

## MERGER FINANCIAL SUMMARY FOR PRACTICE 6689

6/18/2010 13:00

The following summary illustrates a projected year's income and expenses for the subject practice which incorporates a 4% increase in fees and overhead expense but no increase in production. Although all variable expenses are included, fixed expenses that will not be duplicated are not included. This summary is not a representation or warranty of future practice performance. Purchasers should obtain legal and accounting counsel prior to any purchase decision. **NOTE: Practice price does not include accounts receivable.**

**PRACTICE INCOME**

EXPECTED GROSS COLLECTION INCREASE			\$1,710,257	100.0%
	HYGIENE COMPONENT		\$615,692	36.0%
	DENTIST COMPONENT		\$1,094,564	64.0%
	RETAINED SELLER		\$0	0.0%
	ASSOCIATE		\$0	0.0%
	PURCHASER		\$1,094,564	64.0%

**VARIABLE EXPENSE INCREASE**

	WAGES, PAYROLL TAX, ETC.		\$515,532	30.1%
	LABORATORY		\$212,965	12.5%
	CLINICAL SUPPLIES		\$68,187	4.0%
	OTHER VARIABLE EXPENSE		\$49,985	2.9%
TOTAL VARIABLE EXPENSE INCREASE			\$846,669	49.5%

**FIXED EXPENSE INCREASE**

	RENT		\$0	0.0%
	PHONE, UTILITIES		\$3,000	0.2%
	LEGAL & ACCOUNTING		\$3,500	0.2%
	INSURANCE		\$1,500	0.1%
	OTHER FIXED EXPENSE		\$6,443	0.4%
TOTAL FIXED EXPENSE INCREASE			\$14,443	0.8%

**DEBT SERVICE INCREASE**

	INTEREST		\$107,876	6.3%
	PRINCIPAL		\$148,713	8.7%
TOTAL DEBT SERVICE - THIS IS BREAK-EVEN RETENTION PERCENTAGE			\$256,589	15.0%

**SUMMARY**

EXPECTED INCREASED COLLECTIONS			\$1,710,257	100.0%
EXPECTED INCREASED EXPENSES			\$861,113	50.3%
EXPECTED INCREASED DEBT SERVICE			\$256,589	15.0%
EXPECTED INCREASED NET INCOME & PERCENT OF PERSONAL PRODUCTION			\$592,555	54.1%
PURCHASER PRODUCED PRODUCTION			\$1,094,564	64.0%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$148,713	13.6%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$67,264	6.1%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD			\$808,532	73.9%

**THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:**

	SALES PRICE & PERCENT OF GROSS		\$1,248,000	77%
	WORKING CAPITAL		\$81,000	4.7%
	TOTAL LOAN		\$1,329,000	77.7%
	LOAN INTEREST RATE		9.00%	
	LOAN TERM IN MONTHS		84	
	MONTHLY PAYMENT		\$21,382	15.0%
	ESTIMATED MONTHLY HYGIENE/ASSOC PROFIT		\$30,785	21.6%

Atlanta, Georgia

**MERGER DATA SUMMARY FOR PRACTICE NUMBER 6689**

The following data is provided by the owner of the practice. It is believed to the best of the owner's knowledge to be a true and accurate representation of the facts of the practice. It is the responsibility of any purchaser to verify all information contained herein and to seek qualified counsel in the interpretation and verification thereof.

**OFFICE DATA**

SQUARE FOOTAGE OF OFFICE	2,850
EXPANDABLE FOOTAGE	None
CURRENT MONTHLY RENTAL i.e. "1200"	\$3,736
PRICE PER SQUARE FOOT	\$15.73
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	20
PROXIMITY OF PARKING PLACES	Close
NUMBER OF OPERATORIES EQUIPPED FOR DENTIST	4 (1 operatory equipped for both)
NUMBER OF OPERATORIES EQUIPPED FOR HYGIENIST	3
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF UNPLUMBED EMPTY OPERATORIES	
DATE OF LEASE i.e. "1/1/99"	March-06
DATE LEASE ENDS - i.e. "1/1/04"	February-11
TERM OF LEASE IN YEARS i.e. "5"	5
YEARS REMAINING ON LEASE i.e. "2.5"	1
RENEWAL OPTIONS	Yes
DO YOU OWN YOUR BUILDING? "YES" OR "NO"	No
DO YOU WISH TO SELL THE BUILDING? "YES" OR "NO"	No
PRICE OF BUILDING	
IF NOT FOR SALE, MO. RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	
ANNUAL REAL ESTATE INSURANCE COST	
PURCHASER MORTGAGE INTEREST RATE	7.00%
PURCHASER MORTGAGE TERM - YEARS	15
PURCHASER MONTHLY PAYMENT	
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	

