

FilmProfit(r) Projections of Potential Income

Custom-built to the specifications of your film, your team, your market profile. Using robust proprietary models, and in the hands of our key analyst, these reports analyze all the market incomes and their costs and fee structures for your film. It includes detailed calculations of the elements of domestic Box Office, Cable TV, Network TV, Music and Merchandise, VOD and Internet as well as DVD, and in the foreign markets the fees and incomes for Box Office, DVD and Ancillaries (including TV). There are extensive line item notes relating to your project and laying out our assumptions on each market, including discussion of market parameters where appropriate.



The business of successful films

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**Please understand that the figures and calculations shown herein are INACCURATE
They are merely meant to be an illustration**

Untitled Projections of Potential Income			
1	Negative Cost	\$2,000,000	% Funded by Co. 100%
	Scenarios	Low	Expected Better
US Theatrical Sales			
2	US Box Office Gross	\$20,500,000	\$27,950,000 \$33,000,000
3	Less Exhibitor Share	\$25,175,000	\$37,100,000 \$53,000,000
4	Gross Film Rentals	\$22,325,000	\$32,900,000 \$47,000,000
5	Less Distributor Fee	\$9,341,780	\$13,288,991 \$18,249,273
6	Less Prints/Advertising	\$2,802,534	\$3,986,697 \$5,474,782
7	US Theatrical Net Proceeds	-\$5,988,750	-\$6,565,000 -\$2,450,000
US Aftermarket Sales			
8	Pay Cable Revenue	\$5,873,375	\$8,214,500 \$11,000,000
9	Network TV Revenue	\$0	\$0 \$0
10	Merchandising/Music/Spinoffs	\$0	\$0 \$0
11	PPV/VOD/Non-theatrical Venues	\$3,468,405	\$5,074,491 \$7,249,273
12	US Ancillary Gross Proceeds	\$9,341,780	\$13,288,991 \$18,249,273
13	Less Distribution/Licensing Fee	\$2,802,534	\$3,986,697 \$5,474,782
	DVD Units	600,000	900,000 1,350,000
14	Home Video Market	\$13,288,991	\$18,249,273 \$32,900,000
15	Less Distribution/Licensing Fee	\$20,500,000	\$27,950,000 \$33,000,000
16	US Market Net Proceeds	\$38,436,310	\$56,681,554 \$31,330,000
Foreign Markets			
17	Foreign Box Office	\$24,350,000	\$9,000,000 \$39,115,000
18	Foreign Rentals After P&A	\$13,850,000	\$32,050,000 \$13,690,250
19	Foreign Home Video	\$16,250,000	\$19,700,000 \$24,350,000
20	Foreign Ancillaries	\$9,000,000	\$11,150,000 \$13,850,000
21	Aggregate Foreign Markets	\$32,050,000	\$39,115,000 \$32,050,000
22	Less Distribution/Licensing/Fees	\$11,217,500	\$13,690,250 \$16,870,000
23	Overseas Net Proceeds	\$32,050,000	\$39,115,000 \$48,200,000
24	IV. Worldwide Gross Profit	\$57,677,741	\$11,150,000 \$39,842,544
25	Less Interest/Dues	\$996,188	\$996,188 \$1,406,234
26	Total Income to Producers	\$8,337,496	\$14,417,794 \$32,050,000
27	Residuals/Participation Share	\$996,188	\$996,188 \$1,406,234
28	Gross Return to Company	\$16,250,000	\$19,700,000 \$24,350,000
29	ROI to Company	114%	189% 300%

NOTES to Accompany:**Untitled Projections of Potential Income****The term of these scenarios is THREE YEARS.**

1 Negative Cost	Total Cost estimated to produce the negative of the film, from which positive distribution prints will be struck.
% Funded by Co.	100% The percentage shown at the left is the portion of the Negative Cost that The Company will fund through private investment or other means, and the percentage ownership of resultant rights.

SCENARIOS**US Theatrical Sales**

2 US Box Office Gross	Several films were studied which have comparative values in any of the following categories: story, shooting style, budget, production values, distribution methodology, target audience, etc. to the anticipated production of: Untitled Projections of Potential Income Anticipated Rating: G
Several films were examined including:	Nanny McPhee, August Rush, Holes, Bridge to Terabithia, Mr. Magorium's Wonder Emporium

3 Less Exhibitor Share	% of the box office, according to standard deals for studio distributors
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4 Gross Film Rentals	% of the box office, according to standard deals for studio distributors
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5 Less Distributor Fee	% According to standard deals, not negotiated for favorability to producers.
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6 Less Prints/Advertising	It should be noted that increased performance typically requires increased screen counts and performance on those screens, all of which requires an increase in these expenditures.
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7 US Theatrical Net Proceeds	Sum of the Above
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US Aftermarket Sales

