

Radio Business Report™

Voice Of The Radio Broadcasting Industry®

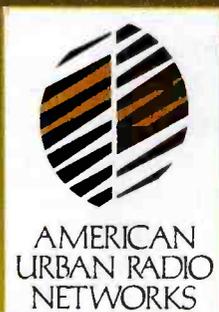
January 22, 2001

Volume 18, Issue 4

AMERICAN URBAN RADIO NETWORKS

#1

THE URBAN
RADIO LEADER



AMERICAN
URBAN RADIO
NETWORKS

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New EEO rules struck down

In a final farewell to FCC Chairman **William Kennard**, the US Court of Appeals for the District of Columbia once again struck down the FCC's EEO rules. This is the second time that the EEO rules were declared unconstitutional.

In 1998, the 30-year-old rules were thrown out. Kennard led the charge to bring back new rules which were passed in late 1999 and implemented last year—despite protests from broadcasters that the new rules were just as flawed as the old ones.

This most recent case was brought against the FCC by all 50 state broadcasting associations on two counts. First, they felt that the rules created a large reporting burden and second, that they violated the Fifth Amendment by showing preference towards women and minorities. The court ruled that there was no proof on the first count, but the second does violate the US Constitution. The finding said "We hold that the rule does put

continued on page 2

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press release said that Big City "had been appointed to exclusively represent the 67 radio station affiliates of Hispanic Radio Network" and claimed that the majority of those stations were owned by Hispanic Broadcasting Corp. (N:HSP). In the announcement, Big City CEO **Charles Fernandez** called the network rep deal "strategically very important for us."

"HRN is not ours," Hispanic Broadcasting Corp. CEO **Mac Tichenor** told *RBR*, although he added, "We have a small investment in that company."

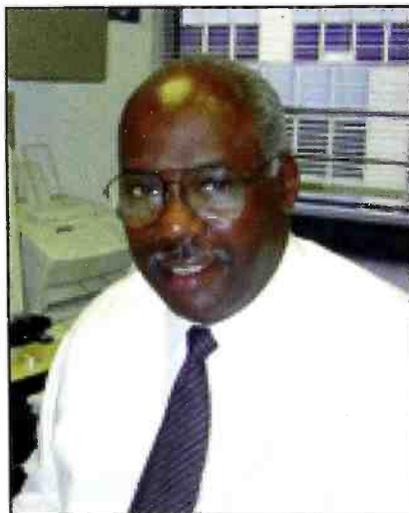
"We hired Big City Radio to rep our network only. It has nothing to do with HBC," HRN President **Barrett Alley** told *RBR*. Although he said HRN's programs may air on over 100 stations in the US (they also air throughout Latin America), Alley said 67 is the maximum affiliate count for any single program, with only nine of them HBC's O&Os. Those programs have no spot inventory, but rather are public affairs-type programs, which Alley and HRN CEO **Jeff Kline** compared to NPR, except in Spanish. What Big City's Independent Radio Reps will be selling are sponsorships, rather than spots.

Katz Hispanic Media, which represents the HBC stations for national spot sales, had also been repping the HRN network since last September. President **Laura Hagan** told *RBR* that Hispanic Radio Network had only what she termed "news capsules" running on HBC's AM stations and some other affiliates, "so we didn't want to represent them anymore." She called Big City's press release "a gross misstatement."

Fernandez, who was traveling, did not immediately return *RBR*'s call seeking comment. Despite the consternation, it appears that HRN is not dissatisfied about its contract with Big City—just the wording of the press release.—JM

Mediapassage and OneMediaPlace merge

With closing of the deal expected late next month, online ad media transaction companies Mediapassage and OneMediaPlace are set to merge. The new name will be "OneMediaPassage." OneMediaPlace brings expanded planning and purchasing capabilities for all media types with its "MediaStores" inventory marketplace a web-based Request For Proposal System; Mediapassage brings extensive print and broadcast client relationships and an online planning, tracking and billing system. It has 3,700 radio and network affiliates and has processed 300K print transactions since '97; OneMediaPlace has 3,500 registered sellers and 14,000 registered buyers. BroadcastSpots.com had merged into Mediapassage last September.



Woodbeck

"The primary reason for the merger is to stake out a clear, unquestionable leadership position in the media e-marketplace category. The combined entity will have a complimentary market-dominating position across both ends of the media supply chain by merging the OneMediaPlace Web-based RFP

functionality and Media Stores with Mediapassage's back end services," OneMediaPlace SVP Radio **Frank Woodbeck** tells *RBR*. "What this means for the world of radio is that we will now be able to supply a complete end-to-end solution that ties in to legacy systems on both sides of the buyer/seller relationship."—CM

NAB plans dues-free holiday

The NAB's Joint Board of Directors, at meetings 1/14-17, agreed that the "dues holiday" (this gives the radio members a two-month dues-free holiday and a Radio Show attendance incentive) would be continued for FY2001.

The Radio Board lent its support to the current way of defining radio markets, and will oppose the FCC's proceeding to find another way to define the markets, such as Arbitron markets.

A resolution was made to commend the NAB's Educational Foundation for "developing initiatives designed to help minorities and women obtain employment in broadcasting and advance their careers."—ED

BroadcastAmerica auction bids due 2/8

BroadcastAmerica's (BA) fate will soon be sealed: A US bankruptcy court judge in Portland, ME approved a plan to auction off the defunct streaming provider/aggregator to pay off \$4M in debts. Bids are being accepted on all or part of the company. However, BA hopes a bidder will opt to buy the entire business and keep it intact. Meanwhile, BA competitors are signing away ra-

dio affiliates on a daily basis, so we're not sure what's left to consider "intact."

BA creditors include streaming/Internet utilities RealNetworks, MCI and Sprint, and SurferNetwork's investor/partner who placed \$1M into the company (via "BA Funding") in an effort to combine the entities after Chapter 11 proceedings had been completed (*RBR* 11/13/00, p.8). At its peak, BroadcastAmerica had 700 radio and 70 TV stations streaming under contract, however had cut streaming to 148 affiliates (*RBR* 12/4/00, p.2) and lost streaming altogether from a recent court ruling (*RBR* 12/25/00, p.4)

Supporting the Broadcast America proposal, the judge ruled all bids must be submitted by 1/31, with winning bids presented to the court on 2/8. The lowest acceptable bid for BA would have to beat BA Funding's \$1M investment. If that figure is not topped, BA Funding/SurferNetwork gets all of BA's radio station contracts and agrees not to foreclose on the company's tangible assets. If it is topped, then BA Funding gets its \$1M back and the high bidder gets the radio contracts.—CM

The MusicBooth gets second round of funding

The MusicBooth, another online audio ad insertion technology provider (using patented "AdAcoustics" technology) announced it has raised \$2.3M in second round funding led by Prime Ventures, Inc.

MusicBooth has signed Interep for sales representation and has relationships with UUNET (MCI WorldCom) and Excite At Home's, MatchLogic unit. The company's board includes **Burt Manning**, Chair-

man Emeritus and former Chairman and CEO of J. Walter Thompson Worldwide and **Chris Jackson**, Principal of Cramer Rosenthal McGlynn, LLC.—CM

BBQ Radio competes in streaming

Former WARP Radio tech employees **Robert Payne**, **Andy Keeney** and **Marnee Koehler** launched their own streaming and aggregating service for radio stations, BBQRadio.com, with CEO **George Ballantoni** in July last year and have been growing quickly. Currently aggregating 2,000 streaming US stations on its website, BBQ has so far secured 31 of its own. "Basically, WARP let Robert, Andy and Marnee go. And I have been in the IT industry for the last five years. A mutual friend of ours introduced us and we started BBQ Radio," Ballantoni tells *RBR*.

The company's business model is mainly barter, but they'll take cash. "We take two minutes a day of terrestrial ad time and resell it through Interep and Katz. There is no ad insertion, no banner ads unless they want them, no gateway ads, none of that," explains Ballantoni. "The only thing stations have to purchase is a standard computer, we recommend it has a Soundblaster Live in it for optimal sound. We also recommend more than a dial-up connection—a DSL or ISDN."

