

DCTI - Updated Financial Model - Yearly Income Statements

(Fiscal Year Ending June 30)	FY97	FY98	FY99	FY00E*
Net Sales	\$8.812	\$803.011	\$3.970.641	\$25.000.000
Cost of Sales	492	745.871	2.562.371	11.110.269
Gross Profit	8.320	57.140	1.408.270	13.889.731
Operating Expenses:				
Depreciation & Amortization	398.066	1.545.090	4.389.763	21.503.155
Credit Card Chargebacks	0	0	0	2.884.247
Selling	1.897.665	1.290.012	3.248.092	5.885.463
General & Administrative	1.400.916	4.092.737	3.273.641	7.542.960
Research & Development	3.966.185	1.432.006	1.906.893	4.279.214
Acquired In-Process R&D	0	0	3.700.000	0
AOL Interactive Marketing Contract Costs	0	0	5.558.137	0
Total Operating Expenses	7.662.832	8.359.845	22.076.526	42.095.039
Operating Income (Loss)	-7.654.512	8.302.705	20.668.256	-28.205.308
EBITDA	-7.256.446	6.757.615	16.278.493	-6.702.153
Other Income (Expense):				
Interest & Other Income	496.365	178.354	63.846	146.043
Net Gain on Sale of Assets	0	0	-379.822	0
Interest & Other Expense	-704	-157.616	-380.481	-253.039
Total Other Income (Expense)	495.661	20.738	-696.457	-106.996
Loss before income tax & discontinued ops	-7.158.851	8.281.967	21.364.713	-28.312.304
Income tax benefit	0	2.684.000	0	413.957
Income (Loss), Continuing Ops	-7.158.851	5.597.967	21.364.713	-28.312.304
Discontinued Operations:				
Income, Direct Mail Advertising Ops, net of income tax provision of \$66,827 (FY97) and \$180,263 (FY98)	300.438	111.377	0	0
Gain, Direct Mail Advertising Ops Sale, net of income tax provision of \$2,636,831 (FY98)	0	4.394.717	0	0
Loss, ISP Ops, net of income tax benefit of \$159,404 (FY97) and \$180,263 (FY98)	-3.040.643	-265.674	0	0
Gain, ISP Sale, net of income tax provision of \$139,746 (FY98)	0	232.911	0	0
Loss, Weatherlabs, net of income tax benefit of \$46,526 (FY00) and \$0 (FY99)	0	0	-264.522	-77.542
Gain, Weatherlabs, net of income tax provision of \$460,482 (FY00)	0	0	0	767.472
Income (Loss), Discontinued Ops	-2.740.205	4.473.331	-264.522	689.930
Net Income (Loss)	-9.899.056	1.124.636	21.629.235	-27.622.374

Preferred Stock Dividend	0	0	-200,000	0
Net Income (Loss) for Common Shares	-9,899,056	1,124,636	21,829,235	-27,622,374
Net Income (Loss) Per Common Share	(1,19)	(0,13)	(1,66)	(0,79)
Weighted Avg Common Shares Outstanding	8,309,467	8,422,345	13,130,216	35,057,035

MARGIN ANALYSIS (% OF REVENUE)

Gross Margin	94,42%	7,12%	35,47%	55,56%
General & Administrative	15897,82%	509,67%	82,45%	30,17%
Research & Development	45008,91%	178,33%	48,02%	17,12%
Selling	21535,01%	160,65%	81,80%	23,54%
Operating Margin	-86864,64%	1033,95%	-520,53%	-112,82%
EBITDA	-82347,32%	-841,53%	-409,97%	-26,81%
Net Margin, Continuing Ops	-81239,80%	-697,12%	-538,07%	-113,25%
Net Margin, Discontinuing Ops	-31096,29%	557,07%	-6,66%	2,76%
Net Margin	#####	-140,05%	-544,73%	-110,49%

GROWTH ANALYSIS (FY-TO-FY)

Revenue	n/a	9012,70%	394,47%	529,62%
Gross Profit	n/a	586,78%	2364,60%	886,30%
Operating Expense	n/a	9,10%	164,08%	90,68%
Operating Loss	n/a	8,47%	148,93%	36,47%
EBITDA	n/a	-6,87%	140,89%	-58,83%
Net Loss, Continuing Ops	n/a	-21,80%	281,65%	32,52%
Net Loss, Discontinuing Ops	n/a	-263,25%	-105,91%	-360,82%
Net Loss	n/a	-88,64%	1823,22%	27,71%
Fully Diluted Net Loss Per Share	n/a	-88,79%	1145,05%	-52,61%

*FY00E includes the acquisition of DataBank International; 1Q and 2Q are actuals, 3Q and 4Q are estimates.