:

TANZANIA INVESTMENT CENTRE
STANDARD CHARTERED BANK TANZANIA LTD.
SWIFT ADDRESS: SCBLTZTX
ACCOUNT NO.: 8702006002000



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)**

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
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1. ~~I/We~~ MR. AZIM M. SOMJI AND MRS. ANUBHA PANDEY
(director/directors/agent of ZM MEDIA LIMITED
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVE (TIC)
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT NO. 93, DAKANA
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5. Auditors of the Company are PATEL & COMPANY, ACCOUNTANT &
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6. The authorized share capital of the Company is Tshs./US\$ 10,000,000/-
.....
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act

is Tshs./US\$ 1,000,000/2

8. The month and day of the financial year end is 31ST DECEMBER,

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

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I, MR. AZIM M. SAMJI of Post Office Number 20574, DAR ES SALAAM:

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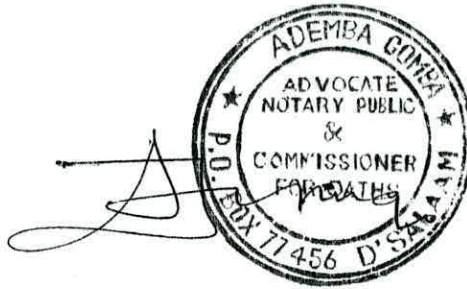
Declared at Dar es Salaam }
}

The 27th day of OCTOBER, 2008 }

x
.....
Applicant

Before me:

.....
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: 2 M MEDIA LIMITED

Certificate of Incorporation Number: 67867 Status: NEW

Certificate of Incorporation Date: 09/10/2008

Post Box: 20574

Town: DAR ES SALAAM

Sector: MANUFACTURING Sub-Sector: PRINTING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan Local Loan
US \$ 1,000,000/=

Project Objectives: ESTABLISHMENT OF DIGITAL IMAGING
PRESS PROJECT IN DAR ES SALAAM

Capacity:

Employment: Foreign: 02 Local: 11 Total: 13

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: 93, CHANGOMBE INDUSTRIAL AREA

Street: DAKAWA ROAD District: TEMEKE Region: DAR ESSALAM
(Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %
MR. AZIM M. SOMJI TANZANIAN 30%
MRS. NAZNEEN A. SOMJI TANZANIAN 20%
MRS. ANUBHA PANDEY INDIAN 50%

Investment Breakdown US\$/Tshs.M

Land/Building	US\$ 15,000/-
Plant	US\$ 631,850/-
Vehicles	US\$ 214,000/-
Furniture & Fittings	US\$ 21,250/-
Pre-expenses	US\$ 18,000/-
Others	-
Working Capital	US\$ 100,000/-
TOTAL	US\$ 1,000,000/-

Contact Details:

Name: MR. AZIM. M. SOMJI Title: DIRECTOR
Telephone: 0764744600 Fax: 2152416
Email: /

Payments to be made payable to:

TANZANIA INVESTMENT CENTRE
STANDARD CHARTERED BANK TANZANIA LTD.
SWIFT ADDRESS: SCBLTZTX
ACCOUNT NO.: 8702006002000



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REGISTRATION FORM

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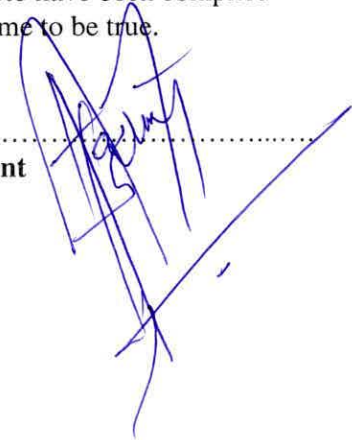
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Declared at Dar es Salaam }
The 27th day of OCTOBER, 2008 }

x
.....
Applicant



Before me:
.....
Commissioner for Oaths




APPLICATION SUMMARY

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Certificate of Incorporation Number: 67867 Status: NEW

Certificate of Incorporation Date: 09/10/2008

Post Box: 20574

Town: DAR ES SALAAM

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Investment Financing Plan in Million US\$/Tshs

Foreign Equity Local Equity Foreign Loan Local Loan
- US \$ 1,000,000/-

Project Objectives: ESTABLISHMENT OF DIGITAL IMAGING
PREGS PROJECT IN DAR ES SALAAM

Capacity:

Employment: Foreign: 02 Local: 11 Total: 13

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: 93, CHANGOMBE INDUSTRIAL AREA

Street: DAKAWA ROAD District: TEMEKE Region: DAR ESSALAAAM
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Working Capital	US\$ 100,000/=
TOTAL	US\$ 1,000,000/--

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Telephone: 0764744600 Fax: 2152416
Email: -

Payments to be made payable to:

TANZANIA INVESTMENT CENTRE
STANDARD CHARTERED BANK TANZANIA LTD.
SWIFT ADDRESS: SCBLTZTX
ACCOUNT NO.: 8702006002000

SKETCH MAP SHOWING PROJECT LOCATION





JAMHURI YA MUUNGANO WA TANZANIA
 THE UNITED REPUBLIC OF TANZANIA
 STAKABADHI YA SERIKALI
 EXCHEQUER RECEIPT

TFN. 614 (Rev. 8.9.4)

30324856 1



KIASI
Amount

Shs.						Cts.
U	7	5	0	0	0	0

NIMEPOKEA KWA

Received from

2M MEDIA LTD

JUMLA YA SHILINGI (Kwa maneno)

The Sum of Shillings (Words)

USDOLLAR SEVEN HUNDRED FIFTY ONLY

NA SENTI
And Cents

KWA MALIPO YA

In Respect of

CERTIFICATE OF INCENTIVES Executive Director
 For Tanzania Investment Centre

KWA FEDHA TASLIM/HUNDI NAMEA

By Cash/Cheque No.

CASH

KITUO - Station

SAHIMI YA MPOKEAJI - Receiving Officer's
Signature.

[Signature]

CHEO - Title

Acc.

TARUHIJE - Date

03 FEB 2009

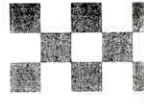
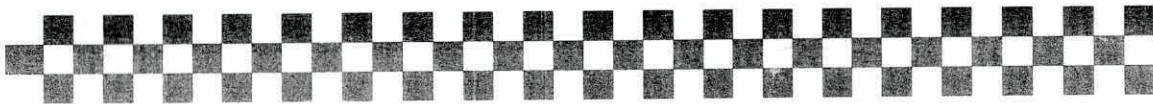
B.M.

Govt. Press, Dsm.

041601



⑦



Corporate &
Investment Bank

BANKM/CIB/0128/2009

28th January 2009

Executive Director,
Tanzania Investment Centre,
PO Box 938,
Dar-es-Salaam,



041601

Dear Sir,

RE: INTRODUCTION LETTER FOR 2M MEDIA LIMITED

At the request of our customer, we would like to provide the following introduction letter.

We wish to confirm that the above mentioned is our customer who has been operating two accounts one in foreign currency and other in local currency.

The ownership and management of the 2M Media Limited are people of high integrity who are reputed to honour all their normal business engagements.

The company has been banking with us since December 2008 and conduct of account has been satisfactory.

This reference letter is specific request of the above company for application of Certificate of Incentives to your esteemed organization without risk or responsibility on the Bank or any of its officials.

Yours sincerely,
For and on behalf of
Bank M (Tanzania) Ltd


Charles Mhina
Head of Transactional Banking


Gasto Ndanu
Relationship Manager

TICC/PP.10/041601/3

17th November 2008

Managing Director,
2M Media Limited,
P.O. Box 20574,
DAR ES SALAAM.

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF DIGITAL IMAGING PRESS PROJECT**

We wish to acknowledge receipt of your project proposal to establish digital imaging press manufacturing facilities as presented in the TIC P.A. 1 Form No. 07490 and Feasibility Study with a projected investment of USD 1.0m.

We have studied your project proposal and are pleased to inform you that your investment proposal is now officially registered and therefore your project will be granted a CERTIFICATE OF INCENTIVES, given under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997. In order to enable TIC prepare your Certificate of Incentive you will be required to submit the following:-

- Bank reference for equity funding or a letter from Bank/Financial Institution indicating that a loan is granted or is under consideration as required by Section 17 (3) (f) of Tanzania Investment.

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 750.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please arrange to make payments at your earliest convenience.

...../2

TICC/PP.10/041601/3

17th November 2008

We wish you every success in the implementation of the project.

Yours sincerely,
Tanzania Investment Centre



B. D. Chonjo

For: EXECUTIVE DIRECTOR

Copy to: Permanent Secretary,
Ministry of Finance and Economic Affairs,
P. O. Box 9111,
DAR ES SALAAM

Permanent Secretary,
Ministry of Industry and Commerce,
P.O. Box 9503,
DAR ES SALAAM

Commissioner General,
Tanzania Revenue Authority,
P. O. Box 11491,
DAR ES SALAAM



TIC Evaluation Report

Name of the Company
2M Media Ltd.

Post Box	Chang'ombe Industrial Area Plot No. 93	COI Number	67867	Contact	Mr. Azim M. Somji
Post Office	20574	COI Date	09/10/2008	Designation	Director
Region	Dar Es Salaam	Application F. No	07490	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0764 744 600
		Sub Sector	Printing	Fax	0
		File No	041601	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 93	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0</td> <td>1</td> <td>0</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	1	0	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0	1		0	0								
Street	Chang'ombe Industrial Area											
District	Temeke											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)		
Anubha Pandey	Indian	50	Land/Building	0.015
Nazneen A. Somji	Tanzanian	20	Plant	0.632
Azim M. Somji	Tanzanian	30	Vehicles	0.214
			Furniture & Fittings	0.021
			Pre-expenses	0.018
			Others	0
			Working Capital	0.1
			Total	1

Employment	13	Evaluated By	Senzia Manager
Capacity	xxxx	Drawn By	Dorah Registry
Project Turn Over			

Description
 To establish digital imaging press project

Recommendations
 Be approved subject to providing evidence as required by section 17 of Tanzania Investment Act, 1997

Decision

Approved - [Signature]
Ed 13/11

2M MEDIA LIMITED

P.O. Box 20574, Dar Es Salaam
TANZANIA - +255 22 2864410 , +255 764 744600

5

2MML/TIC/DSM/0503

05th March, 2009

Commissioner for Customs & Excise,
P.O. Box 9083,
Dar Es Salaam.



UFS:

The Executive Director,
P.O. Box 938,
Dar Es Salaam,

Dear Sir,

**RE APPLICATION FOR APPROVAL OF CAPITAL GOODS FOR
IMPLEMENTATION OF PROJECT REQUIREMENTS OF 2M MEDIA
LIMITED SITUATED IN DAR ES SALAAM**

This has reference to your approval and grant of the Certificate of Incentive towards implementation of the aforesaid project.

We, thus, request your good office to kindly approve the list of capital goods enclosed herewith containing (1) one page for the project requirement.

We are enclosing herewith the Certificate of Incentive and list of capital goods for your kind perusal.

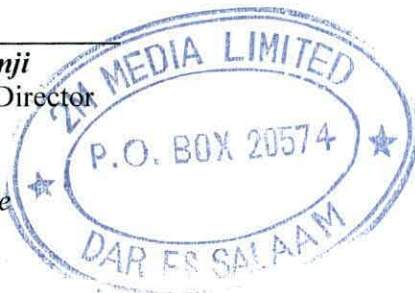
Looking forward for your kind approval and support.

Thanking you,

Sincerely yours,
For 2M MEDIA LIMITED


Azim Somji
Managing Director

Encl: as above





No 00215361

certified true copy
of The Original

Signature

Date

For: Executive Director
Tanzania Investment Centre

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041601

This is to certify that

2M MEDIA LIMITED

of address P.O. BOX 20574

DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation/expansion~~
~~or equity of the~~ enterprise known as

2M MEDIA LIMITED

Which is located at PLOT NO. 93, CHANG'OMBE INDUSTRIAL AREA

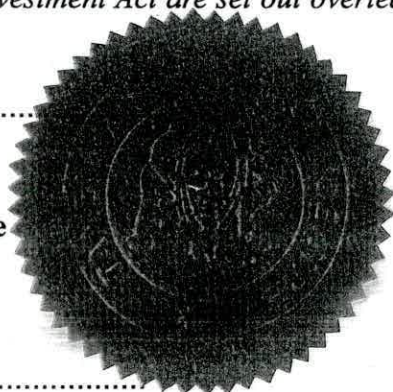
TEMEKE - DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 17TH FEBRUARY 2009



This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders
- | Shareholders | Nationality | Shareholding (%) |
|------------------|-------------|------------------|
| Anubha Pandey | Indian | 50 |
| Nazneem A. Somji | Tanzanian | 20 |
| Azim M. Somji | Tanzanian | 30 |
2. Proposed Activities: To establish digital imaging press project
3. Sector: Manufacturing Subsector: Printing
4. Investment cost: Foreign - Local USD 1.0m. Total USD 1.0m.
5. Project Financing: Equity USD 1.0m. Loans - Total USD 1.0m.
6. Source, terms and conditions of loan:
7. Assets to be invested:
- | Capital items: | Foreign | Local | Total |
|----------------|---------|-----------|-----------|
| | - | USD 1.0m. | USD 1.0m. |
8. Technology Agreement: None
9. Date of TIC Registration: 17th November 2008
10. Implementation period: November 2008 - October 2011
11. Operative date: 1st November 2011
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
- (i) Applicable Import Duty: And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax: As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances: As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
- (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
- Finished goods are not allowed under this Certificate.

Signed


Executive Director

ATT - MR CHETAW

CTIN. 0440556



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

THIS IS TO CERTIFY THAT

.....
2M MEDIA LIMITED.
.....

has been registered with the Tanzania Revenue
Authority and assigned the Taxpayer
Identification Number

.....
107-296-913
.....

with effect from
23-Oct-2008
.....

JOANNIS M. MALLY

COMMISSIONER FOR REVENUE

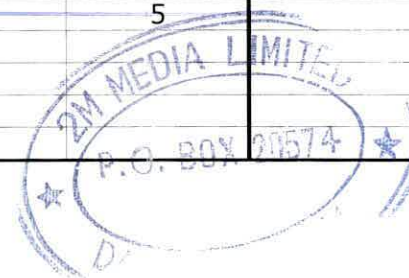
OFFICIAL SEAL

NOTE: THE REQUIREMENTS UNDER WHICH UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVER PAGE 2

2M MEDIA LIMITED

P.O. BOX 20574, DAR ES SALAAM

SR NO.	DESCRIPTION OF CAPITAL GOODS	QUANTITY	LOCAL	IMPORTS
1	Indigo/xerox Digital Printing Press	3		
2	Heidelberg SpeedMaster Printing Press	3		
3	Papper Cutting machines A3 size	5		
4	Business cards cutter/slitte	3		
5	Scoring and perforating machine	5		
6	Paper Folding machines	4		
7	Generator 15-50 KVA	5		
8	UPS 3000 - 5000 VA	10		
9	Double Cabin Pickups	2		
10	Single Cabin Pickups	2		
11	Mini bus /mini vans 12 Seater for Staffs Transport	3		
12	Business and ID cards printers	3		
13	Large format digital printers (roll to roll and flat bed) indoor and outdoor	3		
14	Vinyle plotters	3		
15	UV printter for small and rigid meterial(multi fuctional printer)	4		
16	Led large screens for outdoor usage	5		
17	Interactive systems for advertising on the floor	10		
18	Lazer Engraving Machines	3		
19	Acrelic Bending Machine	2		
20	Tri vision billboard mechanisms (triangle lenth, motors and accessories)	500		
21	Grip it profile system for vehicles advertisng 3 mt lenth	1000		
22	Photocopier Machines B/white and Coloured	4		
23	Lazer Printing Machine	5		
24	Automatic Screen Printing Machines	3		
25	Motor Bikes 3 wheelers and two Wheelers	5		





Nº 00215361

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041601

This is to certify that

2M MEDIA LIMITED

of address P.O. BOX 20574

DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation/expansion~~
~~or equity of the~~ enterprise known as

2M MEDIA LIMITED

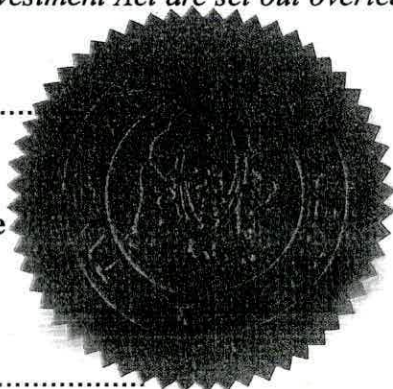
Which is located at PLOT NO. 93, CHANG'OMBE INDUSTRIAL AREA

TEMEKE - DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam



Dated 17TH FEBRUARY 2009

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders
Anubha Pandey Indian 50
Nazneem A. Somji Tanzanian 20
Azim M. Somji Tanzanian 30
2. Proposed Activities: To establish digital imaging press project
3. Sector: Manufacturing Subsector: Printing
4. Investment cost: Foreign - Local USD 1.0m. Total USD 1.0m.
5. Project Financing: Equity USD 1.0m. Loans - Total USD 1.0m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:
Capital items: Foreign - Local USD 1.0m. Total USD 1.0m.
8. Technology Agreement None
9. Date of TIC Registration: 17th November 2008
10. Implementation period November 2008 - October 2011
11. Operative date 1st November 2011
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
(i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
(ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
(iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
(i) Date of Commencement of investment has to be notified to the Centre.
(ii) Certificate not to be transferred, assigned or amended
(iii) Failure to commence implementation within two years invalidates Certificate
(iv) Failure to operate investment must be notified to the Centre
(v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate.

Signed


Executive Director

b

TICC/PP.10/041601/6

06/03/2009

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON THE CAPITAL/DEEMED CAPITAL
GOODS OF CERTIFICATE OF INCENTIVES NO. 041601**

M/S 2M Media Limited is a TIC registered company with certificate of incentives **No. 041601** which is valid up to **October 2011**

The company has been registered with objectives of establishing digital imaging press project.

Attached herewith please find a list of Capital/ Deemed capital Goods for Duty and VAT exemption approval.

Yours sincerely

TANZANIA INVESTMENT CENTRE



N/A. Senzia

FOR: EXECUTIVE DIRECTOR

041601

(7)



2MML/TIC/DSM/1804

18th April, 2012

The Executive Director,
Tanzania Investment Centre,
P. O. Box 938,
Dar es Salaam



Dear Sir,

RE: APPLICATION FOR EXTENSION OF TIC CERTIFICATE OF INCENTIVES

2m Media Limited was registered company in Tanzania which intended to establish Digital Imaging Press project in Tanzania.

In order to implement the proposed project, the company had applied for a TIC certificate of incentives and was granted by your office.

We thus request your good office to grant us extension of Certificate of Incentive for one year more to successfully implement the incomplete project. We are enclosing herewith the Progress Report of our achievement made so far.

We will appreciate if you will let us know incase you need more clarification on our project.

Sincerely yours,
For **2M MEDIA LIMITED**
P. O. Box 20574,
Dar es Salaam, Tanzania
Tel: +255 22 2861658/2861659
Hotline: 0764 2m2m2m) 262626
Email: print@2mmedia.co.tz
www.2mmedia.co.tz
Director



Encl As Above

P.O. Box: 20574, Dar es salaam, Tanzania, Tel: +255 22 2864410/2861659, Fax: +255 22 2861102
Hotline: 0764 (2M2M2M) 262626, www.2mmedia.co.tz, E -mail: print@2mmedia.co.tz



PROGRESS REPORT:

PROJECT:

To establish modernized Digital Imaging Press Project.

PLANNED ACTIVITIES FOR THE PERIOD

The project of Digital Press is started in year 2008 with an intention to provide innovate services for the Printing of boxes for the pharmaceutical companies and allied industries, since the project is started the company have good response from the customers about the new product, and the company is in the process of acquiring the required equipments for the fulfillment of the project up to it is full potential

This project have a planned activities include a self sustainability of machineries, and till date the company invested Amounts Tsh725.00 million in machineries at the initial stage of the project till now.

The project is ongoing with the existing facilities within the company premises and had installed and implemented 5 highly automatic machines.

