

# RADIO BUSINESS REPORT™

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# Bite on this!

Burger wars mean big business for radio.

Radio  
**AdBiz**

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## Inphomation files Chapter 11

By Carl Marcucci

Inphomation Communications, producer of TV's Psychic Friends Network, has filed for Chapter 11 bankruptcy protection from creditors (2/2). Based in Baltimore, Inphomation is owned by **Michael W. Lasky** and operated by president **Robert Hoffman**. Assets were listed at \$1.2M; liabilities \$26.3M.

The TV network, founded in 1990, employed over 2,000 psychics and earned an estimated \$125M during its peak. *RBR* sources say the financial problems stem from a dispute with MCI over \$26M in phone revenues. Many will remember spokeswoman **Dionne Warwick** encouraging viewers to call in to its "900" phone lines.

The Psychic Friends Radio Network was launched only five months ago in mid-September, syndicated and produced by NightStar Entertainment. The partnership with Inphomation is in branding and cross-promotion only.

"The financial problems that the Psychic Friends Network is having have nothing to do with the radio show. The radio show is fine, it's growing and is up to over a dozen affils now," said **Steve Youlios**, president NightStar and parent company NetStar.

**RBR observation:** With 2,000 psychics on the payroll, shouldn't Inphomation have seen all this coming?

## Radio beats 1996 revenue benchmark by over \$1 Billion

by Dave Seyler

Radio pulled in \$13.646B in 1997, eclipsing 1996's record billings by over \$1.2B. The total represented a 10% gain over the previous year. Local revenue rose 9%, topping the \$10B mark for the first time, while national business was up a brisk 15%. 1997 represents the continuation of a streak as radio's revenues have been shooting up since the dawn of duopoly in 1992 (see chart, below).

Perhaps the best demonstration of radio's strength was the uniformity of the gains. Local revenues for all five reporting regions were within one percentage point of the national average. As for national spot, all regions were within three points of the national average. In short, radio's surge was a coast-to-coast phenomenon.

December revenues reflected the year as a whole almost to the dime. An 8% gain in local, added to a 15% gain in national, produced a 10% gain over December 1996.

All indications are that 1997's reign as the best radio revenue year ever will be a short one. Most pundits are forecasting a 9% or better increase over 1997 (*RBR* 12/15/97, p. 2-3; 1/12, p. 2).

Radio Revenue Trends  
(in Millions)

	Local	National Spot	Network	Total	% change
1992	6,899	1,479	377	8,755	1.9%
1993	7,532	1,629	407	9,568	9.3%
1994	8,374	1,867	411	10,652	11.3%
1995	9,124	1,920	426	11,470	7.7%
1996	9,854	2,093	465	12,412	8.2%
1997	10,741	2,407	498	13,646	9.9%

## Kennard lowers radio volume in '98

by Frank Saxe

New FCC Chair **Bill Kennard** (D), in a 40-min. session, told reporters that "Ownership rules will be a very big part of the Mass Media [Bureau] agenda," but he said the focus will be

on TV duopoly and TV-newspaper cross-ownership regulations. The Bureau will, however, review the attribution rules for radio and TV owners.

Kennard is apparently backing away from his call to open an FCC review of liquor advertising (*RBR* 11/10/97, p. 4). "I was heartened we got through the holiday season without

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### No free air for politico hot air

by Dave Seyler

Two Bills are attempting to thwart the billmakers: President **Clinton** and FCC Chairman **Kennard** have once again raised the specter of free commercial time for political campaigns, in opposition to many lawmakers on Capitol Hill (*RBR* 2/2, p. 2). We say "Go Congress!" There are so many reasons to be against giving political campaigns free broadcast time that it is hard to know where to begin listing them.

For starters, why just broadcasters? Why not free newspaper and magazine space? How about billboards? Why not free bumper stickers? And while we're at it, why not require ad agencies, campaign consultants and pollsters to work pro bono? Broadcasters are in a business, and taking their raw material—time—is exactly the same as taking metal from a campaign button manufacturer.

Of course, the time won't really be free. Broadcast managers have goals to meet, and lost revenue and less inventory will both tend to push up rates for legitimate advertisers, which will in turn push up the price of advertised goods and services.

Candidates already have several ways to get free air time. They can get themselves invited to a talk show, they can make news and, best of all for a voter who wishes to be informed, they can participate in a debate.

One argument put forth for free air is that it is so hard to monitor lowest unit rate. So free air will be any easier? Who gets it? How much do they get? When? At least with LUR, buying campaign air time mirrors the way business is done normally.

Of the questions in the previous paragraph, who gets the free time is the most interesting. In the last presidential election, a candidate with the demonstrated support of millions of voters was excluded from televised debates. Can the politicians who permitted this be trusted to dole out free time fairly?

If sitting elected officials are really serious about campaign reform, they should consider banning broadcast campaign ads entirely. This will certainly eliminate a regulatory nightmare, and it just might help get the public involved again.

#### Kennard went too far says Burns

Sen. **Conrad Burns** (R-MT) plans to introduce a bill which would prohibit the FCC from moving forward with Chair **Bill Kennard's** proposal to give free or reduced-rate airtime to political candidates (*RBR* 2/2, p. 2). "The FCC has been consistently overstepping its bounds and using the 'public interest standard' as its excuse, said Burns. "We simply can't stand by and watch the FCC take on issues that clearly must be addressed with legislation, not regulation."

Burns, chair of the Senate Subcommittee on Communications, says he has scheduled a "heavy agenda" of FCC oversight hearings to examine "abuses like this."—FS

#### No shockers in FY99 budget

President **Clinton** released his FY1999 budget last week, which includes \$212.977M for the FCC and

\$47.94M for the National Telecommunications and Information Administration (NTIA).

The FCC's 1999 budget, which is \$26.463M more than 1998's spending plan, includes additional funds for the agency's new offices in the Portals, and for mandatory staff salary and benefit increases. The Administration's budget also includes an additional \$10M in unspecified FCC fees, to \$172.523M.—FS

#### Premiere buys Hot Mix

Jacor's (O:JCOR) Premiere Radio Networks has acquired the Hot Mix Radio Network for an undisclosed sum (2/3). Currently cleared with more than 150 affils, Hot Mix produces seven dance mix programs for four formats. **Andrew Starr**, founder of the 13-year syndicator, will stay on as a Premiere VP.—CM

a rash of liquor advertising on the airwaves. I am cautiously optimistic we can reach voluntary industry restraints," said Kennard, who in November proposed opening an FCC inquiry.

Despite hints he may force free airtime for political candidates and ban alcohol advertising, the new head of the FCC may leave radio alone in 1998. Kennard tells *RBR* he has no plans to reopen radio duopoly rules. "We'll only look at cases where there is no longer any competition," says Kennard. As for comments attributed to him by *USA Today* two weeks ago (*RBR* 1/26, p.3), Kennard says incorrect assumptions were made by the paper on what his position is.

#### Pilot study probes ad recall

by Katy Bachman

Compelling on-air offers and a combination of TV and radio increase ad awareness. Those are just two of the findings in an Arbitron pilot study to determine what causes listeners to recall radio ads. The findings were released at last Saturday's (2/7) RAB in Dallas.

