

**Table Acquisition-2**  
**Net Present Value of a Newly Acquired Customer, Year 2000**

<b>Assumptions*</b>						<b>Summary Measures</b>					
<b>Acquisition Probability</b>						0.13	<b>Number of Customers Acquired</b>		950		
<b>Acquisition Cost per Customer</b>						\$ 1,153.85	<b>Expected NPV of a New Customer</b>		45.29		
<b>Discount Rate</b>						0.20	<b>Periods After Acquisiton Until to Breakeven</b>		7		
							<b>Total Initial Investment</b>		1,096,200		
							<b>IIR</b>		43%		

  

<b>Period**</b>	<b>Year</b>	<b>Sales Dollars</b>	<b>Gross Margin Percent</b>	<b>Dollar Margin</b>	<b>Marketing and Servicing Costs</b>	<b>Likelihood of being a Customer at Beginning of Period</b>	<b>Retention Rate</b>	<b>Likelihood of Survival to End of Period</b>	<b>Expected Period Profit per Customer</b>	<b>Expected Discounted Period Profit per Customer</b>
Acquisition Period	2000	\$ 2,500.00	20%	\$ 500.00	\$ 1,153.85	100%		100%	-\$653.85	-\$653.85
1	2001	\$ 2,500.00	35%	\$ 875.00	\$ 200.00	100%	45%	45%	\$303.75	\$253.13
2	2002	\$ 3,000.00	35%	\$ 1,050.00	\$ 100.00	45%	50%	23%	\$213.75	\$148.44
3	2003	\$ 3,500.00	40%	\$ 1,400.00	\$ 75.00	23%	60%	14%	\$178.88	\$103.52
4	2004	\$ 3,500.00	40%	\$ 1,400.00	\$ 50.00	14%	65%	9%	\$118.46	\$57.13
5	2005	\$ 3,500.00	40%	\$ 1,400.00	\$ 50.00	9%	85%	7%	\$100.69	\$40.47
6	2006	\$ 3,700.00	40%	\$ 1,480.00	\$ 50.00	7%	85%	6%	\$90.66	\$30.36
7	2007	\$ 3,700.00	40%	\$ 1,480.00	\$ 50.00	6%	85%	5%	\$77.06	\$21.51
8	2008	\$ 3,700.00	40%	\$ 1,480.00	\$ 50.00	5%	85%	5%	\$65.50	\$15.23
9	2009	\$ 3,700.00	40%	\$ 1,480.00	\$ 50.00	5%	85%	4%	\$55.68	\$10.79
10	2010	\$ 3,700.00	40%	\$ 1,480.00	\$ 50.00	4%	85%	3%	\$47.33	\$7.64
11	2011	\$ 4,000.00	42%	\$ 1,680.00	\$ 45.00	3%	87%	3%	\$47.08	\$6.34
12	2012	\$ 4,000.00	42%	\$ 1,680.00	\$ 45.00	3%	87%	3%	\$40.96	\$4.59

  

<b>Expected NPV of a New Customer</b>	<b>\$45.29</b>
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\* All profit, sales, margin and cost data are per customer unless otherwise stated.

\*\* The period number A11is the repurchase occasion