PROJECT FINANCIAL EXPENDITURE TODATE

PLANTS AND MACHINERIES	EMPLOYEED	TOTAL LOCALS (THS'000)
1) Digital Press machine	3 unit	142

P.O. Box: 20574, Dar es salaam, Tanzania, Tel: +255 22 2864410/2861659, Fax: +255 22 2861102
Hotline: 0764 (2M2M2M) 262626, www.2mmedia.co.tz, E -mail: print@2mmedia.co.tz

2) Printing machine	1 unit	770
3) Generator	1 unit	35
4) Folder gluer	1 unit	135
5) SUB TOTAL		1,082

VEHICLES

1) Toyota Hiace Van	1 Unit	9.40
Office Equipments	-	
Insurance cover		7.00

GRAND TOTAL **1,098.40**

MANPOWER

1) Production manager	1
2) Operators	4
3) Helpers/assistants	6

RAW MATERIALS

Local input 200 MT

PROJECT FINANCING

The project is financed by a term loan of T Shs 600 Million for the machines and an over draft of T. Shs 400 million for working capital financed by Habib Africans Bank Ltd, the term loan is secured by the machineries and for a period of 5 years, in addition to the above financing from Habib African Bank, 2m Media Limited Ltd and existing business in the field of commercial printing support the new project.

PROBLEMS AND SOLUTIONS

At present the company has minimum machineries, the absence of more advanced machineries limiting the production, as well as the right man power and the timely availability of raw materials are the major problems, the major problem that contributed into delay of the project implementation period is the right manpower and raw materials, the delay in raw materials are due to the non availability.

FUTURE PLANS

For culture expansion company is planning to replace a current machine with a high production capacity machine within a year and finance for this machine will be the replacement of one machine which is already acquired plus a term loan from Habib African bank Ltd , on mortgage of the incoming machine

Expected capital expenditure of the remaining portion (acquisition of high capacity machine)

Cost of the machine US \$ 0.4 Million

Implementation schedule 1 year

CUSTOMER RESPONSE AND FEEDBACK/COMMENTS

From the initial stage of the new project the company is receiving a good response from the existing and new customers, the company still undergoing a market research to study the requirement of the customers in order to plan for increasing the production capacity and the optimum product mix.

For 2M MEDIA LIMITED


P.O. Box 20574,
Dar es Salaam, Tanzania
Tel: +255 22 2861658/2861659
Hotline: 0764 (2M2M2M) 262626
Email: print@2mmedia.co.tz
www.2mmedia.co.tz

Managing Director





Karibu
Mum's Hotel

BONGE LA KIBUNJUISI
KWA WATAZANIA







TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC007167

No. 001884

Received from : 2M MEDIA LTD

Address P. O. Box 20066 Dar Es Salaam

Received the sum of (In words): SEVEN HUNDRED FIFTY AND ZERO CENTS ONLY

Being payment in respect of : CERTIFICATE OF INCENTIVES

Amount : USD 750.00

Cash / Cheque No: D/Denost 17/05

Date : 17-May-2012

BUisso

Receiving Officer

PROJECT FOR EXTENSION OF IMPLEMENTATION PERIOD



Name of the Project:

2M Media Ltd.

Project Description: Certificate No.: 041601

To establish digital imaging press project

Approval Date:

17th November, 2008

Implementation Period Expiry:

November 2008 – October 2012

Number of Previous Extensions:

Nil


Reasons for this Extension:

To accomplish the implementation of the project by exhausting all exempted approved deemed capital goods

Recommendations:

I recommend the project implementation period be extended for one year.

Decision:

Approved

by ExD
17/05/12

LETTER HEAD

2MML/TIC/DSM/0205

02nd May, 2012

Commissioner for Customs & Excise,
P.O. Box 9083,
Dar Es Salaam.



UFS:

The Executive Director,
P.O. Box 938,
Dar Es Salaam,

Dear Sir,

**RE APPLICATION FOR APPROVAL OF CAPITAL GOODS FOR IMPLEMENTATION
OF PROJECT REQUIREMENTS OF 2M MEDIA LIMITED SITUATED IN DSM**

This has reference to granted of approval for extension of Certificate of Incentive towards implementation of the aforesaid project.





We, thus, request your good office to kindly approve the initial list of capital goods containing below for the project requirement :-

SR NO.	Addition OF CAPITAL GOODS	QUANTIT Y	LOCA L	IMPORT S
1	Generator 15-250 KVA	2		
2	UPS 300-1500 VA	10		
3	Single Cabin pickups	3		
4	Double Cabin Pickups X	2		
5	Mini bus /mini vans 12 seater for staff transoprt	3		
6	Business and ID Cards printers	3		
7	CCTV camera	50		
8	CCTV camera recorder unit and monitoring screens	3		
9	Laptops and Computer systems with server	15		
10	3.5 Tons Delivery Truck	3		

We are enclosing herewith the Certificate of Incentive, TIN for your kind perusal.

Looking forward for your kind approval and support.

Thanking you,

Sincerely yours,

For 2M MEDIA LIMITED

P.O. Box 20574
Dar es Salaam, Tanzania
Tel: +255 22 2864410/2861659
Hotline: 0764 (2M2M2M) 262626
Email: print@2mmedia.co.tz

Azim Somji

Director

P.O.Box: 20574, Dar es Salaam, Tanzania. Tel: +255 22 2864410/2861659, Fax: +255 22 2861102
Hotline: 0764 (2M2M2M) 262626, www.2mmedia.co.tz, E mail: print@2mmedia.co.tz



Verified True Copy
of The Original
Signature
Date 21/05/2012

For: Executive Director
Tanzania Investment Centre

THE UNITED REPUBLIC OF TANZANIA

00218779

Certificate of Incentives

THIS CERTIFICATE REPLACES/ (Section 17 of the Tanzania Investment Act, 1997) AMENDMENT ON SECTIONS 10&11
EXTENDS THE PREVIOUS ONE NO. 041601 ISSUED ON 17/02/2009 NO. 041601 HAVE BEEN EFFECTED
No:

This is to certify that

2M MEDIA LTD

of address P.O. BOX 20574

DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~XXXXXX~~ enterprise known as

2M MEDIA LTD

Which is located at PLOT NO. 93, CHANG'OMBE INDUSTRIAL AREA

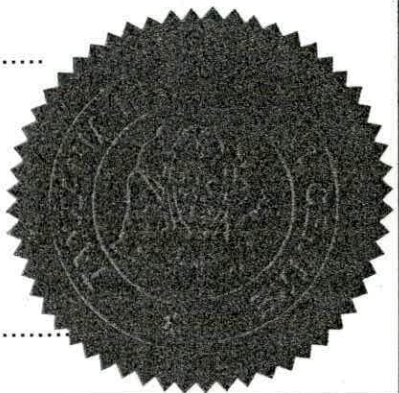
TEMEKE - DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

.....
Ag. Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 18TH MAY 2012



This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders

	Nationality	Shareholding (%)
Anubha Pandey	Indian	50
Nazneem A. Somji	Tanzanian	20
Azim M. Somji	Tanzanian	30
2. Proposed Activities : **To establish digital imaging press project**
3. Sector: **Manufacturing** Subsector **Printing**
4. Investment cost: Foreign **—** Local **USD 1.0m.** Total **USD 1.0m.**
5. Project Financing: Equity **USD 1.0m.** Loans **—** Total **USD 1.0m.**
6. Source, terms and conditions of loan.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	—	USD 1.0m.	USD 1.0m.
8. Technology Agreement **None**
9. Date of TIC Registration: **17th November 2008**
10. Implementation period **November 2008 - October 2012**
11. Operative date..... **1st November 2012**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
(i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997**
(ii) Applicable with-holding Tax **As per Income Tax Act, 2004 (as amended)**
(iii) Eligibility of Capital Allowances **As per Income Tax Act, 2004 (as amended)**
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
(i) Date of Commencement of investment has to be notified to the Centre.
(ii) Certificate not to be transferred, assigned or amended
(iii) Failure to commence implementation within two years invalidates Certificate
(iv) Failure to operate investment must be notified to the Centre
(v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed 
Executive Director



THE UNITED REPUBLIC OF TANZANIA

00218779

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)
 THIS CERTIFICATE REPLACE/ AMENDMENT ON SECTIONS 10&11
 EXTENDS THE PREVIOUS ONE HAVE BEEN EFFECTED
 NO. 041601 ISSUED ON 041601
 17/02/2009 No:

This is to certify that

2M MEDIA LTD

of address P.O. BOX 20574

DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~ enterprise known as

2M MEDIA LTD

Which is located at PLOT NO. 93, CHANG'OMBE INDUSTRIAL AREA

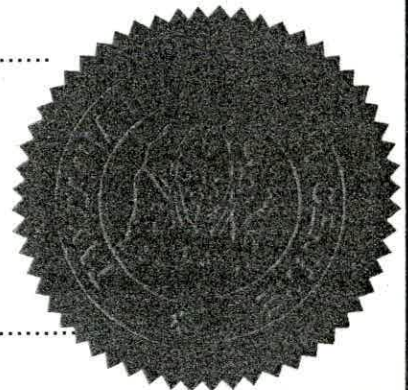
TEMEKE - DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

.....
Ag. Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 18TH MAY 2012



This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders
Anubha Pandey Indian 50
Nazneem A. Somji Tanzanian 20
Azim M. Somji Tanzanian 30
2. Proposed Activities : To establish digital imaging press project
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(iv) Failure to operate investment must be notified to the Centre
(v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed _____
Executive Director

10

TICC/PP.10/041601/10

08/06/2012

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED
CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO.
041601**

M/S 2M Media Limited is a TIC registered company with certificate of incentives **No. 041601** which is valid up to **October 2012**

The company has been registered with objectives of establishing digital imaging press project.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty and VAT remissions approval.

Yours sincerely

TANZANIA INVESTMENT CENTRE


N.A. Senzia

FOR: EXECUTIVE DIRECTOR

TANZANIA



Certificate of Incorporation

Section 15

No **67867**

I HEREBY CERTIFY THAT

2M MEDIA LIMITED ===

is this day incorporated under the Companies Act, 2002 and that the Company is Limited.

Given under my hand at Dar es salaam
this 9TH day of OCTOBER

TWO THOUSAND AND EIGHT

TRUE COPY OF THE ORIGINAL
CERTIFY THAT THIS IS A



Asst. Registrar of Companies

LEASE AGREEMENT

This Agreement is hereby entered into between **C. NARANJI & SONS** of P.O. Box 87, Dar Es Salaam henceforth known as the **LANDLORD** on one part and **2M MEDIA LIMITED** of P.O. Box 20574, Dar Es Salaam henceforth known as the **TENANT** on the other part on the **15th October, 2008**, at Dar Es Salaam whereas both parties mutually agree to the following terms and conditions: -

1. The Landlord agrees to let out business premises known as **on Plot No. 93**, situated at **Dakawa Road, Chang'ombe Industrial Area, Temeke District**, in the City of Dar Es Salaam to the Tenant.
2. The Tenant hereby agrees to pay a monthly gross rent of T. Shs 300,000/= (T. Shs Three Hundred Thousand only), for the said premises, which shall be paid in advance for six months.
3. The lease shall commence on **15th October, 2008** and terminates on **14th October, 2013**, thus for a period of 5 (five) year.
4. The Landlord shall allow free ingress and egress to the Tenant along all common passages.
5. The Tenant shall at all times keep the premises neat and shall not obstruct in any way the common passages of the property.
6. The Tenant agrees that the said premises shall be used only for commercial or business purposes.
7. The Tenant agrees to handover the premises in the same good tenable condition as was given at the time of the lease.
8. This lease agreement may be further extended beyond **14th October, 2013** by the mutual consent of the Landlord and Tenant upon such terms and conditions as may be agreed upon at the time.
9. This lease is subject to within the jurisdiction of Dar Es Salaam, Tanzania. This lease agreement is entered on this 15th October, 2008 at Dar Es Salaam.
10. Either party may terminate this lease agreement by giving one month's notice in writing to the other party.
11. The Tenant shall give at least 45 days notice to the Landlord if he wishes to continue his stay after the termination of this agreement, provided the terms are mutually agreed.



1

12. The Tenant shall pay all utility bills for water, electricity and telephone from the commencement of the lease. All the bills shall be properly kept and at the end of the term returned to the Landlord duly paid up. The Tenant shall also pay a common tower maintenance amount, which shall include the usage of common passages, common lighting and general security. This amount shall be paid directly by the Tenant to the contractor / Administrator.
13. The Landlord shall be providing all the Furniture and Fittings, Electrical Fittings etc in the leased premises.
14. The Tenant hereby agrees to maintain all the Furniture and Fixtures, Electrical Fittings in good tenable condition and shall handover in the same good condition at the end of the lease period.
15. The Landlord covenants that for all intents and purposes he is the only and lawful owner of the property with full power and authority to effect the disposition herein. Further, that the property is free from any encumbrances whatsoever and the tenant is hereby exonerated and indemnified of any claims of third parties, that may have been attached to the property.

SIGNED & DELIVERED by the said
C. NARANJI & SONS who is
 Known to me personally / identified to me by
 The latter being known to me personally
 in my presence of us this day of 15th Oct, 2008

Full Name:
 Signature:
 Address:
 Designation:



SIGNED & DELIVERED by the said
2M MEDIA LIMITED who
 Is known to me personally / identified to me by
 The latter being known to me personally
 in my presence of us this day of 15th Oct, 2008



Full Name:
 Signature:
 Address:
 Designation:



STAMP DUTY
 Shs. 36500/- collected
 Receipt No 409845 Dated 28/10/08
 Regional Revenue Officer - Tembeke

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES

MEMORANDUM

AND ARTICLES OF ASSOCIATION

OF

2M MEDIA LIMITED

Incorporated thisday of2008

Drawn / Filed by :

Mr. Azim Mohhammed Somji,
P.O. Box 20574,
Dar Es Salaam,
Tanzania.

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incorporation

No:

I HEREBY CERTIFY THAT

2M MEDIA LIMITED

Is this day incorporated under the Companies Act (Act No. 12 of 2002) and that the Company is Limited.

Given under my hand at Dar es Salaam, this day of two thousand and eight.

Registrar of Companies

Stamp Duty 5000/=

33284895 7/10/08
Noyis

THE COMPANIES ACT 2002

Act No. 12 of 2002

Stamp Duty 5000/= 7/10/08
33284895 Noyis

COMPANY LIMITED BY SHARES MEMORANDUM OF ASSOCIATION OF
2M MEDIA LIMITED.

1. The name of the Company is **2M MEDIA LIMITED.**
2. The registered office of the Company will be situated in United Republic of Tanzania
3. The primary objective of the company will be dealing in
 - (a) To supply goods and services in the field of Advertising and Signs Management to Government, Parastatal and any other organization within Tanzania and abroad.
 - (b) To supply goods and services in the field of advertising and branding materials to the Government, Parastatal or to any other organization or institution or individual, whether in Tanzania or abroad, to locally manufacture tools for signs and advertising and related equipment, to carry out repairs and modifications on existing signs and making materials, to manufacture specialized signs and material making, to manufacture specialized signs and materials and equipments for new concept customers in the field of advertising, to procure the necessary inputs for the Company locally and abroad.
 - (c) To carry out on all or any business of printing, publishing, distributing and selling of business, management, industrial, scientific, academic, communications, financials, agricultural, social and environmental information technology periodicals, brochures and books, identity cards, any other reading materials.
 - (d) To do research into and to develop new concepts and advert materials and services in the field of advertising in general and in the field of signs in particular, all descriptions whether centrifugal.
 - (e) To carry on the business of advertising and sign making, management in all its forms, including manufacturing of big B/Bar signs and manufacture using recycle materials.

- (f) To operate and maintain all systems for supplying signs and manufacture using recycle materials.
- (g) To establish community based vocational training, medical and school projects which are intended to fight ignorance, disease and to alleviate poverty in the society.
- (h) To carry on business as importers, dealers, sellers and distributors of office stationery, office furniture and equipment, and to perform secretarial services including computerized typing, photocopying, binding and related services.
- (i) To establish, manage and promote the business of media, advertisements agents and publicity of all kinds, tourist agents and tour operators and to promote and facilitate travelling and to provide for tourists, travellers and/or other persons and to promote the provision of facilities of every description and in particular by means of booking of traveller tickets and accommodation, providing guides, safe deposits, inquiry bureau and baggage transport.
- (j) To establish, acquire, own and operate training centres and facilities for conducting computer and related training activities for remuneration, such as activities including but not limited to the designing and conducting of general and customer-tailored courses in computer systems installations, computer software operations, operations, installations and operation of network systems of all types and descriptions.
- (k) To carry on the business of electronic engineering, communication engineering, communication equipment including satellite communication, wireless loop, internet services and any other form of communication, navigation equipment engineering and data processing engineering and to offer to any person, firm or entity for consulting services relating to these business for fee.
- (l) To carry on the business of manufacturers, designers, repairers, importers and exporters, buyers, sellers, hirers, renters, agents and representatives for manufacturers of computer hardware and software units and systems of all types and descriptions.
- (m) To carry on the business of processing and bottling of pure drinking water; manufacturing aerated and mineral waters, cordials, syrups, beverages, ice and ice creams, juices and to establish in Tanzania and in

any part of East Africa shops, refreshment rooms, depots and distribution network for the sale of the said products either in wholesale or retail.

- (n) To carry on the business of processing cashew kernels, cultivating cashew, exporting processed cashew and building cashew industries.
- (o) To carry on the business of planters, growers, cultivators, horticulturists, market gardeners, agriculturist, buyers, sellers, importers and exporters of every kind of agricultural products and other produce of the soil, to prepare, preserve, process, cure, blend, refine, treat and render marketable any such produce either in its prepared, manufactured, raw or other state and either to import or export by wholesale or retail.
- (p) To carry on business as transporters of both dry and wet cargo including transportation of petroleum products; road haulage specialists, container operators, freight chacterers and general cargo dealers as well as conducting the business of clearing and forwarding agents, distributors, sales agents and dealers in heavy trucks, buses, lorries, tractors, caterpillars, cranes and all sorts of transportation equipment and appliances.
- (q) To carry on the business of fishing and marketing of all sea and lake products in international and local markets, fish merchants, fishing operations in the sea and fresh water and to process, buy and export all types of fish, shrimps, lobster, dried, smoked and salted fish, canned fish, fresh fish, sea shells and sea products and generally all types of marine products.
- (r) To purchase, acquire or otherwise deal in the business of mining in its all respective branches and for the said purpose to peg, purchase, take on lease, exchange, or otherwise acquire concessions, grants, casements, options, claim properties, estate, and effects, supposed to contain and to explore, to prospects, search or mine, work process, exercise develop, and turn into account mines and mining rights and any undertaking connected therewith, and prepare for trade, sale, exchange, barter or otherwise, all kind of gemstones and minerals of whatsoever kind.
- (s) To establish and carry on the business of motor vehicle and motor cycles assembling and reconditioning workshop and for that purpose import motor vehicles and motor cycles in completely knocked down form (CKD), fabrication of motor vehicles parts, manufacture of spare parts, industrial machinery spares, heavy duty equipment, reclaiming and reconditioning of any type of spare part.

- (t) To carry on business as importers and exporters as sales agents and dealers in all kinds, makes and descriptions of motor vehicles including but not limited to saloon cars, four wheel drive vehicles, pick ups, heavy duty trucks, buses, lorries, tractors, caterpillars, cranes and all sorts of transportation equipment, transporters, road haulage specialists, container operators, freight chatteringers and general cargo dealers as well as conducting the business of clearing and forwarding agents, and for that purpose acquire or lease bonded warehouses.
- (u) To carry on business as real estate developers, civil engineering contractors, building agency, mining support services, as well as to build and own commercial centres, apartments, hotels lodgings, warehousing facilities, and to be dealers and distributors of construction materials, fertilizers and farming equipments.
- (v) To carry on the business of tour operators, tourist agents, car hire, reservations, photographic safaris, camping, hunting safaris, travel agents, road and marine transporters, self and chuffer-driven cabs.
- (w) To import, export, sell, market, store, transport, pack, process, preserve and generally deal in all manners possible with agricultural and food products, agricultural commodities and agricultural inputs, chemicals, machinery, equipment, requisites and necessities of all kinds and descriptions and to act as promoters, agents, and salesmen of all the producers and manufacturers of the same.
- (x) To carry on the business in Tanzania and elsewhere as manufacturers, wholesalers, stockiest importers, exporters, agents and transporters of pharmaceutical and medical formulations, medicines and drugs for human and veterinary use, fine chemicals, cosmetic products, surgical products and raw materials and goods of all kinds, description and uses.
- (y) To carry general chemist business in preparation, manufacturing, importation, repacking and sale of pharmaceuticals of all kinds, insecticides and disinfectants, patent medicine, cosmetics, perfumery and toilet preparations, veterinary products and other similar items.
- (z) To go into manufacture, importation, distribution and marketing of all kinds of hospital, surgical and dental equipment and instruments, laboratory equipment, x-ray equipment and related items, and all kinds of medicinal and pharmaceutical preparations. This to include all items or equipment in the provision of health care.

