

| Month | 1st Yr Total | Aug-02 | Sep-02 | Oct-02 | Nov-02 | Dec-02 | Jan-03 | Feb-03 | Mar-03 | Apr-03 | May-03 | Jun-03 | Jul-03 |
|------------------------------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| # new prospects | 554 | 20 | 59 | 63 | 36 | 34 | 30 | 37 | 60 | 52 | 75 | 41 | 47 |
| # screened | 447 | 14 | 26 | 46 | 41 | 32 | 38 | 31 | 39 | 53 | 34 | 50 | 43 |
| # consultation | 388 | 13 | 26 | 31 | 46 | 16 | 24 | 33 | 26 | 55 | 26 | 49 | 43 |
| # start (student) | 173 | 6 | 13 | 8 | 19 | 13 | 7 | 16 | 11 | 17 | 25 | 22 | 16 |
| # completed (ex-student) | 77 | 0 | 0 | 0 | 0 | 5 | 11 | 6 | 16 | 10 | 11 | 5 | 13 |
| # dropped | 14 | 0 | 0 | 0 | 0 | 1 | 2 | 2 | 1 | 1 | 2 | 4 | 1 |
| DM direct mail | 6 | 0 | 0 | 0 | 0 | 1 | 5 | 1 | 7 | 6 | 7 | 4 | 4 |
| MG magazine | 63 | 1 | 6 | 5 | 2 | 1 | 13 | 7 | 7 | 6 | 7 | 4 | 4 |
| NP newspaper | 351 | 12 | 54 | 52 | 32 | 29 | 17 | 29 | 34 | 29 | 32 | 11 | 20 |
| Other advertising | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RD radio | 93 | 2 | 1 | 1 | 2 | 1 | 4 | 5 | 17 | 9 | 25 | 22 | 13 |
| RF referral | 119 | 8 | 14 | 16 | 12 | 12 | 4 | 5 | 9 | 10 | 11 | 11 | 7 |
| TV television | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 0 | 0 |
| WB web | 8 | 0 | 2 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 1 |
| YP yellow page | 12 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 3 | 3 | 2 | 2 | 2 |
| INCOME | | | | | | | | | | | | | |
| Cash Discounts | (22639) | (1000) | (2100) | (1000) | (3500) | (800) | (2039) | (900) | (950) | (3150) | (1900) | (3800) | (1500) |
| BrainSkills | 2488 | | | 597 | 1891 | | | | | | | | |
| Misc | 11708 | 2350 | 1094 | 100 | 200 | 665 | 916 | 2251 | 1356 | 1958 | 234 | 273 | 311 |
| ReadRx Charges | 417876 | 23700 | 29650 | 23700 | 78600 | 13350 | 42619 | 35600 | 35600 | 27654 | 30112 | 65571 | 11720 |
| Screening | 0 | | | | | | | | | | | | |
| SkillsRx Charges | 148953 | 8850 | 28025 | 356 | 14750 | 2950 | 3627 | 2650 | 6687 | 16458 | 20350 | 20650 | 23600 |
| Total Income | 558386 | 33900 | 56669 | 23753 | 91941 | 16165 | 45123 | 39601 | 42693 | 42920 | 48796 | 82694 | 34131 |
| Accum Net Revenue | 33900 | 33900 | 90569 | 114322 | 206263 | 222428 | 267551 | 307152 | 349845 | 392765 | 441561 | 524255 | 558386 |
| EXPENSES | | | | | | | | | | | | | |
| Kits/materials** | 53593 | | 10539 | 5584 | 5335 | 8521 | 3670 | 1980 | 4630 | 3997 | | 9337 | |
| Marketing Fund | | | | | | | | | | | | | |
| DM direct mail | 2556 | | | | 1319 | 953 | | 284 | | | | | |
| Marketing | 4519 | 2428 | 989 | | | | 150 | | | 652 | | 300 | |
| MG magazine | 3791 | | | | | 495 | 495 | 495 | | 990 | | 658 | 658 |
| NP newspaper | 66894 | | 1116 | 19248 | 5555 | 2353 | 9666 | 4936 | 1270 | 8142 | 5000 | 5164 | 4444 |
| Other advertising | 2311 | | | | | | | | | 658 | 995 | 658 | |
| RD radio | 14185 | | | | | | | | 1990 | 1435 | 5700 | 2230 | 2830 |
| RF referral | 0 | | | | | | 4920 | | | | | | |
| TV television | 4920 | | | | | | | | | | | | |
| YP yellow page | 0 | | | | | | | | | | | | |
| Advertising/Marketing Total | 99176 | 2428 | 2105 | 19248 | 6874 | 3801 | 15231 | 5715 | 3260 | 18177 | 11695 | 9010 | 7932 |

