

"ARBITRAGE" PROFORMA P / L

REVENUE

	Low	High
FOREIGN SALES		
<i>Foreign Sales Closed</i>	4,387,000	4,387,000
<i>Foreign Sales Remaining</i>	3,465,000	4,422,000
Total Foreign Sales	7,852,000	8,809,000
DOMESTIC (net)	2,250,000	4,250,000
NY TAX CREDIT	1,950,000	1,950,000
Total Revenue	12,052,000	15,009,000
Less Production Loans	(6,694,875)	(6,694,875)
	5,357,125	8,314,125
Less Costs		
Marketing Fee	(75,000)	(75,000)
Distribution Expenses	(80,000)	(80,000)
Foreign Sales Fee (some already paid from deposits)	7.5% (309,141)	(380,916)
Guild Residuals	5.6% (565,712)	(731,304)
Foreign Withholding Tax	1.0% (78,520)	(88,090)
Collection / Accounting Fees	0.6% (43,186)	(48,450)
	(1,151,559)	(1,403,759)
Total Revenue net of Sales Costs	4,205,566	6,910,366
Equity Investment	(3,200,000)	(3,200,000)
Gross Profit	1,005,566	3,710,366
Equity Preferred Return	25% (800,000)	(800,000)
Net Profit	205,566	2,910,366

Project: "Arbitrage"

Director / Writer: Nicholas Jarecki
Cast: Al Pacino, Susan Sarandon, Eva Green, Drake, Michelle Monaghan
Producers / EPs: Laura Bickford, Robert Salerno, Kevin Turen, Brian Young
Sales Agent: Parlay / GK Films
US Distributor: TBD
Guilds: DGA, WGA, SAG
Bond Company: Film Finances (FFI)
Location: NYC
Start Date: 3/21/2011
Delivery Date (approx.): 5/1/2012 (theatrical deliverables)
Production Budget: \$9,642,846
Equity: \$3,200,000
Foreign Sales to Date: \$4,387,500
Available Tax Rebate: \$1,950,000
Strike Price: \$10,909,875

<u>Financing Entity</u>	<u>Instrument/Securitization</u>	<u>USD (gross)</u>	<u>% of Strike</u>	<u>Comm.</u>	<u>Market/Dist.</u>	<u>Finance Charge</u>	<u>Interest Reserve</u>	<u>Legal</u>	<u>Production Budget (net)</u>
Equity	Equity (125% ROI)	\$3,200,000	29%	\$0	\$0	\$0	\$0	\$0	\$3,200,000
Zappos	Product Placement	\$300,000	3%	\$0	\$0	\$0	\$0	\$0	\$300,000
Sakonnet	New York Tax Credit (year 1 @ .82, year 2 @ .74)	\$1,950,000	18%	\$0	\$0	\$429,000	\$0	\$0	\$1,521,000
Deposits	Foreign Deposits	\$715,000	7%	\$0	\$0	\$0	\$0	\$0	\$715,000
Junoir Loan (gap)	Secured against all unsold foreign territories (200% coverage)	\$1,729,750	16%	\$0	\$0	\$69,190	\$0	\$0	\$1,660,560
Senior Loan (presale)	Secured against all foreign contracts (net of deposits)	\$3,015,125	28%	\$279,759	\$75,000	\$83,035	\$306,044	\$100,000	\$2,246,286
		\$10,909,875	100.00%	\$279,759	\$75,000	\$581,225	\$306,044	\$100,000	\$9,642,846

EXHIBIT A

Film Title: **Arbitrage**
 Production Budget: **\$9,642,846**
 Run Date: **12/6/10**

Abbreviations:
EX=Execution of Contract
SP=Start of principal
CP=Completion of Principal
NOD=Notice of Delivery
TA=Technical Acceptance
TH= US Theatrical Release
VD= US Video Release
PD= Physical Delivery

