



C2Me

Social Networking Website

Strategic Business and Marketing Plan

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1.0 Executive Summary

The purpose of this business plan is to raise \$175,000 for the development of an social networking based website that acts as a profile and communication forum. This business plan will also showcase the expected financials and operations over the next three years. SG Corp. (“the Company”) is a Sunnyvale, CA based corporation that will sell advertising space while providing a community forum through its online platform (<http://www.C2Me.com/>) to users. The Company was founded in 2011 by Sam Gordon.

1.1 The Site

Users that enroll on the website’s online directory will be provided with a forum that they can use to connect to other enrolled members. Each user will have a profile their showcases personal information and insight into their daily lives and friends. A social networking website has become a business phenomenon in the last five years.

C2Me Website will use a high impact marketing campaign that will drive a tremendous amount of traffic to the website. These marketing strategies will be outlined in the fifth section of the business plan.

The third section of the business plan will further describe the services offered by C2Me Website.

1.2 Financing

Mr. Sam Gordon is seeking to raise \$175,000 from as a bank loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 10 year loan with a 9% fixed interest rate. The financing will be used for the following:

- Development of the Company’s online platform.
- Financing for the first six months of operation.
- Financing for the Company’s marketing campaigns and promotional item giveaways.

Mr. Sam Gordon will contribute \$25,000 to the venture.

1.3 Mission Statement

C2Me Website’s mission is to provide a forum for the general public to connect from its online platform, www.C2Me.com.

1.4 Management Team

The Company was founded by John Sam Gordon. Mr. Sam Gordon has more than 10 years of experience in the online and Internet industry. Through his expertise, he will be able to bring the operations of the business to profitability within its first year of operations.

1.5 Sales Forecasts

Below are the expected financials over the next three years.

Proforma Profit and Loss (Yearly)			
Year	2012	2013	2014
Sales	\$2,601,000	\$4,161,600	\$6,242,400
Operating Costs	\$711,225	\$890,262	\$1,080,142
EBITDA	\$635,175	\$1,263,978	\$2,151,218
Taxes, Interest, and Depreciation	\$267,372	\$499,849	\$836,280
Net Profit	\$367,803	\$764,130	\$1,314,938

GRAPH

Based on your data, create & insert a graph here.

1.6 Expansion Plan

The Founder expects that the business will aggressively expand during the first three years of operation. Mr. Sam Gordon intends to implement marketing campaigns that will effectively target individuals within the Company's demographic.

2.0 Company and Financing Summary

2.1 Registered Name and Corporate Structure

SG Corp. The Company is registered as a corporation in the State of Delaware.

2.2 Required Funds

At this time, C2Me Website requires \$175,000 of debt funds. Below is a breakdown of how these funds will be used:

Projected Startup Costs	
Business Startup Year	2011
Initial Lease Payments and Deposits	\$15,000
Working Capital	\$50,000
FF&E	\$45,000
Website Development	\$35,000
Security Deposits	\$2,500
Insurance	\$5,000
Promotional Item Inventory	\$7,500
Marketing Budget	\$35,000
Miscellaneous and Unforeseen Costs	\$5,000
Total Startup Costs	\$200,000

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2.3 Investor Equity

Mr. Sam Gordon is not seeking an investment from a third party at this time.

2.4 Management Equity

John Sam Gordon owns 100% of SG Corp.

2.5 Exit Strategy

The Management has planned for three possible exit strategies. The first strategy would be to sell the Company to a larger entity at a significant premium. Since, C2Me and online advertising content industries maintains a very low risk profile once the business is established; the Management feels that the Company could be sold for ten to fifteen times earnings.

The second exit scenario would entail selling a portion of the Company via an initial public offering (or "IPO"). After a detailed analysis, it was found that the Company could

sell for twenty to thirty times earnings on the open market depending on the business's annual growth rate and strength of earnings. However, taking a company public involves significant legal red tape. SG Corp. would be bound by the significant legal framework of the Sarbanes-Oxley Act in addition to the legal requirements set forth in form S1 of the Securities and Exchange Commission. The Company would also have to comply with the Securities Act of 1933 and the Exchange Act of 1934.

The last exit scenario would involve the use of a private placement memorandum to raise capital from private sources. This is also a significantly expensive process that requires the assistance of both an experienced securities law firm and an investment bank. Funds would be raised from private equity and merchant banking sources in exchange for a percentage of the Company's stock.

