



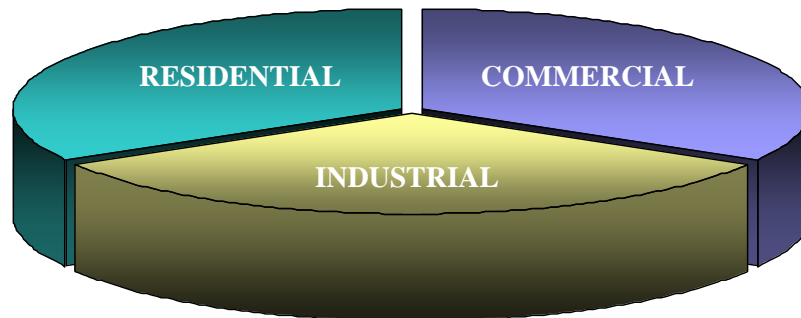
Note:

In 2004 Quote & Coat was incorporated and became QC Commercial, LLC.

Quote & Coat

Plan of Business

An Executive Summary



Status: Draft
Version: ES – R2
Date: October 2002



Any information associated with the business plan as outlined in this document is considered proprietary and confidential. No part of this document may be reproduced or transmitted in any form without the express written permission from the founder of Quote & Coat.

Direct your comments, questions, and/or suggestions to:

Quote & Coat
Attn: Russell Phillips
5720 Capital Blvd
Suite E
Raleigh, NC 27616
USA

Phone: (919) 795-8985
e-mail: Russ@QCCommercial.com



TABLE OF CONTENTS

1.0	Executive Summary	
1.1	Introduction	6
2.0	Services	
2.1	Services Rendered	6
3.0	The Company	
3.1	Corporate Mission Statement	7
3.2	Operations	7
3.3	Strategic Alliances	8
3.4	Competitive Advantage	9
4.0	The Management	
4.1	Management Team	11
4.2	Organization	12
5.0	Marketing Strategy	
5.1	Marketing Mission	13
5.2	Marketing Goals	13
5.3	Qualification	13
5.4	Market Sectors	14
5.5	Target Markets	15
5.6	Size of Markets	16
5.7	Potential Market Share	16
5.7.1	New Residential	16
5.7.2	New Commercial	17
5.7.3	Residential Repaints	17
5.7.4	Industrial / Commercial	17



TABLE OF CONTENTS continued...

5.8	Marketing Strategy	17
5.8.1	Bell South Yellow Pages	17
5.8.2	Print Advertising – Publications	18
5.8.3	Internet	18
5.8.4	Trade Shows	18
5.8.5	Blue Book	19
5.8.6	Memberships / Associations	19
5.8.7	Strategic Alliances	20
5.8.8	Other Marketing Medium	20
5.9	Sales Organization	20

6.0 Financial Plan

6.1	Business Development Milestones	21
6.2	Financial Analysis	22

Figures

3.1	Alliance Diagram	9
4.1	Organizational Chart at Maturity	12
5.1	Potential Markets	14
5.2	Revenue Generation by Target Market	15
5.3	Allocation of Advertising Dollars – As a Percentage	19
6.1	Timeline: Business Development Milestones	21
6.2	Y2003 Budget – Projected	22
6.3	Budgets for Y2003 through Y2006 - Projected	23
6.4	Income Statement Y2003 through Y2006 - Projected	24
6.5	Gross Margins Y2003 through Y2006 - Projected	24



1.0 Executive Summary

1.1 Introduction

Quote & Coat, founded in December of 2002, is a company focused on providing high quality, reliable, and affordable painting services to residential, commercial, and industrial clients. The company has recently put into place the infrastructure required to capitalize on the extraordinary growth anticipated for the region over the next 20 years. The building boom of the 1990s has seen the region increase in population by 50% and is expected to double from its current size by 2025. The large number of residential and commercial building permits issued in the past decade has driven the cost for painting services up, while direct labor and material costs have remained steady since the 1980s. This combination in conjunction with a well developed and proven business model sets the stage for Quote & Coat to rapidly expand into one of the region's premier painting companies.

Recent growth has resulted in a moderately saturated market of subcontractors, although the vast majority of these service providers are either not inspired, or lack the business acumen required, to build and sustain a successful painting company. These smaller outfits will always compete in certain sectors within the industry, though they will never capture the substantial market share required to establish a reputation as an industry leader. Quote & Coat is committed to setting a standard of excellence unmatched by these companies, as well as painting contractors of considerable size. By developing and adhering to a set of quality procedures, engineering specifications, finishing processes, and workmanship standards, the company will create a new breed of company in the painting contracting industry.

2.0 Services

2.1 Services Rendered

Quote & Coat will specialize in residential, commercial, and industrial painting and will seldom deviate from its core competency. Drywall, sandblasting, paper hanging, and other similar services will be offered by the company but through a network of strategic alliances. The company's core competencies as they relate to painting include:

- Interior and Exterior Re-Paints
- New Residential Construction / Renovations
- Commercial Buildings / Office Space
- Industrial Coatings / Epoxies
- Surface Preparation & Pressure Washing



3.0 The Company

3.1 Corporate Mission Statement

Quote & Coat will maintain a profitable business while conducting its operations in a moral and ethical fashion. Quote & Coat will always strive to improve. The employees of Quote & Coat resolve to listen to the customer first and foremost.

