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RADIO NEWS

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All of the prognosticators agree that radio revenues will grow—the question is by how much. Predictions range from 7.5-10%. National is fueling the growth.

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MEDIA MARKETS & MONEY™

Chancellor leans on LIN for third media stream 12
In this \$1.7 Billion deal, Hicks, Muse is trading stock with—drum roll please—Hicks, Muse. LIN's TVs have a lot of overlap with Hicks, Muse's Capstar radio stations.

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Revenue forecasts close in on 10%

by Katy Bachman

At mid-year, radio is set for a repeat performance of 1997. Forecasts from industry experts vary, from a conservative 7.5% to an optimistic 10%, adding at least another \$1B to the industry total (see forecasts, below).

The positive forecasts are based on reasoning that groups have yet to complete the transition from acquisition to operation mode. "Any slowing in the economy will be offset by industry-specific benefits from consolidation that have not fully been leveraged yet," said **Pete Bowman**, VP, BIA. (See *RBR's Trends to Watch*, p. 8)

Radio forecasts compared	
Soothsayer	Forecast
William Donald, Standard & Poor's	8.9%
Robert Coen, McCann-Erickson	7.5%
James Marsh, Prudential Securities	10%
Ralph Guild, Interep	9-10%
Pete Bowman, BIA	10%
YTD (through May)	10%

Once again, the consensus is that national business is driving the increase. Both radio reps are bullish: Interep Chairman **Ralph Guild**, sees national coming in up 15%; **Stu Olds**, president, Katz Radio Group, is predicting national will be up 14-16%.

"Based on the numbers alone, the agencies have voted with their clients' checkbooks," said Olds. "Clearly they wouldn't do that if the medium wasn't working. The biggest complaint is that demand is

high and so pricing is moving up."

Local isn't too shabby, either. YTD through May, local is up 10%, outpacing **Robert Coen** of McCann Erickson's forecast of 7.0% (*RBR* 6/29, p. 2).

Groups are telling analysts that local is hot across all media. "We hear rates are going up across the board, in outdoor, radio and TV. Newspapers are least aggressive on rates, but priced higher," said **James Marsh**, senior radio analyst, Prudential Securities. In TV, the crunch is coming from stations losing local spots in order to affiliate with the newer networks.

Radio is expected to outperform TV and all other media, except for cable. "We have not seen the kind of growth radio has seen; there are more TV alternatives for the national advertisers," said **Jim Beloyianis**, president, Katz TV. Katz has dropped its TV national spot projection from 6-8% to 5-6%, based on soft political money and concern over the GM strike.

While pundits were positive about all the ways groups are using to increase revenues—focusing on non-spot, finely targeting formats, shoring up efficiencies—there was concern that many stations can't resist the temptation to increase inventory loads. "There's no doubt that stations have been expanding their inventory to accommodate demand," said Olds. "But if growth is based only on inventory expansion, it could be a problem if the market gets soft."

Wow! September nearly half-sold

If demand for radio inventory keeps up the pace, forecasts for radio to end the year up 10% are right on the money (see "Revenue forecasts," left). According to the latest *RBR/Miller Kaplan* forward pacing report, September is close to half-sold and both July and August are pacing well ahead of last year. —KB

RBR/Miller Kaplan Market sell-out percentage report

	1998	1997
July 1	78.3%	75.4%
Aug.	61.8%	58.7%
Sept.	47.8%	40.8%

DOJ delays Erie deal

by Frank Saxe

The Justice Department antitrust lawyers are at it again, this time focusing their attentions at a proposed radio deal in Erie, PA. The merger of Rambaldo Communications and Media One Group has been on hold since February while DOJ decides just how many stations make up Arbitron market #155. Rambaldo owns WRKT-FM and WRTS-FM, while Media One's group includes WXKC-FM, WXTA-FM and WRIE-AM. FCC regulations prohibit a company from owning more than half the stations in a market.

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Until DOJ wraps up its review, the FCC is unlikely to approve the merger.

An opposition to the deal was filed by competing Jet Broadcasting, which owns two radio stations in Erie. Jet president **John Kanzius** says the market has nine stations, so owning five stations is not legal. He says it would give Media One 65% of the market's radio revenue. "When you add up all the share numbers, they own the market. Not only do they have the five best formats, they have the five best facilities. There's no way to compete against them."

But Media One's filing says there are 19 stations throwing a signal into Erie County, so they should be allowed to consummate the deal.

RBR observation: RBR's database shows 17 stations in the market, while the Fall '97 Arbitron book lists 12 stations in the metro, with two out-of-metro stations receiving below-the-line listening. But Kanzius says just a handful have viable signals within city limits, hampered by the area's hilly terrain.

Based on an RBR analysis of Arbitron Fall 12+ shares, if Media One and Rambaldo combine forces, they'll dominate listening with a 55.4 share of 12+ listeners.

Radio multiples slipping?

Operating cash flow multiples in radio station sales averaged 13.8 in 1997, down from a whopping 19.9 in 1996, according to the just-released *Veronis, Suhler & Associates Communications Industry Transactions Report*. Multiples began shooting up to 15 in 1995, from 10.6 the previous year, in anticipation of deregulation. Once dereg actually came in 1996, multiples peaked at 19.9 before heading back to more normal levels as trading action moved to medium and smaller markets.

RBR observation: VS&A's analysis is based on a relatively small number of deals—67 in 1997 and 27 in 1996—where the investment banking firm was able to get hard numbers for cash flow multiples. Still, this provides mathematical support for the widespread perception that the trading market is cooling off and that the peak of the market may have passed for would-be sellers of all but the choicest "beachfront" radio properties.—JM

7/13/98 RBR

Happening/Not happening™

by Dave Seyler

Happening	Not Happening
Buying billboard companies	Leasing billboards
Casey Kasem (AMFM)	Casey Kasem (WW1)
Cigars in syndication	Cigars in the office
Clonetests	Contests
Competing media	Radio wars
Convertible bond	Station convertible
Cumulus stations	Mom and Pop stations
Digital	Analog
DOJ	Deregulation
EAS	EBS
IPO	LMA
Jeff Marcus	Scott Ginsburg
Like-kind exchange	Cash deal
Manager's Business Report	Tuned-In, Gavin GM
Market manager	General manager
Martini ad flight	Martini lunch
Pay for play	Music research
Regional operating unit	Regional group
Social engineering by Bill Kennard	Social engineering by Reed Hundt
Subsidiaries	Vendors
Systems manager	Chief engineer
TV ads on radio	Radio ads on TV
Virtual airstaff	Local airstaff
WAN	Log

CLOSED!