With all of the news about barter and free models failing as of late, Ballantoni claims his business is good: "We're into our sophomore year now. Things look very, very good this year. Right now, we're working hard on picking up BroadcastAmerica people and others who have been floundering."—CM

Tur in mayoral bid

Former KNX-AM & KCBS-TV helicopter news guy **Bob Tur** is running for mayor of Los

RBR News Briefs

Tauzin announced picks

Rep. **Billy Tauzin** (R-LA), newly elected Chairman of the House Energy and Commerce Committee announced his picks for subcommittee chairs. Rep. **Cliff Stearns** was the favored pick for the chairmanship of the Telecommunications subcommittee. However he is now the chair of the Subcommittee on Commerce, Trade and Consumer Protection. Chairman of the Telecommunications Committee will be Rep. **Fred Upton** (R-MI). Last session Upton was the Chairman of the Commerce Committee Oversight and Investigations Subcommittee.—ED

Lightningcast secures second round of funding

Targeted audio ad insertion technology network Lightningcast.com has secured its second round of funding from Nokia phones and a number of private investors. We hear the deal will build upon wireless streaming media delivery to cellphones via next generation wireless technology. A media conference call is scheduled for today to provide the details. These days, it's almost impossible to get funding for Internet-related startups. We will be curious as to how CEO **Tom Des Jardins** did it, considering the current poor market for audio ad insertion.—CM

Milano heading CCRS National Sales

Dominick Milano has been promoted to Exec. VP and Director of National Sales at Katz Media Group's Clear Channel Radio Sales. He'll oversee the nine Regional VPs who lead the national spot sales efforts of the three CCRS units, Diamond, Sapphire and Emerald. Milano, who has been with Katz Media Group since 1986, will report to **Mike Agovino**, President of Clear Channel Radio Sales.—JM

Bonuses are back at Disney

Top Disney (N:DIS) executives received bonuses again in 2000, after seeing nothing extra in 1999. Unlike most media companies, who saw their stock values plunge in 2000, it was actually a recovery year for Disney after a dismal '99. The company's latest SEC filing shows that CEO **Michael Eisner** received a bonus of \$11.5M for 2000, with \$3M deferred until January 2004. Disney President **Bob Iger** received a bonus of \$5M.—JM

Angeles on a platform of firing the current police chief and standing up for the city's rank-and-file officers. An *LA Times* article noted that Tur is likely the first mayoral candidate who can say he's been shot at by some of the people he's seeking to represent. Tur's helicopter drew gunfire as he shot the famous video of a mob attacking trucker **Reginald Denny** during the 1992 LA riots. He was also the first airborne reporter to locate **O.J. Simpson's** white Bronco, leading to the televised slow-speed chase.

Mayor **Richard Riordan** can't run for re-election and Tur is one of seven major candidates (out of a total of 17) who'll face off in a non-partisan April 10 primary that's likely to nar-

row the field to two.

Tur has been running his own news service since he was dropped in a 1997 round of CBS cost-cutting. He has a lawsuit pending against his former employer.—JM

Enco establishes direct sales force

Ending its exclusive rep agreement with Harris' Broadcast division that began 2/1/99, Enco Systems has once again established a direct sales team for the US 1/15. While the announcement was made 1/15, the relationship has been diminished since October, not long after Enco opened its sales, support and manufacturing facility in the UK last September. "Internationally,

that's accurate, although they've been selling domestically for us right up to the present time," Enco Director of Sales and Marketing **Don Backus** tells *RBR*. "The contract required us to give them 60 days notice of the termination—that was given in October. The contract was in full force since 12/20. The overriding motivation behind making this move was to enhance our ability to thrive in the industry, giving us control of our sales from manufacture right to the end user. This is no reflection on Harris—nobody can tell Harris' story better than Harris can. Equally, nobody can tell our story better than we can."

Enco now assumes responsibility worldwide to sell direct or through local dealers.—CM

Marketing associations merge

The Association of Direct Marketing Agencies (ADMA) is merging into The Direct Marketing Association (DMA)—a consolidation that DMA refers to as an “acquisition.” After the merger, ADMA President **Warren Hunter**, who is President of DMW Worldwide, will become Chairman of DMA’s new Direct Marketing Agency Council.

“Direct marketing advertising expenditures now represent more than half—56.5%—of total US advertising spending, which are projected to be \$339.3 billion in

2000,” said DMA President & CEO **H. Robert Wientzen**. “This acquisition will help grow direct marketing by combining the expertise behind the best direct marketing agencies throughout the country with DMA’s information, representation and educational services as the consumer and business-to-business marketplace becomes ever more dynamic.”

Hunter asserted that “traditional direct marketing agencies are disappearing” and are being replaced by hybrids that “combine traditional direct marketing methods with interactive and database elements.”—JM

Radio ads target Ecstasy

The Partnership for a Drug-Free America will launch two news

radio ads entitled “Megan” and “David” which hope to educate parents on the dangers of Ecstasy. Both spots are :30 and were created by The Weightman Group. The commercials feature a parent on the phone with their child where they are learning that more and more children are trying Ecstasy. The goal is to drive parents to the Partnership’s website (www.drugfreeamerica.org) to learn more about Ecstasy.—ED



The MeasureCast Weekly Top 25™ (Monday, Jan. 8 - Sunday, Jan. 14, 2000)

| Rank | Station | Format | Network | URL | Total TSL ¹ | Cume Persons ² (in hours) |
|------|-----------------------------------------|---------------------|-----------------------|------------------------------------------------------------------------------|------------------------|-----------------------------------------|
| 1 | WABC-AM (New York) | Talk Radio | ABC Radio | www.wabcradio.com | 73,183 | 12,245 |
| 2 | MEDIAmazing (Internet-only) | Listener Formatted | MEDIAmazing | www.mediamazing.com | 58,002 | 15,332 |
| 3 | Radio Margaritaville (Internet-only) | Classic Rock | Radio Margaritaville | www.radiomargaritaville.com | 38,759 | 6,132 |
| 4 | WPLJ-FM (New York) | CHR / Top 40 | ABC Radio | www.wplj.com | 37,415 | 3,004 |
| 5 | KSFOa-AM (San Francisco) | Talk Radio | ABC Radio | www.ksfo.com | 33,678 | 6,137 |
| 6 | KQRS-FM (Minneapolis) | Classic Rock | ABC Radio | www.kqrs.com | 32,313 | 3,430 |
| 7 | WLS-AM (Chicago) | News / Talk | ABC Radio | www.wlsam.com | 27,797 | 6,194 |
| 8 | KGO-AM (San Francisco) | News / Talk | ABC Radio | www.kgoam810.com | 27,655 | 4,886 |
| 9 | Star 98.7 (Burbank CA) | Adult Contemporary | CyberAxis | www.star987.com | 25,354 | 2,432 |
| 10 | The Beat LA (Los Angeles) | Urban R&B | CyberAxis | www.thebeatla.com | 25,137 | 3,067 |
| 11 | KLOS-FM (Los Angeles) | Classic Rock | ABC Radio | www.955klos.com | 24,561 | 3,787 |
| 12 | WBAP-AM (Dallas/Ft. Worth) | News / Talk | ABC Radio | www.wbap.com | 22,930 | 3,748 |
| 13 | WJZW-FM (Washington DC) | Jazz | ABC Radio | www.smoothjazz1059.com | 22,193 | 2,020 |
| 14 | HardRadio (Internet-only) | Album-oriented Rock | Internet America | www.hardradio.com | 21,510 | 3,047 |
| 15 | WRQX-FM (Washington DC) | CHR / Top 40 | ABC Radio | www.mix1073fm.com | 20,515 | 1,396 |
| 16 | KABC-AM (Los Angeles) | Talk Radio | ABC Radio | www.kabc.com | 18,301 | 3,694 |
| 17 | 3WK Undergroundradio (Internet-only) | Alternative Rock | 3WK | www.3wk.com | 16,411 | 3,105 |
| 18 | Black Gospel Network (Internet-only) | Gospel | Oneplace | www.blackgospelnetwork.com | 14,465 | 4,141 |
| 19 | KBLX-FM (San Francisco) | Adult Contemporary | GlobalMedia.com | www.kblx.com | 14,338 | 1,036 |
| 20 | KXXR-FM (Minneapolis) | Rock | ABC Radio | www.93x.com | 12,411 | 1,602 |
| 21 | WMAL-AM (Washington DC) | News / Talk | ABC Radio | www.wmal.com | 12,043 | 1,954 |
| 22 | WBSL-FM (New York) | Urban R&B | GlobalMedia.com | www.wbsl.com | 11,405 | 1,170 |
| 23 | BluesBoyMusic.com (Internet-only) | Blues | The Broadcast Web.com | www.bluesboymusic.com | 11,009 | 3,955 |
| 24 | WPOW-FM (Miami) | CHR / Top 40 | GlobalMedia.com | www.power96.com | 10,638 | 2,548 |
| 25 | CKZZ-FM (Vancouver BC) | CHR / Top 40 | GlobalMedia.com | www.z95.com | 10,123 | 1,693 |

By Franklin Raff

Love thine enemies, bless them that curse you. Matthew, 5:44

Whether the idea is anachronistic or utopian, whether it may lead to two bruised cheeks, this much is certain: it is a core philosophy of the most highly trained, ruthless and competitive local sales force in the country: Yellow Pages (YP) reps. Indeed, their *modus operandi* might be translated: "Give thine enemies enough rope to hang themselves."

The YP industry was valued at \$12 billion in 2000. Independent YP publishers (those not affiliated with a telephone company) are growing at 10%-20% per year. YP publishers in new and mature markets around the world are expanding at a break-neck pace and focusing (astutely, I think) on the effects of privatization and deregulation. And new electronic revenue streams are both enhancing their core product and introducing new products: The internet YP market *alone* was valued at \$164.9 million in 2000. But as in our industry, the national reputation, strength, and stability of The YP is built largely on the streets, with the local reps.

