Part 2

ZENITH - TECO Projections

10. In its comments, Zenith-Teco has prepared business projections illustrating the viability of STV under various assumptions. These statements show that an STV franchise would break even with 20,000 subscribers spending an average of $65 per year for programs and $39 for decoder rental. If the number of subscribers is more, or the average program expenditure is higher, the business shows profits as indicated:

Summary of Business Projections by Zenith-Teco

Number of Subscribers and average Program Income	Sales ($000)	Cost of Equipment ($000)	PROFIT BEFORE FEDERAL TAXES $000	% of Sales	% of Cost of Equipment
20,000 subscribers:					
$ 65/yr.	2,120	2,711	1	0%	0%
75/yr.	2,320	2,711	119	5	4
40,000 subscribers:					
65/yr.	4,240	5,393	619	14	11
75/yr.	4,640	5,393	855	18	16
75,000 subscribers:					
65/yr.	7,950	10,087	1,780	22	18
75/yr.	8,700	10,087	2,223	26	22
100,000 subscribers:					
65/yr.	10,600	13,441	2,591	24	19
75/yr.	11,600	13,441	3,181	27	24