The study examined one station in each format—CHR, AC, Urban, Rock—in four top 20 markets over a three week period between November and January. Below, the results for two advertisers—a BMW dealer and a Ford dealer—on a CHR station.

- New to the market, the BMW dealer added a free oil and lube promotion to a light, seven spots/week, schedule. That got more than 200 cars lined up around the block to collect and boosted listener ad recall to 50%, up from 18% pre-promotion. But because the station botched the promotion, by not mentioning that the free offer was only for BMWs, the dealer pulled his spots and awareness dropped to 36% of listeners. Even though the BMW dealer ran a TV schedule, only 8% of the 36% recalled the TV ad.

- Unlike the BMW dealer, the Ford dealer was a consistent radio user. During the research period, the dealer ran a schedule of about 74 spots/week, increasing awareness from 49% to 67%. In addition, the Ford dealer ran a TV schedule. Of the 67% of listeners who recalled the radio ad, 39% said they also recalled the TV ad.

## S & P revises media forecast

With radio going gangbusters, Standard & Poor's **William Donald** has revised his forecast of radio, TV and cable (*RBR* 1/12, p. 2). Below, the trends and the projections for all three media.

	Cable, Radio & TV Ad Expenditures (in billions of dollars)				Average Annual Growth Rate (%)	
	E1997	E1998	E1999	E2000	1990-95	1995-2000
Broadcast TV	32.94	35.70	37.85	41.80	4.3	8.4
Cable TV	7.85	9.30	10.80	13.00	12.2	20.5
Radio	13.75	14.99	16.25	17.70	5.6	9.1
<b>Total</b>	<b>54.54</b>	<b>59.99</b>	<b>64.90</b>	<b>72.50</b>	<b>5.4</b>	<b>10.2</b>

E-Estimated by S&P

Source: Television Bureau of Advertising; Radio Advertising Bureau

## TV

### Sinclair spins duo

Sinclair Broadcast Group (O:SBGI) is spinning off two stations from its pending \$630M buy of the Heritage Media group from News Corp. (N:NWS). STC Broadcasting will pay \$72M for WPTZ-TV (Ch. 5) North Pole, NY & WNNE-TV (Ch. 31) Hartford, VT, which simulcast NBC in the Burlington, VT-Plattsburgh, NY market. The deal also includes an LMA of WFFF-TV (Ch. 44, Fox) Burlington, VT.

### Settlements in L.A. & Virginia

It's not just radio settlements pouring in at the FCC (see p. 12), but TV as well. In the Los Angeles market, Pappas Telecasting is paying \$8.75M in settlements with eight applicants to win the CP for a station on Channel 54 in Avalon, CA. After battling for 12 years for a CP on Channel 64 in Charlottesville, VA, Achnar Broadcasting Co. and Lindsat Television Inc. agreed to a 50/50 merger. They'll now become Charlottesville Broadcasting Corp.

### NFL bidding war fallout

ABC-TV (N:DIS) affiliates are being asked to pony up \$50M a year, to help pay for the network's \$550M winning bid for Monday night football rights. The chairman of the affiliate board says ABC stations will have to choose between giving up prime time commercial time or cash. The *New York Times* says CBS (N:CBS) and News

Corp.'s (N:NWS) Fox are planning to ask their stations for help as well.

Meanwhile, the two losers in January's record-setting NFL bidding war are looking at the possibility of starting their own professional football league. GE's (N:GE) NBC and Time Warner's (N:TWX) Turner Broadcasting are not commenting, beyond confirming the two have been in discussions since late January. Two previous NFL-rivals have failed, including the World Football League in the

1970's and the USFL in the 1980's. While both were financial disasters, NBC and Turner could give the upstart a much broader delivery vehicle.

## Print

### Print ad pages up

Magazine ad pages grew by 5.2% in 1997, to more than 231,000. The New York-based Publishers Information Bureau says advertising revenue rose \$1.5B to \$12.75B. The 13.1% growth rate is the highest for the industry since 1984. Top ad categories were automotive, toiletries & cosmetics and direct response. PIB says the top five billing pubs were *PC Magazine*, *Forbes*, *Business Week*, *People* and *Fortune*.

### Newsprint price hike coming

Abitibi-Consolidated Inc., the largest supplier of newsprint in the world, is raising its newsprint price \$50 a metric ton as of April 1, to \$645 a metric ton. Other producers are likely to follow. Industry analysts doubt the price high will stick, although publishers may want to stockpile with most mill labor contracts expiring in late April.

## Darwinian evolution for three radio veterans

**Bill Steding**, **Frank Wood** and **Spence Kendrick** are launching a new venture capital firm, The Darwin Group, to pursue investments in media and entertainment industries.

Steding, who's leaving Star Media Group after a decade as one of the radio industry's top station brokers, says the trio hopes to raise \$50M-\$100M for their first investment fund. Don't look for Darwin to buy radio stations, though, since Steding sees current price multiples as unattractive for new entrants trying to compete with existing group owners. Rather, he says, they'll be looking for related media and marketing businesses. "Look at what [**Bob**] **Sillerman** did in the concert business," he said, as an example.

"Bo" Wood, who recently sold off the Secret Communications radio group, said "I certainly didn't want to retire," and noted that the venture capital area is something new and different for him after 30 years in radio. "**Tom Hicks** is definitely having a lot of fun. **Sam Zell**, too," he noted.

Wood will be wearing two hats, working with his new Darwin partners while continuing to head Secret, which is looking to reinvest its capital from the radio group sale. Wood will also remain in Cincinnati, while Steding and Kendrick work out of Darwin's new offices in Dallas.

Kendrick may be less well known in the radio industry, but he was the founder and president of Cardinal Communications, which launched All Sports KTCK-AM "The Ticket" Dallas. He sold the station to SFX and it is now owned by Susquehanna.

Kendrick is the Wall Street veteran of the three. He was an investment banker with Drexel Burnham Lambert and later a principal of Dallas-based First Southwest Company.

With Steding's departure, Star Media Group will be run by his co-founders, **Paul Leonard** and **Peter Handy**. They announced that the brokerage firm did \$9.2B in deals last year and have another \$3B "in the pipeline" for this year.



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 KKSF-FM #2, KISQ-FM #4  
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 WMZQ-FM #2, WBIG-FM #4  
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 WFOX-FM

## DMA

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 San Francisco  
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 Dallas  
 Detroit  
 Atlanta

## Youth Network – Adults 18-34

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 KKBT-FM #2, KIBB-FM  
 WGCI-FM #1, WRCX-FM #2  
 WUSL-FM #2, WIOQ-FM #3, WYXR-FM, WAEB-FM  
 KMEL-FM #1, KYLD-FM #2, KIOI-FM  
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Radio

# AdBiz

Radio advertising news, trends, strategies & stats for stations, syndicators, advertisers and agencies.

## Burgers, fries & radio— How the fast food chains are using radio to serve up more customers

by Frank Saxe

The big burger chains have declared war and radio stations are selling the bullets. McDonald's is increasing overall ad spending and doubling local promotional opportunities in 1998, according to **Brad Ball**, SVP/Marketing. The goal of the "Did somebody say McDonald's?" campaign is to increase revenue growth, which was flat through most of 1997. Two weeks ago, McDonald's announced it would double local ad spending by evenly splitting its national and local spending 50-50. The hope is to increase sales at its 12,380 US restaurants.

