

DM Industries LTD  
17 Week Budget

Week Ending	Actual 3/7/2009	Actual 3/14/2009	Actual 3/21/2009	Projected 3/28/2009	Projected 4/4/2009	Projected 4/11/2009	Projected 4/18/2009	Projected 4/25/2009	Projected 5/2/2009	Projected 5/9/2009	Projected 5/16/2009	Projected 5/23/2009	Projected 5/30/2009	Projected 6/6/2009	Projected 6/13/2009	Projected 6/20/2009	Projected 6/27/2009
<b>Cash Receipts</b>																	
Receivable Collections	155,891	140,223	251,100	144,272	318,541	318,541	318,541	343,541	373,541	401,901	401,901	451,901	476,901	527,000	527,000	527,000	527,000
Cash Sales	65,217	148,767	85,979	255,000	81,000	81,000	101,000	101,000	81,000	81,250	106,250	116,250	96,250	91,250	111,250	121,250	101,250
Auction						125,000											
<b>Total Cash Receipts</b>	\$ 518,959	\$ 390,990	\$ 588,695	\$ 399,272	\$ 399,541	\$ 524,541	\$ 419,541	\$ 444,541	\$ 454,541	\$ 483,151	\$ 508,151	\$ 568,151	\$ 573,151	\$ 618,250	\$ 638,250	\$ 648,250	\$ 628,250
<b>Cash Disbursements</b>																	
Payroll - including payroll taxes	208,893		251,616		208,242		287,692		258,742		237,192		208,242		208,242		251,616
Employee health insurance	0		9,955	39,000	0		39,000		0		0		39,000				
Material Purchases	157,671	189,470	85,278	324,847	204,412	204,412	204,412	204,412	204,412	278,833	278,833	278,833	278,833	317,000	317,000	317,000	317,000
Mfg Overhead Costs (including supplies, factory utilities, repairs & maintenance)	32,850	34,405	37,964	69,000	37,964	37,964	37,964	37,964	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000
Rent	0	15,000	15,033	22,700	0	0	0	0	22,700	0	0	0	22,700				22,700
Commercial and Property Insurance	62,502		9,701		123,000				5,430				43,000				38,500
Marketing & Advertising Costs - wholesale	13,094	10,500	4,677	23,894	6,200	6,200	6,200	6,200	6,200	0	0	0	0	0	0	0	0
Outside Sales Commissions	3,000	11,027	0	35,000	0	0	49,399	0	0	0	0	53,824	0			50,000	
Commissions Spiff	0	0	10,000	0	14,864	0	0	0	0	0	0	0	0	0	0	0	0
Office, IT and Administrative	22,266	22,727	17,776	9,750	7,600	7,600	7,600	7,600	7,600	9,422	9,422	9,422	9,422	9,400	9,400	9,400	9,400
Loan and Equipment Lease Payments	0		15,559		1,146		765		4,259		1,146		765		11,305		4,259
Property Taxes																	
Freight	35,331	3,932	7,425	48,000	31,000	31,000	31,000	31,000	31,000	39,000	39,000	39,000	39,000	40,000	40,000	40,000	40,000
<b>Restructuring Expenses -</b>																	
Berger Singeman (legal fees)	30,367			50,000				80,000				60,000				30,000	
Crisis Management [CRO]	5,225	8,030	7,205	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Secured Lender Professional Fees								25,000									
Unsecured Creditor Committee Prof. Fees																	
Filing Fees				2,000													
US Trustee Fees								4,875					13,000				
Facility Fee																	100,000
Other Restructuring Costs - Investment Banker					50,000												
Professional Services - other				8,350				4,000	4,350			4,000	4,350			4,000	4,350
Retail Sales Events - Marketing & Sales costs	17,315	8,987	39,111	21,300	4,100	32,500	26,000	6,500	0	32,500	2,600	6,500	0	32,500	2,600	6,500	0
Retail Stores - Marketing & Sales costs	0			8,500	3,700	3,700	3,700	3,700	4,625	4,625	4,625	4,625	4,625	4,625	4,625	4,625	4,625
Retail Stores - All other operating costs	17,417	9,995	6	24,250	19,400	19,400	19,400	19,400	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750	13,750
Interest - Comerica Bank DIP Facility				636	1,510	1,938	2,828	3,369	4,114	4,645	5,441	6,090	6,986	7,568	8,380	9,039	9,039
Assume interest rate 6.25%																	
<b>Total Operating Disbursements</b>	\$ 605,931	\$ 314,073	\$ 480,795	\$ 709,150	\$ 719,264	\$ 352,051	\$ 732,610	\$ 444,739	\$ 613,012	\$ 437,009	\$ 655,372	\$ 533,655	\$ 737,157	\$ 479,026	\$ 668,490	\$ 541,914	\$ 866,126
<b>Accounts Receivable</b>																	