| | | | | | | | | | | | | | |
|------------------|-------|------|------|------|-------|-------|------|------|------|-------|-------|-------|-------|
| Facility | 28795 | 2123 | 3788 | 262 | 4050 | 1973 | 2084 | 2587 | 2635 | 1183 | 2637 | 4657 | 816 |
| Payroll Admin*** | 80818 | | 761 | 2820 | 13652 | 13784 | 9469 | 6636 | | 20425 | 791 | 9709 | 2771 |
| Payroll Trainers | 95104 | | 240 | 3640 | 6945 | 8370 | 9959 | 9759 | 8830 | 9299 | 13211 | 12122 | 12729 |
| Royalty** | 0 | | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|-----------------------|---------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Other Expenses | 15034 | 1894 | 1808 | 1110 | 2594 | 1204 | 1704 | 996 | 565 | 1850 | 356 | 698 | 255 |
| Total Expenses | 372520 | 6445 | 19241 | 32664 | 39450 | 37653 | 42117 | 27673 | 19920 | 48631 | 28690 | 45533 | 24503 |
| Net Income* | 185,866 | 27,455 | 37,428 | 8,911 | 52,491 | 21,488 | 3,006 | 11,928 | 22,773 | 5,711 | 20,106 | 37,161 | 9,628 |
| Accum Net Income | 27,455 | 64,883 | 55,972 | 108,463 | 86,975 | 89,981 | 101,909 | 124,682 | 118,971 | 139,077 | 176,238 | 185,866 | |

ENROLLMENT

| | | | | | | | | | | | | |
|-----------------------|---|----|----|----|----|----|----|----|----|----|----|----|
| # active at beginning | 0 | 6 | 19 | 27 | 46 | 53 | 47 | 55 | 49 | 55 | 67 | 80 |
| # active at end | 6 | 19 | 27 | 46 | 53 | 47 | 55 | 49 | 55 | 67 | 80 | 82 |

PROSPECT SOURCE %

| | | | | | | | | | | | | |
|------------------|----|----|----|----|----|----|----|----|----|----|----|----|
| % DM direct mail | 1 | 0 | 0 | 0 | 0 | 0 | 12 | 2 | 0 | 0 | 0 | 0 |
| % MG magazine | 9 | 4 | 8 | 7 | 4 | 2 | 31 | 15 | 10 | 11 | 9 | 8 |
| % NP newspaper | 53 | 52 | 70 | 70 | 67 | 66 | 40 | 63 | 47 | 51 | 41 | 38 |
| % other | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13 |
| % RD radio | 14 | 9 | 1 | 1 | 4 | 2 | 0 | 0 | 24 | 16 | 32 | 25 |
| % RF referral | 18 | 35 | 18 | 22 | 25 | 27 | 10 | 11 | 13 | 18 | 14 | 13 |
| % TV television | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 1 | 0 | 0 | 2 |
| % WB web | 1 | 0 | 3 | 0 | 0 | 2 | 2 | 0 | 1 | 0 | 3 | 0 |
| % YP yellow page | 2 | 0 | 0 | 0 | 0 | 0 | 5 | 4 | 4 | 5 | 3 | 0 |

COST/RESPONSE

| | | | | | | | | | | | | |
|---------------------|------|---|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| DM cost/response | 753 | | | | | | 30 | 0 | | | | |
| MG cost/response | 60 | 0 | 0 | 0 | 0 | 495 | 38 | 71 | 0 | 165 | 0 | 165 |
| NP cost/response | 191 | 0 | 21 | 370 | 174 | 81 | 569 | 170 | 37 | 281 | 156 | 469 |
| Other cost/response | 210 | | | | | | | | 117 | 159 | 228 | 101 |
| RD cost/response | 153 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RF cost/response | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TV cost/response | 1230 | | | | | | | | | | | |
| WB cost/response | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| YP cost/response | 0 | | | | | | | | | | | |