I. COMPLETED SALES & INITIAL DEPOSITS

Category C 85%

Territory	Distributor	Contract Terms	Contract Amount	Deposits Required @ Closing	Category C Advance Rate	Category C Payments Financed	Available Collateral
			\$ -	\$ -	85%	\$ -	-
TOTAL CATEGORY A DEPOSITS REQUIRED:			\$ -		TOTAL CATEGORY A PAYMENTS FINANCED: \$ -		

Category C & D

Territory	Distributor	Contract Terms	Contract Amount	Deposits Required @ Closing	Category D Advance Rate	Category D Payments Financed	Available collateral
Airlines	TBD	20% EX, 80% NOD	\$ -	\$ -	80%	\$ -	-
Australia	TBD	20% EX, 80% NOD	\$ -	\$ -	85%	\$ -	-
Benelux	TBD	20% EX, 80% NOD	\$ -	\$ -	85%	\$ -	-
Brazil	Swen	20% EX, 80% NOD	\$ 575,000	\$ 115,000	85%	\$ 391,000	\$ 69,000
Eastern Europe	SPI	20% EX, 80% NOD	\$ 350,000	\$ 70,000	80%	\$ 224,000	\$ 56,000
CIS/Baltic States	MGN	20% EX, 80% NOD	\$ 400,000	\$ 80,000	80%	\$ 256,000	\$ 64,000
France	Metropolitan	10% EX/30%TA/30%TH/30%VD	\$ 575,000	\$ 57,500	85%	\$ 439,875	\$ 77,625
Germany/Austria	Wild Bunch	10% EX/70%NOD/20%TH	\$ 1,050,000	\$ 105,000	85%	\$ 803,250	\$ 141,750
Greece	Italia	20% EX, 80% NOD	\$ 150,000	\$ 30,000	80%	\$ 96,000	\$ 24,000
Italy	TBD	20% EX, 80% NOD	\$ -	\$ -	80%	\$ -	-
Japan	TBD	20% EX, 80% NOD	\$ -	\$ -	80%	\$ -	-
Mexico/Lat Am/Cen Am	W/Brazil		\$ -	\$ -	85%	\$ -	-
Middle East	Italia	20% EX, 80% NOD	\$ 150,000	\$ 30,000	80%	\$ 96,000	\$ 24,000
Portugal	TBD	20% EX, 80% NOD	\$ -	\$ -	85%	\$ -	-
Scandinavia	Svensk	20% EX, 80% NOD	\$ 350,000	\$ 70,000	85%	\$ 238,000	\$ 42,000
South Africa	TBD	20% EX, 80% NOD	\$ -	\$ -	80%	\$ -	-
South Korea	TBD	20% EX, 80% NOD	\$ -	\$ -	85%	\$ -	-
Spain	Tripics	20% EX, 80% NOD	\$ 375,000	\$ 75,000	80%	\$ 240,000	\$ 60,000
United Kindom	TBD	20% EX, 80% NOD	\$ -	\$ -	85%	\$ -	-
TOTAL CATEGORY D DEPOSITS REQUIRED:			\$ 632,500		TOTAL CATEGORY D PAYMENTS FINANCED: \$ 2,784,125		

Category E

Territory	Distributor	Contract Terms	Contract Amount	Deposits Required @ Closing	Category E Advance Rate	Category E Payments Financed	Available Collateral
China	DDDream	20% EX, 80% TA	\$ 45,000	\$ 9,000	70%	\$ 25,200	\$ 10,800
Indonesia	TBD	20% EX, 80% NOD	\$ -	\$ -	70%	\$ -	-
Hong Kong	TBD	20% EX, 80% NOD	\$ -	\$ -	70%	\$ -	-
Israel	TBD	20% EX, 80% NOD	\$ -	\$ -	70%	\$ -	-
Iceland	Myndform	20% EX, 80% NOD	\$ 7,500	\$ 1,500	70%	\$ 4,200	\$ 1,800
	TBD	20% EX, 80% NOD	\$ -	\$ -	70%	\$ -	-
South Korea	TBD	20% EX, 80% NOD	\$ -	\$ -	70%	\$ -	-
Pakistan/India/Sri Lanka	Italia	20% EX, 80% NOD	\$ 25,000	\$ 5,000	70%	\$ 14,000	\$ 6,000

