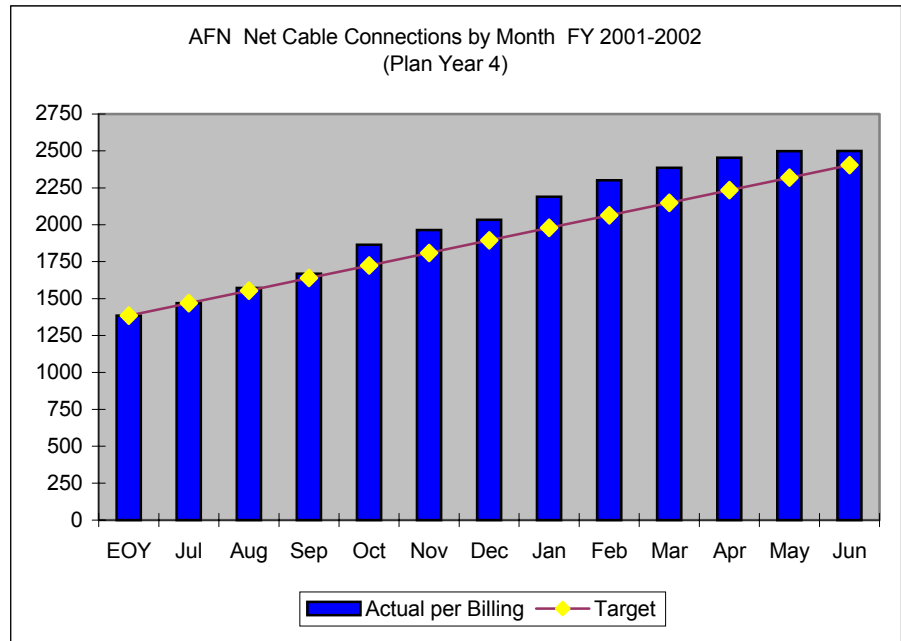




QUARTERLY REPORT

AFN Cable Con-

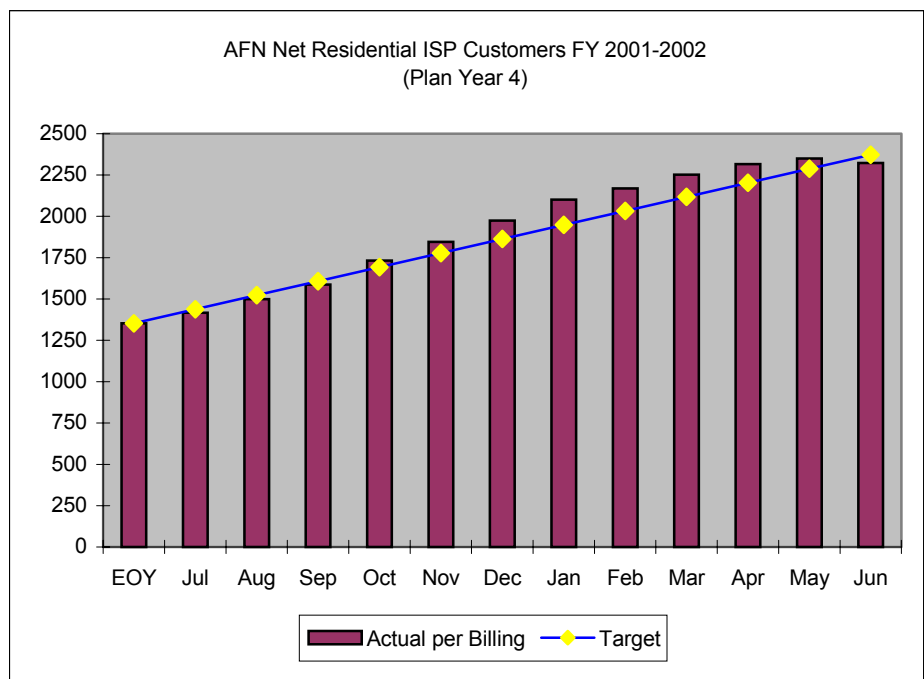
nections in the business plan are projected to be 2,404 by July 2002. As of June 30, 2002, there were 2,499 connections, which exceeds the plan goal. With the end of the school term for SOU and many students leaving for the summer, our number for June increased only by one.



