Financial Plan

According to our conservative estimates, Take-Out Pizza, Inc. is expected to maintain a healthy financial position over the next five years. The following plan outlines the financial development of our company. The business will be initially financed by a $30,000 five-year term loan and a total capital investment of $101,500 (John an Lisa Walker $36,000 each, plus $29,500 from an investor).

The source to repay the loan will be the cash flow generated from operations. The company will also finance growth through cash flow. After an initial period of five years, the company will be able to make a further expansion. At that time, it is envisioned that a bank loan or equity funding will be sought to finance the new development, in addition to retained earnings.

The projected financial statements have been prepared in accordance with the general accounting principles, and necessarily include some amounts that are based on reasonable estimates and judgement. For accounting purposes, the long-term assets are expensed using the straight-line depreciation method, and inventory is accounted for based on the First-In, First-Out (FIFO) method.

The following sections outline important financial information.

Break-even Analysis

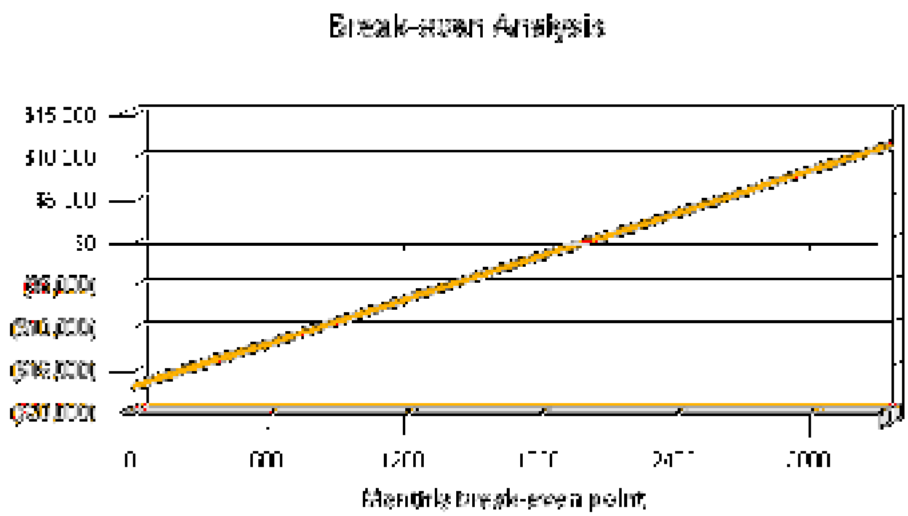
For our break-even analysis, we assume running costs of approximately $16,874 per month, which include payroll, utilities, insurance, rent and other fixed costs.We need to sell about 1,996 pies for minimum $35,155 per month to break even, based on our assumptions.

Since our normal operating capacity is 300 pies per day (4,224 pies for $122,400 per month, as explained in the sales forecast section), and the average projected sales of $72,000 per month, or 176 pies per day (at only 58 percent of normal operating capacity) are expected to be much greater than the computed break-even point, we believe that our company is likely to easily reach and maintain profitability.

Take-Out Pizza, Inc. is expected to break even in the third month of operations.

Table: Break-even Analysis

Break-even Analysis	
Monthly Units Break-even	1,996
Monthly Revenue Break-even	$35,155
Assumptions:	
Average Per-Unit Revenue	$17.61
Average Per-Unit Variable Cost	$9.16
Estimated Monthly Fixed Cost	$16,874