The management of Quote & Coat strives to:

- Operate a Profitable Business
- Exceed Customer Expectations
- Maintain a Professional Image
- Please God

3.2 Operations

Quote & Coat will diversify its operations by targeting the residential repaint, residential construction, commercial repaint, commercial construction, and industrial markets. The company will enter these markets as described in the Marketing Section of this plan (ref. Section 5.0 Marketing Strategy).

The company will abide by all county and municipal guidelines as they relate to the painting industry. Any and all licenses will be filed appropriately as required by the various jurisdictions. The company will maintain an adequate amount of liability and workman’s compensation insurance. Quote & Coat is a registered sole proprietorship.

Quote & Coat will operate out of a home office until business conditions justify a commercial office location (ref. Figure 6.1 Timeline: Business Development Milestones). Overhead will be kept low by...

- Retaining the best qualified employees at or below industry standard rates, however, providing incentives (financial or otherwise) by rewarding employees for exceeding company labor and workmanship standards.
- Negotiating the best possible rate on direct and indirect materials.



- Integrating Best Painting Practices (BPP) into its daily operations. BPP is a process or innovative use of resources that has a *proven* record of success in providing significant improvement in cost, schedule, quality, performance, safety, environment, or other measurable factors which impact the health of a painting organization. BPP is an innovative approach to the painting trade and is currently under development by Quote & Coat.

As the company matures commercial space will be leased to provide a minimal amount of office space and adequate space for materials, tools, equipment, and operational vehicles. Quote & Coat employees will operate out of a van fleet which will professionally project the image of the company. Employees will also wear appropriate attire, again, reflecting the professional image of the company.

The company will operate in compliance with the standards and guidelines as set forth by various trade organizations such as the Painting & Decorating Contractors of America (PDCA), the Better Business Bureau (BBB), and the Home Builders Association of Raleigh – Wake County (HBARWC). In addition, Quote & Coat will join these organizations and make both financial and intellectual contributions toward their current and future agendas.

3.3 Strategic Alliances

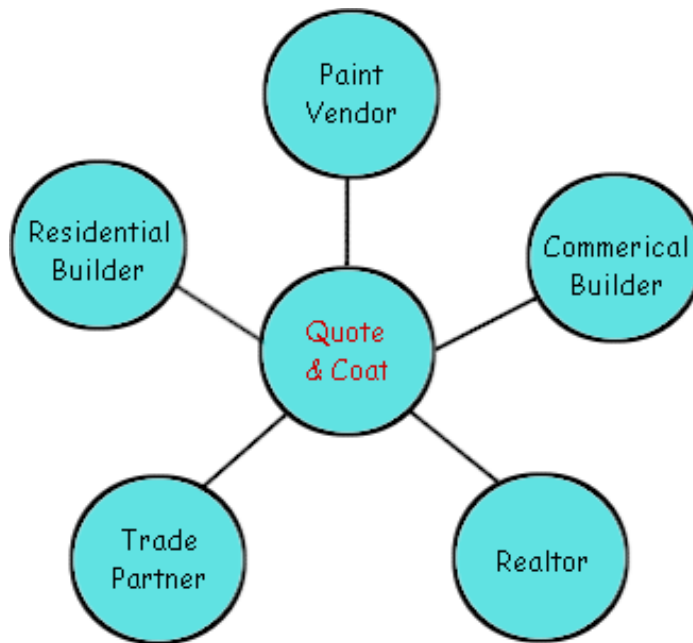
Initially the company will limit its services to the functions directly related to painting. As the company grows, other services will be offered to include minor carpentry, paper hanging, and other construction related trades. In order to provide a turnkey solution to the customer seeking services not directly offered by Quote & Coat, the company will form strategic alliances with other trades such as roofers and carpenters. These alliances will be taken seriously and treated as partnerships. All parties involved will promote the services of everyone in the alliance, consequently, each will benefit from increased market share and revenues. The cost of select advertising campaigns will also be shared between Quote & Coat and its partners.

Quote & Coat will also seek to form alliances with vendors, specifically direct material manufacturers. The company will determine its preferred vendor for each type of application, e.g., epoxies, alkyds, latexes, urethanes, etc. Preferred vendors will be determined based on quality, service, product performance, and price. Possible coatings vendors include Sherwin-Williams, Duron, ICI/Dulux, Benjamin Moore, and Devoe. The selected vendors will provide consulting services to Quote & Coat for various projects, assist in product selection and application methods, promote the services offered by Quote & Coat, and provide resources for certain marketing agendas such as trade show exhibits and print advertising.



Quote & Coat's customers will also play a very important role in the company's alliance network. The company will target builders, both commercial and residential, which seek to *partner* with its subcontractors. Quote & Coat will not do business with contractors that select their suppliers based on price alone. There will be a mutual understanding, and trust, between Quote & Coat and its general contractor regarding the importance of long-term relationships, quality, service, and profitability.

Figure 3.1 Alliance Diagram





3.4 Competitive Advantage

Integrating technology with its daily operations will allow Quote & Coat to keep overhead costs low, increase operating efficiencies, capitalize on Internet driven sales, electronically track expenses, and ultimately provide a competitive advantage over competing players in the painting contracting industry.

Focusing the company’s deployment into ***diversified markets*** will keep operations strong, even in a slow economy. Not only will the company provide painting services to the residential, commercial, and industrial industries, it will also service various sectors within each industry (ref. Section 5.4 Market Sectors).

