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Voice Of The Radio Broadcasting Industry®

October 23, 2000

Volume 17, Issue 43

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RAB releases August numbers; up 10%

As Wall Street continues to bash radio stocks, radio revenues continue to grow. We must say that 2000 has been an odd year. At the end of June, radio's YTD revenues stood at 21% over the record-breaking year of 1999.

Dot-com business did a lot to build those revenues, and as it has dried up (and spooked the herd on The Street) revenue growth has not been quite so dramatic. But still, it has yet to fall below a double-digit gain.

Combined local and national sales gained 10% in August. Compared to 8/99, local revenue was up 11%, while national increased 6%. August was also the 96th consecutive positive month for radio. Hear that, Wall Street?

YTD, local and national revs were up an impressive 16% and 24% respectively. Incredibly, all five regions took part in the double-digit local gain even though it was on the low side of double digits overall. For complete results, see chart on page 8.—CM, DS

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Kagan hosts optimistic panelists

Despite obvious problems on Wall Street, panelists at Kagan Media's New York conference, "Radio's New Golden Age," see good times ahead. Stock prices are expected to recover eventually, and predicted revenue growth for the year ranged from 8%-12% with 15%-25% gains in cash flow. Cash flow margins are expected to range from 40%-60%.

Consolidation was seen as a major positive. While the growing pains of a newly-assembled cluster can have an immediate negative impact on the corporate bottom line (one need look no farther than the well-documented situation at Cumulus), potential benefits are just starting to be realized. The industry is still learning to maximize income, and more importantly, to minimize expenses of clustered operations. Said Emmis' **Doyle Rose**, "Cash flow margins of 60%-70% are very achievable."

While Wall Street may have dried up for now as a source for capital, banks and other lending institutions are more than ready to back radio ventures.—DS

3rd adjacency in limbo as Congress remains in session

The fate of LPFM is still unknown. The original adjournment date for Congress was 10/6, delayed to 10/14 and then 10/20. As RBR went to press late Thursday evening, Congress was looking at 10/25, but even that was uncertain. As of 10/19, broadcasters were still waiting to see if Sen. **Rod Grams'** bill, which would

require third adjacent channel protection for all LPFM stations, would be attached to the appropriations bill for the Department of State, Justice and Commerce. Sen. **Sam Brownback** (R-KS) is the newest co-sponsor of the bill, bringing the count to 55. Just when this appropriations bill will hit the Senate floor is anybody's guess.—ED

Civil Rights leaders ask Senate to support LPFM

Dr. **Dorothy Height**, Chairperson of The Leadership Conference on Civil Rights and Rev. **Jesse Jackson**, President and CEO of the Rainbow/PUSH Coalition, Inc. sent a letter to the leaders of the House and Senate asking them to support LPFM. "We write to you on an issue of utmost importance to the civil rights community: the opportunity to enhance diversity in local radio broadcasting," the letter said. The letter came in response to Sen. **Rod Grams'** bill, S.3020, which would require third adjacent channel protection for LPFM stations.

On the other hand, an impartial voice has weighed into the LPFM battle. An editorial in the Houston Chronicle entitled "No Static: (Interference-free) small FM stations a wonderful idea" says, "The Chronicle continues to support the creation of low-power FM radio stations, but acknowledges that creating new stations that interfere with current one does little to bring new voices to the community." Both of Texas's Senators support Sen. Grams' legislation.—ED

The blind want to see FCC test results

The International Association of Audio Information Services has



John Holt, an engineer at WAMU Washington, DC is floored by all the new equipment he is installing at RBR Radio.

filed a Freedom of Information Act request to make the FCC release the results of testing done to assess the possible interference by LPFM stations to reading services for the blind. The IAAIS said that they had given the FCC special receivers that blind and disabled use in order to do accurate testing. The FCC has not released the results of the testing which took place from March to June.—ED

FTM Media suspends operations, seeks partner or purchaser

Even with CBS/Infinity as an investor, the rumors came true 10/13: "Feed The Monster" Media, or FTM Media has suspended operations due to lack of cash. CBS/Infinity's 17% investment had the company building and maintaining a few Infinity radio station websites (kroq.com and fmtalki.com LA; live105.com, kcbs.com and radioalice.com in SF; wbcn.com Boston, B96.com in Chicago and whfs.com in DC, however, that's about as far as the company got. FTM says it will continue to seek a strategic partner and/or the sale of the company.

Meanwhile, the above Infinity station sites will continue to

operate as is until another host is found. WTFS and KROQ have already pulled the plug on FTM. We doubt CBS/Infinity will cough up more cash to rescue the company.—CM

Mega 92.7 launches in DC

Mega Media officially launched "Mega 92.7" 10/16 at noon, completing its five-station cluster in Washington, DC (it actually began operations with a music loop on 10/14). **Alfredo Alonso**, Mega's CEO, tells *RBR* all of the bases are now covered: "At this point, we have four different formats servicing the Washington area. We have the Mega station that skews 18-34; the Amor is 25-54; The Radio Unica is more of a first-generation Talk format that deals more with issues and advice for the first-generation immigrant trying to become more legal in the US; 730 AM will become Radio Capital which is more of a Central American/Mexican music-based station," he

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says. "So we feel that we have now in place all of the formats that are attractive in this marketplace so when an advertiser is looking to service the Hispanic client with services or goods, this is a one-stop shop."

The current Mega list: Mega 92.7 WBZS; 730 AM WKDL Regional Mexican (by the week of 10/23); 1050 AM becomes WPLC-AM, a simulcast of "Amor" 94.3 WPLC-FM; and WKDM 1600 AM is "Radio Unica."

WBZS's move was complemented by a 10-mile CP move in closer to DC. Both it and WPLC-FM are serving DC from suburban sites. Both are broadcast in mono. Explains Alonso: "Since they are out-of-market signals, I just feel that the mono allows us to have a better signal in the inner city and without the multipath that the stereo gives us."

Alonso also tells *RBR* Miami may be the next market for his company to buy in: "That is a

market that we might consider in the next six months, but at this point, I feel we have a lot on the plate. We just launched New York (WNNY-AM 1380) which is a huge station for us and now here in Washington, we've made some dramatic moves in the last couple of months, so it's nice to give some time to get these operating the right way before you continue to grow."—CM

Dr. Laura says she's sorry

Premiere Radio Networks' Dr. **Laura Schlessinger** has formally apologized to gays for words she used to label them on her radio show months ago. After numerous gay rights organizations called boycotts to all of the show's advertisers, in effect causing some of them to drop the program, she may have had enough.

Her statement appeared as a full-page ad in *Variety*.

Schlessinger called her comments "poorly chosen" and offered some of the following apologies, "I deeply regret the hurt this situation has caused the gay and lesbian community....Many people perceive [the comments] as hate speech. This fact has been personally and professionally devastating to me as well as to many others. Ugly words have been relentlessly repeated and distorted for far too long."—CM

NBC's "West Wing" slams Premiere's Dr. Laura

On the 10/18 episode of "West Wing", the highly-acclaimed series' star **Martin Sheen**, who plays President Bartlett (a Democrat on the show), was attending a Talk radio social that included (not actually) **Don Imus** and a roomful of others. He arrives and immediately started in on a "Dr. Jordan" who bashes

RBR News Briefs

SRI to provide measurement to Sirius

In order to gain confidence with agencies and advertisers, Sirius Satellite Radio (O:SIRI) has hired Statistical Research Inc. (SRI) to develop audience measurement methodology for the company's 100-channel subscription-service launch next year.

