

Borders Group, Inc.
Weekly DIP Cash Flow
DIP Budget
(\$ in 000's)

CH 11

| Week Ending | February | | March | | | April | | | | | May | | | | June | Forecast Total | |
|---|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|----------------|----------------|
| | Forecast 19-Feb | Forecast 26-Feb | Forecast 5-Mar | Forecast 12-Mar | Forecast 19-Mar | Forecast 26-Mar | Forecast 2-Apr | Forecast 9-Apr | Forecast 16-Apr | Forecast 23-Apr | Forecast 30-Apr | Forecast 7-May | Forecast 14-May | Forecast 21-May | Forecast 28-May | | Forecast 4-Jun |
| I. Cash Flow | | | | | | | | | | | | | | | | | |
| Receipts Subtotal | 33,527 | 140,871 | 31,501 | 26,426 | 29,674 | 26,414 | 26,672 | 55,160 | 27,174 | 26,879 | 26,760 | 22,565 | 23,157 | 22,752 | 22,767 | 23,111 | 565,410 |
| Operating Disbursements | | | | | | | | | | | | | | | | | |
| Merchandise | (7,577) | (8,644) | (9,000) | (11,896) | (21,440) | (24,849) | (24,096) | (23,426) | (17,654) | (13,083) | (9,137) | (10,893) | (10,522) | (9,527) | (12,848) | (13,093) | (227,686) |
| Payroll & Payroll Taxes | (3,049) | (9,264) | (2,291) | (6,996) | (2,291) | (6,996) | (2,440) | (7,845) | (2,440) | (7,845) | (2,440) | (7,154) | (2,339) | (7,154) | (2,339) | (7,250) | (80,131) |
| Rent & Occupancy | (2,900) | - | (12,887) | - | - | - | (14,416) | - | - | - | (14,813) | - | - | - | - | - | (45,016) |
| Sales Tax | (5,728) | (2,117) | (283) | (231) | (4,471) | (1,553) | (234) | (238) | (4,205) | (1,512) | (1,506) | (233) | (2,921) | (1,570) | (1,584) | (241) | (28,627) |
| Freight | (613) | (616) | (549) | (534) | (273) | (126) | (741) | (535) | (494) | (457) | (479) | (755) | (634) | (649) | (705) | (755) | (8,915) |
| Utilities | (1,021) | (1,021) | (608) | (608) | (608) | (608) | (567) | (567) | (567) | (567) | (567) | (619) | (619) | (619) | (619) | (619) | (10,457) |
| Store OpEx, G&A, & Other | (2,943) | (3,124) | (3,841) | (1,359) | (1,129) | (4,490) | (3,684) | (1,404) | (1,749) | (1,752) | (1,410) | (3,587) | (2,704) | (2,703) | (1,592) | (3,192) | (40,664) |
| Operating Disbursements Subtotal | (23,831) | (24,786) | (29,459) | (21,624) | (30,213) | (38,620) | (46,178) | (34,015) | (27,108) | (25,215) | (30,350) | (23,241) | (19,739) | (22,221) | (19,686) | (25,210) | (441,495) |
| Operating Cash Flow | 9,696 | 116,085 | 2,043 | 4,802 | (539) | (12,207) | (19,506) | 21,145 | 66 | 1,663 | (3,590) | (676) | 3,418 | 531 | 3,081 | (2,098) | 123,914 |
| Non Operating Disbursements | | | | | | | | | | | | | | | | | |
| GOB Disbursements | (625) | (5,625) | (5,625) | (5,625) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | - | - | - | - | - | - | (47,500) |
| Bankruptcy Payments | (3,972) | - | - | - | (1,000) | - | - | - | - | - | - | - | - | - | - | - | (4,972) |
| Financing Expenses | (15,000) | (5,008) | (736) | (8) | (3,008) | (8) | (2,247) | (8) | (8) | (8) | (8) | (4,615) | (8) | (8) | (8) | (1,858) | (32,539) |
| Other | (500) | (1,200) | (2,100) | (1,000) | (900) | (500) | (500) | (500) | (2,853) | (500) | (500) | (500) | (500) | (500) | (500) | (500) | (13,553) |
| Non Operating Disbursements Subtotal | (20,097) | (11,833) | (8,461) | (6,633) | (9,908) | (5,508) | (7,747) | (5,508) | (7,860) | (5,508) | (508) | (5,115) | (508) | (508) | (508) | (2,358) | (98,563) |
| Net Cash Flow (Weekly) | (10,401) | 104,252 | (6,419) | (1,830) | (10,446) | (17,714) | (27,253) | 15,637 | (7,794) | (3,844) | (4,097) | (5,791) | 2,911 | 24 | 2,574 | (4,456) | 25,351 |
| Net Cash Flow (Cum, Post-Petition) | (10,401) | 93,851 | 87,433 | 85,602 | 75,156 | 57,442 | 30,189 | 45,826 | 38,031 | 34,187 | 30,090 | 24,299 | 27,210 | 27,234 | 29,807 | 25,351 | |
| II. Inventory Roll Forward | | | | | | | | | | | | | | | | | |
| Ending Inventory | 662,222 | 461,730 | 457,915 | 455,923 | 465,384 | 477,794 | 491,114 | 502,127 | 509,721 | 508,046 | 505,144 | 501,978 | 499,360 | 496,760 | 495,337 | 493,914 | 493,914 |
| Less: Ineligibles | (33,111) | (23,087) | (22,896) | (22,796) | (23,269) | (23,890) | (24,556) | (25,106) | (25,486) | (25,402) | (25,257) | (25,099) | (24,968) | (24,838) | (24,767) | (24,696) | (24,696) |
| Net Inventory | 629,111 | 438,644 | 435,019 | 433,127 | 442,115 | 453,904 | 466,559 | 477,021 | 484,235 | 482,644 | 479,887 | 476,879 | 474,392 | 471,922 | 470,570 | 469,218 | 469,218 |
| II. Net Availability | | | | | | | | | | | | | | | | | |
| Borrowing Base (After Reserves) | 369,401 | 252,688 | 248,816 | 247,566 | 253,789 | 261,193 | 270,541 | 277,186 | 282,101 | 285,319 | 283,998 | 283,058 | 281,558 | 280,394 | 280,150 | 279,897 | 279,897 |
| Less: Loan Balance | (200,151) | (95,899) | (102,317) | (104,148) | (114,594) | (132,308) | (159,562) | (143,924) | (151,719) | (155,563) | (159,660) | (165,451) | (162,540) | (162,517) | (159,943) | (164,399) | (164,399) |
| Less: LC's | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) | (33,700) |
| Less: Minimum Availability Reserve | (36,940) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) | (30,000) |
| Less: TL Minimum Availability Reserve | - | (2,363) | (3,054) | (3,262) | - | - | (3,296) | (2,381) | (12,122) | (12,247) | (12,438) | (12,583) | (12,795) | (12,968) | (13,049) | (13,131) | (13,131) |
| Less: Seasonal Availability Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | (270,791) | (161,962) | (169,072) | (171,110) | (178,294) | (196,008) | (226,558) | (210,005) | (227,541) | (231,509) | (235,798) | (241,733) | (239,035) | (239,184) | (236,691) | (241,230) | (241,230) |
| Net Availability | \$ 98,610 | \$ 90,726 | \$ 79,744 | \$ 76,456 | \$ 75,495 | \$ 65,185 | \$ 43,983 | \$ 67,180 | \$ 54,560 | \$ 53,810 | \$ 48,200 | \$ 41,325 | \$ 42,524 | \$ 41,210 | \$ 43,459 | \$ 38,666 | \$ 38,666 |