

## FINANCIAL PROJECTION FOR 5 YEARS

### COMPANY INVESTMENT in Tshs

### APPENDIX 1

	USD	Tshs
Exchange rate	1	2300
<b>NEW ASSETS</b>		
Digital Printing Machine	150,000	345,000,000
3 D Printing Machine	50,000	115,000,000
Latest type setting computers and software	28,000	64,400,000
5 color printing Machine (Komoro)	100,000	230,000,000
Automatic binding Machine	58,000	133,400,000
Lino-Matic (Automatic) machine for printing exercise books	120,000	276,000,000
<b>Total New Assets</b>	<b>506,000</b>	<b>1,163,800,000</b>
<b>Working capital</b>	<b>1,396,000</b>	<b>3,210,800,000</b>
<b>Preoperational expenses</b>	<b>222,000</b>	<b>510,600,000</b>
<b>Existing Assets</b>		
Land and Buildings	615,000	1,414,500,000
Machinery & Equipment	400,000	920,000,000
Vehicles	160,000	368,000,000
Office equipment & furninture	15,000	34,500,000
<b>Total Existing</b>	<b>575,000</b>	<b>1,322,500,000</b>
<b>TOTAL ASSETS</b>	<b>2,699,000</b>	<b>6,207,700,000</b>

### DEPRECIATION SCHEDULE in Tshs

### APPENDIX 2

ITEM	RATE	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Land &amp; Building</b>	<b>4.5% SL</b>					
Opening Balance		1,414,500,000	1,350,847,500	1,290,059,363	1,232,006,691	1,176,566,390
Additions		-	-	-	-	
Annual Depreciation	4.5%	63,652,500	60,788,138	58,052,671	55,440,301	52,945,488
Closing Balance		1,350,847,500	1,290,059,363	1,232,006,691	1,176,566,390	1,123,620,903
<b>Vehicles</b>	<b>25% SL</b>					

Opening Balance			368,000,000	276,000,000	207,000,000	155,250,000	116,437,500
Additions			-	-	-	-	
Annual Depreciation		<b>25.0%</b>	92,000,000	69,000,000	51,750,000	38,812,500	29,109,375
Closing Balance			276,000,000	207,000,000	155,250,000	116,437,500	87,328,125
<b>Machinery</b>		<b>12.5 SL</b>					
Opening Balance			2,083,800,000	1,823,325,000	1,595,409,375	1,395,983,203	1,221,485,303
Additions			-	-	-	-	
Annual Depreciation		<b>12.5%</b>	260,475,000	227,915,625	199,426,172	174,497,900	152,685,663
Closing Balance			1,823,325,000	1,595,409,375	1,395,983,203	1,221,485,303	1,068,799,640
<b>Preoperational expenses</b>		20% SL					
Opening Balance			115,000,000	92,000,000	73,600,000	58,880,000	47,104,000
Additions			-	-	-	-	-
Annual Depreciation		<b>20.0%</b>	<b>23,000,000</b>	<b>18,400,000</b>	<b>14,720,000</b>	<b>11,776,000</b>	<b>9,420,800</b>
Closing Balance			92,000,000	73,600,000	58,880,000	47,104,000	37,683,200
<b>Office equipment &amp; furninture</b>		12.5% DV					
Opening Balance			34,500,000	30,187,500	26,414,063	23,112,305	20,223,267
Additions			-	-	-	-	-
Annual Depreciation		<b>12.5%</b>	<b>4,312,500</b>	<b>3,773,438</b>	<b>3,301,758</b>	<b>2,889,038</b>	<b>2,527,908</b>
Closing Balance			30,187,500	26,414,063	23,112,305	20,223,267	17,695,358
<b>Total Depreciation</b>			<b>443,440,000</b>	<b>379,877,200</b>	<b>327,250,601</b>	<b>283,415,740</b>	<b>246,689,234</b>

**NBC BANK LOAN FACILITY REPAYMENT  
SCHEDULE in Tshs**

**APPENDIX 3**

					<b>Tshs</b>
Total Investment					6,207,700,000
Term loan facility (5 years)					1,400,000,000
Equity Contribution					4,807,700,000
Interest Rate per Annum					8.0%
Overdraft facility Repayment (years)					5

**USD**

**608,695.65**

	<b>Principal</b>	<b>Balance</b>	<b>Interest</b>		<b>Total</b>
YEAR 1	280,000,000	1,120,000,000	112,000,000		<b>392,000,000</b>
YEAR 2	280,000,000	840,000,000	89,600,000		<b>369,600,000</b>
YEAR 3	280,000,000	560,000,000	67,200,000		<b>347,200,000</b>
YEAR 4	280,000,000	280,000,000	44,800,000		<b>324,800,000</b>
YEAR 5	280,000,000	-	22,400,000		<b>302,400,000</b>
<b>TOTAL</b>	<b>1,400,000,000</b>		<b>336,000,000</b>		<b>1,736,000,000</b>