- (aa) to own and operate medical facilities within Tanzania for commercial purposes, including the acquisition of facilities, whether newly constructed or rehabilitated, for the purpose of managing hospitals, health centre, and dispensaries for the provision of medical services.
- (bb) To carry on the business of general merchants, shop keepers, indenters, dealers in sundry goods, household goods, hosiery, fancy goods, ready made goods, textiles, garments, hardware, electrical goods, medicines, drugs, wines and spirits, produce merchants, cosmetics, chemicals, cutlery, leather goods, plastic goods, canned fruits and juices and aluminium ware.
- (cc) To carry on all or any business of manufactures of and dealers in and workers in cement, lime, plasters, whittings, clay gravel, sand, stone, minerals, earth fuel, artificial stone, bricks, tiles, pipes, pottery earth ware, china and builders requisites and convenience of all kinds and as quarry owners, builders, general contractors and carriers.
- (dd) To carry on the business of exporting unconfined Tanzanian commodities and that of buying, importing, distributing and general dealing in all sorts of merchandise including but not limited to forestry products, agricultural products, and other cash and food crops and generally to do all or any of the business which is connected with such products.
- (ee) To develop the resources and turn to account the lands, buildings and rights for the time being of the company in such manner as the company may think fit and may divide the land of the company into smallholdings.
- (ff) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights.
- (gg) To acquire and undertake the whole, or any part of the business property and liabilities of any person or company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purposes of the company.
- (hh) To apply for, purchase or otherwise acquire, any patents brevets invention, licences, concessions and the like, conferring any exclusive or

non-exclusive or limited right to use, or any secret or other information as to an invention which may seem capable of being used for any of the purposes of the company or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop, grant licenses in respect of, or otherwise turn to account, the property, rights or information so acquired.

- (ii) To enter into partnership or into any arrangement for sharing profits, union or interests, co-operation, joint venture, reciprocal concession or otherwise, with any person or company carrying on or engage in any business or transaction which this company is authorised to carry on or engaged in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this company.
- (jj) To guarantee the repayment of money by and the contracts of, or otherwise assist, any person, firm or company, and to take or otherwise acquire shares and securities of any such company and to sell, hold, reissue, with or without guarantee, or otherwise deal with the same.
- (kk) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this company, or any business capable of being conducted so as directly or indirectly to benefit this company.
- (ll) To enter into any arrangements with any Governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the company's objects or any of them, and obtain from any such Government or authority, any rights, privileges and concessions which the company may think it is desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (mm) To promote any company or companies for the purposes of acquiring all or any of the property, rights and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit this company.
- (nn) To invest the money of the company not immediately required in such manner as may from time to time be determined.
- (oo) To borrow or raise or secure the payment of money in such manner as the company shall think fit, and in particular by the by mortgaging company property or issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the company's property (both

or nil paid or no par value share,
in stock, deposit receipt, bill, note,
bills, or similar right or obligation,
in the context so permits,

to be construed *ejusdem generis* where a

any paragraph of this clause shall not,
if so requires, be in any way limited or
controlled by the terms of any other paragraph
of any nature of any business carried on by the
Company as full and ample a manner and shall be
construed as each of the said paragraph defined the
Company as an independent company.

shall be

shall be Tshs 10,000,000/= (Shillings Ten million)
of Tshs 10,000/= each, and the Company shall
divide the original or any increased capital into several
classes of any preferential, deferred, qualified or other
rights or conditions.

present and future) including its uncalled capital, and to purchase, redeem or pay off any such securities.

(pp) To remunerate any person or company for services rendered or to be rendered, in placing or assisting to place or guaranteeing and placing of any of the shares in the company's capital or any debenture stock or other securities of the company, or in or about the formation or promotion of the company or the conduct of its business.

(qq) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments.

(rr) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this company.

(ss) To obtain any provisions order, Ordinance or Act of Parliament for enabling the company to carry on any of its objects into effect or for effecting any modification of the company's constitution, or for any proceedings or applications which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly, to prejudice the company's interests.

(tt) To distribute any of the property of the company among the members in specie.

(uu) To do all or any of the above things in any part of the world and as principals, managing agents, agents, contractors, trustees, or otherwise, and by or through trustees, managing agents, or otherwise, and either alone or in conjunction with others.

4. And it is hereby declared that "company" in this clause, except where used in reference to this Company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and wherever formed, incorporated, domiciled or resident.

"Person" shall include any company as well as any other legal or natural person,



"Securities" shall include any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or converts, or similar right or obligation, "And" and "or" shall mean "and/or" where the context so permits,




"Other" and "otherwise" shall not be construed *ejusdem generic* where a wider construction is possible.

The objects specified in the different paragraphs of this clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company or the nature of any business carried on by the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraph defined the objects of a separate, distinct and independent company.

A The liability of the members is limited.

B The share capital of the company is Tshs 10,000,000/= (Shillings Ten million) divided into 1,000 shares of Tshs 10,000/= each, and the Company shall have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges restrictions or conditions.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of the Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES OF SUBSCRIBERS
MR. AZIM MOHAMMED SOMJI P.O.BOX 20574, DAR ES SALAAM	300	
MRS. NAZNEEN AZIM SOMJI P.O.BOX 20574, DAR ES SALAAM	200	
MRS. ANUBHA PANDEY, P.O. BOX 20574, DAR ES SALAAM	500	

Dated at D'SALAAm this 07th day of October 2008
 Witness to the above signatures

Name:

Signature:

Postal address:

Qualification:



THE COMPANIES ACT

(ACT NO. 12 OF 2002)

PRIVATE COMPANY LIMITED BY SHARES

TANZANIA

Stamp Duty Shs. 5000
PAID ON ORIGINAL
33 284995 7/10/08
Mwys

Stamp Duty Shs. 2500
PAID ON ORIGINAL
33884995 7/10/08
Mwys

1. ARTICLES OF ASSOCIATION OF **2M MEDIA LIMITED**

2. Subject as hereinafter provided the Regulations contained in Part I of Table "A" in the COMPANIES ACT, Act No. 12 of 2002 (which shall be referred hereinafter as the Act) shall apply to the Company save for Regulation 22.

INTERPRETATION

3. In these Articles unless the context otherwise requires:
- (a) "Articles" means these Articles of Association of **2M MEDIA LIMITED**
 - (b) "Board" means the board of Directors of the Company or the Directors present at a duly convened meeting of Directors at which a quorum has been attained.
 - (c) "Company" shall mean **2M MEDIA LIMITED**.
 - (d) "Clear days" in relation to the period of a notice means that a period excluding the day when the notice is given or deemed to be and the day for which is given or which it is to take effect.
 - (e) "Directors" shall mean the Directors for the time being of the Company or if there only be one Director then such one Director.
 - (f) "Member" shall mean a registered shareholder in the Company.
 - (g) "Month" shall mean calendar month
 - (h) "Office" shall mean the registered office of the Company.
 - (i) The COMPANIES ACT (ACT NO. 12 OF 2002) or any statutory enactment or modification thereof for the time being in force, and reference to any section or provisions of the Company act shall include reference to any statutory re-enactment or modification of such section or provision for the time being in force;

- (j) "The Seal" shall mean the Common Seal of the Company.
- (k) "The Board" shall mean the Board of Directors of the Company.
- (l) "Secretary" shall mean any person appointed to perform the duties of Secretary of the Company.
- (m) "In writing" or "written" shall include printing and lithography and any other mode or modes of representing or producing words in a visible form.
- (n) "Office" shall mean the registered office of the Company.
- (o) Words importing any gender include other genders and words in the singular include the plural, and vice versa, and words importing a person shall include a body corporate.

PRIVATE COMPANY

- 4. The Company has been formed as a private company, and accordingly:-
 - (a) The number of members of the company (not including persons who are in the employment of the Company, and persons, who having been formerly in the employment of the Company were while in such employment and have continued after the determination of such employment to be members of the Company) is limited to fifty; provided that where two or more persons hold one or more shares in the Company jointly they shall for the purpose of this article be treated as a single member;
 - (b) Any invitation to the public to subscribe for any shares or debentures of the company is prohibited;
- 5. The right to transfer shares is restricted in the manner hereinafter provided in these articles.

SHARES

- 6. The Share capital of the Company is Shillings Ten million (10,000,000/=) divided into One Thousand (1,000) shares of Shillings Ten thousand (10,000/=) each with such rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such

manner as may for the time being be provided by the regulations of the Company.

7. Subject to the provisions, if any, in that behalf of the Memorandum of Association, and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights or such restriction, whether in regard to dividend, voting, return of share capital or otherwise, as the Company may from time to time by special resolution determine, and any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company is liable to be redeemed.
8. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee and, the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
9. Subject to such restriction in these regulations as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common or any other form which the Directors may approve, provided that the members of the company then present shall have the right of pre-emption in transfer by purchase.
10. The Directors may decline to register the transfer of a share to a person of whom they shall not approve, and they may also decline to register the transfer of a share on which the company has lien.
11. If the Directors refuse to register a transfer they shall within two months after the date of which the transfer was lodged with the Company send to the transferee notice of the refusal.

TRANSMISSION OF SHARES

12. In the case of death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having title to his interest in the shares but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which he has been jointly held by him with other persons.
13. Any persons becoming entitled to a share in the consequence of death or bankruptcy of a member may upon such evidence being produced as may

from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as a transferee thereof, but the Directors will, in either case, have the same right to decline or suspend registration as they would have in the case of a transfer of the share by that member before his death or bankruptcy.

ALTERATION OF CAPITAL

14. The Company may from time to time by ordinary resolution increase the share capital by such sum to be divided into shares of such amount, as the resolution shall prescribe but such increase in value of the shares shall not affect the number of shares initially taken up by the subscribers to the Memorandum of the Company.
15. The Company may by ordinary resolution:
 - (a) Consolidate and divide all or any of its share capital into shares of large amount than its existing shares;
 - (b) Sub-divide existing shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association.
16. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in the year, and shall specify the meeting as such in the notice calling it and not more than fifteen months shall elapse between the date of one annual general meeting and that of the next. Provided that so long as the company hold it's first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of incorporation or in the following year. The annual general meeting shall be held at such time and place, as the Directors shall appoint.
17. All general meetings other than annual general meetings shall be called extraordinary general meetings.
18. The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall be convened on such requisition, as provided for in the Company Act 2002.
19. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty one days' notice in writing at the least, and a meeting or a meeting for the passing of an ordinary resolution shall be called by fourteen days' notice in writing at the least. The notice shall be

exclusive of the day for which it is given, and shall be given, in a manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in a general meeting, to such other persons as are, under the regulations of the company, entitled to receive such notices from the company.

PROCEEDINGS AT GENERAL MEETINGS

20. All business shall be deemed special that is transacted at an annual general meeting and also that is transacted at any general meeting, with the exception of declaring a dividend, the consideration of accounts, balance sheets and the reports of the Directors and auditors, the election of Directors in the place of those retiring and the appointment of and fixing, the remuneration of the auditors.
21. Two members, either present in person or by proxy shall constitute a quorum.
22. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon requisition of members shall be dissolved, in any case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and any such other time and place as the Directors may determine.
23. The Chairman, if any, of the board of Directors shall preside as chairman of every general meeting of the company, or if there is no such chairman or if he shall not be present within fifteen minutes after the time appointed for the holding of the general meeting or is unwilling to act the Directors present shall elect one of their member to be chairman of the meeting.
24. Unless determined by the Company in general meeting the Directors shall not be less than two and not more than ten in number.
25. The following persons shall be first Directors to the Company:
26. The shareholding qualifications for Directors may be fixed by the Company in general meeting and unless and until so fixed no qualification shall be required.
27. The quorum of Directors, for transacting business shall unless otherwise fixed, by Directors, be two.

28. A resolution in writing signed by all Directors then in Tanzania shall be valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
29. The Directors may from time to time borrow; raise moneys for the purpose of the Company, which may exceed the issued share capital of the Company.

BORROWING POWERS

30. The Directors may exercise all powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital or part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

POWERS AND DUTIES OF DIRECTORS

31. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Company Act, or by these regulations, required to be exercised by the Company in general meeting; subject nevertheless, to any of these regulations, to the provisions of the Company Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
32. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretion (not exceeding, those vested in or exercisable by the Directors under these regulations) and for such period and subject to such conditions as they may think fit.

DISQUALIFICATION OF DIRECTORS

33. The office of director shall be vacated if the director:
 - (a) resigns;
 - (b) becomes of unsound mind
 - (c) becomes prohibited from being a director by reason of any Court Order;

- (d) dies;
- (e) in case of a life director, ceases to be a member of the Company;
- (f) is voted out of office by an ordinary resolution in General Meeting;
- (g) is prohibited from acting as a director by the provisions of the Ordinance.

MANAGING DIRECTOR

The Directors may from time to time appoint a Managing Director who may not necessarily be out of their body for such a period and on such terms as they think fit, and subject to the terms of agreement entered into any such particular case, may revoke such an appointment.

- 34. A Managing Director shall receive such remuneration as the Directors may determine.

SECRETARY

- 35. The Directors shall appoint a Secretary of the Company on such terms, at such remuneration and upon such conditions, as they may think fit; and they may remove the Secretary appointed.

THE SEAL

- 36. The Directors shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument shall be countersigned by the Secretary or by a second director or by some other person appointed by the Directors for the purpose.

ACCOUNTS

- 37. The Directors shall cause true accounts to be kept:
 - (a) of the assets and liabilities of the Company;
 - (b) Of all sums of money received and expended by the Company and the manner in respect of which receipts and expenditures take place. The books of accounts shall be always open for the inspection of the Directors and shall be kept at a place decided by the Directors.
- 38. The Directors shall from time to time determine whether in any particular case or cases or generally and to what extent and at what time and place and under what conditions or regulations the accounts and books of the

Company or any of them shall be open to the inspection of the members and no member (not being a director) shall have any right of inspecting any books or documents of the Company except as conferred by statute or authorised by the Directors.

AUDIT

39. Once at least in every year the accounts of the Company shall be examined and the correctness of the balance sheet ascertained by an auditor.
40. The Directors shall appoint the first auditor who will hold office until the first annual general meeting.
41. The Directors may fill up any casual vacancy in the office of auditor.
42. The remuneration of the auditor shall be fixed by the Company in general meeting; except that the remuneration of any auditor appointed by the Directors may be fixed by the Directors.

CAPITALISATION OF PROFITS

43. The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions on condition that the same shall not be paid in cash but be applied either in or toward paying up any amounts for the time being unpaid or any shares held by such members respectively.

NOTICES

44. A notice may be given by the Company to any member either personally or by sending it by post to him at his registered address, and/or if he has no registered address, to his last known address, if any, supplied by him or her to the Company for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to have been effective if the notice was posted.
45. Notice of every general meeting shall be given in any manner herein before authorised to every member at his or her registered address or last known address.

46. Every person upon whom the ownership of a share devolves by reason of his being a legal personal representative of a trustee or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and the auditor for the time being of the Company.

WINDING UP

47. If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Company Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purposes set such value as he may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefits of the contributors as they liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities where there is any liability.

INDEMNITY

48. Every Director, Managing Director, Agent, Auditor, Secretary, and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Companies Act in which relief is granted to him by the Court.

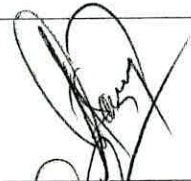
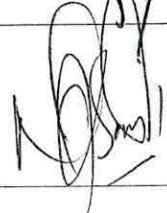

ALTERATIONS OR ADDITIONS

49. Subject TO THE PROVISIONS OF THE Company Act 2002 and to those contained in the Memorandum of Association, the Company may by special resolution make alterations or additions to the Articles of Association and any such alterations or addition as made shall be as valid and effectual as if originally contained in these Articles and be subject in like manner to alteration by Special Resolution.

ARBITRATION

If and whenever any dispute or difference shall arise between the Company and any of the members of their respective representative touching upon the construction or meaning of any of the Articles herein contained or any act, matter or thing made or done or omitted to be done or with regard to the rights or liabilities arising there under or arising out of the relation existing between the parties by reason of these Articles or the Company Act such differences shall (unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three (3) arbitrators, one to be appointed by each party and the third to be appointed by the first two or, in the event of failure to agree within thirty (30) days the procedure laid down in the Arbitration Company Act or any enactment replacing the Arbitration..

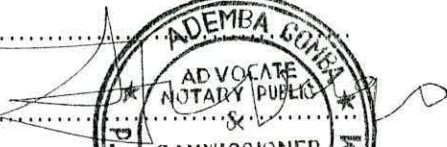
We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of the Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES OF SUBSCRIBERS
MR. AZIM MOHAMMED SOMJI P.O.BOX 20574, DAR ES SALAAM	300	
MRS. NAZNEEN AZIM SOMJI P.O.BOX 20574, DAR ES SALAAM	200	
MRS. ANUBHA PANDEY, P.O. BOX 20574, DAR ES SALAAM	500	

Dated at DAR ES SALAAM this 07th day of October 2008

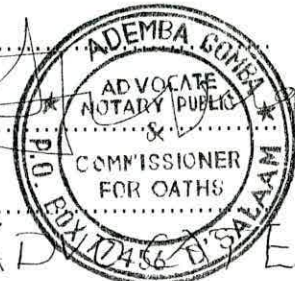
Witness to the above signatures

Name:

Signature: 

Postal address:

Qualification:



**EXTRACT OF THE MEETING OF THE BOARD OF DIRECTORS OF 2M
MEDIA LIMITED HELD AT 4.00 PM ON 20th OCTOBER, 2008 AT ITS
REGISTERED OFFICE**

PRESENT	: MR. AZIM M. SOMJI	CHAIRMAN
	MRS. NAZNEEN A. SOMJI	DIRECTOR
	MRS. ANUBHA PANDEY	DIRECTOR

RESOLVED THAT :

“The amount of investment required in establishment of Digital Imaging Press Project business based in Dar Es Salaam which is (United States Dollars One Million only) shall be provided as follows : -

Company's Shareholders

Mr. Azim M. Somji	as Equity - amount of USD 300,000/=
Mrs. Nazneen A. Somji	as Equity - amount of USD 200,000/=
Mrs. Anubha Pandey	as Equity - amount of USD 500,000/=

As there was no other business the meeting ended with thanks to the chair.



Azim M. Somji
Chairman

CERTIFIED CORRECT



Secretary

EXTRACTS FROM
THE BOARD RESOLUTION

The Company Shareholders unanimously agreed on 20th October, 2008

The following:-

To invest in establishment of Digital Imaging Press Project.

The project shall be financed by the Shareholders of the Company using their own contribution to the tune of US\$ 1,000,000/=.

To apply for TIC Certificate of Incentives, in order to get Government recognition and to enjoy the incentives granted to similar projects in Tanzania.

There were no other business and the meeting was closed at 4.00 p.m.

Signed by:
For **2M MEDIA LIMITED**


CHAIRMAN


SECRETARY

Dated : 20th October, 2008

2M MEDIA LIMITED

BUSINESS PLAN FOR ESTABLISHING DIGITAL IMAGING PRESS PROJECT

Prepared for :
2M Media Limited,
P.O.Box 20574,
Dar Es Salaam

20th October, 2008

1.0. INTRODUCTION

2M Media Limited is a established company incorporated under the Companies Act 12 of 2002 under Certificate of Incorporation No. 67867 dated 09th October, 2008 having its registered office in Dar es Salaam.

Since its establishment 2M Media Limited has been engaged in the Sign manufacturing, advertisements, colour separation, coordinating printing activities through established printers.

The company sees very bright prospects in Offset Printing and therefore the directors have decided to venture into this area. Initially they plan to start with Offset Printing before moving into Digital imaging Press at a later stage.

