



**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 Tax Rate            35.00%  
Recaptured Deprec. Tax Rate    35.00%

**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

	Investment Type	Date	Amount	Recovery Period Years
New Equipment	Personal Property. 200% Declining Bal.	Jan, Year 1	\$ 11,000,000	7.00

**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%