

Input Data Summary
Plastic Bottle Manufacturing Division
Replace Equipment Analysis

September 24, 2009
Investit Decisions
Replace Example with Revenue & Expenses

Decision Replace

Note: For information on Revenue, Expenses and Working Capital inputs and projections see the Revenue, Expense and projections description reports and the Working Capital report.

Project Information

Analysis Period	9 years
Starting date	January Year 1

Investor Information

Marginal Tax Rate	35.00%
Capital Gain	50.00% added to income

Desired Return on Investment (Discount Rate)

Before Tax:	13.00%
After Tax:	8.45%

Short Term Reinvestment Rates

Before Tax:	2.500%
After Tax:	1.625%

Short Term Financing Rates

Before Tax:	8.000%
After Tax:	5.200%

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Investment information

Salvage Value (Before Tax) \$ 800,000
 Salvage Value (After Tax) \$ 740,000
 Financing Repaid \$ 1,378,479

Total Invested in Year 1 is \$ 11,000,000

	CCA Class	Date	Amount	CCA Rate	First Year	Claim CCA in Last Year
New Equipment	Equipment/Machinery	Jan, Year 1	\$ 11,000,000	30.00%	50.00%	Yes

Financing

Equipment Loan

Starts: January Year 1
 Type: Standard Mortgage
 Amount: \$ 6,000,000
 Interest Rate: Fixed
 Payment Frequency: Monthly
 Compounding Frequency: Monthly
 Addit. Payments/Borrowing: No
 Rounding Up to Nearest Cent
 No of Terms: 1

Term	Time Period	Nominal Annual Interest Rate	Amortization
1	7 yrs & 0 mos	9.000%	7 yrs & 0 mos

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SALVAGE VALUE

Disposition Costs	
Selling Expenses	0% of the Salvage Value
Legal Fees	0% of the Salvage Value
Removal Costs	-

	Capital Investment	Salvage Value	% of Capital Investment
New Equipment	\$ 11,000,000	\$ 1,000,000	9.09%