To give one stop service to its client under one roof, 2M Media Limited has studied and researched various options in order to offer printing services to its clients which currently have to be sub-contracted to other printing companies. Further, due to the lack of quality printers in the country, most of the quality printing is outsourced and get done from Kenya, Dubai, South Africa or India.

Looking to this 2M Media Limited management had evaluated various options for printing, which includes color photocopiers, toner based colour printers (such as indigo and Xeikon), traditional offset and digital imaging presses (DI).

Of these options, only the DI presses target the fastest growing segment of the print market: runs of 500 to 10,000 or more sheets which is the strategic gap between fast toner devices and traditional offset. Apart from the speed, DI gives excellent quality output at very low cost compared to any other traditional printers.

The company however will start with traditional offset before moving to DI Press at later stage when it would have accumulated adequate and customer to go for the latest technology

DIGITAL IMAGING PRESS PROJECT

Evaluating the above advantages of Digital imaging, 2M Media Limited management has opted to start with offset printing to test the printing market before moving to Digital colour Printing and Digital Imaging press at a later stage which will then enable them to provide all services to its client at one door stop.

Hence this report presents an evaluation of investment and payback from offset Printing on 2M Media Limited.

2.0. ABOUT THE PROJECT PROMOTERS

2.1. Introduction

2M Media Limited is a newly registered Company and has been Incorporated in October, 2008 by three principals: Mr. Azim M. Somji, Mrs. Nazneen Azim Somji and Mrs. Anubha Pandey as a limited liability company under Certificate of Incorporation No: 67867 dated 09th October, 2008. They are basically dealing in Sign Manufacturing, colour separation, coordinating printing activities and publishing the famous various magazines. Since inception, the company has been very successfully in all the four ventures and the directors see very bright prospects in the printing industry.

2.2. Shareholding Pattern

To date the company has three shareholders who are also the directors of the company, they are:

1. Mr. Azim M. Somji
2. Mrs. Nazneen A. Somji
3. Mrs. Anubha Pandey

The shareholding pattern of the company is as follows:

Name and Address of Subscribers	Number of Shares Taken by Each	% shareholding
Mr. Azim M. Somji, P. O. Box 20574, DAR ES SALAAM	300	30%
Mrs. Nazneen A. Somji, P. O. Box 20574, DAR ES SALAAM	200	20%
Mrs. Anubha Pandey P.O. Box 20574, DAR ES SALAAM	500	50%
Total	100	100%

2.3 Management

The company will be under the Board of Directors who will be at the helm of the affairs of the company even day to day activities and decision making. These will be assisted by a team of professionals to be led by the press Manager who will in turn be assisted by heads of departments.

2.4 Services

Currently, 2M Media Limited deals in three business areas :

- Sign Manufacturing
- Coordinating Printing activities of all kinds
- Publisher of various magazines

1. Prepress-color separations

2M Media Limited uses Agfa image setters to output films up to A2-extra. 2M Media Limited's main prepress clients are printers. In addition to color separations, 2M Media Limited professional prepress services include

- Imposition
- Trapping
- Cromalin proofs
- Print consulting and advising
- High resolution scanning and for placement only (fpo) images
- High quality photo CD images and Professional photos
- Spot and process colours; and
- Keylines

2. Graphic Design

2M Media Limited's design services apply to its entire production areas (prepress) large format, identity cards) but also offer service in designing multimedia presentations as well as web pages.

2.5. 2M MEDIA LIMITED Edge Over Competitors

- 2M Media Limited is known for best design in good turnaround time

- All the Directors are technically very sound in color printing and they advise other printers on technical issues.
- Direct control of the directors on operations of the company
- Specialization in color separations and publishing.

3. ABOUT THE DIGITAL IMAGING PRESS PROJECT

3.1 Introduction

To give one stop services to its client under one roof, 2M Media Limited has studied and researched various options in order to offer printing services to its clients, which currently has to be sub-contracted to other printing companies. further, due to the lack of quality printer in the country, most of the quality printing is outsourced to Kenya, Dubai, South Africa or India.

Looking to this, 2M Media Limited management has evaluated various options for printing, which includes color photocopier, toner based colour printers (such as Indigo and Xeikon), traditional offset and digital imaging presses (DI). Of these options, only the DI presses target the fastest growing segment of the print market: runs of 500 to 10,000 of more sheets which is the strategic gap between fast toner devices and traditional offset. Apart from the speed, DI gives excellent quality output at very low cost compared to any other traditional printers.

Hence, 2M Media Limited management intends to invest in a Digital imaging Press (DI) manufactured by Heidelberg Quick master DI (Germany), which will be the first DI press in Tanzania.

3.2 DI Technically

A brief of DI Technology and related issues are given below:

3.2.1 Digital Imaging (DI)

DI is an acronym for Direct Imaging: A DI press is connected to a Postscript-based prepress system in a similar fashion as a laser printer – the press becomes a high tech computer peripheral. The postscript data is used to simultaneously image the four printing plates in register, directly on press.

3.2.2 DI Technology

A successful DI strategy is a combination of three core technologies working in unison – 1- laser imaging, 2. thermal plate and 3. press design. This process requires the fewest steps from digital file to plate, eliminating the need for a safelight environment, reducing waste and removing chemical processing from the plate making process.

3. Difference between A DI press and Digital printer

The different technologies, Digital printers, such as HP Indigo and Xeikon Per-based printers that provide copier quality in run lengths of less time tabled presses deliver true lithographic quality – ink on paper in quality and greater. Digital printers are limited to the stock that they use, we use any stock from onion skin to board thickness within the proper specifications. With a digital printer each finished piece has fixed designed for production printing. DI presses are clearly and most cost effective solution for short run color printing.

4. Types of Products That Can Be Printed

A be printed on a conventional press can be printed on a DI press, Ins, books, documentation, sales literature, point of purchase di packaging and forms.

5. Print Quality

Ded by presstek DI technology deliver best quality offset printing. DI provide output at 2540 dpl in comparison to the 600 dpi from toems. In comparison tro traditional offset printing methods, DI quality because the DI production process reduces manual in the number of iterations between the original and finished plate. The associated with conventional production methods, such as eres, processor condition, and ages of chemistry have been

6. Suitable for versioning

Date changing and excellent registration, DI presses will easily needs. For example, a sales brochure can easily be printed in simply by changing the black plate.

7. Requirements for designer, while using a DI enabled printer

Press, carries many of the some requirements as printing to a the designer should start by talking to the printer. Before the printer, a

designer should make sure they have completed include all fonts, converted images to CMYK, checked bleed sizes and trapping in handled by the printer or in house.

8. Wastage

Dominates hazardous waste material right up to the final step of chemical processing are eliminated. Since the plates are non disposal problems associated with heavy metals are gone, as is the co is a waterless printing process, fountain and alcohol substitutes an the ready time of DI presses significantly reduces paper waste an also recyclable.

Products & Services

In addition to the existing services, DI will enable to offer the in-house production high quality, fast turn-around printed material. With DI, 2M Media Limited will initially specialize in the full color production of:

- Brochures and leaflets;
- Books and booklets;
- Posters and calendars (up to A3);
- Advertising materials
- Newspaper
- Magazines
- Signs Manufacturing

Subsequently, new products like foil embossing & special laminates will be introduced.

2M Media Limited training division will promote the advantages of DI technology by offering seminars to graphic designers, advertising agencies, signs and other interested parties.

3.3 Financial Analysis

This section presents the financial analysis of DI project of 2M Media Limited:

- Firstly, we analysis the financial statement and evaluate the project viability.
- Secondly, we present the discounted cash flow valuation
- Thirdly, we outline the financing plan, detailing the amount of finance required.
- Finally, we explain the main assumptions that have been made in the financial model

- Finally, we have given the projected Financial Statements for the period of 5 years i.e. Projected Cash Flows statement, Projected Profit and loss Account and Projected Balance Sheet, they are set out in Annexure A,B. and C respectively.

3.3.1 Profitability analysis

In table below, we show the main financial ratios for the DI project based on the Projected Financials Statements for 5 years. All ratios are average ratios for the period of 5 years. Further the detailed calculation of the ratios is set out in Annexure-D.

Table of main financial ratios

No	Description	Ratios
1	Return on Capital employed	37.84%
2	Return on Sales	30.91%
3	Gross Profit	65.09%
4	Return on Fixed Assets	109.38%
5	Asset Turnover	2.89
6	Current Ratio	17.52
7	Quick Ratio	13.36

Profitability

The Average return on Capital ratio is 37.84% and average return on Fixed Asset ratio is 109.38%, which shows there is a good return on the capital employed in the project. Gross profit ratio is 65.09% & even return on Sales ratio is 30.91%. which looks to be very healthy in the current competitive situation. These ratios illustrate the profitability of the project and shows that the investment is yielding high returns.

Liquidity

Looking to the average current ratio and quick ratio, which are much higher than the standard expected ratios, reflects very strong liquidity position of the company average current ratio is 17.52 and average quick ratio is 13.36 as compared to normal standard ratio of 1.50 and 1.0 respectively.

Recovery

Further, looking to discounted cash flows explained in next paragraph, shows that cash inflows from operations will recover whole initial capital investment within 5 years. Initial capital investment is T Shs. 700

Million and accumulated discounted operational cash flows (discounted at 12% per annum) of 5 years is T Shs. 857.95 Million, which shows a surplus of T. Shs 157.95 Million after recovery of total initial investment. Hence the gestation period for recovery of capital investment is very low.

Looking to the figures of profitability, liquidity position, gestation period for recovery of capital investment with the accumulated profit (T. Shs 177.04 Million – after and average dividend pay - out of 28%), and investment seems to be very money spinning.

3.3.2 Discounted Cash Flows

The discounted cash flows methodology calculates the valued of and investment based upon its expected cash generation. Based on in-depth analysis of the capital investment. Planned pre-operating costs, the forecasted operating cost and the expected financing costs we have prepared a projected cash flow for 5 years set out in Annexure A.

The cash flows are then discounted to reflect the fact that investors value money now more highly than money in the future. The calculation of the discounted cash flow for 5 years is presented in “Annexure A., these discounted cash flows are then added up to provide a forecast discounted cash flow for 5 years of the company operations. If this accumulated discounted cash flows from operations are higher than the initial investment the project is to be considered good for the investment.

Discounted Cash Flow

(In T. Shs.
‘000’)

Particulars	Amount
Capital Investment	1,000,000
Discounted Cash Flow of 5 year from operations	857,952
Higher cash flows from operations than capital	157,957

Note : Cash flows are discounted T. Shs inflation rate of 8% per annum.

It is apparent from the above table the project is profitable and viable; the accumulated discounted cash flows of 5 years from operations are higher than the capital investment. Further the project will operating even after 5 years at same face and will be generating the higher cash flows

3.3.3 Financing Plan

The capital investment requirements of the project are estimated at approximately US\$1,000,000. The break down of the uses of these funds is set out in below given table.

CAPITAL ITEM	COST (US\$)
Office Renovations	15,000
Plant, machinery and Equipment	631,850
Motor Vehicles	214,000
Furniture, Fixture & fittings	21,150
Pre operational Expenses	18,000
Sub total	900,000
Add: Initial Working Capital	100,000
GRAND TOTAL	1,000,000

Apart from the capital investment of **US\$ 900,000** project would require a working capital of **US\$ 100,000** to start the operations.

3.3.4 Assumptions

- The financial statements are prepared in Tanzania Shilling Currency and exchange rate for conversation of foreign currency transactions is taken at 1 US\$= T Shs. 1,200 and 1 Euro = T.Shs. 1,462.
- The fixed assets of the company are depreciated on a straight line method.
- The pre-operating expenses are amortized over a period of 5 year in equal installments.
- It is assumed that initial capital investment in the project, will be allowed as expenditure for tax calculation purpose and hence carry forward loss for first year after capital allowance will set of with subsequent year profits due to which there is no corporate tax in first two years of operations.
- Corporate tax is calculated at the flat rate of 30%for all the years of projections.
- Debtors realization period is considered as:
 - year 1-2 months
 - year 11 onwards – 2 & half months.
- Creditors' payment period is considered as one month.

3.4 Market Analysis

This section presents the market analysis of DI project of 2M Media Ltd

- Firstly, we analysis the Market Potential of DI printing in the country
- Secondly, we analysis the situation, where competition increase for DI
- Thirdly, we analysis the situation of Seasonal Sales fluctuations for DI
- Fourthly, we analysis the situation of increase in cost.
- Finally, we give the distinct competence or edge of 2M MEDIA LIMITED over other competitors.

3.4.1 Market Potential

Market research shows that Tanzania's economy is expanding due to large investments from South African and other foreign companies. In fact, Tanzania is one of the faster growing economies in Africa according to KPMG's Economic Performance report 2001/2002.

Moreover, the current demand for high quality, fast turnaround printed material cannot be met by the present vendors, 2M Media Limited's survey shows that clients are dissatisfied with the unpredictable quality and uncertain delivery times. Despite large investments in equipment by the present vendors, some clients still do not print their work locally and prefer to send their fobs to Nairobi, Mauritius, South Africa, Dubai or India there are three factors that influence a clients decision in terms of choosing a printer.

- Quality
- Turnaround time; and
- Cost

These three factors make up the printers triangle in which clients can choose two of the tree factors. In other words, a client might choose to have something delivered quickly and with a cheap price in which case the client understands that the quality may suffer. Alternatively, a client may choose to have the best quality and a low price in which case the client understands that the delivery time may take longer. Clients understand that only two of the tree factors are obtained on any given print job.

However, given the current state of the industry, clients in Tanzania can only choose one of these three above factors. This leads to dissatisfaction and frustration on the clients' part.

Digital imaging technology can provide the best quality and fastest turnaround time within a competitive pricing scheme and therefore meet the clients demands. Currently, there is no DI press in Tanzania.

3.4.2 Marketing plan

2M Media Limited has an excellent clients tally for its current services including for the printing jobs. Currently, most of the jobs received by them are including printing jobs, which need to be sub-contracted to the other printers in the market. Hence the DI project has the ready clients groups for printing which in turn minimizes the task of marketing for DI .printers Limited will approach the market place through advertisements in the media as well as direct marketing by appointing 3 marketing executive in first year. In addition, mark Ad Printers Limited will strive to keep their offices centrally located so as to easily capitalize on all sectors of the market ranging from walk in clients to larger standing orders

3.4.3 Current Competition for DI

Currently, there are no vendors or companies having DI technology in the Tanzania. There are few companies in Kenya, Johannesburg and Malawi having DI in the Tanzania.

3.5.4. Coping with increase in Competition

It is expected, that in a growing economy such as Tanzania's any successful business idea will be copied. 2M Media Limited was founded on a new idea (color separations) and has determined that its strategic advantage lies in staying one step ahead of the competition in terms of using new technologies. While maintaining the highest quality standards and fastest turnaround times is paramount to dealing with competition, in terms of using new technologies, while maintaining the highest quality standards and fastest turnaround times is invest in value added services such as gold foil embossing to maintain its lead over others in future.

3.5.5. Coping With Sales Fluctuations

The Tanzania printing industry does have high and low seasons. The high seasons being October / November (due to order for calendars) and May (orders for the Saba Saba trade fair); the low seasons being August / September.

2M Media Limited's strategy for maintaining sales targets will include promotions. For example:

- Business Card day (special pricing for business card orders once per week)
- Calendars in August (special pricing on calendars for early orders)
- Reminder notices to customers to fill their standing orders;
- Discount programme for loyal client and;
- Quarterly newsletter with advice on marketing and business promotions highlighting the use of specialty printed materials.

3.5.6. Coping With Increase Cost

DI is a relatively new technology. Therefore it is reasonable to assume that the costs of consumables (inks and plates) will decrease with time as the technology advances.

Nonetheless, 2M Media Limited will always strive to identify better suppliers and to take advantage of the opportunities that exist via the various diplomatic missions to import raw materials under advantageous terms. For example, The Exim Bank Programme through the U.S. Government offers insurance and loan guarantees to exporters of U.S. made goods (note: the U.S. based company Presstek, holds the patent for the DI plate and is the worldwide exclusive manufacturer).

3.5.7 Distinct Competence or Edge over Competitors

DI technology requires expertise in both printing as well as technologies such as computer networking, systems administration, raster image processing (RIPing) and post Script language. 2M Media Limited is uniquely positioned to take advantage of this new technology due to the managerial and field expertise of its founders. Moreover the technology itself is a distinct advantage over traditional offset printing in that it offers consistent quality with quick, efficient make – ready times.

The current infrastructure, set-up & client tally of 2M Media Limited is great edge over any new corner in the market.

All the three directors possess several years of experience in prepress, printing and graphic design. As founders of 2M MEDIA LIMITED, they are responsible for introducing color printing to Tanzania by being the first to product full color printed material with digital color separations, together the principals have spent more than ten years working extensively with all sectors in the target market for this project. They also uniquely possess the technical knowledge, and expertise required for success in a project of this nature.

The DI technology fills a void in the existing printing market: current vendors do not supply the quality nor can they meet the tight deadlines of to days market. Traditional offset printing relies on a skilled press operator who has the knowledge, training and experience to reliably control the ink/water mixture on the press. However, the DI technology is a waterless adjustments. And plates as well as prepare the press. DI technology does not require color separations or plates and therefore has a shorter make ready time.

3.6 Employment Generation

The new DI project will result in providing additional employment opportunities in the country. The additional manpower requirement in each year is summarized as under:

Manpower	2008	2009	2010	2011	2012
Finance Controller	1	1	1	1	1
Marketing Team	3	3	4	4	4
DI operators	2	2	2	2	2
Designers	3	3	3	3	3
Finishing / Packing Sec.	2	2	3	3	3
Unskilled Labor	5	6	6	7	8
Total Human Resources	16	17	19	20	21

3.7 Environmental Analysis

Direct imaging eliminates hazardous waste material right up to the final step of printing. Film and chemical processing are eliminated, since the plates are non-photographic, disposal problems associated with heavy metals are gone, as is the cost. And, since DI is a waterless printing process, fountain and alcohol substitutes are eliminated.

Further, DI presses significantly reduces the paper waste and the plates used in the process are recyclable. Hence, DI process is highly environmental friendly and eliminates any type of sold, liquid or gas pollution.

3.8 Economic Analysis

The DI printing will enable the clients to have quality printing from the local markets instead of getting jobs done from the other countries, which in turn will help the economy to save the foreign exchange.

Further, the new project will generate employment to around 16 persons upon expansion and may go up to 21 by year 5. it shall also contribute to

the exchequer in the form of direct taxes and levies on profits and turnover. Further, it shall also contribute to the exchequer in the form of indirect taxes such as VAT, PAYE, Skills and Development levy etc.

4 CONCLUSIONS

The DI project shall start generating profits from the first year of its operation and looks highly profitable in subsequent years. The company will also generate employment opportunities for about 20 personnel, which in itself is a contribution to the growth of country economy.

Looking to the figures of profitability, liquidity position, gestation period for recovery of capital investment with the accumulated profit (T. Shs 177.04 Million – after and average dividend payout of 28% P.A). Investment seems to be very money spinning.