McDonald's arch-rival Burger King is using radio to help launch its multi-million dollar french fry makeover. "We did radio advertising especially for it," says Burger King Director of Advertising **Andy Bonaparte**—explaining their two-pronged approach involved building-up a buzz before the launch, then pitching customers once the new fries were in the market. For their new fries, TV played a leading role, since Bonaparte believes consumers must be able to see a new food product, something radio cannot offer. "I don't think you can launch a product exclusively with radio, you use radio in concert with TV."

While the restaurant chains are battling to quench consumer's appetites, radio stations are fighting over the lucrative fast food accounts. With local budgets amounting to \$300K per chain, it is highly competitive for stations. "It's a lot of money so you will find a lot of stations will do anything for that money," says **Cindy Webster**, LSM, KMJQ-FM Houston. Webster says stations "give away the kitchen sink" by offering huge \$20K promotions for a small amount of money just to be in on the buy while others come in \$20 below the cost-per-point goal. "Why would anybody do that? It's crazy," says Webster.

Burger King research has found 60% of their business is done at the drive through window, and what other

medium has a bigger advantage when a consumer is behind the wheel than radio. "People truly make their fast food decisions eight to ten minutes before they go out and purchase it," says **Judy Carlough**, EVP/Marketing, Radio Advertising Bureau.

"There is little planning time in the purchase decision, and radio is very immediate in that respect," agrees **Lois Englehardt**, media director, Brandy Carroll Hellige, a Louisville agency that buys McDonald's local spots in parts of the Midwest. So it is little wonder that fast food is one of radio's largest advertising segments.

VoiceTrak research of 132 markets shows fast food giant McDonald's leads the category in radio spending by a more than five to one margin over its nearest competitor, Taco Bell.

### McImage is everything

Part of McDonald's new brand positioning from **DDB/Needham**, Chicago is "leveraging the fact that people of all ages have an immediate, almost childlike reaction to the prospect of coming to McDonald's," says **Mary Kay Easchbach**, director of US media, McDonald's. "McDonald's is going to quit struggling with the idea of 'are we a restaurant for adults' or 'are we a restaurant for kids,' we're just going to be *the* restaurant for the child in all of us. Our marketing strategy is to liberate, nurture and celebrate the child within," says Easchbach. But because McD knows it is the kids who make the choice among fast food restaurants, they spend a lot during children's TV programming, and have been an early

proponent of ABC's Radio Disney.

McDonald's spends about \$85M a year in local radio, twice its nearest competitor. While it is far less than the \$550M the Golden Arches spent in TV last year. "We truly believe in radio at McDonald-land," says Easchbach.

Ad buys are made in two ways: national buys, with a budget voted on by owner/operators, and at the local level, where the bulk of dollars goes. While 95% of all radio creative comes from national, 15 seconds of every one minute spot is left open for local agencies to mention a sale price or a promotion. "Radio to us is truly



continued on p.8

## AdNews

by Frank Saxe

### Radio use growing for IGA

IGA, the Independent Grocers Alliance, has nearly doubled its annual marketing and advertising budget to a reported \$100M. **James Dorcy**, chairman of IGA's strategic advertising committee, says they spend \$5M to \$6M in radio a year, but IGA's budget is zero. How do they do it? By using all 30/30's paid for by vendors. The "utopian" solution is a win-win for IGA. It gets free advertising and manufacturers sell more product. Most local stores use their share of the :60 to stress super-market features and location, not sale prices.

With 18 different companies owning 2,200 stores nationwide, it can be difficult to develop a spot for the chain, so much of the copy centers on IGA owners' connection to the community.

Dorcy says supermarkets habitually use print, because there is a belief that once consumers see a price point attached to an item, they'll come in and buy it. But he adds, "Radio is becoming more effective with the onset of home meal replacement and prepared entrees—afternoon drive is where the opportunity is."

IGA is introducing a Q2 radio, cable and print campaign which updates last year's theme, "Explore our stores." IGA's radio spots will be bought on a market-by-market basis, while TV ads will run on cable nets including CNN, TNT and TBS. "It promotes the entire store...to get consumers to come in and experience the entire store, not just sale items," says Dorcy. Radio spots will be handled by **Corporate Communications**, Chicago.

### NAB, 4A's fight casino appeal

In response to the DOJ's appeal of a court ruling allowing casino advertising (*RBR* 1/12, p. 3) in the eight western states affected by a Ninth Circuit Court of Appeals ruling, the NAB, The Association of National Advertisers and the American Association of Advertising Agencies are asking the court to refuse to hear the DOJ's appeal. In court papers filed last month, the groups argue the government should not be allowed to present additional evidence and DOJ lawyers should not be given another shot at proving their case.



John Kamp

"It was a naked attempt to get the case away from the Supreme Court as fast as possible, because they're afraid they'll lose," says 4A's SVP **John Kamp**.

### CVS doubles radio & TV budget

The heated drug store category is seeing an increase in spending by CVS, the nation's largest chain. CVS will spend \$65M on radio and TV, twice its '97 budget. The radio spots will focus on drivetime, in hopes of convincing consumers to stop into CVS on the way to or from work and when most prescriptions are filled, between 6am and 6pm. Major market buys have been in Atlanta, Boston, Cleveland, Indianapolis, NYC, Philadelphia and Washington, DC. Agency: **Bates USA**, NYC



### J&J rejects radio

Radio is still a tough sell for some household products. Case in point: Johnson & Johnson, which has more than 70 products. Some of radio's top advertising names met with J&J's media team last month, in hopes of getting in on its \$20M ad budget. But it seems J&J thinks radio is too tough to buy, doesn't have TV's reach or effectiveness and is not as cost efficient as TV, when accounting for reach. It seems they tested a radio buy for Nicotrol, which failed, and are convinced the medium doesn't work for them.

### P&G tests product with radio

Procter & Gamble will move all its advertising work to **Saatchi & Saatchi** and **Grey Advertising Inc.** with **Leo Burnett**, Chicago handling radio—effective Feb. 19. Also, P&G is planning radio for a test-marketing of Dryel, a new at-home dry cleaning product, in Columbus, OH.

CMR figures show P&G spent \$1.2B in advertising Jan 97-Sep 97, but only \$20.4M went to radio—mostly to network. Big radio brands include Fixodent, Nyquil, Vicks and Sunny Delight.

### AdStats

#### Soda spending bubbling over

Jan-July 97	\$170,548,000
Jan-Dec 96	\$173,599,000

Source: Interep, Network & national spot radio

#### Soft Drinks US Market Share

Coca Cola	44.0%
Pepsi	31.0%
Dr. Pepper/Seven Up	14.5%

Source: Beverage Marketing Corp.

