RESTATEMENT ON A "PER SUBSCRIBER" BASIS OF ZENITH-TECO'S BREAK-EVEN PROJECTION*

VARIABLE DATA	Per Subscriber	
INCOME:		
Programs	$65.00	
Decoder Rental	39.00	
Installation	2.00 11/	
Total Income		$106.00
EXPENSES:		
Program Product	$22.75	
Sales and Commissions	8.15	
Franchise Fee	5.20 (5% of Program and Rental Income)	
Technical	7.93	
Taxes (Other than Fed.)	2.22	
Supplies, Truck, Bad Debts, Other	3.10	
Depreciation	27.09 (almost all for decoders)	
Total Variable Expense		$76.44
Gross Margin Before Fixed Expense		$29.56

FIXED EXPENSES: 10/	
Station Time	$300,000
Administrative Salaries	94,000
Program Staff	23,000
Lines and Facilities	32,000
ASCAP and BMI Fees	18,000
IBM Equipment Rental	88,000
Rent	15,000
Legal, Audit, Insurance, Travel, Telephone, Utilities, Dues, Maintenance	20,000
Total Fixed Expenses	$591,100

Break-Even Point

$591,100 ÷ $29.56 20,000 Subscribers

10/ Some of these expenses listed as "fixed," actually do increase slightly with increased income.

11/ Zenith-Teco assumes 20% turnover, or 4,000 per year. This gives a total of $40,000 installation income, or $2.00 per subscriber (20,000).

* Prepared by Commission staff.