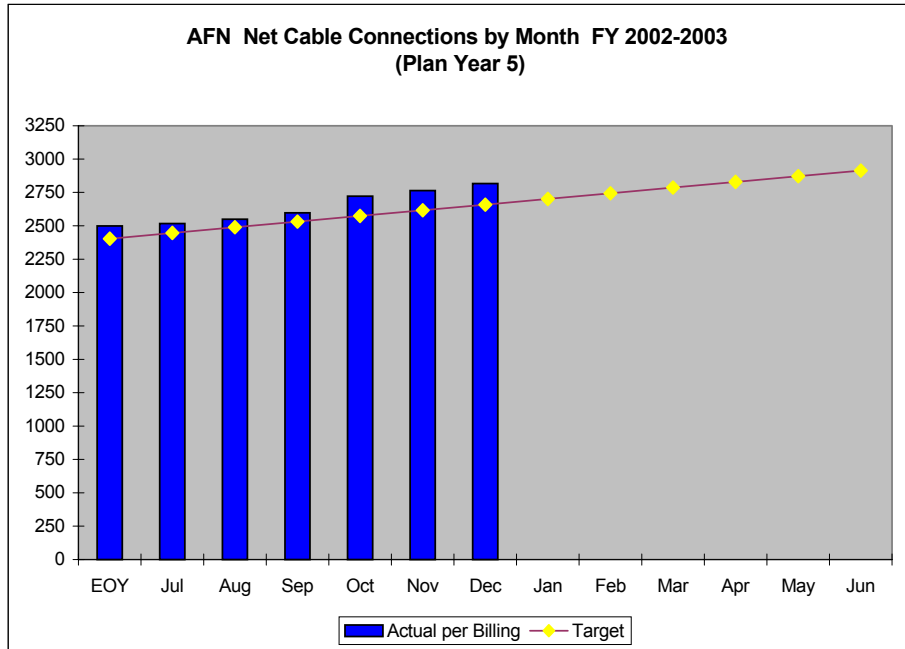


afn QUARTERLY REPORT

AFN Cable Conne-

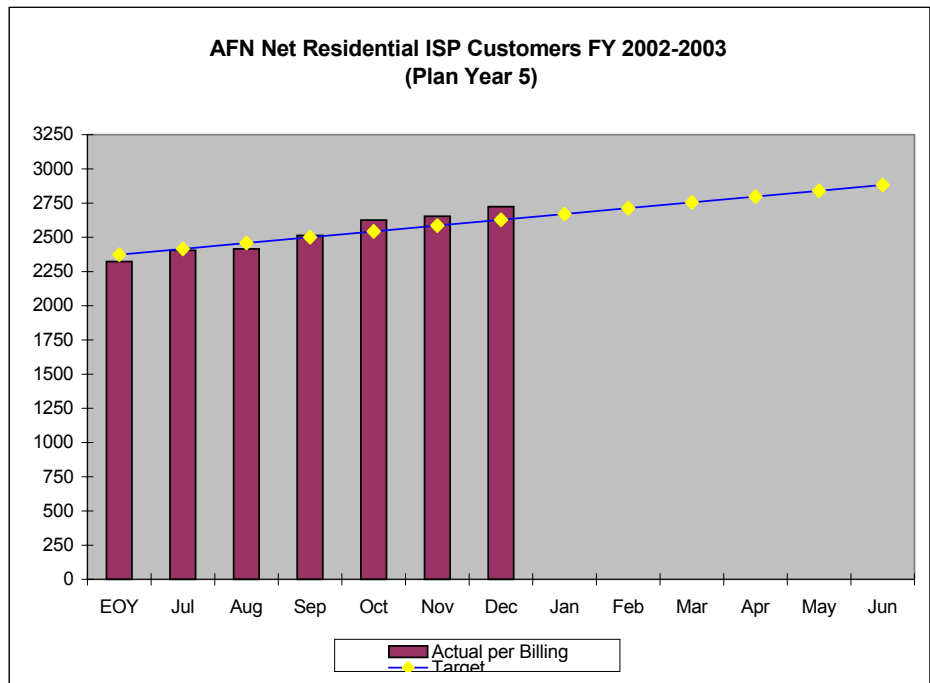
ctions in the business plan are projected to be 2,659 by Dec. 31 2002. As of Dec. 31, 2002, there were 2,817 connections, which exceeds the plan goal by 158. The plan projects an end of year total of 2914, which means we need to average 16 new accounts per month to meet the plan targets.



	EOY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	2499	2517	2550	2597	2722	2764	2817	0	0	0	0	0	0
Target	2404	2447	2489	2532	2574	2617	2659	2702	2744	2787	2829	2872	2914

AFN Residential Cable

Modem Service as of Dec 31, 2002 was 2724 which exceeds the Dec 31st target of 2628 by 96. The end of year target is 2883 which means we need to average about 27 new accounts per month to meet the plan's benchmark.