SRI, the creator of RADAR measurement for network radio, will develop tools for the evaluation and reporting of listenership, to be implemented along with Sirius' commercial launch.—CM

RAB announces 2001 conference speakers

The Radio Advertising Bureau's (RAB) annual Management & Leadership Conference (this year is 2/1—2/4 at the Adam's Mark Hotel in Dallas) will include the following speakers, it was announced 10/13: **Roger Crawford II**, **Mark Feldman**, Ph.D., **Michael Gelb**, **Nancy Rosanoff**, **Allen Fahden** and **Abe "Walking Bear" Sanchez**.—CM

Litvack leaving Disney

Vice Chairman **Sanford Litvack** is stepping down at the end of this year and will even exit Disney's (N:DIS) Board of Directors when his term ends in the spring. Litvack, who's 64, told Dow Jones, "I just reached the point where I decided I wanted a new

challenge." Litvack will continue to advise Disney on a part-time basis and will still serve on the board of Euro Disney. Litvack, an experienced anti-trust lawyer, joined **Michael Eisner's** management team in 1991.—JM

Musicmusicmusic launches Internet radio for kids

Musicmusicmusic inc. has launched KidsOwnRadio.com, a website for "tinies, teenies and in-betweenies." It features fairy tales, read by **Phil Lubman**, VP of RadioMOI.com, and music by artists such as **Raffi** and NSync. **Wolfgang Spegg**, President and CEO of musicmusicmusic inc. says, "It's going to be cool stuff, games, stories, music, maps, crafts and news—imagine if you had children as program directors at their own radio stations."—ED

Delilah next Regis co-host?

Jones Broadcast Programming night-time AC star **Delilah** is one of the ten finalists being considered to become the next co-host (replacing **Kathy Lee Gifford**) of "Live! with **Regis**." It's all part of the program's "Women of Radio" week, where viewers will vote online for their favorite picks. Nominees also include KIIS-FM LA's **Ellen K**, KHKS-FM Dallas' **Kellie Raspberry**, **Sharon "T.C. Bandit" Pitt** of WHUR-FM Washington and KFMB-FM San Diego's **Laura Cain**.—CM

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homosexuals on her show. It was set up quite well to let everyone know this was about **Dr. Laura Schlessinger**. "What kind of a Doctor are you? What degree do you have?...My daughter is now old enough for slavery, as the Bible allows...should I give her up now?"

He ended up with, "I don't know about you, but as you can see, most people stand when the President of The United States is present." The character playing Dr. Jordan was the only one sitting. She was left speechless.

Premiere Radio Networks President/COO **Kraig Kitchin** tells *RBR*, "It's one more example of individuals who have never met or worked with Dr. Laura misunderstanding the person and her message."—CM

SpotTaxi forms two alliances

Central Media Inc.'s (CMI) SpotTaxi.com, an Internet-based radio advertising distribution and management system, has formed strategic alliances with digital audio production software manufacturer Digidesign and AdOutlet, a provider of Internet solutions for the media marketplace.

The alliance will benefit all three companies by allowing compatibility and cross-promotion for the production/distribution of spots. CMI and Digidesign will simplify the preparation and distribution of spots for production studios through the promotion and compatibility of each other's products. CMI will recommend Digidesign's Pro Tools digital audio workstation and SpotTaxi.com will be the exclusive spot distribution partner of the Digidesign Production Network website (DigiProNet.com). Digidesign will also facilitate new SpotTaxi.com customer sign-ups and offer quick access to the SpotTaxi.com system.

Under the agreement with AdOutlet, the two companies

will create an integrated end-to-end solution for placing, trafficking and distributing radio and Internet spots with a seamless transfer process between websites.—CM

More CNET stations?

The head of CNET (O:CNET) was quoted (10/13) as saying that more all-tech news CNET Radio stations are in the works. From an investor conference in Prague, Czech Republic, CBS MarketWatch quoted CNET CEO **Shelby Bonnie** as saying that his company will roll-out more CNET Radio stations in partnership with Clear Channel Communications (N:CCU). CNET Radio's all-techie format currently airs only on KNEW-AM San Francisco.

To say that the format is a definite go for more stations may be overstating the case, at least as far as Clear Channel is concerned. Spokesman **Randy Palmer** told *RBR*, "This is still something that is very much still in the investigative and discussion stage. We are utilizing the technology news at a station in San Francisco, but

have not made commitments to other stations at this time."—JM

FCC fines WKQI and KHKS

The FCC has fined Chancellor Media Corporation's WKQI-FM Detroit, MI and KHKS-FM Denton, TX \$4K each for failing to air sponsorship identification announcements. The fines come as a result of a deal between Chancellor and A&M Records. In the deal, the stations agreed to run announcements and promos for the new Bryan Adams song "On a Day Like Today" and in return A&M would purchase commercials on ten Chancellor stations, provide Bryan Adams for live concerts and give CDs and airfare to the contestants. In one case, the song received increased airplay in order to salvage a potentially-cancelled concert date. Regardless, the FCC ruled that the stations would not have played the Adams song if there were not incentive from A&M, calling it an unspoken quid pro quo. Therefore, the song spins amounted to commercials and thus required sponsorship identification.—ED

NAB distributes gun safety PSA

The NAB has partnered with the National Crime Prevention Council, the U.S. Department of Justice and the Ad Council to distribute a PSA about the safe storage of guns in the home. "Safe gun storage is an important message and one that is effectively communicated through these timely and creative PSAs," said **Eddie Fritts**, President and CEO of the NAB. The message of the PSAs—keep them locked, unloaded and out of children's hands. CDs of the PSA were distributed at the NAB Radio Show in San Francisco and will be available to television broadcasters through a satellite feed in late June.

The NAB has also partnered with the American Red Cross to distribute a PSA campaign to encourage blood donation. "The blood shortage affecting areas across the nation is just the kind of crisis that local radio and television stations can help alleviate by appealing to their audiences," says Fritts. The recent blood shortage is one of the worst in Red Cross history.—ED

RBR News Analysis FCC in a new administration

Even though VP **Al Gore** has never exactly stated his position on LPFM, a statement from **Doug Hattaway**, the Gore-Lieberman National Spokesman, said, "Al Gore supports the FCC's new class of licenses for Low Power stations. Such stations would enable non-profits, schools and churches to reach out into their communities and give voice to the voiceless. Technical interference issues can be handled by the FCC." From this, we can deduce that if Gore wins the Presidency, LPFM will have a strong and outspoken new proponent. Gov. **George W. Bush's** position on LPFM is unknown.

Speaking of positions, the Chairmanship of the FCC is also up in the air when the new administration enters Washington. It is speculated that if Gore is elected, Commissioner **Gloria Tristani** may take Chairman **Bill Kennard's** place, making her the first woman and also the first Hispanic FCC Chairperson. Tristani is known for supporting narrower market definitions. If Bush is elected, then we may see Commissioner **Michael Powell** as Chairman or even possibly **Pat Wood III**, Chairman of the Texas Public Utilities Commission. Panelists at the Kagan Seminar in New York, feel that a Bush FCC would seek to end the newspaper-broadcast cross-ownership rules.—ED

Charting the waters where women dwell

Those who want to move product would do well to state their case before the female 51% of the US population, according to a study just released by Interep and MediaMark Research. And one of the best ways to target this pocketbook-controlling segment of society is via the radio waves. Radio is also a particularly good way to gain access to working women, who have the most direct control of the paper presidents coming into their households.

As a group, women 18 years and older gravitate to the various permutations of Adult Contemporary. However, when targeting one of the big three age groupings, very high concentrations of women are available, which translates into highly efficient, cost-effective ad campaigns. Women 18-34 are particularly easy to find in bulk. CHR and Hot AC concentrations are twice the national average, with Urban and Modern Rock not far behind. Compare this to the delivery of top network TV shows—the very best is “Ally McBeal,” but it delivers only a 120 index, and other show indices go down rapidly from there.

