

CONFIDENTIAL



Sendan Limited

Establishment of Fast food Restaurant under International Franchise

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Introduction

Subway is an International restaurant franchise that specializes as a healthier fast food alternative. Sendan limited is a company which is officially authorized as a Subway Franchise. Sendan Limited will provide a combination of excellent food at value pricing, with fun packaging and family friendly ambience.

In today's highly competitive environment, it is becoming increasingly difficult to differentiate one fast food outlet from another. Dar es Salaam, a city state, is now becoming the model metropolis for East Africa's new economic boom. With more than 11 million visitors yearly, Tanzania's retail sector is the strongest in the region. In today's highly competitive environment, fast food outlets like Subway in and around the city would be a game changer.

With existing two Subway outlets, Our main priority is to establish two additional outlets in the upcoming lively and popular hangout spots in Dar es Salaam. Later, our effort will be a further development of more retail outlets in the surrounding area.

This plan is prepared to obtain a location for the initial launch of this concept. Additional financing will need to be secured for the two subsequent outlets, anticipated in month 13 and early in year three. The financing, in addition to the capital contributions from shareholders, will allow Sendan Limited to successfully open and expand through year two. The initial capital investment will allow Sendan Limited to provide its customers with a value-driven, entertaining experience through the creativity of its founders.

Sendan limited as Subway will entice youngsters to bring their friends and family with our innovative environment, freshly baked bread, fresh-cut vegetables and selection of unique signature sauces.

Objectives

- To establish a presence as a successful local fast food outlets and gain a market share in Dar es Salaam's fast food industry.
- To make Subway a destination spot for healthy and leisure fast-food lovers alike.
- To expand into a number of outlets by year three, and expand the franchise to neighboring metropolitan cities, such as Dodoma, Arusha and Mwanza.

Mission

Our main goal is to be one of the most successful fast food chains in Dar es Salaam, starting with four retail outlets located in and around the city.

Sendan Limited as Subway will strive to be a premier local fast food brand in the local marketplace. We want our customers to have the total luxury fastfood experience when visiting our outlets and website as they will learn about this healthy, fast, fresh and tasty variety of food.

Our main focus will be serving high-quality food at a great value.

Keys to Success

To succeed in this business we must:

- Create a unique, innovative, entertaining menu that will differentiate us from the rest of the competition.
- Control costs at all times, in all areas and implement a conservative approach to growth policy.
- Sell the products that are of the highest quality, as well as keeping the customers happy with all of our product categories from food to store merchandising.
- Provide 100% satisfaction to our customers and maintaining the level of excellent services among other competitors.
- Encourage the two most important values in fast food business: brand and image, as these two ingredients are a couple of main drivers in marketing communications.
- Get access to high-traffic shopping and office centers near the target market.
- Promote good values of company culture and business philosophy.

Company Summary

What is Sendan Limited?

Sendan Limited is a company that is officially authorized to own and operate the franchise of the International fast-food chain Subway. Sendan through Subway sells sandwiches with a choice of numerous breads, vegetables, meat and sauces. We use the concept of sandwiches, salads and beverages. Our outlet also provides excellent and friendly customer service to support the ambience of fun, energetic and youthful lifestyle.

Youthful and fresh surroundings

With already existing successful establishments, the majority of our core target market is between 8 to 45 years of age. Our store will feature display cooking of our featured sandwiches, salads, cookies and beverages. Our customers will also be able to read our in-house brochures in regards to all knowledge about different breads and our featured sauces. Our store will be decorated with fast food setting, such as a bright counter and display menu on the wall.

Quality food

Each store will offer nothing but fresh sandwiches, salads, beverages and variety of unique blend sauces, all served with old-fashioned home-style care.

Open everyday

Our stores are open every day from 9 am to 10 pm.

Variety, variety, variety

A different selection of sauces will be featured at all times and we will also have different soda flavors to accompany our dishes.

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Investment Summary

The retail outlets are rented at the target locations which are at a closer proximity to famous shopping and office areas. Our existing stores are located at Bibi Titi Mohamed road/ Ali Hassan Mwinyi Road, Mikocheni and we are opening soon at Oysterbay and Makumbusho for planned geographical distribution and the main reason of reaching larger traffic. Investment requirements will be financed through owner investments.

Investment Breakdown US\$

Land/Building	150,000
Plant and Machinery	330,000
Vehicles	100,000
Furniture & Fittings	100,000
Pre-expenses	
Others	
Working Capital	
TOTAL	680,000

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Company Locations and Facilities

Sendan Limited locations have been earmarked to start with Bibi Titi Mohamed, Mikocheni, Oysterbay and Makumbusho at Kinondoni Municipality for the main reason of reaching larger traffic.

They will range in size from 50 – 70 meter square and will seat from 25– 40 guests. Our first location is on the larger end of this range. The location will feature its own originality in merchandise display and other brand building attributes. We will equip the outlet with modern furniture and aim for cleanliness and an open feeling. The further locations that are all set to be open in Makumbusho and Oysterbay are the first of their kind in the whole of the African continent with a theme branded by Subway as “Fresh Forward”. This will provide a fresher look to our stores and provide a new definition to how fastfood restaurants are set up.

The space selection will be chosen based upon the following criteria:

- Community size: minimum of 200,000 people within a radius of 8 kilometers.
- Tourist destination and Office destination
- Easy access.
- Large percentage of teenagers in the community.

All of these qualities are consistent with Sendan Limited's goal of providing a top quality fast food experience. We want "word-of-mouth" to be our best form of marketing, where our customers value our brand as something exciting and cannot wait to tell their friends and neighbors.

