

## 7. FINANCIAL OPERATIONS

IBN NEW FM APPLICATION 2010-1103-0

- 7.1 a) Complete the following table for the proposed undertaking for each 12-month period ending 31 August of the proposed license term.

THE FIRST YEAR OF OPERATION WILL BE: 2011

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	TOTAL
<b>REVENUE (after agency commissions)</b> <b>(\$000)</b>								
National	1,375,425	1,550,227	1,864,465	2,189,038	2,519,235	2,799,807	3,033,615	15,331,811
Local	-	56,388	70,125	84,302	98,698	110,763	120,628	540,904
Other (Specify)								
<b>TOTAL</b>	<b>1,375,425</b>	<b>1,606,615</b>	<b>1,934,590</b>	<b>2,273,339</b>	<b>2,617,932</b>	<b>2,910,570</b>	<b>3,154,243</b>	<b>15,872,715</b>
<b>OPERATING EXPENSES</b> <b>(\$000)</b>								
Programming	400,755	417,147	434,925	462,448	490,532	516,036	539,132	3,260,975
Canadian Content Development	35,800	38,651	39,113	40,769	41,446	42,136	43,721	281,637
Technical	121,500	124,500	128,263	132,152	136,172	140,329	144,627	927,542
Sales, Advertising and Promotion	568,910	589,366	659,597	759,499	824,204	885,113	935,970	5,222,660
Administration and General	628,509	639,548	655,748	678,669	703,828	745,983	766,940	4,819,225
<b>TOTAL OPERATING EXPENSES</b>	<b>1,755,475</b>	<b>1,809,211</b>	<b>1,917,645</b>	<b>2,073,538</b>	<b>2,196,182</b>	<b>2,329,597</b>	<b>2,430,392</b>	<b>14,512,039</b>
<b>NON-OPERATING EXPENSES</b> <b>(\$000)</b>								
Depreciation	134,875	134,875	134,875	134,875	134,875	51,875	51,875	778,125
Profit Before Interest and Taxes	(514,925)	(337,471)	(117,930)	64,927	286,876	529,098	671,977	582,552
Interest	75,000	60,000	45,000	30,000	15,000	-	-	225,000
Other (Specify)	62,373	62,373	62,373	62,373	62,373			311,865
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>137,373</b>	<b>122,373</b>	<b>107,373</b>	<b>92,373</b>	<b>77,373</b>	<b>-</b>	<b>-</b>	<b>536,865</b>
<b>TOTAL EXPENSES</b>	<b>2,027,722</b>	<b>2,066,459</b>	<b>2,159,893</b>	<b>2,300,786</b>	<b>2,408,430</b>	<b>2,381,472</b>	<b>2,482,267</b>	<b>15,827,028</b>
Estimated pre-tax income (loss)	(652,297)	(459,844)	(225,303)	(27,446)	209,503	529,098	671,977	45,687
Provision for Income Tax	260,919	183,938	90,121	10,978	(83,801)	(211,639)	(268,791)	(18,275)
<b>NET INCOME (LOSS) AFTER TAXES</b> (for broadcasting)	<b>(391,378)</b>	<b>(275,906)</b>	<b>(135,182)</b>	<b>(16,468)</b>	<b>125,702</b>	<b>317,459</b>	<b>403,186</b>	<b>27,412</b>

operations only)								
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