A slightly higher percentage of working women get in front of a TV set on a weekly basis than fire up their radio (91% to 85%), but TV's edge is based entirely on evening use. Radio rules TV throughout the rest of the day, especially during PM drive when imminent food purchases are often being considered just prior to point-of-purchase.

The following charts tell the story. The index column used on some of the charts compares the demo concentration to the overall average, with an index of 100 meaning that female use is equal to the average. The higher the index, the higher the concentration of the demo.—DS

Radio AdBiz

Female format preferences

Women 18+	Index
Soft AC	113
Hot AC	113
AC	110
CHR	107
Country	101

Women 18-34	Index
CHR	208
Hot AC	201
Urban	185
Modern Rock	176
AC	148

Women 25-54	Index
AC	135
Hot AC	133
Soft AC	133
Oldies	123
CHR	121

Women 35-64	Index
Easy	132
Soft AC	129
Classical	127
Oldies	127
Smooth Jazz	123

Women and network television

Women 18+	Index
Ally McBeal	120
E.R.	117
Everybody Loves Raymond	112
Friends	111
48 Hours	111
20/20 Friday	112
Frasier	107
Law & Order	107
Walker, Texas Ranger	102
60 Minutes	101

Controlling the purse strings

Women Consumers	Pct.
Principle hh shopper	87%
Head of household helped choose:	43%
Most recent vehicle	81%
Any vehicle	91%
TV set	79%
Household appliances	85%
Furnishings	70%
Electical appliances	74%

Recent shopping	Women	Men
Dept. store (4Xmo.)	42%	34%
Catalog store (1Xmo.)	44%	36%
Shoe store (3Xmo.)	19%	10%
Drug store (3Xmo.)	19%	15%
Food store (\$150+ wk)	14%	8%
Clothing store (\$1K/yr.)	10%	6%

Working women

Media preferences

Medium	Index
Radio	116
Magazine	117
Newspaper	105
Television	55

Reach by daypart

Daypart	Radio	TV
AM drive	65%	18%
Midday	37%	17%
PM drive	55%	30%
Evening	17%	69%
Total weekdays	85%	91%

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Source: Interep, MediaMark Research

NYC up 5% in September

The economic slowdown was obvious in September as radio ad revenue growth slowed to 5% for the New York City market. According to NYMRAD, using data from Miller, Kaplan, Arase & Co., local sales rose 5.2% to \$54.5M and national spot gained 4% to \$15M. That total of \$69.5M, while only 5% ahead of red-hot, dot-com turbo-charged September 1999, was 21.6% ahead of September 1998, NYMRAD noted.

For the first three-quarters of 2000, New York radio revenues were up 24.9% overall to \$603M (\$23M more than all of 1998). Local sales for the nine months rose 22.7% to \$483.1M and national sales were ahead 34.8% to \$119.9M.

NYMRAD also released a chart of its top five ad categories for YTD 2000. Cars and dot-coms have led the way, both having spent over \$64M for ra-

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Non-traditional Revenue Track

The Leisure category took off in the traditional vacation month of August in terms of new business. Also on the upswing was the Clothing category (back to school), and Health & BC did well. Everything else was down.—DS

% of vendor/new business by category (August 2000)

	Feb	Mar	Apr	May	June	July	Aug	YTD
Automotive	7.72	11.02	15.69	11.37	18.91	12.50	11.63	6.79
Food/Grocery	25.55	27.69	22.44	26.65	34.59	14.57	23.50	22.78
Leisure	32.30	31.67	34.61	29.21	13.14	33.73	30.61	38.52
Health & BC	10.86	9.80	1.57	6.85	0.91	3.59	6.15	10.07
Home improv.	3.90	5.64	0.86	17.63	19.12	7.64	7.88	3.41
Office	4.59	0.77	8.19	0.95	1.04	15.89	5.29	4.03
Clothing	4.87	5.11	5.72	5.24	2.44	8.07	6.39	11.67
Recruiting	10.21	8.30	10.93	2.11	9.85	4.01	8.55	2.74

Source: Revenue Development Systems, based on revenues from 76 stations in 32 markets

Top Five New York City Advertiser Categories

Category	Revenue	% chng
Automotive	\$64.7M	23.6
Internet	\$64.1M	183.4
TV/network	\$34.1M	43.4
Communications	\$31.2M	38.8
Beverages	\$26.1M	8.5

dio time. TV/networks, Communications and Beverages round out the top five (see chart below).

Several other categories warrant mention for their conspicuous growth as radio advertisers. Heating/Ventilation/Air Condi-

tioning/Plumbing rose 80.1% to \$1.3M; Oil & Gas was up 61.8% to \$5.5M; Publications grew at a 56.8% rate to \$8.8M; Appliances & Electronics was up 56.4% to \$8M; and Concerts/Theater/Movies was up 53.6% to \$24.7M.—JM, DS

NBG and Fisher sign another rep agreement

Fisher Entertainment has contracted with NBG Radio Network to rep "The Wake Up Show," hosted by Sway & Tech. Established in 1990, The Wake Up Show has 20 affiliates in five countries. The one year agreement begins 10/17. The Wake Up Show features Hip-Hop and Rap culture, interviews and live "freestyle" mixed music sessions. The three-hour show runs week-

ends. NBG also reps Fisher's "Ed Tyll show," "The Rick Emerson show," "The John & Jeff show," "Beyond the Beltway with Bruce Dumas," "Wireless Flash News Service," "Al Bandido's Jammin' Party," "Victory" and "The Bo Reynolds Show."

Fisher also announced it has cleared KXOK-FM St. Louis, a new FM Talk outlet, with John and Jeff's late night program.—CM

August is yet another double-digit gainer for radio

Per the RAB's monthly revenue report, radio added another monthly double-digit notch on its belt, although just barely with a 10% overall revenue gain for the month of August 2000 over the same month a year ago. The gain was built on a solid 11% gain in local business, offsetting a bit of a slump in national, which gained only 6%.

The local gains were more or less evenly distributed throughout the country—all five regions recorded double-digit gains, which is certainly a statistical oddity given that the overall 11% gain was decidedly on the low end of the double-digit spectrum. National was essentially flat east of and around the Mississippi, but the Southwest scored a 24% gain and the West made it into double-digits.—DS

	Aug 2000 Local	National
All markets	11%	6%
East	10%	1%
Southeast	10%	1%
Midwest	10%	2%
Southwest	18%	24%
West	12%	11%

Local & Nat'l revenue Aug 2000

	Local	National
All markets	16%	24%
East	18%	28%
Southeast	13%	20%
Midwest	13%	15%
Southwest	15%	31%
West	19%	26%

Local & Nat'l revenue Jan-Aug 2000

All markets	18%
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Source: RAB

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How low can they go?

By Jack Messmer

Analyst after analyst has been downgrading the radio sector in recent weeks. All cite the decline in dot-com advertising, which became obvious in July, and a general softening of the economy due to high energy prices as justification.

Meanwhile, a few contrarians have held firm, maintained their "buy" recommendations and insisted that radio is still a strong growth business.

Which is right?

Both, actually.

In the short-run, the concern over dot-com dollars—however overblown—will keep big money managers wary of radio stocks. And after the phenomenal gains of a year ago, Q3 and Q4 2000 results will appear less impressive. The expectation that radio stocks will remain far below last spring's highs for a while is almost a self-fulfilling prophecy.