EXHIBIT A

Pan Asia Sat	TBD	20% EX, 80% NOD	\$ -	\$ -	70%	\$ -	\$ -
Portugal	Pris	20% EX, 80% NOD	\$ 35,000	\$ 7,000	70%	\$ 19,600	\$ 8,400
Switzerland	Ascot	20% EX, 80% NOD	\$ 100,000	\$ 20,000	70%	\$ 56,000	\$ 24,000
Taiwan	SSG	20% EX, 80% NOD	\$ 100,000	\$ 20,000	70%	\$ 56,000	\$ 24,000
Thailand	TBD	20% EX, 80% NOD	\$ -	\$ -	70%	\$ -	\$ -
Turkey	Pinema	20% EX, 80% NOD	\$ 100,000	\$ 20,000	70%	\$ 56,000	\$ 24,000
TOTAL CATEGORY E DEPOSITS REQUIRED:			\$ 82,500			\$ 231,000	
						\$99,000	
						TOTAL CATEGORY E PAYMENTS FINANCED: \$ 231,000	

II. REMAINING ESTIMATES:

Primary Territory	Notes	Ask Estimate	Take Estimate	% of Budget	Discounted Collateral Value
Airline		\$ 165,000	\$ 110,000		
Japan		\$ 550,000	\$ 275,000		
United Kingdom (& Ireland)		\$ 1,430,000	\$ 1,265,000		
Benelux		\$ 412,500	\$ 357,500		
Italy		\$ 715,000	\$ 577,500		
Australia		\$ 467,500	\$ 385,000		
South Africa		\$ 55,000	\$ 44,000		
South Korea		\$ 220,000	\$ 165,000		
		\$ 4,015,000	\$ 3,179,000		\$ 2,543,200

Territory	Notes	Ask Estimate	Take Estimate	% of Budget	Discounted Collateral Value
Pan Asia Sat		\$ 82,500	\$ 55,000		
Hong Kong		\$ 55,000	\$ 38,500		
Indonesia		\$ 82,500	\$ 55,000		
Israel		\$ 16,500	\$ 11,000		
Philippines		\$ 22,000	\$ 11,000		
Malaysia		\$ 38,500	\$ 27,500		
Thailand		\$ 110,000	\$ 82,500		
		\$ 407,000	\$ 280,500		\$ 224,400
Total Unsold Territories		\$ 4,422,000	\$ 3,459,500		

III. TERM SHEET CALCULATIONS:

Total Budget		\$ 10,201,116
<i>Less:</i>		
New York State/New York City		\$ (1,521,000)
Initial Contract Deposits		\$ (715,000)
Equity Contribution (1st position against Domestic Rights; 2nd position against Foreign Rights)		\$ (3,500,000)
Loan Commitment Amount (inclusive of Lender Reserve)		\$ 4,465,116
Commitment Fee (1.75% of Commitment Amount)	1.75%	\$ 83,035
Gap Fee @ 4.0%	4%	\$ 69,190
Legal Reserve		\$ 100,000
Estimated Initial Interest Reserve (L+3.50%) * 18 months	6.45%	\$ 306,044
Lender Reserve:		\$ 558,270
Total Category A Payments Financed:		\$ -
Total Category D Payments Financed:		\$ 2,784,125
Total Category E Payments Financed:		\$ 231,000
Assumed Collateral Value of Acceptable Contracts @ Loan Closing		\$ 3,015,125
Gap Amount Financed @ 200% Coverage		\$ 1,729,750
Total Loan Commitment Amount (Collateral Value of Contracts + Gap Amount)		\$ 4,744,875