Alfred Liggins, President and CEO of

Radio One, Inc.

has acquired the stock of

Bell Broadcasting, Inc.

which owns

WCHB-AM/FM in Detroit, MI

for **\$34,200,000.**

John L. Pierce initiated this transaction and assisted in the negotiations.

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► RBR News Briefs

► Veteran radio broker **Randall Jeffrey Sr.** has exited MVP to form his own company, Jeffrey Group, with his namesake son and office manager **Kim McMahon**. Jeffrey says he'll focus on a "small, select client base." Phone and fax numbers in the Orlando office are unchanged.

► Radio dues to the NAB were down \$46K last year, according to the NAB's budget for the fiscal year which ended March 31. The NAB radio show in New Orleans made nearly \$2M, which was \$200K more than budgeted. Overall, NAB closed the books on the year with \$10M income, \$2M over budget estimates.

► NBG Radio Networks (O:NSBD) has signed the "Korelin/Hartfield Report," a weekly, one hour business program highlighting small, publicly traded companies. Hosted by **Al Korelin** and **Michael Hartfield**, the five-year running show debuts August 24.

► The Radio-TV News Directors Association has petitioned the DC Circuit Court of Appeals, asking it to throw out the political editorial and personal attack rules, calling them "arbitrary and capricious" (*RBR* 6/29, p.4). The case should be heard next Winter.

► The US Commerce Dept. has issued its report on 1996 revenues—nearly two years after the Telcom Act was signed by President **Clinton**. It shows revenue for radio and TV was \$38B, up 9% over 1995. Broadcast TV, which made \$28B in 1996, comprised three-fourths of broadcasting's total revenue.

Station trading falls off '97's record pace

by Jack Messmer

Consolidation, at least in financial terms, slowed w...a...y down in the first half of this year. Barring a couple of really huge mega-group mergers, 1998 trading is unlikely to come anywhere near last year's record of \$15B.

Through the first six months of this year, station sales reported in *RBR* totaled \$2.99B. That's a decline of more than 61% from \$7.76B in trading for the first half of '97.

Only four radio deals of \$100M or more have been announced so far this year:

- \$637.5M—11 SFX stations from Capstar (N:CRB) to Chancellor Media (O:AMFM)
- \$160.0M—An 11-station swap by CBS (N:CBS) and Jacor (O:JCOR)
- \$126.5M—Sinclair's (O:SBGI) Portland and Rochester stations to Entercom
- \$105.0M—Radio value of Pulitzer Broadcasting's (N:PTZ) \$1.85B merger with Hearst-Argyle (O:HATV)

That's not to say that radio groups aren't buying—it's just that they're not necessarily buying radio stations (see related story, page 8). Non-radio mega-deals during the first two quarters included two big billboard deals—Clear Channel's (N:CCU) \$779M buy of More Group and Chancellor's \$610M buy of Martin Media—and Chancellor's second big rep deal, a \$150M acquisition of Petry Media. Then Chancellor kicked off the second half of the year with an even bigger non-radio buy, \$1.7B for LIN Television (see page 12).

Gulfstar turns on StarCenter

by Carl Marcucci

Capstar's (N:CRB) Gulfstar will be moving in and turning on its 12-studio Austin "StarCenter" hub July 15 (*RBR* 9/15/97, p.10). Acting as the nerve center connecting all 86 Gulfstar stations, StarCenter links Prophet Systems' Audio Wizard digital on air system to share programming and production across its "StarSystem" wide area network.

"We will be able to do locally-oriented programming from here to any of the GulfStar stations," said **John Cullen**, President, Gulfstar. "It's actually by-and-between, so Fayetteville could drop-off to Jackson, MS."

Just a few months ago, Capstar bought Prophet Systems (*RBR* 4/6, p. 4). Cullen expects all Capstar stations to have Audio Wizards by the end of this year.

Jacor (O:JCOR) also signed with Prophet Systems (*RBR* 6/22, p. 3) to install Audio Wizard at its 200+ stations.

Wide area networks are one of the major trends affecting radio. For more, see *RBR's* Mid-Year Review and Forecast, pp. 6-10.



Radio reigns over mother nature

by Carl Marcucci

Perish any thoughts that radio will lose its local appeal. Coming to the aid of firefighters and listeners during the worst fires Florida has yet experienced, radio became the conduit of information and resources for thousands of people over the last two weeks. Contained for now, the fires devastated more than 500,000 acres, I-95 was closed for 125 miles and Flagler county was evacuated (Volusia and Brevard counties were partially evacuated).

Clear Channel's WGNE-FM Daytona Beach was one of the first stations to turn the music off and go all news from July 1-6. Said GM **Bob Lima**: "We had to balance between the hard news stuff of getting the official information out and what we were getting from call-ins and e-mails on our Web site from listeners."

Radio's mobility also connected resources to those who needed them. "We'd get a call from a fire station that needed ice and I swear, five minutes later, they had a truck full of ice arriving—listeners were just that quick and that generous," said Lima.

The situation was so desperate at one point that Chancellor's WJHM-FM Orlando asked for help from the spiritual world—in the

form of a bonafide Southern Cheyenne Nation Indian chief. Said GM **Mike Gonick**: "We were running out of options—this was no joke. We finally found this chief who agreed to do a dance for us at 12:00. Prior to his dance, the chance of precipitation was 20% and there were no clouds. At 12:15, I was watching the news and the reporter said all kinds of clouds were coming in from everywhere. At 1:00, it was a hell of a storm. I got 2.5 inches of rain by my house. It put almost all of the fires out."

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**MID-YEAR
REVIEW
&
FORECAST**

Consolidation slows down, small markets catching up

By Dave Seyler

Radio station ownership consolidation since passage of the Telecom Act in 1996 has been rapid, but it has not happened all at once. And it is slowing down, particularly in the larger markets. By the halfway point 1996, 22.7% of stations in the top 100 markets were part of a superduopoly combine. That total would nearly double over the next 12 months, rising to 43.1%. The smaller radio market superduopoly total stood at 17.4%, with a less rapid ascent to 32.1% over the course of the year.