8 Pay Cable Revenue	Based on industry contractual patterns, which state that at performance levels of the box office the first-run cable contract will provide fees calculated as percentages of the rentals (box office). This model goes out 16 months, typically prior to network television revenue windows, but not prior to
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9 Network TV Revenue	SEE Pay/Cable Revenue
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10 Merchandising/Music	\$0.00 On films which have significant elements, such as a high-profile soundtrack, or established or rising music stars, or spin-off collectible characters this market gains significance. The royalty rate we use is shown at the top left.
Low Sales, in \$ millions	\$0.00
Expected Sales, in \$ millions	\$0.00
Better Sales, in \$ millions	\$0.00

11	PPV/VOD/Non-theatrical Venues	Typically, at higher performance levels, this market begins to have significant value to the producers. It includes Video On Demand and Internet Video On Demand, a fast emerging growth market, Airlines, Military Installations, Schools, College Campuses, Ships at Sea, and the like.
12	US Ancillary Gross Proceeds	Sum of the above
13	Less Distribution/Licensing Fee	% According to standard industry deals, not negotiated for extra favorability to producers.
14	Home Video Market	Calculated to reasonably accord with the films mentioned in the study above, and taking into account the arc of growth experienced by DVD.
15	Less Distribution/Licensing Fee	% Home Video contracts have been typically based on a royalty participation deal. The royalty usually offered is 20%, effectively tantamount to a 80% distribution fee. The number we use is to the left.
16	US Market Net Proceeds	Sum of the Above
Foreign Markets		
17	Foreign Box Office	
18	Foreign Rentals After P&A	Distributor Income after split of box office with Exhibitors. Anticipated to be after all local Marketing (Prints & Ads or P&A) costs in each region, but before worldwide distribution fees.
19	Foreign Home Video	In the recent past, foreign DVD sales have started to catch up with North American growth, and home video value has surpassed television value, on average.
20	Foreign Ancillaries	The greatest single portion of foreign ancillaries had, until the worldwide rise of DVD, tended to be television. Recent marketplace shifts ...
21	Aggregate Foreign Markets	Sum of the Above
22	Less Distribution/Licensing/Fees	% Without specific deal parameters in place, the distribution fee is set at the number to the left. It could be lower.
23	Overseas Net Proceeds	After distribution fees

24	IV. Worldwide Gross Profit	Sum of the Above
25	Less Interest/Dues	% The interest shown is a simple interest calculation against the prints and ads spend. Using an anticipation of LIBOR 1 year +25% of LIBOR 1 year, and calculated with the estimated time to pay off debts such as prints and ads, etc. And a modest deduction to account for distributor's association dues pertinent to the picture.
26	Total Income to Producers	Worldwide Gross Profit after deduction of interest charges
27	Residuals/Participation Share	% Residuals are calculated against the Worldwide Gross Profit (at the % Funded by Co.) at the percentage shown at the left. There are no Participations calculated in these scenarios.
28	Gross Return to Company	The Gross Return to Company is all income in after subtracting all distribution costs, distribution fees and interests levied by distribution entities against the film (divided by the % Funded by Co.) and less the Company's Share (at the % Funded by Co.) of Residuals and Participations.
29	ROI to Company	Amount, as a percentage, earned on a company's total outlay for production, derived by dividing total outlay (Company's Negative Cost Share) into earnings after studio charges and residuals, but before bank interest, taxes and depreciation and amortization These projections are guided by analyzing the performance necessary to amortize the investment in full light of the comparable pictures guidance. In this regard, the projections are also a business planning tool to aid the producing team in fine-tuning their approach to negotiations, and determining proactive strategies as individual contracts come on line.

**Summarized Flow of Funds
Untitled Projections Of Potential Income**

Scenario	Low	Expected	Better
Domestic Box Office	\$13,850,000	\$32,050,000	\$13,690,250
Domestic Income	\$13,850,000	\$32,050,000	\$13,690,250
	Less	Less	Less
Distribution Fees and Marketing Costs	\$13,850,000	\$32,050,000	\$13,690,250
Foreign Income	\$9,000,000	\$11,150,000	\$13,850,000
	Less	Less	Less
Foreign Distribution Fees and Deductions	\$9,000,000	\$11,150,000	\$13,850,000
	Less	Less	Less
Less Interest/Dues	\$9,000,000	\$11,150,000	\$13,850,000
Producer's Income	\$16,250,000	\$19,700,000	\$24,350,000