Sendan Limited will directly compete with several fast food joints inside the chosen locations.

Products

We want to focus only on selling freshly sandwiches, salads, beverages and variety of unique sauces, all served with old-fashioned home-style care.

Product Description

Sendan Limited through Subway primarily in each store will offer nothing but freshly sandwiches, salads, beverages and variety of unique blend sauces, all served with old-fashioned home-style care.

Competitive Comparison

Subway has several advantages over its leading competitors:

- Freshly baked breads and unique "fusion" concept of sauces.
- We expect a high degree of enthusiasm and offer a fun store with friendly staff, that reflects the company's youthful and energetic culture.
- Supporting merchandise items that support the company's brand building.
- Our food products are 100% fresh and healthy
- Our sauces are also made fresh without preservatives.
- Our innovative packaging will be more entertaining and environmental friendly.

- Table: Comparison of Competitors

<i>Company</i>	<i>Clean</i>	<i>Value</i>	<i>Merchandising</i>	<i>Hang Out</i>	<i>Simple</i>	<i>Fresh</i>	<i>Cool</i>	<i>Pop Culture</i>
Sendan- Sub-way	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
KFC	Yes	Yes	No	Yes	No	Yes	Yes	No
Pizza Hut	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes

Sales Literature

Sendan Limited will use advertising and sales programs to get the word out to customers.

- 2,000 color brochures to be distributed throughout destination shopping mall and facilities: in-store, cinemas, area eateries, information during the grand opening in February 2021.
- Half page magazine reviews in Tanzania's lifestyle magazines that advertise the presence of the outlet.

Sourcing

Supplies will be delivered weekly or on alternative days by our distributor directly from the the farm.

Sales Programs

Each opening of Sendan Limited will have, more or less, the same marketing mix as the others. Below are the programs that we will develop to open each location.

Grand Opening

Each new outlet will have outdoor signage as soon as possible. We want the signage to be supported by banners before the opening.

Point of Purchase

We will use "tray toppers" to explain the concept and philosophy of Sendan Limited- Subway. We will also sell gift certificates, announce future job openings, and possibly mention franchise opportunities.

Direct Mail Piece

A stand-alone piece, folded, will be produced in full color on heavy weight paper. Inside will be all the important details of Sendan Limited, explanation of our menu, prices, house of operation and a locator map.

Future Products

For now, we will focus on selling sandwiches, cookies and sodas. However, as we grow further, we will add new categories to our menu.

In the future, our growth strategy will be offering the franchise of our brand to food entrepreneurs in the region.

Private Parties

Brochures and handouts will explain that we can handle banquets and private parties, in addition to our brochure that will list our daily entrees.

Market Analysis Summary

Consumer expenditures for fast food in Dar es Salaam has been on a steady rise since the year 2000. The increasing number of new establishments such as fast food franchises, fancy restaurants and gourmet bakeries around Dar es Salaam prove the growth in this sector. Food spending is around 56% of total consumer expenditures in Dar es Salaam, and consumer spending on leisure and recreation made up of 13% of total consumer spending.

A much broader appeal exists for weekend slots because those are the days when most of our core target market enjoys the mall going activities.

- Age - Youngsters, single, currently enrolled in college and high school.
- Family unit - We will also appeal to families (young families) with children.
- Gender - We will target both sexes, with a slight skew for males due to their lower attention to dietary concerns.
- Income - We will appeal to the medium income individuals and to all in the lower medium income bracket.

Our concept will have very broad appeal. It is our goal to be the hip destination for fast food cravings and satisfy the same in a healthy manner.

According to a recent public survey of people 15 - 45 years old, 80% of those interviewed like fast food. 90% of them like fast food on a regular basis, and 10% of them claimed that they like fast food "very much," or "love" fast food. The survey also provided the following particular reasons for the increasing popularity of fast food:

- People have 52 weekends and three long holidays a year. Most of Dar es Salaam love to shop and when they do strolling around the shopping district, they need a quick bite to accommodate their activities.
- White-collar workers in offices like to order or eat out and enjoy sandwiches, pizza or other fast food joints in the vicinity with their colleagues or coworkers.
- Parents encourage kids and students to buy lunch when they hangout with their friends. Fast food is naturally their first choice, because of the brand building effort that heavily targets their age group.
- Eating out still remains as Dar es Salaam's fast paced lifestyle. They do not perceive fast food is a luxury, and they enjoy it by bringing their family, especially if they have smaller kids, in the environment of the western-style fast food outlets.

Market Segmentation

We are targeting young Dar es Salaam as our primary market. Oysterbay and Makumbusho area is the place to meet and hang out after school. Due to extra-curricular activities among Dar es Salaam's youth, it is common for high schoolers to have lunch at fast-food restaurants and not at home. They tend to flock to fast food joints that are mostly in and around our predetermined target locations.

Our secondary market segment is the "Working Dar es Salaam." With so many shopping malls in the vicinity, Bibi Titi and Mikocheni area is the haven for shoppers and job seekers alike. In these newly developing Shopping and Office areas, there are more than 8,000 workers currently working as sales persons and boutique staff. There are more than 10 major shopping areas and numerous stores around all our locations.

Lastly, Oysterbay and Makumbusho area is also the destination for tourists staying in the area with the numerous embassies and hangout spots in Dar es Salaam. Tourists will stroll Oysterbay and Makumbusho area, hunting for the latest trend in fashion and have no time to stop for a full meal during shopping. Subway is the alternative for a quick bite while shopping the fancy boutiques in the area.

Market Analysis

The table and chart below outline the total market potential of the above described customer segments.