**WORK SCHEDULE**

PLANS AFTER SALE OF PRACTICE	Retirement
DAYS/WEEK CURRENTLY WORKED	3.5
ENTER DESIRED DAYS WORKED FOR NEW BUYER SALE	
DESIRED WORK DAYS/WEEK 1ST YR	0
DESIRED WORK DAYS/WEEK 2ND YR	0
DESIRED WORK DAYS/WEEK 3RD YR	0
DESIRED WORK DAYS/WEEK 4TH YR	0
DESIRED WORK DAYS/WEEK 5TH YR	0
DESIRED WORK DAYS/WEEK 6TH YR	0

<b>PRACTICE DATA</b>	
WHAT CONSULTANT USED IN PAST 5 YRS	Linda Devenstred
RESULTS	Advised us on day to day function of front desk and tips on production and recall.
DESCRIBE INTERNAL MARKETING	Perks for patient referral relating to patients that we take new patients from.
DESCRIBE EXTERNAL MARKETING	Marketing tapes for "on hold" phones calls. Ads in several school fund raisers & programs. Website to start 3/2010.
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No. Slight change due to dropping 1/2 day fo work Fri mornings. Pretty much maxed out for hours worked. 30 hrs/week
<b>PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA &amp; REDUCED FEE PLANS!</b>	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	2,100
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	13
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST	15
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST	9
HOW FAR AHEAD IS DENTIST SCHEDULED?	two weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	six months
% PRACTICE INCOME FROM CASH	75%
% OF PATIENTS PAYING CASH	77%
% PRACTICE INCOME FROM INSURANCE	25%
% OF PATIENTS WITH INSURANCE	23%
% PRACTICE INCOME FROM HMO	
% OF PATIENTS WITH HMO	
% PRACTICE INCOME FROM PPO	
% OF PATIENTS WITH PPO	
% PRACTICE INCOME FROM CAPITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	
% OF PATIENTS WITH MEDICAID	
% PRACTICE INCOME WITH REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
<b>PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA &amp; REDUCED FEE PLANS!</b>	
OFFICE HOURS	MONDAY 7:30 am - 5:00 pm
	TUESDAY 7:30 am - 5:00 pm
	WEDNESDAY 7:30 am - 12:00 pm
	THURSDAY 7:30 am - 5:00 pm
	FRIDAY
	SATURDAY
DENTIST HOURS WORKED PER WEEK	30
HYGIENIST HOURS WORKED PER WEEK	75 (3 hyg)
ASSOCIATE HOURS WORKED PER WEEK	
DENTIST PATIENT VISITS PER YEAR	2,592
HYGIENE PATIENT VISITS PER YEAR	4,233
NUMBER OF DAYS WORKED PER YEAR	179
NUMBER OF WEEKS WORKED PER YEAR	51
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$55,262
SIX WEEKS ACCOUNTS RECEIVABLE	\$195,458
WHAT IS YOUR COLLECTION PERCENTAGE	98%
WHAT TYPE RECALL SYSTEM	Book appt ahead, card index, reminder cards/calls
WHAT TYPE COMPUTER SYSTEM	Dentrix

