

**Krispy Kreme Doughnuts, Inc.**  
(S in thousands)

**Property Plant & Equipment**

	Historical FYE.					Projected Fiscal Year End.				
	1999	2000	2001	2002	2003	2004	2005	2006		
<b>EOY Book Assets</b>										
Land	11,255	11,129	11,144	\$11,144	\$14,823					
Buildings	20,617	22,703	24,606	29,637	39,566					
Machinery and equipment	35,687	40,237	47,701	65,119	86,683					
Leasehold improvements	9,022	8,262	9,627	10,440	13,463					
Construction in progress	1,601	23	165	556	1,949					
<b>Book Assets, gross</b>	<b>78,182</b>	<b>82,354</b>	<b>93,243</b>	<b>116,896</b>	<b>156,484</b>					
Current Book Depreciation				3,586	4,278	4,546	6,457	7,959		
PY Acc Depr (adjusted for disposals)				23,049	24,500	28,113	32,099	35,948		
<b>Book Assets, net</b>	<b>51,547</b>	<b>53,576</b>	<b>60,584</b>	<b>78,340</b>	<b>112,577</b>					
<b>T-Account</b>										
BOY Balance		51,547	53,576	60,584	78,340	112,577	125,761	137,786	148,216	158,851
Additions (Capex)		12,376	11,335	25,655	37,310	31,925	34,299	37,035	41,386	44,934
Disposals, net of non-cash acquisitions		(6,069)	219	(1,442)	4,886	-	-	-	-	-
Current Depreciation		(4,278)	(4,546)	(6,457)	(7,959)	(18,741)	(22,273)	(26,606)	(30,750)	(35,552)
<b>EOY Balance</b>	<b>51,547</b>	<b>53,576</b>	<b>60,584</b>	<b>78,340</b>	<b>112,577</b>	<b>125,761</b>	<b>137,786</b>	<b>148,216</b>	<b>158,851</b>	<b>168,233</b>

Capital Expenditure Determination	Historic												
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Capex Per historic SCF</b>			(9,572)	(6,708)	(12,376)	(11,335)	(25,655)	(37,310)					
Less additions to non-depreciable land			-	-	-	15	-	3,679					
Capital Expenditures on Depr Property (Maintenance + Expansion)			(9,572)	(6,708)	(12,376)	(11,320)	(25,655)	(33,631)					
<b>Estimated Expansion Capex</b>													
Building (avg cost X # new Company stores)						1,100	6,400	5,600	2,906	3,058	3,218	4,232	4,453
Equipment capex (avg cost X # new Company stores)						1,000	5,000	4,375	2,580	2,715	2,856	3,757	3,953
Residual - represents Maintenance Capex						(9,220)	(14,255)	(23,656)					
<b>Estimated Maintenance Capex</b>									26,439	28,526	30,962	33,397	36,528
Avg Residual Maintenance capex per mid & mature stores						165	259	348					
<b>Total Estimated Annual Capex</b>									<b>31,925</b>	<b>34,299</b>	<b>37,035</b>	<b>41,386</b>	<b>44,934</b>

Book Depreciation	Historic												
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
S/L over X yrs													
Capex													
1994	-	-	-	-	-	-	-	-					
1995		-	-	-	-	-	-	-					
1996			1,367	1,367	1,367	1,367	1,367	1,367	1,367				
1997				958	958	958	958	958	958	958			
1998					1,768	1,768	1,768	1,768	1,768	1,768	1,768		
1999						1,617	1,617	1,617	1,617	1,617	1,617	1,617	
2000							3,665	3,665	3,665	3,665	3,665	3,665	3,665
2001								4,804	4,804	4,804	4,804	4,804	4,804
2002									4,561	4,561	4,561	4,561	4,561
2003										4,900	4,900	4,900	4,900
2004											5,291	5,291	5,291
2005												5,912	5,912
2006													6,419
<b>Total Book Depreciation</b>									<b>18,741</b>	<b>22,273</b>	<b>26,606</b>	<b>30,750</b>	<b>35,552</b>