This trend reversed over the past 12 months. The action has been in the smaller markets. With a 12.1% increase in superduopoly stations, consolidation is occurring at nearly twice the rate of the top 100, which only gained 6.8%.

Consolidation is heaviest in the top 50 markets, which just recently hit the halfway point in superduopoly consolidation (50.1%) and where superduops and duops combined (total consolidation) claim nearly three-quarters of all stations (74.1%). (Special to CBS and Chancellor execs: In the top 10 markets, the numbers are 55.4% and 77.7%).

RBR observation: The high water mark of Telcom consolidation was the third quarter of 1996, with 271 stations becoming part of a superduopoly, or 5.5% of all stations in Arbitron-rated markets. Another way to look at that is that 94.5% of all stations did not become part of a superduopoly during the most active quarter of trading. While consolidation has progressed inexorably, stations have not been bought the way people buy bread and milk in anticipation of a blizzard.

The heavy-lifting phase of consolidation is winding down. Even if oft-rumored acquisition target Jacor becomes part of one more blockbuster deal, its likely first effect will be a territorial expansion for the purchaser, not an increase in overall station consolidation. That will happen as a secondary effect, as necessary common-market sell-offs take place. Active groups will round off the edges of their station portfolios and thus-far inactive groups will begin to consolidate when station prices stabilize. All of these factors will keep pushing the consolidation total up at a slow but steady pace for the next couple of years. ■

Duopoly Dimensions

Mkt Size	Stns	Super	Super%	Consol	Consol%
1-50	1438	721	50.1	1065	74.1
51-100	1062	527	49.6	763	71.8
101-150	814	366	45.0	539	66.2
151-200	828	371	44.8	579	69.9
201-261	813	348	42.8	546	67.2
TOTAL	4955	2333	47.1	3492	70.5

The Pace of Consolidation

RBR issue	Stns	Super	Super%	Consol	Consol%
7-1-96	4860	985	20.3	2562	52.7
10-7-96	4872	1256	25.8	2756	56.6
1-6-97	4878	1390	28.5	2847	58.4
4-7-97	4863	1639	33.7	3005	61.8
7-7-97	4868	1840	37.8	3116	64.0
10-6-97	4877	1969	40.4	3195	65.5
1-12-98	4876	2077	42.6	3245	66.6
4-6-98	4939	2237	45.3	3432	69.5
7-6-98	4955	2333	47.1	3492	70.5

Pace of Consolidation by Market Size

Markets	Superduopoly increase		Consolidation increase	
	1-100	101-267	1-100	101-267
Q2 96 total %	22.7	17.4	56.9	47.9
Q2 97 total %	43.1	32.1	68.3	59.3
Q2 98 total %	49.9	44.2	73.1	67.8

Quarterly Percentage Increase

	1-100	101-267	1-100	101-267
Q3 96	6.3	4.6	3.3	4.4
Q4 96	3.1	2.3	1.7	2.0
Q1 97	6.1	4.5	4.1	2.9
Q2 97	4.9	3.3	2.3	2.1
Q3 97	2.5	2.6	1.8	1.2
Q4 97	1.0	3.5	0.3	1.9
Q1 98	1.8	3.9	1.9	4.3
Q2 98	1.5	2.1	0.8	1.1
Year One	20.4	14.7	11.4	11.4
Year Two	6.8	12.1	4.8	8.5

Source: RBR database

Radio groups becoming "media" companies

by Jack Messmer

Cross-media marketing continued to gain momentum in 1998 as radio groups capitalized on opportunities to buy other types of media and even vendors.

The biggest diversification move was Chancellor Media's (O:AMFM) nearly \$1.7B buy of LIN Television (p. 12) just weeks after a \$610M purchase of Martin Media, an outdoor company (*RBR* 6/29, p. 12). The company also added to its rep business with a \$150M buy of Petry (*RBR* 4/20, p. 12). New Chancellor CEO Jeff Marcus has vowed to build it into a multi-media company.

TV is the newest expansion outlet for Emmis (O:EMMS), which is paying \$397M for five Fox affiliates and one CBS affiliate, with three medium-market radio stations also included. Emmis already had a magazine group and added *Texas Monthly* as its fourth title for \$37M (*RBR* 2/2, p. 15).

1

Already well diversified from its radio roots into TV and outdoor, Clear Channel (N:CCU) became the world's largest outdoor company with a \$779M buy of London-based More Group, with billboards in 22 countries (*RBR* 6/8, p. 14). Clear Channel also expanded its foreign radio investments with a \$57.5M buy of a 40% stake in Mexico's Grupo Acir (*RBR* 3/23, p. 12).

Saga (A:SGA) made its first foreign move with a \$1.05M deal to buy 50% of a radio group in Iceland (*RBR* 4/20, p. 12).

With software and computer networks playing an ever-increasing role in operating a radio group, Capstar (N:CRB) took its vendor in-house with a \$25M buy of Prophet Systems (*RBR* 4/6, p. 4). ■



Content is king, but distribution rules

by Katy Bachman

Two years ago, Louis Severine, president/CEO, of national rep company Global Media, saw the writing on the wall and gave up his independence for a deal with WinStar Communications (O:WCII). "The little guy out there can't compete," he said. "They've got to get under the umbrella of a company with deep pockets."

Just last month, Severine's former partner, Howard Gillman, sold Global Satellite Network's syndicated shows to Chancellor's AMFM Radio Networks (*RBR* 6/15, p. 2).

Gillman is "going to Disneyland," but Severine is still in business. For syndicators and radio networks looking to thrive and survive the fallout from consolidation, it's a jungle out there (*RBR* 4/13, p. 4).

"You need a long-term view and you need to be well-financed. If we can bring some more money in the front door, we can weather the storm better," said Stephen Youlios, president, NetStar (*RBR* 3/30, p. 4). As head of a fledgling syndication company, Youlios took his company in a new direction by repping ProStar Entertainment's new syndicated show, "The Movie Show on Radio."