Developing and deploying ***Best Painting Practices (BPP)*** into its daily operations will ensure that the company maintains a lean, efficient, high-quality, low-cost process in all phases of the organization. ***Continuous Improvement*** programs will drive employees to a standard of excellence not achieved by other painting companies.

Drug and alcohol free employees will represent Quote & Coat in a professional manner. The company will create a workplace environment to be envied by its competitors. It will take recruiting very seriously and screen perspective employees thoroughly to ensure all members share similar philosophies as that of the management team. Quote & Coat will seek friendly, professional, goal oriented individuals with a desire to make real contributions to the growth and success of Quote & Coat. Quote & Coat will be committed to the success and promotion of its employees.



4.0 The Management

4.1 Management Team

Russ Phillips – Business Development

The founder of Quote & Coat is a degreed engineer that spent the entire 1990s building and running high-tech manufacturing facilities in the Research Triangle area. Most recently Mr. Phillips served as the Director of Operations for Contract Systems Integration, Inc. (CSI), a contract manufacturer of electronic systems servicing the telecommunications industry. Mr. Phillips was responsible for heading up all engineering functions of the business, including Manufacturing, Quality Assurance, and Information Technology. The company was directly affected by the recent economic downturn in the high-tech sector and was subsequently sold.

Prior to his most recent position, Mr. Phillips served as Quality and Engineering Manager for the Sanmina Corporation, the third largest contract manufacturer worldwide. There, he was part of a four-man team commissioned to take the Research Triangle Park division from start-up to \$100 million in annual sales within the first 36 months of operation. While at Sanmina, he was responsible for all quality and engineering functions including ISO 9002 registration, supplier development and management, and the development and deployment of corporate and plant level operational procedures.

Because Mr. Phillips has played a key role in the start-up of four business units in the past twelve years (Flextronics-Smithfield, Vertical Technologies, Sanmina RTP, and CSI), he possesses the intellect and entrepreneurial spirit required to build a first-class painting company from the ground up.

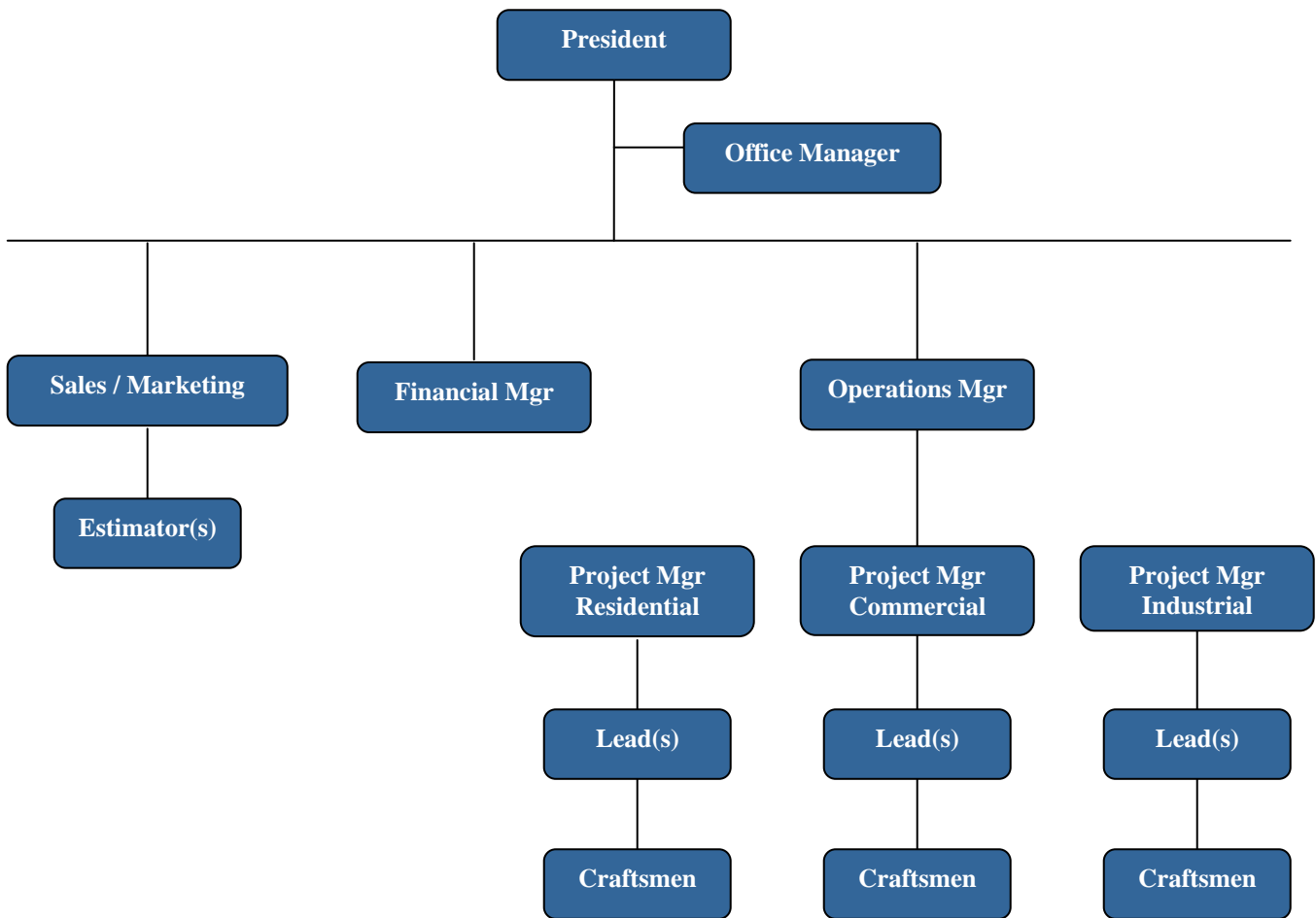
- Sales / Estimator

Candidates still being interviewed.