Krispy Kreme Doughnuts, Inc. (\$ in thousands)														
Forecast Drivers Added	Historic									Forecast				
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
<b>New Stores</b>	historic avg													
- Company Owned	7.4%	10.4%	13.2%	0.0%	0.0%	3.3%	13.8%	11.1%	5%	5%	5%	5%	5%	
- Franchisee Owned	24.7%	5.0%	35.7%	12.7%	22.6%	27.1%	32.6%	36.9%	25%	25%	25%	25%	25%	
<b>Stores Closed</b>														
- Company Owned (cf historic avg =	2.8%	0.0%	0.0%	3.3%	0.0%	8.2%	5.2%	3.2%	2.8%	2.8%	2.8%	2.8%	2.8%	
- Franchisee Owned	2.7%	0.0%	2.4%	1.8%	4.8%	4.3%	3.5%	1.8%	2.8%	2.8%	2.8%	2.8%	2.8%	
<b>Stores Transferred to</b>														
- Company Owned (cf historic avg =	2.4%	0.0%	1.9%	-1.6%	5.2%	0.0%	0.0%	11.1%	assume negative of whatever amount transferred from Franchisees					
- Franchisee Owned	-1.7%	0.0%	-2.4%	1.8%	-4.8%	0.0%	0.0%	-6.3%	-2%	-2%	-2%	-2%	-2%	
<b>Growth in Avg Weekly sales by store</b>														
- Company Owned (cf historic avg =	7.6%	-13.3%	0.0%	7.7%	11.9%	14.9%	27.8%	4.3%	5%	5%	5%	5%	5%	
- Franchisee Owned	14.1%	0.0%	0.0%	4.5%	21.7%	35.7%	13.2%	23.3%	10%	10%	10%	10%	10%	
<b>General Admin Expense data</b>	avg													
- G&A as % of Revenues			5.8%	6.0%	6.0%	6.7%	6.7%	7.0%	7.3%	7.3%	7.3%	7.3%	7.5%	
- growth in G&A as % of revenues	3.9%			3.4%	0.0%	11.7%	0.0%	4.5%						
Krispy Kreme Doughnuts, Inc. (\$ in thousands)														
Sales / Revenue Data	Historic									Forecast				
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
<b>Systemwide Sales</b>	\$146,715	\$151,662	\$167,592	203,439	240,316	318,854	448,129	621,665						
<b>Segment Revenues</b>														
Company Store Operations			113,940	132,826	145,251	164,230	213,677	266,209						
Franchise Operations			1,709	2,285	3,236	5,529	9,445	14,008						
KKD			16,965	23,632	32,393	50,484	77,593	114,137						
<b>Segment Operating Expenses</b>														
Company Owned			100,655	117,252	129,349	142,925	181,470	217,419						
Franchisee Owned			1,575	2,368	2,731	4,012	3,642	4,896						
KKD			14,428	20,587	27,913	43,066	65,578	94,631						
<b>Operating Expenses (as % of Revenues)</b>	avg													
Company Store Operations	86.6%		88.3%	88.3%	89.1%	87.0%	84.9%	81.7%						
Franchise Operations	36.8%		92.2%	103.6%	84.4%	72.6%	38.6%	35.0%						
KKD	85.1%		85.0%	87.1%	86.0%	85.3%	84.5%	82.9%						
<b>Average weekly sales (by store)</b>														
Company Owned	45	\$39	\$39	42	47	54	69	72	76	79	83	88	92	
Franchisee Owned	22	\$22	\$22	23	28	38	43	53	58	64	71	78	85	
<b>Store Avg Square Feet (actual)</b>	average													
growth	5%		3,600	3,600	4,000	4,000	4,600	4,600	4,840	5,093	5,359	5,639	5,933	
<b>Avg Investment in Equipment / new store</b>	average													
Equipment Investment (000's) / sq ft	0.133		\$500	\$0.139	\$0.139	\$0.125	\$0.125	\$0.136	\$0.136	645	679	714	751	
<b>Avg Investment in Building / new store</b>	average													
Building Investment (000's) / sq ft	0.150		\$500	\$0.139	\$0.139	\$0.138	\$0.138	\$0.174	\$0.174	727	764	804	846	