3.0 Social Networking Website Services

Below is a description of the benefits (to both users and advertisers) offered by C2Me Website.

3.1 Benefits of C2Me Website

Below is a brief summary of benefits offered to the end user of C2Me Website:

Members

- Users can quickly interact with C2Me community
- Members can upload their own content including music and videos
- Registration and membership is completely free.
- Users can win promotional items from the Company's regular getaways.

3.2 Advertising Revenues

All revenues generated by the Company will come from the sale of advertising space to businesses. Each time a visiting user clicks on one of the advertisements for the business, the Company receives a payment from Google.

The Company also intends to develop its own internal advertising programs that will feature static advertisements within the website. These advertisements will be sold directly to advertisers rather than through a third party system, like Google AdSense.

3.3 Affiliate Programs

In addition to the advertising revenues generated from advertising, the business may also develop affiliate marketing programs that will allow the business to generate additional income from the sale of products from associate vendor's websites. The typical commission for providing a referral sale is 10%, and this could become a substantial revenue center for the business once the Company's enrollment begins to expand substantially.

In this section of the business plan, you should further describe the products and services that you intend to offer to your customers.

4.0 Strategic and Market Analysis

4.1 Economic Outlook

The business of providing free Internet content with the ability to generate revenue from advertising sales and affiliated product sales is a complicated business that has many operating facets. Typically, online media content is immune from general changes in the economy, as the content is provided for free, and if people continue to go to the website, the business will consistently be able to sell advertising space. As such, much of the following market analysis is geared towards the entry plan of the business and the expansion of its customer base.

4.2 Industry Analysis

The advertising industry is one of America's largest service providers in the economy. There are over 13,000 firms providing advertising and marketing services to clients. The industry generates over \$160 billion dollars of revenue for the U.S. Economy. Additionally, over 200,000 people are employed throughout the industry with an average annual payroll of \$75 billion dollars.

One of the most interesting aspects of the advertising industry is the ability to develop simultaneous traditional and experimental forms of advertising. The advent of the Internet has allowed businesses to communicate effectively with a number of advertising businesses that provide specialized advertising activities. Many sites are now developing around the concept of providing entertainment content in order to generate revenues. Many major internet portal sites have reached market valuations exceeding \$100 billion, and revenues reaching into the tens of billions of dollars.

According to PriceWaterhouseCoopers 2005 report on aggregate internet marketing budget statistics, it is anticipated that internet marketing expenditures in the US will reach \$7 billion dollars per year by 2007. Currently, internet marketing is a \$5 billion dollar per year industry. Approximately 80% of this revenue is from keyword search advertising with the rest of the revenue generated from rich media, banners, classifieds, sponsorships, referrals, and email advertisements.

This industry is expected to continue to grow as the numbers of businesses increase. The growth rate of the industry over the last five years has been well over 40% per year with this trend expecting to continue and then level off over the next five years.

4.3 Customer Profile

C2Me Website's average client will be a young middle to upper middle class male or female that has a broadband internet connection.

Common traits among end users will include:

- Annual household income exceeding \$50,000
- Between the ages of 14 and 40
- Has high speed internet access
- Is familiar with social networking websites

In this section of the analysis, you should describe the type of customer you are seeking to acquire. These traits include income size, type of business/occupation; how far away from your business is to your customer, and what the customer is looking for. In this section, you can also put demographic information about your target market including population size, income demographics, level of education, etc.

4.4 Competition

With internet technology quickly becoming a saleable commodity, a number of websites have developed within the market that provide identical or substantially similar services to that of C2Me website. The current market trend among these websites is to allow users to upload their own content such as music or proprietary videos. As time progresses, Management will continually update the web portal and integrate new technology which will allow users more functionality for their online experience. Below is a brief analysis of the competitors that the business will face as it progresses through its business operations:

- **MySpace.com** – This business one of the primary competitors to the business in that the concept that the Company is using is extremely to this business. MySpace was recently sold to News Corp for \$575 million dollars
- **Facebook** – The Facebook is similar to both MySpace and C2Me Website in that it provides user generated websites that are searchable among groups. This website has exploded in popularity over the last two years, and it is now the largest social networking website on the Internet, in terms of end user usage and valuation.
- **Friendster** – This business was a predecessor to the MySpace concept, and prior to MySpace, was the primary competitor operating within this market. However, they have since become the number three competitor within the market due to MySpace's expansive online based marketing strategies. They are expected to eventually be purchased by a larger competitor.

5.0 Marketing Plan

C2Me Website intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of C2Me Website.