Projected cash flow Statement year ended 31st December. (in Tshs 000)

Particulars	Ref	2008	2009	2010	2011	2012
I. CASH FLOW FROM OPERATING ACTIVITY						
Profit Before Tax (PBT)	Snh.6	148,060	215,140	276,981	410,060	512,025
Add: Adjustment to Depreciation		70,504	70,504	70,504	70,504	70,504
Pre-operating Exp. amortized during the years		11,194	11,194	11,194	11,194	11,194
Cash flow before Working Capital Changes		229,758	296,838	358,679	491,758	593,723
Working Capital Changes	Sch.8	(49,506)	(38,973)	(9,746)	(67,739)	(34,327)
Inventories		(107,250)	(55,172)	(27,070)	(49,268)	(39,793)
Sundry Debtors		20,628	2,113	813	10,776	1,992
Sund		-	-	-	-	-
Outstanding Expenses	Sch.7	-	-	(79,583)	(147,527)	(178,117)
Tax payment		(136,129)	(92,032)	(115,586)	(253,788)	(250,246)
Net (increase) Decrease in Working Capital						
Cash inflow (outflow) from Investing Activity		93,630	204,807	243,093	237,969	343,477
II. CASH FLOW FROM INVESTING ACTIVITY						
purchase of fixed assets	Sch.6	564,030	-	-	-	-
pre-operating expenses		55,970	-	-	-	-
CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITY		620,000	-	-	-	-
III. cash flow from financing activity						
share Capital						
Inflow from financing activity		700,000	-	-	-	-
Outflow		700,000	-	-	-	-
Dividend						
Outflow from financing activity		70,000	140,000	210,000	280,000	280,000
		70,000	140,000	210,000	380,000	280,000
Cash Inflow/(outflow)from Financing Activity		630,000	(140,000)	(210,000)	(280,000)	(280,000)
Net cash inflow/(outflow)		103,630	64,807	33,093	(42,031)	63,477
Cash & Equivalents at the beginning of the year		0	103,630	168,436	201,529	159,498
Cash & Equivalents at the end year		103,630	168,436	201,529	159,498	222,975
T Sh. Inflation			12%	12%	12%	12%
T Sh. Inflation index		100	112	125	140	157
Discounted cash Flow from Operations		93,630	182,863	193,792	169,382	218,286
Net present value (NPV)from Operation in 5 years		857,952				

PROJECTED BALANCE SHEET

Particulars	Sch	2008	2009	2010	2011	2012
<u>1. APPLICATION OF FUNDS</u>						
FIXED ASSETS	6	293,526	423,023	352,519	282,015	211,511
INVESTMENTS		-	-	-	-	-
CURRENT ASSETS						
INVENTORIES	8	49,506	88,479	98,225	165,964	200,291
SUNDRY DEBTORS		107,250	162,422	189,492	238,760	278,554
CASH & BANK BALANCE		103,630	168,436	201,529	159,498	222,975
TOTAL CURRENT ASSETS		260,386	419,337	489,247	564,223	701,820
LESS: CURRENT LIABILITIES SUNDRY CREDITORS OUTSTANDING EXPENSES		20,628	22,741	23,554	34,300	36,291
TOTAL CURRENT LIABILITIES		20,628	22,741	23,554	34,300	36,291
NET CURRENT ASSETS		239,758	396,596	465,693	529,923	665,529
MISCELLENOUS EXPENDITURE						
PRE-OPERATING EXPENDITURE		44,776	33,582	22,388	11,194	-
TOTAL		778,060	853,201	840,599	823,133	877,040
SOURCE OF FUNDS						
<u>AUTHORISED SHARE CAPITAL</u>						
ISSUED & PAID UP SHARE CAPITAL		700,000	700,000	700,000	700,000	700,000
RESERVES & SURPLUS						
LOANS		78,060	153,201	140,599	123,132	177,040
TOTAL		778,060	853,201	840,599	823,132	877,040

PROJECTED PROFIT & LOSS**(amount in Tshs '000)**

PARTICULARS	SCH	2008	2009	2010	2011	2012
Sales	1	660,000	779,625	909,563	1,146,049	1,337,057
Direct Expenses	2	230,592	273,332	317,123	399,019	466,171
Gross Profit		429,408	506,293	592,439	747,029	870,886
Operating Expenses	3	66,150	66,150	62,605	69,960	73,321
Human Resource Cost	4	133,200	133,200	146,520	184,912	203,403
Finance Cost	5	300	300	330	399	439
Pre-operating Expenses		11,194	11,192	11,194	11,194	11,194
Profit/ (Loss)before Depn & Tax (PAT)		218,564	285,644	347,485	480,564	582,529
Depreciation	6	70,504	70,504	70,504	70,504	70,504
Profit/(loss)after tax(PAT)		148,060	215,140	276,981	410,060	512,025
Corporate Tax	7	-	-	79,583	147,527	178,117
Profit/ (Loss) after Tax (PAT)		148,060	215,140	197,399	262,533	333,908
PROFIT AND loss Appropriation A/C		-				
Balance as at beginning of the year			78,060	153,201	140,599	123,132
Profit (Loss for the year		148,060	215,140	197,399	262,533	333,908
Dividend (%)		10%	20%	30%	40%	40%
Dividend		70,000	140,000	210,000	280,000	280,000
Balance as at the end of the year		78,060	153,201	140,599	123,132	177,040

Projected sales of DI project (No. of jobs of 1,000 Qty)

Particular	2008	2009	2010	2011	2012
Total Installed Capacity per shift of 8hours	64	64	64	64	64
No. of working days per annum	300	300	300	300	300
Total Installed Capacity per annum based on single shift	19,200	19,200	19,200	19,200	19,200
Utilized Capacity in percentage	13%	14%	16%	19%	21%
Utilized Capacity per annum (for monthly refer Sch.10)	2,400	2,700	3,000	3,600	4000
Selling Price per Job of DI Printing (in Tshs.000)	230	242	254	266	280
Selling of DI Printing (In Tshs '000)	552,000	652,050	760,725	958,514	1,118,266
Selling Price per Job of DI Design (In Tshs '000)	45	47	50	52	55
Sale of DI Designing (in Tshs '000)	108,000	127,575	148,838	187,535	218,791
Total Sales (In Tshs '000)	660,000	779,625	909,563	1,146,049	1,337,057

Particulars	Nos	2008	2009	2010	2011	2012
<u>COST PER JOB</u>						
A. Material cost	4.00	56.00	58.80	61.74	64.83	68.07
Plates	0.30	3.60	3.78	3.97	4.17	4.38
Inks	0.10	0.20	0.21	0.22	0.23	0.24
Dampering felt	0.05	0.10	0.11	0.11	0.12	0.12
Cloth for plate cylinder	0.02	0.11	0.12	0.12	0.13	0.13
Blankets	1,500.00	22.63	23.63	24.81	26.05	27.35
Paper 1000 A4 Sheet						
Total Material Cost Per job (A)		82.51	86.64	90.97	95.52	100.29
B. Labour (Unskilled)	5.00	6.00	6.00	7.00	8.00	
No. of labour	2,400.00	2,520.	2,646.00	2,778.30	2,917.22	
Salary per annum	2,400.00	00	3,000.00	3,600.00	4,000.00	
Estimated jobs per annum		2,700.00				
Total Labour Cost per Job (B)		5.00	5.60	5.29	5.40	5.83
C. Electricity Cost		8.57	9.00	9.45	9.92	10.42
Total Direct Cost per Job (A+B+C)		96.08	101.23	105.71	110.84	116.54
Estimated jobs per annum		2,400.00	2,700.00	3,000.00	3,600.00	4,000.00
TOTAL DIRECT COST PER ANNUM		230,592.00	273,331.80	317,123.10	399,019.45	466,170.96

Projected Operating Expenses for the New Project

Particular	2008	2009	2010	2011	2012
Rent, Rates and taxes	20,100	20,100	20,100	21,105	21,105
Office electricity	2,400	2,640	2,904	3,194	3,514
Licenses	500	600	600	750	750
Postage & telephone	6,000	6,600	7,260	7,986	8,785
Vehicle Running Expenses	2,400	2,640	2,904	3,194	3,514
Advertisement & Publicity	12,000	6,000	6600	7,260	7,986
Local Conveyance	1,000	1,100	1,210	1,331	1,464
Legal & Professional fees	1,000	1,100	1,210	1,331	1,464
Repairs & Maintenance	5,000	5,500	6,050	6,655	7,321
Insurance	10,000	10,000	9,500	9,500	9,000
Traveling	5,000	5,500	6,050	6,655	7,321
Auditors Remuneration	750	825	908	998	1,098
Total	66,150	62,605	65,296	69,960	73,321

Projected Human Resource Expense for the New Project.

ITEM Particulars	2008		2009		2010		2011		2012	
	No	Amount	No.	Amount	No	Amount	No	amount	no	amount
Directors Remuneration	2	4,000	2	4,400	2	4,840	2	5,324	2	5,856
Finance Controller	1	1,500	1	1,650	1	1,815	1	1,997	1	2,196
Marketing Team	3	600	3	660	4	957	4	1,053	4	1,158
DI Operators	2	2,000	2	2,200	2	2,420	2	2,662	2	2,928
Designers	3	2,400	3	2,640	3	2,904	3	3,194	3	3,514
Finishing / packing Section	2	600	2	660	3	1,073	3	1,180	3	1,298
Total Human Resource Cost per Month	13	11,100	13	12,210	15	14,009	15	15,409	15	16,950
Total Human Resource Cost Per Annum	13	133,200	13	146,520	15	168,102	15	184,912	15	203,403

Project Finance Cost

(Amount in Tshs. '000)

Particular	2008	2009	2010	2011	2012
Bank charges	300	330	363	399	439
Total	300	330	363	399	439

PROJECTED TAX CALCULATION FOR PERIOD

PARTICULAR	2008	2009	2010	2011	2012
Profit as per P&L A/c	148,060	215,140	276,981	410,060	512,025
Add .Depreciation	70,504	70,504	70,504	70,504	70,504
Pre-operating Exp.	11,194	11,194	11,194	11,194	11,194
Amortized during the year	229,758	296,838	358,679	491,758	593,723
	620,000	-	-	-	-
Total Profit	-	296,838	93,404	-	-
Less: capital Investment allowable (100%)					
Set-off of carry forward losses against profits					
Losses C/F to next year	390,242	93,404	-	-	-
Profit after set-off C/f losses	30%	30%	30%	30%	30%
Rate of corporate Tax					
Corporate Tax	-	-	79,583	147,527	178,117

Projected Inventories

Particulars	2008	2009	2010	2011	2012
Opening stock of RM	0	49,506	88,479	98,225	165,964
Closing Stock of RM	49,506	88,479	98,225	165,964	200,291
Increase (Decrease) in FG	49,506	38,973	9,746	67,739	34,327

Projected Sales New Project

Year 2008	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	125	125	125	175	175	250	250	200	225	250	250	250	2400
Jobs per Day	5	5	5	7	7	10	10	8	9	10	10	10	8
Year 2009	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	200	200	200	200	200	250	250	225	225	250	250	250	2700
Jobs per Day	8	8	8	8	8	10	10	9	9	10	10	10	9
Year 2010	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	250	250	250	250	250	250	250	250	250	250	250	250	3000
Jobs per Day	10	10	10	10	10	10	10	10	10	10	10	10	10
Year 2011	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	300	300	300	300	300	300	300	300	300	300	300	300	3600
Jobs per Day	12	12	12	12	12	12	12	12	12	12	12	12	12
Year 2012	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
No. of jobs	325	325	325	325	325	325	325	325	350	350	350	350	350
Jobs per Day	13	13	13	13	13	13	13	13	14	14	14	14	13

Description	Formula	2008	2009	2010	2011	2012	Average
Return on Capital Employed	PBT/FA +Working Capital	20.19	26.25	33.85	50.50	50.50	37.84
Return on Sales	PBT/Sales	22.43	27.60	30.45	35.78	38.29	30.91
Gross Profit	Gross Profit/Sales	65.06	64.94	65.13	65.18	65.13	65.09
Asset Turnover	Sales/Fixed Assets + Working Capital	1.28	1.75	2.42	3.62	5.40	2.89
Return on Fixed Assets	PBT/Fixed Assets	30.00	50.86	78.57	145.40	242.08	109.38
Current Ratio	Current Assents/Current Liabilities	12.62	18.44	20.77	16.45	19.34	17.52
Quick Ratio	Current Assets-Inventories/Current Liabilities	10.22	14.55	16.60	11.61	13.82	13.36

Projected Ratio Analysis

PRINTING BUSINESS-REQUIREMENTS

1. Equipment	QNT	PRICE	TOTAL
• One Heidelberg Speed master Two-Colour offset Press	1		Euro 405,000.00
• High Speed Cutter POLAR 115x	1		Euro 75,400.00
• Multinak twin head stapler	1		Euro 6,550.00
• Helioprint Printing Down Frame Model PD-290-for Plate Making	1		Euro 8,400.00
Total Euro			Euro 495,350.00
2. Motor Vehicles			
• 3tons canter	2	25,000.00	USD 50,000.00
• 1ton p/up	2	30,000.00	USD 60,000.00
• 4WD Cars	2	40,000.00	USD 80,000.00
• Saloon car	1	15,000.00	USD 15,000.00
• Bajaj	3	3,000.00	USD 9,000.00
3. Graphic Designing Studio			
• Computers-Macintosh	3	3,000.00	USD 9,000.00

• Scanner	1	1,000.00	USD	1000.00
• Printers	2	1,000.00	USD	2,000.00
• Dig.camera	2	750.00	USD	1,500.00
4. Office Furniture				
• Executive tables	5	700.00	USD	3,500.00
• Executive chairs	5	300.00	USD	1,500.00
• Tables	10	250.00	USD	2,500.00
• Chairs	10	200.00	USD	2,000.00
• Conference table	1	800.00	USD	800.00
• Conference chairs	8	200.00	USD	1,600.00
• Visitors chairs	20	100.00	USD	2,000.00
• Cupboards	5	250.00	USD	1,250.00
5. Office computers	5	1,200.00	USD	6,000.00
6. A/Cs Split units	20	600.00	USD	12,000.00
7. Standby Generator	1	30,000.00	USD	30,000.00
8. Rent-12months	12months		USD	18,000.00
9. Office renovations	lump		USD	15,000.00
10. Working capital	lump		USD	100,000.00
Total USD			USD	422,650.00

2M MEDIA LIMITED

BUSINESS PLAN FOR ESTABLISHING DIGITAL IMAGING PRESS PROJECT

Prepared for :
2M Media Limited,
P.O.Box 20574,
Dar Es Salaam

20th October, 2008

1.0. INTRODUCTION

2M Media Limited is a established company incorporated under the Companies Act 12 of 2002 under Certificate of Incorporation No. 67867 dated 09th October, 2008 having its registered office in Dar es Salaam.

Since its establishment 2M Media Limited has been engaged in the Sign manufacturing, advertisements, colour separation, coordinating printing activities through established printers.

The company sees very bright prospects in Offset Printing and therefore the directors have decided to venture into this area. Initially they plan to start with Offset Printing before moving into Digital imaging Press at a later stage.

To give one stop service to its client under one roof, 2M Media Limited has studied and researched various options in order to offer printing services to its clients which currently have to be sub-contracted to other printing companies. Further, due to the lack of quality printers in the country, most of the quality printing is outsourced and get done from Kenya, Dubai, South Africa or India.

Looking to this 2M Media Limited management had evaluated various options for printing, which includes color photocopiers, toner based colour printers (such as indigo and Xeikon), traditional offset and digital imaging presses (DI).

Of these options, only the DI presses target the fastest growing segment of the print market: runs of 500 to 10,000 or more sheets which is the strategic gap between fast toner devices and traditional offset. Apart from the speed, DI gives excellent quality output at very low cost compared to any other traditional printers.

The company however will start with traditional offset before moving to DI Press at later stage when it would have accumulated adequate and customer to go for the latest technology

DIGITAL IMAGING PRESS PROJECT

Evaluating the above advantages of Digital imaging, 2M Media Limited management has opted to start with offset printing to test the printing market before moving to Digital colour Printing and Digital Imaging press at a later stage which will then enable them to provide all services to its client at one door stop.

Hence this report presents an evaluation of investment and payback from offset Printing on 2M Media Limited.

2.0. ABOUT THE PROJECT PROMOTERS

2.1. Introduction

2M Media Limited is a newly registered Company and has been Incorporated in October, 2008 by three principals: Mr. Azim M. Somji, Mrs. Nazneen Azim Somji and Mrs. Anubha Pandey as a limited liability company under Certificate of Incorporation No: 67867 dated 09th October, 1998. They are basically dealing in Sign Manufacturing, colour separation, coordinating printing activities and publishing the famous various magazines. Since inception, the company has been very successfully in all the four ventures and the directors see very bright prospects in the printing industry.

2.2. Shareholding Pattern

To date the company has three shareholders who are also the directors of the company, they are:

1. Mr. Azim M. Somji
2. Mrs. Nazneen A. Somji
3. Mrs. Anubha Pandey

The shareholding pattern of the company is as follows:

Name and Address of Subscribers	Number of Shares Taken by Each	% shareholding
Mr. Azim M. Somji, P. O. Box 20574, DAR ES SALAAM	300	30%
Mrs. Nazneen A. Somji, P. O. Box 20574, DAR ES SALAAM	200	20%
Mrs. Anubha Pandey P.O. Box 20574, DAR ES SALAAM	500	50%
Total	100	100%

2.3 Management

The company will be under the Board of Directors who will be at the helm of the affairs of the company even day to day activities and decision making. These will be assisted by a team of professionals to be led by the press Manager who will in turn be assisted by heads of departments.

2.4 Services

Currently, 2M Media Limited deals in three business areas :

- Sign Manufacturing
- Coordinating Printing activities of all kinds
- Publisher of various magazines

1. Prepress-color separations

2M Media Limited uses Agfa image setters to output films up to A2-extra. 2M Media Limited's main prepress clients are printers. In addition to color separations, 2M Media Limited professional prepress services include

- Imposition
- Trapping
- Cromalin proofs
- Print consulting and advising
- High resolution scanning and for placement only (fpo) images
- High quality photo CD images and Professional photos
- Spot and process colours; and
- Keylines

2. Graphic Design

2M Media Limited's design services apply to its entire production areas (prepress) large format, identity cards) but also offer service in designing multimedia presentations as well as web pages.

2.5. 2M MEDIA LIMITED Edge Over Competitors

- 2M Media Limited is known for best design in good turnaround time

- All the Directors are technically very sound in color printing and they advice other printers on technical issues.
- Direct control of the directors on operations of the company
- Specialization in color separations and publishing.

3. ABOUT THE DIGITAL IMAGING PRESS PROJECT

3.1 Introduction

To give one stop services to its client under one roof, 2M Media Limited has studied and researched various options in order to offer printing services to its clients, which currently has to be sub-contracted to other printing companies. further, due to the lack of quality printer in the country, most of the quality printing is outsourced to Kenya, Dubai, South Africa or India.

Looking to this, 2M Media Limited management has evaluated various options for printing, which includes color photocopier, toner based colour printers (such as Indigo and Xeikon), traditional offset and digital imaging presses (DI). Of these options, only the DI presses target the fastest growing segment of the print market: runs of 500 to 10,000 of more sheets which is the strategic gap between fast toner devices and traditional offset. Apart from the speed, DI gives excellent quality output at very low cost compared to any other traditional printers.

Hence, 2M Media Limited management intends to invest in a Digital imaging Press (DI) manufactured by Heidelberg Quick master DI (Germany), which will be the first DI press in Tanzania.

3.2 DI Technically

A brief of DI Technology and related issues are given below:

3.2.1 Digital Imaging (DI)

DI is an acronym for Direct Imaging: A DI press is connected to a Postscript-based prepress system in a similar fashion as a laser printer – the press becomes a high tech computer peripheral. The postscript data is used to simultaneously image the four printing plates in register, directly on press.

3.2.2 DI Technology

A successful DI strategy is a combination of three core technologies working in unison – 1- laser imaging, 2. thermal plate and 3. press design. This process requires the fewest steps from digital file to plate, eliminating the need for a safelight environment, reducing waste and removing chemical processing from the plate making process.

3. Difference between A DI press and Digital printer

The different technologies, Digital printers, such as HP Indigo and Xeikon Per-based printers that provide copier quality in run lengths of less time tabled presses deliver true lithographic quality – ink on paper in quality and greater. Digital printers are limited to the stock that they use, we use any stock from onion skin to board thickness within the proper specifications. With a digital printer each finished piece has fixed designed for production printing. DI presses are clearly and most cost effective solution for short run color printing.

4. Types of Products That Can Be Printed

A be printed on a conventional press can be printed on a DI press, Ins, books, documentation, sales literature, point of purchase di packaging and forms.

5. Print Quality

Ded by presstek DI technology deliver best quality offset printing. DI provide output at 2540 dpl in comparison to the 600 dpi from toems. In comparison tro traditional offset printing methods, DI quality because the DI production process reduces manual in the number of iterations between the original and finished plate. The associated with conventional production methods, such as eres, processor condition, and ages of chemistry have been

6. Suitable for versioning

Date changing and excellent registration, DI presses will easily needs. For example, a sales brochure can easily be printed in simply by changing the black plate.

7. Requirements for designer, while using a DI enabled printer

Press, carries many of the some requirements as printing to a the designer should start by talking to the printer. Before the printer, a

designer should make sure they have completed include all fonts, converted images to CMYK, checked bleed sizes and trapping in handled by the printer or in house.

8. Wastage

Dominates hazardous waste material right up to the final step of chemical processing are eliminated. Since the plates are non disposal problems associated with heavy metals are gone, as is the co is a waterless printing process, fountain and alcohol substitutes an the ready time of DI presses significantly reduces paper waste an also recyclable.