Number of Stores	Historic								Forecast				
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Company Owned</b>													
BOY		48	53	61	58	61	58	63	75	80	86	93	101
Added		5	7	-	-	2	8	7	4	4	4	5	5
Transferred			1	(1)	3			7	3	4	5	6	7
Closed				(2)		(5)	(3)	(2)	(2)	(2)	(2)	(3)	(3)
EOY	48	53	61	58	61	58	63	75	80	86	93	101	110
< 6 mos (new)		5	7	-	-	2	8	7	4	4	4	5	5
6-18 mos old (mid-maturity)			6	6	3		2	15	10	8	9	10	12
> 18 mos (mature)		48	48	52	58	56	53	53	66	74	80	86	93
check total		53	61	58	61	58	63	75	80	86	93	101	110
<b>Franchisee Owned</b>													
BOY		40	42	55	62	70	86	111	143	191	230	277	332
Added		2	15	7	14	19	28	41	55	48	58	69	83
Transferred			(1)	1	(3)			(7)	(3)	(4)	(5)	(6)	(7)
Closed			(1)	(1)	(3)	(3)	(3)	(2)	(4)	(5)	(6)	(8)	(9)
EOY	40	42	55	62	70	86	111	143	191	230	277	332	399
< 6 mos (new)		2	15	7	14	19	28	41	55	48	58	69	83
6-18 mos old (mid-maturity)			1	16	4	14	19	21	38	51	43	52	62
> 18 mos (mature)		40	39	39	52	53	64	81	98	131	176	211	254
check total		42	55	62	70	86	111	143	191	230	277	332	399
% new stores = Area Developer	100%	2	15	7	14	19	28	41	55	48	58	69	83
<b>Total Associate Stores</b>		<b>40</b>	<b>38</b>	<b>38</b>	<b>32</b>	<b>29</b>	<b>26</b>	<b>17</b>	<b>12</b>	<b>18</b>	<b>14</b>	<b>14</b>	<b>17</b>
<b>Total Area Developer Stores</b>		<b>2</b>	<b>17</b>	<b>24</b>	<b>38</b>	<b>57</b>	<b>85</b>	<b>126</b>	<b>179</b>	<b>212</b>	<b>263</b>	<b>318</b>	<b>382</b>
- new		2	15	7	14	19	28	41	55	48	58	69	83
- mid maturity			1	16	4	14	19	21	38	51	43	52	62
- mature			1	1	20	24	38	64	86	113	162	197	237
<b>Total Owned</b>													
BOY		88	95	116	120	131	144	174	218	271	316	370	433
Added		7	22	7	14	21	36	48	59	52	62	74	88
Transferred													
Closed			(1)	(3)	(3)	(8)	(6)	(4)	(6)	(7)	(8)	(11)	(12)
EOY	88	95	116	120	131	144	174	218	271	316	370	433	509
< 6 mos (new)		7	22	7	14	21	36	48	59	52	62	74	88
6-18 mos old (mid-maturity)			7	22	7	14	21	36	48	59	52	62	74
> 18 mos (mature)		88	87	91	110	109	117	134	164	205	256	297	347
check total		95	116	120	131	144	174	218	271	316	370	433	509
<b>Average</b>													
Growth in new stores	average												
Company	7.4%	10.4%	13.2%	0.0%	0.0%	3.3%	13.8%	11.1%	5.3%	5.0%	4.7%	5.4%	5.0%
Franchisees	24.7%	5.0%	35.7%	12.7%	22.6%	27.1%	32.6%	36.9%	38.5%	25.1%	25.2%	24.9%	25.0%
Stores closed													
Company	2.8%	0.0%	0.0%	3.3%	0.0%	8.2%	5.2%	3.2%	2.7%	2.5%	2.3%	3.2%	3.0%
Franchisees	2.7%	0.0%	2.4%	1.8%	4.8%	4.3%	3.5%	1.8%	2.8%	2.6%	2.6%	2.9%	2.7%
Transferred to (from)													
Company	2.4%	0.0%	1.9%	-1.6%	5.2%	0.0%	0.0%	11.1%	4.0%	5.0%	5.8%	6.5%	6.9%
Franchisees	-1.7%	0.0%	-2.4%	1.8%	-4.8%	0.0%	0.0%	-6.3%	-2.1%	-2.1%	-2.2%	-2.2%	-2.1%