5.1 Marketing Objectives

- Develop an expansive online presence through the use of pay per click marketing and search engine optimization.
- Establish relationships with online advertising and internet marketing firms that will provide the business with an expansive amount of public relations support.
- Establish relationships with advertisers that are targeting a computer savvy younger demographic.
- Develop promotional giveaways that will draw users to the website via viral marketing methods.

5.2 Marketing Strategies

Mr. Sam Gordon intends to use a high impact marketing campaign that will generate a substantial amount of traffic to <http://www.C2Me.com/>. These strategies include the use of search engine optimization and pay per click marketing.

Additionally, conventions, technology and advertising trade shows, online advertising activities, sales development and viral marketing campaigns will follow carefully orchestrated strategies by marketing personnel in conjunction with marketing experts. Timely coverage of C2Me Website will be further directed through ongoing press relations, news releases and feature stories targeted at key Internet content communities and other media outlets.

The Company's web development firm will place large amounts of linking text on the Company's website. For instance, when a person John Doe does a Google search for social networking websites, the Company will appear on the first page of the search. This strategy is technically complicated, and the Company will use a search engine optimization firm to develop the Company's visibility on a non-paid basis. Management expects that a SEO firm will place large amounts of linking data and text specific keywords into the business's website, which will allow the Company to appear more frequently among search engines. A majority of web portal and search engine companies use very complicated algorithms to determine a website's relevance in relation to a specific keyword. SEO firms place text and tags on the website to increase the rank of a specific website.

Additionally, C2Me Website will use several pay methods for increasing the Company's visibility. This strategy is expensive, but the results can be phenomenal if this marketing strategy is properly executed. These advertisements appear along the border and side of a website, and each time a person clicks on the website, a small fee ranging from fifty cents

to one dollar is charged to the Company's account. This strategy will be used until the Company gains momentum.

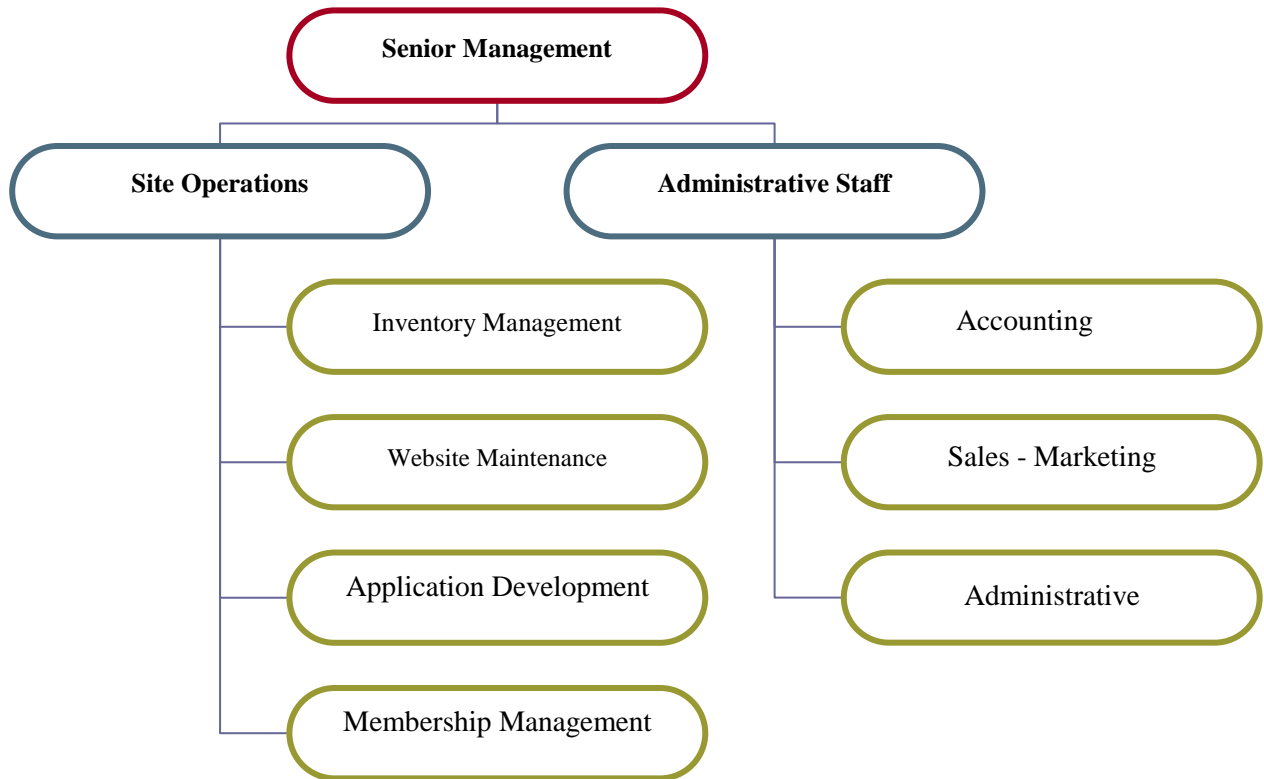
In this section, you should expand on how you intend to implement your marketing. List publications, local newspapers, radio, and other outlets that you will use to promote your business. Discuss how much money you intend to spending on marketing.

