

RADIO BUSINESS REPORT™

VOICE OF THE RADIO BROADCASTING INDUSTRY®

RADIO NEWS

Telcom under FCC fire? Is Kennard a victim of bureaucratitis?	3
It looks as if the FCC has floated some trial balloons to see if it can scuttle some Telcom provisions. Will appointed Kennard elect to circumvent the elected?	
Hot AC ducey: Chancellor has WPLJ in the crosshairs	3
Spot pacing Marching ahead of torrid '97 rates	3
Making AP more apt: News service expands its menu	4
NBD: Radio developing a rewarding drug habit	4
Agency radio-awareness on the upswing	4
In step with Interep: Allied gets an Alliance	6
Free political airtime is a rider looking for a horse	6
Sports programming links CBS TV and radio	6-7

MANAGEMENT SALES & MARKETING™

Taking stock: Radio investors richly rewarded	8-10
--	------

BROADCAST INVESTMENTS™

Heftel fills wallet during Wall Street ride	11
Shelf-improvement? Chancellor files with SEC	11

MEDIA MARKETS & MONEY™

Zell-raiser: Jacor looks to pick up Millions on Wall Street	12
Jacor is activating a generic shelf registration and will issue three types of stock which should raise at least \$450 Million and as much as \$500 Million.	
TexRock incorporates Corpus Christi into portfolio	12
Children's doesn't go Global—yet	12
Much disputed WNWK New York in dispute again	13
Nothing Nostalgic about NBG stock offering	13
Hirsch rehash: OmniAmerica does more tower deals	13
Indacom is in-da-biz with Bowling Green buy	13
Ack-attack? Metropolitan scores in Amarillo, Norfolk	13

COMPANY PROFILE™

Clear Channel looks for outdoor merger; SFX stays entertained	16
--	----

Again in 1997...

THE INDUSTRY LEADER.

ELLIOT B. EVERS
415-391-4877

GEORGE I. OTWELL
513-769-4477

BRIAN E. COBB
CHARLES E. GIDDENS
703-827-2727

RANDALL E. JEFFERY
RANDALL E. JEFFERY, JR.
407-295-2572

RADIO and TELEVISION
BROKERAGE • APPRAISALS



**MEDIA VENTURE
PARTNERS**

WASHINGTON, DC
ORLANDO • CINCINNATI
SAN FRANCISCO

**Radio
stocks
soar!**



Stock prices for radio groups shot off the charts in 1997, with some up more than 300%! Check out the Wall Street winners (lots) and losers (just a couple) in RBR's trading analysis.

A Dr. Laura MOMENT

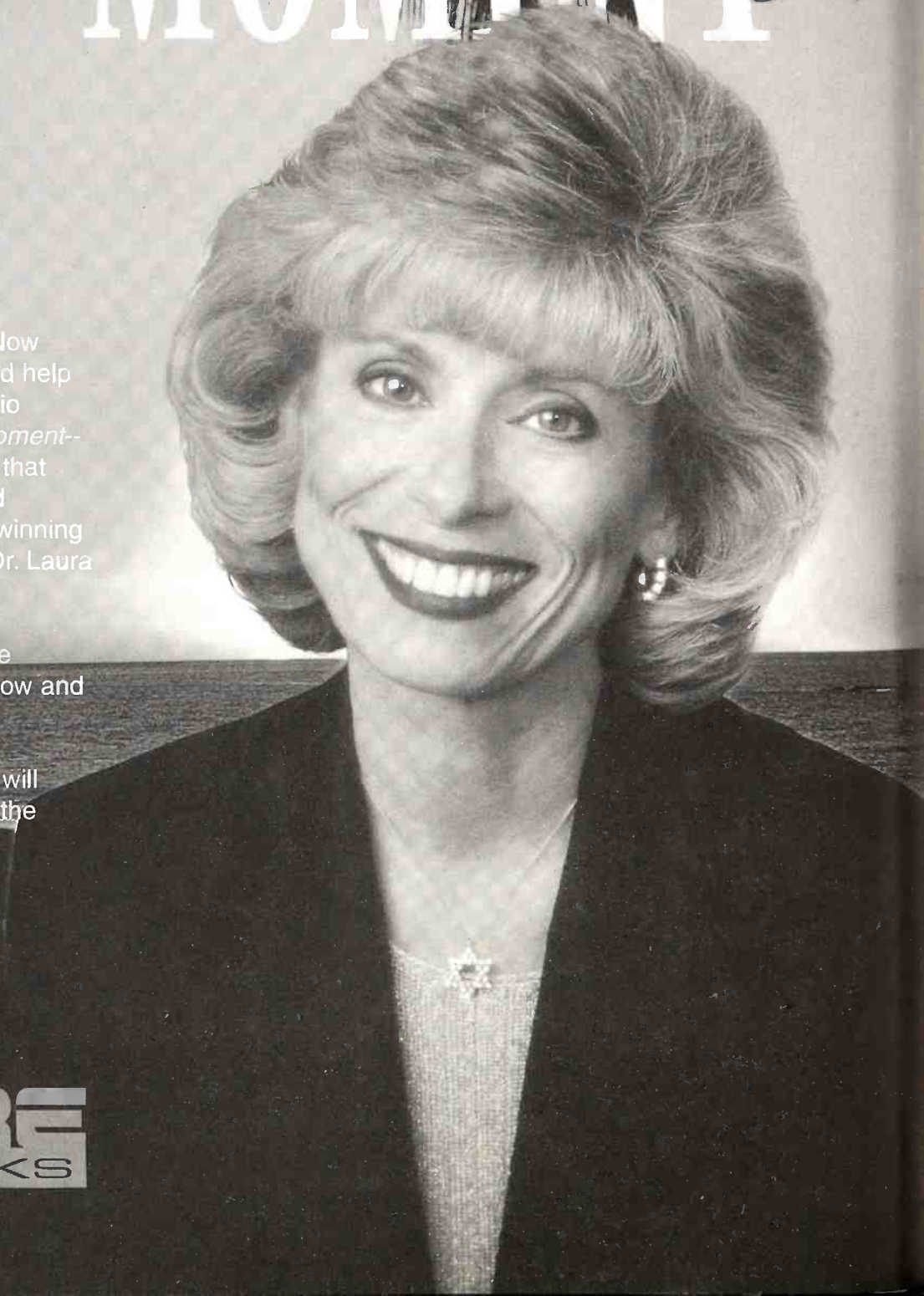
She took on the day and won the Marconi. Now Dr. Laura is going to take on the morning and help you conquer the competition. Premiere Radio Networks is proud to present *A Dr. Laura Moment*—a 90 second Monday through Friday feature that includes the stimulating opinions, humor and common sense heard on Dr. Laura's award winning show. And each segment is introduced by Dr. Laura in her own straightforward, compelling style.

A Dr. Laura Moment is a great way to recycle audience from morning drive, to her daily show and back again!

Starting January 1998, *A Dr. Laura Moment* will be provided on a barter basis to affiliates of the Dr. Laura Schlessinger Show.

Look in the mail for your demo tape of *A Dr. Laura Moment*, or contact your Premiere Radio Networks representative at 312-214-4545.

PREMIERE
RADIO NETWORKS



Jim Carnegie Publisher

Katy Bachman VP/Editor-in-Chief
 Jack Messmer Senior Editor
 Dave Seyler Senior Editor
 Carl Marcucci Associate Editor
 Frank Saxe Associate Editor
 Mona Wargo FCC Research Consultant

Ken Lee Associate Publisher
 Cathy Carnegie VP Administration
 Ronald Greene Executive Director of Production
 Maggie Daley Account Executive
 Beth Dell'Isola Account Executive
 April Olson Admin. Assistant

Kennard may take on Telcom

by Frank Saxe

Is FCC Chair **Bill Kennard** (D) planning to take on Congress, or worse yet, radio owners? While no one at the Commission can figure out where some comments in a *USA Today* article last week (1/19) came from, *RBR* sources say the FCC may be floating a trial balloon regarding its intentions to force changes to the 1996 Telcom Act. The agency is conducting its biennial review of the Mass Media Bureau, although ownership rules failed to come up during a hearing held two weeks ago.

