

Budget

1-Jan-06

Years 1-5 by Year

The All Company

	Year 1	% of Total Sales	Year 2	% of Total Sales	Year 3	% of Total Sales	Year 4	% of Total Sales	Year 5	% of Total Sales
Sales										
E-commerce Revenues	\$1,230,000	28.4%	\$3,390,000	27.0%	\$7,770,000	29.4%	\$16,980,000	33.7%	\$48,100,000	47.2%
Advertising Sales Revenues	\$72,000	1.7%	\$216,000	1.7%	\$720,000	2.7%	\$2,160,000	4.3%	\$5,040,000	4.9%
Membership List Sales Revenues	\$14,000	0.3%	\$49,000	0.4%	\$126,000	0.5%	\$336,000	0.7%	\$840,000	0.8%
Publication Revenues	\$1,512,000	34.9%	\$5,376,000	42.9%	\$10,752,000	40.7%	\$18,816,000	37.3%	\$28,224,000	27.7%
TV Program Production Revenues	\$1,500,000	34.7%	\$3,000,000	23.9%	\$4,500,000	17.0%	\$4,500,000	8.9%	\$4,500,000	4.4%
Network Marketing Revenues	\$0	0.0%	\$510,000	4.1%	\$2,550,000	9.7%	\$7,650,000	15.2%	\$15,300,000	15.0%
Total Sales	\$4,328,000	100.0%	\$12,541,000	100.0%	\$26,418,000	100.0%	\$50,442,000	100.0%	\$102,004,000	100.0%
Cost of Sales										
e-Commerce Cost of Sales	\$336,000	7.8%	\$1,008,000	8.0%	\$1,708,000	6.5%	\$3,360,000	6.7%	\$10,080,000	9.9%
Production Cost of Sales	\$150,000	3.5%	\$150,000	1.2%	\$150,000	0.6%	\$150,000	0.3%	\$150,000	0.1%
Publication Cost of Sales	\$1,176,798	27.2%	\$2,936,000	23.4%	\$3,858,400	14.6%	\$4,933,600	9.8%	\$6,316,000	6.2%
Total Cost of Sales	\$1,662,798	38.4%	\$4,094,000	32.6%	\$5,716,400	21.6%	\$8,443,600	16.7%	\$16,546,000	16.2%
Sales & Marketing Costs	\$3,000,000	69.3%	\$5,000,000	39.9%	\$10,000,000	37.9%	\$20,000,000	39.6%	\$30,000,000	29.4%
Total Sales & Marketing Costs	\$3,000,000	69.3%	\$5,000,000	39.9%	\$10,000,000	37.9%	\$20,000,000	39.6%	\$30,000,000	29.4%
<i>% of Total Sales</i>	43.8%		28.7%		31.3%		39.6%		29.4%	
Operating Expenses										
General & Administrative										
Start-up Costs	\$900,000	20.8%								
Salary Payroll	\$1,390,000	32.1%	\$1,660,000	13.2%	\$2,545,000	9.6%	\$3,540,000	7.0%	\$4,730,000	4.6%
Fringe Benefits (20% of Salaries)	\$278,000	6.4%	\$332,000	2.6%	\$509,000	1.9%	\$708,000	1.4%	\$946,000	0.9%
Bonuses (20% of salaries)	\$278,000	6.4%	\$332,000	2.6%	\$509,000	1.9%	\$708,000	1.4%	\$946,000	0.9%
Travel & Entertainment	\$84,000	1.9%	\$84,000	0.7%	\$84,000	0.3%	\$90,000	0.2%	\$90,000	0.1%
Co-Location Network Costs	\$100,000	2.3%	\$250,000	2.0%	\$500,000	1.9%	\$1,000,000	2.0%	\$2,500,000	2.5%
Legal & Consulting Fees	\$120,000	2.8%	\$160,000	1.3%	\$200,000	0.8%	\$250,000	0.5%	\$250,000	0.2%
Leases - Copier	\$3,990	0.1%	\$3,990	0.0%	\$3,990	0.0%	\$4,500	0.0%	\$4,500	0.0%
Lease - Telephone	\$19,529	0.5%	\$19,529	0.2%	\$19,529	0.1%	\$22,000	0.0%	\$22,000	0.0%
Office Internet access	\$9,000	0.2%	\$10,000	0.1%	\$16,000	0.1%	\$5,000	0.0%	\$5,000	0.0%
Postage & Delivery	\$24,000	0.6%	\$24,000	0.2%	\$24,000	0.1%	\$25,000	0.0%	\$25,000	0.0%
Rent Expense	\$72,000	1.7%	\$75,600	0.6%	\$180,000	0.7%	\$190,000	0.4%	\$200,000	0.2%
Utilities	\$12,000	0.3%	\$4,000	0.0%	\$8,000	0.0%	\$12,000	0.0%	\$18,000	0.0%
Miscellaneous	\$120,000	2.8%	\$160,000	1.3%	\$240,000	0.9%	\$300,000	0.6%	\$400,000	0.4%
Web Maintenance	\$100,000	2.3%	\$100,000	0.8%	\$400,000	1.5%	\$500,000	1.0%	\$600,000	0.6%
Total	\$3,510,519	60.3%	\$3,215,119	25.6%	\$5,238,519	100.0%	\$7,354,500	14.6%	\$10,736,500	10.5%
<i>% of Total Sales</i>	38.1%		19.8%		17.7%		14.6%		10.5%	
Income before Taxes	(\$3,845,317)	-88.8%	\$231,881	1.8%	\$5,463,081	20.7%	\$14,643,900	29.0%	\$44,721,500	43.8%
Taxes on Income	\$0	0.0%	\$92,752	0.7%	\$2,185,232	8.3%	\$5,857,560	11.6%	\$17,888,600	17.5%
Net Income After Taxes	(\$3,845,317)	-88.8%	\$139,128	1.1%	\$3,277,848	12.4%	\$8,786,340	17.4%	\$26,832,900	26.3%
<i>% of Total Sales</i>	-20.7%		16.8%		18.2%		17.4%		26.3%	