	EOY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	2323	2405	2415	2514	2625	2654	2724	0	0	0	0	0	0
Target	2373	2416	2458	2501	2543	2586	2628	2671	2713	2756	2798	2841	2883

afn QUARTERLY REPORT

Construction Update

The Ashland Fiber Network's construction is being completed by our own in house crew since July, 2002. From September through December a total of about 5,700 feet of underground plant was completed and services made available in these areas. We now estimate only between 350-400 customers are still unable to get AFN.

Competition

Charter announced by letter to the City, that in May 2002, their analog expanded basic service will no longer include the premium channels, STARZ, Encore, and Movie Plex. As of Dec. 31, STARZ and Encore were still included but Movie Plex had been deleted.

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) and runs a 256 kb of download speeds and 128kb of upload speeds. This is much slower than the speeds offered by AFN.

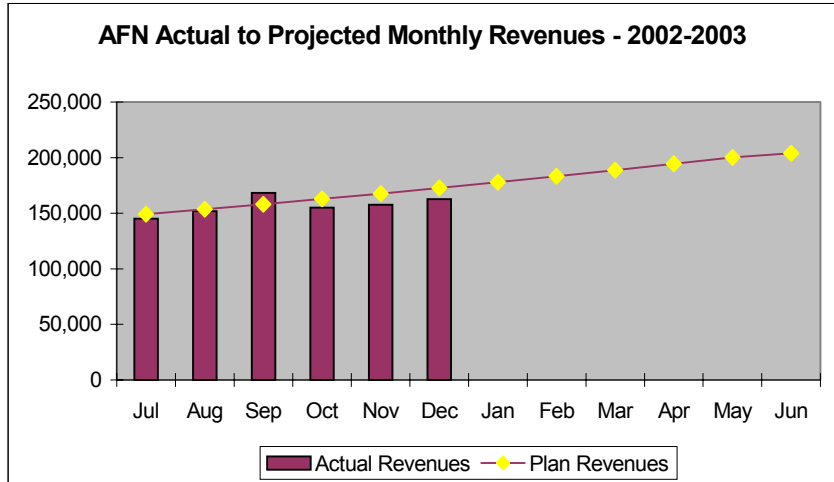
Charter's published rate for expanded basic is now \$34.81. AFN's tier 3 rate is priced at \$28.46. Charter however has given a number of special rates well below their published rates under 12 month service commitment contracts.

The City will soon receive our advertising insertion equipment. This will enable us to not only start selling advertising on AFN, but will also cross promote pro-

afn QUARTERLY REPORT

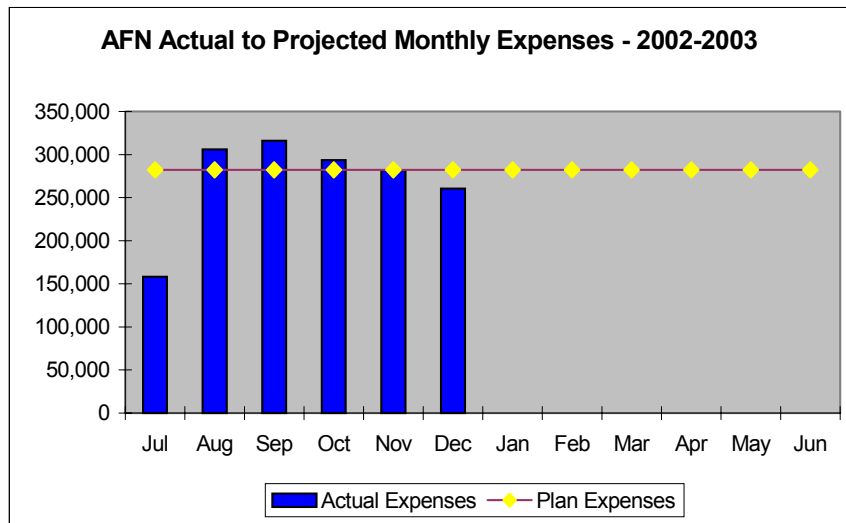
Business Plan Revenues and Expenses.

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 actual revenue was \$940,977. The projected revenue was \$964,125. This means actual revenue is \$23,148 less than projected revenue.



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	145,195	151,991	168,406	155,063	157,602	162,719						
Plan	149,000	153,470	158,074	162,816	167,701	172,732	177,914	183,251	188,749	194,411	200,244	203,979

Actual expenses are projected at \$282,077 per month for the entire year. This includes \$92,000+ month in debt services which is a fixed cost for AFN's long term construction debt. Actual expenses for the first 6 months equaled \$1,616,025 which if compared to the projected total of \$1,692,462 for the year, means AFN's expenses are \$76,437 below the plan estimates.