Products & Services

In addition to the existing services, DI will enable to offer the in-house production high quality, fast turn-around printed material. With DI, 2M Media Limited will initially specialize in the full color production of:

- Brochures and leaflets;
- Books and booklets;
- Posters and calendars (up to A3);
- Advertising materials
- Newspaper
- Magazines
- Signs Manufacturing

Subsequently, new products like foil embossing & special laminates will be introduced.

2M Media Limited training division will promote the advantages of DI technology by offering seminars to graphic designers, advertising agencies, signs and other interested parties.

3.3 Financial Analysis

This section presents the financial analysis of DI project of 2M Media Limited:

- Firstly, we analysis the financial statement and evaluate the project viability.
- Secondly, we present the discounted cash flow valuation
- Thirdly, we outline the financing plan, detailing the amount of finance required.
- Finally, we explain the main assumptions that have been made in the financial model

- Finally, we have given the projected Financial Statements for the period of 5 years i.e. Projected Cash Flows statement, Projected Profit and loss Account and Projected Balance Sheet, they are set out in Annexure A,B. and C respectively.

3.3.1 Profitability analysis

In table below, we show the main financial ratios for the DI project based on the Projected Financials Statements for 5 years. All ratios are average ratios for the period of 5 years. Further the detailed calculation of the ratios is set out in Annexure-D.

Table of main financial ratios

No	Description	Ratios
1	Return on Capital employed	37.84%
2	Return on Sales	30.91%
3	Gross Profit	65.09%
4	Return on Fixed Assets	109.38%
5	Asset Turnover	2.89
6	Current Ratio	17.52
7	Quick Ratio	13.36

Profitability

The Average return on Capital ratio is 37.84% and average return on Fixed Asset ratio is 109.38%, which shows there is a good return on the capital employed in the project. Gross profit ratio is 65.09% & even return on Sales ratio is 30.91%. which looks to be very healthy in the current competitive situation. These ratios illustrate the profitability of the project and shows that the investment is yielding high returns.

Liquidity

Looking to the average current ratio and quick ratio, which are much higher than the standard expected ratios, reflects very strong liquidity position of the company average current ratio is 17.52 and average quick ratio is 13.36 as compared to normal standard ratio of 1.50 and 1.0 respectively.

Recovery

Further, looking to discounted cash flows explained in next paragraph, shows that cash inflows from operations will recover whole initial capital investment within 5 years. Initial capital investment is T Shs. 700

Million and accumulated discounted operational cash flows (discounted at 12% per annum) of 5 years is T Shs. 857.95 Million, which shows a surplus of T. Shs 157.95 Million after recovery of total initial investment. Hence the gestation period for recovery of capital investment is very low.

Looking to the figures of profitability, liquidity position, gestation period for recovery of capital investment with the accumulated profit (T. Shs 177.04 Million – after and average dividend pay - out of 28%), and investment seems to be very money spinning.

3.3.2 Discounted Cash Flows

The discounted cash flows methodology calculates the valued of and investment based upon its expected cash generation. Based on in-depth analysis of the capital investment. Planned pre-operating costs, the forecasted operating cost and the expected financing costs we have prepared a projected cash flow for 5 years set out in Annexure A.

The cash flows are then discounted to reflect the fact that investors value money now more highly than money in the future. The calculation of the discounted cash flow for 5 years is presented in “Annexure A,. these discounted cash flows are then added up to provide a forecast discounted cash flow for 5 years of the company operations. If this accumulated discounted cash flows from operations are higher than the initial investment the project is to be considered good for the investment.

Discounted Cash Flow

(In T. Shs.
‘000’)

Particulars	Amount
Capital Investment	1,000,000
Discounted Cash Flow of 5 year from operations	857,952
Higher cash flows from operations than capital	157,957

Note : Cash flows are discounted T. Shs inflation rate of 8% per annum.

It is apparent from the above table the project is profitable and viable; the accumulated discounted cash flows of 5 years from operations are higher than the capital investment. Further the project will operating even after 5 years at same face and will be generating the higher cash flows

3.3.3 Financing Plan

The capital investment requirements of the project are estimated at approximately US\$1,000,000. The break down of the uses of these funds is set out in below given table.

CAPITAL ITEM	COST (US\$)
Office Renovations	15,000
Plant, machinery and Equipment	631,850
Motor Vehicles	214,000
Furniture, Fixture & fittings	21,150
Pre operational Expenses	18,000
Sub total	900,000
Add: Initial Working Capital	100,000
GRAND TOTAL	1,000,000

Apart from the capital investment of **US\$ 900,000** project would require a working capital of **US\$ 100,000** to start the operations.

3.3.4 Assumptions

- The financial statements are prepared in Tanzania Shilling Currency and exchange rate for conversation of foreign currency transactions is taken at 1 US\$= T Shs. 1,200 and 1 Euro = T.Shs. 1,462.
- The fixed assets of the company are depreciated on a straight line method.
- The pre-operating expenses are amortized over a period of 5 year in equal installments.
- It is assumed that initial capital investment in the project, will be allowed as expenditure for tax calculation purpose and hence carry forward loss for first year after capital allowance will set of with subsequent year profits due to which there is no corporate tax in first two years of operations.
- Corporate tax is calculated at the flat rate of 30%for all the years of projections.
- Debtors realization period is considered as:
 - year 1-2 months
 - year 11 onwards – 2 & half months.
- Creditors' payment period is considered as one month.

3.4 Market Analysis

This section presents the market analysis of DI project of 2M Media Ltd

- Firstly, we analysis the Market Potential of DI printing in the country
- Secondly, we analysis the situation, where competition increase for DI
- Thirdly, we analysis the situation of Seasonal Sales fluctuations for DI
- Fourthly, we analysis the situation of increase in cost.
- Finally, we give the distinct competence or edge of 2M MEDIA LIMITED over other competitors.

3.4.1 Market Potential

Market research shows that Tanzania's economy is expanding due to large investments from South African and other foreign companies. In fact, Tanzania is one of the faster growing economies in Africa according to KPMG's Economic Performance report 2001/2002.

Moreover, the current demand for high quality, fast turnaround printed material cannot be met by the present vendors, 2M Media Limited's survey shows that clients are dissatisfied with the unpredictable quality and uncertain delivery times. Despite large investments in equipment by the present vendors, some clients still do not print their work locally and prefer to send their fobs to Nairobi, Mauritius, South Africa, Dubai or India there are three factors that influence a clients decision in terms of choosing a printer.

- Quality
- Turnaround time; and
- Cost

These three factors make up the printers triangle in which clients can choose two of the tree factors. In other words, a client might choose to have something delivered quickly and with a cheap price in which case the client understands that the quality may suffer. Alternatively, a client may choose to have the best quality and a low price in which case the client understands that the delivery time may take longer. Clients understand that only two of the tree factors are obtained on any given print job.

However, given the current state of the industry, clients in Tanzania can only choose one of these three above factors. This leads to dissatisfaction and frustration on the clients' part.

Digital imaging technology can provide the best quality and fastest turnaround time within a competitive pricing scheme and therefore meet the clients demands. Currently, there is no DI press in Tanzania.

3.4.2 Marketing plan

2M Media Limited has an excellent clients tally for its current services including for the printing jobs. Currently, most of the jobs received by them are including printing jobs, which need to be sub-contracted to the other printers in the market. Hence the DI project has the ready clients groups for printing which in turn minimizes the task of marketing for DI .printers Limited will approach the market place through advertisements in the media as well as direct marketing by appointing 3 marketing executive in first year. In addition, mark Ad Printers Limited will strive to keep their offices centrally located so as to easily capitalize on all sectors of the market ranging from walk in clients to larger standing orders

3.4.3 Current Competition for DI

Currently, there are no vendors or companies having DI technology in the Tanzania. There are few companies in Kenya, Johannesburg and Malawi having DI in the Tanzania.

3.5.4. Coping with increase in Competition

It is expected, that in a growing economy such as Tanzania's any successful business idea will be copied. 2M Media Limited was founded on a new idea (color separations) and has determined that its strategic advantage lies in staying one step ahead of the competition in terms of using new technologies. While maintaining the highest quality standards and fastest turnaround times is paramount to dealing with competition, in terms of using new technologies, while maintaining the highest quality standards and fastest turnaround times is invest in value added services such as gold foil embossing to maintain its lead over others in future.

3.5.5. Coping With Sales Fluctuations

The Tanzania printing industry does have high and low seasons. The high seasons being October / November (due to order for calendars) and May (orders for the Saba Saba trade fair); the low seasons being August / September.

2M Media Limited's strategy for maintaining sales targets will include promotions. For example:

- Business Card day (special pricing for business card orders once per week)
- Calendars in August (special pricing on calendars for early orders)
- Reminder notices to customers to fill their standing orders;
- Discount programme for loyal client and;
- Quarterly newsletter with advice on marketing and business promotions highlighting the use of specialty printed materials.

3.5.6. Coping With Increase Cost

DI is a relatively new technology. Therefore it is reasonable to assume that the costs of consumables (inks and plates) will decrease with time as the technology advances.

Nonetheless, 2M Media Limited will always strive to identify better suppliers and to take advantage of the opportunities that exist via the various diplomatic missions to import raw materials under advantageous terms. For example, The Exim Bank Programme through the U.S. Government offers insurance and loan guarantees to exporters of U.S. made goods (note: the U.S. based company Presstek, holds the patent for the DI plate and is the worldwide exclusive manufacturer).

3.5.7 Distinct Competence or Edge over Competitors

DI technology requires expertise in both printing as well as technologies such as computer networking, systems administration, raster image processing (RIPing) and post Script language. 2M Media Limited is uniquely positioned to take advantage of this new technology due to the managerial and field expertise of its founders. Moreover the technology itself is a distinct advantage over traditional offset printing in that it offers consistent quality with quick, efficient make – ready times.

The current infrastructure, set-up & client tally of 2M Media Limited is great edge over any new corner in the market.

All the three directors possess several years of experience in prepress, printing and graphic design. As founders of 2M MEDIA LIMITED, they are responsible for introducing color printing to Tanzania by being the first to product full color printed material with digital color separations, together the principals have spent more than ten years working extensively with all sectors in the target market for this project. They also uniquely possess the technical knowledge, and expertise required for success in a project of this nature.

The DI technology fills a void in the existing printing market: current vendors do not supply the quality nor can they meet the tight deadlines of to days market. Traditional offset printing relies on a skilled press operator who has the knowledge, training and experience to reliably control the ink/water mixture on the press. However, the DI technology is a waterless adjustments. And plates as well as prepare the press. DI technology does not require color separations or plates and therefore has a shorter make ready time.

3.6 Employment Generation

The new DI project will result in providing additional employment opportunities in the country. The additional manpower requirement in each year is summarized as under:

Manpower	2008	2009	2010	2011	2012
Finance Controller	1	1	1	1	1
Marketing Team	3	3	4	4	4
DI operators	2	2	2	2	2
Designers	3	3	3	3	3
Finishing / Packing Sec.	2	2	3	3	3
Unskilled Labor	5	6	6	7	8
Total Human Resources	16	17	19	20	21

3.7 Environmental Analysis

Direct imaging eliminates hazardous waste material right up to the final step of printing. Film and chemical processing are eliminated, since the plates are non-photographic, disposal problems associated with heavy metals are gone, as is the cost. And, since DI is a waterless printing process, fountain and alcohol substitutes are eliminated.

Further, DI presses significantly reduces the paper waste and the plates used in the process are recyclable. Hence, DI process is highly environmental friendly and eliminates any type of sold, liquid or gas pollution.

3.8 Economic Analysis

The DI printing will enable the clients to have quality printing from the local markets instead of getting jobs done from the other countries, which in turn will help the economy to save the foreign exchange.

Further, the new project will generate employment to around 16 persons upon expansion and may go up to 21 by year 5. it shall also contribute to

the exchequer in the form of direct taxes and levies on profits and turnover. Further, it shall also contribute to the exchequer in the form of indirect taxes such as VAT, PAYE, Skills and Development levy etc.

4 CONCLUSIONS

The DI project shall start generating profits from the first year of its operation and looks highly profitable in subsequent years. The company will also generate employment opportunities for about 20 personnel, which in itself is a contribution to the growth of country economy.

Looking to the figures of profitability, liquidity position, gestation period for recovery of capital investment with the accumulated profit (T. Shs 177.04 Million – after and average dividend payout of 28% P.A). Investment seems to be very money spinning.

Projected cash flow Statement year ended 31st December. (in Tshs 000)

Particulars	Ref	2008	2009	2010	2011	2012
I. CASH FLOW FROM OPERATING ACTIVITY						
Profit Before Tax (PBT)	Snh.6	148,060	215,140	276,981	410,060	512,025
Add: Adjustment to Depreciation		70,504	70,504	70,504	70,504	70,504
Pre-operating Exp. amortized during the years		11,194	11,194	11,194	11,194	11,194
Cash flow before Working Capital Changes		229,758	296,838	358,679	491,758	593,723
Working Capital Changes	Sch.8	(49,506)	(38,973)	(9,746)	(67,739)	(34,327)
Inventories		(107,250)	(55,172)	(27,070)	(49,268)	(39,793)
Sundry Debtors		20,628	2,113	813	10,776	1,992
Sund		-	-	-	-	-
Outstanding Expenses	Sch.7	-	-	(79,583)	(147,527)	(178,117)
Tax payment		(136,129)	(92,032)	(115,586)	(253,788)	(250,246)
Net (increase) Decrease in Working Capital						
Cash inflow (outflow) from Investing Activity		93,630	204,807	243,093	237,969	343,477
II. CASH FLOW FROM INVESTING ACTIVITY						
purchase of fixed assets	Sch.6	564,030	-	-	-	-
pre-operating expenses		55,970	-	-	-	-
CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITY		620,000	-	-	-	-
III. cash flow from financing activity						
share Capital						
Inflow from financing activity		700,000	-	-	-	-
Outflow		700,000	-	-	-	-
Dividend						
Outflow from financing activity		70,000	140,000	210,000	280,000	280,000
		70,000	140,000	210,000	380,000	280,000
Cash Inflow/(outflow)from Financing Activity		630,000	(140,000)	(210,000)	(280,000)	(280,000)
Net cash inflow/(outflow)		103,630	64,807	33,093	(42,031)	63,477
Cash & Equivalents at the beginning of the year		0	103,630	168,436	201,529	159,498
Cash & Equivalents at the end year		103,630	168,436	201,529	159,498	222,975
T Sh. Inflation			12%	12%	12%	12%
T Sh. Inflation index		100	112	125	140	157
Discounted cash Flow from Operations		93,630	182,863	193,792	169,382	218,286
Net present value (NPV)from Operation in 5 years		857,952				

PROJECTED BALANCE SHEET

Particulars	Sch	2008	2009	2010	2011	2012
<u>1. APPLICATION OF FUNDS</u>						
FIXED ASSETS	6	293,526	423,023	352,519	282,015	211,511
INVESTMENTS		-	-	-	-	-
CURRENT ASSETS						
INVENTORIES	8	49,506	88,479	98,225	165,964	200,291
SUNDRY DEBTORS		107,250	162,422	189,492	238,760	278,554
CASH & BANK BALANCE		103,630	168,436	201,529	159,498	222,975
TOTAL CURRENT ASSETS		260,386	419,337	489,247	564,223	701,820
LESS: CURRENT LIABILITIES SUNDRY CREDITORS		20,628	22,741	23,554	34,300	36,291
OUTSTANDING EXPENSES						
TOTAL CURRENT LIABILITIES		20,628	22,741	23,554	34,300	36,291
NET CURRENT ASSETS		239,758	396,596	465,693	529,923	665,529
MISCELLENOUS EXPENDITURE						
PRE-OPERATING EXPENDITURE		44,776	33,582	22,388	11,194	-
TOTAL		778,060	853,201	840,599	823,133	877,040
SOURCE OF FUNDS						
AUTHORISED SHARE CAPITAL						
ISSUED & PAID UP SHARE CAPITAL		700,000	700,000	700,000	700,000	700,000
RESERVES & SURPLUS						
LOANS		78,060	153,201	140,599	123,132	177,040
TOTAL		778,060	853,201	840,599	823,132	877,040

PROJECTED PROFIT & LOSS

(amount in Tshs '000)

PARTICULARS	SCH	2008	2009	2010	2011	2012
Sales	1	660,000	779,625	909,563	1,146,049	1,337,057
Direct Expenses	2	230,592	273,332	317,123	399,019	466,171
Gross Profit		429,408	506,293	592,439	747,029	870,886
Operating Expenses	3	66,150	66,150	62,605	69,960	73,321
Human Resource Cost	4	133,200	133,200	146,520	184,912	203,403
Finance Cost	5	300	300	330	399	439
Pre-operating Expenses		11,194	11,192	11,194	11,194	11,194
Profit/ (Loss)before Depn & Tax (PAT)		218,564	285,644	347,485	480,564	582,529
Depreciation	6	70,504	70,504	70,504	70,504	70,504
Profit/(loss)after tax(PAT)		148,060	215,140	276,981	410,060	512,025
Corporate Tax	7	-	-	79,583	147,527	178,117
Profit/ (Loss) after Tax (PAT)		148,060	215,140	197,399	262,533	333,908
PROFIT AND loss Appropriation A/C		-				
Balance as at beginning of the year			78,060	153,201	140,599	123,132
Profit (Loss for the year		148,060	215,140	197,399	262,533	333,908
Dividend (%)		10%	20%	30%	40%	40%
Dividend		70,000	140,000	210,000	280,000	280,000
Balance as at the end of the year		78,060	153,201	140,599	123,132	177,040

Projected sales of DI project (No. of jobs of 1,000 Qty)

Particular	2008	2009	2010	2011	2012
Total Installed Capacity per shift of 8hours	64	64	64	64	64
No. of working days per annum	300	300	300	300	300
Total Installed Capacity per annum based on single shift	19,200	19,200	19,200	19,200	19,200
Utilized Capacity in percentage	13%	14%	16%	19%	21%
Utilized Capacity per annum (for monthly refer Sch.10)	2,400	2,700	3,000	3,600	4000
Selling Price per Job of DI Printing (in Tshs.000)	230	242	254	266	280
Selling of DI Printing (In Tshs '000)	552,000	652,050	760,725	958,514	1,118,266
Selling Price per Job of DI Design (In Tshs '000)	45	47	50	52	55
Sale of DI Designing (in Tshs '000)	108,000	127,575	148,838	187,535	218,791
Total Sales (In Tshs '000)	660,000	779,625	909,563	1,146,049	1,337,057

Particulars	Nos	2008	2009	2010	2011	2012
COST PER JOB						
A. Material cost	4.00	56.00	58,80	61.74	64.83	68.07
Plates	0.30	3.60	3.78	3.97	4.17	4.38
Inks	0.10	0.20	0.21	0.22	0.23	0.24
Dampering felt	0.05	0.10	0.11	0.11	0.12	0.12
Cloth for plate cylinder	0.02	0.11	0.12	0.12	0.13	0.13
Blankets	1,500.00	22.63	23.63	24.81	26.05	27.35
Paper 1000 A4 Sheet						
Total Material Cost Per job (A)		82.51	86.64	90.97	95.52	100.29
B. Labour (Unskilled)	5.00	6.00	6.00	7.00	8.00	
No. of labour	2,400.00	2,520.	2,646.00	2,778.30	2,917.22	
Salary per annum	2,400.00	00	3,000.00	3,600.00	4,000.00	
Estimated jobs per annum		2,700.				
		00				
Total Labour Cost per Job (B)		5.00	5.60	5.29	5.40	5.83
		8.57	9.00	9.45	9.92	10.42
C. Electricity Cost						
Total Direct Cost per Job (A+B+C)		96.08	101.23	105.71	110.84	116.54
Estimated jobs per annum		2,400.	2,700.00	3,000.00	3,600.00	4,000.00
		00				
TOTAL DIRECT COST PER ANNUM		230,592.00	273,331.80	317,123.10	399,019.45	466,170.96

Projected Operating Expenses for the New Project

Particular	2008	2009	2010	2011	2012
Rent, Rates and taxes	20,100	20,100	20,100	21,105	21,105
Office electricity	2,400	2,640	2,904	3,194	3,514
Licenses	500	600	600	750	750
Postage & telephone	6,000	6,600	7,260	7,986	8,785
Vehicle Running Expenses	2,400	2,640	2,904	3,194	3,514
Advertisement & Publicity	12,000	6,000	6600	7,260	7,986
Local Conveyance	1,000	1,100	1,210	1,331	1,464
Legal & Professional fees	1,000	1,100	1,210	1,331	1,464
Repairs & Maintenance	5,000	5,500	6,050	6,655	7,321
Insurance	10,000	10,000	9,500	9,500	9,000
Traveling	5,000	5,500	6,050	6,655	7,321
Auditors Remuneration	750	825	908	998	1,098
Total	66,150	62,605	65,296	69,960	73,321

Projected Human Resource Expense for the New Project.