Income Statement

Year 1 by Month

The All Company

1-Jan-06

													% of Total	
Sales	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Year 1	Sales
E-commerce Revenues	\$6,150	\$12,300	\$18,450	\$30,750	\$49,200	\$73,800	\$98,400	\$123,000	\$159,900	\$190,650	\$221,400	\$246,000	\$1,230,000	28.4%
Advertising Sales Revenues	\$360	\$720	\$1,080	\$1,800	\$2,880	\$4,320	\$5,760	\$7,200	\$9,360	\$11,160	\$12,960	\$14,400	\$72,000	1.7%
Membership List Sales Revenues	\$70	\$140	\$210	\$350	\$560	\$840	\$1,120	\$1,400	\$1,820	\$2,170	\$2,520	\$2,800	\$14,000	0.3%
Publication Revenues							\$75,600	\$120,960	\$196,560	\$272,160	\$378,000	\$468,720	\$1,512,000	34.9%
TV Program Production Revenues	\$7,500	\$15,000	\$22,500	\$37,500	\$60,000	\$90,000	\$120,000	\$150,000	\$195,000	\$232,500	\$270,000	\$300,000	\$1,500,000	34.7%
Network Marketing Revenues													\$0	
Total Sales	\$14,080	\$28,160	\$42,240	\$70,400	\$112,640	\$168,960	\$300,880	\$402,560	\$562,640	\$708,640	\$884,880	\$1,031,920	\$4,328,000	100.0%
Cost of Sales	\$14,180	\$15,860	\$17,540	\$20,900	\$25,940	\$32,660	\$215,353	\$227,257	\$245,977	\$263,017	\$283,513	\$300,601	\$1,662,798	38.4%
Sales & Marketing Cost:	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$3,000,000	69.3%
G&A Expenses	\$1,117,543	\$217,543	\$217,543	\$217,543	\$217,543	\$217,543	\$217,543	\$217,543	\$217,543	\$217,543	\$217,543	\$217,543	\$3,410,519	78.8%
Income before Taxes	(\$1,367,643)	(\$455,243)	(\$442,843)	(\$418,043)	(\$380,843)	(\$331,243)	(\$382,016)	(\$292,240)	(\$150,880)	(\$21,920)	\$133,824	\$263,776	(\$3,745,317)	-86.5%
Taxes														
Net Income After Taxes	(\$1,367,643)	(\$455,243)	(\$442,843)	(\$418,043)	(\$380,843)	(\$331,243)	(\$382,016)	(\$292,240)	(\$150,880)	(\$21,920)	\$133,824	\$263,776	(\$3,845,317)	-88.8%
<i>% of Total Sales</i>	-9713.4%	-1616.6%	-1048.4%	-593.8%	-338.1%	-196.0%	-127.0%	-72.6%	-26.8%	-3.1%	15.1%	25.6%	-88.8%	