In the article, an unnamed Kennard aide says the Commission is considering denying proposed mergers as a way to quash consolidation.

As expected, such a circumvention of Capitol Hill is drawing fire. "Clearly, he'll run into problems from Billy and other members," says a spokesman for Rep. **Billy Tauzin** (R-LA), chair of the House Telecommunications Committee. Tauzin press secretary **Ken Johnson** says it looks like at first flush an attempt to circumvent the 1996 Act. "Mr. Kennard, while he may be well intentioned, is on the wrong track. There is no sentiment in Congress right now to change the law...we

still have a long way to go before the marketplace sorts itself out."

Across the Capitol, a spokeswoman for Sen. **John McCain** (R-AZ), chair of the Senate Commerce Committee, added, "We are looking very closely at everything that Mr. Kennard says and does."

The Senate will hold hearings on Telcom in March. McCain's list of 1998 priorities for his committee largely overlooks radio. While he zeros in on telephone competition, Internet access and cable TV rates—only a bill aimed at settling local tower siting disputes would affect broadcasters.

An NAB spokesman says any agency review of ownership rules should be left up to the DOJ, which is already investigating several markets.

RBR observation: Love or hate the Telcom Act, it is the law and there is not much Bill Kennard or the FCC can do about it. If they try to grind mergers to a halt, they'll find themselves in court. A more likely scenario is a lobbying effort on Congress—but that won't get them very far. Most on Capitol Hill are unlikely to reopen the debate, particularly in an election year.

Whether or not Kennard really does plan on going after duopoly is unclear. Unlike his fellow Commission members, he has yet to sit down with the press to discuss his views.

New York's Hot AC battle begins

by Carl Marcucci

A clash of the titans, Big Apple-style? Last week (1/21), Chancellor's WNSR-FM (soon WBIX) 105.1 debuted the new "Big 105" with a party in Times

Square. The new format, "The music mix that picks you up and keeps you going," is described as a custom tailored-for-NYC Hot AC.

"We've done extensive research that has shown that there is a big hole in music that currently isn't being played

Q1 demand maintains strong pace

Demand for Q1 radio avails continues to pace ahead of last year. As of Jan. 15, February is more than half sold and 34.0% of March inventory is spoken for, according to the *RBR*/Miller Kaplan forward pacing report.

RBR observation: Of course, the other part of this equation is revenues and increasing radio's worth in the marketplace. Stay tuned as the revenues begin rolling next month for 1998.

RBR/Miller Kaplan Market sell-out percentage report

	1998	1997
Jan. 15	71.9%	72.5%
Feb.	53.3%	49.1%
March	34.0%	29.4%

in this market. This is going to be an upbeat station with very little talk," said **Bennett Zier**, VP/GM, WBIX, adding that the format would skew slightly toward Women.

Nevertheless, some market experts see the switch from Modern AC to Hot AC putting WBIX in direct competition with ABC's WPLJ-FM. WBIX will have some catching up to do. Before the flip, WPLJ averaged a 2.7 P12+ share to WNSR's 1.5. Among both

continued on page 4

© 1998 Radio Business Report, Inc.

Publishers of Radio Business Report, Mid-Week News Brief, the Source Guide, Manager's Business Report and the Information Services Group database. Material may not be reproduced without permission.

Subscription Cost \$220.00

EDITORIAL/ADVERTISING OFFICES: 6208-B Old Franconia Road, Alexandria, VA 22310 (or) P.O. Box 782, Springfield, VA 22150
 Main Phone: 703/719-9500 • Editorial/Sales Fax: 703-719-7910 • Subscription Phone: 703-719-7721 • Subscription Fax: 703-719-7725

Advertising sales information: Ken Lee 703-719-9500 • Fax 703-719-9509

Email the Publisher: JCRBR@aol.com • Email Editor: Kbachman@aol.com • Email Editorial: radiobiz@aol.com • Email Sales: KenLeeRBR@aol.com

Hot AC battle, continued from page 3

stations' A25-54 target, WPLJ averaged 3.9 vs. WNSR's 2.0.

WPLJ's GM **Mitch Dolan** says the Chancellor format flip is a refinement of its existing format. "Since the music is similar, we focus on other competitive issues like our personalities to differentiate ourselves," said Dolan.

WBIX is readying with some pretty high-profile personalities of its own, moving **Danny Bonaduce** from WKQI-FM Detroit to mornings on WBIX. He will compete with WPLJ's "Scott & Todd" show.

AP revamps wire services

by Katy Bachman & Frank Saxe

In the wake of increased competition from UPI and others, AP is implementing for its 3,000 clients a new packaging and pricing scheme first reported here last Nov. (*RBR* 11/10/97, p. 4). The strategic move, says AP's Radio Division GM **Corinne Baldassano**, should make the 150 year-old AP "more customer-focused."

"AP has moved somewhat slowly in the past; it hasn't always been able to deliver," says Baldassano. That's about to change Feb. 1 when AP launches a new packaging and pricing scheme that allows stations to pay for news wires based on how they use them—by dayparts. Since about 84% of AP's customers are music stations, the repackaged wire services contain a new package called Cooler Copy, for lifestyle, entertainment and sports news.

About 68% of AP subscribers should see their prices go down, said Baldassano, referring to AP's new pricing scheme which takes into account format, level of service and cume.

In a move likely to enamor GMs while undercutting newsroom software suppliers such as Dalet, Computer Concepts and RCS, the AP will offer NewsDesk and SoundDesk—its audio and news editing software—at no additional charge.

Baldassano, who took the GM reins at AP just four months ago, hints that a revamp of its audio services is next. "The news wire market is getting crowded. If we stay exactly the way we were, we would only lose."

Pharmaceuticals, Food/Grocery, Automotive lead '97 NTR

by Katy Bachman

Non-traditional revenue keeps growing for radio stations. Last year, Pharmaceuticals (H&BC), Food/Grocery, and Automotive categories provided the biggest boost.

The most lucrative months for non-traditional revenue were November, which contributed 12% of the year's total revenues, followed by May (11%), July (11%), June (11%) and March (9%).

Growth in 1998 will come from the same categories that stimulated 1997 growth (see list, at right). Even the automotive category will present new opportunities. "So many automakers making similar vehicles need promotions and events to differentiate themselves," said **Kathryn Maguire**, president, RDS.

Hot categories for 1998

- Pharmaceuticals
- Computers & Internet-related products
- Electronics
- Energy
- Telecommunications
- Recruitment

Non-traditional revenue track

% of non-traditional revenue by category

	June	July	Aug	Sept	Oct	Nov	Dec	1997	1996
Automotive	7.57	15.36	19.28	16.63	14.83	11.88	13.92	12.96	13.07
Food/Grocery	35.75	34.82	32.31	34.60	34.64	30.07	19.32	33.30	26.40
Leisure/Electronic	27.00	16.07	17.68	23.63	26.63	17.02	24.83	21.44	26.82
H&BC	7.31	7.72	12.35	8.93	8.99	13.42	7.81	8.61	9.03
Home Imp.	9.05	8.36	4.90	8.51	4.84	8.06	9.04	7.17	11.86
Office	12.72	14.00	11.77	4.67	5.76	14.17	19.44	12.35	8.56
Clothing	.60	3.67	1.71	3.03	4.31	5.38	5.64	4.26	4.26

Source: Revenue Development Systems; based on revenues from 46 stations in 23 markets.

Agencies bullish on radio promos

Radio's best hope for getting a larger percentage of ad budgets may be in its unique ability to combine spots with promotions. Agency execs at this month's (1/15) NYMRAD Breakfast Seminar in New York said they were planning to spend more on radio events and promotions in 1998. "We're creating more dollars," said **Howard Nass**, SVP/Director of Broadcast Development, TN Media.

The panel, (below) moderated by *RBR*'s VP/Editor-in-Chief **Katy Bachman**, discussed a variety of radio issues including consolidation and media fragmentation. Panelists agreed consolidation really hadn't changed how they bought radio, but did express some concerns about buys at the local level. "I can't put my radio ad in the *New York Times*," said **Alec Gerster**, EVP/Director of Media, Grey Advertising. **Bonita LeFlore**, EVP/Director of Local Broadcast, Zenith Media, said that while she hasn't seen any specific examples of price hikes or forced buys, she was more concerned that groups continue to offer more program choices.