4.2 Organization

Figure 4.1 Organizational Chart at Maturity





5.0 Marketing Strategy

5.1 Marketing Mission

Quote & Coat's mission is to build a first-class company to meet the persistent need for painting and decorating services in the Triangle region and beyond. Using its proven business model and innovative approach to Best Painting Practices, Quote & Coat can meet the cost, quality, and service requirements of each customer for current and future projects. Quote & Coat aspires to be the Triangle's residential and commercial leader in both new construction and restoration projects.

5.2 Marketing Goals

The following are marketing goals for Quote & Coat:

- Create a unique, consistent, and professional marketing image which is easily identifiable.
- Obtain widespread name recognition by attending regional trade shows, advertising in local and regional publications, develop and maintain an Internet presence, posting signage at job sites and various other locations, and joining trade associations.
- Identify high volume opportunities, e.g., property management firms with year-round projects.
- Partner with two to three major direct material suppliers.
- Partner with three reputable residential Triangle home builders.
- Partner with three regional commercial general contractors.
- Partner with at least one regional industrial general contractor.
- Hire a direct sales person.

5.3 Qualification

Quote & Coat will qualify its customers based on several factors. Quote & Coat will only partner with companies who:

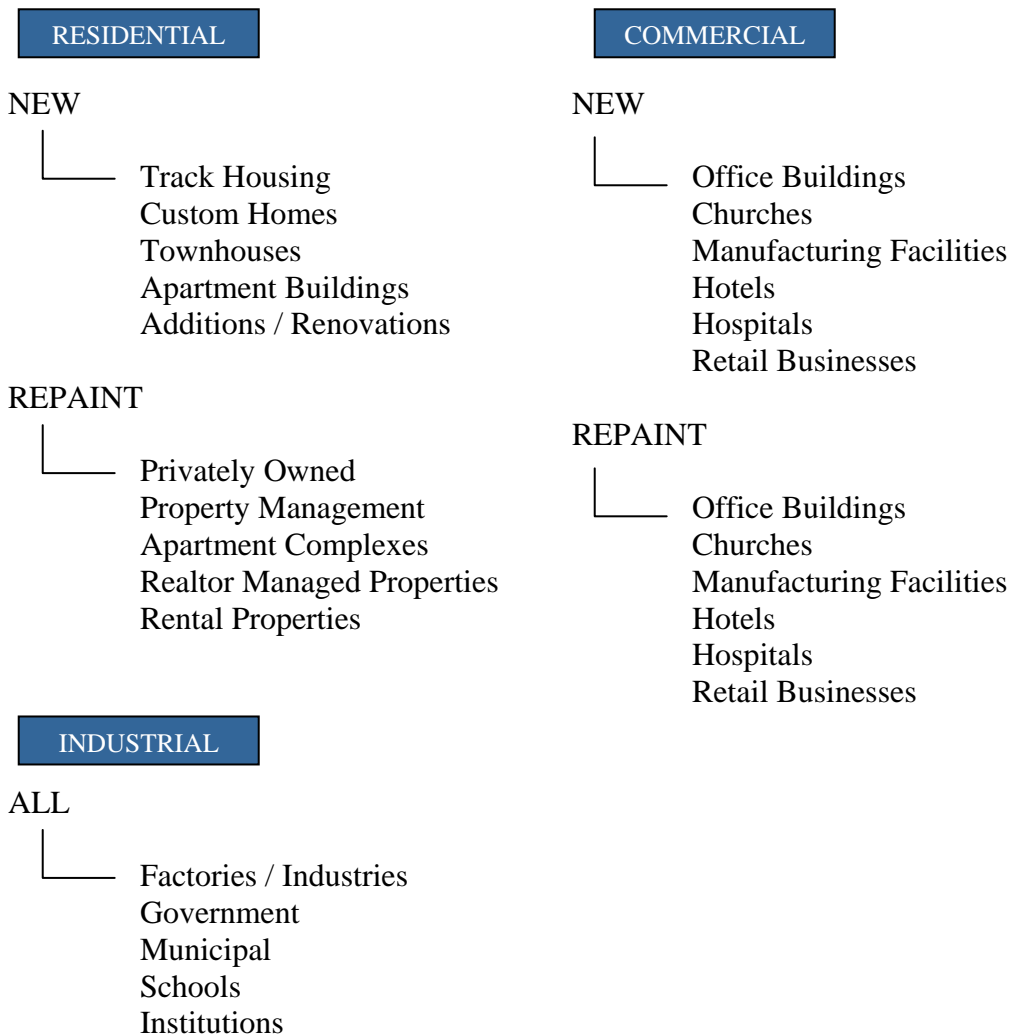
- run their business in an organized, professional, and ethical manner.
- maintain financial stability.
- seek relationships / partnerships, not the lowest bidder.
- are customer oriented.