	EOY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	1384	1469	1572	1668	1865	1964	2033	2189	2301	2386	2454	2498	2499
Target	1384	1469	1554	1639	1724	1809	1894	1979	2064	2149	2234	2319	2404

AFN Residential Cable

Modem Service as of June 30, 2002 was 2323 active residential cable modem accounts. The target for June 2002 was 2373 residential ac-



	EOY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	1353	1417	1499	1587	1732	1846	1974	2101	2169	2252	2316	2350	2323
Target	1353	1438	1523	1608	1693	1778	1863	1948	2033	2118	2203	2288	2373

afn QUARTERLY REPORT

Construction Update

The Ashland Fiber Network's construction build out is now focused solely on the few underground areas remaining in the city. From April through May, a total of 4,710 feet of underground plant was completed and services made available in these areas.

Competition

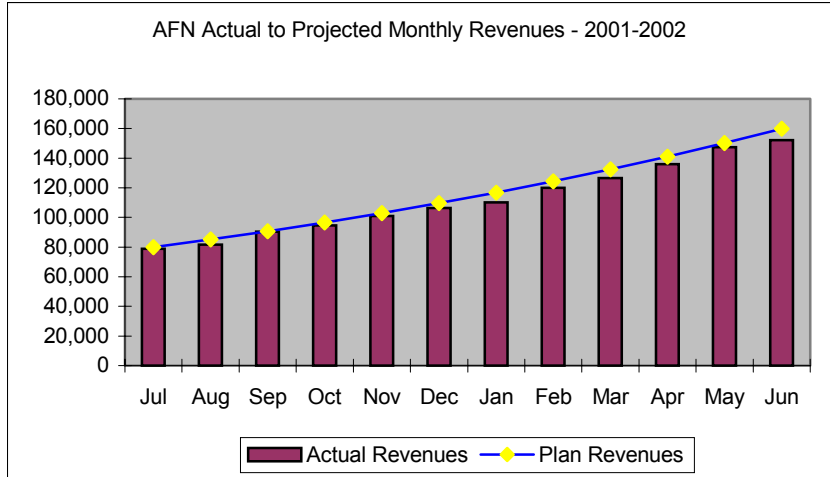
Charter announced that on May 6th, their analog expanded basic service will no longer include the premium channels story, Starz, Encore, and Movie Plex, which they have been providing at no charge to Ashland customers. As of July 2, 2002, these channels had still not been removed. Charter's internet service 'Pipeline' now is offered at a different level of service. Their least expensive level of service is priced at \$39.95,(less \$10.00 if you have cable TV service) and runs a 256 kb of download speeds and 128kb of upload speeds. This is much slower than the speeds offered by AFN.

Charter has also increased their published Cable TV rates. Their expanded basic rate is now \$34.81. AFN Tier 3 rate (the most comparable service) is priced at \$28.46.

afn QUARTERLY REPORT

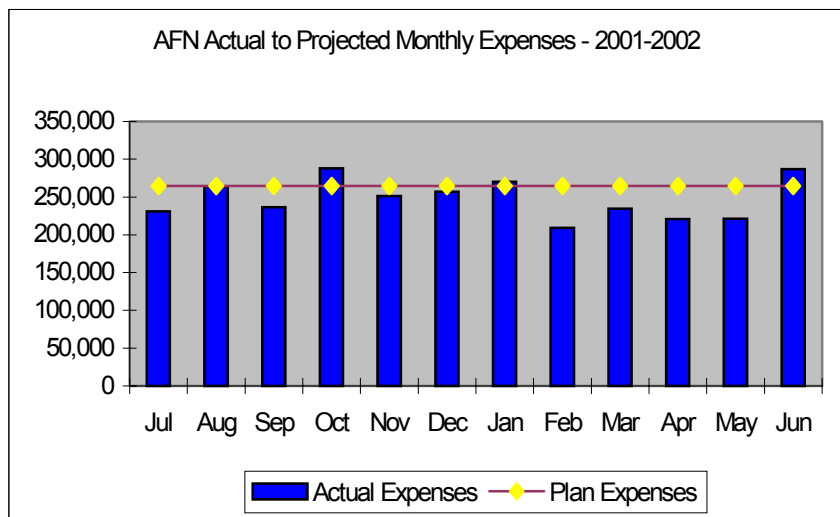
Business Plan Revenues and Expenses.