#### Income Statement in Tshs

#### APPENDIX 4 B

<b>e.g. handbills, brochures, posters, calenders, government reports, magazines, books and</b>			<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Annual estimated sales and services in USD			455,000	640,000	805,000	910,000	1,015,000
Annual estimated sales and services in TZS			<b>1,046,500,000</b>	<b>1,472,000,000</b>	<b>1,851,500,000</b>	<b>2,093,000,000</b>	<b>2,334,500,000</b>
Capacity Utilization			100%	100%	100%	100%	100%
<b>Total Revenue in Tshs</b>			<b>1,046,500,000</b>	<b>1,472,000,000</b>	<b>1,851,500,000</b>	<b>2,093,000,000</b>	<b>2,334,500,000</b>
<b>Operating Expenses</b>							
Raw Material(Paper rolls) Purchasing costs	Turnover	25.0%	261,625,000	368,000,000	462,875,000	523,250,000	583,625,000
Customs and port charges	Turnover	1.0%	10,465,000	14,720,000	18,515,000	20,930,000	23,345,000
Marketing and distribution costs	Turnover	2.0%	20,930,000	20,930,000	26,162,500	26,162,500	26,162,500
Travelling and accomodation	Turnover	3.0%	31,395,000	44,160,000	55,545,000	62,790,000	70,035,000
<b>Total Operating Expenses in Tshs</b>			<b>324,415,000</b>	<b>447,810,000</b>	<b>563,097,500</b>	<b>633,132,500</b>	<b>703,167,500</b>
<b>Gross Operating Income in Tshs</b>			<b>722,085,000</b>	<b>1,024,190,000</b>	<b>1,288,402,500</b>	<b>1,459,867,500</b>	<b>1,631,332,500</b>

### Management Salaries & Wages

			Year 1	Year 2	Year 3	Year 4	Year 5
<b>Salaries &amp; Wages</b>	Number	TZS per month					
General Manager	1	2,500,000	30,000,000	30,000,000	31,500,000	31,500,000	33,075,000
Accountant / cashier -	1	1,000,000	12,000,000	12,000,000	12,600,000	12,600,000	13,230,000
Marketing & Sales	1	1,000,000	12,000,000	12,000,000	12,600,000	12,600,000	13,230,000
Production Manager	1	2,000,000	24,000,000	24,000,000	25,200,000	25,200,000	26,460,000
Store keeper	1	750,000	9,000,000	9,000,000	9,450,000	9,450,000	9,922,500
Admin and human resource	1	1,000,000	12,000,000	12,000,000	12,600,000	12,600,000	13,230,000
Laborers	10	350,000	42,000,000	42,000,000	44,100,000	44,100,000	46,305,000
<b>Add: 20% Social Benefits</b>			28,200,000	28,200,000	29,610,000	29,610,000	31,090,500
<b>Total Salaries &amp; Wages</b>	<b>16</b>		<b>169,200,000</b>	<b>169,200,000</b>	<b>177,660,000</b>	<b>177,660,000</b>	<b>186,543,000</b>

### SCENARIO 1: THE BASE CASE

#### Admin Expenses in Tshs

#### APPENDIX 5

Admin Expenses							
Insurance	1.00%	Turnover	10,465,000	14,720,000	18,515,000	20,930,000	23,345,000
Rent and utility	0.50%	Turnover	5,232,500	7,360,000	9,257,500	10,465,000	11,672,500
General Office Expenses	Per Month	200,000	2,400,000	2,520,000	2,646,000	2,778,300	2,917,215
Meal Allowances	0.10%	Turnover	1,046,500	1,472,000	1,851,500	2,093,000	2,334,500
Government Levies	0.20%	Turnover	2,093,000	2,944,000	3,703,000	4,186,000	4,669,000
<b>Total Admin Expenses</b>			<b>21,237,000</b>	<b>29,016,000</b>	<b>35,973,000</b>	<b>40,452,300</b>	<b>44,938,215</b>