The YP six-week rookie training program has an affectionate pet name: *Hell*. New reps are forced to memorize an interactive ten-page pitch-script verbatim. YP reps master approximately twenty concise techniques for turning as many objections into upsells. Bigger. With Color. In a new heading. Because Verizon shares lists and information with AT&T (indys like The One Book must *purchase* this information), rookies also hit the streets armed with the growth trends (phone bill increases, new phone lines) of their prospects. YP publishers have even partnered with school boards to *teach* YP use to all students as a part of a "reference" curriculum. And should our wide-eyed fingerwalkers become dead-beat business-owners, bundling ensures quick collections: if an advertiser defaults on the one-close annual, the Bell matriarch swiftly shuts down their phones.

There is a guiding principle behind YP sales: *Love your enemy*. YP reps respond to news of clients' radio expenditures, for instance, with "Great!" YP reps are trained to appear to *love* other media. They never acknowledge an all-encompassing "advertising" category. Rather, they proclaim their own selling proposition *anchoring* a business without which all other advertising is simply futile. Their saccharine approach is disarming; the heavy cloak of Ma Bell hides a crafty giant.

Sadly, this giant dominates both his/her category and ours. While YP advertising is moment-of-decision advertising, radio, properly implemented, is not. And though the differences may seem obvious to us, it is critical that we remind our clients, early and often, of the relative strengths and weaknesses.

YP will *hurt* a business if it is not prepared to beat competitors' prices or close on the first call. According to The YP Publishers Association, the average YP user considers 5.4 ads per reference. If a CSR is not prepared to close on a price-quote call, the sale is usually lost to a more aggressive competitor. YP doesn't generate leads, it guides existing leads to a pool of competitors.

YP delivers a specific, unchanging factual message to *some* consumers (58% of consumers 18+ refer to the YP in the average week) who are ready to buy. But emotional attachment to brands is in almost all cases developed prior to purchase. Winning customers prior to day-of-decision—through radio—means higher profit margins and uncontaminated leads.

Tracking efforts indicate YP rules the roost in response. But YP is only a *last point* of reference. Prospects report "seeing you in the Yellow Pages", but prospects that become customers generally do so for only four reasons: emotional attachment, top-of-mind-awareness, emergency, or price. The first (and most profitable) reasons require preexisting

knowledge of the business: *before* the day of decision.

YP reps are upsell experts, systematically pitting competitors against each other for the next size up, the next color, the next heading. **Chris Lytle** calls it the "club your neighbor" concept. And as the books grow and more titles emerge, an unchanging ad takes up less and less of the total directory reference space.

One way businesses can get the benefit of last point of reference advertising without the drawbacks is to mention in their radio advertising that they can be found in the *White Pages*. Not only will radio repeat the name of their business (whoopee!) with a clear call-to-action while drawing prospects to a *free* last-point-of-reference (mandated as such by the FCC), it also draws them to a space that is free from competitors' advertising.

Even the most competitive YP centered business in America, the pizza delivery business, is learning that overemphasis on Yellow Pages and Direct leads to profit-killing and product quality killing price-wars: \$9.99, then \$8.99, then \$5.99 large pizzas. *Papa John's*, the most rapidly expanding Pizza chain in the United States, is spending comparatively less on local YP, focusing instead on a high-reach, high-frequency *audiocentric* non-price positioning message: *We deliver the perfect pizza... Papa John's!* So when time comes for last point of reference, the decision is already made. Indeed, customers expect to pay a little more for what they perceive as "Better Ingredients Better Pizza" before they order! Radio makes products and services valuable by engaging the imagination of the prospect. YP can only make products and services valuable by encouraging lower prices. Ironically, radio reaches out and touches new prospects; YP simply pools competitors.

Why should our clients pay for the privilege of losing customers to price shopping? Why should they be continually upsold for zero new reach and little competitive advantage? YP reps make

fabulous money, have gargantuan commissions and resources, are the most effective closers, and have the most at stake. What's at stake is the realization —*en masse*— that their "club your neighbor" approach produces neighborhoods of underperforming businesses.

If, in a national initiative, we were to allocate 5 seconds in every new local :60 to the following words: "*Look us up in the white pages, under _____*" we would deliver a *crippling* blow to the yellow Goliath. If we were to schedule our radio clients responsibly, keeping clients off of stations and dayparts in which they can't afford proper reach values (thus also allowing us a clear upsell path when they *can* afford to own those stations or dayparts) we would match Yellow Pages' phenomenal upsell record. If we would realize fundamentally and universally that radio advertising owns its own "prior to day of decision" category; if we would train new reps to sell that category with the vigor they habitually ascribe to trashing their fellow radio Davids, we would, I believe, catalyze a revolution in nationwide media spending. This would happen at a vulnerable time for YP: a critical and fragile phase in online product development. Think, for a moment, about \$12 billion in spoils.

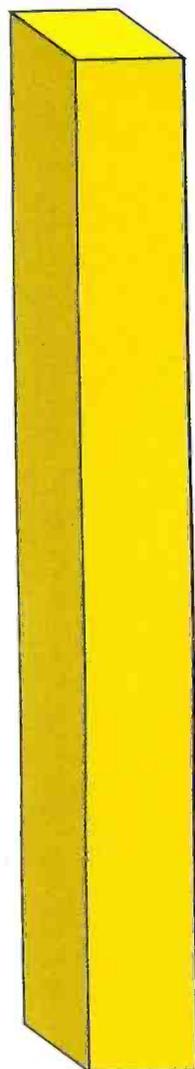
Until that day, our enemy will love us to death, for better or for worse, as radio's share of nationwide advertising wanes, as the Yellow Pages grows, and as innumerable radio rookies hit the streets armed with new suits, new business cards, and of course, the Yellow Pages.

I am grateful for the input of a marvelous radio rep, Rae Carol Flynn at WMAL WRQX Washington. She once sold Yellow Pages but found, at last, that she loved her enemy, radio, just that much more.

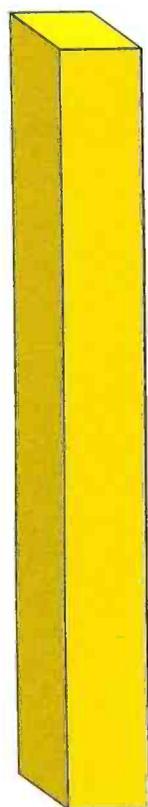
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by Jack Messmer

Broadcasters with public stock would probably like to forget that 2000 ever happened. It was a most bizarre year for the overall stock market, but especially so for radio stocks.

Despite robust growth through the early months of 2000, radio stocks were generally on the way down from the sound of the starting gun. The Radio Index peaked the last trading day of 1999 at 256.06 and never set a new high in all of the past year. A few radio stocks actually peaked in April, but then joined the downward spiral.

For The Radio Index, the depths of despair were reached October 16 at a low for the year of 108.89—barely above the 100 mark where *RBR*'s barometer of radio stocks began on the last day of 1997. You could hardly call it a recovery, but the index ended 2000 at 125.36—off 51% for the year.

Blame dot-coms if you like, but they were only one of the year's problems. As reality began to strike the previously high-flying dot-com sector last Spring, investors realized that if Wall Street was going to stop pouring money indiscriminately into every so-called tech stock IPO that asked for it, those dot-com start-ups were also going to run out of money to spend on advertising to shout their

newly-minted brand names to the public.

The never-before-seen phenomena of a brand new ad sector dumping money into radio advertising gave the industry an unexpected boost through the last two quarters of 1999 and the first two quarters of 2000. Now, however, broadcasters are having to face the tough comps of those easy-money days of a year ago.

Meanwhile, an asleep-at-the-switch Federal Reserve Board kept trying to slow down an economy that, rather than being in danger of overheating, was already heading toward recession. Had Fed Chief **Alan Greenspan** only read *RBR* he would have been aware of what was happening (*RBR* 7/24/00, p. 10 & 4/24/00, p. 8). Instead, "Crazy Al" kept leaning against the brake and didn't wake up until early this month, when the Fed finally started lowering interest rates instead of raising them.