For major league money managers, big bucks have to be moved from slowing sectors to those perceived as being on the upswing. Those guys have to swing for the fences every day or risk being sent to the minor leagues (or, more likely, tossed out on the street) if their results are below par for their peers in any quarter. That herd mentality explains why, at least over the long-haul, it's relatively easy for an individual investor to outperform the Wall Street professionals.

Our charts show the dismal results, as the euphoria experienced in early 2000 gave way to summer pessimism that's carried on into the fall. Among "pure" radio companies, every stock is in negative territory through the first nine months of the year. Only two of the broader-based media companies are positive—Disney, which was recovering from a soft 1999, and Entravision, whose IPO was one of 2000's few bright points.

Three radio companies dipped into penny stock territory in late September. Cumulus Media quickly moved back above the \$5 mark. Interep and

Quarterly Stocks

Radio stock performance by category, Jan.-Sept. 2000

	9/29/00	YTD	YTD
Radio Companies	Close	Net Chg	Pct Chg
Infinity	33.000	-3.188	-8.81%
Big City Radio	4.313	-0.437	-9.20%
Saga Commun.	16.500	-3.750	-18.52%
Hispanic Bcg.	27.875	-18.234	-39.55%
Salem Comm.	12.688	-9.937	-43.92%
Cox Radio	17.438	-15.812	-47.55%
Entercom	29.938	-36.312	-54.81%
Spanish Bcg.	11.750	-28.500	-70.81%
Radio One, Cl. A	8.313	-22.354	-72.89%
Citadel	17.000	-47.875	-73.80%
Radio One, Cl. D	7.063	-23.604	-76.97%
Am.Comm.Ent.	0.280	-1.595	-85.07%
Radio Unica	3.875	-25.000	-86.58%
Cumulus	6.125	-44.625	-87.93%
Alliance Bcg.	0.012	-0.238	-95.20%

	9/29/00	YTD	YTD
Radio IPOs	Close	Net Chg	Pct Chg
Regent	5.563	-2.937	-34.55%
Beasley	9.688	-5.812	-37.50%

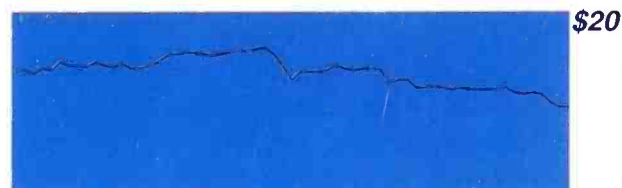
	9/29/00	YTD	YTD
Radio Rep Company	Close	Net Chg	Pct Chg
Interep	3.125	-10.250	-76.64%

	9/29/00	YTD	YTD
Radio Rep Company	Close	Net Chg	Pct Chg
NBG Radio Nets	2.031	-1.063	-34.36%
Westwood One	21.438	-16.562	-43.58%
Triangle	0.008	-0.012	-60.00%

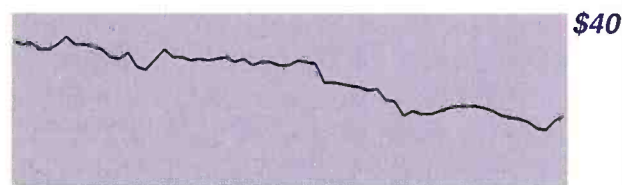
	9/29/00	YTD	YTD
Media Companies	Close	Net Chg	Pct Chg
Disney	38.250	9.000	30.77%
Viacom, Cl. B	58.625	-1.813	-3.00%
Viacom, Cl. A	58.500	-1.938	-3.21%
Belo Corp.	18.438	-0.625	-3.28%
New York Times	39.313	-9.812	-19.97%
Gaylord	23.875	-6.063	-20.25%
Tribune	43.625	-11.438	-20.77%
Hearst-Argyle	20.000	-6.625	-24.88%
Clear Channel	56.625	-32.625	-36.55%
Ackerley	10.000	-8.125	-44.83%
Adelphia	27.563	-38.062	-58.00%
Emmis	24.750	-37.570	-60.29%

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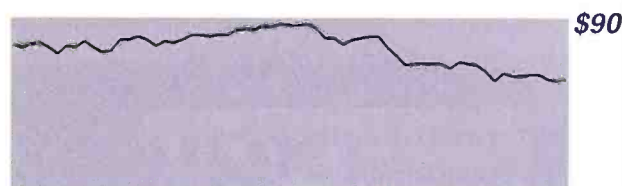
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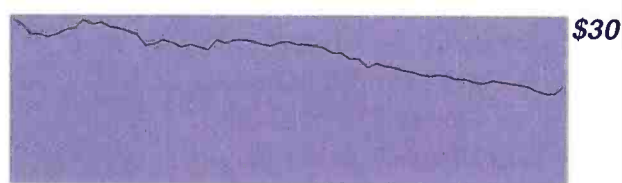
7/3 Beasley Broadcasting Group 9/29



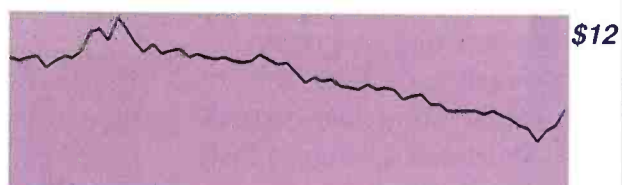
7/3 Citadel Communications 9/29



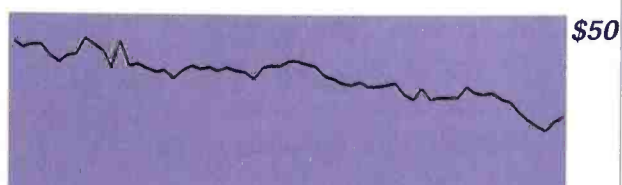
7/3 Clear Channel 9/29



7/3 Cox Radio 9/29



7/3 Cumulus Media 9/29



7/3 Emmis Communications 9/29

Radio Unica, however, show no signs of emerging from penny stock status anytime soon. As a result, they have been removed as components of The Radio Index™. Charts for all 18 stocks which were components through Q3 appear on these pages. Among them, only Salem and Entravision had an up quarter.

Warren Buffett, whom many regard as the greatest investor of all time, has frequently said that the only reason he checks stock prices is to see if anyone is doing anything stupid. We wonder if he's taken a look at radio stocks lately.

At current prices, many of the strongest radio groups are being valued at no-growth levels. The most pessimistic forecasts we've seen expect the radio industry to experience ad revenue growth of around 7% in 2001 and most forecasters are looking for something more in the 9-10% area. That should translate into cash flow growth in the mid- to high-teens (before adding in acquisitions) for the established groups. That's hardly a no-growth scenario.

For buy-and-hold investors, radio stocks have certainly been beaten down to attractive levels. What no one can guess is when the big money managers will rediscover a growth sector that, in truth, never stopped growing.

Once again, the top performer among the stocks tracked by RBR is Circuit Research Laboratories. **Jay Brentlinger's** rejuvenation of this company and acquisition of Orban is paying off for the lucky few who bought the stock when CRL was preparing to sell off its assets and shut down.

Generally speaking, the "radio-related" companies in traditional businesses, such as making broadcast equipment, are doing OK this year. The radio-related dot-coms, however, are doing even more poorly than the broadcasters.