5.3 Pricing

In this section, describe the pricing of your services and products. You should provide as much information as possible about your pricing as possible in this section. However, if you have hundreds of items, condense your product list categorically. This section of the business plan should not span more than 1 page.

6.0 Organizational Plan and Personnel Summary

6.1 Corporate Organization



6.2 Organizational Budget

Personnel Plan - Yearly			
Year	2009	2010	2011
Owners	\$120,000	\$123,600	\$127,308
Website Manager	\$70,000	\$72,100	\$74,263
Assistant	\$65,000	\$66,950	\$68,959
Website Marketing Staff	\$50,000	\$64,375	\$66,306
Administrative	\$66,000	\$67,980	\$70,019
Total	\$371,000	\$395,005	\$406,855

Numbers of Personnel			
Year	2009	2010	2011
Owners	3	3	3
Website Manager	2	2	2
Assistant	2	2	2
Website Marketing Staff	4	5	5
Administrative	3	3	3
Totals	14	15	15

6.2 Organizational Budget (Cont.)

6.3 Management Biographies

In this section of the business plan, you should write a two to four paragraph biography about your work experience, your education, and your skill set. For each owner or key employee, you should provide a brief biography in this section.

7.1 Underlying Assumptions

The Company has based its proforma financial statements on the following:

- C2Me Website will have an annual revenue growth rate of 45% per year.
- The Owner will acquire \$175,000 of debt funds to develop the business.
- The loan will have a 10 year term with a 9% interest rate.

7.2 Sensitivity Analysis

In the event of a severe economic decline, the demand for specialty online based advertising may decrease significantly, which may cause the revenue generated by the business to level off or decline. However, Google AdSense and internal online advertising programs have proven to be a very popular advertising method for many businesses, and only in a steep economic decline does Management foresee a decline in top line revenues.

7.3 Source of Funds

Financing	
Equity Contributions	
Management Investment	\$25,000.00
Total Equity Financing	\$25,000.00
Banks and Lenders	
Banks and Lenders	\$175,000.00
Total Debt Financing	\$175,000.00
Total Financing	\$200,000.00

7.4 General Assumptions

General Assumptions			
Year	2009	2010	2011
Short Term Interest Rate	9.5%	9.5%	9.5%
Long Term Interest Rate	10.0%	10.0%	10.0%
Federal Tax Rate	33.0%	33.0%	33.0%
State Tax Rate	5.0%	5.0%	5.0%
Personnel Taxes	15.0%	15.0%	15.0%

7.5 Profit and Loss Statements

Proforma Profit and Loss (Yearly)			
Year	2009	2010	2011
Sales	\$2,601,000	\$4,161,600	\$6,242,400
Cost of Goods Sold	\$1,254,600	\$2,007,360	\$3,011,040
Gross Margin	51.76%	51.76%	51.76%
Operating Income	\$1,346,400	\$2,154,240	\$3,231,360

Expenses			
Payroll	\$371,000	\$395,005	\$406,855
General and Administrative	\$17,000	\$17,680	\$18,387
Marketing Expenses	\$182,070	\$291,312	\$436,968
Professional Fees and Licensure	\$15,000	\$15,450	\$15,914
Insurance Costs	\$12,500	\$13,125	\$13,781
Server and Technology Costs	\$25,000	\$27,500	\$30,250
Rent and Utilities	\$20,000	\$21,000	\$22,050
Miscellaneous Costs	\$13,005	\$49,939	\$74,909
Payroll Taxes	\$55,650	\$59,251	\$61,028
Total Operating Costs	\$711,225	\$890,262	\$1,080,142

