TABLE 5

BUSINESS PROJECTION OF SUBSCRIPTION TELEVISION OPERATION AT 20,000 SUBSCRIBER LEVEL & THREE PROGRAM INCOME LEVELS

	20,000 Subscribers		
	Prog. Inc. $65.00/Yr.	Prog. Inc. $70.00/Yr.	Prog. Inc. $75.00/Yr.
Income			
Gross program income	$ 1,300,000	$ 1,400,000	$ 1,500,000
Rental fees	780,000	780,000	780,000
Decoder Installation	40,000	40,000	40,000
Total	$ 2,120,000	$ 2,220,000	$ 2,320,000
Direct Costs			
Station Time	$ 300,000	$ 300,000	$ 300,000
Commissions	16,000	16,000	16,000
Program Product	455,000	490,000	525,000
Subscription Franchise Fee	104,000	109,000	114,000
ASCAP and BMI Fees	18,000	18,000	18,000
Lines and Facilities	32,400	32,400	32,400
Total	$ 925,400	$ 965,400	$ 1,005,400
Gross Profit	$ 1,194,600	$ 1,254,600	$ 1,314,600
Indirect Expense			
Sales	$ 147,000	$ 147,000	$ 147,000
Program	23,000	23,000	23,000
Technical	158,600	158,600	158,600
General and Admin.	864,900	865,900	866,900
Total	$ 1,193,500	$ 1,194,500	$ 1,195,500
Profit before Tax	$ 1,100	$ 60,100	$ 119,100
Profit after 48% tax	$ 600	$ 31,300	$ 61,900
Percent of income	.0%	1.4%	2.7%
Cost of Equipment	$ 2,711,500	$ 2,711,500	$ 2,711,500
Depreciation	541,900	541,900	541,900
Cash flow from profits and depreciation	542,500	573,200	603,800
Percent of equipment cost	20.0%	21.1%	22.3%