Advanced Muscle Technologies, Inc.

Strategic Business Plan

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Mission Statement

At Advance Muscle Technologies, we are a fitness lifestyle company dedicated to using natural ingredients to enhance the body and reach every person's fitness goals. We are not just researchers and developers, we are fitness enthusiasts as well. We want to help everyone, including ourselves, achieve the fitness goals each individual desires, be it muscle gain, weight loss, or any combination of the two. At Advanced Muscle Technologies, we have incorporated our love and drive for our personal training and fitness and used that to develop a company with honesty and integrity to improve the fitness of every person, from beginner to professional athlete!

Executive Summary

Top researchers at the University of California at Davis have created a new ground breaking technology that could massively increase muscle growth after exercising.

Applying cutting edge molecular biology, Dr. Baar and his research team have demonstrated the ability to create an 80% increase in muscle growth in their laboratory tests and experiments. They managed to almost double typical muscle mass gains caused by exercise.

The professors discovered that manipulating certain molecules within muscles can greatly increase protein synthesis, thereby causing unusually large muscle mass gains without the use of steroids or testosterone enhancers. These researchers are currently aware of natural ingredients that act upon these molecules in humans and they plan to create a blend of natural ingredients that can be marketed as a nutraceutical. Nutraceuticals are not required to receive FDA approval and will be able to go right onto store shelves.

One of the highest grossing muscle supplements in history is Creatine. Creatine commands a healthy percentage of the 142 billion dollar global supplement market, and approximately 16% of the large U.S. sports nutrition market. Yet it's widely accepted that Creatine only provides about a 2 to 5% benefit in muscle growth, as opposed to the projected 80% increase demonstrated by Dr. Baar's laboratory test results.

With the sports nutrition market being one of the fastest growing markets in the United States, and protein powders dominating 42% of the total market, the upside profit potential of this new powder is very high.

This is not just a pre or post workout product, but one which we feel customers will want to take all day long to achieve the best results. Plus, the supplement can be adapted to multiple applications such as powders, sports drinks, bars and capsules.

This product will not only appeal to athletes and bodybuilders, but we feel it will also appeal to the "Average Joes" and cross training enthusiasts around the world, especially because the sports nutrition market is quickly expanding outside of gyms and health food stores. Driven by changing consumer behavior, sports products are finding their way into supermarkets and convenience stores to satisfy the strong consumer demand for healthy and convenient lifestyle solutions.

The purpose of this business plan is to raise and examine the allocation of $500,000 of capital for the development of a unique dietary supplement company that has developed a proprietary formulation specific for post workout. These products will be sold as edible bars, capsules, sports drinks, and powders. Advanced Muscle Technologies, Inc. ("the Company") is a Delaware based corporation that intends to sell these products on a recurring basis to the general public. The business will also distribute its formulation directly to fitness centers and retail stores as well as retailers that specialize in supplement sales. The business was founded in 2013 by Corey Park.

The Product

As stated above, Advanced Muscle Technologies, Inc. intends to sell its proprietary formulation in the form of capsules, powders, bars, and sports drinks. This product has been developed by three scientists from the University of California at Davis. The product line offers body builders and athletes the ability to increase muscle hypertrophy so that muscle mass increases more during post workout periods.

It should be noted that the business intends to sell the Company's product line on a recurring basis to consumers. Each month, consumers will be automatically billed for a new month's supply of these supplements. Approximately 60% of the Company's sales will occur on a recurring basis.

The third section of the business plan will detail the Company's product offerings.

The Financing

At this time, the Company is seeking an initial round of $500,000 of financing in order to finalize the formulation and prepare the initial inventories of the business for sale. The terms of this investment are to be determined during negotiation. However, Management anticipates that an investor(s) will receive an equity interest in the business coupled with a seat on the board of directors.

The usage of investment funds will be further discussed in the second section of the business plan.

The Marketplace

The changing status of sports and fitness nutrition supplements drives the global market, according to a new report by Global Industry Analysts, Inc. The global market for Sports and Fitness Nutrition Supplements is encouraged by rising health consciousness and knowledge of sports nutrition products and increasing number of people engaged in sports/fitness related activities.

Due to a growing global awareness of the importance of exercise to overall health coupled with the increasing acceptance of the nutraceutical market, consumer demand for supplements geared towards sports nutrition will continue to see strong sales in 2013. Many supplement manufacturers have expanded offerings for distributors based on increased sales within this segment. The sports nutrition industry grew nearly 9% in 2010, reaching almost $19 billion in retail sales. Performance was even stronger in 2011, retail sales rose 14%, to $21.4 billion. Three channels accounted for nearly all of the growth in the category: mass market retail, the largest market and also the fastest growing, with 2011 retail sales up 15%, to $16 billion; natural/specialty retail, this channel grew about 10%, reaching $3 billion; and internet, no longer a fledgling category, grew 22%, to $710 million (NutraceuticalsWorld.com). According to BCC Research, the global market for sports nutrition products is expected to have a compound annual growth rate of 24.1%.

One reason for explosive growth of sports performance supplements is a changing product market focus. Traditionally, sports endurance supplements were heavily geared towards body-building and professional athletes. But with changing times and with growing focus on the aspect of overall well-being among the general population, sports products, particularly nutrition supplements, also started being targeted at the common man. The industry has expanded to include individuals that participate in recreational workouts and sports. Historically, sports performance products have been geared towards male consumers; however, today's user of sports nutrition products is evenly split between genders. There has also been growth within the youth segment for sports performance supplements – a recent study performed by the National Health Interview Survey shows that 1.6%, or 1.2 million kids, are now users of sports performance formulations. With growing interest from such users, sports nutrition products are now available in mainstream mass market outlets such as super markets and convenience stores. These changing demographics of the typical sports endurance supplement user has been responsible for the growth of the base market for sports supplements, and in turn, helped to fuel the explosive sales growth seen in this category.

In the global market, an important trend is the growing demand for products containing natural ingredients. As consumers shift away from synthetic products, either in terms of foods or supplements to products closer to nature, demand for natural/herbal supplements and products is growing at a rapid rate. Sports supplement manufacturers seeking a greater share of the market are therefore leveraging this trend and are investing substantially in research to develop novel products that can carry a natural claim. Demand for vitamins and mineral supplements is also growing at a strong pace in this market, owing to the hectic pace of life, which is leaving little time for a well-balanced, nutritious meal.

As stated by the new market research report on sports and fitness nutrition supplements the United States leads as the largest regional market worldwide, accounting for a major chunk of the global market. The wide availability and easy access to sports and fitness nutrition products at fitness clubs, pharmacies, health food stores, supermarkets and online channels enable quick access and higher market penetration. Like many other industries, future growth will also emanate from developing nations, particularly the BRIC countries (Brazil, Russia, India and China), due to their relatively faster and stronger economic development, including the trend of urbanization. Asia-Pacific represents the fastest growing regional market displaying a CAGR of about 12% over the analysis period, with potential for growth resting in the burgeoning youth population showing inclination towards sports and fitness related activities and products.
Further, to effectively leverage such new market opportunities, products are being revamped in terms of taste, packaging and delivery formats and are being positioned in unique ways to suit the needs of such emerging customers. What's certain today is that sports nutrition products have a significantly broader channel presence than in the past, with mass market retail leading the charge. Most companies offer products for sale through their own websites as well as through prominent online retailers like bodybuilding.com, drugstore.com, and brick-and-mortar sports nutrition retailers' websites. Given the ubiquity of the Internet, convenience of purchase and delivery, and abundant informational resources available online—from product reviews to real-time customer service—sports nutrition products are a good fit with e-commerce. GNC's online sales grew 62% in 2011, to $95 million. Bodybuilding.com's revenues grew from $47 million in 2005 to nearly $196 million in 2010 (33% CAGR).

Just as there is a direct linkage between changes in the sports nutrition consumer base and channel diversification, delivery systems have evolved toward convenience to cater to the mainstream consumer. While hardcore athletes are willing to lug 5-gallon containers of powdered product and mix their own concoctions, casual users are attracted to ease of use. This has prompted product concentration and miniaturization, more products in RTD formats, and innovative delivery systems like chews, puddings, shots, blocks….and of course bars, bars and more bars! However, and perhaps surprisingly, sports nutrition powders still dominate, exceeding $3 billion in retail sales (86% of the Sports Nutrition Supplements category) and growing 10% annually, according to NBJ.
The research report titled "Sports and Fitness Nutrition Supplements: A Global Strategic Business Report" announced by Global Industry Analysts, Inc., provides a comprehensive review of trends, issues, recent industry activity, and profiles of major companies worldwide. The report provides market estimates and projections (US$) for the assessment period 2010 through 2018 across geographic markets such as the US,

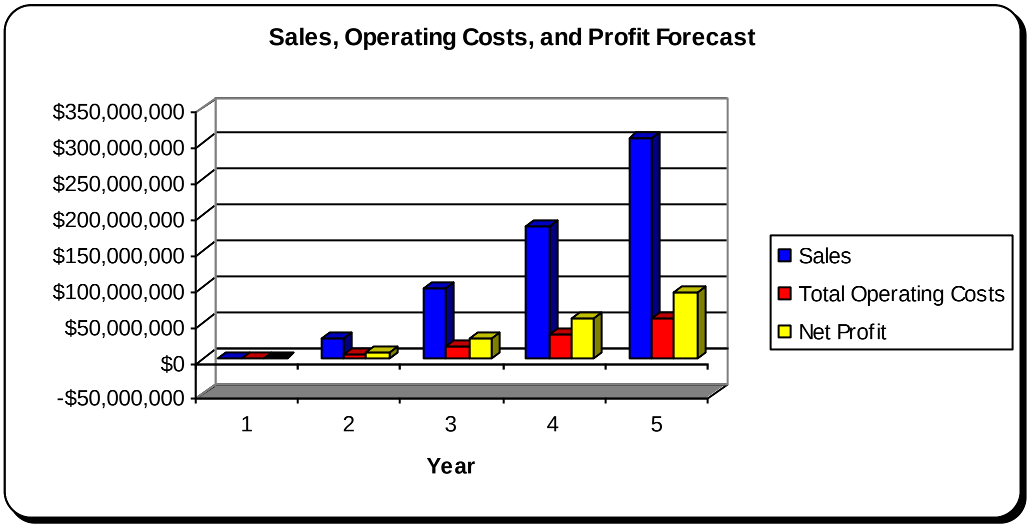
Canada, Japan, Europe (France, Germany, Italy, UK, Spain and Rest of Europe), Asia Pacific, Latin America and Rest of World. Key product segments analyzed include Amino Acids/Derivatives, Herbal Products, Prohormones, Vitamins/Minerals, and Others.

