

TABLE 7

BUSINESS PROJECTION OF SUBSCRIPTION TELEVISION OPERATION
AT 75,000 SUBSCRIBER LEVEL & THREE PROGRAM INCOME LEVELS

	75,000 Subscribers		
	Prog. Inc. \$65.00/Yr.	Prog. Inc. \$70.00/Yr.	Prog. Inc. \$75.00/Yr.
Income			
Gross program income	\$ 4,875,000	\$ 5,250,000	\$ 5,625,000
Rental fees	2,925,000	2,925,000	2,925,000
Decoder Installation	150,000	150,000	150,000
Total	\$ 7,950,000	\$ 8,325,000	\$ 8,700,000
Direct Costs			
Station Time	\$ 400,000	\$ 400,000	\$ 400,000
Commissions	60,000	60,000	60,000
Program Product	1,706,300	1,837,500	1,968,800
Subscription Franchise Fee	390,000	408,800	427,500
ASCAP and BMI Fees	18,000	18,000	18,000
Lines and Facilities	32,400	32,400	32,400
Total	\$ 2,606,700	\$ 2,756,700	\$ 2,906,700
Gross Profit	\$ 5,343,300	\$ 5,568,300	\$ 5,793,300
Indirect Expense			
Sales	\$ 413,000	\$ 413,000	\$ 413,000
Program	23,000	23,000	23,000
Technical	428,000	428,000	428,000
General and Admin.	2,698,900	2,702,600	2,706,300
Total	\$ 3,562,900	\$ 3,566,600	\$ 3,570,300
Profit before tax	\$ 1,780,400	\$ 2,001,700	\$ 2,223,000
Profit after 48% tax	\$ 925,800	\$ 1,040,900	\$ 1,156,000
Percent of income	11.6%	12.5%	13.3%
Cost of Equipment	\$10,087,000	\$10,087,000	\$10,087,000
Depreciation	2,018,800	2,018,800	2,018,800
Cash flow from profits and depreciation	2,944,600	3,059,700	3,174,800
Percent of equipment cost	29.2%	30.3%	31.5%