EBITDA	\$635,175	\$1,263,978	\$2,151,218
Federal Income Tax	\$209,608	\$412,417	\$705,589
State Income Tax	\$31,759	\$62,487	\$106,907
Interest Expense	\$15,291	\$14,230	\$13,069
Depreciation Expenses	\$10,714	\$10,714	\$10,714

Net Profit	\$367,803	\$764,130	\$1,314,938
Profit Margin	14.14%	18.36%	21.06%

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7.6 Cash Flow Analysis

Proforma Cash Flow Analysis - Yearly			
Year	2009	2010	2011
Cash From Operations	\$378,518	\$774,844	\$1,325,652
Cash From Receivables	\$0	\$0	\$0
Operating Cash Inflow	\$378,518	\$774,844	\$1,325,652

Other Cash Inflows

Equity Investment	\$25,000	\$0	\$0
Increased Borrowings	\$175,000	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0
A/P Increases	\$37,902	\$43,587	\$50,125
Total Other Cash Inflows	\$237,902	\$43,587	\$50,125

Total Cash Inflow	\$616,420	\$818,431	\$1,375,777
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Cash Outflows

Repayment of Principal	\$11,311	\$12,372	\$13,533
A/P Decreases	\$24,897	\$29,876	\$35,852
A/R Increases	\$0	\$0	\$0
Asset Purchases	\$150,000	\$232,453	\$397,696
Dividends	\$208,185	\$426,164	\$729,109
Total Cash Outflows	\$394,393	\$700,866	\$1,176,188

Net Cash Flow	\$222,027	\$117,565	\$199,589
Cash Balance	\$222,027	\$339,592	\$539,181

GRAPH

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7.7 Balance Sheet

Proforma Balance Sheet - Yearly			
Year	2009	2010	2011
Assets			
Cash	\$222,027	\$339,592	\$539,181
Amortized Development - Expansion Costs	\$97,500	\$271,840	\$570,112
Inventory	\$7,500	\$30,745	\$70,515
FF&E	\$45,000	\$79,868	\$139,522
Accumulated Depreciation	(\$10,714)	(\$21,429)	(\$32,143)
Total Assets	\$361,313	\$700,617	\$1,287,187
Liabilities and Equity			
Accounts Payable	\$13,005	\$26,716	\$40,990
Long Term Liabilities	\$163,689	\$151,317	\$138,945
Other Liabilities	\$0	\$0	\$0
Total Liabilities	\$176,694	\$178,033	\$179,935
Net Worth	\$184,619	\$522,584	\$1,107,253
Total Liabilities and Equity	\$361,313	\$700,617	\$1,287,187

BALANCE SHEET

7.8 Breakeven Analysis

Monthly Break Even Analysis			
Year	2009	2010	2011
Monthly Revenue	\$114,496	\$143,319	\$173,887
Yearly Revenue	\$1,373,957	\$1,719,824	\$2,086,638

GRAPH

Based on your data, create & insert a graph here.

7.9 Business Ratios

Business Ratios - Yearly			
Year	2009	2010	2011
Sales			
Sales Growth	0.0%	60.0%	50.0%
Gross Margin	51.8%	51.8%	51.8%
Financials			
Profit Margin	14.14%	18.36%	21.06%
Assets to Liabilities	2.04	3.94	7.15
Equity to Liabilities	1.04	2.94	6.15
Assets to Equity	1.96	1.34	1.16
Liquidity			
Acid Test	1.26	1.91	3.00
Cash to Assets	0.61	0.48	0.42