Better late than never. Although the nation came dangerously close to a recession (just check December retail sales), it appears the Fed acted in time to avert a real collapse. It's not the fabled "soft landing" Greenspan's fans believed he could pull off, but better a few bumps than a crash.

continued on page 10

Quarterly Stocks

Radio stock performance by category, full year 2000

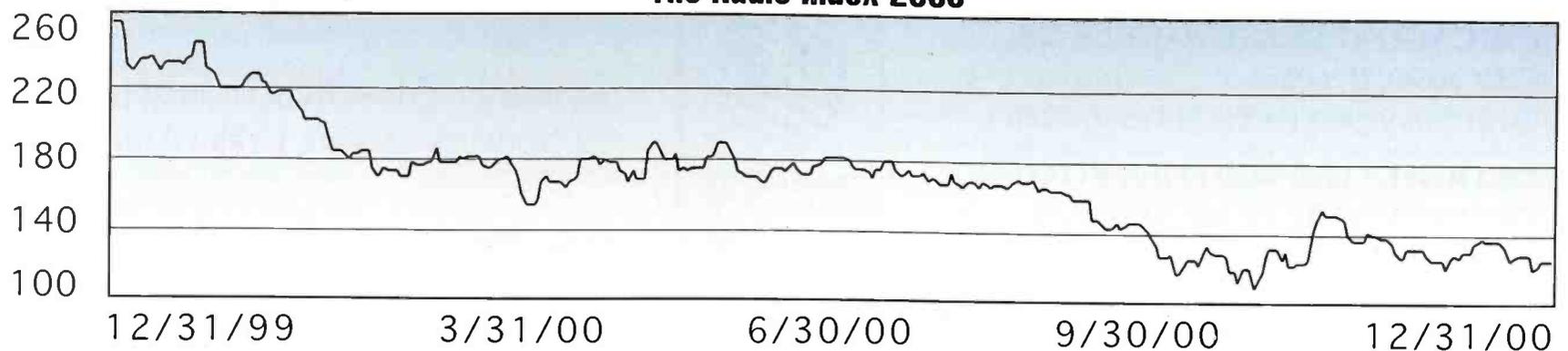
| | 12/29/00 | 2000 | 2000 |
|------------------|----------|---------|---------|
| Radio Companies | Close | Net Chg | Pct Chg |
| Infinity | 27.938 | -8.250 | -22.80% |
| Saga Commun. | 14.875 | -5.375 | -26.54% |
| Cox Radio | 22.563 | -10.688 | -32.14% |
| Salem Comm. | 14.938 | -7.688 | -33.98% |
| Hispanic Bcg. | 25.500 | -20.609 | -44.70% |
| Entercom | 34.438 | -31.813 | -48.02% |
| Big City Radio | 2.188 | -2.563 | -53.95% |
| Emmis | 28.688 | -33.633 | -53.97% |
| Radio One, Cl. D | 11.000 | -19.667 | -64.13% |
| Radio One, Cl. A | 10.688 | -19.979 | -65.15% |
| Citadel | 12.000 | -52.875 | -81.50% |
| Radio Unica | 3.750 | -25.125 | -87.01% |
| Spanish Bcg. | 5.000 | -35.250 | -87.58% |
| Cumulus | 3.625 | -47.125 | -92.86% |
| Alliance Bcg. | 0.012 | -0.238 | -95.20% |

| | 12/29/00 | 2000 | 2000 |
|------------|----------|---------|---------|
| Radio IPOs | Close | Net Chg | Pct Chg |
| Regent | 5.938 | -2.563 | -30.15% |
| Beasley | 8.313 | -7.188 | -46.37% |

| | 12/29/00 | 2000 | 2000 |
|-------------------|----------|---------|---------|
| Radio Rep Company | Close | Net Chg | Pct Chg |
| Interep | 3.500 | -9.875 | -73.83% |

| | 12/29/00 | 2000 | 2000 |
|----------------|----------|---------|---------|
| Radio Networks | Close | Net Chg | Pct Chg |
| Triangle | 0.017 | -0.003 | -15.00% |
| Westwood One | 19.313 | -18.688 | -49.18% |
| NBG Radio Nets | 1.125 | -1.969 | -63.64% |

The Radio Index 2000



| | 12/29/00 | 2000 | 2000 |
|------------------------|--------------|----------------|----------------|
| Media Companies | Close | Net Chg | Pct Chg |
| Disney | 28.938 | -0.313 | -1.07% |
| Belo Corp. | 16.000 | -3.063 | -16.07% |
| New York Times | 40.063 | -9.063 | -18.45% |
| Adelphia | 51.625 | -14.000 | -21.33% |
| Viacom, Cl. A | 47.000 | -13.438 | -22.23% |
| Viacom, Cl. B | 46.750 | -13.688 | -22.65% |
| Hearst-Argyle | 20.438 | -6.188 | -23.24% |
| Tribune | 42.250 | -12.813 | -23.27% |
| Gaylord | 20.875 | -9.063 | -30.27% |
| Clear Channel | 48.438 | -40.813 | -45.73% |
| Ackerley | 9.000 | -9.125 | -50.34% |

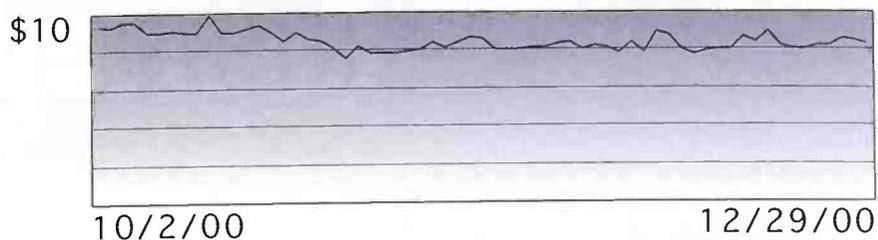
| | 12/29/00 | 2000 | 2000 |
|--------------------------------|--------------|----------------|----------------|
| Radio-related Companies | Close | Net Chg | Pct Chg |
| Cir.Rsch.Labs | 5.125 | 3.125 | 156.25% |
| Harman Intl. | 36.500 | 8.438 | 30.07% |
| Am. Tower | 37.875 | 7.313 | 23.93% |
| SpectraSite | 13.250 | 2.375 | 21.84% |
| Harris Corp. | 30.625 | 3.938 | 14.75% |
| Jeff-Pilot | 74.750 | 6.500 | 9.52% |
| Ceridian | 19.938 | -1.625 | -7.54% |
| Fisher | 55.000 | -6.750 | -10.93% |
| Crown Castle | 27.063 | -5.063 | -15.76% |
| Gentner | 11.750 | -2.250 | -16.07% |
| TM Century | 0.500 | -0.125 | -20.00% |
| DG Systems | 2.125 | -5.000 | -70.18% |
| WinStar Comm. | 11.688 | -38.479 | -76.70% |
| Pinnacle Hldgs. | 9.063 | -33.313 | -78.61% |
| RealNetworks | 8.688 | -51.469 | -85.56% |
| WarpRadio.com | 0.625 | -4.000 | -86.49% |
| SportsLine USA | 5.313 | -44.813 | -89.40% |
| Launch Media | 1.563 | -17.375 | -91.75% |
| PopMail.com | 0.188 | -2.813 | -93.75% |
| First Entertain. | 0.016 | -0.625 | -97.56% |
| Global Media | 0.063 | -4.626 | -98.67% |
| FTM Media | 0.016 | -12.734 | -99.88% |

| | 12/29/00 | 2000 | 2000 |
|----------------------|--------------|----------------|----------------|
| Media Co. IPO | Close | Net Chg | Pct Chg |
| Entravision | 18.375 | 1.875 | 11.36% |

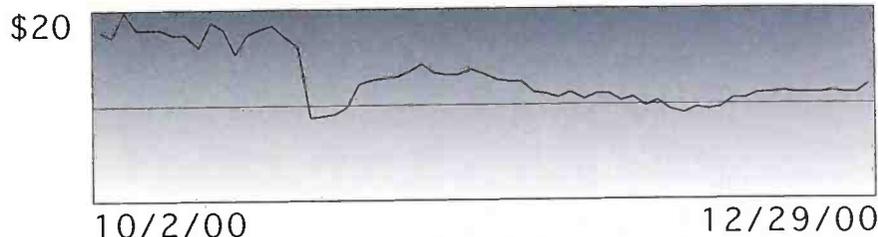
| | 12/29/00 | 2000 | 2000 |
|----------------------------------|--------------|----------------|----------------|
| Satellite Radio Companies | Close | Net Chg | Pct Chg |
| Sirius Sat. Radio | 29.938 | -14.563 | -32.72% |
| XM Sat. Radio | 16.063 | -22.063 | -57.87% |

| | 12/29/00 | 2000 | 2000 |
|-----------------------------------|--------------|----------------|----------------|
| Major Stock Market Indices | Close | Net Chg | Pct Chg |
| The Radio Index | 125.360 | -130.700 | -51.04% |
| Dow Industrials | 10786.85 | -710.270 | -6.18% |
| Nasdaq comp. | 2470.520 | -1598.790 | -39.29% |
| S&P 500 | 1320.280 | -148.970 | -10.14% |

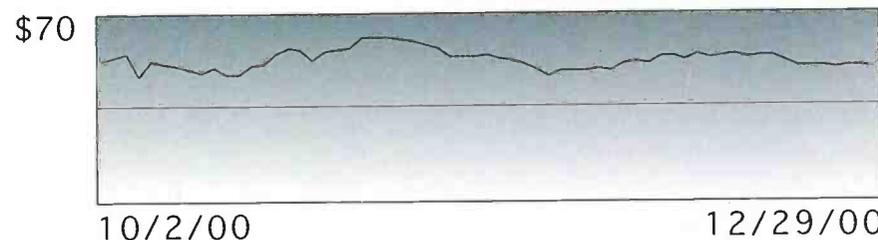
Beasley Broadcast Group (O:BBGI)



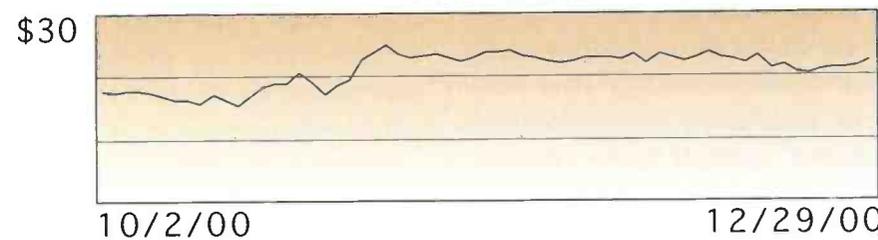
Citadel Communications (O:CITC)



