

TABLE 6

**BUSINESS PROJECTION OF SUBSCRIPTION TELEVISION OPERATION
AT 40,000 SUBSCRIBER LEVEL & THREE PROGRAM INCOME LEVELS**

	40,000 Subscribers		
	Prog. Inc. \$65.00/Yr.	Prog. Inc. \$70.00/Yr.	Prog. Inc. \$75.00/Yr.
Income			
Gross program income	\$ 2,600,000	\$ 2,800,000	\$ 3,000,000
Rental fees	1,560,000	1,560,000	1,560,000
Decoder Installation	80,000	80,000	80,000
Total	\$ 4,240,000	\$ 4,440,000	\$ 4,640,000
Direct Costs			
Station Time	\$ 300,000	\$ 300,000	\$ 300,000
Commissions	32,000	32,000	32,000
Program Product	910,000	980,000	1,050,000
Subscription Franchise Fee	208,000	218,000	228,000
ASCAP and BMI Fees	18,000	18,000	18,000
Lines and Facilities	32,400	32,400	32,400
Total	\$ 1,500,400	\$ 1,580,400	\$ 1,660,400
Gross Profit	\$ 2,739,600	\$ 2,859,600	\$ 2,979,600
Indirect Expense			
Sales	\$ 284,000	\$ 284,000	\$ 284,000
Program	23,000	23,000	23,000
Technical	277,000	277,000	277,000
General and Admin.	1,536,800	1,538,800	1,540,800
Total	\$ 2,120,800	\$ 2,122,800	\$ 2,124,800
Profit before tax	\$ 618,800	\$ 736,800	\$ 854,800
Profit after 48% tax	\$ 321,800	\$ 383,100	\$ 444,500
Percent of income	7.6%	8.6%	9.6%
Cost of Equipment	\$ 5,393,400	\$ 5,393,400	\$ 5,393,400
Depreciation	1,078,900	1,078,900	1,078,900
Cash flow from profits and depreciation	\$ 1,400,700	\$ 1,462,000	\$ 1,523,400
Percent of equipment cost	26.0%	27.1%	28.2%