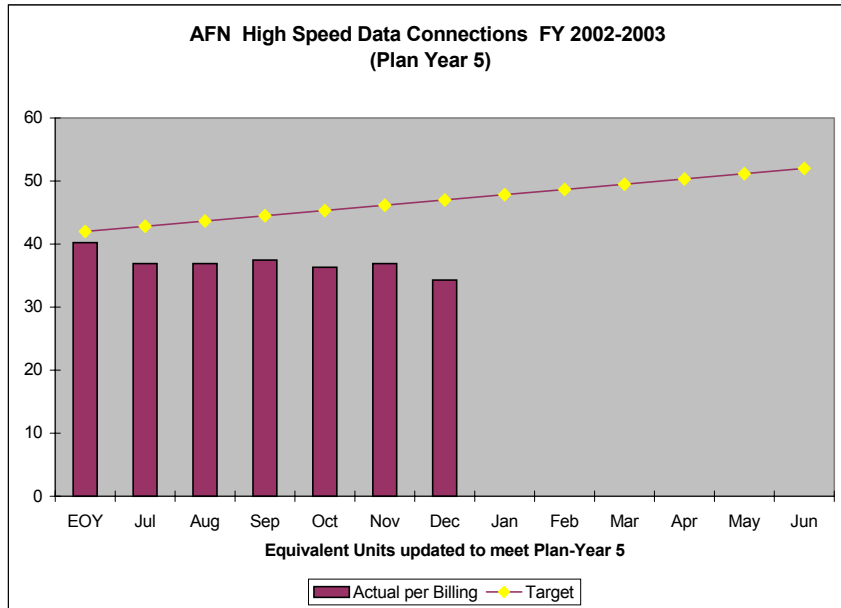


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	158,180	306,124	316,082	293,507	281,761	260,372						
Plan	282,077	282,077	282,077	282,077	282,077	282,077	282,077	282,077	282,077	282,077	282,077	282,077

afn QUARTERLY REPORT

AFN High Speed Data

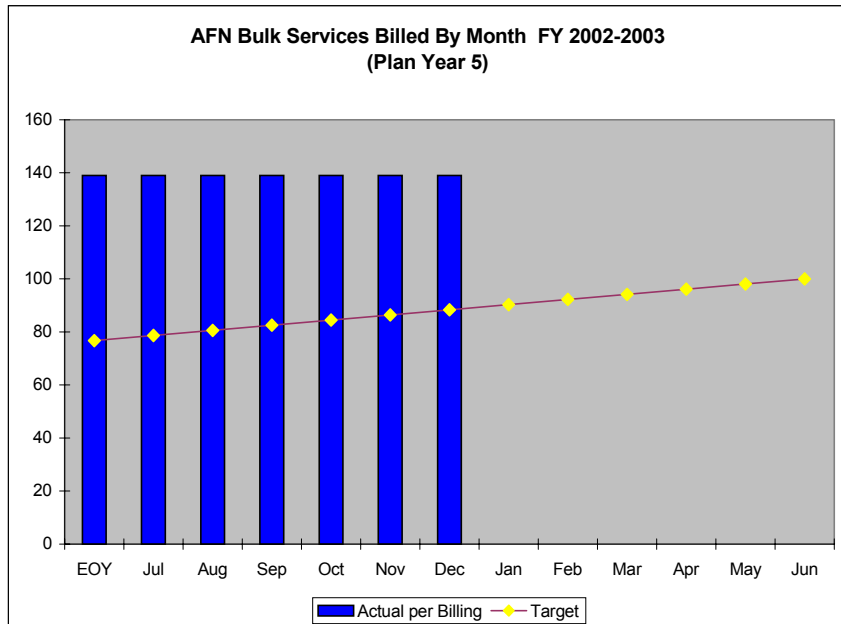
accounts are projected to be 47. Using the current rate of \$651/month total data revenues produces 37.4 equivalent accounts. Because the business plan assumes a \$710/month equivalent rate in 02-03 the revenue breaks down into 34.29 accounts which is 13 short of plan projections.



	EOY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Actual	40.24	36.9	36.9	37.46	36.32	36.89	34.29						
Target	42	42.8	43.7	44.5	45.3	46.2	47.0	47.8	48.7	49.5	50.3	51.2	52.0

AFN Bulk Service

Contracts (hotels and motels) are projected by the plan to be at 100 equivalents by July 2003. 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	139	139	139	139	139	139	139						
Target	76.7	78.6	80.6	82.5	84.5	86.4	88.3	90.3	92.2	94.2	96.1	98.00	100