Sales Calibration and Forecast	Historic								Forecast				
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<u>Weeks per Fiscal Year</u>			53	52	52	52	52	53	52	52	52	52	53
<b>Company Store Revenues</b>													
<u>Sales Calibration - Company Stores</u>													
New Store (% of old store sales)	88%		6,366	-	-	2,471	12,630	11,753	6,919	7,265	7,628	10,012	10,715
Mid Maturity (avg of new and old)	94%		11,658	12,318	6,892	-	6,745	53,806	36,953	31,041	36,667	42,778	54,937
Mature stores (assumed reported average)	100%		99,216	113,568	141,752	157,248	190,164	202,248	259,459	305,454	346,732	391,374	452,937
<b>Company Store Sales</b>			<b>117,240</b>	<b>125,886</b>	<b>148,644</b>	<b>159,719</b>	<b>209,539</b>	<b>267,807</b>	<b>303,331</b>	<b>343,760</b>	<b>391,027</b>	<b>444,163</b>	<b>518,589</b>
% of actual			102.9%	94.8%	102.3%	97.3%	98.1%	100.6%					
<b>Franchise Ops Revenues</b>													
<u>Sales Calibration - Franchisee Sales</u>													
New Store (% of old store sales)	88%		7,696	3,684	8,969	16,519	27,548	50,674	73,365	70,430	93,613	122,504	165,214
Mid Maturity (avg of new and old)	94%		1,096	17,988	5,475	26,004	39,935	55,450	108,289	159,868	148,270	197,234	263,654
Mature stores (assumed reported average)	100%		45,474	46,644	75,712	104,728	143,104	227,529	297,097	436,854	645,610	851,398	1,149,076
Franchisee Sales			54,266	68,316	90,156	147,252	210,586	333,653	478,750	667,152	887,493	1,171,136	1,577,944
Total Sales			171,506	194,201	238,800	306,971	420,126	601,460	782,082	1,010,912	1,278,520	1,615,299	2,096,533
% of actual			102.3%	95.5%	99.4%	96.3%	93.8%	96.7%					
<u>Royalty &amp; Franchise Fee Calibration</u>													
<u>Royalty Revenues</u>													
Associates - with assumed royalty % of Area Developers - with assumed royalty %	2.1%		930	954	978	1,203	1,221	1,003	764	1,261	1,078	1,186	1,615
- new stores			308	147	359	661	1,102	2,027	2,935	2,817	3,745	4,900	6,609
- mid maturity stores			44	720	219	1,040	1,597	2,218	4,332	6,395	5,931	7,889	10,546
- mature stores			47	48	1,165	1,897	3,399	7,191	10,429	15,073	23,770	31,796	42,887
Franchise Fees - assumed to be (\$K)	30		450	210	420	570	840	1,230	1,650	1,440	1,740	2,070	2,490
<b>Total Franchise Ops revenue</b>			<b>1,779</b>	<b>2,079</b>	<b>3,141</b>	<b>5,371</b>	<b>8,159</b>	<b>13,669</b>	<b>20,109</b>	<b>26,986</b>	<b>36,264</b>	<b>47,842</b>	<b>64,147</b>
% of actual			104.1%	91.0%	97.1%	97.1%	86.4%	97.6%					
<b>KKD Revenues</b>													
<u>Calibration of Revenues</u>													
Equipment Sales (Avg sales * new stores)			7,500	3,500	7,000	9,500	17,500	25,625	35,474	32,575	41,418	51,846	65,622
Sales of Inventory (% of calibrated sales)	27.0%		14,652	18,445	24,342	39,758	56,858	90,086	129,263	180,131	239,623	316,207	426,045
<b>Total KKD Revenues</b>			<b>22,152</b>	<b>21,945</b>	<b>31,342</b>	<b>49,258</b>	<b>74,358</b>	<b>115,711</b>	<b>164,736</b>	<b>212,707</b>	<b>281,041</b>	<b>368,052</b>	<b>491,667</b>
actual inventory sales as % of franchisee sales			17.4%	29.5%	28.2%	27.8%	28.5%	26.5%					
calibrated % of actual			130.6%	92.9%	96.8%	97.6%	95.8%	101.4%					
<b>Total Operating Revenues</b>			<b>141,171</b>	<b>149,910</b>	<b>183,127</b>	<b>214,348</b>	<b>292,056</b>	<b>397,187</b>	<b>488,176</b>	<b>583,452</b>	<b>708,331</b>	<b>860,058</b>	<b>1,074,402</b>
% of actual			N/A	N/A	N/A	97.3%	97.1%	100.7%					