Sales Forecasts

Management anticipates a strong rate of growth upon the commencement of operations. Below is a chart showcasing the anticipated revenue results over the next five years of operations.

Proforma Profit and Loss (Yearly)

Year	1	2	3	4	5
Sales	$40,000	$30,073,600	$97,739,200	$183,749,696	$306,861,992
Cost of Goods Sold	$4,000	$9,984,156	$32,448,507	$61,003,193	$101,875,333
Operating Income	$36,000	$20,089,444	$65,290,693	$122,746,503	$204,986,660
Total Operating Costs	**$362,233**	**$5,984,946**	**$17,833,632**	**$33,227,308**	**$55,529,506**
EBITA	**-$326,233**	**$14,104,498**	**$47,457,061**	**$89,519,195**	**$149,457,154**



The Future

As time progresses, Management intends to make substantial reinvestments into the Company's operating infrastructure including significant capital injections for research and development of new products as well as for an expansive marketing campaign.

The Financing

2.1 Funds Required

The business will require a cash inflow of $500,000 to properly operate and maintain its operations (as first round financing). Below is a brief breakdown of how the funds will be allocated:

Projected Startup Costs	
Finalization of Formulation	$150,000
Marketing Budget and Website Development	$100,000
Initial Inventory	$150,000
Professional Fees	$25,000
Working Capital	$75000
Total Startup Costs	$500,000

2.2 Investor Equity

This will be further discussed during negotiation.

2.3 Management Equity

This will be further discussed during negotiation.

2.4 Board of Directors Composition

This will be further discussed during negotiation.

2.5 Exit Strategies

The Management has discussed and planned for one possible exit strategy. The exit strategy would be to sell the Company to a larger entity at a significant premium. Since, the supplement industry maintains a moderate risk profile once operations have been established; the Management feels that the Company could be sold for five times earnings after the fifth year of operation.

Post Workout Supplement Sales

Advanced Muscle Technologies, Inc. will be actively engaged in selling a proprietary supplement that is specifically designed to enhance post workout muscle rebuilding. Please note that a non-disclosure agreement will be required in order to showcase the full proprietary formulation and test results of the Company's flagship product line. The Company will offer this formulation in the following forms:

- A post workout bar
- Sports drink
- Post workout powder
- Capsules

It should be noted that a substantial amount of the orders received by the business (primarily through the Company's website and from television ordering) will be recurring in nature. Each month, a new order (in the form of bars, powder, or capsules) will be automatically delivered to customers once they have placed their initial orders. This trend has become popular among supplement companies as well as skin care product companies over the past two years. Customers can cancel their automatic standing orders with the Company at any time. The retention rate for customers will be further discussed in the seventh section of the business plan.

The business will also seek to have the products placed throughout supplement stores, gyms, fitness centers, and other places where supplements are frequently sold.

Overview of the Organization

4.1 Registered Name

Advanced Muscle Technologies, Inc. the business is registered as a for profit corporation in the State of Delaware.

4.2 Commencement of Operations

The Company plans to commence operations by early 2014.

4.3 Mission Statement

Management's mission is to distribute the Company's proprietary formulations to athletes and body builders throughout the United States and abroad.

4.4 Vision Statement

Through their diverse areas of expertise and knowledge, the Founders of the Company expect to build a business that will achieve $306 million of revenue by the fifth year of operations.

4.5 Organizational Objectives

- Continually expand Advanced Muscle Technologies, Inc. saleable inventory through research and development.
- Develop relationships with fitness centers, and supplement stores throughout the United States.
- Maintain an expansive presence online and through television starting in the first year of operations.
- Continued reinvestment of after-tax cash flows into the Company's research and development.

4.6 Organizational Values

- Setting the standard for customer/client satisfaction in the supplement industry.
- To provide a stable work environment for the business's employees while developing a wealth creating vehicle for the Company's Founders and Investors.

4.7 Founders and Management Team

Gary Reasons, CEO:

Gary Reasons joins Advanced Muscle Tech as its Chief Executive Officer and brings more than 30 years of experience providing executive leadership for various companies. As CEO for Advanced Muscle Tech, Mr. Reasons will focus on the company's overall market strategy, business development roadmap, and the ultimate sales of Advanced Muscle Tech's industry leading products. Uniquely for the company, Gary possesses a sports-oriented background which includes nine (9) years as a professional athlete in the National Football League where he became a two-time Super Bowl Champion.

Mr. Reasons brings an extensive business acumen where he has served in executive leadership roles in various industries and for companies including; Hewlett Packard, where he developed $100M+ pipeline within his initial 12 months of activity. With a background that includes more than 20 years of Information Technology experience, Mr. Reasons has been involved with new product launches, product branding, marketing strategy, business development, and worldwide sales. Mr. Reasons has also served as President & CEO of multiple companies and brings a background that is built on success, confidence, dedication, and leadership that enables him to meet and exceed expectations.

Throughout his eight seasons (1984-91) with the New York Giants, Mr. Reasons became known as a member of one of the greatest linebacker corps in NFL history along with Lawrence Taylor, Harry Carson, and Carl Banks. He earned personal recognition for his smart and hard-hitting style of play over his career by being selected to the NFL All Rookie Team, All NFL, and to the All Madden Team. Gary served at the Cincinnati Bengal's NFLPA Player Representative from 1985-1993 and served on the NFLPA Executive Committee from 1989- 1994. In recognition for his outstanding playing career Mr. Reasons was inducted to the National College Football Hall of Fame in 1996 and to the Louisiana Sports Hall of Fame in 1998.

After a successful playing career, Mr. Reasons began a career in broadcasting with ABC Sports as a college football sideline reporter and game analyst from 1994-1997. He joined FOX Sports in 1998 and has been the color analyst on several Emmy Award winning productions. He has hosted his own radio shows and also been the host or analyst of many studio television broadcasts. Mr. Reasons will enter his 21^{st} year as a network football analyst this season. In 2014 he will again be a lead college football game and studio analyst for FOX Sports covering the Big XII Conference and will mark his 17^{th} season with FOX. He is the lead football analyst on "Big 12 Showcase" and "Big 12 Live" studio shows for FOX.

Corey Park, Chairman:

Owner/Founder: A Certified Hedge Fund Professional (CHP), with additional (CHP) certifications at the highest level in Portfolio Analytics & Risk Management.

He also attended the Notre Dame Mendoza College of Business (Leadership & Management) and has served in executive leadership positions for over 20 years. Mr. Park has closed several acquisitions and multimillion dollar lines of credit from hedge funds; as well as negotiated and / or closed many mergers, strategic partnerships, license agreements, CRADA's and joint ventures. As a lifelong student of business strategy, he has read, studied and applied numerous books and countless articles relating to business strategy (According to the Wall Street Journal, the most sought after executive skill set is strategic thinking).

Andrew DeLuise, President:

Mr. DeLuise has spent over 20 years in the industry; owning companies on just about every end of the spectrum. He has founded and operated everything from large fitness centers and corporate wellness centers, to retail supplement stores.
His dedication to the health and wellness of others drives his passion to constantly seek out promising new supplements and workout regiments.

Mr. DeLuise began his interest in fitness in 1991 at the early age of 18 in the Athletics program at the State University of New York at Stony Brook, New York. After leaving the Athletics Program at SUNY, he opened his first vitamin and nutrition retail store (named “Modern Bodies”) in 1994. Mr. DeLuise quickly became one of the local areas most requested advisors on nutrition and fitness and expanded his vitamin and nutrition store into a fitness and wellness center specializing in exercise and personal training.

He entered the NPC Eastern USA Bodybuilding Competition in 1999 placing 1st in the Light Heavy Weight Novice Division and 2nd place in the Light Heavy Weight Open Division. Since then, Mr. DeLuise has dedicated himself to finding the perfect combination of nutrition, weight training and bodybuilding supplements. Today as CEO of Advance Muscle Technologies, Inc., Andrew believes the company’s groundbreaking muscle science will revolutionize the bodybuilding industry.

Bob van Leyen, CFO:

Bob van Leyen is an accomplished CFO with 40 years of global experience providing financial and operational support to all levels of management in sales, marketing, R&D, and manufacturing organizations. In 2013 he joined both the Boards of Ramona’s Mexican Food Products, Inc. as well as the Pan American Bank (a public Company in Los Angeles) as a director. He has managed large and small teams in Finance, Operations, and has been a General Manager in the computer equipment, software tools and networking equipment business based in the Netherlands, Germany, Belgium, France, Hong Kong, Singapore and the USA (Massachusetts, Oregon, California). He is also very experienced as a Corporate CFO, Treasurer, and Auditor, as well as running field teams as a VP of Finance/CFO, Director of Finance, Operations Director and General Manager in both public and private companies. Bob studied at the Dutch Institute of Chartered Auditors in Amsterdam, Netherlands. He is fluent in Dutch, English, German and French. Bob currently holds several positions at the board level. He has also been a director on the board of Legrand Software Inc., a privately held CRM software Company for the last 6 years. Bob has been an owner and consultant of CFO Services Worldwide since 2012. His company provides financial and operational support to high tech and low tech companies (hardware, software, networking and distribution), addressing concerns on profitability, controls, effectiveness of financial reporting and analyses. He was also a partner at Tatum, LLC, from 2001-2003 where he provided financial support to various high-tech industry clients.