While radio execs are fond of saying that content is king, today's radio networks and syndicators know it's nothing without distribution. In early May, ABC Radio bought Radio Today, adding rep services and shoring up its music programming with

2



17 shows (*RBR* 5/4, p. 4). A month later, Jones Radio Network (JRN) purchased its rep, MediaAmerica, and increased its syndicated lineup with another dozen shows (*RBR* 6/8, p. 4). But after distribution, the next challenge for syndication may be accountability—providing advertisers and agencies with the proof

they need (clearances) to spend more of their clients' dollars. Radio syndicators are answering the call of advertisers by going into the rated network business and Statistical Research, Inc., the provider of the RADARs, increased measurement to four times a year.

For 20 years, there were no additions to the list of RADAR®-rated networks. Then consolidation hit, and Chancellor (O:AMFM) found it could take its own stations and create AMFM Radio Networks, launching Youth and Adult networks in January (*RBR* 1/12, p. 3). Six months later, Jacor's Premiere Radio Networks said it would jump in the network biz with four new networks plus Dr. Laura Schlessinger, which will be the first syndicated show included in the next RADAR in September (*RBR* 6/8, p. 3).

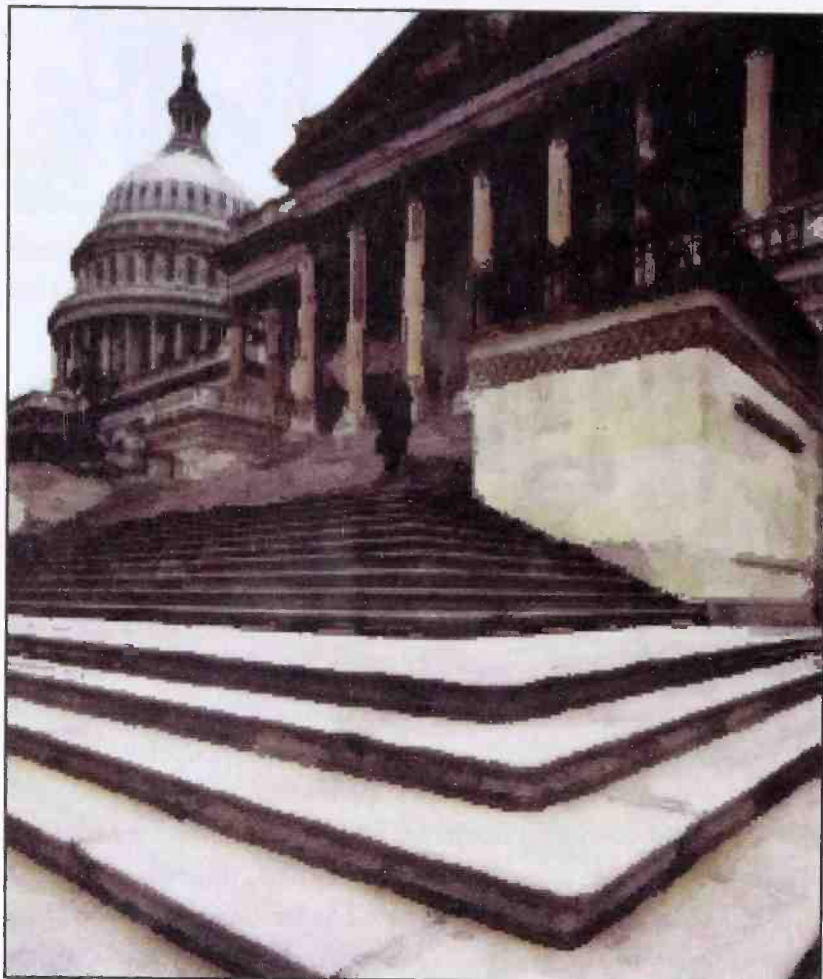
"We did this in response to numerous requests over a long period of time from the advertising industry," said Kraig Kitchin, CEO, Premiere Radio Networks. "We want to make a concerted effort to bring new advertisers to the medium."

There's no doubting the current trend, but it's still too early to say conclusively that networks are the future. While audiences got a 10% boost from AMFM's entrance, the revenues have yet to follow (*RBR* 7/6, p. 3). ■

Sideline not enough for new FCC **3**

by Frank Saxe

Like the Supreme Court of the sixties and seventies, the current FCC could be characterized by its activist agenda. Rather than simply hand out broadcast licenses and award spectrum space, this Commission seems determined to correct societal ills while expanding its role. This self-appointed activist strategy has had the Commission butting heads with Congress for much of the year.



Despite easily clearing the Senate during confirmation, the freshman class of commissioners has not enjoyed such cordial relations of late.

It all began in January, when President Clinton called on the FCC to find a way to force radio and TV stations to give up air time for political candidates (*RBR* 2/2, p.2). Chair Bill Kennard (D) took his orders and began to march, until he ran into repeated bipartisan bombing from Congress. Retreat, he did, for the time being.

Even so, Sen. John McCain (R-AZ) said the FCC is taking a "Nehru-jacket approach" to public interest obligations and expanding minority ownership. He said its "tinkering" may create more problems than it solves (*RBR* 4/13, p. 4).

Rep. Billy Tauzin (R-LA) agreed, saying the the FCC's relationship with the Congress could be "poisoned" if it didn't shape-up (*RBR* 6/29, p.6).

The current Commission is the most ethnically diverse in the FCC's history. While laudable for its mirroring of America, it is

also noteworthy when looking at how the FCC has dealt with a sudden increase in the number of racial issues landing before them.

In April, an Appeals Court ruling shot down the FCC's 30-year old EEO rules, prompting an appeal by the FCC (*RBR* 5/25, p.2). While EEO landed on their lap, the Commission is seeking out roles in other fights. Just a few weeks ago, Kennard told civil rights activist Al Sharpton he is considering launching an inquiry into discrimination in broadcast ad placement in the wake of the leaking of Katz Radio's memo urging buyers to avoid Urban and Spanish stations. And a majority of commissioners has also said low-power, microradio stations may be a way to reverse the effects of consolidation on minority ownership (*RBR* 3/9, p.3).

The current FCC also seems to be more politicized than its forerunners, dividing on key issues like free time along party lines. That could also temper the battles that lie before it in the coming months, battles it has sought out for itself.