This graph presents estimated monthly revenues totaling to the annual amount included in the base plan. The projected revenue potential for each month is compared to actual revenues posted. The projection reflects growth in revenue potential related to increases in “passings” and connections due to continued expansion of the system. While AFN has generally kept pace with projected revenue growth through the fourth quarter, we ended the



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	78,794	81,670	90,407	94,665	100,993	106,451	110,209	120,052	126,468	136,025	147,449	152,186
Plan	80,000	85,200	90,738	96,636	102,917	109,607	116,731	124,319	132,400	141,006	150,171	159,932

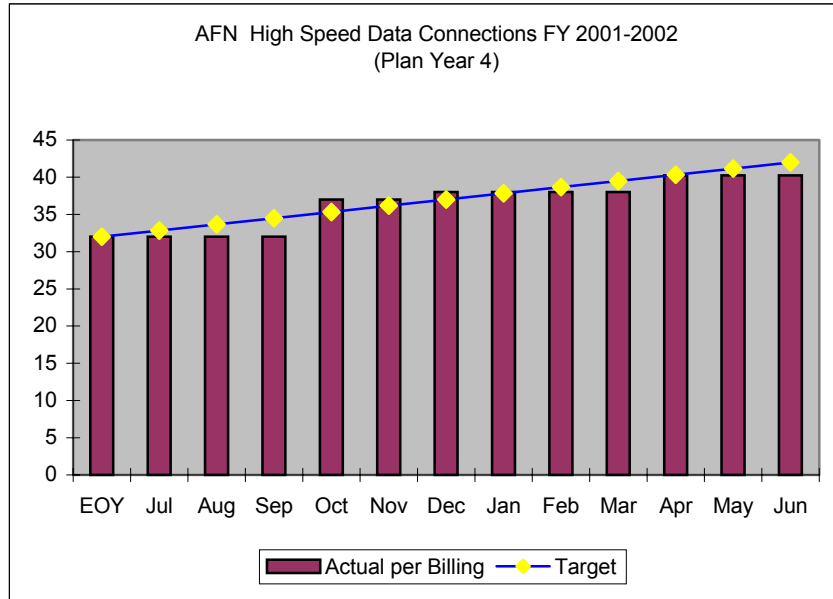
Actual expenses are less than projected expenses based upon the business plan. Presented expenses exclude capital outlay and other capitalized costs that also draw down on AFN’s cash position. The plan recognizes this cash draw down for operating expense and construction. The actual expenses for the year are \$250,551 less than projected by the plan.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	231,080	263,815	236,476	288,156	251,387	257,084	270,362	209,080	234,374	220,788	221,534	286,891
Plan	264,775	264,775	264,775	264,775	264,775	264,775	264,775	264,775	264,775	264,775	264,775	264,775

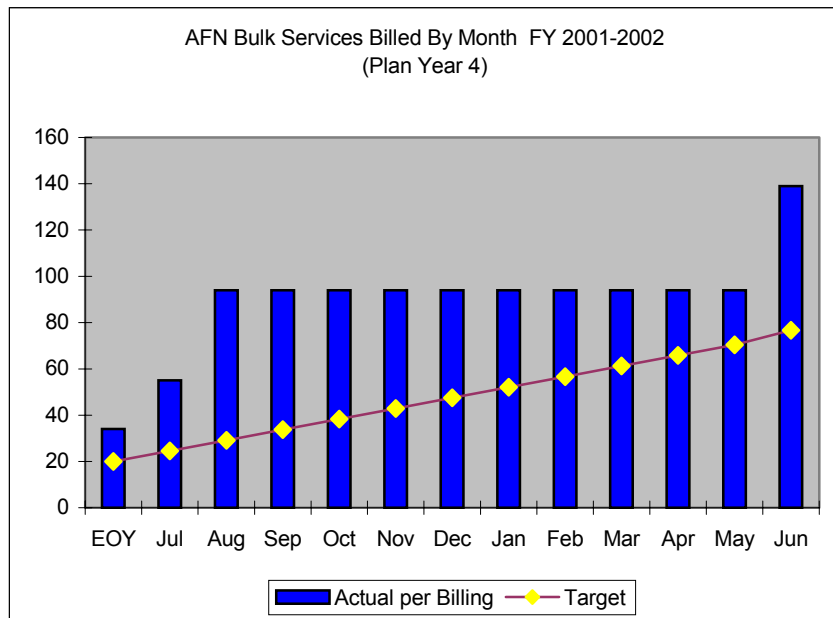
afn QUARTERLY REPORT

AFN High Speed Data accounts in the Business Plan are projected to be 42 data equivalents by July 2002. At the end of June, AFN had 40.2.



	EOY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	32.4	32	32	32	37	37	38	38	38	38	40.2	40.2	40.2
Target	32.0	32.8	33.7	34.5	35.3	36.2	37.0	37.8	38.7	39.5	40.3	41.2	42.0

AFN Bulk Service Contracts (hotels and motels) are projected by the plan to be at 75 equivalents by July 2002. AFN is currently 139 bulk service equivalents, which exceeds the July target.



	EOY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	34	55	94	94	94	94	94	94	94	94	94	94	139
Target	20.0	24.6	29.2	33.8	38.3	42.9	47.5	52.1	56.7	61.3	65.8	70.4	76.7