Krispy Kreme Doughnuts, Inc. (\$ in thousands)														
Operating Expenses	Historic								Forecast					
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
<b>Calibration of Operating Expenses - Company Stores</b>														
New Store (% of old store sales)	90%		5,730	-	-	2,224	11,367	10,578	6,227	6,538	6,865	9,011	9,643	
Mid Maturity (avg of new and old)	87%		10,142	10,716	5,996	-	5,869	46,811	32,149	27,005	31,900	37,217	47,795	
Mature stores (assumed reported average)	84%		83,341	95,397	119,072	132,088	159,738	169,888	217,946	256,582	291,255	328,754	380,467	
<b>Company Store Operating Expenses</b>			<b>99,214</b>	<b>106,114</b>	<b>125,068</b>	<b>134,312</b>	<b>176,973</b>	<b>227,277</b>	<b>256,322</b>	<b>290,125</b>	<b>330,020</b>	<b>374,981</b>	<b>437,905</b>	
calibrated % of actual			98.6%	90.5%	96.7%	94.0%	97.5%	104.5%						
<b>Franchise Operations Operating Expenses</b>														
Expense as % of Franchise Ops Revenue	37%		655	765	1,156	1,977	3,002	5,030	7,400	9,931	13,345	17,606	23,606	
% of actual			41.6%	32.3%	42.3%	49.3%	82.4%	102.7%						
<b>KKD Operating Expenses</b>														
Expense as % of Franchise Ops Revenue	85.1%		18,859	18,683	26,682	41,935	63,304	98,509	140,245	181,084	239,259	313,335	418,572	
% of actual			130.7%	90.7%	95.6%	97.4%	96.5%	104.1%						
<b>Total Operating Expenses</b>			<b>118,727</b>	<b>125,561</b>	<b>152,906</b>	<b>178,224</b>	<b>243,279</b>	<b>330,816</b>	<b>403,967</b>	<b>481,140</b>	<b>582,625</b>	<b>705,923</b>	<b>880,084</b>	
% of actual / forecasted revenues			N/A	N/A	N/A	80.9%	80.9%	83.9%	82.8%	82.5%	82.3%	82.1%	81.9%	

Krispy Kreme Doughnuts, Inc. (\$ in thousands)									
Consolidated Balance Sheet	Historical FYE,			Projected Fiscal Year End,					
	1999	2000	2001	2002	2003	2004	2005	2006	
<b>Assets</b>									
<b>Current Assets</b>									
Cash and cash equivalents		7,026	21904	80,049					
Accounts and other receivables		24,733	38682	35,558					
Inventories		12,031	16159	15,968					
Prepaid expenses and other		1,909	5125	3,814					
Deferred income taxes, net assets over liabilities		3,230	677	(1,876)					
Total current assets		48,929	82,547	133,514					
<b>Non-current Assets</b>									
Property and equipment, net		78,340	112577	112,577					
Investments, Long and short term together		35,980	27992	27,992					
Investment in unconsolidated joint ventures		2,827	3400	2,798					
Intangible assets		-	16621	16,621					
Other assets		4,838	8309	11,780					
Total assets		170,914	251,446	305,282					
<b>Liabilities and Shareholders' Equity</b>									
<b>Current liabilities:</b>									
Accounts payable		8,211	12095	11,431					
Book overdraft		5,147	9107	7,928					
Accrued expenses and other		21,284	26729	27,320					
Total current liabilities		34,642	47,931	46,680					
<b>Non-current Liabilities</b>									
Compensation deferred (unpaid)		1,106	727	727					
Long-term debt and Revolving credit line		3,526	8514	13,502					
Accrued restructuring expenses		3,109	1919	729					
Other long-term obligations		1,735	2197	2,236					
Total long-term liabilities		9,476	13,357	17,194					
Commitments and contingencies		-	0	-					
Minority interest		1,117	2491	3,357					
<b>Shareholders' equity:</b>									
Preferred stock		-	0	-					
Common stock		85,060	121052	152,811					
Unearned compensation		(188)	-186	(186)					
Notes receivable, employees		(2,349)	-2580	(2,811)					
Nonqualified employee benefit plan assets		(126)	-138	(138)					
Nonqualified employee benefit plan liability		126	138	138					
Accumulated other comprehensive income		609	456	456					
Retained earnings		42,547	68925	87,780					
Total shareholders' equity		125,679	187,667	238,050					
<b>Total liabilities and shareholders' equity</b>		<b>170,914</b>	<b>251,446</b>	<b>305,282</b>					
Balance Check				OK	OK	OK			