### AdBriefs

► General Mills has launched a \$10M radio, TV and print campaign linking a new heart study to its Cheerios cereal. Agency: **Saatchi & Saatchi Worldwide**, NYC

► AT&T will stress cellular/wireless, caller ID and 800-COLLECT services in a radio push in late Feb. and early March. Agency: **Media Edge/Y&R**, NYC

► TheStreet.com, an upstart online business news magazine, has launched a \$10M campaign using radio and print to back TV spots aimed at info-addicts. Agency: **D'Arcy Masius Benton & Bowles**, NYC

► Dr. Pepper/Seven Up is using radio and TV to push its reformulated 7UP as "crisp, clear refreshing taste." Agency: **Y&R**, NYC

► Bacardi-Martini USA is increasing '98 ad budgets 8% to \$27M, with much of the increase targeting Hispanics through radio. Agency: **Burrell Communications Corp.**, Chicago

► Anheuser-Busch is launching a \$30M campaign focusing on Michelob Light, which has suffered declining sales despite strength in the light beer category. A-B will use radio, TV, outdoor and POP. Agency: **Leap Partnership**, Chicago

► Walgreens is adding \$10M to its '98 ad budget, to support a \$40M campaign. Most of the money goes to cable, focusing on its prescription and photo finishing business. Local spot radio levels hold steady.

► Showtime Networks Inc. has opened an in-house agency as part of the cable net's quest to step-up marketing for its three pay channels. Its \$40M budget is earmarked for radio, TV and print.

► "We Be Jammin' Party Bus Tour" hits the road in April, promoting Diageo's United Distillers & Vinters' Malibu coconut-flavored rum. The 26-week tour, designed by **Event-Net**, Miami, turns a 24-foot bus into a mobile bar. Radio promotional tie-ins will be featured at state fairs and music festivals. A new ad campaign includes radio and outdoor buys. Agency: **Lowe & Partners/SMS**, NYC

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Burgers, fries & radio continued from p.6

a local medium; we don't do a lot of national advertising at all. There is so much that can be done with local stations—merchandising partnerships, tie-in capabilities and remotes," says Easchbach.

McDonald's annual sales boosting promotion, featuring Monopoly game pieces, will be back for its fourth year beginning March 23. The six week push will include a radio, TV and print ad budget estimated at \$20M. Last year's promotion helped same-store sales grow 8%, the chain's largest monthly increase.

### TV tops for Taco Bell

While McDonald's and Burger King rely on heavy radio use, Taco Bell views radio as a way to supplement their TV. Nearly 123M people see a Taco Bell commercial once a week, about half the US population. "We do pretty strong TV use, but we also supplement that with local radio—that way we can customize it for what is happening in different

areas," says Laurie Gannon, Taco Bell's public relations manager. "Radio is a great reach, actually, and we focus on drive time. Nowadays people are so busy and with satellite TV they don't always catch TV commercials." The formats they are most likely to buy are CHR and Rock. "We pretty much focus on core consumers, 18 to 30 year olds, so any of the trendy formats [make sense]," says Gannon.

The Irvine, CA-based company was spun off by PepsiCo in October, along with KFC and Pizza Hut, but that will have no effect on Taco Bell's \$200M annual ad budget. Gannon says that radio/TV spending plan will remain the same for 1998.

### Radio serves Burger King

With McDonald's outspending Burger King by nearly two-to-one, Bonaparte says they are forced to spend their money smarter. "Consistency of message plays a key role when you have a smaller budget than your competitor, so it gives you awareness."

Burger King is not only the number two chain, but also the second largest spender with radio. "We primarily use radio as a local effort to fight the battles in individual markets—It's where the rubber meets the road," says Bonaparte.

Each year, Burger King places over 75 live announce scripts, 35 commercials, plus spots targeted toward African Americans and Hispanics—which have been identified as large consumers of fast food. Bonaparte says they use so many live reads to "be proactive and reactionary to local competitive battles," and unlike TV, radio can efficiently handle frequent copy changes.

B-K buys different formats and dayparts, depending upon the campaign. It focuses on 18-to-49 year olds, but that varies to reach the targeted audience. Bonaparte says morning drive radio has been especially effective in boosting business. "Breakfast is very habitual, and as such, you can condition consumers of your offer in a very effective way."

### Fast Food Radio Spending\*

	1997	1996
McDonald's	29,848,476	30,701,202
Taco Bell	5,713,060	6,028,980
Burger King	5,639,130	6,633,636
Hardee's	4,855,937	5,296,346
Wendy's	4,626,262	3,911,622
Subway	3,901,796	5,039,209
<b>Fast Food Total</b>	<b>94,775,692</b>	<b>100,460,703</b>

\*Q1-Q3, 132 markets representing 56% of US HH

Source: VoiceTrak

### The Top Two's Arsenal

	Ad budget	Annual sales	Locations	Burgers sold
McDonalds	\$85M	\$35B	22,000	100B
Burger King	\$40M	\$9.8B	9,400	2.3B

### RBR Fast Facts:

- There are 1,024 possible ways for a customer to order Burger King's Whopper their way
- 8% of Americans visit McDonald's every day

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**— Gary Berkowitz  
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# MediaAmerica: Life after Rush

by Katy Bachman

MediaAmerica's principles **Gary Schonfeld** and **Ron Hartenbaum** quit their jobs the day they were promoted to Westwood One. Hartenbaum was to be President and Schonfeld was to be VP/Sales. They wanted their own business. But as they walked out of the Westwood Manhattan office nearly 11 years ago, they had no idea what that business would be.

Today, Hartenbaum and Schonfeld are far from clueless. MediaAmerica is expected to do about \$80M in



MediaAmerica partners Gary Schonfeld (L) and Ron Hartenbaum (R) are expanding their 11-year-old rep company to syndication ownership.

1997. Known primarily as a rep of nationally-syndicated shows, MediaAmerica is now moving into ownership of product.

Since mid-summer 1997, MediaAmerica has been acquiring syndication properties. First, it purchased three shows from Entertainment Radio: "The Hit List," "Weekly Top 30," and "Fight

**"It wasn't hard to look at our business and say we needed to start controlling our own product."**

—Gary Schonfeld

Back with **David Horowitz**." In October, MediaAmerica acquired from Cox the American Comedy Network, a show it had been repping for about four years. Then, when SW Networks decided to refocus its business, it snapped up another three shows it was repping: "Country's Most Wanted," "Hard Drive," and "Personal Notes."

To some pundits, MediaAmerica had no choice but to purchase shows it had been repping to protect its revenue. After all, MediaAmerica took a huge hit in November when Jacor decided to consolidate its representation under Premiere as a result of Jacor's purchase of EFM and the **Rush**

**Limbaugh** and Dr. **Dean Edell** shows (*RBR* 11/24/97, p. 3). *RBR* sources estimate that loss to be as much as one-third of MediaAmerica's revenue.

The loss hasn't held MediaAmerica back. It still reps about 70 shows, including Jones Radio Network's 24-hr. formats, "Neon Nights" and "Delilah," from Broadcast Programming, and The Weather Channel Radio Network. It's also in the process of building out two new studios at the Manhattan headquarters on 42nd Street, and is using every nook and cranny to squeeze in more personnel to handle the clearances and affidavits for a growing list of clients.

MediaAmerica is also developing its own shows. Schonfeld says there are a handful of shows in the works, some of which may be introduced to the market in the next eight weeks.