Table: Market Analysis

<i>Market Analysis</i>							
		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growt h						CAGR
Youngsters Dar es Salaam	15%	5,000,000	5,750,000	6,612,500	7,604,375	8,745,031	15.00%
Working Dar es Salaamans	10%	3,000,000	3,300,000	3,630,000	3,993,000	4,392,300	10.00%
Tourists	20%	3,800,000	4,560,000	5,472,000	6,566,400	7,879,680	20.00%
Total	15.52 %	11,800,00 0	13,610,00 0	15,714,50 0	18,163,77 5	21,017,01 1	15.52%

Chart: Market Analysis (Pie)

Target Market Segment Strategy

Sendan Limited intends to cater to the bulk of teenagers and youngsters in Dar es Salaam. We have chosen this group for several important reasons. It is our goal to be "the extraordinary fast food place" and we believe that the age group from 15 to 25 is the primary age where brand building efforts could take place. They are on limited or fixed incomes and seek a value/price relationship that will not stretch their budgets and also ensure they have a filling meal for the price they pay.

Our secondary target is between the ages of 25 and 37, which are a heavy lounge/restaurant user group. They are more flexible in budgets and seek more than a value/price relationship.

Our lunch strategy is dual purposed. First, we are featuring sandwiches to fill Dar es Salaam's craving for fast food as most ideas of lunch is a quick bite not a heavy meal.

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Second, we want to keep the price point at lunch as fair as possible to keep us in competition with other fast food outlets. At US\$4.00 for a medium size sandwich, we are only slightly above the segment, but we offer much more excitement than the rest of the competition.

Market Needs

Sendan Limited has been on the market for quite a considerable amount of time and in the food service industry to understand what the market needs. We have constantly improved ourselves which has allowed us to expand into different locations as we give what the market exactly deserves and needs. Over the period, we have also understood the market trends and how to cater each and every target group.

Wants variety and flavor in its food, preferably something easy to order and healthy

- Looks for speed of service
- Wants an entertaining and fun experience
- Insists upon a clean, friendly, and attractive environment
- Adopts a global lifestyle
- Is computer literate
- Enjoys eating out
- Has an active lifestyle
- Comes from various ethnic backgrounds

Market Trends

The key to success for these foreign chains was mainly due to the popularity of Dar es Salaam as tourist destination for these countries. Tourists are the strongest "buzzer." Usually after they went back from vacationing in Dar es Salaam, they told friends and families about new things in Dar es Salaam, including new shopping malls, new boutiques, new restaurants, and new fast food joints. The fascination of Asian tourists coming to Dar es Salaam has positioned the city itself as an aspiration to modern life in the region.

Industry Analysis

Despite the prolonged effects of numerous economic crises, Dar es Salaam's food service industry has witnessed steady growth since 2000. Much of this growth was contributed by the cafes/bars, fast food, and food retail sectors, whose wide appeal amongst a young population, for whom time is of a premium, led to high levels of growth. This growth is underpinned by market demand and lifestyle changes, such as seeing eating out as part of trendy lifestyle.

The food service industry is the first to recover in any form of a crisis. This generation now is learning more and more about healthier alternatives to fast food. At the same time, the growth of binge eating habits have become quite com-

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mon. Subway is the best alternative in a healthy and tasty manner at the same time also satisfies the food cravings for all age groups.

The recent COVID time period was also proven ineffective to affect the industry as there was little or no effect with the walk-ins. The restaurant outlets being present next or in major shopping and office centres have proven to be an added advantage.

Franchising became popular in the food service industry through the introduction and entry of multi-national food service brands, primarily U.S.-owned enterprises, such as KFC, Pizza Hut and McDonald's. Currently, there are many local chains that have also experienced growth by applying this system to their operations.

Trends in Food Service Retail

According to government surveys, Dar es Salaam's spending on "eating out" is continuing to increase. Spending on cooked food as a percentage of total average food-spend reached 55% in 1998. The growth in spending in the food service sector arises from a number of factors:

- Increased affluence amongst Tanzanian citizens, especially those under the age of 40 years.
- Increases in the number of expatriate residents, which has more than doubled since 1988.
- Increased convenience-seeking amongst younger Dar es Salaam people who live in a hectic city today compared to the much slower pace of life that existed 20 years ago.

When they want convenient cooked food, the Dar es Salaam people have long turned to the local hawker stalls, rather than prepared ready-to-cook or ready-to-eat processed convenience foods. As the numbers and variety of food service outlets has increased in Dar es Salaam, locals have adopted the convenient products of other food service outlets, especially the fast food outlets, as alternative sources of convenient cooked food. Younger middle and upper income group families and individuals are also frequent users of the full service restaurants, modern-style coffee shops and cafés that now exist all across Dar es Salaam.

Over the past 5 years, there has been a general upgrading in the food service sector which has seen the establishment of more air conditioned food centers (food courts) that are considerably cleaner than the traditional hawker markets. At the same time, increased investment from foreign and local businesses in the sector has also produced an increase in the numbers of:

- Foreign chains with different cuisines
- Modern retail bakery/café outlets
- Modern coffee shops

Competition and Buying Patterns

The competition in this arena is the fiercest in all other metropolitan areas. Dar es Salaam is a compact city, but has a lot to offer. Usually there are a minimum of two of the same outlets within a radius of less than 3 kilometers.

Another reason is because many retailers do not want to lose sales opportunity, as the competitors are offering substitutions and similar product categories. This phenomenon has made Dar es Salaam the best place for fastfood restaurants.