ITEM	2008		2009		2010		2011		2012	
	No	Amount	No.	Amount	No	Amount	No	amount	no	amount
Directors Remuneration	2	4,000	2	4,400	2	4,840	2	5,324	2	5,856
Finance Controller	1	1,500	1	1,650	1	1,815	1	1,997	1	2,196
Marketing Team	3	600	3	660	4	957	4	1,053	4	1,158
DI Operators	2	2,000	2	2,200	2	2,420	2	2,662	2	2,928
Designers	3	2,400	3	2,640	3	2,904	3	3,194	3	3,514
Finishing / packing Section	2	600	2	660	3	1,073	3	1,180	3	1,298
Total Human Resource Cost per Month	13	11,100	13	12,210	15	14,009	15	15,409	15	16,950
Total Human Resource Cost Per Annum	13	133,200	13	146,520	15	168,102	15	184,912	15	203,403

Project Finance Cost

(Amount in Tshs. '000)

Particular	2008	2009	2010	2011	2012
Bank charges	300	330	363	399	439
Total	300	330	363	399	439

PROJECTED TAX CALCULATION FOR PERIOD

PARTICULAR	2008	2009	2010	2011	2012
Profit as per P&L A/c	148,060	215,140	276,981	410,060	512,025
Add .Depreciation	70,504	70,504	70,504	70,504	70,504
Pre-operating Exp.	11,194	11,194	11,194	11,194	11,194
Amortized during the year	229,758	296,838	358,679	491,758	593,723
Total Profit	-	296,838	93,404	-	-
Less: capital Investment allowable (100%)					
Set-off of carry forward losses against profits					
Losses C/F to next year	390,242	93,404	-	-	-
Profit after set-off C/f losses	30%	30%	30%	30%	30%
Rate of corporate Tax					
Corporate Tax	-	-	79,583	147,527	178,117

Projected Inventories

Particulars	2008	2009	2010	2011	2012
Opening stock of RM	0	49,506	88,479	98,225	165,964
Closing Stock of RM	49,506	88,479	98,225	165,964	200,291
Increase (Decrease) in FG	49,506	38,973	9,746	67,739	34,327

Projected Sales New Project

Year 2008	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	125	125	125	175	175	250	250	200	225	250	250	250	2400
Jobs per Day	5	5	5	7	7	10	10	8	9	10	10	10	8
Year 2009	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	200	200	200	200	200	250	250	225	225	250	250	250	2700
Jobs per Day	8	8	8	8	8	10	10	9	9	10	10	10	9
Year 2010	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	250	250	250	250	250	250	250	250	250	250	250	250	3000
Jobs per Day	10	10	10	10	10	10	10	10	10	10	10	10	10
Year 2011	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	300	300	300	300	300	300	300	300	300	300	300	300	3600
Jobs per Day	12	12	12	12	12	12	12	12	12	12	12	12	12
Year 2012	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
No. of jobs	325	325	325	325	325	325	325	325	350	350	350	350	350
Jobs per Day	13	13	13	13	13	13	13	13	14	14	14	14	13

i.	Description	Formula	2008	2009	2010	2011	2012	Average
	Return on Capital Employed	PBT/FA +Working Capital	20.19	26.25	33.85	50.50	50.50	37.84
	Return on Sales	PBT/Sales	22.43	27.60	30.45	35.78	38.29	30.91
	Gross Profit	Gross Profit/Sales	65.06	64.94	65.13	65.18	65.13	65.09
	Asset Turnover	Sales/Fixed Assets + Working Capital	1.28	1.75	2.42	3.62	5.40	2.89
	Return on Fixed Assets	PBT/Fixed Assets	30.00	50.86	78.57	145.40	242.08	109.38
	Current Ratio	Current Assents/Current Liabilities	12.62	18.44	20.77	16.45	19.34	17.52
	Quick Ratio	Current Assets-Inventories/Current Liabilities	10.22	14.55	16.60	11.61	13.82	13.36

Projected Ratio Analysis

PRINTING BUSINESS-REQUIREMENTS

1. Equipment	QNT	PRICE	TOTAL
• One Heidelberg Speed master Two-Colour offset Press	1		Euro 405,000.00
• High Speed Cutter POLAR 115x	1		Euro 75,400.00
• Multinak twin head stapler	1		Euro 6,550.00
• Helioprint Printing Down Frame Model PD-290-for Plate Making	1		Euro 8,400.00
Total Euro			Euro 495,350.00
2. Motor Vehicles			
• 3tons canter	2	25,000.00	USD 50,000.00
• 1ton p/up	2	30,000.00	USD 60,000.00
• 4WD Cars	2	40,000.00	USD 80,000.00
• Saloon car	1	15,000.00	USD 15,000.00
• Bajaj	3	3,000.00	USD 9,000.00
3. Graphic Designing Studio			
• Computers-Macintosh	3	3,000.00	USD 9,000.00

• Scanner	1	1,000.00	USD	1000.00
• Printers	2	1,000.00	USD	2,000.00
• Dig.camera	2	750.00	USD	1,500.00
4. Office Furniture				
• Executive tables	5	700.00	USD	3,500.00
• Executive chairs	5	300.00	USD	1,500.00
• Tables	10	250.00	USD	2,500.00
• Chairs	10	200.00	USD	2,000.00
• Conference table	1	800.00	USD	800.00
• Conference chairs	8	200.00	USD	1,600.00
• Visitors chairs	20	100.00	USD	2,000.00
• Cupboards	5	250.00	USD	1,250.00
5. Office computers	5	1,200.00	USD	6,000.00
6. A/Cs Split units	20	600.00	USD	12,000.00
7. Standby Generator	1	30,000.00	USD	30,000.00
8. Rent-12months	12months		USD	18,000.00
9. Office renovations	lump		USD	15,000.00
10. Working capital	lump		USD	100,000.00
Total USD			USD	422,650.00

2M MEDIA LIMITED

BUSINESS PLAN FOR ESTABLISHING DIGITAL IMAGING PRESS PROJECT

Prepared for :
2M Media Limited,
P.O.Box 20574,
Dar Es Salaam

20th October, 2008

1.0. INTRODUCTION

2M Media Limited is a established company incorporated under the Companies Act 12 of 2002 under Certificate of Incorporation No. 67867 dated 09th October, 2008 having its registered office in Dar es Salaam.

Since its establishment 2M Media Limited has been engaged in the Sign manufacturing, advertisements, colour separation, coordinating printing activities through established printers.

The company sees very bright prospects in Offset Printing and therefore the directors have decided to venture into this area. Initially they plan to start with Offset Printing before moving into Digital imaging Press at a later stage.

To give one stop service to its client under one roof, 2M Media Limited has studied and researched various options in order to offer printing services to its clients which currently have to be sub-contracted to other printing companies. Further, due to the lack of quality printers in the country, most of the quality printing is outsourced and get done from Kenya, Dubai, South Africa or India.

Looking to this 2M Media Limited management had evaluated various options for printing, which includes color photocopiers, toner based colour printers (such as indigo and Xeikon), traditional offset and digital imaging presses (DI).

Of these options, only the DI presses target the fastest growing segment of the print market: runs of 500 to 10,000 or more sheets which is the strategic gap between fast toner devices and traditional offset. Apart from the speed, DI gives excellent quality output at very low cost compared to any other traditional printers.

The company however will start with traditional offset before moving to DI Press at later stage when it would have accumulated adequate and customer to go for the latest technology

DIGITAL IMAGING PRESS PROJECT

Evaluating the above advantages of Digital imaging, 2M Media Limited management has opted to start with offset printing to test the printing market before moving to Digital colour Printing and Digital Imaging press at a later stage which will then enable them to provide all services to its client at one door stop.

Hence this report presents an evaluation of investment and payback from offset Printing on 2M Media Limited.

2.0. ABOUT THE PROJECT PROMOTERS

2.1. Introduction

2M Media Limited is a newly registered Company and has been Incorporated in October, 2008 by three principals: Mr. Azim M. Somji, Mrs. Nazneen Azim Somji and Mrs. Anubha Pandey as a limited liability company under Certificate of Incorporation No: 67867 dated 09th October, 2008. They are basically dealing in Sign Manufacturing, colour separation, coordinating printing activities and publishing the famous various magazines. Since inception, the company has been very successfully in all the four ventures and the directors see very bright prospects in the printing industry.

2.2. Shareholding Pattern

To date the company has three shareholders who are also the directors of the company, they are:

1. Mr. Azim M. Somji
2. Mrs. Nazneen A. Somji
3. Mrs. Anubha Pandey

The shareholding pattern of the company is as follows:

Name and Address of Subscribers	Number of Shares Taken by Each	% shareholding
Mr. Azim M. Somji, P. O. Box 20574, DAR ES SALAAM	300	30%
Mrs. Nazneen A. Somji, P. O. Box 20574, DAR ES SALAAM	200	20%
Mrs. Anubha Pandey P.O. Box 20574, DAR ES SALAAM	500	50%
Total	100	100%

2.3 Management

The company will be under the Board of Directors who will be at the helm of the affairs of the company even day to day activities and decision making. These will be assisted by a team of professionals to be led by the press Manager who will in turn be assisted by heads of departments.

2.4 Services

Currently, 2M Media Limited deals in three business areas :

- Sign Manufacturing
- Coordinating Printing activities of all kinds
- Publisher of various magazines

1. Prepress-color separations

2M Media Limited uses Agfa image setters to output films up to A2-extra. 2M Media Limited's main prepress clients are printers. In addition to color separations, 2M Media Limited professional prepress services include

- Imposition
- Trapping
- Cromalin proofs
- Print consulting and advising
- High resolution scanning and for placement only (fpo) images
- High quality photo CD images and Professional photos
- Spot and process colours; and
- Keylines

2. Graphic Design

2M Media Limited's design services apply to its entire production areas (prepress) large format, identity cards) but also offer service in designing multimedia presentations as well as web pages.

2.5. 2M MEDIA LIMITED Edge Over Competitors

- 2M Media Limited is known for best design in good turnaround time

- All the Directors are technically very sound in color printing and they advice other printers on technical issues.
- Direct control of the directors on operations of the company
- Specialization in color separations and publishing.

3. ABOUT THE DIGITAL IMAGING PRESS PROJECT

3.1 Introduction

To give one stop services to its client under one roof, 2M Media Limited has studied and researched various options in order to offer printing services to its clients, which currently has to be sub-contracted to other printing companies. further, due to the lack of quality printer in the country, most of the quality printing is outsourced to Kenya, Dubai, South Africa or India.

Looking to this, 2M Media Limited management has evaluated various options for printing, which includes color photocopier, toner based colour printers (such as Indigo and Xeikon), traditional offset and digital imaging presses (DI). Of these options, only the DI presses target the fastest growing segment of the print market: runs of 500 to 10,000 of more sheets which is the strategic gap between fast toner devices and traditional offset. Apart from the speed, DI gives excellent quality output at very low cost compared to any other traditional printers.

Hence, 2M Media Limited management intends to invest in a Digital imaging Press (DI) manufactured by Heidelberg Quick master DI (Germany), which will be the first DI press in Tanzania.

3.2 DI Technically

A brief of DI Technology and related issues are given below:

3.2.1 Digital Imaging (DI)

DI is an acronym for Direct Imaging: A DI press is connected to a Postscript-based prepress system in a similar fashion as a laser printer – the press becomes a high tech computer peripheral. The postscript data is used to simultaneously image the four printing plates in register, directly on press.

3.2.2 DI Technology

A successful DI strategy is a combination of three core technologies working in unison – 1- laser imaging, 2. thermal plate and 3. press design. This process requires the fewest steps from digital file to plate, eliminating the need for a safelight environment, reducing waste and removing chemical processing from the plate making process.

3. Difference between A DI press and Digital printer

The different technologies, Digital printers, such as HP Indigo and Xeikon Per-based printers that provide copier quality in run lengths of less time tabled presses deliver true lithographic quality – ink on paper in quality and greater. Digital printers are limited to the stock that they use, we use any stock from onion skin to board thickness within the proper specifications. With a digital printer each finished piece has fixed designed for production printing. DI presses are clearly and most cost effective solution for short run color printing.

4. Types of Products That Can Be Printed

A be printed on a conventional press can be printed on a DI press, Ins, books, documentation, sales literature, point of purchase di packaging and forms.

5. Print Quality

Ded by presstek DI technology deliver best quality offset printing. DI provide output at 2540 dpl in comparison to the 600 dpi from toems. In comparison tro traditional offset printing methods, DI quality because the DI production process reduces manual in the number of iterations between the original and finished plate. The associated with conventional production methods, such as eres, processor condition, and ages of chemistry have been

6. Suitable for versioning

Date changing and excellent registration, DI presses will easily needs. For example, a sales brochure can easily be printed in simply by changing the black plate.

7. Requirements for designer, while using a DI enabled printer

Press, carries many of the some requirements as printing to a the designer should start by talking to the printer. Before the printer, a

designer should make sure they have completed include all fonts, converted images to CMYK, checked bleed sizes and trapping in handled by the printer or in house.

8. Wastage

Dominates hazardous waste material right up to the final step of chemical processing are eliminated. Since the plates are non disposal problems associated with heavy metals are gone, as is the co is a waterless printing process, fountain and alcohol substitutes an the ready time of DI presses significantly reduces paper waste an also recyclable.

Products & Services

In addition to the existing services, DI will enable to offer the in-house production high quality, fast turn-around printed material. With DI, 2M Media Limited will initially specialize in the full color production of:

- Brochures and leaflets;
- Books and booklets;
- Posters and calendars (up to A3);
- Advertising materials
- Newspaper
- Magazines
- Signs Manufacturing

Subsequently, new products like foil embossing & special laminates will be introduced.

2M Media Limited training division will promote the advantages of DI technology by offering seminars to graphic designers, advertising agencies, signs and other interested parties.

3.3 Financial Analysis

This section presents the financial analysis of DI project of 2M Media Limited:

- Firstly, we analysis the financial statement and evaluate the project viability.
- Secondly, we present the discounted cash flow valuation
- Thirdly, we outline the financing plan, detailing the amount of finance required.
- Finally, we explain the main assumptions that have been made in the financial model

- Finally, we have given the projected Financial Statements for the period of 5 years i.e. Projected Cash Flows statement, Projected Profit and loss Account and Projected Balance Sheet, they are set out in Annexure A,B. and C respectively.

3.3.1 Profitability analysis

In table below, we show the main financial ratios for the DI project based on the Projected Financials Statements for 5 years. All ratios are average ratios for the period of 5 years. Further the detailed calculation of the ratios is set out in Annexure-D.

Table of main financial ratios

No	Description	Ratios
1	Return on Capital employed	37.84%
2	Return on Sales	30.91%
3	Gross Profit	65.09%
4	Return on Fixed Assets	109.38%
5	Asset Turnover	2.89
6	Current Ratio	17.52
7	Quick Ratio	13.36

Profitability

The Average return on Capital ratio is 37.84% and average return on Fixed Asset ratio is 109.38%, which shows there is a good return on the capital employed in the project. Gross profit ratio is 65.09% & even return on Sales ratio is 30.91%. which looks to be very healthy in the current competitive situation. These ratios illustrate the profitability of the project and shows that the investment is yielding high returns.

Liquidity

Looking to the average current ratio and quick ratio, which are much higher than the standard expected ratios, reflects very strong liquidity position of the company average current ratio is 17.52 and average quick ratio is 13.36 as compared to normal standard ratio of 1.50 and 1.0 respectively.

Recovery

Further, looking to discounted cash flows explained in next paragraph, shows that cash inflows from operations will recover whole initial capital investment within 5 years. Initial capital investment is T Shs. 700

Million and accumulated discounted operational cash flows (discounted at 12% per annum) of 5 years is T Shs. 857.95 Million, which shows a surplus of T. Shs 157.95 Million after recovery of total initial investment. Hence the gestation period for recovery of capital investment is very low.

Looking to the figures of profitability, liquidity position, gestation period for recovery of capital investment with the accumulated profit (T. Shs 177.04 Million – after and average dividend pay - out of 28%), and investment seems to be very money spinning.

3.3.2 Discounted Cash Flows

The discounted cash flows methodology calculates the valued of and investment based upon its expected cash generation. Based on in-depth analysis of the capital investment. Planned pre-operating costs, the forecasted operating cost and the expected financing costs we have prepared a projected cash flow for 5 years set out in Annexure A.

The cash flows are then discounted to reflect the fact that investors value money now more highly than money in the future. The calculation of the discounted cash flow for 5 years is presented in “Annexure A,. these discounted cash flows are then added up to provide a forecast discounted cash flow for 5 years of the company operations. If this accumulated discounted cash flows from operations are higher than the initial investment the project is to be considered good for the investment.

Discounted Cash Flow (In T. Shs. ‘000’)

Particulars	Amount
Capital Investment	1,000,000
Discounted Cash Flow of 5 year from operations	857,952
Higher cash flows from operations than capital	157,957

Note : Cash flows are discounted T. Shs inflation rate of 8% per annum.

It is apparent from the above table the project is profitable and viable; the accumulated discounted cash flows of 5 years from operations are higher than the capital investment. Further the project will operating even after 5 years at same face and will be generating the higher cash flows

3.3.3 Financing Plan

The capital investment requirements of the project are estimated at approximately US\$1,000,000. The break down of the uses of these funds is set out in below given table.

CAPITAL ITEM	COST (US\$)
Office Renovations	15,000
Plant, machinery and Equipment	631,850
Motor Vehicles	214,000
Furniture, Fixture & fittings	21,150
Pre operational Expenses	18,000
Sub total	900,000
Add: Initial Working Capital	100,000
GRAND TOTAL	1,000,000

Apart from the capital investment of **US\$ 900,000** project would require a working capital of **US\$ 100,000** to start the operations.

3.3.4 Assumptions

- The financial statements are prepared in Tanzania Shilling Currency and exchange rate for conversation of foreign currency transactions is taken at 1 US\$= T Shs. 1,200 and 1 Euro = T.Shs. 1,462.
- The fixed assets of the company are depreciated on a straight line method.
- The pre-operating expenses are amortized over a period of 5 year in equal installments.
- It is assumed that initial capital investment in the project, will be allowed as expenditure for tax calculation purpose and hence carry forward loss for first year after capital allowance will set of with subsequent year profits due to which there is no corporate tax in first two years of operations.
- Corporate tax is calculated at the flat rate of 30%for all the years of projections.
- Debtors realization period is considered as:
 - year 1-2 months
 - year 11 onwards – 2 & half months.
- Creditors' payment period is considered as one month.

3.4 Market Analysis

This section presents the market analysis of DI project of 2M Media Ltd

- Firstly, we analysis the Market Potential of DI printing in the country
- Secondly, we analysis the situation, where competition increase for DI
- Thirdly, we analysis the situation of Seasonal Sales fluctuations for DI
- Fourthly, we analysis the situation of increase in cost.
- Finally, we give the distinct competence or edge of 2M MEDIA LIMITED over other competitors.

3.4.1 Market Potential

Market research shows that Tanzania's economy is expanding due to large investments from South African and other foreign companies. In fact, Tanzania is one of the faster growing economies in Africa according to KPMG's Economic Performance report 2001/2002.

Moreover, the current demand for high quality, fast turnaround printed material cannot be met by the present vendors, 2M Media Limited's survey shows that clients are dissatisfied with the unpredictable quality and uncertain delivery times. Despite large investments in equipment by the present vendors, some clients still do not print their work locally and prefer to send their fobs to Nairobi, Mauritius, South Africa, Dubai or India there are three factors that influence a clients decision in terms of choosing a printer.