5.4 Market Sectors

The painting industry in general is a very large and diverse trade. Most painting companies specialize in one or two sectors within the industry. The following diagram illustrates the key sectors in the Triangle and surrounding area:

Figure 5.1 Potential Markets





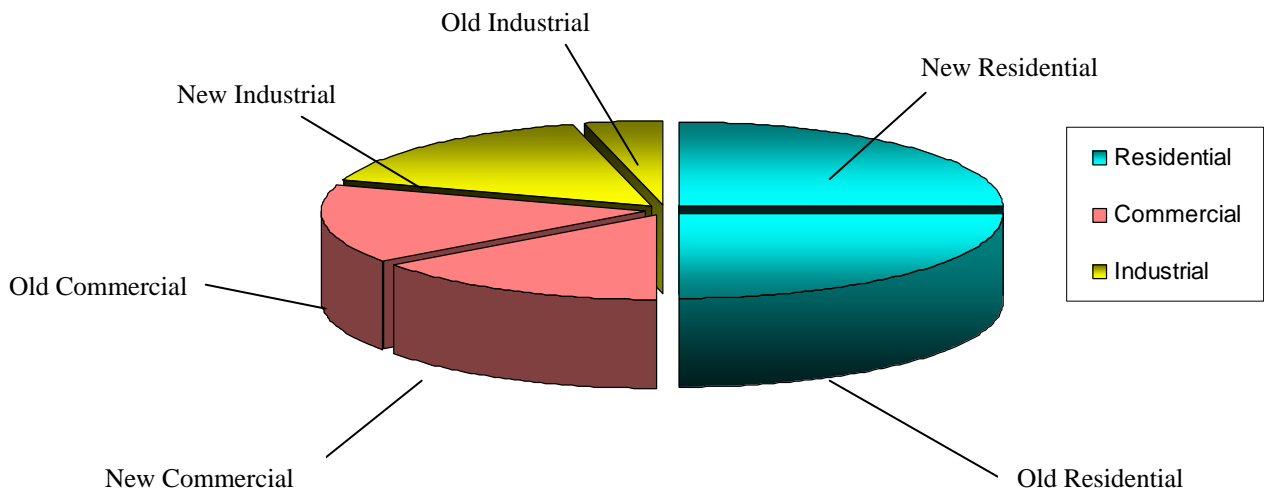
5.5 Target Markets

Quote & Coat will *initially* enter into two primary RESIDENTIAL markets:

- NEW – Custom Homes
- REPAINT – Privately Owned

Both of these markets have experienced a contraction in late 2001 and into 2002. Due to the economic recession in 2001, consumer spending, including money spent on renovation projects, is down. New housing starts are also down from previous years. The company feels this is not a deterrent to entering these markets, but a compelling reason to enter both markets aggressively. By entering the markets concurrently, a lull in one will be offset by occasional spikes in the other, at least theoretically (ref. Section 5.6 Size of Market).

Figure 5.2 Revenue Generation by Target Market



The economic downturn will also drive the less viable painting contractors out of the region, if not out of business altogether. The painting contractors that prevail are the ones who recognize that honesty, integrity, quality, service, and performance are keys to success in any business. Quote & Coat understands the importance of these traits and will integrate them into all aspects of the business. Asserting these traits, along with the mindset that every customer will be a repeat customer, Quote & Coat is positioning itself for rapid, but controlled, expansion into the next economic boom.

Quote & Coat will extend services outside these two initial markets as opportunities arise, although aggressive marketing campaigns are not projected until 2004 and beyond. As the company reaches an early state of maturity in 2003, commercial and industrial projects will be evaluated and initial discussions with potential clients will get under way.



At the time this business plan was written, a local \$200M industrial construction company had already expressed interest in contracting with Quote & Coat.

5.6 Size of Market

The residential and commercial painting market was down considerably in 2002 from 2001. That said, continued growth in the region is likely to occur for the next several years. The Triangle region is one of the most desirable places to live and work in the U.S. Since 1980, the Triangle population has more than doubled, and is expected to double again by 2025. According to the 2000 federal census, between 1990 and 2000 Wake County added 204,466 residents. In absolute number of residents added, that ranked it first among all North Carolina counties and 22nd among the 3,141 counties nationwide. Quote & Coat is positioning itself to capitalize on this extraordinary growth.

In Wake County there were \$210 million worth of commercial building permits issued in 2002 and \$538 million in 2001. Although a significant decrease in permits issued has occurred, the future looks optimistic for the region.

In Wake County there were \$1.29 billion worth of residential building permits issued in 2002 and \$1.31 billion in 2001, a drop of only 1.3 percent.

These building permits only reflect activity in Wake County and not the entire Triangle area. Although Quote & Coat will focus its operations primarily in Wake County, other counties in the region will be exploited.

The projected size of Quote & Coat’s market share is discussed in the following section of this document and in the Financial section (ref. Section 6.2 Financial Analysis).

5.7 Potential Market Share

5.7.1 New Residential

The \$1.29 billion worth of residential building permits was a result of 9,214 permits issued in Wake County alone. An additional 2,762 permits were issued in Durham County. Of the 9,214 permits in Wake County, 4,607 new homes were valued at more than \$180,000, the county median price for new homes. It is this category of new homes which is targeted by Quote & Coat.

