

JB'S RESTAURANTS, INC.
FINANCIAL STATEMENT FORECAST
CONTINUING OPERATIONS 25 EXISTING UNITS AND FRANCHISES

	2002(a)		2003(e)		2004(f)		2005(f)		2006(f)		2007(f)		2008(f)	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Food Sales	\$ 24,422,176		\$ 24,117,378		\$ 24,869,779		\$ 25,242,826		\$ 25,621,468		\$ 26,005,790		\$ 26,395,877	
Growth %	-7.7%		-1.2%		3.1%		1.5%		1.5%		1.5%		1.5%	
Cost of Sales														
Food Costs	7,035,726	28.8	7,261,046	30.1	7,187,366	28.9	7,295,177	28.9	7,404,604	28.9	7,515,673	28.9	7,628,408	28.9
Direct Labor	4,892,423	20.0	4,895,852	20.3	4,849,607	19.5	4,922,351	19.5	4,996,186	19.5	5,071,129	19.5	5,147,196	19.5
Restaurant Management	2,585,092	10.6	2,592,008	10.7	2,636,197	10.6	2,650,497	10.5	2,664,633	10.4	2,704,602	10.4	2,718,775	10.3
Employee Benefits	1,200,320	4.8	1,158,265	4.8	1,194,400	4.7	1,186,413	4.7	1,191,398	4.7	1,209,269	4.7	1,227,408	4.7
Gross Profit	8,708,614	35.7	8,210,207	34.0	9,002,209	36.2	9,188,389	36.4	9,364,647	36.6	9,505,116	36.6	9,674,089	36.7
Gross Margin %	35.7%		34.0%		36.2%		36.4%		36.6%		36.6%		36.7%	
Operating Expenses														
Advertising and Promotional	1,355,060	5.5	1,451,647	6.0	1,367,838	5.5	1,380,783	5.5	1,383,559	5.4	1,399,112	5.4	1,420,098	5.4
Repairs and Maintenance	565,569	2.3	600,838	2.5	606,846	2.4	612,915	2.4	619,044	2.4	625,234	2.4	631,487	2.4
Utilities	1,290,723	5.3	1,312,354	5.4	1,338,601	5.4	1,365,373	5.4	1,392,681	5.4	1,420,534	5.5	1,448,945	5.5
Supplies	631,604	2.6	679,209	2.8	686,001	2.8	692,861	2.7	699,789	2.7	706,787	2.7	713,855	2.7
Rent	1,352,905	5.5	1,386,638	5.7	1,399,073	5.6	1,399,260	5.5	1,399,449	5.5	1,399,641	5.4	1,399,836	5.3
Property Taxes	271,726	1.1	285,400	1.2	289,681	1.2	294,026	1.2	298,436	1.2	302,913	1.2	307,457	1.2
Cash Management	278,659	1.1	278,199	1.2	279,590	1.1	280,988	1.1	282,393	1.1	283,805	1.1	285,224	1.1
General Liability Insurance	128,034	0.5	246,313	1.0	253,702	1.0	261,313	1.3	269,153	1.3	277,227	1.3	285,544	1.3
Leased Equipment	331,274	1.4	11,414	0.0	114,000	0.5	85,500	0.3	-	-	-	-	-	-
Business Taxes / Fees	31,783	0.1	34,074	0.1	36,498	0.1	36,535	0.1	36,572	0.1	36,609	0.1	36,647	0.1
Other Controllables	15,842	0.1	11,194	0.0	11,306	0.0	11,419	0.0	11,533	0.0	11,648	0.0	11,765	0.0
Depreciation and Amortization	700,111	2.5	694,231	2.9	630,100	2.0	567,090	1.9	510,381	1.9	500,173	1.9	490,170	1.9
Total Operating Expenses	6,953,291	28.5	6,991,510	29.0	7,013,236	28.2	6,988,061	27.7	6,902,989	26.9	6,963,684	26.8	7,031,027	26.6
Operating Income	1,755,324	7.2	1,218,697	5.1	1,988,973	8.0	2,200,327	8.7	2,461,657	9.6	2,541,432	9.8	2,643,062	10.0
Operating Margin %	7.2%		5.1%		8.0%		8.7%		9.6%		9.8%		10.0%	

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	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Franchise Cash Flow	958,493	3.9	1,204,708	5.0	1,153,802	4.6	1,176,878	4.7	1,200,415	4.7	1,224,424	4.7	1,248,912	4.7
General and Administrative	(1,684,084)	(6.9)	(1,508,043)	(6.3)	(1,523,123)	(6.1)	(1,538,354)	(6.1)	(1,553,738)	(6.1)	(1,569,275)	(6.0)	(1,584,968)	(6.0)
Executive Retirement Plan			(186,544)		(186,544)		(186,544)		(186,544)		(186,544)		(186,544)	
Summit Agreement	140,000		-		395,000	1.6	-	-	-	-	-	-	-	-
EBITDA	\$ 1,869,844	7.7	\$ 1,609,593	6.7	\$ 2,644,752	10.6	\$ 2,405,940	9.5	\$ 2,618,715	10.2	\$ 2,696,754	10.4	\$ 2,797,175	10.6
EBITDA Margin %	7.7%		6.7%		10.6%		9.5%		10.2%		10.4%		10.6%	
Secured Debt/Interest Service:														
Textron Notes	932,000		885,000		800,000		800,000		800,000		800,000		800,000	
Mortgage- Kingman, AZ	40,800		40,800		37,400		-		-		-		-	
Mortgage- Hurricane, UT	54,500		54,500		54,500		54,500		54,500		54,500		54,500	
TOTAL	1,027,300		980,300		891,900		854,500		854,500		854,500		854,500	
Capital Expenditures (Estimate)	195,000		200,000		200,000		200,000		200,000		200,000		100,000	
Deferred Maintenance	150,000		200,000		200,000		200,000		200,000		200,000		100,000	
All Other Expenditures	400,000													
Unsecured Repayment														
Cash Flow Available for Unsec. & Priority	97,544		229,293		1,352,852		1,151,440		1,364,215		1,442,254		1,742,675	
Cumulative Free Cash Flow	97,544		326,837		1,352,852		1,151,440		1,364,215		1,442,254		2,192,036	
Repayment of Creditors:														
Priority and Administrative Claims	-		268,094		856,120		-		-		-		-	
Convenience Class Payment	-		58,743		-		-		-		-		-	
General Creditors	-		-		496,732		1,151,440		1,364,215		992,894		-	
Interest to Unsecured Creditors @ 5.00%	-		80,571		186,941		124,389		63,692		-		-	
Total Due Creditors Including Interest	4,673,901		4,486,379		3,320,468		2,293,417		992,894		-		-	
Net Cash Flow	97,544		-		-		-		-		449,360		2,192,036	
Estimated Payment Schedule														
			3,549,687		4,486,379		3,320,468		2,293,417		992,894		-	
Payment		03/31/03	-	03/31/04	200,000	03/31/05	500,000	03/31/06	600,000	03/31/07	600,000	03/31/07	-	
Payment		06/30/03	-	06/30/04	150,000	09/30/05	200,000	09/30/06	250,000	09/30/07	34,075	09/30/07	-	
Payment		11/30/03	326,837	09/30/04	1,002,852	09/30/05	451,440	09/30/06	514,215	09/30/06	358,819	09/30/06	-	
			326,837		1,352,852		1,151,440		1,364,215		992,894		-	