Achievements

- Bob has raised $54 Million through angel investors, institutions and retail investors.
- He has improved “Inventory Turns” and “Days of Sales Outstanding” substantially in various assignments.
- He carried out numerous profits improvement investigations contributing substantially to growth and profitability.

• Bob has also been in charge of due diligence for a large number of acquisitions and divestitures in Europe, Asia and Africa.

Jenny Hinsman, MBA, COO:

Jenny earned her MBA in Finance and International Business from NYU and a Bachelor of Science degree in Communication at Miami University (Ohio). Entrepreneur, Strategy, Finance and Operations Professional: Jenny is an accomplished leader responsible for creating and launching multiple startups and managing all aspects of growing businesses. These include launching and growing My Garden System, Inc. and several new businesses for Pitney Bowes. At Pitney Bowes Management Services, she led a team of 340 people who provided outsourced services to Fortune 500 companies such as IBM, Liberty Mutual and GenRe Insurance. Jenny was responsible for the national launch of Pitney Bowes' first document management solution for its core business and for developing multiple strategic plans that were presented to its Board of Directors. Her operational experience includes running existing and new businesses (P&L management, team leadership, marketing strategies, new product development, financial management, and negotiating customer and vendor agreements). She has a strong desire to incorporate customer needs into all aspects of business. Approximately half of her working career has included working across global markets in various industries.

Elizabeth Holmberg, MBA, CMO:

Elizabeth attended the University of Colorado where she received a Bachelor of Science in Business Administration in Marketing. Her junior year at the university she was elected President of the Colligate American Marketing Association UCD Chapter. Her leadership abilities created 100% increase in membership for her chapter. To continue her education Elizabeth attended the University of Phoenix to earn her MBA in Marketing. She was educated in virtual collaboration, organization, time management and research. Elizabeth has accumulated more than 12 years management experience. She helped several businesses increase their customer base 45% by utilizing her talents for developing promotional campaigns, business plans, and branding strategies.

Jason Pottinger, MBA, Director of Business Development:

Football and business have always been Jason's two greatest passions. Jason completed his undergrad at McMaster University in Hamilton, Ontario where he earned bachelor's degrees in both economics and geography. He most recently completed his MBA at the Schulich School of Business (York University) with a specialization in international business and marketing. Jason also has five years of business experience in real estate investing and property management. In 2006 he began his professional football career as a linebacker with the British Columbia Lions of the Canadian Football League (CFL). After three seasons with the Lions, Jason was traded to his hometown team, the Toronto

Argonauts, where he played the last five seasons. Jason has been a part of two Grey Cup Championships, including the historic 100th Grey Cup in 2012 which was held in Toronto.

Strategic Analysis

5.1 External Environment Analysis

The business of selling supplements is a complex business that has significantly difficult operations to manage. This section of analysis will detail the overall economic climate and interest rate environment.

Currently, the outlook for the US economy is moderate. The fallout from the housing market and the credit crisis has led many economists to expect that the economy may have a modest double dip recession. However, many economic indicators point to the fact that growth is now occurring at a steady pace after five years of market correction. The unemployment rate has been steadily dropping, and new housing constructions have increased substantially. As such, the risk of a modest double dip recession is limited. However, in the event of another economic recession – Advanced Muscle Technologies, Inc. should have limited issues with generating top line income. This is due to the fact that the products sold by the business are considered to be necessities among customers. This, coupled with the high gross margins of the business, will ensure that the Company will be able to remain profitable and cash flow positive at all times.

5.2 Industry Analysis

Within the United States there are approximately 7,500 companies that specialize in the sale and distribution of dietary supplements to the general public. Each year, these businesses aggregately generate more than $10 billion dollars of revenue and provide jobs for almost 100,000 Americans. For the last five years, annual payrolls have exceeded $2 billion dollars a year among these individuals.

The industry has experienced solid growth over the last ten years as more people are becoming concerned with their health and fitness. This growth corresponds to the increase in capital stock and general wealth of the American public. Studies have shown that as a person's wealth increases their proclivity towards a healthier lifestyle also increases. As such, the industry has grown at an average annual rate of 8% per year for each of the last five years. This trend is expected to continue, and then taper off as the market normalizes and the industry becomes consolidated. Currently, this industry has a number of fragmented market agents that will most likely be rolled up as time progresses.

5.3 Customer Profile

The Management of the Company expects that its average consumer will have the following demographics:

- Frequently exercises and seeks to improve physical performance.
- Between the ages of 13 and 75

5.4 Competitive Analysis

It is difficult to determine the competition that the Company will face as it progresses through its operations. As stated earlier, there are more than 7,500 businesses that could potentially replicate a formulation that provides substantially similar results to that of Advanced Muscle Technologies, Inc. supplements. As such, it is necessary that the Company implement a number of different marketing strategies in order to effectively brand and differentiate the products offered by the business. Major competitors in this market – among companies that focus on performance enhancing supplements and related products include, but are not limited to:

- **GNC –** This popular supplement store franchise offers a number of in-house produced brand names of supplements that seek to increase electrolytes and muscle rebuilding post workout. However, these items are frequently reviewed negatively among dedicated athletes and body builders. Due to the size and presence of this business, they will be a continued competitor.
- **XTend –** This business offers a variety of post workout products in a capsule form only. They have had a substantial amount of success in developing a loyal following among body builders. In addition to offer post-workout formulations, they offer a number of other related products.
- **V-Core –** This formulation comes in a capsule form and offers protein coupled with branched chain amino acids. This product is considered to be one of the best post workout products on the market. They have quickly developed a strong brand name. They will continue to be a competitor in this market.

The primary way that the Company intends to differentiate itself from other competitors is by offering the Advanced Muscle Technologies, Inc. product in a number of different forms such as bars, sports drinks, as well as within traditional capsules.

Key Strategic Issues

6.1 Sustainable Competitive Advantage

The Company will be able to maintain successful business operations because of the following:

- The ability to price the Company’s products as a direct markup over cost.

- The business is relatively immune from economic changes.
- The supplements provided by the Company are primarily geared towards highly athletic people (including body builders) and the market for the products is growing substantially.
- The ability to distribute the products directly to supplement stores and shops.
- Highly recurring streams of revenue as it relates to automatic rebilling for the delivery of supplements.
- Highly experienced Senior Management Team led by Corey Park.

6.2 Basis for Growth

The Company can grow through three main avenues:

- The successful marketing and growth of the core post workout supplement business.
- The successful expansion of the number of distribution facilities owned and operated by the Company.
- Development of relationships with local health clubs, gyms, and fitness centers that will allow the business to sell its health and diet supplement products directly on their premises.

Marketing Plan

7.1 Marketing Objectives

- Establish a strong presence among many marketing and sales channels including print, television, and online distribution networks.
- Establish a significant distribution network with fitness centers and supplement stores.
- Build a large word-of-mouth referral network through the existing client base.

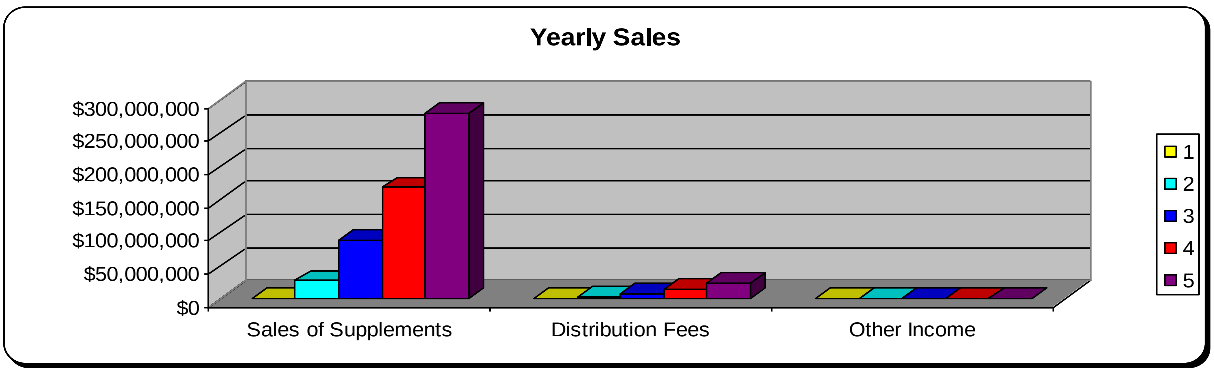
7.2 Sales Forecasts

Yearly Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**
Sales of Supplements	$0	$27,558,010	$89,563,533	$168,379,441	$281,193,667
Distribution Fees	$0	$2,441,990	$7,936,468	$14,920,559	$24,917,333
Other Income	$40,000	$73,600	$239,200	$449,696	$750,992
Totals	**$40,000**	**$30,073,600**	**$97,739,200**	**$183,749,696**	**$306,861,992**

Cost of Sales Forecast					
Year	**1**	**2**	**3**	**4**	**5**

Sales of Supplements	$0	$8,267,403	$26,869,060	$50,513,832	$84,358,100
Distribution Fees	$0	$1,709,393	$5,555,527	$10,444,391	$17,442,133
Other Income	$4,000	$7,360	$23,920	$44,970	$75,099
Totals	**$4,000**	**$9,984,156**	**$32,448,507**	**$61,003,193**	**$101,875,333**

Gross Profit					
Year	1	2	3	4	5
Total	**$36,000**	**$20,089,444**	**$65,290,693**	**$122,746,503**	**$204,986,660**



7.3 Sales Assumptions

Year 1

- In late 2014, Advanced Muscle Technologies, Inc. will complete its final product line and begin fulfilling purchase orders.

