

Illustration: 3 Statement Model <i>USD millions</i>	Historical -->			Forecast -->				
	2016A	2017A	2018A	2019E	2020E	2021E	2022E	2023E
Balance Sheet Check	OK	OK	OK	OK	OK	OK	OK	OK

Assumptions & Drivers

Days in Period	365	365	365	365	365	365	365	365
Income Statement								
Sales Growth		2.4%	5.9%	10.0%	10.0%	10.0%	10.0%	10.0%
Gross Margin	52.2%	57.6%	59.4%	50.0%	50.0%	50.0%	50.0%	50.0%
Distribution Expense (Percent of Sales)	7.1%	7.6%	6.9%	5.5%	5.5%	5.5%	5.5%	5.5%
Marketing Expense (Fixed Cost)	23,507	26,569	30,830	30,850	31,346	31,650	32,000	33,000
Research & Dev. Expense (Percent of Sales)	2.1%	2.3%	2.3%	2.0%	2.0%	2.0%	2.0%	2.0%
Depreciation (Percent of Sales)	3.6%	3.3%	3.2%	3.0%	3.0%	3.0%	3.0%	3.0%
Long Term Debt Interest (Average Debt)		6.2%	6.2%	5.5%	5.5%	5.5%	5.5%	5.5%
Tax Rate (Percent of EBT)	34.7%	24.3%	15.3%	25.0%	25.0%	25.0%	25.0%	25.0%
Balance Sheet								
Capital Asset Turnover Ratio	4.31	4.17	4.25	4.20	4.50	5.00	5.50	6.00
Receivable Days (Sales Basis)	56	60	60	60	60	60	60	60
Inventory Days (COGS Basis)	66	78	80	75	75	75	75	75
Payable Days (COGS Basis)	92	106	111	90	90	90	90	90
Income Tax Payable	39.4%	36.8%	37.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Long Term Debt	20,000	20,000	20,000	16,000	16,000	16,000	16,000	16,000
Common Share Capital	7,627	7,627	7,627	7,600	7,600	7,600	7,600	7,600
Dividend Payout Ratio	83.2%	55.8%	33.7%	50.0%	50.0%	50.0%	50.0%	50.0%

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Income Statement

Revenues	83,000	85,000	90,000	99,000	108,900	119,790	131,769	144,946
Cost of Goods Sold	39,699	36,058	36,553	49,500	54,450	59,895	65,885	72,473
Gross Profit	43,301	48,942	53,447	49,500	54,450	59,895	65,885	72,473
Distribution Expenses	5,884	6,421	6,166	5,445	5,990	6,588	7,247	7,972
Marketing and Administration	23,507	26,569	30,830	30,850	31,346	31,650	32,000	33,000
Research and Development	1,764	1,931	2,026	1,980	2,178	2,396	2,635	2,899
Depreciation	2,960	2,803	2,907	2,970	3,267	3,594	3,953	4,348
EBIT (Operating Profit)	9,186	11,218	11,518	8,255	11,670	15,667	20,049	24,254
Interest	1,240	1,240	1,240	990	880	880	880	880
Income Before Taxes	7,946	9,978	10,278	7,265	10,790	14,787	19,169	23,374
Taxes	2,761	2,429	1,570	1,816	2,697	3,697	4,792	5,843
Net Income	5,185	7,549	8,708	5,449	8,092	11,090	14,377	17,530
Common Dividends	4,312	4,209	2,931	2,724	4,046	5,545	7,188	8,765

Balance Sheet

ASSETS								
Current Assets:								
Cash	5,289	5,918	10,159	3,864	6,122	10,643	16,436	23,422
Trade and Other Receivables	12,685	14,074	14,721	16,274	17,901	19,692	21,661	23,827
Inventories	7,168	7,691	8,036	10,171	11,188	12,307	13,538	14,892
Total Current Assets	25,142	27,683	32,916	30,309	35,212	42,641	51,635	62,140
Non-Current Assets:								
Property Plant and Equipment	19,263	20,371	21,175	23,571	24,200	23,958	23,958	24,158
TOTAL ASSETS	44,405	48,054	54,091	53,881	59,412	66,599	75,593	86,298

LIABILITIES AND SHAREHOLDERS' EQUITY**Current Liabilities:**

Trade and Other Payables	10,001	10,504	11,077	12,205	13,426	14,769	16,245	17,870
Income Taxes Payable	1,088	894	581	545	809	1,109	1,438	1,753
Total Current Liabilities:	11,089	11,398	11,658	12,750	14,235	15,878	17,683	19,623

Non-Current Liabilities:

Long-Term Debt	20,000	20,000	20,000	16,000	16,000	16,000	16,000	16,000
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Shareholder's Equity:

Common Stock and Additional Paid-In Capital	7,627	7,627	7,627	7,600	7,600	7,600	7,600	7,600
Retained Earnings	5,689	9,029	14,806	17,530	21,576	27,122	34,310	43,075
Total Shareholders' Equity	13,316	16,656	22,433	25,130	29,176	34,722	41,910	50,675
TOTAL LIABILITIES AND SHAREHOLDERS' EC	44,405	48,054	54,091	53,881	59,412	66,599	75,593	86,298

<i>Check</i>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
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Cash Flow Statement**Cash Flows from Operating Activities:**

Net Income	5,185	7,549	8,708	5,449	8,092	11,090	14,377	17,530
Depreciation	2,960	2,803	2,907	2,970	3,267	3,594	3,953	4,348
Changes in Operating Assets and Liabilities:								
Trade and Other Receivables	(1,280)	(1,389)	(647)	(1,553)	(1,627)	(1,790)	(1,969)	(2,166)
Inventories	(470)	(523)	(345)	(2,135)	(1,017)	(1,119)	(1,231)	(1,354)
Trade and Other Payables	490	503	573	1,128	1,221	1,343	1,477	1,625
Income Taxes Payable	50	(194)	(313)	(36)	264	300	329	315
Net Cash Provided by Operating Activities	6,935	8,749	10,883	5,823	10,199	13,417	16,935	20,299