Beginning Balance	\$ 3,825,636	\$ 3,881,732	\$ 3,232,610	\$ 3,301,471	\$ 3,557,199	\$ 3,703,658	\$ 3,850,116	\$ 3,996,575	\$ 4,118,034	\$ 4,209,493	\$ 4,374,592	\$ 4,539,691	\$ 4,654,790	\$ 4,744,889	\$ 4,803,889	\$ 4,862,889	\$ 4,921,889
Add New Invoicing	\$ 211,987	\$ 143,398	\$ 461,719	\$ 400,000	\$ 465,000	\$ 465,000	\$ 465,000	\$ 465,000	\$ 465,000	\$ 567,000	\$ 567,000	\$ 567,000	\$ 567,000	\$ 586,000	\$ 586,000	\$ 586,000	\$ 586,000
Adjustments, Credit Memos		(652,297)	(141,758)														
Collection of AR	(155,891)	(140,223)	(251,100)	(144,272)	(318,541)	(318,541)	(318,541)	(343,541)	(373,541)	(401,901)	(401,901)	(451,901)	(476,901)	(527,000)	(527,000)	(527,000)	(527,000)
<b>Ending Balance</b>	\$ 3,881,732	\$ 3,232,610	\$ 3,301,471	\$ 3,557,199	\$ 3,703,658	\$ 3,850,116	\$ 3,996,575	\$ 4,118,034	\$ 4,209,493	\$ 4,374,592	\$ 4,539,691	\$ 4,654,790	\$ 4,744,889	\$ 4,803,889	\$ 4,862,889	\$ 4,921,889	\$ 4,980,889
Less Inelibilities				(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)
Eligible A/R				1,957,199	2,103,658	2,250,116	2,396,575	2,518,034	2,609,493	2,774,592	2,939,691	3,054,790	3,144,889	3,203,889	3,262,889	3,321,889	3,380,889
Assume Advance ra 80%				1,565,759	1,682,926	1,800,093	1,917,260	2,014,427	2,087,595	2,219,674	2,351,753	2,443,832	2,515,911	2,563,111	2,610,311	2,657,511	2,704,711
<b>Inventory - Finished Spas</b>																	
Beginning Balance					\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Add Cost of New Spas Completed					50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Adjustments																	
Less Cost of Spas Sold					(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
<b>Ending Balance</b>					1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Less Inelibilities																	
Eligible Inventory					1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Assume Advance 40%					400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
ACTUAL Overformula (net of inventory adjustment)					7,300,000	6,800,000	6,800,000	6,800,000	6,800,000	6,700,000	6,700,000	6,600,000	6,600,000	6,500,000	6,500,000	6,400,000	6,400,000
<b>Total Formula Availability</b>	\$ 1,565,759	\$ 8,982,926	\$ 9,090,093	\$ 9,117,260	\$ 9,214,427	\$ 9,287,595	\$ 9,319,674	\$ 9,451,753	\$ 9,443,832	\$ 9,515,911	\$ 9,463,111	\$ 9,515,911	\$ 9,463,111	\$ 9,510,311	\$ 9,457,511	\$ 9,504,711	
<b>LINE OF CREDIT SUMMARY</b>																	
PRE - PETITION NOTE - Beginning Balance				8,500,000	8,100,728	7,701,187	7,176,645	6,757,104	6,312,563	5,858,022	5,374,871	4,866,720	4,298,569	3,725,418	3,107,168	2,468,918	1,820,668
Less Cash Collected				(399,272)	(399,541)	(524,541)	(419,541)	(444,541)	(454,541)	(483,151)	(508,151)	(568,151)	(573,151)	(618,250)	(638,250)	(648,250)	(628,250)
<b>PRE PETITION NOTE - Ending Balance</b>	\$ 8,100,728	\$ 7,701,187	\$ 7,176,645	\$ 6,757,104	\$ 6,312,563	\$ 5,858,022	\$ 5,374,871	\$ 4,866,720	\$ 4,298,569	\$ 3,725,418	\$ 3,107,168	\$ 2,468,918	\$ 1,820,668	\$ 1,192,418			
DIP NOTE - Beginning Balance					523,411	1,242,675	1,594,726	2,327,336	2,772,075	3,385,087	3,822,095	4,477,468	5,011,122	5,748,280	6,227,306	6,895,795	7,437,710
Add new advances					523,411	719,264	352,051	732,610	444,739	613,012	437,009	655,372	533,655	737,157	479,026	668,490	866,126
Less Cash Collected																	
<b>DIP NOTE - Ending Balance</b>	\$ 523,411	\$ 1,242,675	\$ 1,594,726	\$ 2,327,336	\$ 2,772,075	\$ 3,385,087	\$ 3,822,095	\$ 4,477,468	\$ 5,011,122	\$ 5,748,280	\$ 6,227,306	\$ 6,895,795	\$ 7,437,710	\$ 8,303,836			
<b>TOTAL LOC BALANCE</b>				8,624,139	8,943,861	8,771,371	9,084,440	9,084,638	9,243,109	9,196,966	9,344,188	9,309,691	9,473,698	9,334,474	9,364,714	9,258,378	9,496,254
<b>OVER / (UNDER) FORMULA AMOUNT</b>				(7,058,380)	39,065	228,722	32,820	129,789	44,486	122,707	107,565	134,141	42,213	128,638	145,598	199,133	8,458