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Around 40% of the franchises operating in Dar es Salaam are foreign. Franchises from the U.S. account for 65% of foreign brands, with big players such as KFC, Pizza Hut, etc. Due to high capital investment, Dar es Salaam conglomerates tend to dominate the industry and the brand value reaches far more and further

Strategy and Implementation Summary

The company already has two outlets in Mikocheni and Bibi Titi Street and is planning to open two outlets in Oyesterbay and Makumbusho. This will become our "market testing area," and as we go further, Sendan Limited is planning to open another in nearby shopping malls. In attracting customers to try our sandwiches, we will provide a see-through kitchen, so that people will see how we are committed to freshness in our products.

The kitchen will also let out an aroma of our freshly baked breads into the surroundings area, so that people will come and try our products.

Competitive Edge

- Our unique sauces blend local taste and international into one fusion recipe for the signature sauce.
- Enthusiastic and friendly staff
- Supporting merchandise items that support company's brand building.
- Our dishes are made of 100% fresh produces, unlike the imported frozen produces used by competitors.
- Innovative packaging will position us at the same level with foreign fast food franchises.

Pricing Strategy

Our pricing strategy is positioned as "generic", meaning that S\$4.00 is the average consumer spending for a snack or light lunch in Dar es Salaam. Leveraging the volume of breads, soda, and signature style sauces to be sold, we are serving the majority of Dar es Salaam.

Brand Challenges

Sendan Limited must establish a distinct brand to stand out from the other Western-style fast food competitors.

- Our Subway logo is distinct as fresh, energetic and playful with color elements that are eye catching.
- Product names are geared toward the target market (teens), with food items which are fun and easy to remember.

Marketing Programs

We will deploy three different marketing tactics to increase customer awareness of Subway. Our most important tactic will be "word-of-mouth" and in-store marketing. This will be by far the cheapest and most effective of our marketing programs because of the high traffic in targeted shopping locations.

The second tactic will be local store marketing. These will be low-budget plans that will provide community support and awareness of our facility. The last marketing effort will be utilizing local media. Although, this will be the most costly, this tactic will be used sparingly as a supplement where necessary.

In-Store Marketing

- In-store brochures containing our concept and philosophy.
- Wall posters.

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- Design concept.
- In-store viewing of making fries process from cutting to frying.
- Standing signage inside malls' lobby/aisle.
- Outdoor signage (if possible).
- Grand opening promotion.
- Party catering.
- Merchandising items.

Local Store Marketing

- Brochures.
- Free occasional t-shirts at local stores events.

Local Media

- Direct mail piece – containing brochures sent to surrounding addresses.
- Web page – containing company philosophy, history and news.
- Local magazines that target our core customers, such as Free! Magazine.
- Newspaper campaign – placing several large ads throughout the month to explain

Positioning Statement

Our main focus in marketing will be to increase customer awareness in the surrounding community. We will direct all of our tactics and programs toward the goal of explaining who we are and what we are all about. We will price our products fairly, keep our standards high, and execute the concept so that "word-of-mouth" will be our main marketing force.

Sales Strategy

The sales strategy is to build and open new locations in order to increase revenue. However, this plan will be implemented when the one "market tester" outlet showed potential growth. As each individual location will continue to build its local customer base over the first three years of operation, the goal of each store is US\$50,000 per month in sales.

Sales Forecast

We anticipate the highest peak on the months of November and December in our sales forecast, due to the holiday seasons.

Chart: Sales Monthly

Strategic Alliances

Our business requires a long relationship with raw suppliers as well as partner vendors. We already have a long and good standing relationship with other companies.

Management Summary

The initial management team depends on the founders themselves, with little back-up. As we grow, we will take on additional help in certain key areas. Part of our basic philosophy will be able to run our executive management as a "knowledge sharing" fellowship. We will not add additional overhead until absolutely necessary. This will mean that the initial staff support team will have to work extra. By doing this, we will keep our overhead as low as possible, allowing us to adequately staff our outlets. This will also allow us and future business partners to recoup investments as quickly as possible and enjoy a higher return.

At present time, Sendan Limited is being owned by its three founders. Others that have helped on the development of this business venture will be offered an opportunity to grow together with the company at the appropriate time, and when the time comes, the 3 founders' share will be consolidated as one entity.

Management Team

Sendan Limited is currently the creative idea of its four founders. As the company is small in nature, it only requires a simple organizational structure. Implementation of this organization form calls for all four individuals to make all major management decisions in addition to monitoring all other business activities.

As we expand into multiple locations, each location will have a primary site manager.

Organizational Structure

Future organizational structure will include a director of store operations when the store locations exceed four units. We hope that this individual will come out of the ranks of our stores' management. This will provide a supervisory level between the executive level and the store management level.

Current plan is to have our accounting and payroll functions done by an in-house bookkeeping. Mrs Sujitha Ranganathan will be responsible for accounting and business development of Sendan Limited, helped by Mr. Anandha Kumar, acting Head of Human Resources Division. Possible positions might be added at a later date include marketing manager, purchasing manager, controller, human resources, R&D and administrative support team.

Personnel Plan

Our initial employees will include two cashiers, two cooks and two bus boys per location, with one of each on the premises during open hours. This is considered an ideal personnel number for a food outlet the size of our own. Each employee will work for 38-40 hours per week.

In the long run, as we expand our product category and retail outlets, we will employ more people in the middle management to ensure the focus of our work, including site managers.