FCC watchers say they're expecting the Commission to make a proposal aimed at increasing minority and women media ownership. Kennard also tells us he'll also look to "rationalize" the attribution rules, so expect some proposals dealing with cross-ownership and duopoly. He also says he'll try to step back from the debate over free time, in order to come up with some politically palatable proposals. ■

Towers become growth business **4**

by Jack Messmer

After decades as an almost incidental sideline to the broadcasting industry, the tower business came into its own in early 1998. **Steve Dodge's** American Tower (N:AMT) became a standalone growth company after being spun off as CBS (N:CBS) bought American Radio Systems. **Carl Hirsch** and Hicks, Muse took OmniAmerica (O:SCTR) public through a merger with Specialty Teleconstructors. That took the list of publicly-traded tower companies to three as the two newcomers joined **Calvin Payne's** Westtower (A:WTW), which went coast-to-coast through a series of acquisitions. For shareholders lucky enough to have invested in any of these companies, the first six months of 1998 paid off with triple-digit stock price gains—117% for Westtower, 168% (adjusted for the ARS sale) for American Tower and 190% for OmniAmerica.

Up next is an IPO by Crown Castle (see page 14), headed by CEO **Ted Miller**. Like the existing three tower stocks, it owns and manages broadcast and wireless telecom towers throughout the US (Westtower also has many sites in Canada), but it also brings a European component—with more than 800 towers and rooftop sites throughout the U.K.

Two factors have been driving the tower business: **1**) immediate demand for short sticks (200-feet or so) for cellular and PCS; and **2**) long-term demand for new tall towers for DTV and users (including FM stations) displaced when DTV is added to existing TV towers.

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Radio's race to digital

Carl Marcucci

Five Digital Audio Broadcasting (DAB) proponents are racing to deliver the first system in the hands of the consumer. Broken down into two heats, IBOC DAB and Satellite DARS, it's USA Digital Radio (USADR) vs. Digital Radio Express (DRE) vs. Lucent Digital Radio and CD Radio (O:CDRD) vs. American Mobile Radio Corporation (AMRC).

On the IBOC side, the gatekeeper is the National Radio Systems Committee's DAB subcommittee, which sets up testing criteria and procedures for the three companies to follow in conducting real-world field tests. The test data will be delivered to the subcommittee for review and it will supply recommendations for broadcasters, manufacturers and the FCC to make the final decision which should lead to a standard. The subcommittee may send an independent auditor to observe testing.

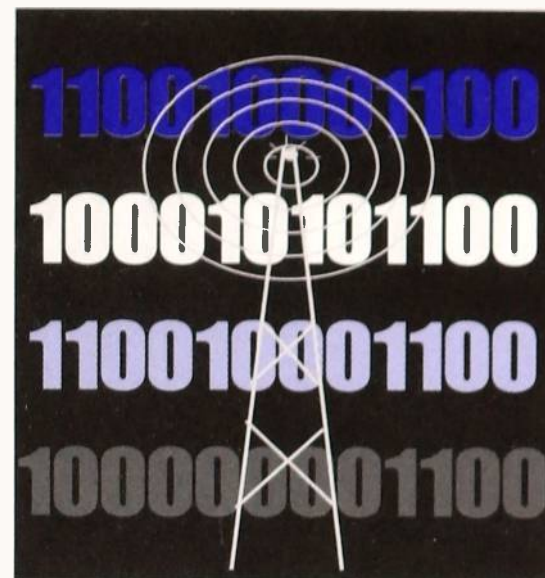
While USADR previously tested an IBOC design in Chicago on WBBM-FM, DRE leads the race this time around, testing on KSAN-FM (Susquehanna) since late June and an on AM station in Q3. USADR plans on delivering full data to the subcommittee in 1999 after testing its AM and FM system in eight cities. This year, full FM system tests are being conducted from a 2000-watt hybrid analog/IBOC transmission system built on-site. Channel characterization tests will be conducted at CBS's WARW-FM Washington (*RBR* 4/6, p. 4). Lucent is currently in the prototype development stage and conducting lab

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testing. It has not announced any field testing dates.

In the second heat, Both CD Radio and AMRC will be launching satellites in late 1999-early 2000, but CD Radio plans to launch first. It plans receiver introductions with "plug into the cassette deck and CD slot" receivers

and 3-band after-market car stereos. AMRC may find initial placement on GM car stereos (GM, which owns Hughes—AMRC's satellites—could introduce the receivers in the 2001



line). The FCC mandates the receivers be capable of receiving both services. So far, this is not looking economically and technically possible, so the rule may have to be changed.

Regardless who wins each heat, and who is first with DAB, the checkered flag is in the hands of the consumer. Unlike FCC-mandated deadlines for HDTV, none exist for radio. While S-DARS' success relies completely on the consumer, IBOC's success requires that consumers, broadcasters and receiver manufacturers all want the benefits of a digital signal and are willing to pay for it. ■

TRENDS

6

TO WATCH

Radio debutants capture stock traders hearts

by Jack Messmer

Internet stocks may have been the belles of the ball on Wall Street in the first half of 1998, but new radio companies didn't have any trouble filling their dance cards.

Steve Hicks and brother Tom's Hicks, Muse, Tate & Furst raised \$589M for Capstar Broadcasting Corp. (N:CRB), the second-largest IPO of any sort (beaten only by Heller Financial [N:HF]) so far this year. The May IPO (*RBR* 6/1, p. 13) facilitated the closing of Capstar's \$2.1B buy of the SFX stations. The offering at \$19 per share was slow to gain momentum, but ended Q2 up 32%.

With virtually no operating history and a slew of small market acquisitions awaiting closings, Richard Weening's and Lew Dickey's Cumulus Media (O:CMLS) was the most

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difficult of the radio IPOs for Wall Streeters to value, but the barely one-year-old company managed to sell \$106M worth of stock at \$14 per share (*RBR* 7/6, p. 13). The stock had gained 4% when Q2 ended four days later.

Just missing a Q2 debut was Larry Wilson's Citadel Communications (O:CITC), which sold \$110M worth of stock at \$16 per share on July 1 (*RBR* 7/6, p. 13). The well-received offering immediately shot up 25%.