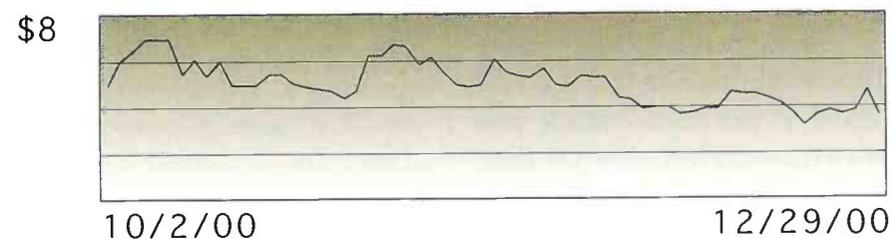
Clear Channel (N:CCU)



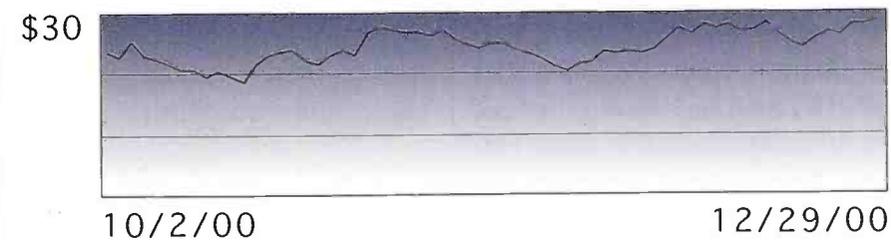
Cox Radio (N:CXR)



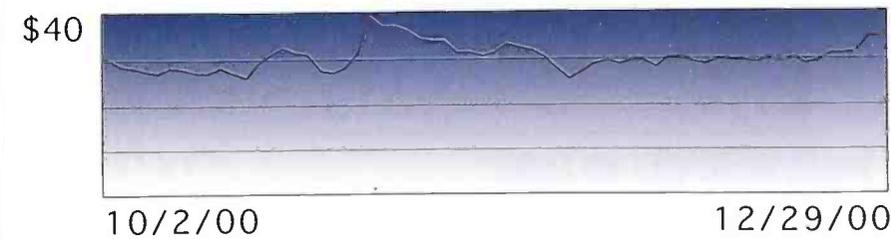
Cumulus Media (O:CMLS)



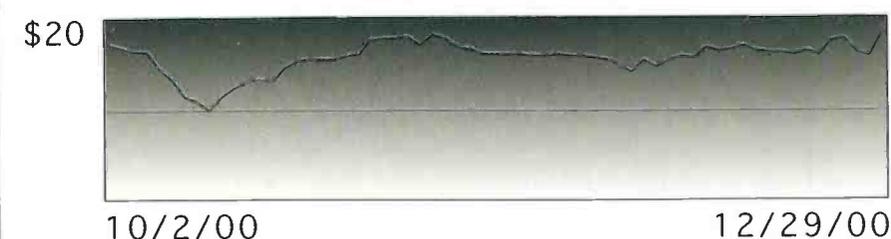
Emmis Communications (O:EMMS)



Entercom (N:ETM)



Entravision (N:EVC)



Quarterly Stocks

That bodes well for advertising in general and radio in particular for 2001. Those tough comps will pass in a few months and then growth should accelerate nicely. Most forecasters are predicting high single-digit growth rates for radio ad sales this year, with virtually all of that growth coming in the back half. Look for those projections to rise if the early months prove to be stronger than a point or two above flat.

If there's one thing Wall Street does well it is over-react. That over-reaction felt better when investors were driving radio stocks upward, despite the industry's warnings that the dizzying growth rates of dot-com days were unsustainable. That, of course, was followed by the pain of watching radio stocks fall to ridiculously low levels, indicating no growth or worse, as Wall Street players acted like the companies of the beleaguered dot-com sector had been the radio industry's only advertisers.

Through it all, there were few bright points to recap for 2000. Every radio stock was down, with Infinity (N:INF) losing the least, nearly 23%. Both of the year's radio IPOs, Regent (O:RGCI) and Beasley (O:BBGI), lost money.

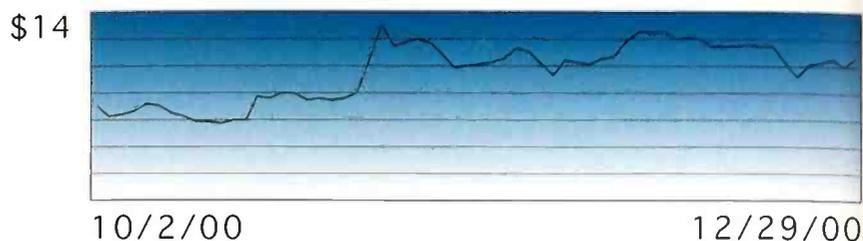
Gold stars for 2000 go to **Walter Ulloa** and **Philip Wilkinson**, who took

Entravision (N:EVC) public at a tough time, the end of July, at \$16.50. The Spanish radio/TV/print company slipped as low as \$9.875 in October, but finished the year in positive territory, at \$18.375.

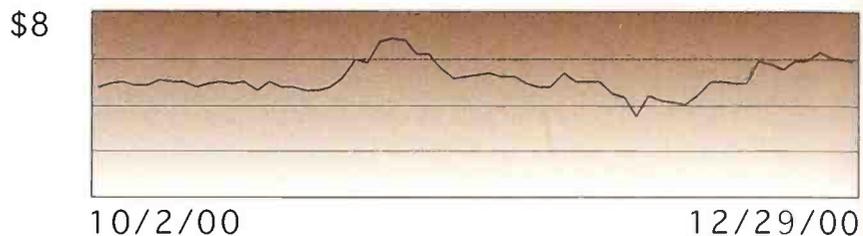
The year's big winner was Circuit Research Labs (O:CRLI), which **Jay Brentlinger** reinvigorated with the purchase of Urban. In a year when most CEO's would have been pleased to have just a positive number for stock price growth, Brentlinger rewarded himself and his stockholders with a triple-digit gain—up 156%.

The charts accompanying this report show the Q4 stock price performance of all 16 components of The Radio Index, which is computed daily by RBR. Although Cumulus Media (O:CMLS) ended the year in penny stock territory, we kept the stock in our index while waiting to see if it would move back above the \$5 level. Indeed, **Lew Dickey** and associates did so 1/11, so Cumulus remains a part of the index. That's small comfort for stockholders, who rode Cumulus down nearly 93% in the course of 2000.

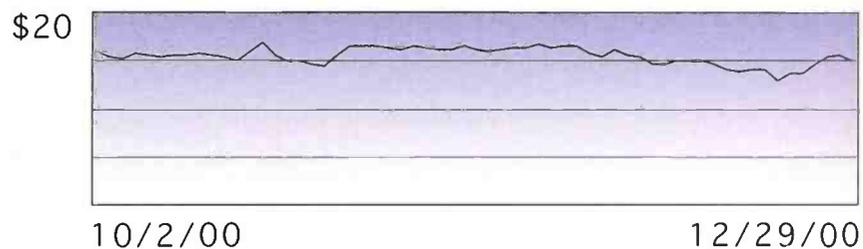
Radio One (O:ROIA)



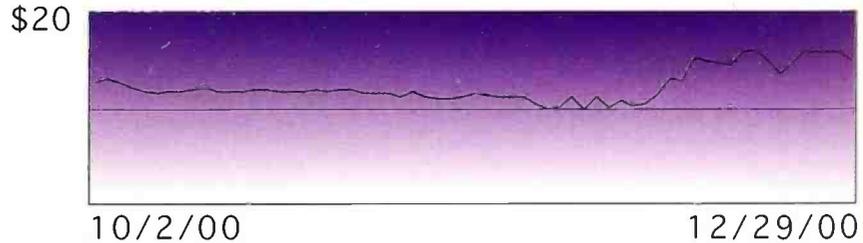
Regent Communications (O:RGCI)



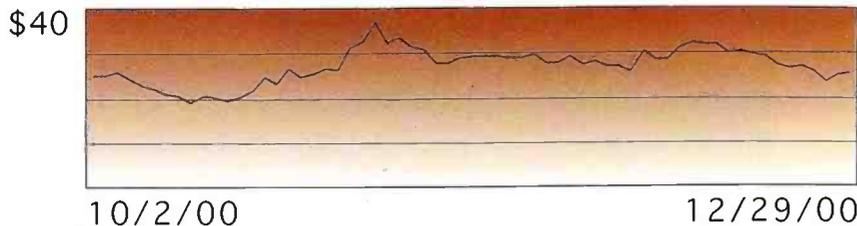
Saga Communications (A:SGA)