Table: Personnel

<i>Personnel Plan</i>			
	Year 1	Year 2	Year 3
Site Managers	4		
Cashiers	8		
Cook	8		
Cleaners	8		
Total People	36	40	46

Table: Start-up Funding

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$68,800
Start-up Assets to Fund	\$50,000
Total Funding Required	\$118,800
Assets	
Non-cash Assets from Start-up	\$0
Cash Requirements from Start-up	\$50,000
Additional Cash Raised	\$681,200
Cash Balance on Starting Date	\$731,200
Total Assets	\$731,200
Liabilities and Capital	
Liabilities	

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Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0
Capital	
Planned Investment	
Anandhakumar	\$200,000
Sujitha Ranganathan	\$200,000
Saravanan Palanisamy	\$200,000
Corporate Finance	US\$ 2,00,000
Additional Investment Requirement	\$0
Total Planned Investment	\$800,000
Loss at Start-up (Start-up Expenses)	(\$68,800)
Total Capital	\$731,200
Total Capital and Liabilities	\$731,200
Total Funding	\$680,000

Break-even Analysis

Our break-even analysis shows that we need unit sales over 9,700 per month to break even. We do not expect to begin turning a profit until year three.

Chart: Break-even Analysis

Break-even Analysis

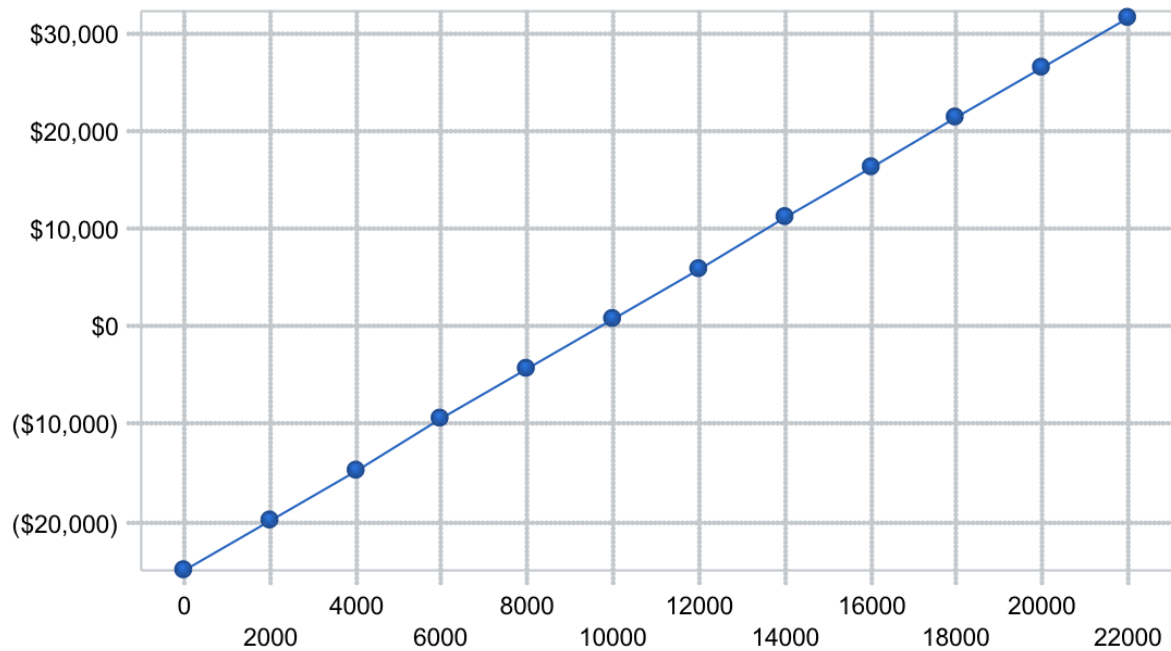


Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Units Break-even	9,706
Monthly Revenue Break-even	\$32,104
Assumptions:	
Average Per-Unit Revenue	\$3.31
Average Per-Unit Variable Cost	\$0.73
Estimated Monthly Fixed Cost	\$24,979

Projected Profit and Loss

As the Profit and Loss shows, Sendan Limited will run at a loss for the first two years, using up some of the cash reserves initially invested by the founders. As sales increase, we will expand into new locations to aggressively spread brand recognition. This increase in visibility will allow us to take up less expensive locations off Oysterbay and Makumbusho area, while maintaining our flagship operation, the first store, in a prime spot.