The two admit they "backed into" syndication. "We started out of necessity doing ad sales, then stations needed help with clearances. It wasn't hard to look at our business and say we needed to start controlling our own product," said Schonfeld. But he adds, the rep business "is still the biggest part of MediaAmerica."

Also helping to take up the slack from the loss of EFM, MediaAmerica began repping BDS (Broadcast Data Systems) to stations. BDS' station product identifies songs played on about 482 stations in the top 50 markets. Available only through barter, stations give up one minute of inventory per day between 6A and 7P. Since MediaAmerica began repping BDS last year, it has signed about 100 affiliates.

MediaAmerica enters the syndication business at a time when consolidation is changing it, seemingly in favor of those program owners that have ready-made distribution, such as Jacor, CBS and Chancellor. That doesn't seem to worry Schonfeld. "Consolidation gives syndication owners with a station base an advantage, but unless they have a lock on good ideas, it still comes down to programming."

## SyndicationNews

by Carl Marcucci

### SportsFan launches two

In a co-branding, joint marketing partnership, Bloomberg, LP and SportsFan Enterprises have created the "Bloomberg-SportsFan Business Minute" (*RBR* 2/2, p. 8). On Sports stations since Feb. 2, the one minute, three times a day report consists of a live business report, a stock market update and a focus on a key sports business story.

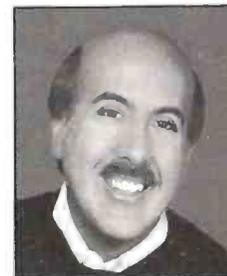


James Brown

SportsFan is also launching March 3 "Journey to a Dream," hosted by SportsFan's and Fox Sports' **James Brown** (*RBR* 1/12, p. 8). The daily :90 sec feature will target Urban radio stations with profiles of minority athletes and role models.

### JRN launches Carter, clears Outdoor Life

Jones Radio Network launched two short-form features in January. "The **Jimmy Carter** Entertainment Reports," hosted by the Emmy-award winning reporter, debuted Jan. 12. Available daily as call-ins with morning drive hosts, the 30 sec. to five minute reports are customized for station and format—news and celeb gossip from Hollywood or Nashville.



Jimmy Carter

Since Jan. 1, JRN is handling affiliation agreements and distribution for "Outdoor Life Radio," currently on 165 stations. Outdoor Life will continue to be produced in Oregon with host **Scott Linden**. Offered for barter and distributed on CD, the :60 sec. feature, once a day M-F, offers info on camping, hiking, wildlife and natural history.

### Old Farmer's Almanac tills 600th affil.

"The Old Farmer's Almanac" daily :60 sec. barter radio feature, has hit the 600 affiliate mark with WZHF-AM Washington, DC. Jameson Broadcast launched the feature based on the popular publication of the same name in Sept. 1996.

# BROADCAST INVESTMENTS™

## February 4—RBR Stock Index 1998

Company	Mkt:Symbol	1/28 Close	2/4 Close	Net Chg	Pct Chg	2/4 Vol (00)	Company	Mkt:Symbol	1/28 Close	2/4 Close	Net Chg	Pct Chg	2/4 Vol (00)
Ackerley	N:AK	16.063	16.500	0.437	2.72%	100	Jacor	O:JCOR	49.375	52.062	2.687	5.44%	41236
Alliance Bcg.	O:RADO	0.500	0.656	0.156	31.20%	295	Jeff-Pilot	N:JP	81.500	78.125	-3.375	-4.14%	9520
Am. Radio Sys.	N:AFM	57.063	59.875	2.812	4.93%	1905	Jones Intercable	O:JOINA	15.938	15.000	-0.938	-5.89%	2419
AMSC	O:SKYC	7.875	8.250	0.375	4.76%	619	Metro Networks	O:MTNT	33.563	34.000	0.437	1.30%	244
Belo Corp.	N:BLC	54.063	54.000	-0.063	-0.12%	858	NBG Radio Nets	O:NSBD	2.500	2.500	0.000	0.00%	2
Big City Radio	A:YFM	8.000	8.687	0.687	8.59%	295	New York Times	N:NYT	64.938	66.812	1.874	2.89%	2060
CBS Corp.	N:CBS	28.938	30.000	1.062	3.67%	30133	News Comm.	O:NCOM	1.500	1.437	-0.063	-4.20%	0
CD Radio	O:CDRD	16.313	15.875	-0.438	-2.68%	686	Otter Tail Power	O:OTTR	37.906	37.750	-0.156	-0.41%	87
Ceridian	N:CEN	44.750	44.625	-0.125	-0.28%	3936	Pacific R&E	A:PXE	3.250	3.625	0.375	11.54%	9
Chancellor	O:AMFM	35.125	37.812	2.687	7.65%	11817	Pulitzer	N:PTZ	58.250	60.125	1.875	3.22%	67
Childrens Bcg.	O:AAHS	2.813	3.312	0.499	17.74%	463	RealNetworks	O:RNWK	17.125	15.562	-1.563	-9.13%	750
Clear Channel	N:CCU	79.813	83.000	3.187	3.99%	7275	Saga Commun.	A:SGA	20.938	20.000	-0.938	-4.48%	83
Cox Radio	N:CXR	37.125	40.750	3.625	9.76%	1022	SFX Bcg.	O:SFXBA	84.313	88.500	4.187	4.97%	1823
DG Systems	O:DGIT	3.500	3.000	-0.500	-14.29%	98	Sinclair	O:SBGI	48.000	46.500	-1.500	-3.13%	622
Disney	N:DIS	105.000	108.312	3.312	3.15%	11103	SportsLine USA	O:SPLN	21.375	23.875	2.500	11.70%	3256
Emmis Bcg.	O:EMMS	47.500	46.750	-0.750	-1.58%	315	TM Century	O:TMCI	0.593	0.562	-0.031	-5.23%	0
Faircom	O:FXCM	0.875	0.875	0.000	0.00%	44	Triathlon	O:TBCOA	10.250	10.187	-0.063	-0.61%	92
Fisher	O:FSCI	119.500	122.000	2.500	2.09%	4	Tribune	N:TRB	58.625	61.062	2.437	4.16%	1667
Gaylord	N:GET	31.813	31.250	-0.563	-1.77%	296	Westower	A:WTW	18.625	18.937	0.312	1.68%	207
Granite	O:GBTVK	10.750	11.375	0.625	5.81%	168	Westwood One	O:WONE	31.875	34.375	2.500	7.84%	512
Harris Corp.	N:HRS	45.313	47.750	2.437	5.38%	2088	WinStar Comm.	O:WCII	33.125	36.125	3.000	9.06%	14742
Heftel Bcg.	O:HBCCA	43.625	47.187	3.562	8.17%	1460							

### Earnings reports: The hits just keep on coming!

•CBS Corp. (N:CBS) reported that radio revenues shot up 166.2% for 1997 to \$1.48B and cash flow (EBITDA) rose 191.9% to \$575M. Pro forma, to reflect lots of acquisitions, CBS said Q4 radio revenues rose 21% and cash flow 34%. Overall, CBS revenues from continuing operations rose 29.4% in 1997 to \$5.36B and cash flow gained 99% to \$772M.

CBS also announced that its directors have authorized the buyback of up to \$1B of the company's stock. The directors authorized a 5¢ per share dividend, payable March 1 for shareholders of record on Feb. 16, but said CBS will then stop paying dividends to focus on growth.