Based on the company’s average price range per square foot for new residential painting (\$2.00 to \$3.50/sf based on complexity of project), the average gross income per project is projected to be approximately \$7,500. In order to achieve Quote & Coat’s projected revenue goals (ref. Section 6.2 Financial Analysis) the company will need to obtain $\frac{3}{4}$ % of the New Residential market by 2006 (1.5% of the custom home market). This does



not assume any market share of Durham, Franklin, Granville, and other surrounding counties, although revenue from these counties will contribute to Quote & Coat's earnings.

5.7.2 New Commercial

Of the \$748 million worth of building permits issued in Wake County from 2001 to 2002, an estimated \$22.5 million (3% of the total) was spent on painting contracts. In order to achieve Quote & Coat's projected revenue goals (ref. Section 6.2 Financial Analysis) the company will need to obtain 3 ½ % of the New Commercial market by 2006. This does not assume any market share of Durham, Franklin, Granville, and other surrounding counties, although revenue from these counties will contribute to Quote & Coat's earnings.

5.7.3 Residential Repaints

Of the estimated 40,000 existing homes requiring interior and/or exterior painting each year in the Triangle, over 10,000 homes are considered prime targets for Quote & Coat's painting services. Prime targets are the homes which will generate at least \$2,500 in gross sales per project. In order to achieve Quote & Coat's projected revenue goals (ref. Section 6.2 Financial Analysis) the company will need to obtain 1 % of the targeted projects or ¼ % of the total number of annual projects by 2006.

5.7.4 Industrial / Commercial

Data is not as readily available for the New Industrial or the Repaint market for both industrial and commercial projects. Quote & Coat will target these markets but market share expectations are unclear. Refer to the Financial section of this document to obtain forecasts for these industry sectors.

5.8 Marketing Strategy

Although capital expenditures will be kept low during startup, a significant portion of funds will be allocated to sales and marketing. The name Quote & Coat was chosen for marketable reasons...it is a unique and 'catchy' company name. In order to get name recognition early, Quote & Coat will enter the residential and commercial markets from a number of fronts. It will use both conventional and innovative means to promote its services to Triangle area businesses and homeowners.

5.8.1 Bell South Yellow Pages

One of the most common and effective means of advertising is the phone book. Quote & Coat will initially run a 'dollar bill' size ad in the Bell South Yellow Pages. This ad will



primarily target homeowners, or privately owned properties. It is anticipated that a small amount of new construction leads, both residential and commercial, will be generated from this ad. All projects, including referrals, that are generated from this ad will be tracked and the data used for subsequent advertising campaigns as the company matures in the coming years.

5.8.2 Print Advertising - Publications

A lesser portion of funds will be allocated for ads to run in event publications, such as local sporting events and various city functions. These types of ads may also be in the form of flyers which are distributed to residences by delivery companies or direct mailings. These flyers may represent Quote & Coat *and* one or more of its strategic alliances to offset the cost of printing and delivery.

5.8.3 Internet

Quote & Coat will utilize the Internet as an effective means of driving sales. The company will establish a web presence early and ensure high rankings on all major search engines. Homeowners and businesses alike, when searching on painting companies in the Triangle area, will find Quote & Coat in the top 5 listings, and number one in most cases. This will be an effective means of advertising as more customers begin to use the Internet for locating local services. Very little financial investment is required for Internet advertising because all Information Technology activities will be performed internally by the company.

Specials and coupons will be promoted on the site to entice homeowners to contract with Quote & Coat. The web site address will be displayed on all company correspondence, sales literature, and signage. The site will also be posted as links on all relevant sites, both local and national, for maximum exposure and optimum search engine rankings. Examples of such ‘partner’ sites are RTPLinks.com, theCityofRaleigh.com, Faith4Business.com, and RaleighNC.AreaGuides.net. These are in addition to links maintained at all affiliate membership organizations such as the Raleigh home builders association (HBARWC).