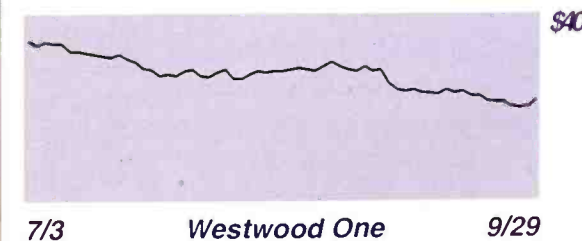
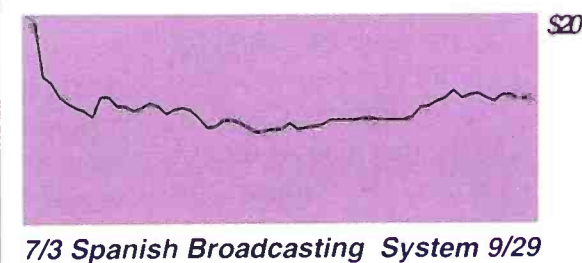
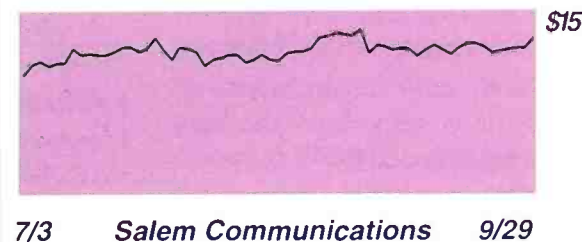
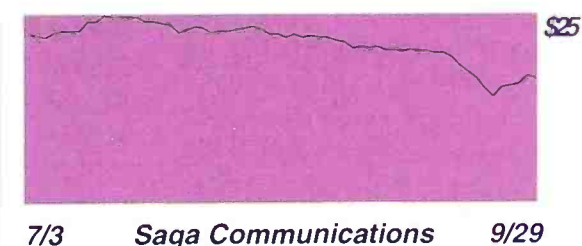
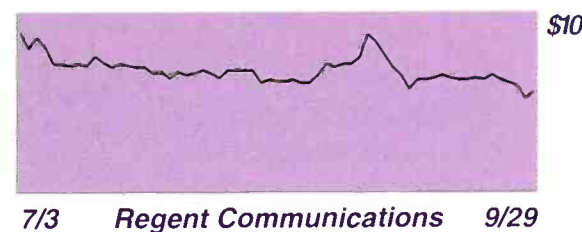
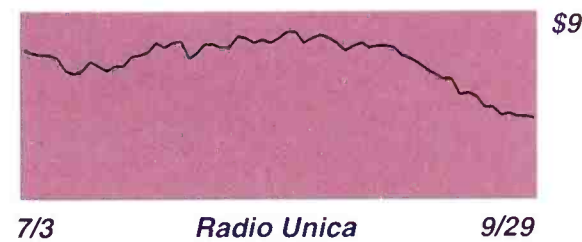
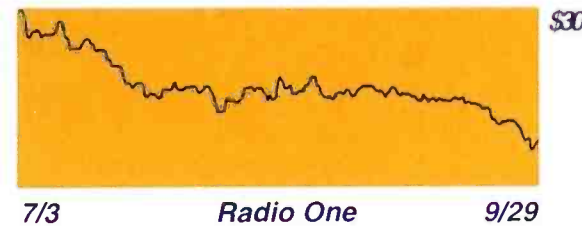
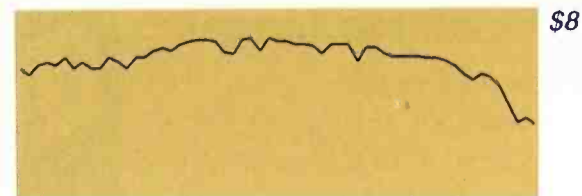
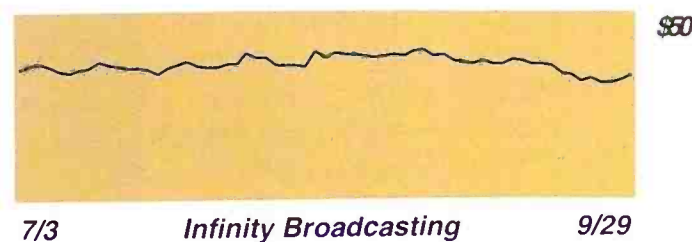
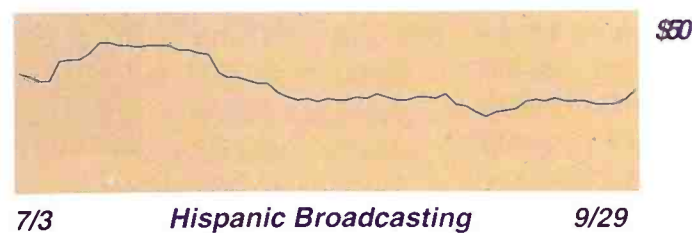
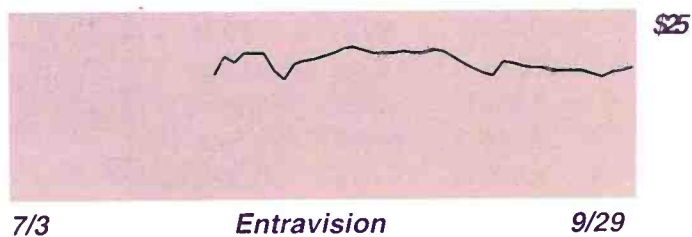
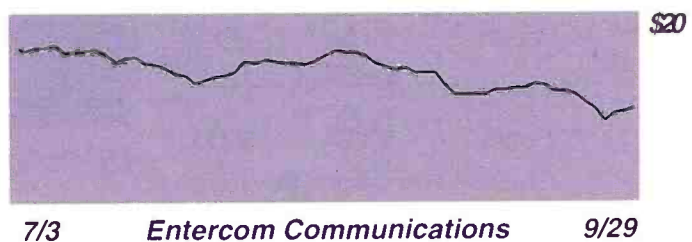
Radio stocks could well outperform the broader market in Q4, primarily due to being so oversold, but don't look for enough of an upturn to erase the negativism of recent months.

	9/29/00	YTD	YTD
Media Co. IPO	Close	Net Chg	Pct Chg
Entravision	17.375	0.875	5.30%

Satellite	9/29/00	YTD	YTD
Radio Companies	Close	Net Chg	Pct Chg
Sirius Sat. Radio	52.875	8.375	18.82%
XM Sat. Radio	43.063	4.938	12.95%

Radio-related	9/29/00	YTD	YTD
Companies	Close	Net Chg	Pct Chg
Cir.Rsch.Labs	9.625	7.625	381.25%
SpectraSite	18.563	7.688	70.69%
Harman Intl.	39.100	11.038	39.33%
Ceridian	28.063	6.501	30.15%
Am. Tower	37.688	7.126	23.31%
TM Century	0.730	0.105	16.80%
Fisher	72.000	10.250	16.60%
Harris Corp.	28.438	1.751	6.56%
Jeff-Pilot	67.875	-0.375	-0.55%
Crown Castle	31.063	-1.062	-3.31%
Gentner	12.313	-1.687	-12.05%
RealNetworks	39.750	-20.406	-33.92%
Pinnacle Hldgs.	26.625	-15.750	-37.17%

The Radio Index	121.610	-134.450	-52.51%
Dow Industrials	10650.550	-846.570	-7.36%
Nasdaq comp.	3672.650	-396.660	-9.75%
S&P 500	1436.510	-32.740	-2.23%



NBG Radio Network flies high

Not content to merely spin records, NBG Radio Network Inc. (O:NSBD) is breaking them as well. In the past year, the company's accountants have made the transition from red to black ink, leading to some impressive gain percentages. Q3 2000 net revenues of \$409,610 compare to losses of \$425,197 in Q3 1999, amounting to a 197% gain. YTD, NBG has net income of \$1,637,922, representing a 301% gain over the first nine months of 1999. Over the same period, EBITDA, totaling \$984,397 for YTD 2000, was up 603%.