Pictured from L to R: Katy Bachman; Howard Nass; NYMRAD Chair Rona Landy, VP/GM, WLTW-FM NY; Alec Gerster; Bonita LeFlore.

SOLUTIONS FOR A CHANGING INDUSTRY.

Rack Radio

**Audio
POINT**

Digital Switch

Flexibility

Consolidation

Voice Tracking

Cash Flow

**Audio
VAULT**

Clustering

Networking

Remotes

STL

MARTI

Path Analysis

Codecs

Consulting

Satellite

**BROADCAST
PROGRESS**

Voice Tracking

Music Formats

Exciters

Redundancy

TE TRANSMITTERS

Operating
Costs

Lightning

Need Solutions?

www.bdcast.com

OR (217) 224-9600

The BE emblem is a registered trademark of Broadcast Electronics, Inc.

BE

*Solutions for
Tomorrow's Radio*

RBR News Briefs

by Frank Saxe & Carl Marcucci

Interop's Allied signs Alliance

Interop has picked up another \$750,000 in national billings. Its Allied Radio Partners will be the exclusive rep for Alliance Broadcasting's (O:RADO) ten stations in Florida, South Carolina and Indiana.

Free airtime coming back

The McCain/Feingold Bill and Republican alternative campaign finance reform bills are expected to be back in March, but NAB EVP/Govt. Relations **Jim May** says neither includes free airtime provisions. However, May says Congress may try to tack on an amendment requiring it. President **Clinton** is expected to call for free airtime during his State of the Union address tomorrow (1/27).

Kennard on HDTV

FCC Chair **Bill Kennard** says the FCC has yet to decide a number of key issues surrounding HDTV, including must-carry rules, fees, licensing and tower siting. During a speech at the NATPE Conference last week in New Orleans, Kennard acknowledged stations may be enticed to multi-cast instead of broadcast in high definition—but he says once the public sees how much better HDTV looks, they'll demand it.

Susquehanna goes FOX hunting

A Feb. 2 court date has been set as Susquehanna Radio Corp. tries to force ARS' San Jose station, KUFX-FM from using the moniker "K-FOX" now that the station has moved to a frequency closer to Susquehanna's KFOG-FM, San Francisco. Both stations are Classic Rock and are just 0.4MHz apart.

FCC reform plan

Major reforms need to be made to the FCC's Mass Media Bureau. That is the finding of Citizens for a Sound Economy Foundation (CSE). The conservative think tank's study finds the FCC budget has grown 86% since 1970, to \$200M in 1997, while the payroll has jumped 22% since 1984. "One of the intentions of the Telcom Act was to make the FCC slimmer and more efficient. But the FCC's Mass Media regulatory activity has been increasing, not decreasing," says **James Gattuso**, VP/Policy De-

News Analysis

Sports builds CBS synergy

by Frank Saxe

Until now CBS' operation strategy was a like a coach's playbook—filled with concepts that would one day find the field. There has been a slow transition toward blending radio and TV news operations, but two weeks ago, CBS (N: CBS) gave itself a Gatorade shower and its synergistic strategy took shape.

Black Rock is still celebrating its successful snagging of NFL television rights from NBC, four years after FOX stole its show, namely, the NFC (*RBR* 1/19, p. 3). CBS is counting on using its 170 radio stations, to cross-promote its TV programming. CBS also owns 12 O&O TV stations, seven of them in AFC cities.

If advertisers and agencies won't cough up the 20-30% predicted rate increase, CBS will have to go elsewhere to grow its investment. In spite of the \$4B price tag, **Mel Karmazin**, Chairman/CEO, CBS Station Group, insists they won't go into the red. "We know with our numbers, we will make money."

The CBS TV group is in trouble, with some stations billing \$100M less than other network affiliates in markets like New York and Boston. The NFL rights can only help turn those stations around by boosting audiences and providing affiliates with blue clip programming that reaches men, a demo the network has had difficulty attracting ever since it lost the NFC four years ago. In a way, CBS has bought itself some audience insurance.

At the same time, CBS knows it will need to leverage the games between radio and TV to make money through cross-promotions and building the CBS

brand. "The NFL package will be promoted on all CBS radio stations. We're in an awesomeradio position," Karmazin said to a press room filled with champagne, balloons and footballs.

"There's no question, it's all part of the package that made CBS so attractive. It increases the promotional

"CBS is very aggressive right now. We want to win and we want to use everything we can to do that."

—CBS' Licia Hahn

platform exponentially," says **Licia Hahn**, VP for CBS O&O TV stations.

The CBS O&O TV stations have benefited by using the strong news franchise that CBS-owned All News radio stations have in many of the same markets (*RBR* 6/2/97, p. 8). "Essentially we're talking about local brands and combining resources—we're adding equity to our brand," says Hahn.

Ratings snapshot: CBS TV

CBS had NFL football through the 1993-94 season. Without the male-dominated viewing audience, CBS' prime time ratings have steadily declined.

1993-94	14.0
1994-95	11.1
1995-96	9.6
1996-97	9.6
1997-98*	9.4

*season to date (thru 1/18/98)

Source: Nielsen Media Research

velopment, CSE. Among the study's recommendations is consolidating the Bureau's three divisions into one.

SportsFan, Bloomberg team for news

In a co-branding, joint marketing partnership, Bloomberg, LP and SportsFan Enterprises have created the "Bloomberg-SportsFan Business Minute." The one minute report will air three times a day providing Sports Talk stations that don't need or want syndi-

cated long-form programming during the day a live business report including a stock market update and a focus on a key sports business story.

KMOX covers Pope in Cuba

The first US call-in talk program to originate from Cuba since the revolution, "KMOX Newsmakers," was hosted by **Charles Jaco** of KMOX-AM St. Louis last week encompassing a series of two-hour broadcasts spanning **Pope John Paul's** visit.

Radio helps TV

This won't be the first time CBS TV has turned to radio to boost its TV audience. "We have a whole new respect for the power of radio, it's remarkable during the November sweep period" says **George Schweitzer**, EVP, CBS. Its prime time schedule is solidly in second place, and its nightly newscast, an also ran a short time ago, is occasionally giving top-ranked NBC a run for its money.

"In terms of cultivating and recruiting potential viewers, cross-promotion is a very smart thing to do," says Hahn, who is leading Mel's battle to get his O&O TV locals back into the ratings game.

Not only does the TV network buy time on CBS Radio Network, but it also buys ten second tune-in ads on the 170 local stations around the country. Those buys are targeted to that radio station, allowing CBS to cash-in on the wide array of formats in its radio portfolio. RBR has learned that CBS TV has been told it has a priority to buy CBS Radio group stations first.

"For obvious reasons, we have an increased opportunity for radio synergy," says Hahn, adding, "Mel is leading the charge to get the message to CBS TV affiliates to take advertising to sister radio stations in the market." With radio getting the biggest chunk of network television's advertising budget, that can add up for local radio stations.

"I think it's smart," says one EVP at ABC Radio, admitting he is envious of CBS' synergistic relationship between radio and TV. "I think it's very clear that radio is very important," he says—adding he is hoping ABC stays in the radio game, and adds more stations. Word is, even NBC regrets selling its radio properties.