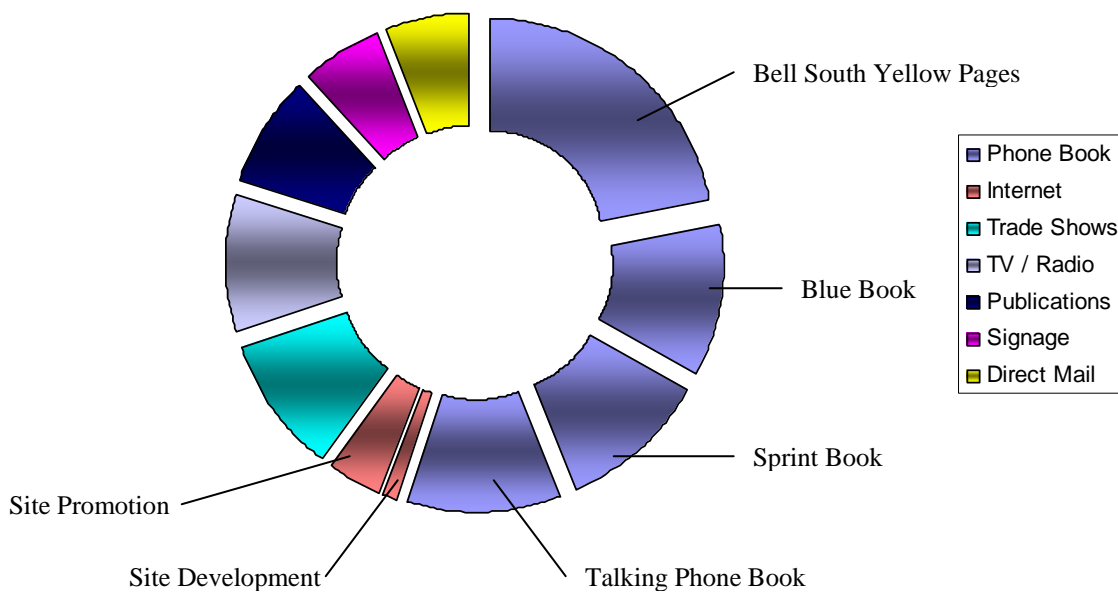
5.8.4 Trade Shows

Quote & Coat will establish an annual presence at various tradeshow in the region. The company’s presence at each event will be minimal in scope the first year, but will grow accordingly as the company matures. Quote & Coat will exhibit at shows targeting residential and commercial builders, realtors, property management companies, and homeowners. Cost of the show may be offset by sharing the booth(s) with one or more of Quote & Coat’s alliances, possibly a builder, paint supplier, or sub-contractor.



Currently, the most significant show in Wake County is the Southern Ideal Home Show which takes place in the spring and fall each year. It ranks as the tenth largest ‘home show’ in the nation and is easily the largest in the state. Return on investment should be significant considering annual attendance for each 3-day show averages 25,000 to 35,000 people.

Figure 5.3 Allocation of Advertising Dollars – As a Percentage



5.8.5 Blue Book

Another form of directory advertising utilized by the company is the Blue Book. Having an ad in this publication will promote Quote & Coat’s services to the commercial sector, since it is the primary market targeted by the book. Also, an overwhelming percentage of its users utilize the Blue Book’s Internet listings in addition to the hardcopy distribution. The book is also useful in obtaining unsolicited Request for Quotes (RFQs) from general contractors.

5.8.6 Memberships / Associations

Another effective method of promoting the company’s services is to network. Quote & Coat will join various industry and regional non-profit organizations such as the Painting & Decorating Contractors of America (PDCA), the Better Business Bureau (BBB), the Home Builders Association of Raleigh – Wake County (HBARWC), the Raleigh Chamber, and the Wake Forest Chamber. The company will be sure to abide by all the guidelines and standards set forth by these organizations and strive to be recognized as a



contributing member of each. Where appropriate, Quote & Coat correspondence will display the logos or membership seals of each organization, demonstrating an alliance with these reputable organizations.

5.8.7 Strategic Alliances

Quote & Coat will seek at least three strategic partnerships with major direct material suppliers for co-promotional activities.

5.8.8 Other Marketing Medium

Quote & Coat will put a strong emphasis on sales. In addition to the promotional methods just outlined, the company will use other means to reach potential customers. Following is a partial list:

- Direct Mailings
- Signage
- Broadcast e-Mail
- Other Phone Books
- Phone Sales
- Referrals

5.9 Sales Organization

The sales organization will initially consist of the Business Development Manager (Founder) of Quote & Coat. The Operations Manager and Project Managers will also assume some of the sales responsibilities. All employees will be expected to act as sales associates while on the job and represent the company in a moral and professional manner, whether on or off the job. A direct sales person will be brought on board in 2004 (ref. Figure 6.1 Timeline: Business Development Milestones).