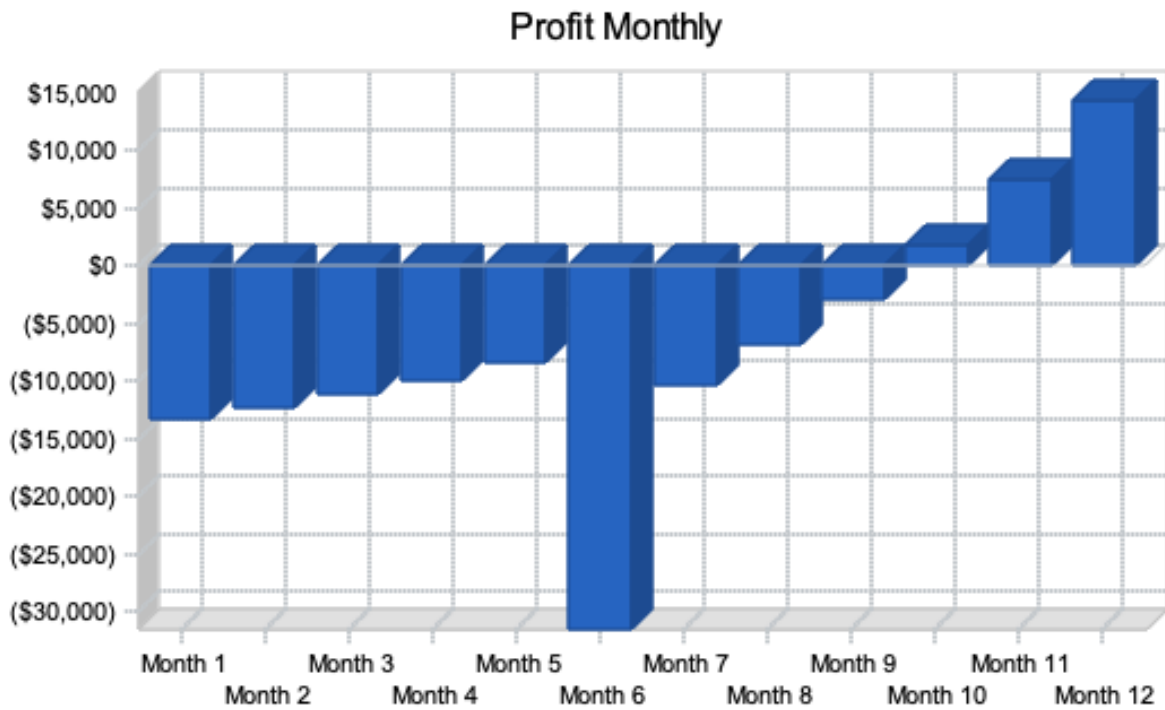


Chart: Profit Yearly

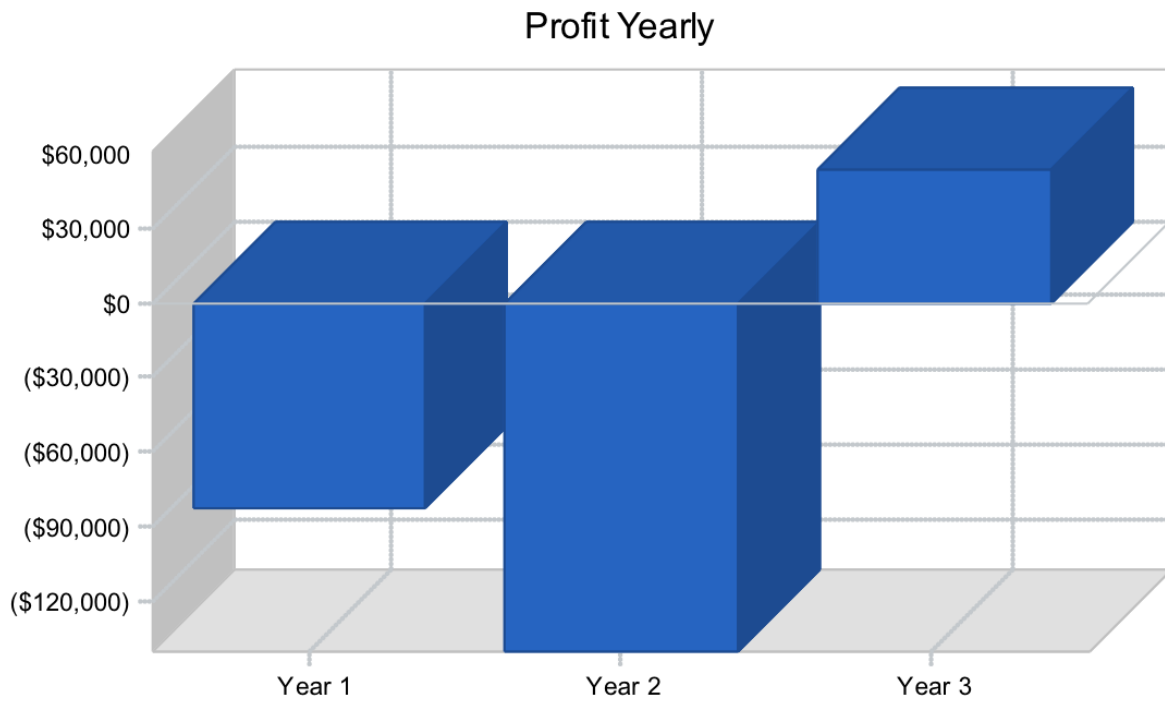


Chart: Gross Margin Monthly