•New York Times Co. (N:NYT) said 1997 revenues rose 9.1% to \$2.9B. Net income, exclusive of special items, increased 34% to \$249M. The broadcast group (eight TV stations and two radio) had a 21.8% gain in revenues to \$144.5M (including two newly acquired TV stations) and a 27.5% rise in operating profits to \$39.4M.

•A.H. Belo Corp. (N:BLC) reported a 51.4% surge in 1997 net revenues to \$1.25B. Operating cash flow increased 65.6% to \$413.9M. Net earnings slipped 5.2% to \$83M. Adjusted to reflect the impact of acquisitions, revenues gained 5.9% and cash flow 16.6%.

For Belo's broadcast group (18 TV stations and KENS-AM San Antonio), net revenues rose 61% to \$536.7M. Operating cash flow gained 76.4% to \$216.7M. Adjusted for acquisitions, broadcast net revenues increased 3.6% and cash flow 4.1%.

•RealNetworks Inc. (O:RNWK) had 1997 revenues of \$32.7M, up 134% from the previous year. The Internet audio and video streaming company, which sold its IPO in November, reported a net loss of \$11.2M, compared to a loss of \$3.8M for 1996.

A look at details in its report shows that RealNetworks derived only \$2.3M of its revenues from advertising (still, that was more than double the previous year), with \$25.5M from software license fees and nearly \$5M from service revenues.

•SportsLine USA Inc. (O:SPLN) saw revenues increase 323.8% in 1997 to \$10.3M. Slightly over half of those revenues—\$5.4M—came from advertising. Cash flow (EBITDA) rose 38.8% to \$17M. The Internet sports site company, which also syndicates radio programs, also reported a 106.4% rise in its net loss to \$26.5M.

SportsLine USA is partly owned by CBS Corp. (N:CBS), which recently exercised warrants to purchase an additional 380,000 shares for \$3.8M (\$10 per share). CBS holds warrants to purchase an additional 1.52M shares of SportsLine USA over the next four years at prices ranging from \$15 to \$30 per share.

•Otter Tail Power Co. (O:OTTR) reported 1997 revenues up 2.9% to \$205.1M. Net income rose 5.6% to \$32.3M. The company also announced a 1.5¢ increase in its quarterly dividend, to 48¢, payable March 10 to shareholders of record on Feb. 13.

Otter Tail is primarily an electric utility company. One of its subsidiaries owns a radio superduopoly in Fargo, ND and a small market combo in Minnesota.

by Jack Messmer

## Private auctions fill groups with new CPs

Competing applicants have had since last August to negotiate private settlements of long-pending proceedings for new FM construction permits (*RBR* 8/11/97, p. 3). Human nature being what it is, though, most couldn't reach a resolution until the Congressionally-mandated deadline approached at the first of this month.

Settlement agreements are now pouring in at the FCC, but it's not yet known how many of the 241 eligible FM contests were resolved by private auctions. In some cases, established broadcasters have become "white knights," buying out all applicants to get the permits to build new stations.

Capstar honcho **R. Steven Hicks** is paying \$8.5M to get the CP for a new Class C2 on 105.9 mHz in the

Austin market (Round Rock, TX), where Capstar is already buying three stations.

Clear Channel (N:CCU) is the white knight for a Class A on 93.1 mHz in Clarksville, IN to add to its Louisville, KY superduopoly. Three applicants are being bought out for a total of \$772,000, but Clear Channel hasn't yet disclosed how much more it's paying to buy out successful bidder **Lisa Harris** (the local rumor is \$1.6M).

Digisphere group owners **Clifford Burnstein** and **Peter Mensch** are the white knights for a Class A on 105.3 mHz in the Jacksonville market—Fernandina Beach, FL. That strangely-worded settlement is mysteriously devoid of dollar detail, except for a \$200,000 payment to one of

five applicants. Look for the FCC to seek further documentation.

**Stoddard Johnston** and **Sherrie McCullough** are paying \$250,000 to the only other remaining applicant for a new Class A on 95.5 mHz in Carmel, CA—part of the Monterey-Salinas market.

**John Low**'s Rocket Radio is paying \$180,000 for a C2 on 100.1 mHz in Flagstaff, AZ.

Sacramento combo owner **Ed Stolz** is paying \$175,000 for a Class A on 97.7 mHz in Mecca, CA—next to the Palm Springs market.

In Tyler, TX, **Gary Acker**'s Metropolitan Radio Group is paying \$150,125 for a CP to build a C2 on 97.3 mHz in Longview, TX.

## Jacor raises \$500M, adds to station portfolio

Closing is set for today (2/9) on stock and bond sales which will net approximately \$500M for Jacor Communications (O:JCOR). Two of the three offerings were bumped up from their anticipated size (*RBR* 1/26, p. 12), so total proceeds will exceed \$500M if, as is likely, the underwriters pick up the green shoes to cover over-allotments.

- Jacor sold 4.56M shares of common stock (up from the anticipated 3.8M) at \$50.50 per share. After deducting for offering costs, Jacor expects to net \$221M. The underwriters have an option to pick up an additional 513,000 shares at the same price. Lead underwriter: Donaldson, Lufkin & Jenrette

- Jacor sold \$120M in 12-year senior subordinated notes with a yield of 8.05%. The company's net is expected to be \$117.1M. Lead underwriter: Donaldson, Lufkin & Jenrette

- Jacor sold \$383.6M face value at maturity in 20-year zero-coupon liquid yield option notes (LYONs) for

Philip D. Marella, Chairman of  
**Pinnacle Broadcasting Company, Inc.**

*has agreed to transfer the assets of*

**WYNG-FM**  
**Evansville, Indiana**

*for*

**\$6,000,000**

*to*

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\$150M. The LYONs yield 4.75% and are convertible into Jacor common stock. The net to Jacor is estimated at \$145.5M, with an additional \$16.95M if the green shoe is picked up. Sole underwriter: Merrill Lynch

Proceeds from the offerings will be used to help close Jacor's \$620M buy of Nationwide Communications (*RBR* 11/3/97, p. 12). Meanwhile, Jacor CEO **Randy Michaels** has been making smaller buys to round out his station lineup.

#### **Adding signals in the heartland**

Jacor is paying \$6M to acquire **George Foster's** WBEX-AM & WKKJ-FM in Chillicothe, OH—adjacent to Jacor's Columbus superduopoly. (We'll be interested to see what Jacor's engineers have in mind for the FM, which **Tom Gammon** once tried to move into the

heart of the Columbus metro). Broker: Jorgenson Broadcast Brokerage

Also in Ohio, Jacor is adding to its Dayton superduopoly with a \$525,000 buy of WIZE-AM from **Jerry Staggs**—bringing Jacor's Ohio holdings to 55 radio stations. Broker: **Jay Meyers**

Meanwhile, Jacor's powerhouse Des Moines combo is getting a little brother. VOB's Class A KMXD-FM is going to Jacor for \$3M.

