

Financial Model

Expense Assumptions

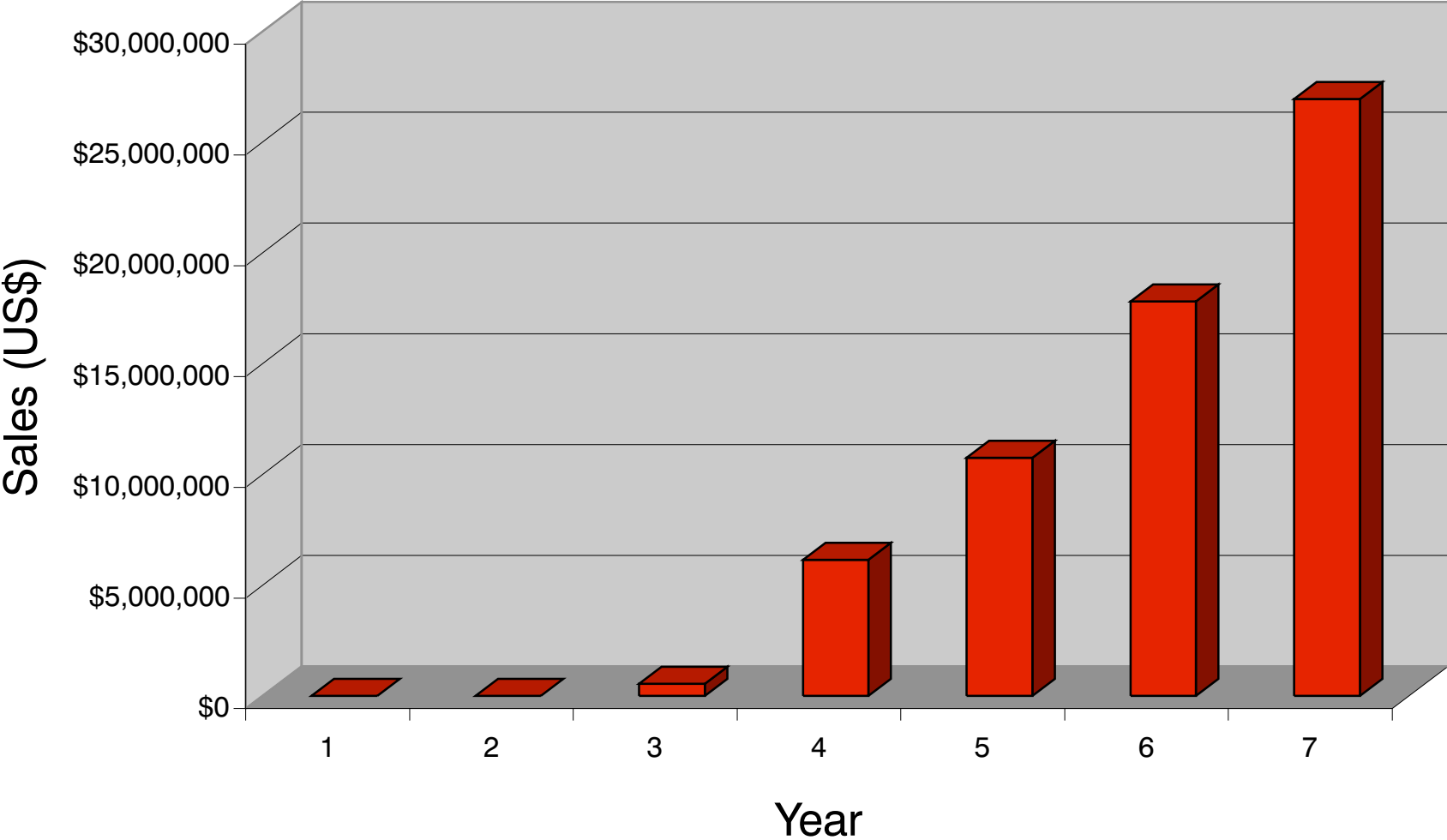
	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Annual Pay Increase			4%				
Tax Rate			34%				
PCI Growth Rate, US			9%				
PCI Growth Rate, Int'l			6%				
Employee Indirect Cost Multiplier			1.5				
Cost of Goods Sold							
Manufacturing Engineers:							
# of Engineers	1	2	2	2	2	2	2
Cost Per Engineer	\$172,500	\$179,400	\$186,576	\$194,039	\$201,801	\$209,873	\$218,268
Direct Labor:							
# of Direct Labor Employees	3	5	7	20	28	36	48
Cost Per Direct Labor	\$60,000	\$62,400	\$64,896	\$67,492	\$70,192	\$72,999	\$75,919
Parts and Materials:							
# devices needed	10	50	70	200	300	550	1100
handheld detector	\$800	\$800	\$800	\$700	\$700	\$600	\$600
LCD readout	\$500	\$500	\$500	\$500	\$400	\$400	\$400
analysis electronics	\$1,200	\$1,200	\$1,200	\$1,000	\$900	\$800	\$750
Total COGS	\$377,500	\$795,800	\$1,002,424	\$2,177,915	\$2,968,964	\$4,037,716	\$6,005,654
Research & Development							
# of Engineers	5	5	5	5	6	7	7
Cost per Engineer	\$187,500	\$195,000	\$202,800	\$210,912	\$219,348	\$228,122	\$237,247
Total R&D	\$937,500	\$975,000	\$1,014,000	\$1,054,560	\$1,316,091	\$1,596,857	\$1,660,731
Sales							
# of Hospitals / Cardiology Offices		50	60	200	300	650	1,500
Hospitals per Sales Rep		10	10	12	15	20	32
Number of Sales Reps		5	6	17	20	33	47
Cost per Sales Rep		\$150,000	\$156,000	\$162,240	\$168,730	\$175,479	\$182,498
Total Sales	\$0	\$750,000	\$936,000	\$2,704,000	\$3,374,592	\$5,703,060	\$8,554,591
Marketing							
Number of Marketing Employees			1	2	2	3	4
Cost per Marketing Employee			\$112,500	\$117,000	\$121,680	\$126,547	\$131,609
Marketing Campaigns					\$100,000	\$300,000	\$800,000
Total Marketing	\$0	\$0	\$112,500	\$234,000	\$343,360	\$679,642	\$1,326,436
General & Administration							
Number of Employees	3	6	6	10	12	15	18
Cost per Employee	\$45,000	\$46,800	\$48,672	\$50,619	\$52,644	\$54,749	\$56,939
CEO Salary		\$300,000	\$312,000	\$324,480	\$337,459	\$350,958	\$364,996
CFO Salary				\$262,500	\$273,000	\$283,920	\$295,277
Legal Fees	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$300,000	\$300,000
Total G&A	\$385,000	\$830,800	\$854,032	\$1,343,169	\$1,492,183	\$1,756,118	\$1,985,181
Amortization							
Capital Equipment	\$800,000						
Useful Life	10						
Total Amortization	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Clinical Trial							
Number of Patients		300	150	0			
Cost per Patient		\$2,000	\$2,000				
Clinical Trial Cost	\$0	\$600,000	\$300,000	\$0	\$0	\$0	\$0
SG&A							
Sales	\$0	\$750,000	\$936,000	\$2,704,000	\$3,374,592	\$5,703,060	\$8,554,591
Marketing	\$0	\$0	\$112,500	\$234,000	\$343,360	\$679,642	\$1,326,436
G&A	\$385,000	\$830,800	\$854,032	\$1,343,169	\$1,492,183	\$1,756,118	\$1,985,181
Amortization	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Clinical Trial	\$0	\$600,000	\$300,000	\$0	\$0	\$0	\$0
Total SG&A	\$465,000	\$2,260,800	\$2,282,532	\$4,361,169	\$5,290,135	\$8,218,820	\$11,946,208
Number of Customers							
US Cardiologists	6,000	6,528	7,102	7,727	8,407	9,147	9,952
Int'l Cardiologists	6,000	6,360	6,742	7,146	7,575	8,029	8,511
US Cath Labs	2,000	2,176	2,367	2,576	2,802	3,049	3,317
Int'l Cath Labs	2,000	2,120	2,247	2,382	2,525	2,676	2,837
US Hospitals W/O Cath Lab	3,800	4,134	4,498	4,894	5,325	5,793	6,303
Int'l Hospitals W/O Cath Lab	3,800	4,028	4,270	4,526	4,797	5,085	5,390
Potential Units, US	11,800	12,838	13,968	15,197	16,535	17,990	19,573
Potential Units, Int'l	11,800	12,508	13,258	14,054	14,897	15,791	16,739
US Market Share			0.1%	1.0%	1.5%	2.5%	4.0%
Int'l Market Share			0.0%	0.0%	0.0%	0.0%	0.0%
Revenue							
Number of New Customers	0	0	14	152	248	450	783
Price Per New Unit			\$40,000	\$40,000	\$40,000	\$35,000	\$30,000
Number of Existing Customers		0	0	14	166	414	864
Price Per Existing Unit				\$5,000	\$5,000	\$5,000	\$4,000
Net Sales	\$0	\$0	\$558,727	\$6,148,792	\$10,750,559	\$17,810,896	\$26,942,324