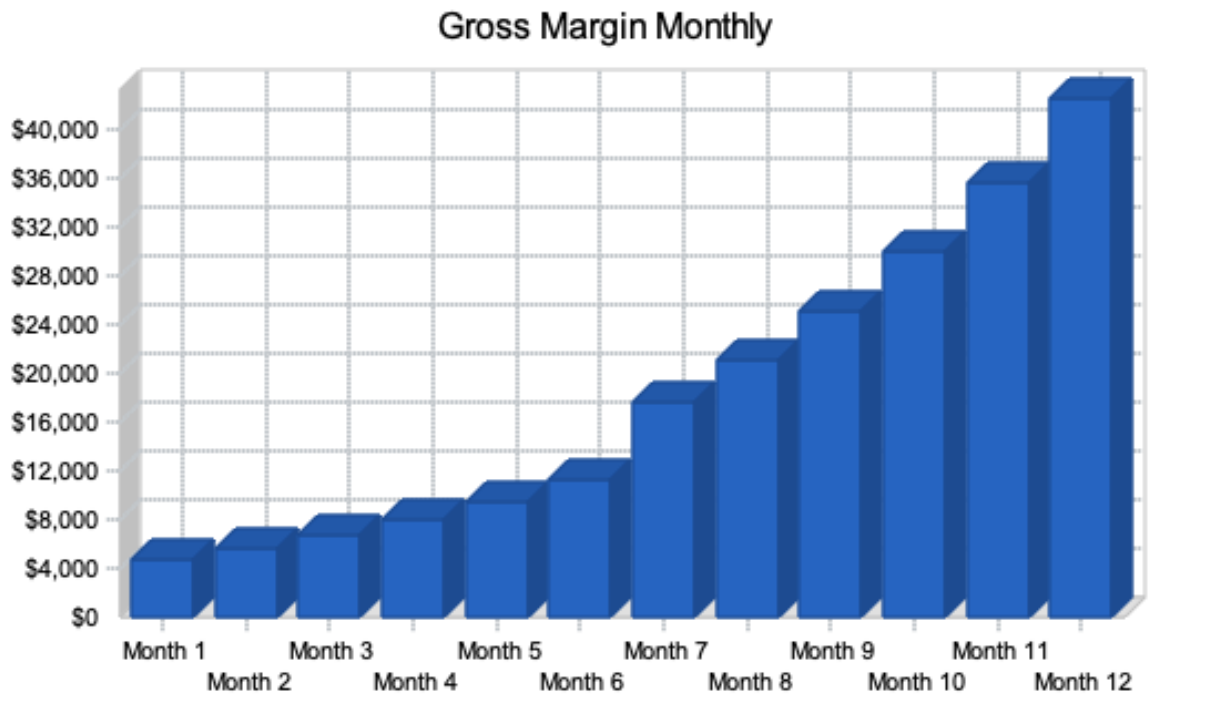


Chart: Gross Margin Yearly

Gross Margin Yearly

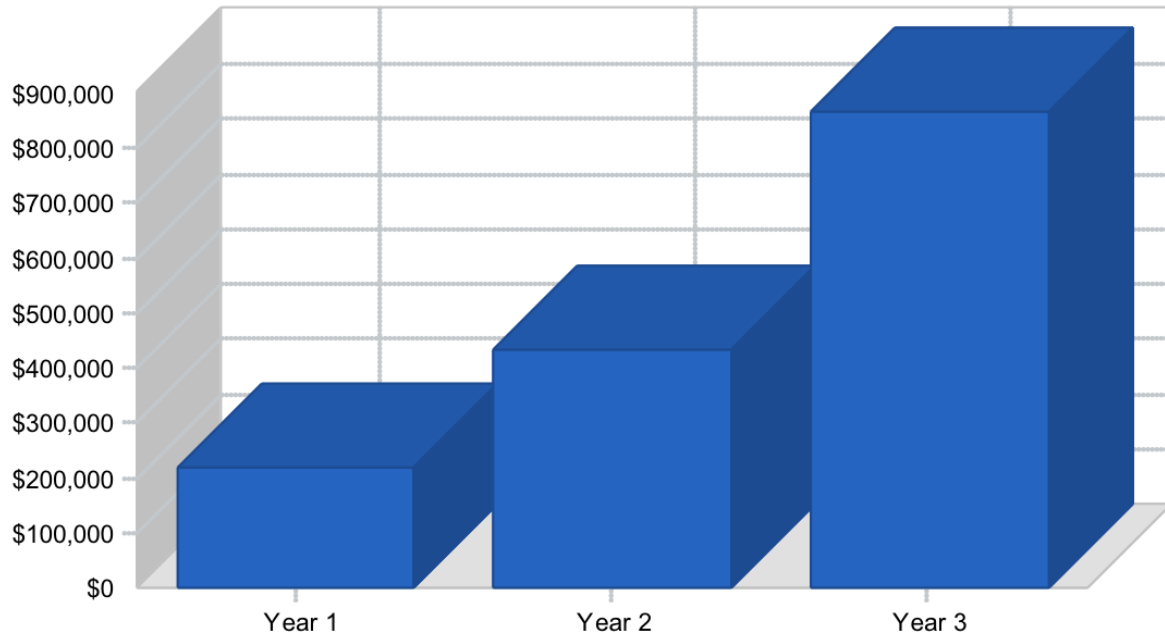
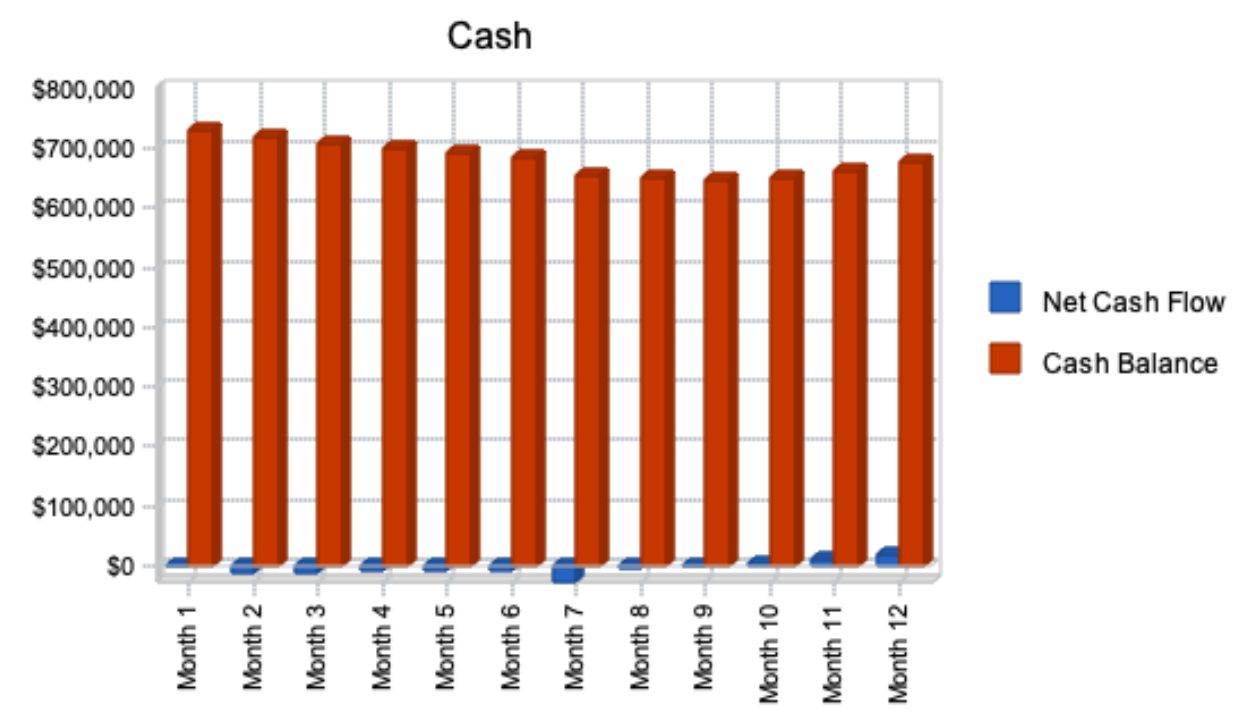