Three Year Profit and Loss Statement

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Sales	\$170,000	\$178,500	\$187,000	\$195,500	\$204,000	\$212,500	\$221,000
Cost of Goods Sold	\$82,000	\$86,100	\$90,200	\$94,300	\$98,400	\$102,500	\$106,600
Gross Margin	51.8%	51.8%	51.8%	51.8%	51.8%	51.8%	51.8%
Operating Income	\$88,000	\$92,400	\$96,800	\$101,200	\$105,600	\$110,000	\$114,400
Expenses							
Payroll	\$30,917	\$30,917	\$30,917	\$30,917	\$30,917	\$30,917	\$30,917
General and Administrative	\$1,417	\$1,417	\$1,417	\$1,417	\$1,417	\$1,417	\$1,417
Marketing Expenses	\$15,173	\$15,173	\$15,173	\$15,173	\$15,173	\$15,173	\$15,173
Professional Fees and Licensure	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
Insurance Costs	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042
Server and Technology Costs	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083
Rent and Utilities	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667
Miscellaneous Costs	\$1,084	\$1,084	\$1,084	\$1,084	\$1,084	\$1,084	\$1,084
Payroll Taxes	\$4,638	\$4,638	\$4,638	\$4,638	\$4,638	\$4,638	\$4,638
Total Operating Costs	\$59,269	\$59,269	\$59,269	\$59,269	\$59,269	\$59,269	\$59,269
EBITDA	\$28,731	\$33,131	\$37,531	\$41,931	\$46,331	\$50,731	\$55,131
Federal Income Tax	\$13,700	\$14,385	\$15,070	\$15,755	\$16,440	\$17,125	\$17,810
State Income Tax	\$2,076	\$2,180	\$2,283	\$2,387	\$2,491	\$2,595	\$2,698
Interest Expense	\$1,313	\$1,306	\$1,299	\$1,292	\$1,285	\$1,278	\$1,271
Depreciation Expense	\$893	\$893	\$893	\$893	\$893	\$893	\$893
Net Profit	\$10,750	\$14,368	\$17,986	\$21,604	\$25,223	\$28,841	\$32,459

C2Me - Social Networking Website

Profit and Loss Statement (First Year Cont.)						
Month	8	9	10	11	12	2009
Sales	\$229,500	\$238,000	\$246,500	\$255,000	\$263,500	\$2,601,000
Cost of Goods Sold	\$110,700	\$114,800	\$118,900	\$123,000	\$127,100	\$1,254,600
Gross Margin	51.8%	51.8%	51.8%	51.8%	51.8%	51.8%
Operating Income	\$118,800	\$123,200	\$127,600	\$132,000	\$136,400	\$1,346,400

Expenses

Payroll	\$30,917	\$30,917	\$30,917	\$30,917	\$30,917	\$371,000
General and Administrative	\$1,417	\$1,417	\$1,417	\$1,417	\$1,417	\$17,000
Marketing Expenses	\$15,173	\$15,173	\$15,173	\$15,173	\$15,173	\$182,070
Professional Fees and Licensure	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Insurance Costs	\$1,042	\$1,042	\$1,042	\$1,042	\$1,042	\$12,500
Server and Technology Costs	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$25,000
Rent and Utilities	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
Miscellaneous Costs	\$1,084	\$1,084	\$1,084	\$1,084	\$1,084	\$13,005
Payroll Taxes	\$4,638	\$4,638	\$4,638	\$4,638	\$4,638	\$55,650
Total Operating Costs	\$59,269	\$59,269	\$59,269	\$59,269	\$59,269	\$711,225
EBITDA	\$59,531	\$63,931	\$68,331	\$72,731	\$77,131	\$635,175
Federal Income Tax	\$18,495	\$19,180	\$19,865	\$20,550	\$21,235	\$209,608
State Income Tax	\$2,802	\$2,906	\$3,010	\$3,114	\$3,217	\$31,759
Interest Expense	\$1,264	\$1,257	\$1,250	\$1,242	\$1,235	\$15,291
Depreciation Expense	\$893	\$893	\$893	\$893	\$893	\$10,714
Net Profit	\$36,077	\$39,696	\$43,314	\$46,933	\$50,551	\$367,803

C2Me - Social Networking Website

Profit and Loss Statement (Second Year)					
2010					
Quarter	Q1	Q2	Q3	Q4	2010
Sales	\$832,320	\$1,040,400	\$1,123,632	\$1,165,248	\$4,161,600
Cost of Goods Sold	\$401,472	\$501,840	\$541,987	\$562,061	\$2,007,360
Gross Margin	51.8%	51.8%	51.8%	51.8%	51.8%

Operating Income	\$430,848	\$538,560	\$581,645	\$603,187	\$2,154,240
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Expenses

Payroll	\$79,001	\$98,751	\$106,651	\$110,601	\$395,005
General and Administrative	\$3,536	\$4,420	\$4,774	\$4,950	\$17,680
Marketing Expenses	\$58,262	\$72,828	\$78,654	\$81,567	\$291,312
Professional Fees and Licensure	\$3,090	\$3,863	\$4,172	\$4,326	\$15,450
Insurance Costs	\$2,625	\$3,281	\$3,544	\$3,675	\$13,125
Server and Technology Costs	\$5,500	\$6,875	\$7,425	\$7,700	\$27,500
Rent and Utilities	\$4,200	\$5,250	\$5,670	\$5,880	\$21,000
Miscellaneous Costs	\$9,988	\$12,485	\$13,484	\$13,983	\$49,939
Payroll Taxes	\$11,850	\$14,813	\$15,998	\$16,590	\$59,251
Total Operating Costs	\$178,052	\$222,565	\$240,371	\$249,273	\$890,262