Year 2

- Management anticipates that full sales operations will commence and distribution of products will begin.
- Expected sales will reach $30 million while gross profits will reach $20 million.

Years 3-5

- Management expects that the business will achieve $204 million of gross profits and $306 million of gross revenues by the end of the fifth year of operation.
- At this time, the Company will have solidified itself as the premier post workout related dietary supplement within the United States.

7.4 Marketing Strategies

Primarily, the business will use an online based marketing strategy in order to develop the initial sales of Advanced Muscle Technologies, Inc. product line (this will be further discussed below). Individuals will be able to place orders directly through the Company's website. Although the initial expenses of having this website become prominent on the Internet are expensive – in the long run this will become the most cost effective way to enhance the Company's return on investment as it relates to its marketing budget.

Additionally, and prior to the onset of operations, Management will contract fitness centers and gyms throughout the United States to carry the proprietary supplement products (including bars, powders, capsules, and sports drinks) within their locations. On each bottle, the Company's website address will be prominently displayed so that individuals can go to the website to enroll in the Company's automatic delivery option should they so choose. Management has already sourced the list of fitness centers (and their contact information) so that samples can be provided to fitness center trainers and professionals at the onset of operations.

Once the business develops its initial online and direct distribution operations, the Company will have a television commercial developed that will be shown on sports networks. Individuals that call to place their orders for the Company's products will be automatically enrolled in the Company's automatic delivery option. As stated earlier, this has become extremely popular among dietary supplement companies as well skin care businesses.

Advanced Muscle Technologies, Inc. will rapidly expand its revenue through use of an online based marketing campaign to develop its sales. Primarily, the Company will use search engine optimization techniques that will increase the Company's visibility when selected key words are used among major search engines. For instance, when a person does a Google search for post workout supplements, the Company will appear on the first page of the search. This strategy is technically complicated, and the Company can use a search engine optimization firm to develop the Company's visibility on a non-paid basis. Management expects that a SEO firm will place large amounts of linking data and text specific keywords into the business's website, which will allow the Company to appear more frequently among search engines. A majority of web portal and search engine companies use very complicated algorithms to determine a website's relevance in relation to a specific keyword. SEO firms place text and tags on the website to increase the rank of a specific website.

Additionally, the Company can use several pay methods for increasing the Company's visibility. This strategy is expensive, but the results can be phenomenal if this marketing strategy is properly executed. These advertisements appear along the border and side of a website, and each time a person clicks on the website, a small fee ranging from fifty cents to one dollar is charged to the Company's account. An SEO firm can also manage this aspect of the Company's marketing operation.

7.5 Product Marketing

Using the aforementioned marketing strategies, the Company will focus on the tremendous benefits of using post workout products in order to spur muscle rebuilding and electrolyte replenishment.

7.5.1 Price

Price will be determined by management.

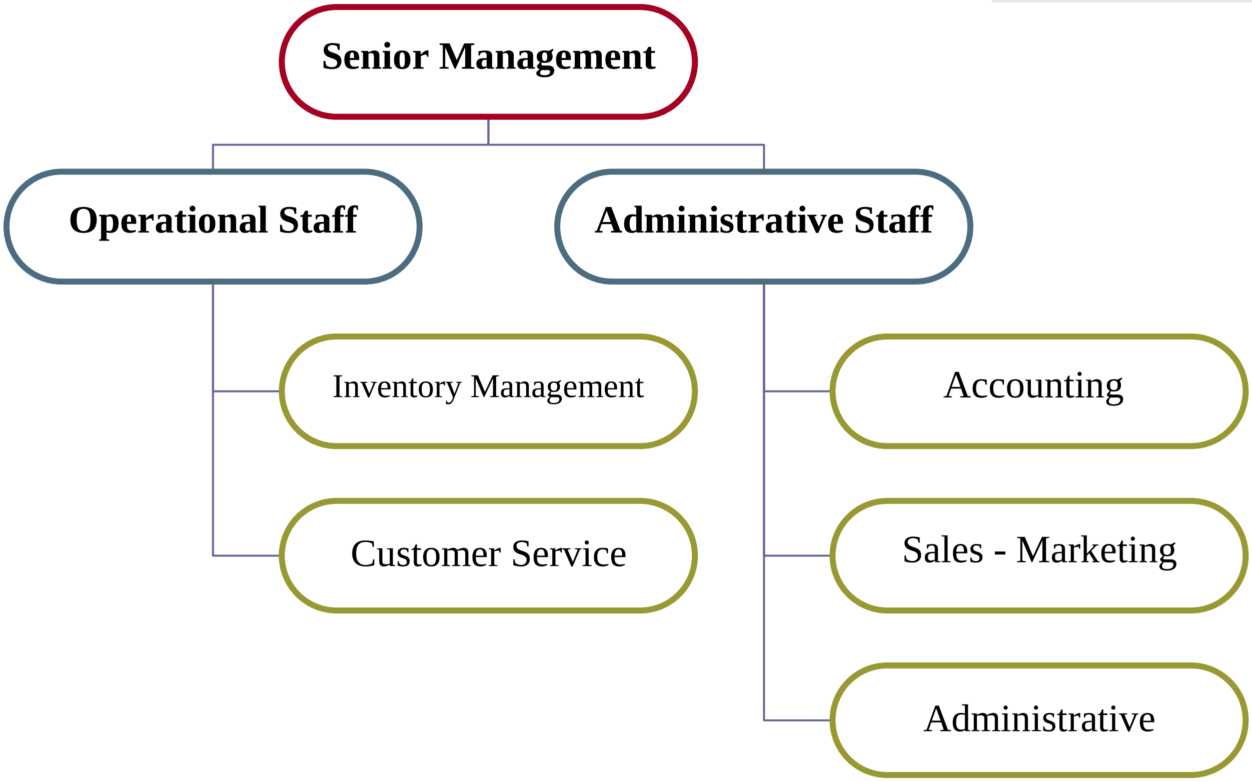
7.5.2 Distribution

Shipping logistics are outsourced to a third party vendor for all sales rendered through the Company's website. After an extensive financial analysis, it was found that it is far less risky and far more cost efficient to contract a private carrier, such as UPS or FedEx, to handle all matters relating to shipping. Both of these companies offer sophisticated and streamlined transportation management and delivery services to wholesaling businesses.

This distribution method can also be used among wholesale level purchasers such as fitness centers and retail locations.

Organizational Plan

8.1 Corporate Organization



8.2 Organizational Budget

Personnel Plan - Yearly

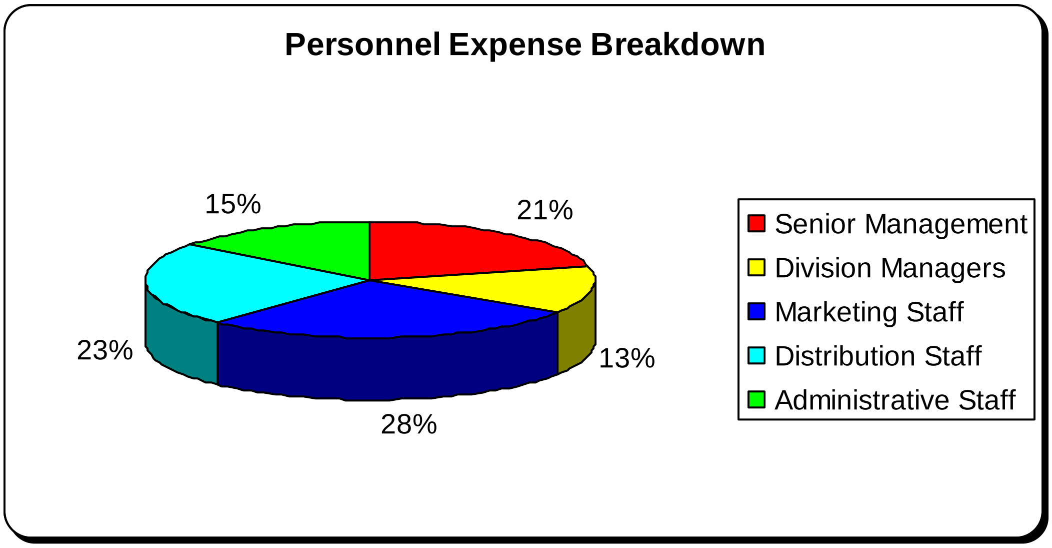
Year	1	2	3	4	5
Senior Management	$75,000	$154,500	$159,135	$163,909	$168,826
Division Managers	$95,000	$97,850	$100,786	$155,714	$160,385
Marketing Staff	$0	$200,850	$310,313	$461,677	$621,844
Distribution Staff	$27,500	$169,950	$350,097	$601,000	$773,787
Administrative Staff	$35,000	$108,150	$185,658	$229,473	$275,750
Total	**$232,500**	**$731,300**	**$1,105,988**	**$1,611,772**	**$2,000,592**

Numbers of Personnel

Year	1	2	3	4	5
Senior Management	1	2	2	2	2
Division Managers	2	2	2	3	3
Marketing Staff	0	6	9	13	17
Distribution Staff	1	6	12	20	25
Administrative Staff	1	3	5	6	7

Totals	5	19	30	44	54

8.2 Organizational Budget (Cont.)



8.3 Employee Hiring Plan (Year 2)

Employee Hiring Plan (Year 2)		
Month	Employee Title	Total Headcount
1	Senior Manager, Division Managers	4
2	Marketing Staff, Distribution Staff, Admin Staff	19
3	No New Hires	19
4	No New Hires	19
5	No New Hires	19
6	No New Hires	19
7	No New Hires	19
8	No New Hires	19
9	No New Hires	19
10	No New Hires	19
11	No New Hires	19
12	No New Hires	19

Financial Plan

9.1 Underlying Assumptions

The Company has based its proforma financial statements on the following:

- Advanced Muscle Technologies, Inc. sales will grow at an average annual rate of 116% per annum.
- Management will initially seek $500,000 of capital.
- Management shall settle most short term payables at the end of each month.

