



Assumptions	Year 0	Pilot Year (1)	Year 2	Year 3
Number of Premium Members	0	50	250	350
Number of Deluxe Members	0	100	400	600
Number of Basic Members	0	100	500	1000
Monthly Premium Subscription Fee	\$19.99	\$19.99	\$19.99	\$19.99
Monthly Deluxe Subscription Fee	\$9.99	\$9.99	\$9.99	\$9.99
Monthly Ad rate (125px x 125px)	\$0	\$500	\$1,000	\$1,500
# of Monthly Ads	0	5	10	20
Cost of Prompt Materials	\$2	\$2	\$2	\$2
# of Prompts/Month/Premium Member	2	2	2	2
# of Prompts/Month/Deluxe Member	1	1	1	1
Prompt Shipping Costs	\$1.80	\$1.80	\$1.80	\$1.80

Expected Revenues	Year 0	Pilot Year (1)	Year 2	Year 3
Monthly Memberships	\$0	\$23,982	\$107,922	\$155,886
Corporate Sponsorship	\$0	\$5,000	\$10,000	\$15,000
Online Advertisements	\$0	\$30,000	\$120,000	\$360,000
Total Revenue	\$0	\$58,982	\$237,922	\$530,886

Expected Cost of Revenue	Year 0	Pilot Year (1)	Year 2	Year 3
Prompts (materials & shipping)	\$0	\$9,120	\$41,040	\$59,280
Web Community				
Content Dev. & Comm. Management	\$10,000	\$20,000	\$20,000	\$20,000
Web Development	\$40,000	\$0	\$0	\$0
Systems Administration	\$35,000	\$15,000	\$15,000	\$15,000
Site Maintenance	\$0	\$7,500	\$7,500	\$7,500
Collateral (Printing & Design)	\$5,000	\$12,250	\$19,750	\$24,250
Cost of Revenue	\$90,000	\$63,870	\$103,290	\$126,030
Gross Profit	-\$90,000	-\$4,888	\$134,632	\$404,856
Gross Profit Margin			56.59%	76.26%

Operating Expenses	Year 0	Pilot Year (1)	Year 2	Year 3
Advertising & Marketing				
Market Research	\$15,000	\$15,000	\$15,000	\$15,000
General & Administrative				
Rent	\$16,800	\$16,800	\$16,800	\$16,800
Customer Service	\$0	\$20,000	\$20,000	\$20,000
Legal Counsel	\$3,000	\$3,000	\$3,000	\$3,000
Accounting	\$2,000	\$2,000	\$2,000	\$2,000
Insurance	\$3,000	\$3,000	\$3,000	\$3,000
Operating Loss	\$64,800	\$119,800	\$119,800	\$119,800
Net Profits before taxes	-\$154,800	-\$124,688	\$14,832	\$285,056
Profits after taxes (35%)			\$9,641	\$185,286
Net Profit Margin			4.05%	34.90%