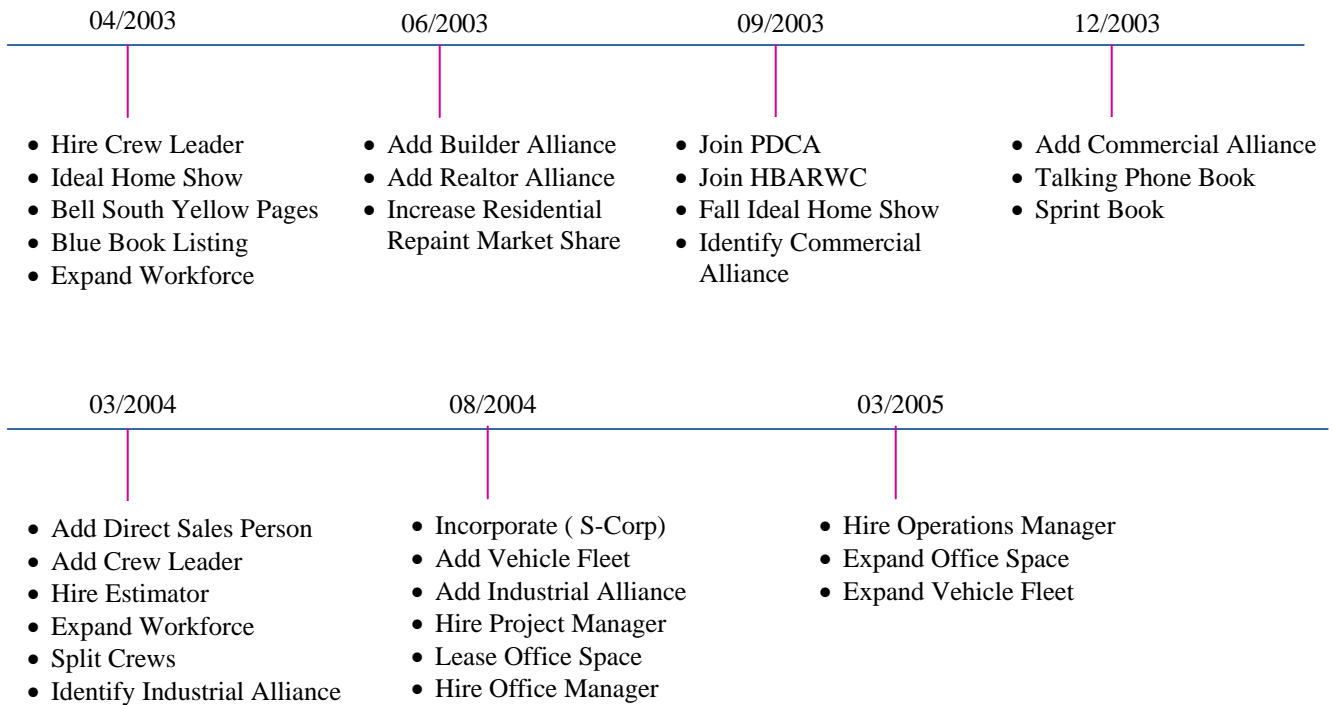


6.0 Financial Plan

6.1 Business Development Milestones

During the initial launch of the company, it will be important to keep overhead low. Until an adequate amount of recurring business is attained, Quote & Coat will run its operations from a home office. Startup costs will consist mainly of sales and marketing, miscellaneous tools and equipment, liability and workmans’ compensation insurance, a company vehicle, one project manager’s salary, and outside services such as accounting. These overhead costs should be minimal during the startup phase and will increase proportionately as the company grows. The following diagram is a timeline of events which are necessary to take Quote & Coat from a startup to an industry leader.

Figure 6.1 Timeline: Business Development Milestones





6.2 Financial Analysis

Figure 6.2 Y2003 Budget – Projected

	Q1	Q2	Q3	Q4	Total
Ordinary Income/Expense					
Income					
Residential	\$0	\$50,000	\$50,000	\$50,000	\$150,000
Commercial	\$0	\$0	\$15,000	\$15,000	\$30,000
Industrial	\$0	\$15,000	\$0	\$0	\$15,000
Total Income	\$0	\$65,000	\$65,000	\$65,000	\$195,000
Gross Profit					
Expenses					
Automotive	\$1,500	\$1,500	\$1,500	\$1,500	\$6,000
Capital Equipment					
Communications	\$315	\$315	\$450	\$450	\$1,530
Equipment Rental	\$0	\$250	\$250	\$250	\$750
Insurance	\$100	\$2,000	\$500	\$500	\$3,100
Job Materials	\$0	\$9,750	\$9,750	\$9,750	\$29,250
Marketing	\$100	\$2,725	\$2,000	\$1,725	\$6,550
Office Lease / Expenses	\$150	\$150	\$150	\$150	\$600
Payroll	\$0	\$28,000	\$28,000	\$28,000	\$84,000
Professional Fees	\$150	\$150	\$150	\$150	\$600
Selling & Administrative	\$0	\$20,000	\$20,000	\$20,000	\$60,000
Total Expense	\$2,315	\$64,840	\$62,750	\$62,475	\$192,380
Gross Ordinary Income	-\$2,315	\$160	\$2,250	\$2,525	\$2,620



Figure 6.3 Budgets for Y2003 through Y2006 - Projected

	2003	2004	2005	2006
Ordinary Income/Expense				
Income				
Residential	\$150,000	\$228,000	\$400,000	\$770,000
Commercial	\$30,000	\$155,952	\$273,600	\$480,000
Industrial	\$15,000	\$81,225	\$142,500	\$250,000
Total Income	\$195,000	\$465,177	\$816,100	\$1,500,000
Gross Profit				
Expenses				
Automotive	\$6,000	\$15,606	\$32,378	\$48,032
Capital Equipment		\$14,621	\$62,500	\$45,000
Communications	\$1,530	\$2,475	\$6,758	\$9,754
Equipment Rental	\$750	\$1,869	\$3,980	\$5,754
Insurance	\$3,100	\$3,698	\$6,488	\$14,383
Job Materials	\$29,250	\$90,129	\$158,423	\$324,518
Marketing	\$6,550	\$24,000	\$36,000	\$36,000
Office Lease / Expenses	\$600	\$3,965	\$6,956	\$12,203
Payroll	\$84,000	\$191,187	\$335,415	\$588,448
Professional Fees	\$600	\$1,041	\$2,456	\$7,658
Selling & Administrative	\$60,000	\$80,717	\$141,609	\$248,438
Total Expense	\$192,380	\$429,308	\$792,964	\$1,340,188
Gross Ordinary Income	\$2,620	\$35,869	\$23,136	\$159,812



Figure 6.4 Income Statement Y2003 through Y2006 - Projected

	2003	2004	2005	2006
Revenue	\$195,000	\$465,177	\$816,100	\$1,500,000
Cost of Sales	192,380	\$429,308	\$792,964	\$1,340,188
Gross Margins	\$2,620	\$35,869	\$23,136	\$159,812
Income Taxes	917	12,554	8,098	55,934
Net Income	\$1,703	\$23,315	\$15,038	\$103,878
Gross Margins %	1.34%	7.71%	2.83%	10.65%
Net Income %	0.87%	5.01%	1.84%	6.93%

Figure 6.5 Gross Margins Y2003 through Y2006 - Projected