9.2 Financial Highlights

- Positive cash flow and profitability starting in the second year of operations.
- The ability to create high gross margin cash flows through the Company's sale of post workout supplements and related products.

9.3 Sensitivity Analysis

The business's revenues are moderately sensitive to the overall economic environment. The products that the Company is selling are very important to the purchaser as these products promote better fitness. As such, Management expects that only severe economic shocks that result in substantial decreases of the general public's discretionary income will have a deleterious effect on Advanced Muscle Technologies, Inc. ability to generate revenues and profits.

9.4 Source of Funds

Financing	
Equity Financiers	
Investor(s)	$500,000.00
Total Equity Financing	$500,000.00
Banks and Lenders	
Total Debt Financing	$0.00
Total Financing	**$500,000.00**

9.5 Financial Proformas

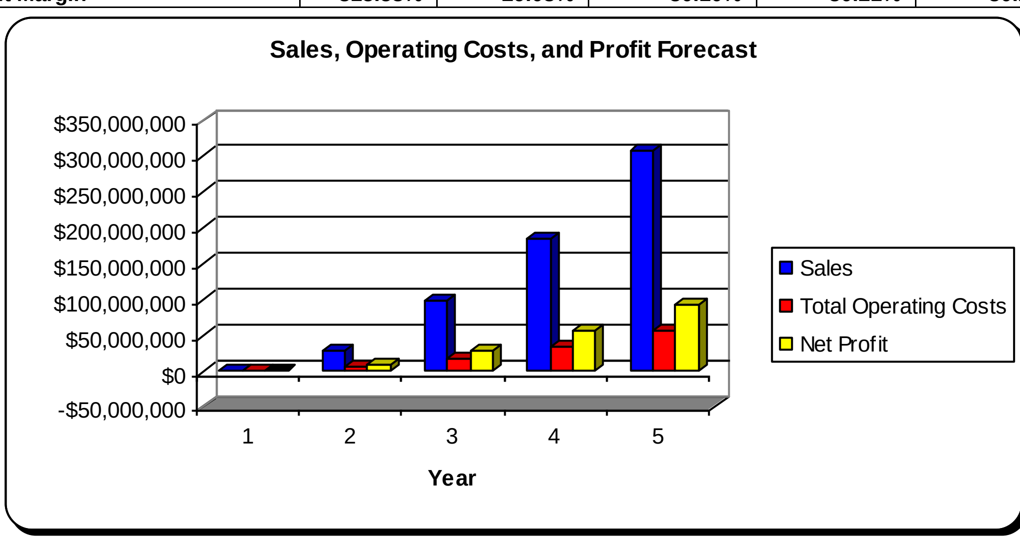
A) Profit and Loss Statement

Proforma Profit and Loss (Yearly)					
Year	1	2	3	4	5
Sales	$40,000	$30,073,600	$97,739,200	$183,749,696	$306,861,992
Cost of Goods Sold	$4,000	$9,984,156	$32,448,507	$61,003,193	$101,875,333
Gross Margin	90.00%	66.80%	66.80%	66.80%	66.80%
Operating Income	$36,000	$20,089,444	$65,290,693	$122,746,503	$204,986,660

Expenses					
Payroll	$232,500	$731,300	$1,105,988	$1,611,772	$2,000,592
General and Administrative	$17,500	$1,503,680	$4,886,960	$9,187,485	$15,343,100
Marketing Expenses	$0	$2,105,152	$6,841,744	$12,862,479	$21,480,339
Professional Fees	$42,500	$89,250	$187,425	$393,593	$826,544
Insurance Costs	$5,100	$12,750	$31,875	$79,688	$199,219
R&D Costs	$29,558	$79,807	$215,478	$581,790	$1,570,833
Distribution Network Expenses	$0	$1,202,944	$3,909,568	$7,349,988	$12,274,480
Miscellaneous Costs	$200	$150,368	$488,696	$918,748	$1,534,310
Payroll Taxes	$34,875	$109,695	$165,898	$241,766	$300,089
Total Operating Costs	**$362,233**	**$5,984,946**	**$17,833,632**	**$33,227,308**	**$55,529,506**

EBITA	**-$326,233**	**$14,104,498**	**$47,457,061**	**$89,519,195**	**$149,457,154**
Federal Income Tax	$0	$4,654,484	$15,660,830	$29,541,334	$49,320,861
State Income Tax	$0	$705,225	$2,372,853	$4,475,960	$7,472,858
Interest Expense	$0	$0	$0	$0	$0

Net Profit	**-$326,233**	**$8,744,789**	**$29,423,378**	**$55,501,901**	**$92,663,435**
Profit Margin	**-815.58%**	**29.08%**	**30.10%**	**30.21%**	**30.20%**



B) Common Size Income Statement

Proforma Profit and Loss (Common Size)					
Year	1	2	3	4	5
Sales	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Goods Sold	10.00%	33.20%	33.20%	33.20%	33.20%
Operating Income	90.00%	66.80%	66.80%	66.80%	66.80%
Expenses					
Payroll	581.25%	2.43%	1.13%	0.88%	0.65%
General and Administrative	43.75%	5.00%	5.00%	5.00%	5.00%
Marketing Expenses	0.00%	7.00%	7.00%	7.00%	7.00%
Professional Fees	106.25%	0.30%	0.19%	0.21%	0.27%
Insurance Costs	12.75%	0.04%	0.03%	0.04%	0.06%
R&D Costs	73.90%	0.27%	0.22%	0.32%	0.51%
Distribution Network Expenses	0.00%	4.00%	4.00%	4.00%	4.00%
Miscellaneous Costs	0.50%	0.50%	0.50%	0.50%	0.50%
Payroll Taxes	87.19%	0.36%	0.17%	0.13%	0.10%
Total Operating Costs	905.58%	19.90%	18.25%	18.08%	18.10%
EBITA	-815.58%	46.90%	48.55%	48.72%	48.71%
Federal Income Tax	0.00%	15.48%	16.02%	16.08%	16.07%
State Income Tax	0.00%	2.34%	2.43%	2.44%	2.44%
Interest Expense	0.00%	0.00%	0.00%	0.00%	0.00%
Net Profit	-815.58%	29.08%	30.10%	30.21%	30.20%

C) Cash Flow Analysis

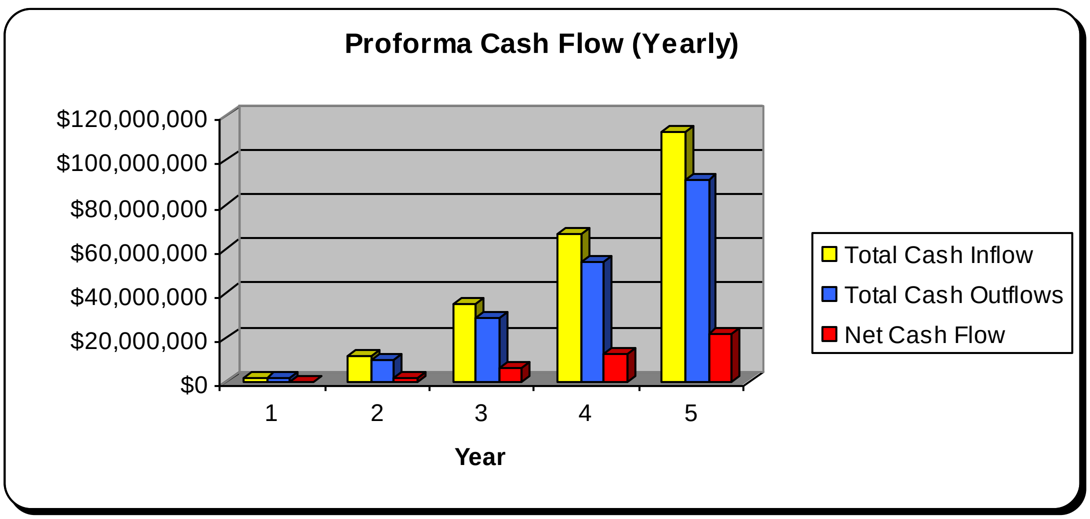
Proforma Cash Flow Analysis - Yearly					
Year	1	2	3	4	5
Cash From Operations	-$326,233	$8,744,789	$29,423,378	$55,501,901	$92,663,435
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**-$326,233**	**$8,744,789**	**$29,423,378**	**$55,501,901**	**$92,663,435**
Other Cash Inflows					
Equity Investment	$500,000	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$1,927,860	$3,470,148	$6,246,266	$11,243,280	$20,237,903
Total Other Cash Inflows	**$2,427,860**	**$3,470,148**	**$6,246,266**	**$11,243,280**	**$20,237,903**

Total Cash Inflow	**$2,101,627**	**$12,214,937**	**$35,669,644**	**$66,745,180**	**$112,901,339**