Investing Activities:

Acquisitions of Property and Equipment	(3,005)	(3,911)	(3,711)	(5,366)	(3,896)	(3,352)	(3,953)	(4,548)
Cash Flows from Investing Activities	(3,005)	(3,911)	(3,711)	(5,366)	(3,896)	(3,352)	(3,953)	(4,548)

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Financing Activities:

Issuance of Common Stock	-	-	-	(27)	-	-	-	-
Dividends (current year)	(4,312)	(4,209)	(2,931)	(2,724)	(4,046)	(5,545)	(7,188)	(8,765)
Increase/(Decrease) in Long-Term Debt	-	-	-	(4,000)	-	-	-	-
Cash Flows from Financing Activities	(4,312)	(4,209)	(2,931)	(6,751)	(4,046)	(5,545)	(7,188)	(8,765)
Increase/(Decrease) in Cash and Equivalents	(382)	629	4,241	(6,295)	2,258	4,521	5,794	6,986
Cash and Equivalents, Beginning of the Year	5,671	5,289	5,918	10,159	3,864	6,122	10,643	16,436
Cash and Equivalents, End of the Year	5,289	5,918	10,159	3,864	6,122	10,643	16,436	23,422

Supporting Schedules**Property Plant and Equipment (PP&E)****Net PP&E**

Beginning of Period	19,218	19,263	20,371	21,175	23,571	24,200	23,958	23,958
Capital Expenditures/Additions (Disposals)	3,005	3,911	3,711	5,366	3,896	3,352	3,953	4,548
Depreciation Expense	2,960	2,803	2,907	2,970	3,267	3,594	3,953	4,348
Net PP&E End of Period	19,263	20,371	21,175	23,571	24,200	23,958	23,958	24,158

Retained Earnings (RE)

Beginning of Period	4,816	5,689	9,029	14,806	17,530	21,576	27,122	34,310
Net Income	5,185	7,549	8,708	5,449	8,092	11,090	14,377	17,530
Dividends	4,312	4,209	2,931	2,724	4,046	5,545	7,188	8,765
RE End of Period	5,689	9,029	14,806	17,530	21,576	27,122	34,310	43,075

Long Term Debt (LTD)

Beginning of Period		20,000	20,000	20,000	16,000	16,000	16,000	16,000
Additions (Repayments)	-	-	-	(4,000)	-	-	-	-
LTD End of Period	20,000	20,000	20,000	16,000	16,000	16,000	16,000	16,000
Long Term Debt Interest	1,240	1,240	1,240	990	880	880	880	880
Total Interest	1,240	1,240	1,240	990	880	880	880	880

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Charts & Graphs

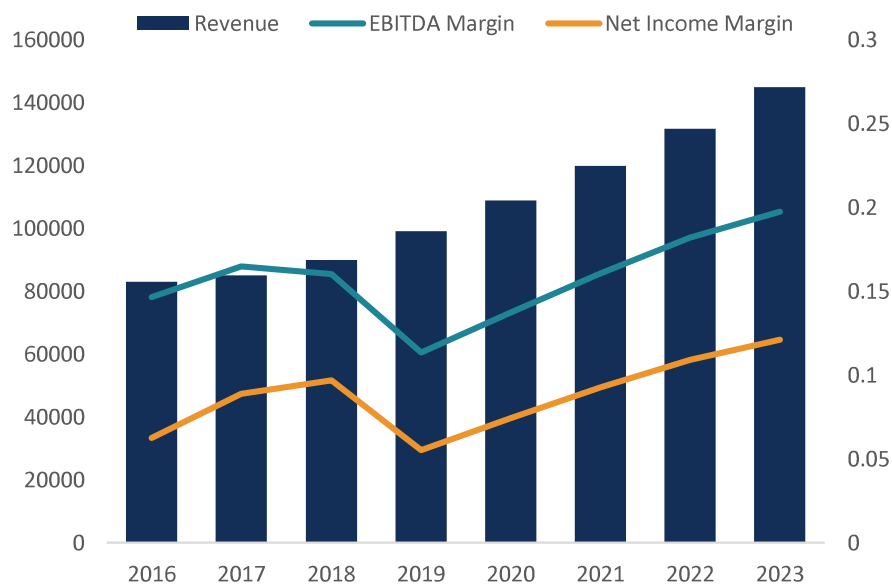
Income Statement

Revenue	83,000	85,000	90,000	99,000	108,900	119,790	131,769	144,946
EBITDA	12,146	14,021	14,425	11,225	14,937	19,261	24,002	28,602
<i>EBITDA Margin</i>	14.6%	16.5%	16.0%	11.3%	13.7%	16.1%	18.2%	19.7%
Net Income	5,185	7,549	8,708	5,449	8,092	11,090	14,377	17,530
<i>Net Income Margin</i>	6.2%	8.9%	9.7%	5.5%	7.4%	9.3%	10.9%	12.1%

Cash Flow

Operations	6,935	8,749	10,883	5,823	10,199	13,417	16,935	20,299
Investing	(3,005)	(3,911)	(3,711)	(5,366)	(3,896)	(3,352)	(3,953)	(4,548)
Financing	(4,312)	(4,209)	(2,931)	(6,751)	(4,046)	(5,545)	(7,188)	(8,765)
Change in Cash	(382)	629	4,241	(6,295)	2,258	4,521	5,794	6,986

Income Statement



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Cash Flow Statement