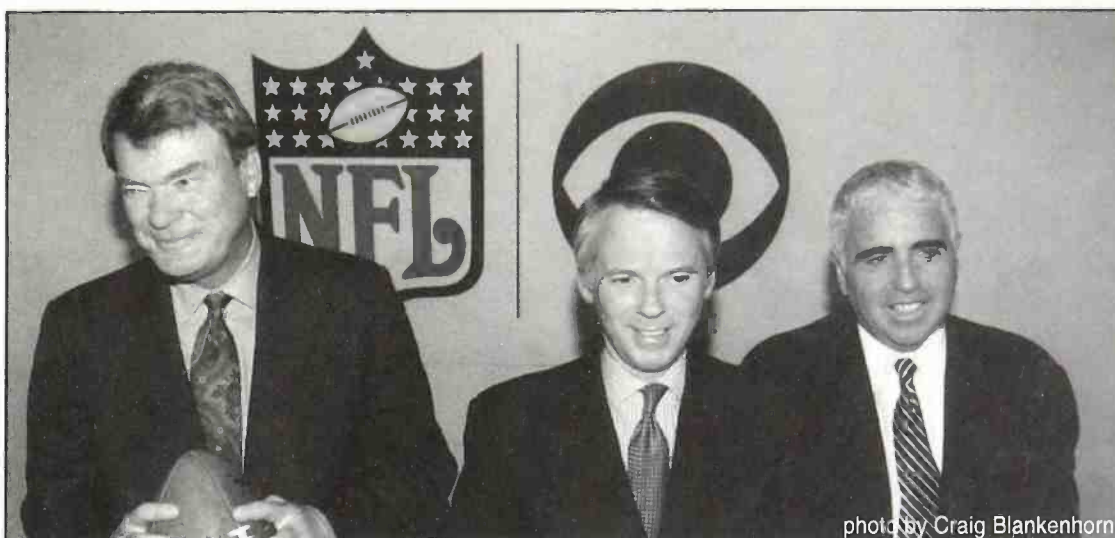


photo by Craig Blankenhorn

CBS Chairman Michael Jordan, Sports President Sean McManus and Chairman, CBS Station Group, Mel Karmazin

CBS properties in the AFC

Eastern Division

	TV	Radio
Buffalo Bills	none	none
Indianapolis Colts	none	none
Miami Dolphins	WFOR-TV	none
New England Patriots	WBZ-TV	WBZ-AM, WODS-FM, WBCN-FM, WZLX-FM, WRKO-AM, WEEI-AM, WNFT-AM, WBMX-FM, WEGQ-FM, WAAF-FM
New York Jets	WCBS-TV	WCBS-AM, WCBS-FM, WFAN-AM, WINS-AM, WNEW-FM, WXRK-FM, WZRC-AM

Central Division

Baltimore Ravens	WJZ-TV	WXYV-FM, WCAO-AM, WJFK-AM, WLIF-FM, WQSR-FM, WWMX-FM, WOCT-FM, WBMD-AM, WBGR-AM
Cincinnati Bengals	none	WKRQ-FM, WGRR-FM, WMMA-FM
Jacksonville Jaguars	none	none
Pittsburgh Steelers	KDKA-TV	KDKA-AM, WBZZ-FM, WDSY-FM, WZPT-FM
Tennessee Oilers	none	none

Western Division

Denver Broncos	KCNC-TV	none
Kansas City Chiefs	none	KBEQ-FM, KFKF-FM, KOWW-AM, KMXV-FM, KYYS-FM
Oakland Raiders	KPIX-TV	KCBS-AM, KLLC-FM, KFRC-FM, KFRC-AM, KYCY-FM, KYCY-AM, KITS-FM
San Diego Chargers	none	none
Seattle Seahawks	none	KMPS-FM, KZOK-FM, KYCW-FM, KBKS-FM, KRPM-AM

Source: RBR database. Includes ARS group deal to CBS, sale pending.

Put The Power of Spanish Radio to Work for You!



It's already working in:

- Chicago
- Dallas
- San Jose
- San Francisco
- Sacramento
- Tucson



JONES RADIO NETWORK™

Join the Winning Team: Jones Radio Network & Z-Spanish Radio

Call Michael Henderson, Director of Affiliate Sales 303-784-8700

by Jack Messmer

Radio stocks soared in '97; Can it get any better in '98?

1997 was a great year to be an investor in the US stock market and it was the best year ever to be an investor in radio stocks.

Of the 42 publicly-traded stocks of radio and radio-related stocks tracked by RBR at year's end, only seven (excluding IPOs) declined in value over the course of 1997. Two others failed to beat the performance of the Dow Jones Industrial Average, the most closely-watched barometer of Wall Street's financial health.

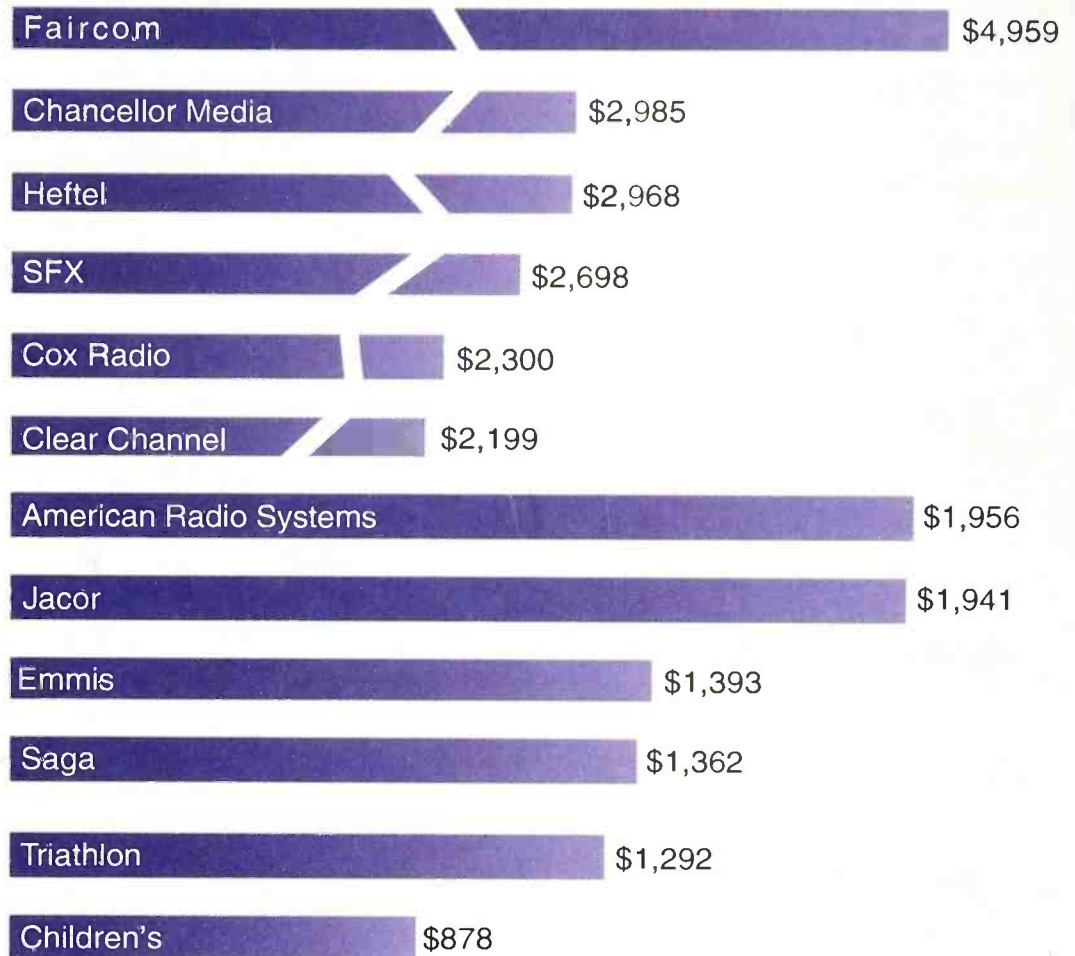
All of the big radio groups (nine of the ten largest radio groups have public stock) easily bested every stock market index. **Scott Ginsburg's** Chancellor Media (O:AMFM), the second largest group in terms of billings, shot up 198.5% and #9 Heftel Broadcasting (O:HBCCA), headed by **Mac Tichenor**, was close behind at 196.8%.

Buy-out stocks also did well. **Bob Sillerman's** SFX Broadcasting (O:SFXBA), which is awaiting a \$2.1B purchase by Hicks, Muse and Capstar, rewarded shareholders with a 169.8% gain. **Steve Dodge's** American Radio Systems (N:AFM) brought home a return of 95.6%, pending a \$2.6B buyout by #1 CBS Corp. (N:CBS), with **Michael Jordan** and **Mel Karmazin** at the helm. CBS, it should be noted, put behind it the name and flat-line stock chart of Westinghouse, gaining 48.1% as Karmazin took command of the O&O TV group and immediately began increasing billings and cutting fat as he'd already been doing with the radio group.