EBITDA	\$252,796	\$315,995	\$341,274	\$353,914	\$1,263,978
Federal Income Tax	\$82,483	\$103,104	\$111,353	\$115,477	\$412,417
State Income Tax	\$12,497	\$15,622	\$16,872	\$17,496	\$62,487
Interest Expense	\$3,661	\$3,593	\$3,524	\$3,453	\$14,230
Depreciation Expense	\$2,679	\$2,679	\$2,679	\$2,679	\$10,714

Net Profit	\$151,475	\$190,997	\$206,848	\$214,809	\$764,130
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C2Me - Social Networking Website

Profit and Loss Statement (Third Year)					
2011					
Quarter	Q1	Q2	Q3	Q4	2011
Sales	\$1,248,480	\$1,560,600	\$1,685,448	\$1,747,872	\$6,242,400
Cost of Goods Sold	\$602,208	\$752,760	\$812,981	\$843,091	\$3,011,040
Gross Margin	51.8%	51.8%	51.8%	51.8%	51.8%
Operating Income	\$646,272	\$807,840	\$872,467	\$904,781	\$3,231,360
Expenses					
Payroll	\$81,371	\$101,714	\$109,851	\$113,919	\$406,855
General and Administrative	\$3,677	\$4,597	\$4,965	\$5,148	\$18,387
Marketing Expenses	\$87,394	\$109,242	\$117,981	\$122,351	\$436,968
Professional Fees and Licensure	\$3,183	\$3,978	\$4,297	\$4,456	\$15,914
Insurance Costs	\$2,756	\$3,445	\$3,721	\$3,859	\$13,781
Server and Technology Costs	\$6,050	\$7,563	\$8,168	\$8,470	\$30,250
Rent and Utilities	\$4,410	\$5,513	\$5,954	\$6,174	\$22,050
Miscellaneous Costs	\$14,982	\$18,727	\$20,225	\$20,974	\$74,909
Payroll Taxes	\$12,206	\$15,257	\$16,478	\$17,088	\$61,028
Total Operating Costs	\$216,028	\$270,036	\$291,638	\$302,440	\$1,080,142
EBITDA	\$430,244	\$537,804	\$580,829	\$602,341	\$2,151,218
Federal Income Tax	\$141,118	\$176,397	\$190,509	\$197,565	\$705,589
State Income Tax	\$21,381	\$26,727	\$28,865	\$29,934	\$106,907
Interest Expense	\$3,380	\$3,306	\$3,230	\$3,153	\$13,069
Depreciation Expense	\$2,679	\$2,679	\$2,679	\$2,679	\$10,714
Net Profit	\$261,685	\$328,696	\$355,546	\$369,011	\$1,314,938

C2Me - Social Networking Website

Three Year Cash Flow Analysis

Cash Flow Analysis (First Year)								
Month	1	2	3	4	5	6	7	8
Cash From Operations	\$11,643	\$15,261	\$18,879	\$22,497	\$26,115	\$29,734	\$33,352	\$36,970
Cash From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$11,643	\$15,261	\$18,879	\$22,497	\$26,115	\$29,734	\$33,352	\$36,970

Other Cash Inflows

Equity Investment	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$175,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$3,159	\$3,159	\$3,159	\$3,159	\$3,159	\$3,159	\$3,159	\$3,159
Total Other Cash Inflows	\$203,159	\$3,159	\$3,159	\$3,159	\$3,159	\$3,159	\$3,159	\$3,159

Total Cash Inflow	\$214,802	\$18,420	\$22,038	\$25,656	\$29,274	\$32,892	\$36,510	\$40,129
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Cash Outflows

Repayment of Principal	\$904	\$911	\$918	\$925	\$932	\$939	\$946	\$953
A/P Decreases	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075	\$2,075
A/R Increases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Outflows	\$152,979	\$2,986	\$2,993	\$3,000	\$3,007	\$3,014	\$3,021	\$3,028

Net Cash Flow	\$61,823	\$15,434	\$19,045	\$22,656	\$26,267	\$29,879	\$33,490	\$37,101
Cash Balance	\$61,823	\$77,256	\$96,301	\$118,958	\$145,225	\$175,104	\$208,594	\$245,695