Projected Profit and Loss

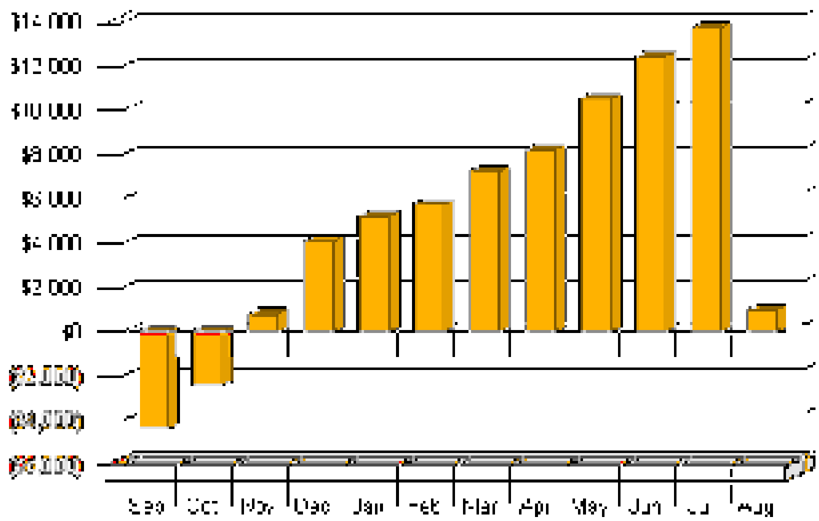
We expect to be profitable in the first year of operations, with profits increasing over the next four years, as we establish and increase our customer base.

The following table and charts show the projected profit and loss for five years.

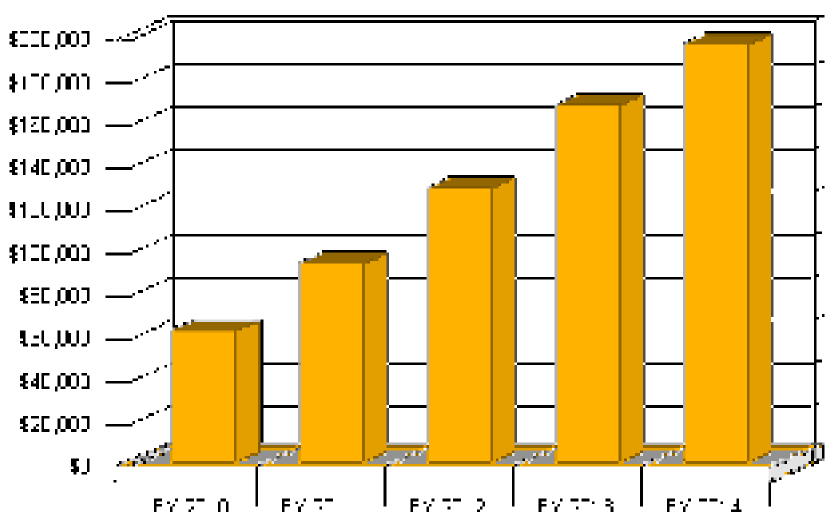
Table: Profit and Loss

Pro Forma Profit and Loss	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Sales	$655,154	$756,703	$873,992	$991,107	$1,071,882
Direct Costs of Goods	$340,680	$385,918	$441,631	$490,899	$520,188
Other Production Expenses	$17,034	$19,296	$22,082	$24,545	$26,009
	-------	-------	-------	-------	-------
Cost of Goods Sold	$357,714	$405,214	$463,713	$515,444	$546,198
Gross Margin	$297,440	$351,488	$410,279	$475,663	$525,684
Gross Margin %	45.40%	46.45%	46.94%	47.99%	49.04%
Expenses					
Payroll	$108,600	$114,030	$119,732	$125,718	$132,004
Sales and Marketing and Other Expenses	$8,000	$8,500	$8,700	$8,900	$9,000
Depreciation	$9,996	$9,996	$9,996	$9,996	$10,016
Office Supplies	$1,200	$1,250	$1,300	$1,350	$1,400
Utilities	$6,600	$6,900	$7,226	$7,640	$8,022
Insurance	$9,000	$9,450	$9,922	$10,418	$10,939
Rent	$24,000	$24,720	$25,461	$26,225	$27,012
Payroll Taxes and Benefits	$31,494	$33,069	$34,722	$36,458	$38,281
Other	$3,600	$4,000	$4,500	$4,800	$5,200
	-------	-------	-------	-------	-------
Total Operating Expenses	$202,490	$211,915	$221,559	$231,505	$241,874
Profit Before Interest and Taxes	$94,950	$139,574	$188,720	$244,158	$283,810
EBITDA	$104,946	$149,570	$198,716	$254,154	$293,826
Interest Expense	$6,810	$6,120	$5,400	$4,680	$3,960
Taxes Incurred	$26,442	$40,036	$54,996	$71,843	$83,955
Net Profit	$61,698	$93,418	$128,324	$167,634	$195,895
Net Profit/Sales	9.42%	12.35%	14.68%	16.91%	18.28%