Don't say farewell to Sillerman and Dodge—both are coming back this year with new public companies. Sillerman is spinning off SFX's concert business as SFX Entertainment (see p. 16) and Dodge will head American Tower Corp., created by spinning off ARS' tower business and merging it with a Clear Channel-related tower company (RBR 1/12, p. 14).

continued on page 10

Radio Groups



Radio IPOs



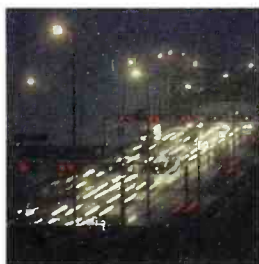
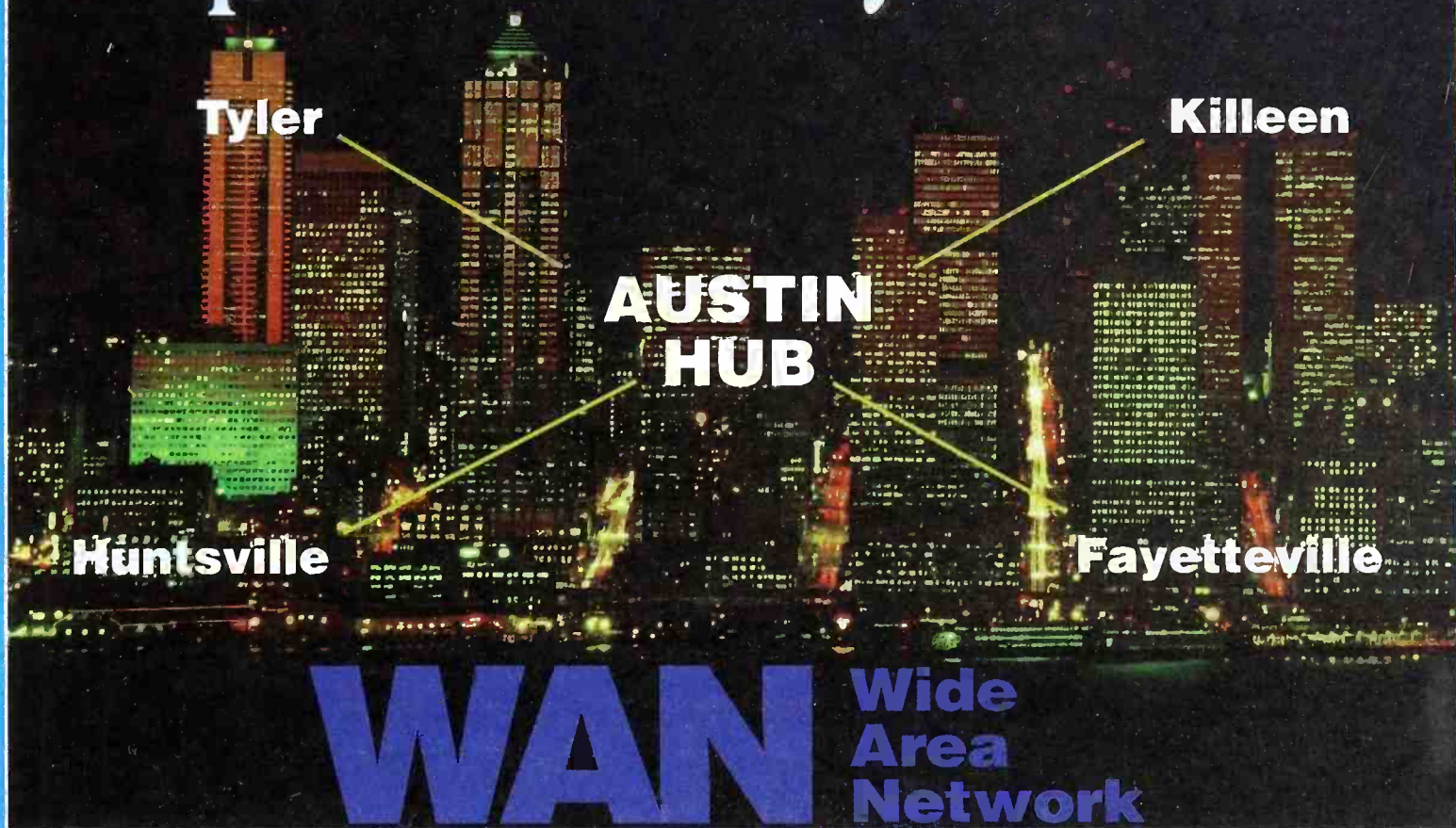
Satellite DAB



Stock Indices



Who can help you utilize your top talent across *all your locations?*



'nuff said!!!



Sales: (800) 658-4403
Support: (308) 284-8450
Sales & Support Fax: (308) 284-4181
E-mail: sales@prophetsys.com

continued from page 8

Tiny players at the top and bottom

If around 200% in one year isn't enough to satisfy you though, there were a couple of radio companies that returned much more last year. Both were small companies that get little attention from big investors.

Topping RBR's 1997 stock chart is **Joel Fairman's Faircom Inc.** (O:FXCM), owner of six stations in Flint, MI and Mansfield-Shelby, OH. The tiny company has a \$31M stock-swap deal to merge with Regent Communications (RBR 10/27/97, p. 12). If you'd invested \$1,000 in Faircom stock (5,882 shares) at the end of 1996, that investment would have been worth just shy of \$5,000 a year later.

The other radio-related stock that more than quadrupled last year was CD Radio (O:CDRD), one of two successful bidders for FCC licenses to build and launch satellites to deliver digital radio to moving cars. The company is still a couple of years from launching its first satellite and signing its first subscriber. Nevertheless, Wall Street speculators sent its stock price soaring 310.6% last year. An analysis of the risks vs. hype associated with this stock appeared in last week's issue (RBR 1/19, p. 15).

On the other end of the spectrum, **Joe Newman's Alliance Broadcasting Group** (O:RADO), with three stations and an LMA, is a case study of what can happen when a small company drives into a pothole on Wall Street. Alliance has not yet recovered from having its one and only market maker go belly-up (RBR 8/18/97, p. 11). Alliance stock had traded as high as \$4.50 last year, but lately that same amount of money would buy 18 shares. Ouch!

How to read RBR's stock chart

RBR's stock chart shows what a \$1,000 investment in each stock, made the last trading day of 1996, would have been worth at the close of trading on December 31, 1997. For example, if you had invested \$1,000 in American Radio Systems (N:AFM), it would have grown to \$1,956 over the 12-month period.