Just when you thought he was out to buy everything, Randy is actually *selling* some stations. Jacor is selling WLOC-AM & WMCC-FM Munfordville, KY back to former owner **Henry Royse** for \$225,000. **Jim Champlin** bought the combo from Royse for \$280,000 (*RBR* 9/16/96, p. 16) to pair the 102.3 MHz signal with WLSR-FM Louisville, then sold the package to Jacor for \$5.4M (*RBR* 2/17/97, p. 18-19).

#### **Entercom adds in two markets: G'ville and Longview**

**Joe and David Field's** Entercom Group is adding stations in its two smallest markets:

•**David Gregg's** Gator Broadcasting is selling WRRX-FM Gainesville, FL for \$2.85M, giving Entercom a second FM in market #105. Broker: **Donald Clark**

•**Armak Broadcasters** is selling KBAM-AM & KRQT-FM, giving Entercom a double duopoly in Longview, WA, an unrated market adjacent to its Portland, OR superduopoly. Broker: **Andy McClure**, The Exline Co.

#### **RBR's deal digest**

Cumulus Media is entering the Savannah market with a \$7.25M buy of Lewis Broadcasting's WJCL-FM... Cumulus is also buying Capstar's WOSC-FM & WWFG-FM Salisbury-Ocean City, MD... **Michael Schwartz, Aaron Daniels, Monte Lang, Ed Argow** and **Hank Kestenbaum** are teaming up as Capitol City Radio Partners Inc. to buy **Adam Levinson's** WAIB-FM & WWFO-FM Tallahassee for \$3.75M. Broker: **Scott Knoblauch & George Reed**, Media Services Group... **Jim Embrescia's** Media One is going from duopoly to superduopoly in Erie, PA with a \$5.35M purchase of Rambaldo Communications' WRTS-FM & WRKT-FM... Bonneville is taking its LMA of **Bill Parris' WTOP-FM** Warrenton, VA to ownership in a \$2.6M deal. Broker: **Bruce Houston**, Blackburn & Co... **Steve Hegwood's** On Top Communications is buying **Wade Keck's** WRXZ-FM & WFFM-FM Albany, GA for \$650,000. Broker: **John Willis & George Reed**, Media Services Group... **Raul Alarcon's** Spanish Broadcasting System is buying **John Barger's** KRIO-FM San Antonio, which is being spun off from a Cox Radio deal (*RBR* 12/15/97, p. 12)... **Carol O'Leary's** Forever group is buying WMAJ-AM & WBHV-FM State College, PA for \$2.9M from **Nick Galli's** Nittany Broadcasting. Broker: **Michael Bergner**, Bergner & Co... Capstar is buying the **Jim Gibbons** Radio group, including combos in Frederick, MD and Roanoke, VA.

# CLOSED!

WVOL-AM and WQQK-FM, Nashville, Tennessee, from **Phoenix Communications Group, Inc.**, Samuel H. Howard, Chairman to **Midwestern Broadcasting**, Lewis W. Dickey, President.

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by Jack Messmer & Dave Seyler

The deals listed below were taken from FCC filings made public during the week from Wednesday, Jan. 28 through Tuesday, Feb. 3. *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.

**\$140,000,000—\* WQCD-FM** New York from Tribune New York Radio Inc. (Wayne Vriesman, VP/Radio), a subsidiary of The Tribune Co. (N:TRB), to T.V. 17 Unlimited Inc. (Jeff Smulyan, CEO), a subsidiary of Emmis Broadcasting Inc. (O:EMMS). This is the second part of a two-step, tax-deferred exchange whereby Emmis will acquire Dudley Communications, owner of KTZZ-TV (Ch. 22, WB) Seattle and WXMI-TV (Ch. 17, Fox) Grand Rapids, for \$141M cash and \$38.5M in debt to be assumed or

paid off, a total of \$179.5M. Emmis will then swap the two TVs to Tribune for WQCD-FM, plus a cash boot determined through a complicated tax-liability calculation. Emmis says its effective price will be approximately \$140M (*RBR* 2/2, p. 14). **Superduopoly** with WQHT-FM & WRKS-FM.

**\$90,250,000—\* KVET-AM & FM & KASE-FM** Austin from Butler Broadcasting Company Ltd. (Roy A. Butler) to GulfStar Communications Inc. (John Cullen), a subsidiary of Capstar Broadcasting Partners (R. Steven Hicks). \$10M letter of credit as escrow, \$90.25M in cash at closing. Existing **duopoly**. LMA to begin upon Hart-Scott-Rodino antitrust clearance.

**\$60,000,000—\* WJDS-AM, WZR-AM, WMSI-FM, WJDX-FM, WKTF-FM & WSTZ-FM** Jackson MS (Jackson-Vicksburg MS) and **WMJY-FM & WKNN-FM** Biloxi (Biloxi-Pascagoula MS) from SFXMS Limited Partnership (Robert F.X.

Sillerman), a subsidiary of SFX Broadcasting (O:SFXBA), to GulfStar Communications Inc. (John Cullen), a subsidiary of Capstar Broadcasting Partners (R. Steven Hicks). \$3M letter of credit as escrow, \$60M in cash at closing. **Superduopoly** in Jackson with WOAD-AM, WKXI-AM & FM & WJMI-FM. Capstar is seeking a six-month **waiver** of the multiple ownership rules to allow for the sale of WOAD-AM, WKXI-AM & FM & WJMI-FM to Clear Channel Communications (N:CCU). Transfers existing **duopoly** in Biloxi. Broker: Media Venture Partners

**\$34,000,000—\* WCHB-AM & FM** Detroit (Taylor-Detroit MI) and **WJZZ-AM** Kingsley MI, 100% stock sale of Bell Broadcasting Co. from Wendell F. Cox, the Mary L. Bell Trust, Robert Bell Bass, Treva Bell Bass, Eric Bell Bass, Wendell T. Arnold & Janice L. Hall to Radio One Inc. (Catherine L. Hughes, Alfred C. Liggins III). \$2M escrow, balance in cash at closing. **Duopoly** in Detroit with WWBR-FM, due to ownership interest of Terry L. Jones, a director of Radio One. Broker: John Pierce, Force Communications

**\$7,250,000—WJCL-FM** Savannah from Lewis Broadcasting Corp. (J.C. Lewis Jr. &

**VS&A Communications Partners II, L.P.**

an affiliate of Veronis, Suhler & Associates Inc.

through

**Broadcasting Partners Holdings, L.P.**

a company formed by VS&A Communications Partners II, L.P. in concert with Lee Simonson, chairman and CEO, to acquire and invest in radio stations

has acquired a membership interest in

**Pilot Communications, LLC**

a radio broadcasting company which operates four radio stations in Syracuse, New York and four in Augusta-Waterville, Maine

for

**\$6,250,000**

January 1997

**Broadcasting Partners Holdings, L.P.**

a company formed by VS&A Communications Partners II, L.P. to acquire and invest in radio stations

through

**Pilot Communications, LLC**

has acquired\* the assets of

**WIII-FM and WKRT-AM**

radio stations in Ithaca, New York

from

**Cayuga Radio Partners L.P.**

for

**\$1,675,000**

January 1998

**Broadcasting Partners Holdings, L.P.**

a company formed by VS&A Communications Partners II, L.P. to acquire and invest in radio stations

through

**Pilot Communications, LLC**

has acquired\* the assets of

**WBPW-FM, WQHR-FM, WOZI-FM**

radio stations in Presque Isle, Maine

and

**WHRR-FM**

a radio station in Dennysville, Maine

from

**Four Seasons Communications Inc./**

**Quantum Investments, Inc.**

for

**\$5,150,000**

January 1998

\* subject to FCC approval

Broadcasting Partners Holdings, L.P. was founded in January 1997 by VS&A Communications Partners II, L.P., a \$330 million private equity fund affiliated with Veronis, Suhler & Associates. Led by chairman and CEO Lee Simonson, a 28-year radio veteran, and CFO Phillip Thune, Broadcasting Partners' strategy is to acquire and invest in radio stations and groups that can achieve growth through development of local marketing and strategic acquisitions. VS&A Communications Partners and Broadcasting Partners provide equity capital for acquisitions to experienced owner/operators who choose to maintain a significant equity interest in their business and continue to run their group on a day-to-day basis.