- Quality
- Turnaround time; and
- Cost

These three factors make up the printers triangle in which clients can choose two of the tree factors. In other words, a client might choose to have something delivered quickly and with a cheap price in which case the client understands that the quality may suffer. Alternatively, a client may choose to have the best quality and a low price in which case the client understands that the delivery time may take longer. Clients understand that only two of the tree factors are obtained on any given print job.

However, given the current state of the industry, clients in Tanzania can only choose one of these three above factors. This leads to dissatisfaction and frustration on the clients' part.

Digital imaging technology can provide the best quality and fastest turnaround time within a competitive pricing scheme and therefore meet the clients demands. Currently, there is no DI press in Tanzania.

3.4.2 Marketing plan

2M Media Limited has an excellent clients tally for its current services including for the printing jobs. Currently, most of the jobs received by them are including printing jobs, which need to be sub-contracted to the other printers in the market. Hence the DI project has the ready clients groups for printing which in turn minimizes the task of marketing for DI .printers Limited will approach the market place through advertisements in the media as well as direct marketing by appointing 3 marketing executive in first year. In addition, mark Ad Printers Limited will strive to keep their offices centrally located so as to easily capitalize on all sectors of the market ranging from walk in clients to larger standing orders

3.4.3 Current Competition for DI

Currently, there are no vendors or companies having DI technology in the Tanzania. There are few companies in Kenya, Johannesburg and Malawi having DI in the Tanzania.

3.5.4. Coping with increase in Competition

It is expected, that in a growing economy such as Tanzania's any successful business idea will be copied. 2M Media Limited was founded on a new idea (color separations) and has determined that its strategic advantage lies in staying one step ahead of the competition in terms of using new technologies. While maintaining the highest quality standards and fastest turnaround times is paramount to dealing with competition, in terms of using new technologies, while maintaining the highest quality standards and fastest turnaround times is invest in value added services such as gold foil embossing to maintain its lead over others in future.

3.5.5. Coping With Sales Fluctuations

The Tanzania printing industry does have high and low seasons. The high seasons being October / November (due to order for calendars) and May (orders for the Saba Saba trade fair); the low seasons being August / September.

2M Media Limited's strategy for maintaining sales targets will include promotions. For example:

- Business Card day (special pricing for business card orders once per week)
- Calendars in August (special pricing on calendars for early orders)
- Reminder notices to customers to fill their standing orders;
- Discount programme for loyal client and;
- Quarterly newsletter with advice on marketing and business promotions highlighting the use of specialty printed materials.

3.5.6. Coping With Increase Cost

DI is a relatively new technology. Therefore it is reasonable to assume that the costs of consumables (inks and plates) will decrease with time as the technology advances.

Nonetheless, 2M Media Limited will always strive to identify better suppliers and to take advantage of the opportunities that exist via the various diplomatic missions to import raw materials under advantageous terms. For example, The Exim Bank Programme through the U.S. Government offers insurance and loan guarantees to exporters of U.S. made goods (note: the U.S. based company Presstek, holds the patent for the DI plate and is the worldwide exclusive manufacturer).

3.5.7 Distinct Competence or Edge over Competitors

DI technology requires expertise in both printing as well as technologies such as computer networking, systems administration, raster image processing (RIPing) and post Script language. 2M Media Limited is uniquely positioned to take advantage of this new technology due to the managerial and field expertise of its founders. Moreover the technology itself is a distinct advantage over traditional offset printing in that it offers consistent quality with quick, efficient make – ready times.

The current infrastructure, set-up & client tally of 2M Media Limited is great edge over any new corner in the market.

All the three directors possess several years of experience in prepress, printing and graphic design. As founders of 2M MEDIA LIMITED, they are responsible for introducing color printing to Tanzania by being the first to product full color printed material with digital color separations, together the principals have spent more than ten years working extensively with all sectors in the target market for this project. They also uniquely possess the technical knowledge, and expertise required for success in a project of this nature.

The DI technology fills a void in the existing printing market: current vendors do not supply the quality nor can they meet the tight deadlines of to days market. Traditional offset printing relies on a skilled press operator who has the knowledge, training and experience to reliably control the ink/water mixture on the press. However, the DI technology is a waterless adjustments. And plates as well as prepare the press. DI technology does not require color separations or plates and therefore has a shorter make ready time.

3.6 Employment Generation

The new DI project will result in providing additional employment opportunities in the country. The additional manpower requirement in each year is summarized as under:

Manpower	2008	2009	2010	2011	2012
Finance Controller	1	1	1	1	1
Marketing Team	3	3	4	4	4
DI operators	2	2	2	2	2
Designers	3	3	3	3	3
Finishing / Packing Sec.	2	2	3	3	3
Unskilled Labor	5	6	6	7	8
Total Human Resources	16	17	19	20	21

3.7 Environmental Analysis

Direct imaging eliminates hazardous waste material right up to the final step of printing. Film and chemical processing are eliminated, since the plates are non-photographic, disposal problems associated with heavy metals are gone, as is the cost. And, since DI is a waterless printing process, fountain and alcohol substitutes are eliminated.

Further, DI presses significantly reduces the paper waste and the plates used in the process are recyclable. Hence, DI process is highly environmental friendly and eliminates any type of solid, liquid or gas pollution.

3.8 Economic Analysis

The DI printing will enable the clients to have quality printing from the local markets instead of getting jobs done from the other countries, which in turn will help the economy to save the foreign exchange.

Further, the new project will generate employment to around 16 persons upon expansion and may go up to 21 by year 5. it shall also contribute to

the exchequer in the form of direct taxes and levies on profits and turnover. Further, it shall also contribute to the exchequer in the form of indirect taxes such as VAT, PAYE, Skills and Development levy etc.

4 CONCLUSIONS

The DI project shall start generating profits from the first year of its operation and looks highly profitable in subsequent years. The company will also generate employment opportunities for about 20 personnel, which in itself is a contribution to the growth of country economy.

Looking to the figures of profitability, liquidity position, gestation period for recovery of capital investment with the accumulated profit (T. Shs 177.04 Million – after and average dividend payout of 28% P.A). Investment seems to be very money spinning.

Projected cash flow Statement year ended 31st December. (in Tshs 000)

Particulars	Ref	2008	2009	2010	2011	2012
I. CASH FLOW FROM OPERATING ACTIVITY						
Profit Before Tax (PBT)	Snh.6	148,060	215,140	276,981	410,060	512,025
Add: Adjustment to Depreciation		70,504	70,504	70,504	70,504	70,504
Pre-operating Exp. amortized during the years		11,194	11,194	11,194	11,194	11,194
Cash flow before Working Capital Changes		229,758	296,838	358,679	491,758	593,723
Working Capital Changes	Sch.8	(49,506)	(38,973)	(9,746)	(67,739)	(34,327)
Inventories		(107,250)	(55,172)	(27,070)	(49,268)	(39,793)
Sundry Debtors		20,628	2,113	813	10,776	1,992
Sund		-	-	-	-	-
Outstanding Expenses	Sch.7	-	-	(79,583)	(147,527)	(178,117)
Tax payment		(136,129)	(92,032)	(115,586)	(253,788)	(250,246)
Net (increase) Decrease in Working Capital						
Cash inflow (outflow) from Investing Activity		93,630	204,807	243,093	237,969	343,477
II. CASH FLOW FROM INVESTING ACTIVITY						
purchase of fixed assets	Sch.6	564,030	-	-	-	-
pre-operating expenses		55,970	-	-	-	-
CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITY		620,000	-	-	-	-
III. cash flow from financing activity						
share Capital		-	-	-	-	-
Inflow from financing activity		700,000	-	-	-	-
Outflow		700,000	-	-	-	-
Dividend		-	-	-	-	-
Outflow from financing activity		70,000	140,000	210,000	280,000	280,000
		70,000	140,000	210,000	380,000	280,000
Cash Inflow/(outflow)from Financing Activity		630,000	(140,000)	(210,000)	(280,000)	(280,000)
Net cash inflow/(outflow)		103,630	64,807	33,093	(42,031)	63,477
Cash & Equivalents at the beginning of the year		0	103,630	168,436	201,529	159,498
Cash & Equivalents at the end year		103,630	168,436	201,529	159,498	222,975
T Sh. Inflation			12%	12%	12%	12%
T Sh. Inflation index		100	112	125	140	157
Discounted cash Flow from Operations		93,630	182,863	193,792	169,382	218,286
Net present value (NPV)from Operation in 5 years		857,952				

PROJECTED BALANCE SHEET

Particulars	Sch	2008	2009	2010	2011	2012
<u>1. APPLICATION OF FUNDS</u>						
FIXED ASSETS	6	293,526	423,023	352,519	282,015	211,511
INVESTMENTS		-	-	-	-	-
CURRENT ASSETS						
INVENTORIES	8	49,506	88,479	98,225	165,964	200,291
SUNDRY DEBTORS		107,250	162,422	189,492	238,760	278,554
CASH & BANK BALANCE		103,630	168,436	201,529	159,498	222,975
TOTAL CURRENT ASSETS		260,386	419,337	489,247	564,223	701,820
LESS: CURRENT LIABILITIES SUNDRY CREDITORS		20,628	22,741	23,554	34,300	36,291
OUTSTANDING EXPENSES						
TOTAL CURRENT LIABILITIES		20,628	22,741	23,554	34,300	36,291
NET CURRENT ASSETS		239,758	396,596	465,693	529,923	665,529
MISCELLENOUS EXPENDITURE						
PRE-OPERATING EXPENDITURE		44,776	33,582	22,388	11,194	-
TOTAL		778,060	853,201	840,599	823,133	877,040
SOURCE OF FUNDS						
<u>AUTHORISED SHARE CAPITAL</u>						
ISSUED & PAID UP SHARE CAPITAL		700,000	700,000	700,000	700,000	700,000
RESERVES & SURPLUS						
LOANS		78,060	153,201	140,599	123,132	177,040
TOTAL		778,060	853,201	840,599	823,132	877,040

PROJECTED PROFIT & LOSS

(amount in Tshs '000)

PARTICULARS	SCH	2008	2009	2010	2011	2012
Sales	1	660,000	779,625	909,563	1,146,049	1,337,057
Direct Expenses	2	230,592	273,332	317,123	399,019	466,171
Gross Profit		429,408	506,293	592,439	747,029	870,886
Operating Expenses	3	66,150	66,150	62,605	69,960	73,321
Human Resource Cost	4	133,200	133,200	146,520	184,912	203,403
Finance Cost	5	300	300	330	399	439
Pre-operating Expenses		11,194	11,192	11,194	11,194	11,194
Profit/ (Loss)before Depn & Tax (PAT)		218,564	285,644	347,485	480,564	582,529
Depreciation	6	70504	70,504	70,504	70,504	70,504
Profit/(loss)after tax(PAT)		148,060	215,140	276,981	410,060	512,025
Corporate Tax	7	-	-	79,583	147,527	178,117
Profit/ (Loss) after Tax (PAT)		148,060	215,140	197,399	262,533	333,908
PROFIT AND loss Appropriation A/C		-				
Balance as at beginning of the year			78,060	153,201	140,599	123,132
Profit (Loss for the year		148,060	215,140	197,399	262,533	333,908
Dividend (%)		10%	20%	30%	40%	40%
Dividend		70,000	140,000	210,000	280,000	280,000
Balance as at the end of the year		78,060	153,201	140,599	123,132	177,040

Projected sales of DI project

(No. of jobs of 1,000 Qty)

Particular	2008	2009	2010	2011	2012
Total Installed Capacity per shift of 8hours	64	64	64	64	64
No. of working days per annum	300	300	300	300	300
Total Installed Capacity per annum based on single shift	19,200	19,200	19,200	19,200	19,200
Utilized Capacity in percentage	13%	14%	16%	19%	21%
Utilized Capacity per annum (for monthly refer Sch.10)	2,400	2,700	3,000	3,600	4000
Selling Price per Job of DI Printing (in Tshs.000)	230	242	254	266	280
Selling of DI Printing (In Tshs '000)	552,000	652,050	760,725	958,514	1,118,266
Selling Price per Job of DI Design (In Tshs '000)	45	47	50	52	55
Sale of DI Designing (in Tshs '000)	108,000	127,575	148,838	187,535	218,791
Total Sales (In Tshs '000)	660,000	779,625	909,563	1,146,049	1,337,057

Particulars	Nos	2008	2009	2010	2011	2012
<u>COST PER JOB</u>						
A. Material cost	4.00	56.00	58,80	61.74	64.83	68.07
Plates	0.30	3.60	3.78	3.97	4.17	4.38
Inks	0.10	0.20	0.21	0.22	0.23	0.24
Dampering felt	0.05	0.10	0.11	0.11	0.12	0.12
Cloth for plate cylinder	0.02	0.11	0.12	0.12	0.13	0.13
Blankets	1,500.00	22.63	23.63	24.81	26.05	27.35
Paper 1000 A4 Sheet						
Total Material Cost Per job (A)		82.51	86.64	90.97	95.52	100.29
B. Labour (Unskilled)	5.00	6.00	6.00	7.00	8.00	
No. of labour	2,400.00	2,520.	2,646.00	2,778.30	2,917.22	
Salary per annum	2,400.00	00	3,000.00	3,600.00	4,000.00	
Estimated jobs per annum		2,700.	00			
Total Labour Cost per Job (B)		5.00	5.60	5.29	5.40	5.83
C. Electricity Cost		8.57	9.00	9.45	9.92	10.42
Total Direct Cost per Job (A+B+C)		96.08	101.23	105.71	110.84	116.54
Estimated jobs per annum		2,400.00	2,700.00	3,000.00	3,600.00	4,000.00
TOTAL DIRECT COST PER ANNUM		230,592.00	273,331.80	317,123.10	399,019.45	466,170.96

Projected Operating Expenses for the New Project

Particular	2008	2009	2010	2011	2012
Rent, Rates and taxes	20,100	20,100	20,100	21,105	21,105
Office electricity	2,400	2,640	2,904	3,194	3,514
Licenses	500	600	600	750	750
Postage & telephone	6,000	6,600	7,260	7,986	8,785
Vehicle Running Expenses	2,400	2,640	2,904	3,194	3,514
Advertisement & Publicity	12,000	6,000	6600	7,260	7,986
Local Conveyance	1,000	1,100	1,210	1,331	1,464
Legal & Professional fees	1,000	1,100	1,210	1,331	1,464
Repairs & Maintenance	5,000	5,500	6,050	6,655	7,321
Insurance	10,000	10,000	9,500	9,500	9,000
Traveling	5,000	5,500	6,050	6,655	7,321
Auditors Remuneration	750	825	908	998	1,098
Total	66,150	62,605	65,296	69,960	73,321

Projected Human Resource Expense for the New Project.

ITEM Particulars	2008		2009		2010		2011		2012	
	No	Amount	No.	Amount	No	Amount	No	amount	no	amount
Directors Remuneration	2	4,000	2	4,400	2	4,840	2	5,324	2	5,856
Finance Controller	1	1,500	1	1,650	1	1,815	1	1,997	1	2,196
Marketing Team	3	600	3	660	4	957	4	1,053	4	1,158
DI Operators	2	2,000	2	2,200	2	2,420	2	2,662	2	2,928
Designers	3	2,400	3	2,640	3	2,904	3	3,194	3	3,514
Finishing / packing Section	2	600	2	660	3	1,073	3	1,180	3	1,298
Total Human Resource Cost per Month	13	11,100	13	12,210	15	14,009	15	15,409	15	16,950
Total Human Resource Cost Per Annum	13	133,200	13	146,520	15	168,102	15	184,912	15	203,403

Project Finance Cost

(Amount in Tshs. '000)

Particular	2008	2009	2010	2011	2012
Bank charges	300	330	363	399	439
Total	300	330	363	399	439

PROJECTED TAX CALCULATION FOR PERIOD

PARTICULAR	2008	2009	2010	2011	2012
Profit as per P&L A/c	148,060	215,140	276,981	410,060	512,025
Add .Depreciation	70,504	70,504	70,504	70,504	70,504
Pre-operating Exp.	11,194	11,194	11,194	11,194	11,194
Amortized during the year	229,758	296,838	358,679	491,758	593,723
Total Profit	620,000	-	-	-	-
Less: capital Investment allowable (100%)	-	296,838	93,404	-	-
Set-off of carry forward losses against profits					
Losses C/F to next year	390,242	93,404	-	-	-
Profit after set-off C/f losses	30%	30%	30%	30%	30%
Rate of corporate Tax					
Corporate Tax	-	-	79,583	147,527	178,117

Projected Inventories

Particulars	2008	2009	2010	2011	2012
Opening stock of RM	0	49,506	88,479	98,225	165,964
Closing Stock of RM	49,506	88,479	98,225	165,964	200,291
Increase (Decrease) in FG	49,506	38,973	9,746	67,739	34,327

Projected Sales New Project

Year 2008	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	125	125	125	175	175	250	250	200	225	250	250	250	2400
Jobs per Day	5	5	5	7	7	10	10	8	9	10	10	10	8
Year 2009	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	200	200	200	200	200	250	250	225	225	250	250	250	2700
Jobs per Day	8	8	8	8	8	10	10	9	9	10	10	10	9
Year 2010	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	250	250	250	250	250	250	250	250	250	250	250	250	3000
Jobs per Day	10	10	10	10	10	10	10	10	10	10	10	10	10
Year 2011	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Des	Total
No. of jobs	300	300	300	300	300	300	300	300	300	300	300	300	3600
Jobs per Day	12	12	12	12	12	12	12	12	12	12	12	12	12
Year 2012	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
No. of jobs	325	325	325	325	325	325	325	325	350	350	350	350	350
Jobs per Day	13	13	13	13	13	13	13	13	14	14	14	14	13

i.	Description	Formula	2008	2009	2010	2011	2012	Average
	Return on Capital Employed	PBT/FA + Working Capital	20.19	26.25	33.85	50.50	50.50	37.84
	Return on Sales	PBT/Sales	22.43	27.60	30.45	35.78	38.29	30.91
	Gross Profit	Gross Profit/Sales	65.06	64.94	65.13	65.18	65.13	65.09
	Asset Turnover	Sales/Fixed Assets + Working Capital	1.28	1.75	2.42	3.62	5.40	2.89
	Return on Fixed Assets	PBT/Fixed Assets	30.00	50.86	78.57	145.40	242.08	109.38
	Current Ratio	Current Assents/Current Liabilities	12.62	18.44	20.77	16.45	19.34	17.52
	Quick Ratio	Current Assets-Inventories/Current Liabilities	10.22	14.55	16.60	11.61	13.82	13.36

Projected Ratio Analysis

PRINTING BUSINESS-REQUIREMENTS

1. Equipment	QNT	PRICE	TOTAL
• One Heidelberg Speed master Two-Colour offset Press	1		Euro 405,000.00
• High Speed Cutter POLAR 115x	1		Euro 75,400.00
• Multinak twin head stapler	1		Euro 6,550.00
• Helioprint Printing Down Frame Model PD-290-for Plate Making	1		Euro 8,400.00
Total Euro			Euro 495,350.00
2. Motor Vehicles			
• 3tons canter	2	25,000.00	USD 50,000.00
• 1ton p/up	2	30,000.00	USD 60,000.00
• 4WD Cars	2	40,000.00	USD 80,000.00
• Saloon car	1	15,000.00	USD 15,000.00
• Bajaj	3	3,000.00	USD 9,000.00
3. Graphic Designing Studio			
• Computers-Macintosh	3	3,000.00	USD 9,000.00

• Scanner	1	1,000.00	USD	1000.00
• Printers	2	1,000.00	USD	2,000.00
• Dig.camera	2	750.00	USD	1,500.00
4. Office Furniture				
• Executive tables	5	700.00	USD	3,500.00
• Executive chairs	5	300.00	USD	1,500.00
• Tables	10	250.00	USD	2,500.00
• Chairs	10	200.00	USD	2,000.00
• Conference table	1	800.00	USD	800.00
• Conference chairs	8	200.00	USD	1,600.00
• Visitors chairs	20	100.00	USD	2,000.00
• Cupboards	5	250.00	USD	1,250.00
5. Office computers	5	1,200.00	USD	6,000.00
6. A/Cs Split units	20	600.00	USD	12,000.00
7. Standby Generator	1	30,000.00	USD	30,000.00
8. Rent-12months	12months		USD	18,000.00
9. Office renovations	lump		USD	15,000.00
10. Working capital	lump		USD	100,000.00
Total USD			USD	422,650.00