SCENARIO 1: THE BASE CASE

PROJECTED INCOME STATEMENT in Tshs

APPENDIX 6

			Year 1	Year 2	Year 3	Year 4	Year 5
<b>Total Revenue</b>			<b>1,046,500,000</b>	<b>1,472,000,000</b>	<b>1,851,500,000</b>	<b>2,093,000,000</b>	<b>2,334,500,000</b>
<b>Operating Expenses</b>			<b>324,415,000</b>	<b>447,810,000</b>	<b>563,097,500</b>	<b>633,132,500</b>	<b>703,167,500</b>
<b>Gross Operating Income</b>			<b>722,085,000</b>	<b>1,024,190,000</b>	<b>1,288,402,500</b>	<b>1,459,867,500</b>	<b>1,631,332,500</b>
Administration Expenses			190,437,000	198,216,000	213,633,000	218,112,300	231,481,215
<b>Gross Operating Profit</b>			<b>531,648,000</b>	<b>825,974,000</b>	<b>1,074,769,500</b>	<b>1,241,755,200</b>	<b>1,399,851,285</b>
Finance & Capital Charges							
Interest Payment (Overdraft Facility)			112,000,000	89,600,000	67,200,000	44,800,000	22,400,000
Depreciation			443,440,000	379,877,200	327,250,601	283,415,740	246,689,234
<b>Total Finance &amp; Capital Charges</b>			<b>555,440,000</b>	<b>469,477,200</b>	<b>394,450,601</b>	<b>328,215,740</b>	<b>269,089,234</b>
<b>Profit before Tax</b>			<b>(23,792,000)</b>	<b>356,496,800</b>	<b>680,318,899</b>	<b>913,539,460</b>	<b>1,130,762,051</b>
Taxation (30%)			(7,137,600)	106,949,040	204,095,670	274,061,838	339,228,615
<b>Profit after Tax</b>			<b>(16,654,400)</b>	<b>249,547,760</b>	<b>476,223,229</b>	<b>639,477,622</b>	<b>791,533,436</b>
<b>Accumulated Retained Earnings</b>			<b>(16,654,400)</b>	<b>232,893,360</b>	<b>709,116,589</b>	<b>1,348,594,212</b>	<b>2,140,127,647</b>

SCENARIO 1: THE BASE CASE

PROJECTED CASHFLOW STATEMENT in Tshs

APPENDIX 7

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Cashflow from Operations:		-	(16,654,400)	249,547,760	476,223,229	639,477,622	791,533,436
Equity		4,807,700,000					
NBC term loan facility		1,400,000,000					
Add non Cash Items:							

Depreciation		-	443,440,000	379,877,200	327,250,601	283,415,740	246,689,234
<b>Total Inflows</b>		<b>6,207,700,000</b>	<b>426,785,600</b>	<b>629,424,960</b>	<b>803,473,830</b>	<b>922,893,362</b>	<b>1,038,222,670</b>
Investment		6,207,700,000					-
Normal replacement		-	-	-	-	-	
Loan Repayment			280,000,000	280,000,000	280,000,000	280,000,000	280,000,000
<b>Total Outflow</b>		<b>6,207,700,000</b>	<b>280,000,000</b>	<b>280,000,000</b>	<b>280,000,000</b>	<b>280,000,000</b>	<b>280,000,000</b>
<b>Net Cashflow</b>		-	<b>146,785,600</b>	<b>349,424,960</b>	<b>523,473,830</b>	<b>642,893,362</b>	<b>758,222,670</b>
Opening Balance		-	-	146,785,600	496,210,560	1,019,684,390	1,662,577,752
Closing Balance		-	<b>146,785,600</b>	<b>496,210,560</b>	<b>1,019,684,390</b>	<b>1,662,577,752</b>	<b>2,420,800,422</b>

**SCENARIO 1: THE BASE CASE**

**PAYBACK PERIOD**

**APPENDIX 8**

	Investment	Net Cashflow	Cumulative
	Tshs	Tshs	Cashflow
			Tshs
INVESTMENT PERIOD	(6,207,700,000)	-	(6,207,700,000)
YEAR 1		146,785,600	(6,060,914,400)
YEAR 2		349,424,960	(5,711,489,440)
YEAR 3		523,473,830	(5,188,015,610)
YEAR 4		642,893,362	(4,545,122,248)
YEAR 5		758,222,670	(3,786,899,578)
<b>PAYBACK PERIOD (Years)</b>	<b>14.91</b>		

**SCENARIO 1: THE BASE CASE**

**BREAK EVEN ANALYSIS BASED ON YEAR 1**

**APPENDIX 9**

COMPONENT	Tshs
Revenue	<b>1,046,500,000</b>

<b>FIXED COSTS</b>	
Insurance Premium	10,465,000
General Administration	190,437,000
Depreciation	443,440,000
<b>TOTAL FIXED COSTS</b>	<b>644,342,000</b>
<b>VERIABLE COSTS</b>	
Interest Expenses	112,000,000
<b>TOTAL VARIABLE COSTS</b>	<b>112,000,000</b>
<b>Contribution Margin</b>	<b>934,500,000</b>
<b>Contribution Margin Ratio</b>	<b>0.89</b>
<b>Break Even Revenue</b>	<b>721,566,509</b>
<b>Break Even Capacity</b>	<b>68.95%</b>

**SCENARIO 1: THE BASE CASE**

**DISCOUNTED CASHFLOW PROJECTIONS  
in Tshs**

**APPENDIX 10**

	<b>NPV</b>	<b>Year 0</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Net Cashflow		(6,207,700,000)	146,785,600	349,424,960	523,473,830	642,893,362	758,222,670
PRESENT VALUE AT 20%	(4,925,036,207)	(6,207,700,000)	122,321,333	242,656,222	302,936,244	310,037,308	304,712,686
PRESENT VALUE AT 21%	(2,669,551,076)	(6,207,700,000)	146,785,600	389,441,822	692,378,067	1,002,415,375	1,307,128,060
<b>Internal Rate of Return (IRR)</b>	<b>-13.35%</b>						