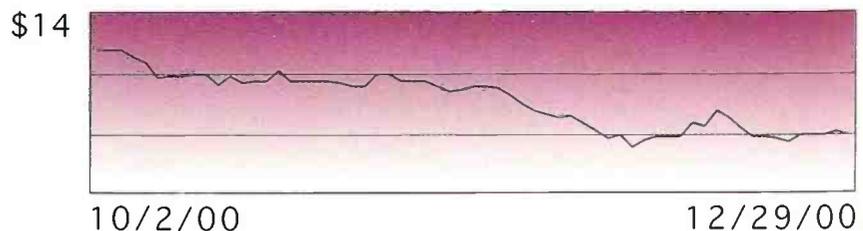
Salem Communications (O:SALM)



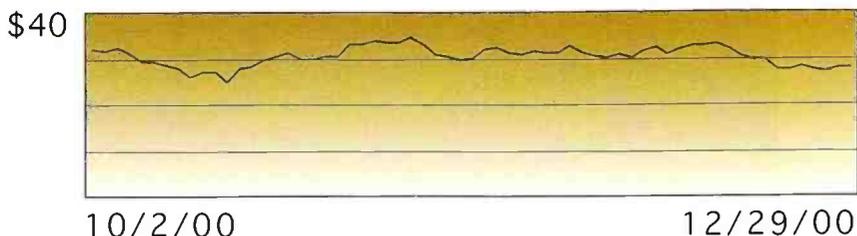
Hispanic Broadcasting (N:HSP)



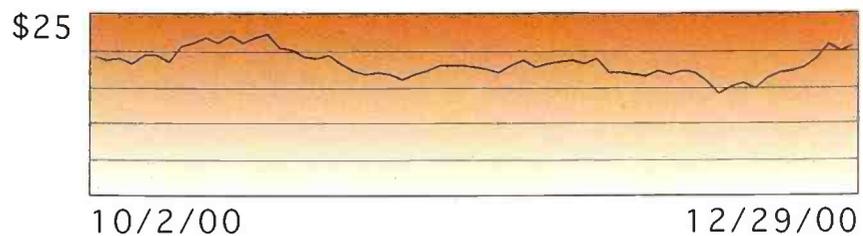
Spanish Broadcasting (O:SBSA)



Infinity Broadcasting (N:INF)



Westwood One (N:WON)





Today's Hit Music

Station Profiles

by Carl Marcucci

Station: KWTX-FM
Frequency: 97.5 MHz
Web address:
 www.975online.com
City of License: Waco, TX
Market served:
 Waco, Killeen, Temple TX
Power/antenna height:
 100kW @ 1,480 ft.
Format: CHR
Owner: Clear Channel Communications
GM: Michael Oppenheimer
PD: Jay Charles
MD: John Oakes
SM: Evan Armstrong
Webmaster: Jay Charles
Streaming provider:
 VVM Online Services

station, I keep moms in mind. We know that the music gets the kids, and the content and promotions keep their moms!

Describe any events you sponsor.

I will be living in a box again this year to benefit a local homeless shelter. Last year I slept in the box for 4 nights, raising over \$10,000. We will also be participating in Waco's first "Susan G. Komen Race for a Cure" to benefit breast cancer research. We are excited about getting in locally on the ground floor of an event that is huge nationally. We have also been sponsors of the Heart Association's heart walk. We understand how important it is to give back to a community that has given our company so much support over the years. We have also spearheaded blood drives, and champion Big Brothers/Big Sisters.

How would you describe your format and programming? Any unique shows?

(all Jay Charles) Today's Hit Music 97.5 FM is a Mainstream CHR that leans slightly Hot AC in the midday, and a touch more rhythmic during the night show. We own the 80s niche in Central Texas with our Wayback Wednesday's and our Wayback Lunch shows. Both put a heavy emphasis on retro cuts, while still keeping our contemporary hits in the mix.

How would you describe your listeners?

Our listeners are the most loyal women I've ever met! The average is a 31-year-old female. When programming the

Tell us about your local advertiser base.

40 percent local. Consisting of everything from car dealers to restaurants to night clubs. Traditional local businesses.

Who is your national rep and what percent of your advertising is national?

Clear Channel Radio Sales. 30 percent of billing is national.

What is the maximum number of spots you would run in an hour and why?

We have a strict policy of 12 minutes/hour maximum. Listener fatigue would be a big concern of mine if we were to play more.



From L to R: PD/Morning Host, Jay Charles; Morning Co-Host, Chrissy Donaldson; MD/Afternoons, John (The Lama) Oakes; Night Jock, Brian Mack (not pictured - Middays, Tori Taylor)

Describe your website and streaming strategy.

We are still developing our streaming and web strategies. Corporate will take us into the fold this year, and help us with content and updates. We recently did a survive it and drive it promotion with 10 listeners living on an island to win a car. Our website got 45,000 hits from listeners following along at home. Website development will be a big priority this year.

Tell us about the station's imaging and on-air talent.

Our imaging is my pride and joy! My night jock **Brian Mack** is amazing with SAW (an editing system), and never ceases to amaze me with the stuff he can do in the prod room. I also have a few hired guns on the West coast that send me some sizzle when asked. My staff is awesome, because I always know they will get the job done.

Chrissy from my morning show does everything from writing up station promos to booking guests on the show. **Tori Taylor** is my midday host. She voice tracks her show from Star System in Austin, and does a tremendous job keeping in the loop to keep our sound local. My music director "**Lama**" dominates afternoon drive. He has been doing afternoons here for a decade, and the station wouldn't be the same without him. **Brian Mack** brings his twisted humor and listeners through the speakers nightly, and is a great book-end to our personality-driven morning show. They help 97.5 sound major market.

What do you think about your station adding a digital broadcast signal, should the FCC approve it?

Sounds great to me! And who do I send that bill to? Seriously, with XM's launch this year we should be willing to do what it takes to compete.

Radio stocks on upswing

Even before Citadel's LBO announcement, radio stocks had begun moving up after a couple of analysts upgraded the sector. First Union Securities analyst **Jim Boyle** advised clients 1/11 that pacings had suddenly improved dramatically in large markets. The advance continued 1/12 as Deutsche Banc Alex. Brown analyst **Drew Marcus** upgraded the radio group to "over-weight." Marcus advised investors to heavy up on the sector because radio is "recession resilient" and a slow first half of 2001 has already been built into stock prices.

Both like Clear Channel, Emmis and Radio One, while Marcus also adds Entercom, Viacom and Westwood One.

Media Markets & Money™

by Jack Messmer

Citadel's going private in \$2B leveraged buyout

Shares of Citadel Communications (O:CITC) shot up \$7.25 at the opening bell last Tuesday (1/16) to \$24.75 on news of a \$26 per share buyout. The Forstmann Little leveraged buyout group is backing Citadel CEO **Larry Wilson** in buying out the company's public shareholders for \$2B, including assumed debt.

Forstmann Little is putting up \$1.5B and J.P. Morgan Chase & Co. is providing \$500M in bank financing. The Citadel management team will remain in place, so going private will allow Wilson to focus on operations

and acquisitions, rather than his company's stock price, which fell 81.5% over the course of 2000.

"Forstmann Little's investment will provide us with the capital we need to support our stations and pursue our growth strategy, as well as to serve our audiences and the local communities in which we operate," said Wilson in announcing the LBO.

The \$26 offer was 49% higher than the pre-announcement closing price of \$17.50, but still well below where the company's stock had traded early last year (see page 13). Citadel's last public stock sale was 2/8/00, when it sold 4.75M shares at \$51.50 each. CS First Boston advised

Citadel on the LBO.

"**Ted Forstmann's** a long-term thinker," Prudential Securities analyst **James Marsh** told *RBR*. Although he said the price seemed like a pretty cheap multiple (13.5 times Marsh's estimate of 2001 broadcast cash flow), Marsh said there aren't many radio groups in a financial position to buy a group as large as Citadel and there's currently very little money from outside the radio industry chasing radio deals. Even so, Marsh said the Citadel buyout is good news for other "beaten-down stocks," such as Cumulus Media (O:CMLS) and Salem Communications (O:SALM), who could attempt to follow a similar course if their market valuations don't improve.

At UBS Warburg, analyst **Leland Westerfield** issued a research note which said the deal, which he estimated at 14 times BCF, "underscores the radio sector regaining ad momentum and sets the stage for Clear Channel (N:CCU) to buy pieces of Citadel later on."

"For a company like Forstmann to essentially set the floor at 15 times [his estimate] is really an endorsement of the industry," said **Tim Wallace** at Banc of America Securities.

Due to the buyout announcement, Standard & Poor's has put Citadel Communications' (O:CITC) bond and bank debt ratings on S&P's CreditWatch list with negative implications. "The CreditWatch placement is based on concern that Citadel's already high financial risk may increase depending on the amount of incremental debt or debt-like preferred securities that will be used to finance the transaction," S&P said.

RBR observation: Who's next? If the public markets won't give radio stocks the value they deserve, the logical move is to take them private. **Mel**

Simmons Media Group, Inc.

has agreed to purchase the assets of

KFTZ-FM and KOSZ-FM

Idaho Falls, Idaho

along with the stock of

Western Communications

which includes radio stations

KLCE-FM KCVI-FM

KECN-AM and KICN-AM

Blackfoot-Idaho Falls, Idaho

\$13.0 Million Cash*

G. Gregory Merrill *represented the parties in this transaction.*

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Karmazin was first, although Infinity's (N:INF) parent company, Viacom (N:VIA) will still have public stock. Now Larry Wilson. If the financial backing is out there and the current upswing in radio stock prices fizzles out, others will likely try to follow.