Cash Outflows

Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$1,635,470	$2,943,846	$5,298,923	$9,538,061	$17,168,510
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$230,000	$1,311,718	$4,413,507	$8,325,285	$13,899,515
Dividends	$0	$5,684,113	$19,125,195	$36,076,235	$60,231,233
Total Cash Outflows	**$1,865,470**	**$9,939,677**	**$28,837,625**	**$53,939,582**	**$91,299,258**

Net Cash Flow	**$236,157**	**$2,275,260**	**$6,832,019**	**$12,805,599**	**$21,602,080**
Cash Balance	**$236,157**	**$2,511,417**	**$9,343,436**	**$22,149,035**	**$43,751,115**

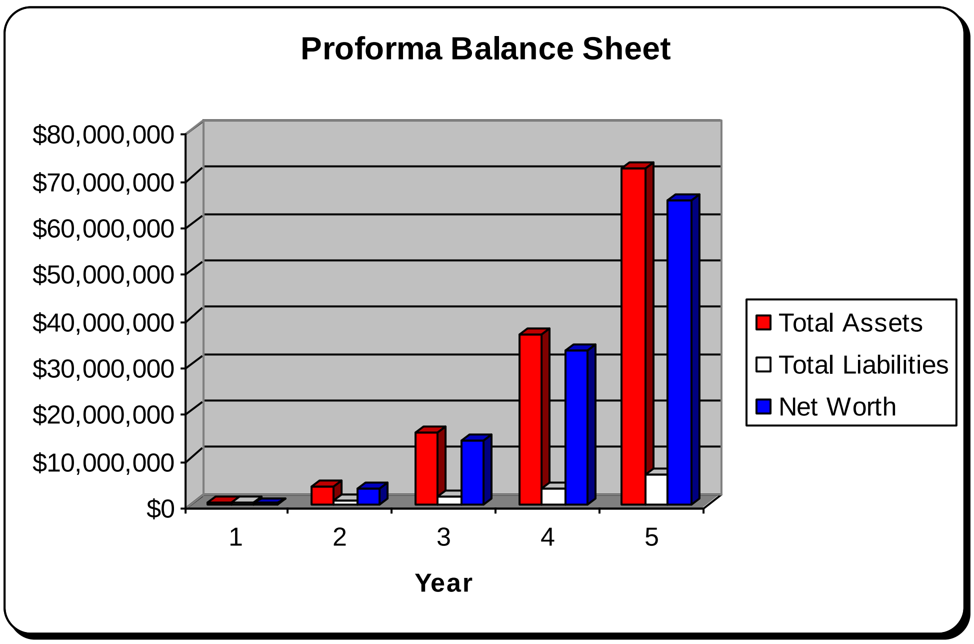


D) Balance Sheet

Proforma Balance Sheet - Yearly					
Year	1	2	3	4	5
Assets					
Cash	$236,157	$2,511,417	$9,343,436	$22,149,035	$43,751,115
Amortized Startup Costs	$92,500	$354,844	$1,237,545	$2,902,602	$5,682,505
Inventory	$100,000	$1,083,789	$4,393,919	$10,637,883	$21,062,519
FF&E	$17,500	$83,086	$303,761	$720,026	$1,415,001
Accumulated Depreciation	($30,000)	($60,000)	($90,000)	($120,000)	($150,000)
Total Assets	**$416,157**	**$3,973,135**	**$15,188,661**	**$36,289,545**	**$71,761,140**
Liabilities and Equity					
Accounts Payable	$292,390	$818,692	$1,766,036	$3,471,254	$6,540,647

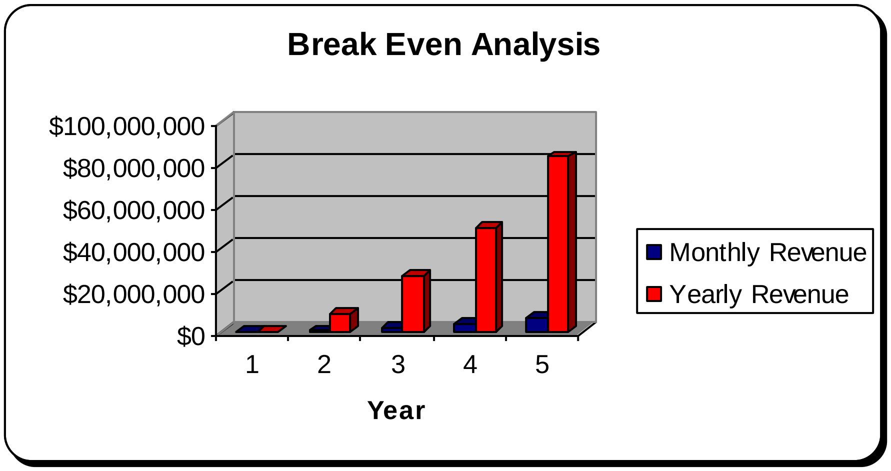
Long Term Liabilities	$0	$0	$0	$0	$0
Other Liabilities	$0	$0	$0	$0	$0
Total Liabilities	**$292,390**	**$818,692**	**$1,766,036**	**$3,471,254**	**$6,540,647**

Net Worth	**$123,767**	**$3,154,443**	**$13,422,625**	**$32,818,291**	**$65,220,493**
Total Liabilities and Equity	**$416,157**	**$3,973,135**	**$15,188,661**	**$36,289,545**	**$71,761,140**



9.6 Breakeven Analysis

Monthly Break Even Analysis					
Year	1	2	3	4	5
Monthly Revenue	$33,540	$746,615	$2,224,724	$4,145,066	$6,927,237
Yearly Revenue	$402,481	$8,959,375	$26,696,683	$49,740,788	$83,126,847



9.7 Business Ratios

Business Ratios - Yearly					
Year	1	2	3	4	5
Sales					
Sales Growth	0.0%	84.0%	225.0%	88.0%	67.0%
Gross Margin	90.0%	66.8%	66.8%	66.8%	66.8%
Financials					
Profit Margin	-815.58%	29.08%	30.10%	30.21%	30.20%
Assets to Liabilities	1.42	4.85	8.60	10.45	10.97
Equity to Liabilities	0.42	3.85	7.60	9.45	9.97
Assets to Equity	3.36	1.26	1.13	1.11	1.10
Liquidity					
Acid Test	0.81	3.07	5.29	6.38	6.69
Cash to Assets	0.57	0.63	0.62	0.61	0.61

9.8 General Assumptions

General Assumptions					
Year	**1**	**2**	**3**	**4**	**5**
Federal Tax Rate	33.0%	33.0%	33.0%	33.0%	33.0%
State Tax Rate	5.0%	5.0%	5.0%	5.0%	5.0%
Personnel Taxes	15.0%	15.0%	15.0%	15.0%	15.0%

SWOT Analysis

Strengths

- Highly recurring streams of high margin revenue from the continuing sale of supplements and dietary supplies specifically for post workout use.
- The market for sports related supplements is rapidly increasing.
- Experience and motivated Senior Management Team led by Corey Park.
- Efficient back office support for managing the complex accounting, inventory, distribution, and general operations of Advanced Muscle Technologies, Inc.
- Low set up costs for new product sales.

Weaknesses

- Adverse market conditions can impact revenue.
- A business model that is not patentable and therefore could be copied by a potential competitor.
- Moderate barriers to entry.
- Moderately high operating costs.

Opportunities

- Ongoing predictable streams of revenue generated from each customer.
- Develop relationships with retail locations and supplement distributors.
- Development of the Company's online ordering website.

Threats

- Several competitors can enter the market with relative ease.
- Cost driver prices can suddenly increase, causing a significant change in the Company's profit and loss statement.
- Regulatory changes could force the business to have to change its labeling or business practices.

Critical Risks and Problems

Development Risk – **Moderate**
The Company has already developed its proprietary formula as it relates to providing supplements specifically for post workout usage. The primary development risk faced by the business is Management's ability to raise the requisite capital sought in this business plan. The secondary development risk is Management's ability to develop and implement the marketing plans outlined in this business plan.

Financing Risk – **Moderate**
The margins achieved from the sale of Advanced Muscle Technologies, Inc. products are substantial, and the operating income of the business will ensure that the business is able to remain profitable and cash flow positive at all times. The initial $500,000 sought by the business will allow the Company to begin to generate highly recurring streams of revenue on an ongoing basis.

Marketing Risk – **Low/Moderate**
Management intends to use the marketing strategies outlined in the seventh section of the business plan. However, these marketing strategies are expensive and may not yield the financial results anticipated in this business plan. The vitamin and supplement industry is extremely competitive, and it is imperative that the Company implement high impact marketing strategies that target athletes and body builders.

Valuation Risk – **Low**
The risk that the Investor(s) pays too much for the venture is offset by:

- Investor funds will be in a Company that generates predictable streams high margin revenue.
- The business is in a rapidly growing market.
- The Company's growth rate will create value and equity in the business very quickly.
- The business will have a large inventory of operating assets and saleable inventory that can be divested within 6 months.

Exit Risk - **Low**
There is a great demand for established health supplement businesses, and the Management of Advanced Muscle Technologies, Inc. feels that the full sale of all Company assets could occur within one year of marketing the Company for sale. The Company would most likely solicit the help of a qualified business broker or small mergers and acquisitions oriented investment bank.