Meanwhile, three radio companies joined *RBR*'s weekly stock list by merging with already-public companies or shells: syndicator NBG Radio Networks (O:NSBD), up 50% YTD; Triangle Broadcasting (O:TBCS), the first gay network, up 2%; and Regent Communications (O:RGCI), whose preferred stock was unchanged after eight days on Wall Street. ■



BROADCAST INVESTMENTS™

July 8—RBR Stock Index 1998

Company	Mkt:Symbol	6/30 Close	7/8 Close	Net Chg	Pct Chg	7/8 Vol (00)	Company	Mkt:Symbol	6/30 Close	7/8 Close	Net Chg	Pct Chg	7/8 Vol (00)
Ackerley	N:AK	21.125	22.312	1.187	5.62%	71	Heftel Bcg.	O:HBCCA	44.750	42.125	-2.625	-5.87%	1278
Alliance Bcg.	O:RADO	0.750	0.750	0.000	0.00%	0	Jacor	O:JCOR	59.000	62.750	3.750	6.36%	9719
Am. Tower	N:AMT	24.937	26.687	1.750	7.02%	4140	Jeff-Pilot	N:JP	57.937	58.500	0.563	0.97%	1821
AMSC	O:SKYC	9.750	9.937	0.187	1.92%	250	Jones Intercable	O:JOINA	25.000	25.875	0.875	3.50%	398
Belo Corp.	N:BLC	24.375	24.750	0.375	1.54%	5255	Metro Networks	O:MTNT	43.125	41.250	-1.875	-4.35%	89
Big City Radio	A:YFM	8.125	8.437	0.312	3.84%	134	NBG Radio Nets	O:NSBD	3.000	3.500	0.500	16.67%	4
Capstar	N:CRB	25.125	25.500	0.375	1.49%	3175	New York Times	N:NYT	39.625	39.937	0.312	0.79%	2398
CBS Corp.	N:CBS	31.750	33.750	2.000	6.30%	16160	News Comm.	O:NCOME	1.000	1.187	0.187	18.70%	149
CD Radio	O:CDRD	38.500	35.437	-3.063	-7.96%	834	OmniAmerica	O:SCTR	37.000	35.125	-1.875	-5.07%	566
Ceridian	N:CEN	58.750	57.750	-1.000	-1.70%	3559	Otter Tail Power	O:OTTR	37.062	36.750	-0.312	-0.84%	119
Chancellor	O:AMFM	49.656	52.906	3.250	6.55%	15833	Pacific R&E	A:PXE	4.125	4.062	-0.063	-1.53%	23
Childrens Bcg.	O:AAHS	3.000	3.000	0.000	0.00%	646	Pulitzer	N:PTZ	89.250	87.750	-1.500	-1.68%	127
Citadel	O:CITC	16.000	19.750	3.750	23.44%	2246	RealNetworks	O:RNWK	37.312	33.750	-3.562	-9.55%	4695
Clear Channel	N:CCU	109.125	114.875	5.750	5.27%	1641	Regent Pfd.	O:RGCI	6.000	6.000	0.000	0.00%	4
Cox Radio	N:CXR	43.250	44.437	1.187	2.74%	38	Saga Commun.	A:SGA	14.000	17.000	3.000	21.43%	155
Cumulus	O:CMLS	14.562	14.000	-0.562	-3.86%	3222	Sinclair	O:SBGI	28.750	29.062	0.312	1.09%	3547
DG Systems	O:DGIT	3.500	2.875	-0.625	-17.86%	207	SportsLine USA	O:SPLN	36.562	34.875	-1.687	-4.61%	5834
Disney	N:DIS	105.250	108.062	2.812	2.67%	30794	TM Century	O:TMCI	0.437	0.375	-0.062	-14.19%	0
Emmis	O:EMMS	47.812	47.500	-0.312	-0.65%	460	Triangle	O:TBCS	0.040	0.050	0.010	25.00%	400
Fisher	O:FSCI	71.000	71.500	0.500	0.70%	81	Triathlon	O:TBCOA	10.750	10.812	0.062	0.58%	30
Gaylord	N:GET	32.250	33.500	1.250	3.88%	254	Tribune	N:TRB	68.812	71.062	2.250	3.27%	1966
Granite	O:GBTVK	11.875	12.375	0.500	4.21%	1189	Westover	A:WTW	25.500	24.375	-1.125	-4.41%	71
Harris Corp.	N:HRS	44.687	42.187	-2.500	-5.59%	2110	Westwood One	O:WONE	25.218	24.625	-0.593	-2.35%	873
							WinStar Comm.	O:WCII	42.937	39.625	-3.312	-7.71%	8413

CBS cuts SportsLine stake

Dow Jones—A group including CBS Corp. (N:CBS) and related entities lowered its stake in SportsLine USA Inc. (O:SPLN) to 10.8%. In a filing (6/24) with the SEC, the group said it sold 200,000 shares for \$6.85M and now holds 2.05M shares of the Fort Lauderdale, FL-based company. SportsLine USA operates the cbs.sportline.com Internet site.

Murdoch planning \$4B spin-off

Wall Street Journal—Rupert Murdoch's News Corp. (N:NWS), responding to mounting concern about its lagging stock price, said it will spin off 20% of its Fox Group entertainment operations in an initial public stock offering that analysts said could raise as much as \$4B.

The move follows swiftly on the heels of News Corp.'s decision to sell TV Guide for \$2B, and underscores Murdoch's new willingness to heed pressure from investors who have been clamoring for him to take action that would boost News Corp.'s stock-price multiple.

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7/13/98 RBR

ABC RADIO
has acquired
KDIA-AM
Oakland, California
from
JIM GABBERT
for
\$6,250,000

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



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by Jack Messmer

Chancellor adds third media line with \$1.7B buy of LIN TV

Jeff Marcus didn't have to look far for an acquisition to take Chancellor Media (O:AMFM) into the television station business—LIN Television was already in the stable of companies owned or controlled by Hicks, Muse, Tate & Furst. No cash will change hands in the \$1.7B merger, but Hicks, Muse will double its stake in Chancellor from 9% to 18%.

Marcus had said repeatedly that he was interested in rolling Hicks, Muse's other US media companies into Chancellor (*RBR* 5/18, p. 14), but would only acquire LIN, Capstar (N:CRB) and Sunshine Television if each deal were accretive for Chancellor shareholders. Marcus reiterated his interest in Capstar in a conference call with analysts and reporters to discuss the LIN deal.