Radio Networks



Media Companies



Radio-related Companies



Radio-related IPOs



BROADCAST INVESTMENTS™

January 21—RBR Stock Index 1998

Company	Mkt:Symbol	1/14 Close	1/21 Close	Net Chg	Pct Chg	1/21 Vol (00)	Company	Mkt:Symbol	1/14 Close	1/21 Close	Net Chg	Pct Chg	1/21 Vol
Ackerley	N:AK	14.812	15.562	0.750	5.06%	2	HefTel Bcg.	O:HBCCA	43.625	43.937	0.312	0.72%	7982
Alliance Bcg.	O:RADO	0.250	0.250	0.000	0.00%	2	Jacor	O:JCOR	52.468	51.875	-0.593	-1.13%	9061
Am. Radio Sys.	N:AFM	54.500	57.375	2.875	5.28%	1885	Jeff-Pilot	N:JP	74.437	79.250	4.813	6.47%	2951
AMSC	O:SKYC	8.937	9.000	0.063	0.70%	237	Jones Intercable	O:JOINA	14.875	16.375	1.500	10.08%	554
Belo Corp.	N:BLC	55.125	54.500	-0.625	-1.13%	716	Metro Networks	O:MTNT	31.250	34.375	3.125	10.00%	1095
Big City Radio	A:YFM	7.000	7.000	0.000	0.00%	265	New York Times	N:NYT	65.687	66.937	1.250	1.90%	2756
CBS Corp.	N:CBS	29.625	30.750	1.125	3.80%	14368	News Comm.	O:NCOM	1.375	1.625	0.250	18.18%	30
CD Radio	O:CDRD	14.375	15.625	1.250	8.70%	1168	Otter Tail Power	O:OTTR	38.250	38.250	0.000	0.00%	56
Ceridian	N:CEN	44.250	45.000	0.750	1.69%	1432	Pacific R&E	A:PXE	3.750	3.437	-0.313	-8.35%	13
Chancellor	O:AMFM	37.500	36.375	-1.125	-3.00%	8392	Pulitzer	N:PTZ	59.937	58.312	-1.625	-2.71%	119
Childrens Bcg.	O:AAHS	3.875	3.812	-0.063	-1.63%	67	Real Networks	O:RNWK	15.875	16.125	0.250	1.57%	1107
Clear Channel	N:CCU	80.875	83.312	2.437	3.01%	3659	Saga Commun.	A:SGA	19.750	20.875	1.125	5.70%	8
Cox Radio	N:CXR	38.062	39.000	0.938	2.46%	161	SFX Bcg.	O:SFXBA	80.781	82.750	1.969	2.44%	2708
DG Systems	O:DGIT	3.375	3.875	0.500	14.81%	188	Sinclair	O:SBGI	48.500	47.250	-1.250	-2.58%	4166
Disney	N:DIS	96.500	98.875	2.375	2.46%	11711	Sportline USA	O:SPLN	17.750	23.125	5.375	30.28%	4403
Emmis Bcg.	O:EMMS	46.750	47.625	0.875	1.87%	241	TM Century	O:TMCI	0.593	0.593	0.000	0.00%	0
Faircom	O:FXXM	0.937	0.937	0.000	0.00%	0	Triathlon	O:TBCOA	10.625	10.531	-0.094	-0.88%	324
Fisher	O:FSCI	118.000	118.000	0.000	0.00%	40	Tribune	N:TRB	61.437	61.750	0.313	0.51%	3282
Gaylord	N:GET	30.437	30.062	-0.375	-1.23%	668	Westower	A:WTW	15.750	16.250	0.500	3.17%	321
Granite	O:GBTVK	10.625	10.875	0.250	2.35%	592	Westwood One	O:WONE	31.625	32.500	0.875	2.77%	109
Harris Corp.	N:HRS	44.125	45.375	1.250	2.83%	2714	WinStar Comm.	O:WCII	32.937	32.750	-0.187	-0.57%	10335

HefTel stock sale raised \$205.2M

HefTel Broadcasting (O:HBCCA) added an extra half-million shares as it priced a Jan. 16 stock sale at \$41.50 per share—and then the underwriters took the full 675,000-share “green shoe” to cover over-allotments. In all, HefTel sold 5.175M shares and, after deducting expenses, put \$205.2M in its corporate coffers. An additional 575,000 shares were sold by company insiders (*RBR* 1/12, p. 11), less than the 700,000 they had registered with the SEC for possible sale. Underwriters: BT Alex. Brown, CS First Boston, Lehman Bros., Merrill Lynch, Nationsbank Montgomery Securities, Salomon Smith Barney

Chancellor files shelf

Chancellor Media (O:AMFM) has filed a shelf registration with the SEC to offer up to \$1B in stock, bonds, preferred stock or warrants. The open-ended registration will allow Chancellor management to move quickly whenever it needs to fund an acquisition or sees particularly favorable conditions on Wall Street. Underwriters have not yet been specified.

*It Sounds Good Today,
What About Tomorrow?*

*Don't Sign Until
You Talk To Us.*

*Here Today. Here Tomorrow.
Norwest Communications Finance
Karen Dorn (612) 667-0259*



To The Nth Degree®

© 1997 Norwest Bank Minnesota, N.A.
Equal Opportunity Lender

Member FDIC

by Jack Messmer

Jacor raising \$450-\$500M on Wall Street

Jacor Communications (O:JCOR) Chairman **Sam Zell** and CEO **Randy Michaels** are heading back to Wall Street to haul away wheelbarrows full of money. (We're speaking figuratively, Randy. You can leave the wheelbarrow in your garage.)

Moving to implement a generic shelf registration filed last November, Jacor will issue three types of securities to raise a total of at least \$450M:

- Approximately \$200M (net to Jacor) from the sale of 3.8M shares of new common stock. The exact pricing will be determined by market conditions when the sale takes place. Also, the underwriters will have options to cover over-allotments with up to 15% additional stock, which would boost Jacor's take from the offerings closer

to \$500M. Lead underwriter: Donaldson, Lufkin & Jenrette

- \$100M in senior subordinated notes bearing fixed rate dividends over 12 years. The yield will be determined when the issue is priced. Lead underwriter: Donaldson, Lufkin & Jenrette

- \$150M in 20-year liquid yield option notes (LYONs). The LYONs are zero coupon senior notes and are convertible into Jacor common stock. The yield, conversion rate and other details will be determined by market conditions when the notes are issued. This issue could be increased by 10% to cover over-allotments. Sole underwriter: Merrill Lynch

RBR observation: Wall Street's thirst for radio stocks and bonds re-

mains stong with no sign of being quenched anytime soon. We predict that these Jacor offerings will be oversubscribed and, unless there's some unforeseen calamity for the financial markets, the same for Chancellor Media (O:AMFM), which is cueing up with an even larger group of offerings (see p. 11).

Heftel (see p. 11), Big City (A:YFM), Salem, Brill Media and Radio One, to name just a few, have been warmly welcomed on Wall Street in recent months with IPOs, add-on stock sales or bond issues. Based on how well radio stocks performed last year (see p. 8-10), it's no wonder investors are in love with this business!

TexRock goes coastal

Dain Shult is adding five Gulf Coast stations to his fast-growing TexRock Radio group with a couple of deals announced last week:

Deal #1: TexRock LMA'd KDAE-AM, KOUL-FM, KLTG-FM & KRAD-FM Corpus Christi as **Jay Harpole's** Nueces Partners closed its \$5.2M buy of the superduopoly from Broadcast Corp. of the Southwest (RBR 8/18/97, p. 18). Applications to sell the stations to TexRock will be filed shortly, but no price was disclosed. Norman Fischer and Associates had brokered the sale to Harpole, but no broker was announced for the subsequent sale to Shult.

Deal #2: Heading northward along the Gulf Coast, TexRock is buying a new Class C2 on 99.7 mHz. KKOS-FM Palacios, TX, from **John Wiggins' Unique Broadcasting LLC**. The price is \$350,000. Broker: **John Saunders**

Children's sale delayed

Global Broadcasting did not close its \$72.5M purchase of the Children's Broadcasting (O:AAHS) stations as scheduled last week, but RBR sources say the deal is still on. Global is apparently wrapping up the last part of its financial package. A Children's

David F. Peschau, President of
Continental Radio Broadcasting, L.L.C.

has agreed to transfer the assets of

**KFLG-AM & FM
Bullhead City, Arizona**

for

\$3,600,000

to

Terry S. Jacobs, Chairman, and William L. Stakelin, President, of
Regent Communications, Inc.

**Star
Media
Group, Inc.**

**"Radio's Full Service
Financial Specialists"™**

5080 Spectrum Drive, Suite 609 East • Dallas, TX 75248 • (972) 458-9300

More squabbling over WNWK

It probably comes as little surprise to **Arthur Liu** that one of the parties from his 10-year licensing battle has filed a petition asking the FCC to deny Liu's \$150M swap/sale of WNWK-FM New York (RBR 12/8/97, p. 12) to Heftel (O:HBCCA). **Emil Antonoff**, who was a principal of the long-time interim operator on 105.9 MHz, claims that radio industry consolidation cries out for the FCC to re-evaluate its refusal to protect "unique" formats and seek reversal of the 1981 Supreme Court ruling which barred the FCC from overseeing programming. Antonoff also says he'll prove "at an appropriate time" that Heftel and Clear Channel (N:CCU) are "controlled by the same party" in a scheme to circumvent local ownership limits.