Reference Sources

All statistics and market information was obtained through:

1. U.S. Government Bureau of Labor Statistics

2. U.S. Economic Census

Health and Personal Care Supplies – NAICS -446191

3. Food and Drug Administration
   "Economic Characterization of the Dietary Supplement Industry"

Expanded Profit and Loss Statements

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Sales	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Cost of Goods Sold	$0	$0	$0	$0	$0	$0	$0

Gross Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Income	$0	$0	$0	$0	$0	$0	$0
Expenses							
Payroll	$19,375	$19,375	$19,375	$19,375	$19,375	$19,375	$19,375
General and Administrative	$1,458	$1,458	$1,458	$1,458	$1,458	$1,458	$1,458
Marketing Expenses	$0	$0	$0	$0	$0	$0	$0
Professional Fees	$3,542	$3,542	$3,542	$3,542	$3,542	$3,542	$3,542
Insurance Costs	$425	$425	$425	$425	$425	$425	$425
R&D Costs	$2,463	$2,463	$2,463	$2,463	$2,463	$2,463	$2,463
Distribution Network Expenses	$0	$0	$0	$0	$0	$0	$0
Miscellaneous Costs	$17	$17	$17	$17	$17	$17	$17
Payroll Taxes	$2,906	$2,906	$2,906	$2,906	$2,906	$2,906	$2,906
Total Operating Costs	$30,186	$30,186	$30,186	$30,186	$30,186	$30,186	$30,186
EBITA	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186
Federal Income Tax	$0	$0	$0	$0	$0	$0	$0
State Income Tax	$0	$0	$0	$0	$0	$0	$0
Interest Expense	$0	$0	$0	$0	$0	$0	$0
Net Profit	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	1

Sales	**$0**	**$0**	**$0**	**$0**	**$40,000**	**$40,000**
Cost of Goods Sold	$0	$0	$0	$0	$4,000	$4,000
Gross Margin	0.0%	0.0%	0.0%	0.0%	0.0%	90.0%
Operating Income	$0	$0	$0	$0	$36,000	$36,000
Expenses						
Payroll	$19,375	$19,375	$19,375	$19,375	$19,375	$232,500
General and Administrative	$1,458	$1,458	$1,458	$1,458	$1,458	$17,500
Marketing Expenses	$0	$0	$0	$0	$0	$0
Professional Fees	$3,542	$3,542	$3,542	$3,542	$3,542	$42,500
Insurance Costs	$425	$425	$425	$425	$425	$5,100
R&D Costs	$2,463	$2,463	$2,463	$2,463	$2,463	$29,558
Distribution Network Expenses	$0	$0	$0	$0	$0	$0
Miscellaneous Costs	$17	$17	$17	$17	$17	$200
Payroll Taxes	$2,906	$2,906	$2,906	$2,906	$2,906	$34,875
Total Operating Costs	$30,186	$30,186	$30,186	$30,186	$30,186	$362,233
EBITA	-$30,186	-$30,186	-$30,186	-$30,186	$5,814	-$326,233
Federal Income Tax	$0	$0	$0	$0	$0	$0
State Income Tax	$0	$0	$0	$0	$0	$0
Interest Expense	$0	$0	$0	$0	$0	$0
Net Profit	-$30,186	-$30,186	-$30,186	-$30,186	$5,814	-$326,233

Profit and Loss Statement (Second Year)					
			2		
Quarter	Q1	Q2	Q3	Q4	2
Sales	$6,014,720	$7,518,400	$8,119,872	$8,420,608	$30,073,600
Cost of Goods Sold	$1,996,831	$2,496,039	$2,695,722	$2,795,564	$9,984,156
Gross Margin	66.8%	66.8%	66.8%	66.8%	66.8%

Operating Income	**$4,017,889**	**$5,022,361**	**$5,424,150**	**$5,625,044**	**$20,089,444**
Expenses					
Payroll	$146,260	$182,825	$197,451	$204,764	$731,300
General and Administrative	$300,736	$375,920	$405,994	$421,030	$1,503,680
Marketing Expenses	$421,030	$526,288	$568,391	$589,443	$2,105,152
Professional Fees	$17,850	$22,313	$24,098	$24,990	$89,250
Insurance Costs	$2,550	$3,188	$3,443	$3,570	$12,750
R&D Costs	$15,961	$19,952	$21,548	$22,346	$79,807
Distribution Network Expenses	$240,589	$300,736	$324,795	$336,824	$1,202,944
Miscellaneous Costs	$30,074	$37,592	$40,599	$42,103	$150,368
Payroll Taxes	$21,939	$27,424	$29,618	$30,715	$109,695
Total Operating Costs	**$1,196,989**	**$1,496,236**	**$1,615,935**	**$1,675,785**	**$5,984,946**
EBITA	**$2,820,900**	**$3,526,125**	**$3,808,215**	**$3,949,260**	**$14,104,498**
Federal Income Tax	$930,897	$1,163,621	$1,256,711	$1,303,256	$4,654,484
State Income Tax	$141,045	$176,306	$190,411	$197,463	$705,225
Interest Expense	$0	$0	$0	$0	$0
Net Profit	**$1,748,958**	**$2,186,197**	**$2,361,093**	**$2,448,541**	**$8,744,789**

Profit and Loss Statement (Third Year)					
			3		
Quarter	Q1	Q2	Q3	Q4	3
Sales	$19,547,840	$24,434,800	$26,389,584	$27,366,976	$97,739,200
Cost of Goods Sold	$6,489,701	$8,112,127	$8,761,097	$9,085,582	$32,448,507
Gross Margin	66.8%	66.8%	66.8%	66.8%	66.8%

Operating Income	**$13,058,139**	**$16,322,673**	**$17,628,487**	**$18,281,394**	**$65,290,693**
Expenses					
Payroll	$221,198	$276,497	$298,617	$309,677	$1,105,988
General and Administrative	$977,392	$1,221,740	$1,319,479	$1,368,349	$4,886,960
Marketing Expenses	$1,368,349	$1,710,436	$1,847,271	$1,915,688	$6,841,744
Professional Fees	$37,485	$46,856	$50,605	$52,479	$187,425
Insurance Costs	$6,375	$7,969	$8,606	$8,925	$31,875
R&D Costs	$43,096	$53,869	$58,179	$60,334	$215,478
Distribution Network Expenses	$781,914	$977,392	$1,055,583	$1,094,679	$3,909,568
Miscellaneous Costs	$97,739	$122,174	$131,948	$136,835	$488,696
Payroll Taxes	$33,180	$41,475	$44,793	$46,452	$165,898
Total Operating Costs	**$3,566,726**	**$4,458,408**	**$4,815,081**	**$4,993,417**	**$17,833,632**
EBITA	**$9,491,412**	**$11,864,265**	**$12,813,406**	**$13,287,977**	**$47,457,061**
Federal Income Tax	$3,132,166	$3,915,208	$4,228,424	$4,385,032	$15,660,830
State Income Tax	$474,571	$593,213	$640,670	$664,399	$2,372,853
Interest Expense	$0	$0	$0	$0	$0
Net Profit	**$5,884,676**	**$7,355,844**	**$7,944,312**	**$8,238,546**	**$29,423,378**

Profit and Loss Statement (Fourth Year)					
			4		
Quarter	Q1	Q2	Q3	Q4	4
Sales	$36,749,939	$45,937,424	$49,612,418	$51,449,915	$183,749,696
Cost of Goods Sold	$12,200,639	$15,250,798	$16,470,862	$17,080,894	$61,003,193
Gross Margin	66.8%	66.8%	66.8%	66.8%	66.8%

Operating Income	**$24,549,301**	**$30,686,626**	**$33,141,556**	**$34,369,021**	**$122,746,503**
Expenses					
Payroll	$322,354	$402,943	$435,179	$451,296	$1,611,772
General and Administrative	$1,837,497	$2,296,871	$2,480,621	$2,572,496	$9,187,485
Marketing Expenses	$2,572,496	$3,215,620	$3,472,869	$3,601,494	$12,862,479
Professional Fees	$78,719	$98,398	$106,270	$110,206	$393,593
Insurance Costs	$15,938	$19,922	$21,516	$22,313	$79,688
R&D Costs	$116,358	$145,448	$157,083	$162,901	$581,790
Distribution Network Expenses	$1,469,998	$1,837,497	$1,984,497	$2,057,997	$7,349,988
Miscellaneous Costs	$183,750	$229,687	$248,062	$257,250	$918,748
Payroll Taxes	$48,353	$60,441	$65,277	$67,694	$241,766
Total Operating Costs	**$6,645,462**	**$8,306,827**	**$8,971,373**	**$9,303,646**	**$33,227,308**
EBITA	**$17,903,839**	**$22,379,799**	**$24,170,183**	**$25,065,375**	**$89,519,195**
Federal Income Tax	$5,908,267	$7,385,334	$7,976,160	$8,271,574	$29,541,334
State Income Tax	$895,192	$1,118,990	$1,208,509	$1,253,269	$4,475,960
Interest Expense	$0	$0	$0	$0	$0
Net Profit	**$11,100,380**	**$13,875,475**	**$14,985,513**	**$15,540,532**	**$55,501,901**

Profit and Loss Statement (Fifth Year)					
			5		
Quarter	Q1	Q2	Q3	Q4	5
Sales	$61,372,398	$76,715,498	$82,852,738	$85,921,358	$306,861,992
Cost of Goods Sold	$20,375,067	$25,468,833	$27,506,340	$28,525,093	$101,875,333
Gross Margin	66.8%	66.8%	66.8%	66.8%	66.8%