<b>WHAT % OF THE PRACTICE INCOME IS:</b>	
HYGIENIST PRODUCTION	34%
OPERATIVE	14%
PEDODONTICS	1%
ORTHODONTICS	0%
IMPLANTS	3%
REMOVABLE PROSTHETICS	2%
FIXED PROSTHETICS	34%
ENDODONTICS	0%
PERIODONTICS	0%
ORAL SURGERY	1%
COSMETIC	8%
TMJ TREATMENT	1%
SOFT TISSUE MANAGEMENT	2%
OTHER	0%
TOTAL	100%
<b>MARKET FACTOR DATA</b>	
EQUIPMENT FACTOR SCALE 0% - 100%	75%
LOCATION DEMAND SCALE 0% - 100%	85%
PLAN / MEDICAID PRACTICE %	
ANNUAL FEE INCREASE %	5%
ANNUAL OVERHEAD INCREASE %	4%
<b>FEE SCHEDULE</b>	
ADULT PROPHY 01110	\$95
GOLD INLAY 02540	\$950
TWO SURFACE POSTERIOR COMPOSITE 02386	\$225
TWO SURFACE AMALGAM 02150	\$190
CORE BUILD-UP INCLUDING PINS 02950	\$320
GOLD / PORCELAIN CROWN 02750	\$1,180
ANTERIOR CANAL ROOT CANAL 03310	
BICUSPID ROOT CANAL 03320	
LABIAL PORCELAIN VENEER 02962	\$1,220
AVERAGE OF FEES	\$597
PERCENT OF FEE PARITY	122%
<b>DEMOGRAPHIC DATA</b>	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	Major metro
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	Major metro
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	105
MAJOR EMPLOYERS IN AREA	
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN YOUR DRAWING AREA	

<b>STAFF DATA</b>			
DESCRIBE STAFF BY POSITION AS TO	ANNUAL SALARY	WILL POSSIBLY STAY?	YEAR HIRED
RECEPTIONIST	\$61,633	Yes	1984
OFFICE MANAGER	\$ _____	_____	_____
RECEPTIONIST	\$44,016	Yes	9/07
ASSISTANT	\$38,000	Yes	9/08
ASSISTANT	\$35,396	Yes	11/06
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
ASSISTANT	\$ _____	_____	_____
HYGIENIST	\$70,280	Yes	1980
HYGIENIST	\$61,943	Yes	1992
HYGIENIST	\$61,599	Yes	1999
HYGIENIST			
LAB TECHNICIAN	\$ _____	_____	_____
LAB TECHNICIAN	\$ _____	_____	_____
BOOKKEEPER - WIFE	\$20,000	_____	_____
OTHER _____			
DESCRIBE FRINGE BENEFITS AND VALUE	Medical/disability insurance, profit sharing plan		
DO YOU HIRE ANY UNPAID FAMILY MEMBERS	No		
DESCRIBE DUTIES	Wife - Bookkeeper		
ESTIMATED ANNUAL VALUE OF ABOVE			
<b>PRODUCTION CENTERS</b>			
	YEAR TO DATE	LAST YEAR	TWO YEARS AGO
ENTER YEAR	11/1/09-4/30/10	2009	2008
GROSS PRODUCTION	\$814,408	\$1,615,717	\$1,544,059
HYGIENISTS		\$ 580,083	\$ 544,059
OWNER		\$1,035,634	\$1,000,000
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ASSOCIATE	\$ _____	\$ _____	\$ _____
ENTER ASSOCIATE SALARY IN DOLLARS IF FIXED			
ENTER ASSOCIATE COMMISSION PERCENTAGE			
ENTER HYGIENIST SALARY IN DOLLARS IF FIXED			
ENTER HYGIENIST COMMISSION PERCENTAGE	36%		
<b>CONFORMITY DATA</b>			
DOES YOUR PRACTICE MEET OSHA STANDARDS?	Yes		
WHY NOT			
DOES YOUR PRACTICE MEET CDC STANDARDS?	Yes		
WHY NOT			
DOES PRACTICE MEET ALL GOVERNMENTAL REGULATIONS?	Yes		
EXPLAIN ANY DISCREPANCIES			
HAVE YOU HAD ANY DISCIPLINARY ACTION IN LAST 7 YRS	No		
EXPLAIN			
HAVE YOU HAD ANY PRACTICE RELATED SUITS FILED	No		
AGAINST YOU IN THE PAST TEN YEARS? EXPLAIN			
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT YOUR PRACTICE OF DENTISTRY	None		