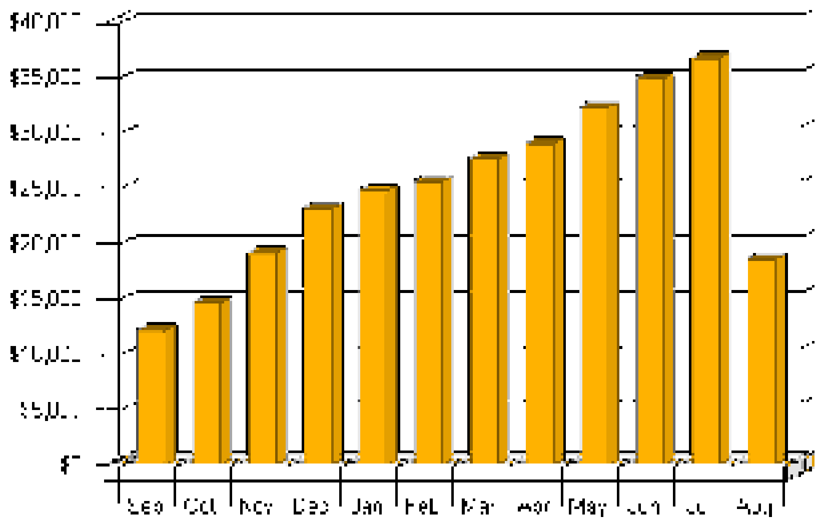
Profit Monthly



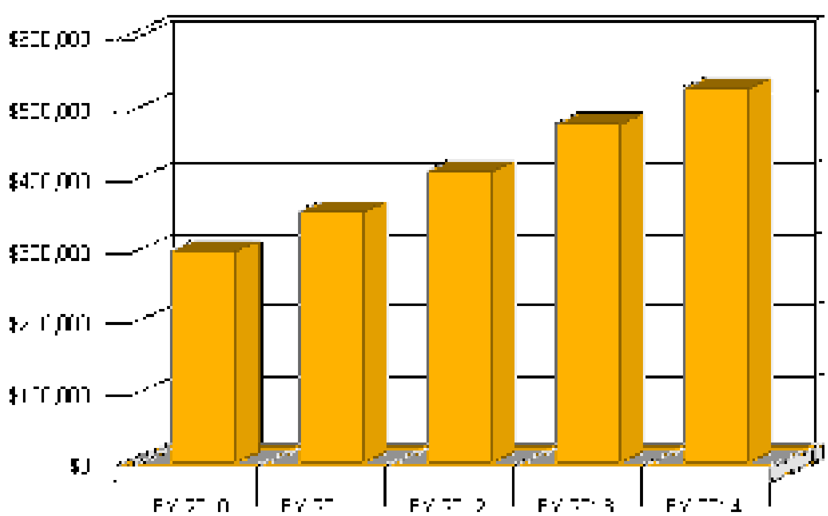
Profit Yearly



Gross Margin Monthly



Gross Margin Yearly



7.0 Projected Cash Flow

Many profitable companies go bankrupt because of cash flow deficiencies. That is why our main concern will be to have sufficient cash on hand to meet our payment obligations, and be prepared for unexpected needs of cash. Our conservative projections indicate that our business is able to generate positive cash flows and sufficient cash reserves.

In addition to normal cash inflows and outflows, we will focus on establishing sufficient cash reserves for contingencies. That includes a possible line of credit with our bank, that could be used in slow sales periods as well. This is a good way to control the cash flow risk.

In addition, excess cash, as projected, should not remain idle, especially during periods of high interest rates. Management will consider investing idle funds in time deposits or certificates of deposit at banks, in government securities such as U.S. Treasury notes, or in other trading securities (cash equivalents).

The following table and chart show the projected cash flow for five years.