Shockley sells group

Terry and Sandy Shockley are selling their company, although they aren't getting out of broadcasting completely. In a tax-advantaged deal with Northern Communications Acquisition Corp., the Northern investment group headed by **Roger Ohlrich** will buy all of the stock of Shockley Communications, then begin selling off the assets.

Quincy Newspapers, a long-established newspaper, TV and radio (WGEM-AM & FM Quincy, IL) group owner, is buying Shockley's five ABC-TV affiliates in Wisconsin. The

other TV station, KXLT-TV (Ch. 47, Fox) Rochester, MN, is being bought back by the Shockley family. That leaves the six radio stations in the Duluth, MN-Superior, WI market, which the Shockleys will continue to oversee for Northern. This complicated multi-stage deal was brokered by Kalil & Co.

RBR observation: Look for the radio stations to be sold soon as well, since Northern is not in this deal for the long haul.

Radio One claims Urban in Indy

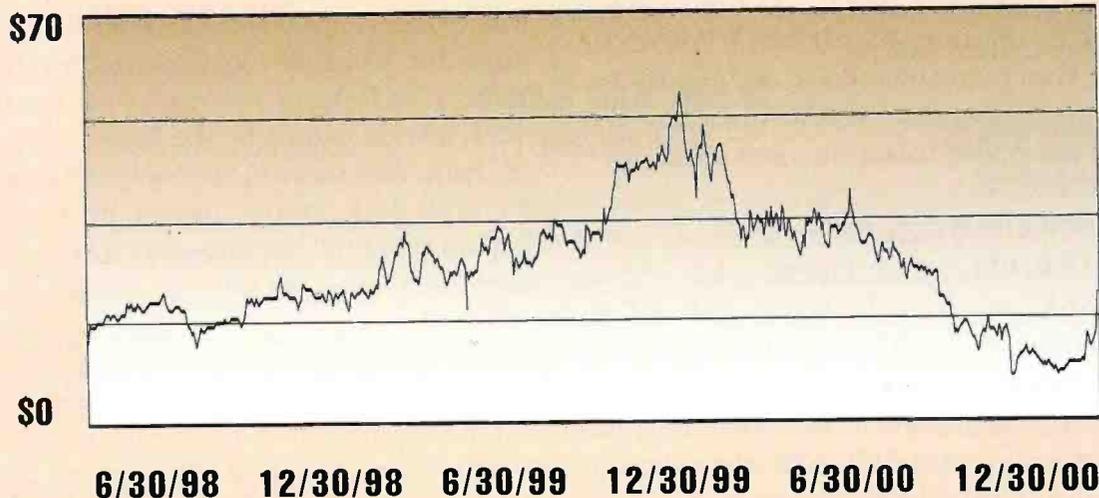
Radio One (O:ROIA) is consolidating all formats in Indianapolis aimed at African-Americans in an unusual deal with Emmis Communications (O:EMMS). Radio One has a non-binding letter of intent to buy the intellectual property of Emmis' Urban AC WTLC-FM and will move the calls, format

continued on page 15

Citadel's three and a half year stroll down Wall Street

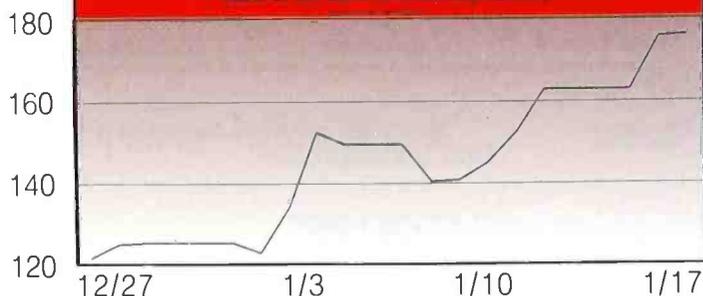
Larry Wilson took Citadel Communications (O:CITC) public 6/30/98 at \$16 per share and saw the stock go to \$20 the first day of trading (*RBR* 7/6/98, p. 6). Things were going well as Citadel and the rest of the radio industry were Wall Street sweethearts through the early months of 2000. Citadel hit a closing high of \$64.88 the last day of 1999, but after another peak of \$45 6/2/00 began a slide. When the company reported disappointing Q3 results in late October the stock price plunged into single digits (*RBR* 10/30/00, p. 13) and had recovered only modestly until last week's surprise announcement that Forstmann Little was taking the company private for \$2B.

Citadel Communications (O:CITC)



The Radio Index™

Radio stocks got a boost from analysts' upgrades and the Citadel LBO. The Radio Index™ shot up 33.343 for the week to close 1/17 at 176.159.



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Philadelphia suburban AM - \$2.7m.
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Call Bruce Houston
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Transaction Digest[®]

by Dave Seyler & Jack Messmer

The deals listed below were taken from recent FCC filings.

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.

\$7,500,000 WTZY-AM, WMXF-AM, WQNS-FM & WQNQ-FM Asheville NC (Fairview-Waynesville-Old Fort NC) from WTZY-AM Inc. & Blue Dolphin Communications of NC LLC (Edward Seeger) to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$7.5M cash. **Superduopoly** with WWNC-AM & WKSF-FM in the Asheville market and WESC-FM & WMYI-FM in the Greenville SC market. LMA since 12/19/00. **Broker:** Jorgenson Broadcast Brokerage, American Media Services

\$3,600,000 WLDR-FM Traverse City MI, 100% stock sale of Great Northern Broadcasting System from Donald Wiitala (90%) and Dave Maxson (10%) to Fort Bend Broadcasting Co. (Roy Henderson). \$75K escrow, balance in cash at closing.

\$3,000,000 WANN-FM CP (102.1 MHz) Norfolk VA (Virginia Beach VA) from Virginia Faith Broadcasting Inc. (Bishop L.E. Willis) to On Top Communications of Virginia Inc. (Steve Hegwood). \$200K nonrefundable downpayment, balance in cash at closing.

\$2,000,000 WCFR-FM Springfield VT and WMXR-FM Woodstock VT from ConnRiver Broadcasting LLC (Kirk Warshaw, Richard Sharpe) to Clear Channel Broadcasting Licenses Inc. (Lowry Mays), a subsidiary of Clear Channel Communications (N:CCU). \$2M cash. **Broker:** Biernacki Broadcast Brokerage

\$575,000 KSET-AM & KLOI-FM Silsbee TX, 100% stock sale of Proctor-Williams Inc. from Gerald Proctor to William Hill. \$100K for option, additional \$475K in cash at closing.

\$325,000 WLOH-AM Lancaster OH from WLOH Inc. (Mark Bohach) to Frontier Broadcasting LLC #3 (Thomas Pierce, Bart, Julie Ann & G. Edwin Johnson). \$20K escrow, additional \$65K in cash at closing, \$260K note. LMA since 6/1/99.

\$325,000 KLHK-FM CP (97.9 MHz) Great Falls MT (Dutton MT) from Shelby Media Association (David Stout) to Commonwealth License subsidiary LLC, a subsidiary of Commonwealth Communications LLC (Dex Allen, Alta Communications). \$20K escrow, balance in cash at closing. **Superduopoly** with KMON-AM & FM, KLFM-FM & KZMT-FM. **Broker:** Media Services Group

\$120,000 KIND-AM & FM Independence KS, 100% stock sale of Central Broadcasting Inc. from Frances Rupard and The Estate of Nelson Rupard to CBI Holdings Company Inc. (Bill Kurtis, John DeFever, Jon Viets). \$12K for 60% stock interest owned by the Estate, \$28K to discharge debt owed to two banks, \$80K note for 40% stock interest owned by Frances Rupard (\$8K) and corporate debt owed to the Rupards (\$72K). LMA since 11/28/00.

\$52,000 WHLB-AM Virginia MN from Virginia Broadcasting Co. (Frank Befera) to Full Armor Ministries Inc. (Kirby, Jessica & Marcia Young). \$5K downpayment, balance in cash at closing.


Satterfield & Perry, Inc.
Media Brokers Appraisers Consultants

Ron Swanson, V.P.

570/563-0900
SwansonRon@AOL.com



continued from page 13

and staff to 106.7, currently occupied by Urban Oldies WBKS-FM. Radio One is also buying Gospel WTLC-AM. Financial details of the transaction weren't immediately revealed, although the two companies said they will jointly donate \$1M to promote educational opportunities for minority youth in the Indianapolis area.

"While it is personally painful to part with WTLC, we felt this decision was in the best interest of both companies," Emmis CEO **Jeff Smulyan** said in his company's announcement.

"We will now be able to offer advertisers a one-stop shop for reaching the Urban consumer in this very attractive radio market," noted Radio One CEO **Alfred Liggins**.

WTLC employees going to Radio One will also be guaranteed at least one year of employment. In the end, Radio One will have Urban-leaning CHR WHHH-FM, Smooth Jazz WYJZ-FM and the WTLC combo. Emmis has not announced what format it will launch on the former WTLC frequency, 105.7.