Table: Profit and Loss

<i>Profit and Loss</i>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	\$279,163	\$558,327	\$ 1,116,654	\$ 1,228,319	\$ 1,284,152
Direct Cost of Sales	\$61,957	\$123,914	\$ 247,827	\$ 272,610	\$ 285,001
Other Costs of Sales	\$0	\$0	\$ -	\$ -	\$ -
Total Cost of Sales	\$61,957	\$123,914	\$ 247,827	\$ 272,610	\$ 285,001
				\$ -	\$ -
Gross Margin	\$217,207	\$434,413	\$ 868,826	\$ 955,709	\$ 999,150
Gross Margin %	77.81%	77.81%	78%	86%	89%
Expenses					
Payroll	\$88,200	\$262,000	\$ 449,600	\$ 494,560	\$ 517,040
Marketing/Promotion	\$10,000	\$10,000	\$ 10,000	\$ 11,000	\$ 11,500
Depreciation	\$0	\$0	\$ -	\$ -	\$ -
Rent	\$174,000	\$248,000	\$ 298,000	\$ 327,800	\$ 342,700
Utilities	\$2,550	\$5,000	\$ 8,000	\$ 8,800	\$ 9,200
New location setup	\$25,000	\$50,000	\$ 50,000	\$ 55,000	\$ 57,500
				\$ -	\$ -
Total Operating Expenses	\$299,750	\$575,000	\$ 815,600.00	\$ 897,160.00	\$ 937,940.00
Profit Before Interest and Taxes	(\$82,543)	(\$140,587)	\$ 53,226	\$ 58,549	\$ 61,210
EBITDA	(\$82,543)	(\$140,587)	\$ 53,226	\$ 58,549	\$ 61,210
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes Incurred	\$ -	\$ -	\$ -		\$ -
Net Profit	(\$82,543)	(\$140,587)	\$ 53,226	\$ 58,549	\$ 61,210
Net Profit/Sales	-29.57%	-25.18%	5%	5%	5%

Projected Cash Flow

The following chart and table show the Projected Cash Flow for Sendan Limited.

Chart: Cash**Balance Sheet**

Sendan projected company balance sheet follows. We expect to run at a loss for the first two years, decreasing our net worth slightly. As the operation becomes more profitable in the third year, our net worth rises again.

Table: Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	\$677,899	\$543,981	\$ 611,748	\$642,335	674,452
Other Current Assets	\$0	\$0	\$ -	\$ -	\$ -
Total Current Assets	\$677,899	\$543,981	\$ 611,748	\$ 642,335	674,452
				\$ -	\$ -
Long-term Assets				\$ -	\$ -

Sendan Limited

Long-term Assets	\$0	\$0	\$ -	-	\$	\$ -
Accumulated Depreciation	\$0	\$0	\$ -	-	\$	\$ -
Total Long-term Assets	\$0	\$0	\$ -	-	\$	\$ -
Total Assets	\$677,899	\$543,981	\$ 611,748	642,335	\$	\$ 674,452
						0
Liabilities and Capital	Year 1	Year 2	Year 3	Year 4		Year 5
						0
Current Liabilities						0
Accounts Payable	\$29,242	\$35,911	\$ 50,452	52,975	\$	\$ 55,623
Current Borrowing	\$0	\$0	\$ -	-	\$	\$ -
Other Current Liabilities	\$0	\$0	\$ -	-	\$	\$ -
Subtotal Current Liabilities	\$29,242	\$35,911	\$ 50,452	52,975	\$	\$ 55,623
					\$	\$ -
Long-term Liabilities	\$0	\$0	\$ -	-	\$	\$ -
Total Liabilities	\$29,242	\$35,911	\$ 50,452	52,975	\$	\$ 55,623
					\$	\$ -
Paid-in Capital	\$800,000	\$800,000	\$ 800,000	840,000	\$	\$ 882,000
Retained Earnings	(\$68,800)	(\$151,343)	\$ -291,930	-306,527	\$	\$ -321,853
Earnings	(\$82,543)	(\$140,587)	\$ 53,226	55,887	\$	\$ 58,682
Total Capital	\$648,657	\$508,070	\$ 561,296	589,361	\$	\$ 618,829
Total Liabilities and Capital	\$677,899	\$543,981	\$ 611,748	642,335	\$	\$ 674,452
					\$	\$ -

Sendan Limited

Net Worth	\$648,657	\$508,070	\$561,296	589,361	\$	618,829	\$
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