Income Statement

Years 2-3 by Quarter

The All Company

1-Jan-06

Sales	Years 2-3 by Quarter				Year 2		Year 3				Year 3	
	Q1-Yr2	Q2-Yr2	Q3-Yr2	Q4-Yr2	Year 2	% of Total Sales	Q1-Yr3	Q2-Yr3	Q3-Yr3	Q4-Yr3	Year 3	% of Total Sales
E-commerce Revenues	\$847,500	\$847,500	\$847,500	\$847,500	\$3,390,000	27.0%	\$1,942,500	\$1,942,500	\$1,942,500	\$1,942,500	\$7,770,000	29.4%
Advertising Sales Revenues	\$54,000	\$54,000	\$54,000	\$54,000	\$216,000	1.7%	\$180,000	\$180,000	\$180,000	\$180,000	\$720,000	2.7%
Membership List Sales Revenues	\$12,250	\$12,250	\$12,250	\$12,250	\$49,000	0.4%	\$31,500	\$31,500	\$31,500	\$31,500	\$126,000	0.5%
Publication Revenues	\$1,344,000	\$1,344,000	\$1,344,000	\$1,344,000	\$5,376,000	42.9%	\$2,688,000	\$2,688,000	\$2,688,000	\$2,688,000	\$10,752,000	
TV Program Production Revenues	\$750,000	\$750,000	\$750,000	\$750,000	\$3,000,000	23.9%	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$4,500,000	
Network Marketing Revenues	\$127,500	\$127,500	\$127,500	\$127,500	\$510,000	4.1%	\$637,500	\$637,500	\$637,500	\$637,500	\$2,550,000	
Total Sales	\$3,135,250	\$3,135,250	\$3,135,250	\$3,135,250	\$12,541,000	100.0%	\$6,604,500	\$6,604,500	\$6,604,500	\$6,604,500	\$26,418,000	100.0%
Cost of Sales	\$1,023,500	\$1,023,500	\$1,023,500	\$1,023,500	\$4,094,000	32.6%	\$1,429,100	\$1,429,100	\$1,429,100	\$1,429,100	\$5,716,400	21.6%
Sales & Marketing Cost:	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$5,000,000	39.9%	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$10,000,000	37.9%
General & Administrative Cost	\$803,780	\$803,780	\$803,780	\$803,780	\$3,215,119	25.6%	\$1,309,630	\$1,309,630	\$1,309,630	\$1,309,630	\$5,238,519	19.8%
Income before Taxes	\$57,970	\$57,970	\$57,970	\$57,970	\$231,881	1.8%	\$1,365,770	\$1,365,770	\$1,365,770	\$1,365,770	\$5,463,080	20.7%
Taxes on Income	\$23,188	\$23,188	\$23,188	\$23,188	\$92,752	0.7%	\$546,308	\$546,308	\$546,308	\$546,308	\$2,458,386	
Net Income After Taxes	\$34,782	\$34,782	\$34,782	\$34,782	\$139,129	1.1%	\$819,462	\$819,462	\$819,462	\$819,462	\$3,004,694	11.4%
<i>% of Total Sales</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.1%</i>		<i>12.4%</i>	<i>12.4%</i>	<i>12.4%</i>	<i>12.4%</i>	<i>11.4%</i>	

Income Statement

Years 1 - 5

The All Company

1-Jan-05

	Year 1	% of Total Sales	Year 2	% of Total Sales	Year 3	% of Total Sales	Year 4	% of Total Sales	Year 5	% of Total Sales
Sales										
E-commerce Revenues	\$1,230,000	28.4%	\$3,390,000	27.0%	\$7,770,000	29.4%	\$16,980,000	33.7%	\$48,100,000	47.2%
Advertising Sales Revenues	\$72,000	1.7%	\$216,000	1.7%	\$720,000	2.7%	\$2,160,000	4.3%	\$5,040,000	4.9%
Membership List Sales Revenues	\$14,004	0.3%	\$49,000	0.4%	\$126,000	0.5%	\$336,000	0.7%	\$840,000	0.8%
Publication Revenues	\$1,512,000	34.9%	\$5,376,000	42.9%	\$10,752,000	40.7%	\$18,816,000	37.3%	\$28,224,000	27.7%
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Network Marketing Revenues		0.0%	\$510,000	4.1%	\$2,550,000	9.7%	\$7,650,000	15.2%	\$15,300,000	15.0%
Total Sales	\$4,328,004	100.0%	\$12,541,000	100.0%	\$26,418,000	100.0%	\$50,442,000	100.0%	\$102,004,000	100.0%
Cost of Sales	\$1,662,798	38.4%	\$4,094,000	32.6%	\$5,716,400	21.6%	\$8,443,600	16.7%	\$16,546,000	16.2%
Sales & Marketing Costs	\$3,000,000	69.3%	\$5,000,000	39.9%	\$10,000,000	37.9%	\$20,000,000	39.6%	\$30,000,000	29.4%
General & Administrative Costs	\$3,510,519	81.1%	\$3,215,119	25.6%	\$5,238,519	19.8%	\$7,354,500	14.6%	\$10,736,500	10.5%
Net Income before Taxes	(\$3,845,313)	-88.8%	\$231,881	1.8%	\$5,463,081	20.7%	\$14,643,900	29.0%	\$44,721,500	43.8%
Taxes on Income	\$0	0.0%	\$92,752	0.7%	\$2,185,232	8.3%	\$5,857,560	11.6%	\$17,888,600	17.5%
Net Income After Taxes	(\$3,845,313)	-88.8%	\$139,129	1.1%	\$3,277,849	12.4%	\$8,786,340	17.4%	\$26,832,900	26.3%