

**Regan Arts  
Plan 2015**

**Income Statement**

|                   | <b>Best Case</b> | <b>Current</b>     | <b>Worse Case</b>  |
|-------------------|------------------|--------------------|--------------------|
| Revenue           | 12,701,339       | 6,265,576          | 5,012,461          |
| Direct Costs      | 7,407,984        | 3,346,066          | 2,657,612          |
| Gross Margin      | 5,293,355        | 2,919,510          | 2,354,849          |
| GM%               | 41.7%            | 46.6%              | 47.0%              |
| Other Expenses    | 4,640,045        | 4,640,045          | 4,640,045          |
| <b>Net Profit</b> | <b>653,310</b>   | <b>(1,720,535)</b> | <b>(2,285,196)</b> |

**Cash Flow**

|                 | <b>Best Case</b> | <b>Current</b> | <b>Worse Case</b> |
|-----------------|------------------|----------------|-------------------|
| Cash Inflows    | 11,050,165       | 5,891,777      | 4,713,422         |
| Cash Out Flows  | 12,396,855       | 10,844,784     | 10,844,784        |
| Net Cash Flow   | (1,346,690)      | (4,953,007)    | (6,131,362)       |
| Maximum Funding | (4,805,391)      | (7,091,391)    | (7,686,852)       |

**Notes**

**Current Scenario**

- Laydown numbers per Regan Arts/S&S Sales Teams
- 47% net receipts
- 13% Selling & Distribution
- Return Rates by Category: Fiction (50%), Illustration (30%), Other (40%)

**Best Case Scenario**

- Sell all print run
- 47% net receipts
- 13% Selling & Distribution
- No Returns

**Worse Case Scenario**

- Laydown numbers per Regan Arts/S&S Sales Teams reduced by 20%
- 47% net receipts
- 13% Selling & Distribution
- Return Rates by Category: Fiction (50%), Illustration (30%), Other (40%)