RBR observation: We've heard these lame arguments before, and so has the FCC. The format issue is a dead horse that's been beaten so many times that we're surprised anyone can still find the corpse. Clear Channel has disclosed its non-voting, non-attributable interest in Heftel repeatedly to the FCC and SEC, so there's nothing secret or sinister about it. Besides, Clear Channel doesn't own a single station in the New York market.

spokesperson says closing is likely this week.

Meanwhile, **Chris Dahl's** Children's is exercising its option to buy KCAZ-AM Kansas City for \$550,000. The station is part of the Heritage Media Group being sold to Sinclair Broadcast Group (O:SBGI) by News Corp. (N:NWS), but currently held in trusteeship by **William Evans** (RBR 8/18/97, p. 18). Children's has LMA'd KCAZ since September 1994 to carry its soon-to-be-discontinued (on Jan. 30) AAHS network for kids, while leaving O&O KCNW-AM (which is part of the Global sale) Religious. Plans for KCAZ are still in flux, but an LMA to Global is likely.

NBG newest radio stock

NBG Radio Network was set to begin trading last Friday (1/23), with 1.2M shares outstanding after a recent private placement. The company, which is still officially called Nostalgia Broadcasting Corp. pending shareholder approval of the new name, is trading on the over-the-counter market with the symbol "NSBD."

Portland, OR-based NBG, headed by GM **John Holmes**, syndicates 20 Sports, Nostalgia, Financial and Entertainment programs to approximately 1,500 radio stations. It also has a production library division.

More towers for Hirsch

OmniAmerica Inc. has picked up 30 more towers through three deals in Florida totalling around \$20M.

OmniAmerica, headed by CEO **Carl Hirsch**, is paying \$18.6M for 25 towers owned by H.S.W. Associates, including sites in Tampa-St. Pete, Ft. Pierce and North Florida, and \$1.35M for a Ft. Pierce tower site (two sticks) owned by former radio group owner Ardman Broadcasting Corp. OmniAmerica was launched last year by Hirsch, **Tony Ocepek** and Hicks, Muse, Tate & Furst. **Broker:** Blackburn & Co.—**Joe Rapchak** for both deals, with **Bruce Houston** as co-broker on the Ardman sale

In addition, OmniAmerica acquired three wireless communications towers in Palm Beach County in a separate transaction.

RBR's deal digest

Cloyd Cox's Indacom Inc. is entering the radio business with a \$490,000 buy of KPCR-AM & FM Bowling Green, MO from **Paul Salois' Pike County Broadcasting**. **Broker:** **Ralph Meador**, R.E. Meador & Associates...

Gary Acker's Metropolitan Radio Group is buying KBZD-FM Amarillo from Dragonfly Communications for \$400,000. **Broker:** Satterfield & Perry... Metropolitan is also buying WCKO-AM Norfolk from J4 Broadcasting for \$262,250. **Broker:** Ted Hepburn Co... **David Rimmer's** Morgan Media is buying WVOJ-AM Jacksonville, FL from **Robin Raphael's** Spanish Broadcasting Media for \$495,000. **Broker:** **Doyle Hadden**, Hadden & Associates

SOLD!

WERZ-FM and WSRI-FM, Portsmouth, New Hampshire from **American Radio Systems Corporation**, Steve Dodge, Chairman and CEO to **Capstar Broadcasting Partners, Inc.**, R. Steven Hicks, Chairman and CEO for \$5,500,000.

George I. Otwell,
Randall E. Jeffery
and
Elliot B. Evers,
Brokers

GEORGE I. OTWELL
513-769-4477

BRIAN E. COBB
CHARLES E. GIDDENS
703-847-5460

RANDALL E. JEFFERY
RANDALL E. JEFFERY, JR.
407-295-2572

ELLIOT B. EVERS
415-391-4877

RADIO and TELEVISION
BROKERAGE • APPRAISALS



MEDIA VENTURE PARTNERS

WASHINGTON, DC
ORLANDO • CINCINNATI
SAN FRANCISCO

Subject to F.C.C. approval

by Jack Messmer & Dave Seyler

The deals listed below were taken from FCC filings made public during the week from Wednesday, Jan. 14 through Tuesday, Jan. 20. 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.

\$75,000,000—* WNVZ-FM, WPTE-FM, WWDE-FM & WFOG-FM Norfolk (Norfolk-Virginia Beach-Hampton-Suffolk VA) and **WQMG-AM & FM, WMQX-FM & WJMH-FM** Greensboro (Greensboro-Winston-Salem-Reidsville NC), 100% stock sale of Max Media Properties LLC (Gene Loving, John Trinder, Larry Saunders & others) to Sinclair Communications Inc. (David Smith), a subsidiary of Sinclair Broadcast Group Inc. (O:SBGI). \$255M cash for stock, including six TV stations and three TV LMAs. Radio

value estimated by RBR. **Superduopoly** in Norfolk with WGH-AM & FM & WVCL-FM. Sinclair will divest WFOG-FM & WGH-FM to comply with ownership limits and will place the two stations in a trust if the divestiture cannot be completed by closing for this purchase. Existing **superduopoly** in Greensboro. Note: Sinclair is seeking a **waiver** of the one-to-a-market rule in Norfolk, where it owns WTVZ-TV (Ch. 33, Fox).

\$41,000,000—* KEST-AM San Francisco, **WNJR-AM** New York (Newark NJ), **KOBO-AM** Yuba City CA, **KSJX-AM** San Jose, **KWPA-AM & KYPA-AM** Los Angeles (Pomona-Los Angeles CA) and **KXPA-AM** Seattle (Bellevue WA) from various subsidiaries of Douglas Broadcasting Inc. (John Douglas, TSG Associates) to Multicultural Radio Broadcasting Inc. (Arthur Liu). \$41M cash. **Superduopoly** in New York with WKDM-AM, WPAT-AM & WZRC-AM (below). **Superduopoly** in Los Angeles with KALI-AM & FM. Note: It was originally announced that the Seattle station Douglas was selling to Multicultural would be KZTS-AM. That has

now been changed to KXPA-AM and the application to assign KZTS is being withdrawn.

\$13,000,000—* WZRC-AM New York from CYBT License LLC (John Douglas), part of the Douglas Broadcasting group, to Multicultural Radio Broadcasting Inc. (Arthur Liu). \$13M cash. **Superduopoly** with WKDM-AM, WPAT-AM & WNJR-AM (above).

\$12,500,000—* WFRX-AM, WDDD-AM & FM, WVZA-FM, WTAO-FM & WQUL-FM Marion-Carbondale (West Frankfort-Johnston City-Marion-Herrin-Murphysboro IL) from Clearly Superior Radio LLC and 3-D Communications Corp. (Dennis "Dutch" Doelitzsch) to Cumulus Licensing Corp. (William Bungeroth, Richard Bonick Jr.), a subsidiary of Cumulus Media LLC (Richard Weening, Lewis Dickey Jr.). \$625K letter of credit as escrow, \$12.5M in cash at closing. LMA since Jan. 1. Existing **superduopoly**. Broker: Media Services Group

\$6,276,500—* KDIA-AM San Francisco (Oakland CA) from Pacific FM Inc. (James J. Gabbert, Michael P. Lincoln) to KGO-AM Inc. (Robert Callahan, Michael Luckoff), a subsidiary of ABC Inc., a subsidiary of The Walt Disney Co. (N:DIS). \$627,650 escrow, balance in cash at closing. **Superduopoly** with KGO-AM & KSFO-AM. LMA since 12/16/

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.

350 Park Avenue ■ New York, NY 10022 ■ Phone: (212) 935-4990 ■ Fax: (212) 935-0877 ■ Web Site: www.vsacomm.com

McCoy Broadcast Brokerage, Inc.

REAL RESULTS.

Closed!

KQLA 103.5 FM
Manhattan, KS

KKYY 98.3 FM
Gunnison, CO



JOSEPH BENNETT MCCOY, III
COLORADO SPRINGS, COLORADO
719-630-3111 PHONE
719-630-1871 FAX

HAMMETT & EDISON, INC.

