

PROFIT POTENTIALS

Hypothetical projections for a standard platform release of a \$1 million budget film. For demonstration purposes only. Not intended as a representation of actual profit estimates expected by the Company.

| | POOR | FAIR | GOOD | EXCELLENT | SMASH |
|---|-------------|-------------|-------------|------------------|--------------|
| *Negative Cost: | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 |
| **Domestic P&A: | \$500,000 | \$1,000,000 | \$2,500,000 | \$4,000,000 | \$6,000,000 |
| Domestic Gross: | \$1,000,000 | \$2,000,000 | \$5,000,000 | \$8,000,000 | \$15,000,000 |
| Domestic Rentals: | \$500,000 | \$1,000,000 | \$2,500,000 | \$4,000,000 | \$7,500,000 |
| Foreign Gross: | \$1,000,000 | \$1,000,000 | \$3,000,000 | \$5,000,000 | \$8,000,000 |
| Foreign Rentals: | \$500,000 | \$500,000 | \$1,500,000 | \$2,500,000 | \$4,000,000 |
| Domestic DVD: | \$100,000 | \$500,000 | \$1,000,000 | \$2,000,000 | \$3,000,000 |
| Domestic Free and Pay TV: | \$500,000 | \$1,000,000 | \$2,000,000 | \$3,000,000 | \$4,000,000 |
| Foreign DVD: | \$50,000 | \$250,000 | \$500,000 | \$750,000 | \$1,000,000 |
| Foreign Free and Pay TV: | \$250,000 | \$500,000 | \$750,000 | \$1,000,000 | \$2,000,000 |
| +DOMESTIC RETURN ON INVESTMENT | 73% | 81% | 102% | 117% | 135% |
| ++GLOBAL RETURN ON INVESTMENT: | 83% | 98% | 153% | 172% | 199% |

***Negative Cost:** Total cost of producing a film ready for screening.

****Domestic P&A:** The costs of film Prints plus the Advertising and marketing expenses in the Domestic territory only. Costs of Foreign P&A are usually the responsibility of each worldwide distributor who purchases the rights to the Picture.

+Domestic ROI is figured by adding: Domestic Rentals, Domestic DVD, Free, and Pay TV. Distributor fees of 35% (average) are subtracted from this total. This sum is divided by the Negative Cost plus P&A.

++Global ROI is figured by adding: Domestic and Foreign Rentals, Domestic and Foreign DVD, Free, and Pay TV. Distributor fees of 35% (average) are subtracted from this total. This sum is divided by the Negative Cost plus P&A.

NOTE: With the advent of digital projection, a film print may not be necessary in the distribution and exhibition of "Deep Dark Water." The Picture will be shot digitally and exhibited digitally in many cases, thus eliminating the cost of Prints. The Company cannot predict if the Distributor will require a film print. If the Distributor requires a film print, the associated costs of transferring from digital to film will still be lower than if the Picture was shot, distributed, and exhibited entirely on film.