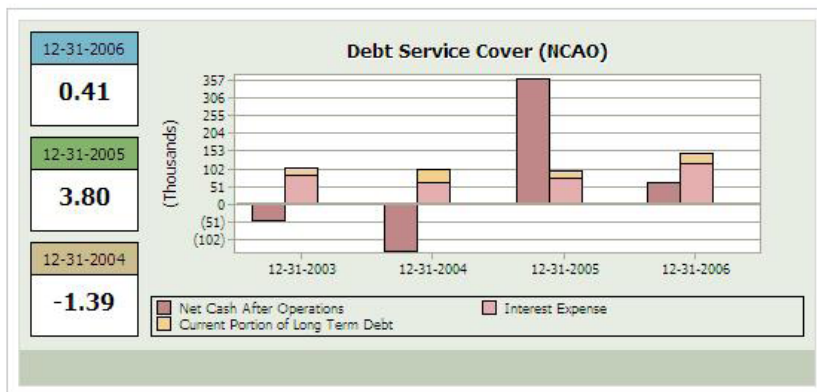


Sample Management Report

Financial Diagnostic Report

Date Prepared: 8/28/2009 4:09:03 AM

Debt Service Cover



Financial Highlights 12-31-2006

Net Cash After Operations 60,208

Total Commitment to Bank 146,590

Debt Service Cover 0.41

Total Bank Commitments cannot be met from NCAO in the current period.

Focus Points

Debt Service Cover shows the ability of the business to fund its commitments to the bank. Commitments to the bank are defined as Interest and the Current Portion of Long Term Debt.

Net Cash After Operations (NCAO) is the Operating cash flow after tax. Businesses need to ensure they generate enough NCAO to cover their Debt. On this basis, if this ratio is under 1 it indicates that there is insufficient cash to meet commitments to the bank.

Businesses have very little control over interest and the ability to retire debt, and thus should focus on managing NCAO via drivers such as Price, Days Receivable, Days Payable and Fixed Assets.

Strategy - What If?

An increase in Revenue Growth %	by 1%
Changes Debt Service Cover	to 0.35
An increase in Price Change %	by 1%
Changes Debt Service Cover	to 0.53
A decrease in COGS %	by 1%
Changes Debt Service Cover	to 0.63
A decrease in Operating Expenses %	by 1%
Changes Debt Service Cover	to 0.57
A decrease in Days Receivable	by 1 day
Changes Debt Service Cover	to 0.48
A decrease in Days Inventory	by 1 day
Changes Debt Service Cover	to 0.46
An increase in Days Payable	by 1 day
Changes Debt Service Cover	to 0.46