**Krispy Kreme Doughnuts, Inc.**  
(\$ in thousands)

**Consolidated Statement of Operations**

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	Historical FYE,			Projected Fiscal Year End,				
	1999	2000	2001	2002	2003	2004	2005	2006
Total revenues	220,243	300,715	394,354	488,176	583,452	708,331	860,058	1,074,402
Operating expenses	190,003	250,690	316,946	403,967	481,140	582,625	705,923	880,084
General and administrative expenses	14,856	20,061	27,562	35,511	42,442	51,526	62,563	80,850
Depreciation and amortization expenses	4,546	6,457	7,959	18,741	22,273	26,606	30,750	35,552
<i>Income from operations</i>	10,838	23,507	41,887	29,956	37,596	47,575	60,822	77,916
Interest income	293	2,325	2,980	2,839	2,839	2,839	2,839	2,839
Interest expense	(1,525)	(607)	(337)	(901)	(901)	(901)	(901)	(901)
Equity loss in joint ventures	-	(706)	(602)	(602)	(602)	(602)	(602)	(602)
Minority interest	-	(716)	(1,147)	(866)	(866)	(866)	(866)	(866)
Loss on sale of property and equipment	-	(20)	(235)	-	-	-	-	-
<i>Income before income taxes</i>	9,606	23,783	42,546	30,425	38,065	48,044	61,291	78,385
Provision for income taxes	3,650	9,058	16,168	11,570	14,476	18,270	23,308	29,808
<i>Net income</i>	5,956	14,725	26,378	18,855	23,590	29,774	37,983	48,577
Growth in net income		147%	79%	-29%	25%	26%	28%	28%

**Krispy Kreme Doughnuts, Inc.**  
(\$ in thousands)

**Consolidated Statement of Cash Flows**

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	Historical FYE,			Projected Fiscal Year End,				
	1999	2000	2001	2002	2003	2004	2005	2006
<b>Cash flows from operating activities</b>								
Net income	5,956	14,725	26,378	18,855				
<i>Items not requiring (providing) cash:</i>								
Depreciation and amortization	4,546	6,457	7,959	7,959				
Deferred income taxes	258	1,668	2,553	2,553				
Loss on disposal of property and equipment, net	-	20	235	-				
Compensation expense related to restricted stock awards	-	22	52	-				
Tax benefit from exercise of nonqualified stock options	-	595	972	9,772				
Provision for restructuring	(127)	-	0	-				
Provision for store closings and impairment	1,139	318	0	-				
Minority interest	-	716	1,147	866				
Equity loss in joint ventures	-	706	602	602				
<i>Change in assets and liabilities:</i>								
Receivables	(4,760)	(3,434)	(13,317)	3,124				
Inventories	(93)	(2,052)	(3,977)	191				
Prepaid expenses	(1,619)	1,239	(682)	1,311				
Income taxes, net	(2,016)	902	(2,575)	-				
Accounts payable	540	2,279	3,884	(664)				
Accrued expenses	4,329	7,966	4,096	(599)				
Deferred compensation and other long-term obligations	345	(15)	83	39				
<i>Net cash provided by operating activities</i>	8,498	32,112	36,210	44,010				
<b>Cash flows from investing activities</b>								
Purchase of property and equipment	(11,335)	(25,655)	(37,310)	(7,398)				
Proceeds from disposal of property and equipment	-	1,419	3196	-				
Proceeds from disposal of assets held for sale	830	-	0	-				
Acquisition of associate and area developer markets, net of cash acquired	-	-	(20,571)	-				
Investments in unconsolidated joint ventures	-	(4,465)	(1,218)	-				
(Increase) decrease in other assets	479	(3,216)	(4,237)	(4,032)				
(Purchase) sale of investments, net	-	(35,371)	7877	-				
<i>Net cash used for investing activities:</i>	(10,026)	(67,288)	(52,263)	(11,430)				
<b>Cash flows from financing activities</b>								
Repayment of long-term debt	(2,400)	(3,600)	0	-				
Net (repayments) borrowings from revolving line of credit	-	(15,775)	345	-				
Borrowings of long-term debt	4,282	-	4,643	4,988				
Proceeds from stock offering	-	65,637	17,202	17,202				
Proceeds from exercise of stock options	-	104	3,906	3,906				
Minority interest	-	401	227	-				
Book overdraft	482	(941)	3,960	(1,179)				
Cash dividends paid	(1,518)	(7,005)	0	-				
Issuance of notes receivable	(674)	-	0	-				
Collection of notes receivable	226	198	648	648				
<i>Net cash provided by financing activities:</i>	398	39,019	30,931	25,565				
Net increase (decrease) in cash and cash equivalents	(1,130)	3,843	14,878	58,145				
Cash and cash equivalents at beginning of year	4,313	3,183	7026	21,904				
Cash and cash equivalents at end of year	3,183	7,026	21,904	80,049				
<i>Unmodeled Shifts in net working capital due to acquisitions (additional debit to balance sheet) and FX</i>								
<b>Supplemental schedule of non-cash investing and financing activities:</b>								
Issuance of stock to Krispy Kreme Profit-Sharing Stock Ownership Plan	-	3,039	50	-				
Issuance of restricted common shares	-	210	4183	-				
Issuance of stock in conjunction with acquisition of associate market	-	-	879	-				
Issuance of stock in exchange for employee notes receivable	-	-	-	-				
Unrealized gain (loss) on investments	-	609	(111)	-				