SALES

| | | | | | | | | | | | | | |
|-------------------|----|----|-----|----|-----|----|-----|-----|----|-----|----|-----|-----|
| % screen/prospect | 81 | 70 | 44 | 73 | 114 | 94 | 127 | 84 | 65 | 102 | 45 | 122 | 91 |
| % consult/screen | 87 | 93 | 100 | 67 | 112 | 50 | 63 | 106 | 67 | 104 | 76 | 98 | 100 |
| % conversion rate | 45 | 46 | 50 | 26 | 41 | 81 | 29 | 48 | 42 | 31 | 96 | 45 | 37 |

REVENUE

| | | | | | | | | | | | | | |
|------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|
| % SkillsRx | 26 | 25 | 48 | 1 | 15 | 17 | 8 | 7 | 15 | 36 | 40 | 24 | 66 |
| % ReadRx | 72 | 68 | 50 | 96 | 82 | 79 | 90 | 88 | 82 | 60 | 59 | 76 | 33 |
| % BrainSkills & Others | 2 | 7 | 2 | 3 | 2 | 4 | 2 | 6 | 3 | 4 | 0 | 0 | 1 |
| AR months | 0 | 1 | 1 | 2 | 1 | 4 | 2 | 2 | 2 | 2 | 2 | 1 | 3 |

| EXPENSES % INCOME | | | | | | | | | | | | | |
|--------------------------|--------|-------|-------|---------|-------|---------|------|-------|-------|--------|-------|-------|-------|
| Kits/materials | 10 | 0 | 19 | 24 | 6 | 53 | 8 | 5 | 11 | 9 | 0 | 11 | 0 |
| Advertising & Marketing | 18 | 7 | 4 | 81 | 7 | 24 | 34 | 14 | 8 | 28 | 24 | 11 | 23 |
| Facility | 5 | 6 | 7 | 1 | 4 | 12 | 5 | 7 | 6 | 3 | 5 | 6 | 2 |
| Payroll Admin | 14 | 0 | 1 | 12 | 15 | 85 | 21 | 17 | 0 | 48 | 2 | 12 | 8 |
| Payroll Trainers | 17 | 0 | 0 | 15 | 8 | 52 | 22 | 25 | 21 | 22 | 27 | 15 | 37 |
| Royalty | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Expenses | 3 | 6 | 3 | 5 | 3 | 7 | 4 | 3 | 1 | 4 | 1 | 1 | 1 |
| Total Expenses | 67 | 19 | 34 | 138 | 43 | 233 | 93 | 70 | 47 | 113 | 59 | 55 | 72 |
| Admin/Trainer Exp Ratio | 85% | N/A | 317% | 77% | 197% | 165% | 95% | 68% | 0% | 220% | 6% | 80% | 22% |
| PROFIT | | | | | | | | | | | | | |
| Avg net revenue/student | 3228 | 5650 | 4359 | 2969 | 4839 | 1243 | 6446 | 2475 | 3881 | 2525 | 1952 | 3759 | 2133 |
| Cash basis profit | 87760 | 7105 | 18073 | (15681) | 25911 | (17893) | 1249 | 2636 | 5423 | 7435 | 11851 | 24526 | 17125 |
| Accrued basis profit | 185866 | 27455 | 37428 | (8911) | 52491 | (21488) | 3006 | 11928 | 22773 | (5711) | 20106 | 37161 | 9628 |

*Please Note: The income reflects charges (accrued) and the expenses are cash based. This means that there are expenses yet to be paid for the charges recorded.

**Please Note: For a franchise, the kit/materials should be about 2-3% not 10% and the royalty will be about 10% not 0%.

***Please Note: Admin payroll includes administration provided student training.

Notes:

(1) You should determine your own level of anticipated expenses, including rent, salaries for your instructors and administrative support staff, utilities, insurance, advertising, and other expense items.