Capstar already shares five markets with LIN (see chart, page 13) and

has radio stations in Birmingham, AL, where LIN has an option to buy another TV station. By contrast, big-market-oriented Chancellor has overlaps only in the two markets, Dallas and San Diego, where LIN owns 20% of a joint venture with GE's (N:GE) NBC-TV. LIN President **Gary Chapman** will head Chancellor's new TV division and join the company's board of directors.

"We're convinced that there are significant synergies to be experienced by selling across various platforms in a single market," Marcus said, citing examples of cross-media selling by CBS (N:CBS) and Jacor's (O:JCOR) Cincinnati operation. As for the LIN markets where neither Chancellor nor Capstar has stations, Marcus said "it would be our intention to try to get radio properties in those markets."

All in the family

Hicks, Muse acquired LIN just last year (*RBR* 8/18/97, p. 3), buying out AT&T (N:T), Cook Inlet Communications and smaller shareholders. After calculating the value of that buyout and related deals, adjusted for the spin-off of KXAS-TV Dallas to the joint venture with NBC, Hicks, Muse's investment in LIN is approximately \$1.4B. It's difficult to put an exact value on the stock-swap with Chancellor, due to assumption of some LIN stock options, but it's around \$1.7B (including \$769M in debt assumption).

Marcus noted that the LIN acquisition carries a multiple of 12.7 times projected 1999 broadcast cash flow. That, he said, is at least a full point lower than the multiple in the recent merger (*RBR* 6/1, p. 12) of Pulitzer's (N:PTZ) broadcast group into Hearst-Argyle Television (O:HATV).

Despite his recent spate of non-radio deals, Marcus said "we consider ourselves a radio company." Even after the LIN deal and a \$610M buy of Martin Media (*RBR* 6/29, p. 12), CFO **Matt Devine** said Chancellor will get approximately 81% of its revenues and cash flow from radio, 14% from TV and 6% from outdoor. Chancellor will also take over LIN's interest in a partnership created to own the Texas Rangers baseball team and Dallas Stars hockey team.

Although Chancellor's stock price fell \$3.062 to \$50.75 the day of the announcement (7/7), analyst **Vinton Vickers** of ING Baring Furman Selz was quick to reiterate his "strong buy" recommendation. He called the multiple "attractive" and said the deal "reaffirms Hicks, Muse's commitment to Chancellor and its strong growth prospects under a diversified media strategy."

A special committee of Chancellor's outside directors—**John Massey, Steve Dinetz, Perry Lewis, Thomas Hodson, Vernon Jordan** and **Otis Winters**—evaluated the deal and gave it their approval after getting a fairness opinion from Wasserstein Perella & Co. Chancellor was advised

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CLOSED

Chancellor's multi-media empire takes shape

Here's how LIN Television's markets line up with other Hicks, Muse media holdings:

Market (by Arbitron rank)	LIN TV/LMA	Radio*	Martin outdoor
6 Dallas-Ft. Worth	NBC/Ind.**	1 AM/5 FM	—
15 San Diego	NBC**	2 FM	Yes
34 Norfolk	NBC/WB-Fox	—	—
37 Indianapolis	CBS	1 AM/2 FM	—
41 Buffalo	CBS	—	—
42 Hartford	ABC/WB	1 AM/4 FM***	Yes
50 Austin	NBC/WB-UPN	1 AM/3 FM	—
65 Grand Rapids	NBC/ABC	1AM/3 FM	—
101 Ft. Wayne	CBS	—	—
190 Springfield (Decatur, IL)	ABC	1 AM/2 FM	—

*Chancellor Media or Capstar

**20% of joint venture with NBC

***Capstar also owns 1 FM and JSAs 1 AM/1FM in adjacent New Haven, which is a single TV market with Hartford

by Morgan Stanley Dean Witter & Co. and LIN by Greenhill & Co.

RBR observation: Negotiating a merger with Capstar could prove to be a bit more difficult, since there are public shareholders' interests to look out for on both sides. Nevertheless, this appears to be a question of when, not whether.

Saga doubles TV stable

TV is also appealing to Saga Communications (A:SGA) CEO **Ed Christian**, who's buying KAVU-TV (Ch. 25, ABC) Victoria, TX for an as-yet-undisclosed price from Withers Broadcasting. Victoria is Nielsen market #206. Saga already owns a CBS affiliate, KOAM-TV (Ch. 7), in Joplin, MO, #146.

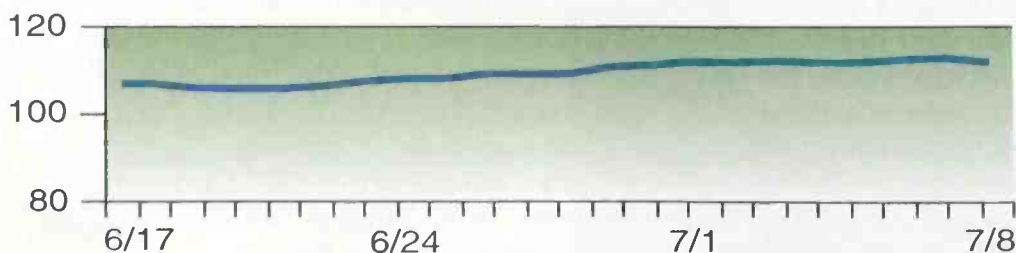
RBR's deal digest

Citadel (O:CITC) is spinning off one of its smallest markets with a \$2.3M sale of WTAD-AM, WQCY-FM, WMOS-FM & WBRJ-FM Quincy, IL to **Jack Whitley's** STARadio Corp. **Broker: George Otwell**, Media Venture Partners... Disney's (N:DIS) ABC Radio is buying Lotus' WTAQ-AM & WTAU-AM to take Radio Disney into Chicago...