**Income Statement Items**

Sales projection				394,354	394,354				
Operating expenses / Total revenues	83.3%	86.3%	83.4%	80.4%	83.3%				
General and administrative expenses / Total revenues	6.8%	6.7%	6.7%	7.0%	6.8%				
Interest income / (Cash + Investments)	5.7%		5.4%	6.0%	5.7%				
Interest expense / Long-term debt and Revolving credit line	-10.6%		-17.2%	-4.0%	-10.6%				
Provision for income taxes / Income before income taxes	38.0%	38.0%	38.1%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%
Minority interest / Income from operations	2.9%		3.0%	2.7%	2.9%				

**Working capital items**

Accounts and other receivables as a percentage of sales	9.0%		8.2%	9.8%	9.0%				
Inventories as a percentage of sales	4.0%		4.0%	4.1%	4.0%				
Prepaid expenses and other as a percentage of sales	1.0%		0.6%	1.3%	1.0%				
Accounts payable as a percentage of sales	2.9%		2.7%	3.1%	2.9%				
Book overdraft as a percentage of sales	2.0%		1.7%	2.3%	2.0%				
Accrued expenses and other as a percentage of sales	6.9%		7.1%	6.8%	6.9%				
Other long-term obligations as a percentage of sales	0.6%		0.6%	0.6%	0.6%				

**Acquisitions**

Digital Java				390	
Reacquired franchise agreements					
Savanah and Charlestown					
Accounts Receivable				589	
inventory				82	
PP&E				2,573	
goodwill				5,798	
cash				4,859	
common stock				4,183	
Baltimore					
Accounts Receivable				43	
inventory				69	
PP&E				4,991	
goodwill				10,609	
cash				15,712	

**Deferred income taxes, net assets over liabilities**

				<u>reconciliation</u>	
BOY				3,230	677
Net taxes deferred				(2,553)	<< need to model
modeled EOY	(prior year is actual to feed BOY)		3,230	677	(1,876)
		Unexplained account changes		-	
<b>Actual EOY</b>				677	

**Property and equipment, net**

				<u>reconciliation</u>	
BOY				78,340	112,577
implied purchases				37,502	7,398
Acquired P&E				7,564	- don't want to project
Loss on disposal				(235)	- don't want to project
Disposal offset by cash in depreciation				(3,196)	- don't want to project
depreciation				(7,398)	<< need to model
EOY	(subsequent years are projected, i.e., "feed the projection in here")		78,340	112,577	112,577 << need to model