Gross revenues for Q3 were \$3,107,1332, bringing the YTD total to \$8,494,004.—DS

SFX Entertainment wants its notes back

Clear Channel's (N:CCU) SFX Entertainment division has offered to buy back its 9 1/8% senior subordinated notes due both February 1, and December 1, 2008. The offer window is from 10/10/00 to 11/7/00 unless extended.

SFX is offering payment at a rate of 109.501% for the February notes and 111.193% for the December notes. Salomon Smith Barney is the exclusive manager of the tender offer.—DS

Brill dips quill in black ink

After completing its second fiscal quarter of the year, newspaper and radio operator Brill Media Company, LLC reported modest gains of 6% for the quarter and 4% for the year-to-date, based on revenues of \$11.5M for the quarter and \$22.9M over the six-month period. The story was not quite the same for cash flow, which was down 1% and 2% respectively. Its radio holdings were up 2% for the quarter with a 4% gain in cash flow. However, if stations included in the 1999 totals, but since sold, are taken out of the equation, radio was up 10% for the quarter with a 14% increase in cash flow.—DS

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Quarterly Stocks

Will Q4 bring back the magic?

Dow Jones—The stock market is in dire need of what football fans might call a fourth-quarter comeback.

The market sure showed some late-game magic last year. Precisely one year ago, stocks looked like they had lost their momentum, as fears spread about an unsettled economy, weak corporate earnings, maybe even a recession. Few foresaw what would happen next: The Nasdaq Composite Index, with all its technology stocks, shocked optimists and year 2000 doomsayers alike by soaring a record 86% for the year, and continuing to surge through 3/10.

This year, as the bull market prepares to celebrate its 10th birthday (10/11) the optimists are hoping for another rebound. But even they say that a repeat of the 1999 surge seems almost impossible to imagine. Instead, the debate is

over whether the bull market is over, or merely pausing before it resumes growth at a more moderate pace. Pessimists think this could be the first down year for stocks since 1990.

"Things may not get a lot worse," cautioned **J. Thomas Madden**, chief investment officer at Pittsburgh mutual-fund group Federated Investors, in a report to clients. But, he added, "we think it will be a while before they get a lot better." And he is a bull, especially regarding the tech group. The true pessimists sound downright gloomy.

"I have been a long-term bull on this market, but I'm not now," says **David Dreman**, chairman and chief investment officer at Dreman Value Management in Jersey City, NJ. "I am somewhat cautious or even worse."
(c) 2000, Dow Jones & Co.

CLEAR CHANNEL

has acquired

MAJAC'S

BINGHAMTON, N.Y., STATIONS

for

\$20,000,000

The undersigned acted as exclusive broker in this transaction and assisted in the negotiations.



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Aurora snaps back into action

Just days after radio's group-owning **Franks (Osborn and Washington)** announced that their Aurora Communications LLC would not be sold to Nassau Broadcasting after all, they instead announced a group acquisition of their own. **Robert R. Dyson's** nine-station Crystal Radio Group is being sold to Aurora for an \$53M cash.

The stations are all in the Poughkeepsie-Newburgh-Middletown area of upstate New York, in between capital city Albany and the Big Apple. "These stations are a very good fit with our stations in Westchester and Fairfield Counties," Aurora VP Finance **Mike Mangan** told *RBR*. "We've increased our footprint in demographically attractive areas north of New York City."

Media Markets & Money™

by Dave Seyler

The all-New York state acquisition includes WPDH-FM & WEOK-AM Poughkeepsie, WCZX-FM Hyde Park, WZAD-FM Wurtsboro, WRRB-FM Arlington, WPDA-FM Jeffersonville, WRRV-FM and WALL-AM Middletown and WKNY-AM Kingston. Broker: Blackburn & Company

RBR observation: For those of you who may have been stunned by the alacrity with which Aurora went from being a seller to a buyer, no, they are not wand-wielding, deal-making wizards. Negotiations to buy Crystal have been taking place since late summer, and the sta-

tions were to have been bought by an entity to be known as Aurora II. Instead of marking Aurora's return to radio ownership, the deal becomes one of the neatest, most efficient geographical jigsaw puzzles we've seen in quite some time.

Clear Channel in a swoon for Boone

Lowry Mays has found a place to spend another \$7.65M out of his acquisition war chest. Clear Channel (N:CCU) will be buying a five-station superduopoly centered in Somerset, KY, just west of the Daniel Boone Na-

tional Forest and east of Lake Cumberland. The cluster was put together by **Nolan Kenner's** First Radio Inc.

Included in the buy are WSEK-FM, WLLK-FM & WSFC-AM in Somerset, and WWZB-FM & WKEQ-AM in nearby Burnside.

The cluster will be within driving distance of Clear Channel outposts in Lexington, KY and Cookeville, TN. Broker: **Ed Henson**, Henson Media, Inc.

They're doing something in Sumter

Miller Communications Inc. has plunked down a \$50K deposit toward the purchase of three South Carolina stations from Reich Communications Inc. The total that partners **Harold T. Miller, Jr.**, **Frank H. Avent** and **William Duncan** have agreed to pay will be \$2.7M for the stations and up to an additional \$69K for the real estate.

The stations are in the un-rated Sumter, SC market, situated east of Columbia in the middle of the triangle formed by I-20, I-26 and I-95. They are WDXY-AM, licensed to Sumter, WKHT-FM Bishopville and WIBZ-FM Wedgefield.

Although Sumter's biggest station, Clear Channel's 100kw WWDM-FM, is a force in the Columbia market, neither of these Class A FMs has the moxie to cover the distance to the South Carolina capital, nor does the 1kw-U AM.

Eagle creates a haze in Hays

Robert Schmidt Gary Shorman and company have struck a pair of deals which will bolster its already strong presence in central Kansas, as well as bring a new company into the radio ownership ranks.

Colorado Public Radio

has agreed to purchase the assets of radio station

KKYD-AM

Denver, Colorado

from

Catholic Radio Network

for

\$4.2 Million Cash*

R. Thomas McKinley and Austin P. Walsh
of Media Services Group, Inc. initiated this transaction

and represented the Seller in the negotiations.

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E-mail: TomMcKinley@compuserve.com

Austin Walsh: Tel: (415) 289-3790 Fax: (415) 289-3796

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First, it is buying KJLS-FM Hays, KS, KKQY-FM Hill City KS, KFIX-FM Plainville, KS and the CP for KBGL-FM Larned KS from Rick Kuehl's Radio Inc. for \$2.5M cash. It will then spin off KFIX and KBGL to **Rick Hull's** Hull Broadcasting Inc. for an undisclosed amount.

KJLS-FM and KKQY-FM have signal overlap with various Eagle properties, including KAYS-AM & KHAZ-FM in Hays, KVGB-AM & FM in Great Bend and KHUT-FM in Hutchinson. Since KHAZ-FM and KHUT-FM do not overlap each other, two separate markets of 2 AMs and 4 FMs apiece are formed. **Broker:** Patrick Communications LLC

Competition stiffens in Myrtle Beach

Group owners NextMedia, Cumulus Media and Root Communications already have made the far-flung Myrtle Beach, SC into quite a radio battleground. Each runs a ratings-generating superduopoly. In the Spring Arbitron, NextMedia's 1AM-5FM cluster held the lead, followed by Cumulus' 1AM-5FM cluster and Root's trio of FMs.