C2Me - Social Networking Website

Cash Flow Analysis (First Year Cont.)					
Month	9	10	11	12	2009
Cash From Operations	\$40,589	\$44,207	\$47,826	\$51,444	\$378,518
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$40,589	\$44,207	\$47,826	\$51,444	\$378,518

Other Cash Inflows

Equity Investment	\$0	\$0	\$0	\$0	\$25,000
Increased Borrowings	\$0	\$0	\$0	\$0	\$175,000
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$3,159	\$3,159	\$3,159	\$3,159	\$37,902
Total Other Cash Inflows	\$3,159	\$3,159	\$3,159	\$3,159	\$237,902

Total Cash Inflow	\$43,747	\$47,366	\$50,984	\$54,603	\$616,420
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Cash Outflows

Repayment of Principal	\$960	\$967	\$974	\$982	\$11,311
A/P Decreases	\$2,075	\$2,075	\$2,075	\$2,075	\$24,897
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$0	\$0	\$0	\$0	\$150,000
Dividends	\$0	\$0	\$0	\$208,185	\$208,185
Total Cash Outflows	\$3,035	\$3,042	\$3,049	\$211,242	\$394,393

Net Cash Flow	\$40,712	\$44,324	\$47,935	-\$156,639	\$222,027
Cash Balance	\$286,407	\$330,731	\$378,666	\$222,027	\$222,027

C2Me - Social Networking Website

Cash Flow Analysis (Second Year)					
2010					
Quarter	Q1	Q2	Q3	Q4	2010
Cash From Operations	\$154,969	\$193,711	\$209,208	\$216,956	\$774,844
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$154,969	\$193,711	\$209,208	\$216,956	\$774,844
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$8,717	\$10,897	\$11,769	\$12,204	\$43,587
Total Other Cash Inflows	\$8,717	\$10,897	\$11,769	\$12,204	\$43,587
Total Cash Inflow	\$163,686	\$204,608	\$220,976	\$229,161	\$818,431
Cash Outflows					
Repayment of Principal	\$2,990	\$3,058	\$3,127	\$3,198	\$12,372
A/P Decreases	\$5,975	\$7,469	\$8,067	\$8,365	\$29,876
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$46,491	\$58,113	\$62,762	\$65,087	\$232,453
Dividends	\$85,233	\$106,541	\$115,064	\$119,326	\$426,164
Total Cash Outflows	\$140,689	\$175,181	\$189,020	\$195,976	\$700,866
Net Cash Flow	\$22,998	\$29,427	\$31,956	\$33,185	\$117,565
Cash Balance	\$245,025	\$274,451	\$306,408	\$339,592	\$339,592

C2Me - Social Networking Website

Cash Flow Analysis (Third Year)					
2011					
Quarter	Q1	Q2	Q3	Q4	2011
Cash From Operations	\$265,130	\$331,413	\$357,926	\$371,183	\$1,325,652
Cash From Receivables	\$0	\$0	\$0	\$0	\$0
Operating Cash Inflow	\$265,130	\$331,413	\$357,926	\$371,183	\$1,325,652
Other Cash Inflows					
Equity Investment	\$0	\$0	\$0	\$0	\$0
Increased Borrowings	\$0	\$0	\$0	\$0	\$0
Sales of Business Assets	\$0	\$0	\$0	\$0	\$0
A/P Increases	\$10,025	\$12,531	\$13,534	\$14,035	\$50,125
Total Other Cash Inflows	\$10,025	\$12,531	\$13,534	\$14,035	\$50,125
Total Cash Inflow	\$275,155	\$343,944	\$371,460	\$385,218	\$1,375,777
Cash Outflows					
Repayment of Principal	\$3,270	\$3,344	\$3,420	\$3,498	\$13,533
A/P Decreases	\$7,170	\$8,963	\$9,680	\$10,038	\$35,852
A/R Increases	\$0	\$0	\$0	\$0	\$0
Asset Purchases	\$79,539	\$99,424	\$107,378	\$111,355	\$397,696
Dividends	\$145,822	\$182,277	\$196,859	\$204,150	\$729,109
Total Cash Outflows	\$235,801	\$294,008	\$317,337	\$329,041	\$1,176,188
Net Cash Flow	\$39,354	\$49,936	\$54,123	\$56,176	\$199,589
Cash Balance	\$378,947	\$428,882	\$483,005	\$539,181	\$539,181