

**Financials for Customers of MCRI**

**Table 5 : Cash Flow Analysis for 5 year Period (Initial investment \$1,000,000 plus \$100,000 startup cost)**

Operating Year	0	1	2	3	4
Nylon Sales (pounds)		1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Nylon Selling Price (per pound)		\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Nylon Sales		\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Carpet Backing Sales (pounds)		1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Carpet Backing Selling Price (per pound)		\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Carpet Backing Sales		\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
<b>Total Revenue</b>		<b>\$ 1,040,000.00</b>	<b>\$ 1,040,000.00</b>	<b>\$ 1,040,000.00</b>	<b>\$ 1,040,000.00</b>
Direct costs \$347,385					
Indirect costs \$233,065					
Yearly Expenses <sup>1</sup>	\$ 100,000.00	\$ 580,450.00	\$ 580,450.00	\$ 580,450.00	\$ 580,450.00
Cash Flow from Operations		\$ 459,550.00	\$ 459,550.00	\$ 459,550.00	\$ 459,550.00
Net Capital Investment	\$ 1,000,000.00	\$ -		\$ -	\$ -
<b>Net Cash Flow (NCF)</b>	<b>(\$1,100,000.00)</b>	<b>\$ 459,550.00</b>	<b>\$ 459,550.00</b>	<b>\$ 459,550.00</b>	<b>\$ 459,550.00</b>
<b>Cumulative NCF</b>	<b>(\$1,100,000.00)</b>	<b>(\$640,450.00)</b>	<b>\$ (180,900.00)</b>	<b>\$ 278,650.00</b>	<b>\$ 738,200.00</b>

<b>Net Present Value<sup>3</sup></b>	<b>\$ 734,849.90</b>
<b>Internal Rate of Return</b>	<b>30.91%</b>
<b>Payback Period (yrs)</b>	<b>2.39</b>

**Break even**  
549,000 lbs.

1 including direct, indirect, sales/admin, depreciation and royalty to Auburn University (\$50,000)--

3 Cost of Capital assumed = 8%