Today, Broadcasting Partners is composed of 5 platform companies operating 36 stations in 12 markets. We are seeking add-on acquisitions in new markets for all 5 platforms and investment opportunities to create new owner/operator platforms in the Midwest and on the West Coast. To learn more about VS&A's investment criteria, contact:

**Christine L. Balcius, Director for Radio Broadcasting**

**VERONIS, SUHLER & ASSOCIATES INC.**

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numerous family members) to Cumulus Broadcasting Inc. (William Bungeroth, Richard Bonick Jr.), a subsidiary of Cumulus Media LLC (Richard Weening, Lewis Dickey Jr.). \$500K escrow, balance in cash at closing. LMA since 1/1/98. Note: The seller owns WJCL-TV (Ch. 22, ABC) Savannah.

**\$6,000,000—\* WYNG-FM** Evansville IN from Pinnacle Southeast Inc. (Philip D. Marella) to Connoisseur Communications of Evansville LP (Jeffrey D. Warshaw, Tinicum D.C.R. Inc., ABRY Broadcast Partners III LP). \$600K letter of credit as escrow, balance in cash at closing. Chain **duopolies** with WGBF-AM & FM, WTRI-FM and LMA of WDKS-FM. Broker: Paul Leonard, Star Media Group

**\$5,350,000—\* WRTS-FM & WRKT-FM** Erie (Erie-North East PA) from Rambaldo Communications (Richard F. Rambaldo) to Media One Group-Erie Ltd. (James T. & Thomas J. Embrescia, Embrescia Family Trust, Richard F. Rambaldo). \$250K escrow, balance in cash at closing. Simultaneously with the closing, Rambaldo will purchase a 33.3% interest in Media One. **Superduopoly** with WRIE-AM, WXTA-FM & WXKC-FM.

**\$5,745,000—\* WQBB-AM & FM** Knoxville (Powell-Knoxville TN), 100% stock sale of Sequoyah Communications from Southern Diversified Industries Inc. (Elizabeth S. Richards, James R. Staley) and sale of assets of McDonald Communications (Elizabeth S. Richards) to Journal Broadcast Group Inc. (Robert Kahlor, chairman, Douglas Kiel, president), a subsidiary of Journal Communications Inc. (David G. Meissner & others). \$5.25M in cash for stock and assets, \$495K to Buhrman Reese Staley under non-compete agreement. **Superduopoly** with WWST-FM & WMYU-FM. Broker: Kalil & Co.

**\$2,500,000—KDDS-AM & KQDS-FM** Duluth MN from Great Duluth Broadcasting Co. Inc. (Anthony J. Fant) to KQDS Acquisition Corp. (Myron Kunin, Ro D. Grignon). \$200K escrow, \$5M (less escrow) in cash at closing, \$500K note. Radio value of \$5.5M total estimated by RBR. Notes: This deal also includes KNLD-TV (Ch. 21, independent—Fox affiliation pending) Duluth. The buyer is requesting a **waiver** of the one-to-a-market rule to continue to operate this combo with the only UHF among the market's four TV stations. Broker: Kalil & Co.

**\$2,400,000—WERD-AM** Atlanta (East Point GA) from Darrell Spann to Atlantic Area Broadcasting Inc. (William E. Corey). Approximately \$650K in cash payments, balance of approximately \$1.75M in a note.

Note: Although the contract says the name of the buyer is Atlanta Area Broadcasting, the application was filed with the FCC as Atlantic Area Broadcasting. Broker: Cable Media

**\$1,050,000—\* WYII-FM** Hagerstown (Williamsport MD) from OEA Inc. (Kenneth F. Smith) to Prettyman Broadcasting Co. (William E. Prettyman Jr.). \$50K escrow, balance in cash at closing. **Duopoly** with WEMP-AM & WKMZ-FM. LMA since 1/5/98. Broker: Blackburn & Co.

**\$1,000,000—\* KZRK-AM & FM** Amarillo (Canyon TX) from Sovereign Communications Corp., a subsidiary of United Heritage Corp. (Walter G. Mize), to Cumulus Licensing Corp. (William Bungeroth, Richard Bonick Jr.), a subsidiary of Cumulus Media LLC (Richard Weening, Lewis Dickey Jr.). \$50K letter of credit as escrow, \$1M in cash at closing. **Superduopoly** with KARX-FM & KQIZ-FM. Broker: Norman Fischer & Co.

**\$975,000—\* WMXY-AM & WZLG-FM** Hogansville GA from JANZ Broadcasting Inc. (Steven Zimmerman) to Radio LaGrange LLC (Michael D. Easterly, James F. Easterly, Roderick E. Hennek, Edward S. Michelson & others). \$25K escrow, additional \$725K in cash at closing, \$225K note. **Duopoly** with WCOH-AM Newnan GA. Broker: George Reed & Scott Knoblauch, Media Services Group

**\$850,000—\* WGGI-FM** Scranton/Wilkes-Barre (Benton PA) from Emro Communications Inc. (Fred H. Deiter) to Sinclair Radio of Wilkes-Barre Licensee Inc. (David D. Smith), a subsidiary of Sinclair Broadcast Group Inc. (O:SBGI). \$50K escrow, balance in cash at closing. LMA since 10/29/97. **Duopoly** with WILK-AM & WKRZ-FM, but no contour overlap with Sinclair's other five stations in the market. Broker: Ted Hepburn Co.

**\$650,000—\* WAIL-FM** Key West FL from Spottswood Family Trust (Robert A. Spottswood) to Spectrum Radio Inc. (Peter L. Arnow). \$100K escrow, additional \$50K in cash at closing, \$500K note. Note: This sale includes an LMA with purchase option of WKWF-AM Key West. **Duopoly** with WEOW-FM Key West. Broker: The Connolly Co.

**\$475,000—\* WWWE-AM** Atlanta (Carrollton GA) from West Georgia Broadcasting Inc. (Jack Witcher) to Forus Communications of Atlanta Inc. (Simon Rosen, Lind Carl Voth). \$47.5K escrow, balance in cash at closing. **Duopoly** with WAEC-AM. Note: WWWE has a CP to change its city of license to Hapeville GA and diplex its antenna on the WAEC tower, resulting in identical 5kw contours on 860 kHz and 1100 kHz.

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