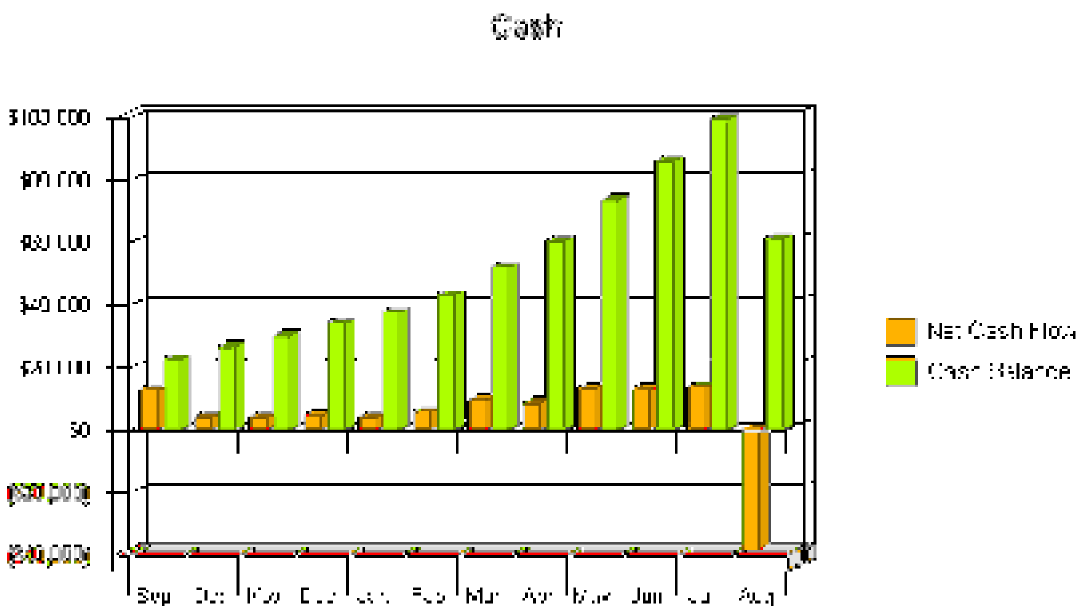


Table: Cash Flow

Pro Forma Cash Flow	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Cash Received					
Cash from Operations					
Cash Sales	$556,881	$643,197	$742,893	$842,441	$911,100
Cash from Receivables	$88,540	$111,997	$129,356	$146,926	$159,582
Subtotal Cash from Operations	$645,421	$755,194	$872,249	$989,367	$1,070,682
Additional Cash Received					
Sales Tax, VAT, HST/GST Received	$55,688	$64,320	$74,289	$84,244	$91,110
New Current Borrowing	$0	$0	$0	$0	$0
New Other Liabilities (interest-free)	$0	$0	$0	$0	$0
New Long-term Liabilities	$30,000	$0	$0	$0	$0
Sales of Other Current Assets	$0	$0	$0	$0	$0
Sales of Long-term Assets	$0	$0	$0	$0	$0
New Investment Received	$0	$0	$0	$0	$0
Subtotal Cash Received	$731,109	$819,514	$946,539	$1,073,611	$1,161,792
Expenditures	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Expenditures from Operations					
Cash Spending	$108,600	$114,030	$119,732	$125,718	$132,004
Bill Payments	$461,968	$510,618	$612,191	$684,597	$732,139
Subtotal Spent on Operations	$570,568	$624,648	$731,922	$810,315	$864,143
Additional Cash Spent					
Sales Tax, VAT, HST/GST Paid Out	$55,688	$64,320	$74,289	$84,244	$91,110
Principal Repayment of Current Borrowing	$0	$0	$0	$0	$0
Other Liabilities Principal Repayment	$0	$0	$0	$0	$0
Long-term Liabilities Principal Repayment	$6,000	$6,000	$6,000	$6,000	$6,000
Purchase Other Current Assets	$0	$0	$0	$0	$0
Purchase Long-term Assets	$30,000	$0	$0	$0	$0
Dividends	$17,892	$27,091	$37,213	$48,613	$56,809
Subtotal Cash Spent	$680,148	$722,059	$849,425	$949,172	$1,018,062
Net Cash Flow	$50,961	$97,455	$97,114	$124,439	$143,730
Cash Balance	$60,961	$158,416	$255,530	$379,969	$523,699