Operating Income	**$40,997,332**	**$51,246,665**	**$55,346,398**	**$57,396,265**	**$204,986,660**
Expenses					
Payroll	$400,118	$500,148	$540,160	$560,166	$2,000,592
General and Administrative	$3,068,620	$3,835,775	$4,142,637	$4,296,068	$15,343,100
Marketing Expenses	$4,296,068	$5,370,085	$5,799,692	$6,014,495	$21,480,339
Professional Fees	$165,309	$206,636	$223,167	$231,432	$826,544
Insurance Costs	$39,844	$49,805	$53,789	$55,781	$199,219
R&D Costs	$314,167	$392,708	$424,125	$439,833	$1,570,833
Distribution Network Expenses	$2,454,896	$3,068,620	$3,314,110	$3,436,854	$12,274,480
Miscellaneous Costs	$306,862	$383,577	$414,264	$429,607	$1,534,310
Payroll Taxes	$60,018	$75,022	$81,024	$84,025	$300,089
Total Operating Costs	**$11,105,901**	**$13,882,376**	**$14,992,967**	**$15,548,262**	**$55,529,506**
EBITA	**$29,891,431**	**$37,364,289**	**$40,353,432**	**$41,848,003**	**$149,457,154**
Federal Income Tax	$9,864,172	$12,330,215	$13,316,632	$13,809,841	$49,320,861
State Income Tax	$1,494,572	$1,868,214	$2,017,672	$2,092,400	$7,472,858
Interest Expense	$0	$0	$0	$0	$0
Net Profit	**$18,532,687**	**$23,165,859**	**$25,019,128**	**$25,945,762**	**$92,663,435**

Expanded Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186
Cash From Receivables	$0	$0	$0	$0	$0	$0	$0	$0

Operating Cash Inflow	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186	-$30,186
Other Cash Inflows								
Equity Investment	$500,000	$0	$0	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0	$0	$0	$0
A/P Increases	$160,655	$160,655	$160,655	$160,655	$160,655	$160,655	$160,655	$160,655
Total Other Cash Inflows	**$660,655**	**$160,655**	**$160,655**	**$160,655**	**$160,655**	**$160,655**	**$160,655**	**$160,655**
Total Cash Inflow	**$630,469**	**$130,469**	**$130,469**	**$130,469**	**$130,469**	**$130,469**	**$130,469**	**$130,469**
Cash Outflows								
Repayment of Principal	$0	$0	$0	$0	$0	$0	$0	$0
A/P Decreases	$136,289	$136,289	$136,289	$136,289	$136,289	$136,289	$136,289	$136,289
A/R Increases	$0	$0	$0	$0	$0	$0	$0	$0
Asset Purchases	$230,000	$0	$0	$0	$0	$0	$0	$0
Dividends	$0	$0	$0	$0	$0	$0	$0	$0
Total Cash Outflows	**$366,289**	**$136,289**	**$136,289**	**$136,289**	**$136,289**	**$136,289**	**$136,289**	**$136,289**
Net Cash Flow	**$264,180**	**-$5,820**	**-$5,820**	**-$5,820**	**-$5,820**	**-$5,820**	**-$5,820**	**-$5,820**
Cash Balance	**$264,180**	**$258,360**	**$252,539**	**$246,719**	**$240,899**	**$235,079**	**$229,258**	**$223,438**

Cash Flow Analysis (First Year Cont.)

Month	9	10	11	12	1
Cash From Operations	-$30,186	-$30,186	-$30,186	$5,814	-$326,233
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**-$30,186**	**-$30,186**	**-$30,186**	**$5,814**	**-$326,233**

Other Cash Inflows

Equity Investment	$0	$0	$0	$0	$500,000
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$160,655	$160,655	$160,655	$160,655	$1,927,860
Total Other Cash Inflows	$160,655	$160,655	$160,655	$160,655	$2,427,860

Total Cash Inflow	**$130,469**	**$130,469**	**$130,469**	**$166,469**	**$2,101,627**

Cash Outflows

Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$136,289	$136,289	$136,289	$136,289	$1,635,470
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$0	$0	$0	$0	$230,000
Dividends	$0	$0	$0	$0	$0
Total Cash Outflows	**$136,289**	**$136,289**	**$136,289**	**$136,289**	**$1,865,470**

Net Cash Flow	**-$5,820**	**-$5,820**	**-$5,820**	**$30,180**	**$236,157**
Cash Balance	**$217,618**	**$211,798**	**$205,977**	**$236,157**	**$236,157**

Cash Flow Analysis (Second Year)

			2		
Quarter	Q1	Q2	Q3	Q4	2
Cash From Operations	$1,748,958	$2,186,197	$2,361,093	$2,448,541	$8,744,789
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$1,748,958**	**$2,186,197**	**$2,361,093**	**$2,448,541**	**$8,744,789**

Other Cash Inflows

Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$694,030	$867,537	$936,940	$971,641	$3,470,148
Total Other Cash Inflows	**$694,030**	**$867,537**	**$936,940**	**$971,641**	**$3,470,148**

Total Cash Inflow	**$2,442,987**	**$3,053,734**	**$3,298,033**	**$3,420,182**	**$12,214,937**

Cash Outflows

Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$588,769	$735,962	$794,838	$824,277	$2,943,846
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$262,344	$327,930	$354,164	$367,281	$1,311,718
Dividends	$1,136,823	$1,421,028	$1,534,710	$1,591,552	$5,684,113
Total Cash Outflows	**$1,987,935**	**$2,484,919**	**$2,683,713**	**$2,783,110**	**$9,939,677**

Net Cash Flow	**$455,052**	**$568,815**	**$614,320**	**$637,073**	**$2,275,260**
Cash Balance	**$691,209**	**$1,260,024**	**$1,874,344**	**$2,511,417**	**$2,511,417**

Cash Flow Analysis (Third Year)

			3		
Quarter	Q1	Q2	Q3	Q4	3
Cash From Operations	$5,884,676	$7,355,844	$7,944,312	$8,238,546	$29,423,378
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$5,884,676**	**$7,355,844**	**$7,944,312**	**$8,238,546**	**$29,423,378**

Other Cash Inflows

Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$1,249,253	$1,561,567	$1,686,492	$1,748,955	$6,246,266
Total Other Cash Inflows	**$1,249,253**	**$1,561,567**	**$1,686,492**	**$1,748,955**	**$6,246,266**

Total Cash Inflow	**$7,133,929**	**$8,917,411**	**$9,630,804**	**$9,987,500**	**$35,669,644**

Cash Outflows

Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$1,059,785	$1,324,731	$1,430,709	$1,483,698	$5,298,923
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$882,701	$1,103,377	$1,191,647	$1,235,782	$4,413,507
Dividends	$3,825,039	$4,781,299	$5,163,803	$5,355,055	$19,125,195
Total Cash Outflows	**$5,767,525**	**$7,209,406**	**$7,786,159**	**$8,074,535**	**$28,837,625**

Net Cash Flow	**$1,366,404**	**$1,708,005**	**$1,844,645**	**$1,912,965**	**$6,832,019**
Cash Balance	**$3,877,821**	**$5,585,825**	**$7,430,471**	**$9,343,436**	**$9,343,436**

Cash Flow Analysis (Fourth Year)

			4		
Quarter	Q1	Q2	Q3	Q4	4
Cash From Operations	$11,100,380	$13,875,475	$14,985,513	$15,540,532	$55,501,901
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$11,100,380**	**$13,875,475**	**$14,985,513**	**$15,540,532**	**$55,501,901**

Other Cash Inflows

Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$2,248,656	$2,810,820	$3,035,685	$3,148,118	$11,243,280
Total Other Cash Inflows	**$2,248,656**	**$2,810,820**	**$3,035,685**	**$3,148,118**	**$11,243,280**

Total Cash Inflow	**$13,349,036**	**$16,686,295**	**$18,021,199**	**$18,688,650**	**$66,745,180**

Cash Outflows

Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$1,907,612	$2,384,515	$2,575,276	$2,670,657	$9,538,061
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$1,665,057	$2,081,321	$2,247,827	$2,331,080	$8,325,285
Dividends	$7,215,247	$9,019,059	$9,740,584	$10,101,346	$36,076,235
Total Cash Outflows	**$10,787,916**	**$13,484,895**	**$14,563,687**	**$15,103,083**	**$53,939,582**

Net Cash Flow	**$2,561,120**	**$3,201,400**	**$3,457,512**	**$3,585,568**	**$12,805,599**
Cash Balance	**$11,904,556**	**$15,105,955**	**$18,563,467**	**$22,149,035**	**$22,149,035**

Cash Flow Analysis (Fifth Year)

			5		
Quarter	Q1	Q2	Q3	Q4	5
Cash From Operations	$18,532,687	$23,165,859	$25,019,128	$25,945,762	$92,663,435
Cash From Receivables	$0	$0	$0	$0	$0
Operating Cash Inflow	**$18,532,687**	**$23,165,859**	**$25,019,128**	**$25,945,762**	**$92,663,435**

Other Cash Inflows

Equity Investment	$0	$0	$0	$0	$0
Increased Borrowings	$0	$0	$0	$0	$0
Sales of Business Assets	$0	$0	$0	$0	$0
A/P Increases	$4,047,581	$5,059,476	$5,464,234	$5,666,613	$20,237,903
Total Other Cash Inflows	**$4,047,581**	**$5,059,476**	**$5,464,234**	**$5,666,613**	**$20,237,903**

Total Cash Inflow	**$22,580,268**	**$28,225,335**	**$30,483,361**	**$31,612,375**	**$112,901,339**

Cash Outflows

Repayment of Principal	$0	$0	$0	$0	$0
A/P Decreases	$3,433,702	$4,292,127	$4,635,498	$4,807,183	$17,168,510
A/R Increases	$0	$0	$0	$0	$0
Asset Purchases	$2,779,903	$3,474,879	$3,752,869	$3,891,864	$13,899,515
Dividends	$12,046,247	$15,057,808	$16,262,433	$16,864,745	$60,231,233
Total Cash Outflows	**$18,259,852**	**$22,824,815**	**$24,650,800**	**$25,563,792**	**$91,299,258**

Net Cash Flow	**$4,320,416**	**$5,400,520**	**$5,832,562**	**$6,048,583**	**$21,602,080**
Cash Balance	**$26,469,451**	**$31,869,971**	**$37,702,532**	**$43,751,115**	**$43,751,115**