Salem doubles on Boston AM band

Salem Communications (O:SALM) has an \$11M deal to acquire WROL-AM Boston, adding to its ownership of WEZE-AM. The sale continues **Ken Carter's** piece-by-piece sell-off of Carter Broadcasting after a \$15M sale of the entire group to Catholic Family Radio fell through. **Broker: John Pierce**, John Pierce & Co.

Also buying in Boston: Clear Channel

Clear Channel (N:CCU) is taking out the last remnant of Fairbanks Broadcasting with a \$10M buy of WKOX-AM Boston. The 1200 kHz facility, licensed to Framingham, MA, is currently 10kw day/1kw night, but has a CP to go to 50kw day and night.

RBR observation: The new, more competitive signal will take WKOX's city-grade contour all the way to Boston Harbor. That's

gotten the grapevine speculating that Clear Channel will launch a Talk format.

Goodstar brings \$5M

Bain Capital is cutting its losses and selling off its last radio properties.

Goodstar Broadcasting, then headed by veteran broadcasters **Alan Goodman** and **Michael Starr**, teamed with Bain in 1997 to buy 12 unrated-market Kansas stations that were spun off from Great Empire's acquisition of Lesso Inc. Goodstar paid \$8.5M for the dozen (*RBR* 2/3/97, p. 14). Over the past four years, two more small stations were added, Bain parted ways with Goodman and Starr and rolled management of Goodstar into 62nd Street Broadcasting. Now that 62nd Street has finished selling off its portfolio of rated market stations, the 14 Kansas stations are being sold to **Norman Waitt's** Waitt Radio for \$5M. **Broker: Dick Chapin**, Chapin Enterprises

Pamal adds two in Gainesville

Pamal Broadcasting is adding some heft to its Gainesville-Ocala, FL superduopoly. In recent months, **James Morrell's** Pamal has acquired two AMs and three FMs in the market, but they were all small purchases, with the exception of a \$2M buy of WRKS-FM (*RBR* 1/8, p. 12). Now Pamal is getting down to business with a \$4M buy of WWLO-AM & WTMG-FM. The seller is **Hilda Dawson's** Connecticut Broadcasting Media. **Broker: Doyle Hadden**, Hadden & Associates

New owner enters Virginia

A new company is launching with a small market purchase in Virginia. Magnum Communications, based in Gallatin, TN and

headed by **Howard Espravnik**, is paying \$180K for WHHV-AM Hillsville, VA. The station is currently owned by a local church, the New Life Church & Ministries. **Broker: Snowden Associates**

CRL beats own projections

As far as we know, there are no Wall Street analysts who actively track Circuit Research Labs Inc. (O:CRL), so there's no Street estimate to judge the company against. But the thinly traded over-the-counter stock was one of the stellar performers of 2000, up 156%.

Now CFO **Jim Seemiller** says CRL beat its own internal projections with Q4 earnings of \$431K on net revenues of \$3.4M. A year earlier, before acquiring Orban, the company had posted a loss of \$500K on revenues of \$2.8M.

"With our new management team, strong demand for our products, and new products about to launch, 2001 should be a banner earnings year for Orban/CRL," said CEO **Jay Brentlinger**.

Unica expects Q4 improvement

Radio Unica (O:UNCA) says Wall Street should expect its Q4 revenues to come in about 42% ahead of a year earlier at roughly \$7.3M. The Spanish Talk group also reduced its EBITDA loss to about \$2.2M. Looking to Q1, Radio Unica says to expect revenues of \$6.4M—slightly ahead of last year—and negative EBITDA of \$4M. CEO **Joaquin Blaya** says the company is focused on controlling costs.

Clear Channel sells Lamar shares

Clear Channel Communications (N:CCU) has reduced its stake in Lamar Advertising (O:LAMR). Following a recent rise in stock

prices, Clear Channel 1/12 sold off 5M of its Lamar shares through Deutsche Banc Alex. Brown. The Wall Street firm also has access to an over-allotment of 750K shares, if needed. Lamar closed down \$2 for the day at \$44, but had recently been as low as \$35.25.

Under an agreement with DOJ (*RBR* 9/4/00, p. 2), Clear Channel has until the end of 2003 to finish disposing of the Lamar stake it inherited from AMFM Inc. Wall Street sources say Clear Channel's stock sales and a recent public stock offering by Lamar have reduced Clear Channel's stake from around 30% to only 20% of Lamar's outstanding shares. Even after the latest sale, Clear Channel still owns around 14M shares of Lamar. Clear Channel was required to divest its stake in Lamar, an outdoor advertising company, due to Clear Channel's ownership of its own outdoor company, Eller Media.

American Tower sells new stock

American Tower Corporation (N:AMT) priced an add-on offering of 10M shares last Thursday (1/18). The offering, through Goldman Sachs & Co., is expected to net approximately \$310M for the company. Strangely, the exact price of the offering wasn't immediately disclosed, but it appears to be near the 1/17 closing price of \$39.25.

Also last week, American Tower announced plans for a private placement of \$350M in senior notes. That is expected to close by the end of this month.

Crown Castle sells stock

Tower giant Crown Castle International (O:TWRS) priced an offering of 12M new shares of stock at \$26.25 per share. Crown Castle will use the \$315M for "general corporate purposes." **Lead underwriter: Goldman Sachs & Co.**

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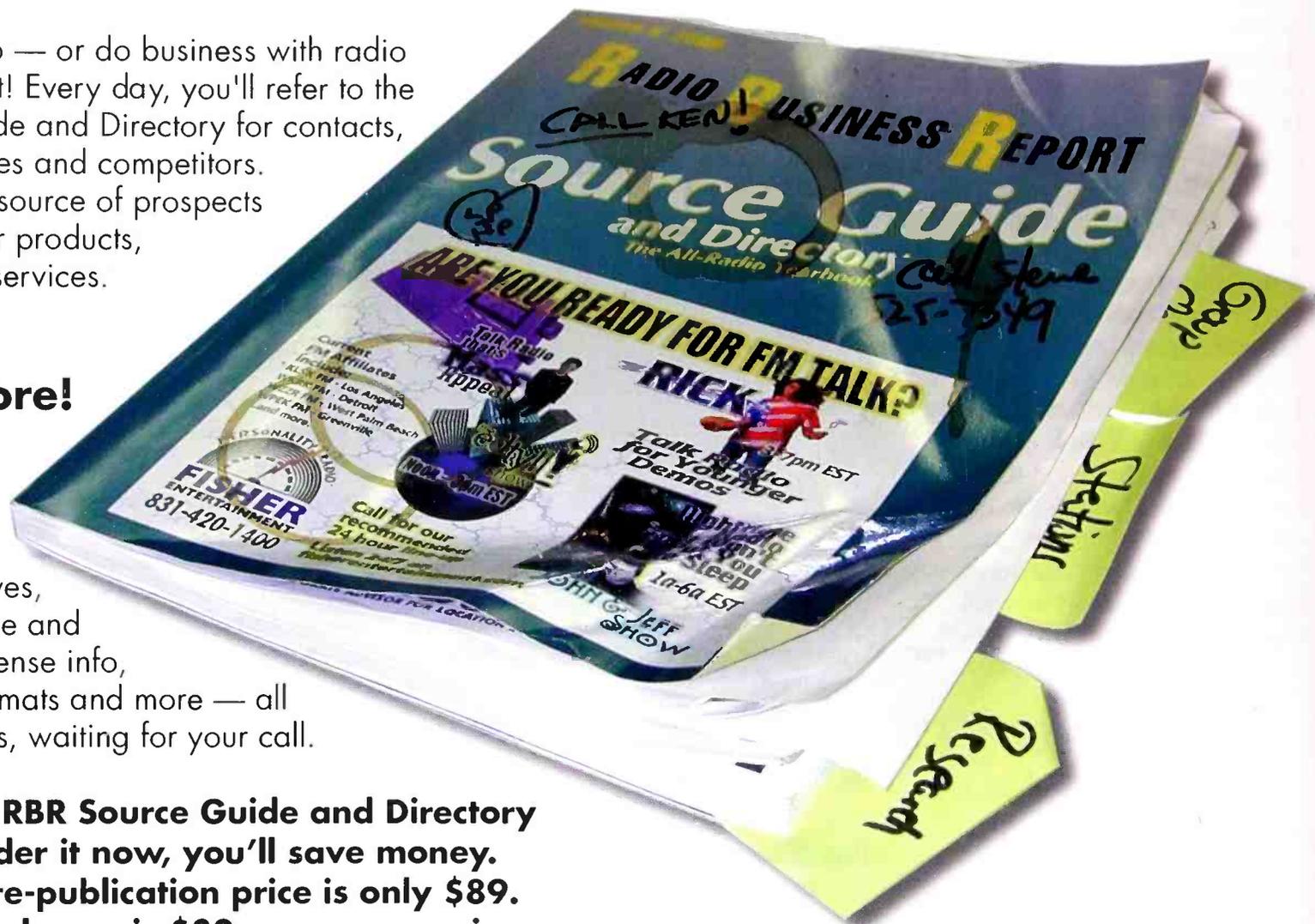
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