A fourth player will be entering the Arbitron double-digit ratings zone. Fidelity Broadcasting Corp. is buying WYEZ-FM (the former WRNN-FM) from the Myrtle Beach Stations Trust, an entity which was formed to spin off excess stations acquired by NextMedia in a pair of deals earlier this year wherein they bought the entire Pinnacle group and its M.B. cluster (*RBR* 2/21, p.12) and shortly thereafter acquired the Hirsh Broadcasting cluster (*RBR* 3/6, p.13).

The station will take Fidelity to one AM and four FMs in the market, and will instantly become to ratings leader of the cluster. It will cost Fidelity's 50-50 partners **Jerome Bresson** and **David Hafler** a total of \$1M cash.

The Trust, operating under the care and feeding of **John Ade**, is not out of business yet. It still has to spin off WYAK-FM.

Vox gets the upper hand in Hanover

Vox Radio Group has expanded its holdings in the Northeast, in particular in the unrated

Hanover-Lebanon market, with a \$1M purchase of WBLV-FM just across the state line in Hartford, VT. The seller is Family Broadcasting Inc.

The Oldies station will be part of a superduopoly which will also include Classic Rock and **Imus** affiliate WHDQ-FM, Soft AC WWSH-FM and two Sports AMs, WNHV & WTSV.

With this deal, Vox principles **Bruce Danziger** and **Jeffrey Shapiro** will up the group's station count to 36. Although the group does draw some ratings in Manchester NH, Albany-Schenectady-Troy and Springfield MA, the stations are mostly located in unrated portions of New Hampshire, Vermont, Massachusetts, New York and Pennsylvania.

They'll K-Love it Redding

When **Craig McCarthy** sold most of his holdings in the Redding, CA market earlier this year to **Jack Fritz's** Results Radio for \$6.11M (*RBR* 5/29, p.14), he was left with one station, Classic Rock KEGR-FM. Now it, too, has been sold, and the good news for Fritz is that his salespeople will not be jockeying for elbow room at the local car dealerships with the KEGR staff trying to move spots.

That is because the buyer is the noncommercial Educational Media Foundation, the Sacramento-based organization which operates the rapidly expanding Contemporary Christian-formatted K-Love Radio Network. It will pay \$750K to add the station to its portfolio of O&Os, and in the process will add one of the very few smaller California Arbitron markets where it has not already established a presence.

EMF has been expanding its reach. Just last week, we reported on a \$16M deal which put the organization into three Colorado markets (*RBR* 10/16, p.13). It has recently been moving east, putting together a rare non-commercial double duopoly in the Memphis market (*RBR* 9/4, p.14) and has even established a beachhead on the Atlantic Ocean with its acquisition of WKVC-FM (the former WMIW) in Myrtle Beach, SC (*RBR* 4/24, p.15).

SOLD!

KRWN(FM) & KENN(AM)
Farmington, New Mexico
KPTE(FM) & KDGO(AM)
Durango, Colorado
and
KISZ(FM)
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to
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for
\$4,900,000.

Elliot B. Evers
and
Charles E. Giddens
represented the Seller.

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CHARLES E. GIDDENS
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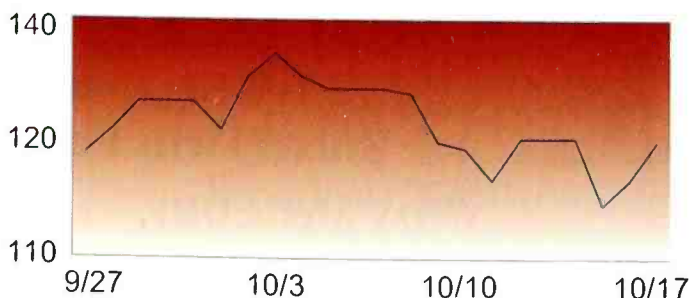
*Subject to F.C.C. approval.

The Radio Index™

Admire huge fluctuations from the Dow and NASDAQ, The Radio Index™ actually climbed last week, but not by much. It closed 10/18 at 119.45, up 1.03.

Radio Business Report
Voice of the Radio Broadcasting Industry

THE WALL STREET JOURNAL
RADIO NETWORK



The deals listed below were taken from recent FCC filings.

Transaction Digest[®]

by Dave Seyler & Jack Messmer

RBR's Transaction Digest reports on all deals that involve assignment of a station license (FCC Form 314) and substantial transfers of control of a licensee via a stock sale (FCC Form 315), but not internal corporate restructurings (FCC Form 316). All deals are listed in descending order of sales price.

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\$2,500,000 KEWL-AM, KEWL-FM & KHSP-FM Texarkana AR-TX (Texarkana TX, New Boston TX & Ashdown AR); **KCAR-AM & KGAP-FM** Clarksville TX from Basso Broadcasting Inc. (L. Michael Basso III) to Petracom of Texarkana LLC (Henry A. Ash). \$100K escrow, balance in cash at closing. Existing **duopoly** in Texarkana market. LMA since 8/1. Broker: Media Services Group (seller)

\$2,500,000 KJLS-FM, KKQY-FM, KFIX-FM & KBGL-FM CP Hays KS (Hays, Hill City, Plainville, Larned, all KS) from Radio Inc. (Rick Kuehl) to Eagle Radio Inc. (Robert E. Schmidt, Gary Shorman et al). \$125K escrow, balance in cash at closing. Daisychain **superduopoly** overlap between KJLS-FM and KKQY-FM with KAYS-AM & KHAZ-FM Hays KS, KVGB AM & FM Hutchinson KS and KHOK-FM Hoisington KS. Eagle is spinning off KFIX-FM and KBGL-FM to Hill Broadcasting Inc. (Richard Hull) for an undisclosed price. Broker: Patrick Communications LLC (seller)

\$1,500,000 WKKW-FM Morgantown-Clarksburg-Fairmont WV (Fairmont) from Fantasia Broadcasting Inc. (Nick L. Fantasia) to Descendants Trust, Lauren M. Kelley, Trustee for the children of John R. Raese and the children of David A. Raese. Buyer is taking over purchase option of West Virginia Radio Corp. for \$10 consideration. \$60K credit for West Virginia Radio Corp.'s original purchase option payment of 5/10/96, up to \$228K credit for LMA payments already and to be made, balance in cash at closing. West Virginia Radio Corp. began LMA with WKKW 5/10/96. LMA will terminate no later than 11/16/00. Seller retains WMMN-AM.

\$1,075,000 WGVF-FM Hartford VT. 100% stock sale of Family Broadcasting Inc. from Alexander McEwing and Canaan Foundation (Bill Shaw) to Great Northern Radio LLC, a subsidiary of Vox Radio Group (Bruce Danziger, Jeffrey Shapiro). \$50K escrow, balance in cash at closing. **Superduopoly** with WNHV-AM & WWSH-FM White River Junction VT and WTSV-AM & WHDQ-FM Claremont NH.