Operating Statement

Operating Statement

	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Market Share			0.1%	1.0%	1.5%	2.5%	4.0%
Unit Sales	0	0	14	152	248	450	783
Net Sales	\$0	\$0	\$558,727	\$6,148,792	\$10,750,559	\$17,810,896	\$26,942,324
COGS	\$377,500	\$795,800	\$1,002,424	\$2,177,915	\$2,968,964	\$4,037,716	\$6,005,654
Gross Profit	(\$377,500)	(\$795,800)	(\$443,697)	\$3,970,878	\$7,781,595	\$13,773,181	\$20,936,670
Number of Employees	12	23	27	56	70	96	126
R&D	\$937,500	\$975,000	\$1,014,000	\$1,054,560	\$1,316,091	\$1,596,857	\$1,660,731
SG&A	\$465,000	\$2,260,800	\$2,282,532	\$4,361,169	\$5,290,135	\$8,218,820	\$11,946,208
Operating Expenses	\$1,402,500	\$3,235,800	\$3,296,532	\$5,415,729	\$6,606,226	\$9,815,677	\$13,606,939
Operating Income	(\$1,780,000)	(\$4,031,600)	(\$3,740,229)	(\$1,444,851)	\$1,175,370	\$3,957,504	\$7,329,731
Operating Margin		506.61%	842.97%	-36.39%	15.10%	28.73%	35.01%
Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$2,492,109
Net Income	(\$1,780,000)	(\$4,031,600)	(\$3,740,229)	(\$1,444,851)	\$1,175,370	\$3,957,504	\$4,837,623
Net Margin		506.61%	842.97%	-36.39%	15.10%	28.73%	23.11%
Cumulative Cash	(\$1,780,000)	(\$5,811,600)	(\$9,551,829)	(\$10,996,680)	(\$9,821,310)	(\$5,863,807)	\$1,465,924

Net Sales by Year



Income by Year