**Investments, Long and short term together**

				<u>reconciliation</u>	
BOY				35,980	27,992
Unrealized gain (loss) on investments				(111)	-
Purchase (sale) of investments, net				(7,877)	<< need to model
modeled EOY	(prior year is actual to feed BOY)		35,980	27,992	27,992
		Unexplained account changes		-	
<b>Actual EOY</b>				27,992	

**Investment in unconsolidated joint ventures**

				<u>reconciliation</u>	
BOY				2,827	3,400
Implied investment (cash)				1,175	<< need to model
Equity loss in joint ventures				(602)	<< need to model
modeled EOY	(prior year is actual to feed BOY)		2,827	3,400	2,798
		Unexplained account changes		-	
<b>Actual EOY</b>				3,400	

**Intangible assets**

				<u>reconciliation</u>	
BOY				-	16,621
Goodwill from Reacquired franchises				16,407	<< perhaps model
modeled EOY	(prior year is actual to feed BOY)		-	16,621	16,621
		Unexplained account changes		-	<< probably the Digital Java acquisition
<b>Actual EOY</b>				16,621	

**Other assets**

				<u>reconciliation</u>	
BOY				4,838	8,309
Amortization				(561)	<< need to model
implied purchases				4,032	<< need to model
modeled EOY	(prior year is actual to feed BOY)		4,838	8,309	11,780
		Unexplained account changes		-	

<b>Actual EOY</b>			<b>8,309</b>	
<b>Long-term debt and Revolving credit line</b>				
		<i>reconciliation</i>		
BOY			3,526	8,514
Net change in debt balance			4,988	4,988
modeled EOY	<i>(prior year is actual to feed BOY)</i>	3,526	8,514	13,502
		<i>Unexplained account changes</i>		
			-	-
<b>Actual EOY</b>			<b>8,514</b>	
<b>Accrued restructuring expenses</b>				
		<i>reconciliation</i>		
BOY			3,109	1,919
partial payoff of remaining balance			(1,190)	(1,190)
modeled EOY	<i>(prior year is actual to feed BOY)</i>	3,109	1,919	729
		<i>Unexplained account changes</i>		
			-	-
<b>Actual EOY</b>			<b>1,919</b>	
<b>Compensation deferred (unpaid)</b>				
		<i>reconciliation</i>		
BOY			1,106	727
< put first entry here; insert additional lines above if needed >			(379)	-
modeled EOY	<i>(prior year is actual to feed BOY)</i>	1,106	727	727
		<i>Unexplained account changes</i>		
			-	-
<b>Actual EOY</b>			<b>727</b>	
<b>Minority interest</b>				
		<i>reconciliation</i>		
BOY			1,117	2,491
< put first entry here; insert additional lines above if needed >			1,147	866
modeled EOY	<i>(prior year is actual to feed BOY)</i>	1,117	2,491	3,357
		<i>Unexplained account changes</i>		
			-	-
<b>Actual EOY</b>			<b>2,491</b>	
<b>Notes receivable, employees</b>				
		<i>reconciliation</i>		
BOY			(2,349)	(2,580)
Notes paid down			648	648
Additional note receivable arrangements			(879)	(879)
modeled EOY	<i>(prior year is actual to feed BOY)</i>	(2,349)	(2,580)	(2,811)
		<i>Unexplained account changes</i>		
			-	-
<b>Actual EOY</b>			<b>(2,580)</b>	
<b>Common stock</b>				
		<i>reconciliation</i>		
BOY			85,060	121,052
Options exercise			3,906	3,906
Tax benefit of options exercise			9,772	9,772
Additional note receivable arrangements			879	879
stock offering			17,202	17,202
Common issued to reacquire franchises			4,183	-
modeled EOY	<i>(prior year is actual to feed BOY)</i>	85,060	121,052	152,811
		<i>Unexplained account changes</i>		
			-	-
<b>Actual EOY</b>			<b>121,052</b>	
<b>Accumulated other comprehensive income</b>				
		<i>reconciliation</i>		
BOY			609	456
Unrealized gain (loss) on investments			(111)	-
modeled EOY	<i>(prior year is actual to feed BOY)</i>	609	456	456
		<i>Unexplained account changes</i>		
			-	-
<b>Actual EOY</b>			<b>456</b>	