more transactions @ rbr.com

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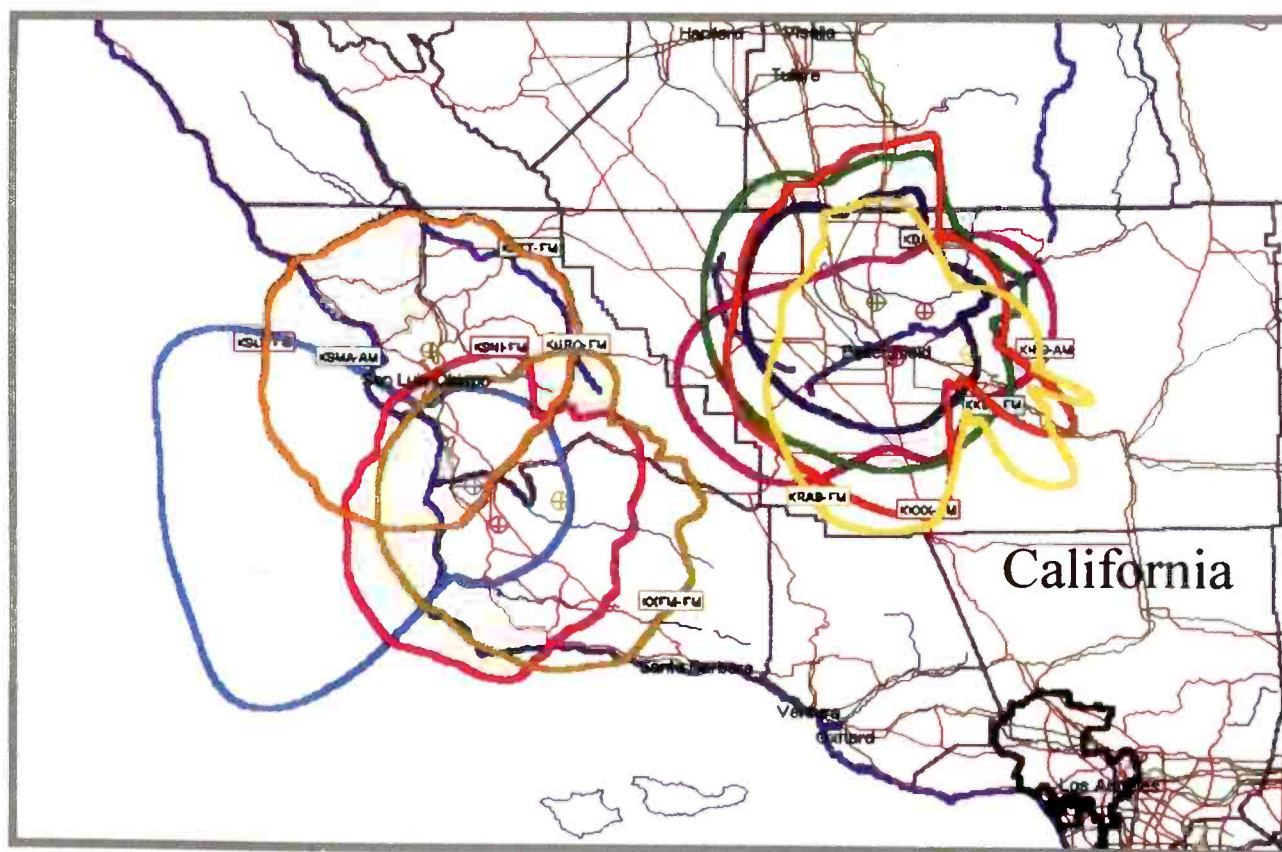
Sold

\$45,000,000

Mondosphere Broadcasting

Eleven Stations in California

KHIS-AM	<i>Bakersfield</i>	KURQ-FM	<i>Grover Beach</i>
KKXX-FM	<i>Bakersfield</i>	KSTT-FM	<i>Los Osos</i>
KDFO-FM	<i>Delano</i>	KSLY-FM	<i>San Luis Obispo</i>
KKDJ-FM	<i>Delano</i>	KSNI-FM	<i>Santa Maria</i>
KRAB-FM	<i>Greenacres</i>	KXFM-FM	<i>Santa Maria</i>
KSMA-AM <i>Santa Maria</i>			

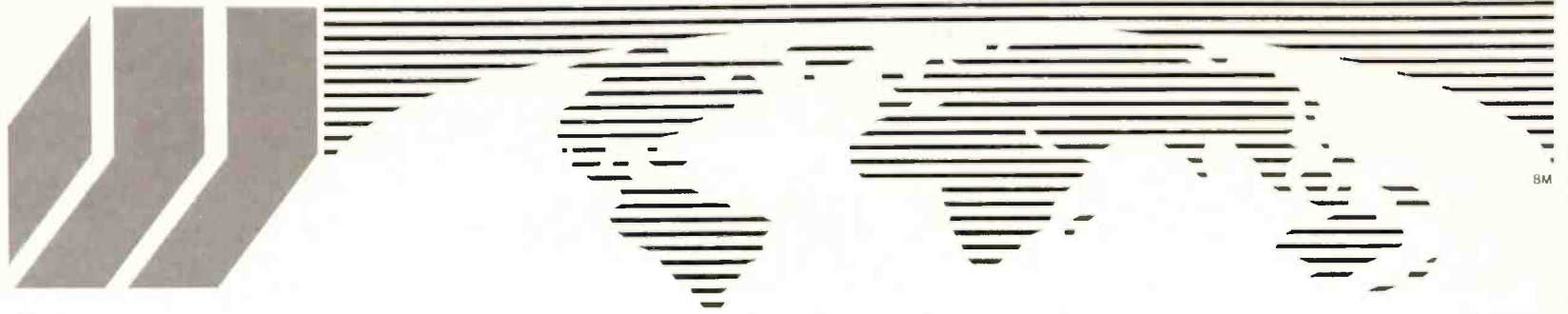


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#1 in Media Mergers & Acquisitions

#1 Ranked Broadcasting Equity Research Analyst by Institutional Investor,
1998, 1999, 2000: Frank Bodenchak

Powerful Retail Network — \$770 billion under management
and 13,000 financial advisors

TIME WARNER
\$350 Billion
Merger with America Online
Advisor
Pending

am fm
AMERICA'S MEDIUM FOR THE MILLENNIUM
\$56 Billion
Merger with Clear Channel
Communications Inc.
Advisor
August 2000

VIACOM
\$80 Billion
Merger with
CBS Corporation
Advisor
May 2000

SpectraSite
\$1.3 Billion
Acquisition of
SBC Tower Portfolio
\$412 Million
Joint Venture
with British Gas
Advisor
Pending, April 2000

Chancellor
MEDIA CORPORATION
\$4.1 Billion
Merger with
Capstar Broadcasting Corp.
\$1.6 Billion
Sale of Chancellor Media
Outdoor Corporation to
Lamar Advertising
Advisor
July 1999, September 1999

CROWN CASTLE INTERNATIONAL
\$357 Million
Follow-On Offering
\$350 Million
Convertible Preferred Stock
Co-Manager
July 2000

SpectraSite
\$231 Million
Follow-On Offering
\$436 Million
Follow-On Offering
Lead Manager
July 2000, February 2000

RADIO ONE
THE URBAN RADIO SPECIALIST
\$310 Million*
Convertible Preferred Stock
Senior Co-Manager
\$350 Million
Follow-On Offering
Co-Manager
July 2000, March 2000

COX RADIO, INC.
\$255 Million
Follow-On Offering
Joint Book Runner
June 2000

SpectraSite
\$560 Million
12% Senior Discount Notes
\$200 Million
10% Senior Notes
Lead Manager
March 10, 2000

AMERICAN TOWER
\$400 Million*
Convertible Notes
Co-Manager
February 2000

REGENT COMMUNICATIONS, INC.
\$156 Million
Initial Public Offering
Senior Co-Manager
January 2000

CLEAR CHANNEL COMMUNICATIONS, INC.
\$900 Million
Convertible Notes
Co-Manager
\$1.4 Billion
Secondary Offering
Joint Book Runner
November 1999, May 1999

broadcasting
\$230 Million
Follow-On Offering
Co-Manager
October 1999

ENTERCOM
\$350 Million
Follow-On Offering
\$306 Million
Initial Public Offering
Co-Manager
September 1999, January 1999

MORGAN STANLEY DEAN WITTER

* These securities were offered pursuant to Rule 144A under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.