CONSULTING ENGINEERS
RADIO AND TELEVISION

Serving the broadcast industry since 1952...

Box 280068 • San Francisco • 94128



707/996-5200
202/396-5200
enr@h-e.com
www.h-e.com

NF & A

Norman Fischer & Associates, Inc.
Media Brokerage • Appraisals • Management Consultants
2201 N. Lamar, Ste. 204 • Austin, Texas 78705 • (512) 476-9457
www.2i.com/nf&a/email: nfisc@onr.com

Florida Stations For Sale

Low Power Television stations
for sale by owner : Ft. Laud \$2 mil,
Ft. Myers \$395k, Port St. Lucie \$275k
Mr. Skinner 954-340-3110

INCREASE

ROI

NOW!

SABO media

Talk Radio Experts
212.808.3005

97. Note: The buyer is seeking a **waiver** of the one-to-a-market rule to acquire this station in the same market where it owns KGO-TV (Ch. 7, ABC). Broker: Kalil & Co.

\$5,881,263—* WDBQ-AM, KLYV-FM, KXGE-FM & WJOC-FM Dubuque (Dubuque IA-Galena IL), 100% stock sale of Communication Properties Inc. from David C. Bauer, Co-Trustee of a 1982 trust agreement by Philip T. Kelly, to Cumulus Holdings Inc. (William Bungeoth, Richard Bonick Jr.), a subsidiary of Cumulus Media LLC (Richard Weening, Lewis Dickey Jr.). \$250K escrow, \$4,881,263 (less escrow) in cash for stock at closing, \$1M under non-compete. **Superduopoly** with KIKR-FM. Broker: Kalil & Co.

\$2,000,000—* WNIL-AM & WAOR-FM South Bend IN (Niles MI) from Niles Broadcasting Inc. (J. Eric Plym) to Pathfinder Communications Corp. (John F. Dille III, John F. Dille IV, Anne F. Dille, Sarah F. Dille), part of the Federated Media group. \$2M cash. **Superduopoly** with WTRC-AM, WNDU-AM & FM & WBYT-FM. Note: As a condition of this contract, Niles Broadcasting will withdraw its objection to Federated's purchase of WNDU-AM & FM.

\$2,000,000—* KRNO-AM, KRRX-FM, KRDG-FM & KNNN-FM Redding (Redding-Burney-Shingletown-Central Valley CA) from Alta California, Power Surge Inc. & Northern California Broadcasting, operating as Redwood Broadcasting Inc. (John C. Power), to Regent Acquisition Corp., a subsidiary of Regent Communications Inc. (Terry

Jacobs, William Stakelin). \$175K letter of credit as escrow, \$1M in cash at closing, plus 200,000 shares of Regent Communications Series E Preferred Stock @ \$5 per share. **Superduopoly** with KQMS-AM, KSHA-FM, KALF-FM & KFMF-FM. LMA since 10/15/97. Note: No more than two AMs and four FMs overlap at any point. Broker: The Miller Group

\$2,000,000—KDFT-AM Dallas (Ferris TX) from Richard Witkovski, Court-Appointed Receiver for 540 AM (formerly part of the Willis Broadcasting group), to The Freedom Network Inc. (George L. Lindemann Sr., Adam Lindemann, Otto Miller). \$85K escrow, additional \$1.915M in cash at closing. Broker: Don Sailors, Sailors & Associates

\$1,415,001—KZDL-FM Dallas (Terrell TX), 100% stock sale of KTLR Broadcasting Inc. from El Dorado Communications Inc. (Thomas H. Castro, Albert Chavez, Roel Campos, Estate of Richard Neustadt) to Z-Spanish Radio Network Inc. (Amador, Rosalie & John Bustos). Z previously paid \$1.415M for a 49% stock interest and is now exercising its option to purchase the remaining 51% for \$1.

\$1,260,000—* WCHN-AM, WKXZ-FM & WBKT-FM Norwich NY from Cooney Communications Corp. (Matthew T. Cooney Jr.) to BanJo Communications (James Vincent Johnson, James Anthony Baldo, Rebecca Lyn Johnson, Brett Bartholomew Moore). \$50K escrow, balance in cash at closing. Broker: Kozacko Media Services

JOURNAL BROADCASTING

has acquired

KBBX-AM/KESY-FM

Omaha, Nebraska

from

BCR, INC.

for

\$5,475,000

The undersigned represented the buyer
in this transaction and assisted in the negotiations.



Kalil & Co., Inc.

3444 North Country Club Tucson, Arizona 85716 (520) 795-1050

Company Profile

Universal sets vote on Clear Channel merger

by Jack Messmer

Universal Outdoor Holdings (O:UOUT) shareholders will vote February 6 on whether to merge with Clear Channel Communications (N:CCU). The vote may be little more than a formality, considering the direction both stocks have been moving since the proposed combination was announced last October (RBR 11/3/97, p. 2)—straight up!

Under the proposed merger, Universal shareholders will receive 0.67 share of Clear Channel for each share of Universal. The day before the deal was announced, Universal (which had already been rising on takeover rumors) closed at \$41.50 per share and Clear Channel at \$63.375. Both went up when the news was announced and both have continued to post strong gains.

At the time of announcement, the deal valued Universal at \$1.7B, including \$531M in debt to be assumed by Clear Channel. At current prices, Universal shareholders stand to get \$54.60 in Clear Channel stock for each Universal share, making the to-

tal value \$2.06B, so it's hard to imagine a reason for any Universal shareholder to vote against the merger.

Adding in Universal's 34,000 billboard faces, Clear Channel will have approximately 82,000 billboard faces, 213 radio stations, 13 regional radio networks and 12 TV stations (plus seven LMAs). It will also own stakes in Heftel Broadcasting (O:HBCCA), American Tower Corp. and radio ventures in Australia, New Zealand, China and the Czech Republic.

Both companies have been on acquisition binges, so most of the financial data in the merger proxy is pro forma to include recently acquired businesses. Here's how the two merger partners shape up, based on financial figures for full year 1996 and the first three quarters of 1997 (Q4 has not yet been reported). Figures for the combined company include adjustments for merger-related savings and expenses.

Full Year 1996			
(in millions)			
	Clear Channel	Universal	Combined
Net revenues	\$670.5	\$176.6	\$847.1
Operating income	\$106.8	\$26.0	\$99.3
After-tax cash flow	\$138.3	\$39.7	\$178.0
January-September 1997			
(in millions)			
	Clear Channel	Universal	Combined
Net revenues	\$603.9	\$152.7	\$756.7
Operating income	\$107.2	\$34.4	\$120.1
After-tax cash flow	\$141.4	\$45.1	\$186.5

Source: Universal Outdoor Holdings Inc. proxy

Sillerman on buying binge

As he prepares to sell SFX Broadcasting's (O:SFXBA) radio group to Capstar for \$2.1B, **Bob Sillerman** has been busy expanding SFX Entertainment, which will be spun off as a separate company.

In recent weeks, SFX announced deals to acquire San Francisco-based Bill Graham Presents for \$65M, St. Louis-based Contemporary Group for \$90M, Atlanta-based Concert/Southern for \$15M and two related companies—L.A.-based Network Magazine Group and New York-based SJS Entertainment—for \$70M. It also acquired rights to the Westbury Music Fair.

In the biggest deal yet, announced on Christmas Eve, SFX will pay \$130M for PACE Entertainment Corp. PACE produced more than 5,000 events nationwide in 1997, including touring Broadway shows, music concerts and auto races. In addition, SFX will buy out Pace's partners in Pavilion Partners, an owner/operator of 11 amphitheatres.

On a pro forma basis, including all announced acquisitions, SFX Entertainment said it would have had \$501.5M in revenues for the first three quarters of 1997, compared to \$41.6M in actual revenues by SFX's entertainment division for the same period of 1996.

Alex R. Seith, Chairman of LH&S Communications

has agreed to transfer the assets

of

Illinois Radio Network (Closed November, 1997)

to

Edward K. Christian President/CEO

of

Saga Communications, Inc.

Frank Boyle & Co., L.L.C.

Stamford, CT

203-969-2020

Fax 203-316-0800