Peter Coughlin is paying \$910,000 for **John Casey's** WWTK-AM & WWOJ-FM Lake Placid-Avon Park, FL. **Broker: Donald Clark**... Meanwhile, Coughlin is selling WJKE-FM Stillwater-Saratoga, NY to **Ernie Anastos** for \$900,000. **Broker: Richard Sharpe**, Blackburn & Co... Mortenson Broadcasting is buying **Teddy Bart's** WKDA-AM Nashville for \$600,000. **Broker: John Pierce**, Force Communications... Zimmer Broadcasting is adding a second FM in its home market, Cape Girardeau, with a \$403,935 buy of a CP for a new station on 93.9 MHz in Scott City, MO... **Bruce Maduri's** Genesis Communications is buying WSGA-AM Savannah from **Carl Marcocci's** Phoenix Broadcast Partners. **Broker: Mark Jorgenson**

The Radio Index™

Radio stocks as a group were flat in early July, even as some, such as Clear Channel, Chancellor and Jacor, pushed to record highs. The Radio Index™ closed Wednesday, July 8 at 111.70, up 0.05 from a week earlier.



RADIO BUSINESS REPORT
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WIBV (AM), Belleville, IL from CH Holdings, LLC, to ABC, Inc., for \$2,500,000.

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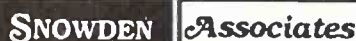
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Tower Business Report™

By Jack Messmer

Crown Castle wants to be Wall Street royalty

Houston-based Crown Castle International Corp. is the latest tower company to head to Wall Street for capital to expand in what's become a growth industry. Crown Castle has filed to sell up to \$300M in stock to the public. Some will be new shares and some will be from early investors—the split has not yet been specified.

In the US, Crown Castle, headed by CEO **Ted Miller**, owns or manages 1,219 towers (including 14 in Puerto Rico) and 80 rooftop sites which are producing revenues. In addition, it holds rights to another 1,268 rooftops which are not yet producing revenues.

Perhaps the most unique thing about this company, which sets it apart from the other publicly-traded tower companies, is its overseas expansion. It has 54 rooftops and 187 towers in the U.K. Since 1997 Crown Castle has had the contract to provide transmission services for the BBC's two national TV networks, seven national radio nets and 37 local radio stations. **Underwriters:** Lehman Bros.; CS First Boston; Goldman, Sachs & Co.; Salomon Smith Barney

Crown Castle International Corp.

Financial results
(pro forma for acquisitions)

Category	Q1 1998	Full yr. 1997
Revenues	\$180.9M	\$45.9M
Cash flow (EBITDA)	\$68.7M	\$15.3M

Source: Crown Castle Intl. Corp., SEC Form S-1, filed 6/19/98

Westower to build FranchiseOne PCS towers

Westower Corp. (A:WTW) announced a deal to be exclusive tower supplier for FranchiseOne, which has been formed to build out and operate a PCS wireless network. Under the agreement, Westower will build towers to suit FranchiseOne's needs and lease space on the towers to the PCS company. No estimate was given of the deal's value.

Arch selling to OmniAmerica, settling with Telecom Towers

Arch Communications says it completed step one of a two-part deal to sell its tower site management business to OmniAmerica (O:SCTR). The first part of the deal involved assets which OmniAmerica purchased for approximately \$13M. The remaining \$25M portion of the \$38M deal is expected to close in Q3.

In all, OmniAmerica is buying 134 sites in 22 states. It will lease back space to Arch for its paging network.

At the same time, Arch said that it had settled litigation over an abandoned earlier deal to sell its tower business to Telecom Towers, which is partly owned by Cox Enterprises. Arch didn't provide details, but claimed that it had gotten most of the \$2M termination fee which had been in dispute.

American Tower raises cash

Steve Dodge's American Tower Corp. (N:AMT) sold 25.5M new shares and an investor sold nearly 3.9M in a stock sale July 1 at \$23.50 per share. After underwriting costs, the company will receive \$573.75M, most of which will be used to redeem a short-term financing which reimbursed CBS Corp. (N:CBS) for tax liabilities resulting from CBS' purchase of American Radio Systems (ARS). American Tower was previously a subsidiary of ARS. **Underwriters:** CS First Boston; BT Alex. Brown; Lehman Bros.; Morgan Stanley Dean Witter; Bear, Stearns & Co.; Merrill Lynch; SalomonSmith Barney

\$2,200,000—KQNG AM-FM Lihue HI from Sanchez Communications Corp. (Rodney Sanchez, William McGready) to Visionary Related Entertainment Inc. (John Detz Jr., James McKeon Jr. et al). \$50K escrow, \$100K consulting agreement, balance in cash at closing. Broker: Exline Co.

\$1,300,000—KTSL-FM Spokane (Medical Lake WA) from Bison Media Inc., a subsidiary of Salem Communications Corp. (Edward G. Atsinger III, Stuart W. and Nancy A. Epperson) to Pamplin Broadcasting-Washington Inc. (Robert B. Pamplin Jr. et al). \$100K escrow, balance in cash at closing. LMA since 5/29.

\$900,000—WMST AM-FM Mount Sterling KY from Mount Sterling Broadcasting Co. (Jeannette Lucas) to Rodney A. Burbridge. \$20K deposit, balance in cash at closing.

\$800,000—* WSML-AM Greensboro-Winston Salem-High Point (Graham NC) from Graycasting Media Inc. (Ted Gray) to Clear Channel Radio Inc. (N:CCU)(L. Lowry Mays et al). Cash. **Duopoly** with WSJS-AM, WTQR-FM, WSJS-FM and also overlaps Clear Channel stations in Raleigh market.

\$675,000—WNHC-AM New Haven CT from Willis Communications Inc. (Edith Rosier) to Yale Broadcasting Company Inc. (Michael Corwin, pres.). \$67,250 escrow, balance in cash at closing, plus \$2,250 to cover seller's weekly losses until closing (to maximum of \$22,500). Broker: Mike Rice, New England Media

\$500,000—KMET-AM Riverside-San Bernardino (Banning CA) from Robeson-Suttles Broadcasting Inc. (James W. Robeson) to Delphi Communications Inc. (Marcine Aniz Uhler, Robin Marc Bivona, Marc Raymond Tow, Mark Thomas Tagatz). \$15K deposit, \$85K cash at closing, \$400K note. LMA until closing. Broker: Dr. Van Voorhis

\$490,000—WQHG-FM Huntingdon PA from Huntingdon County Broadcasting Inc. (Louis J. Maierhofer) to Millenium Broadcasting Inc. (Warren S. Diggins, Sabitino Cupelli). \$50K escrow, balance in cash at closing.

\$450,000—WADN-AM Boston Concord MA from Assabet Communications Corp. (David L. Fishman) to Money Matters Radio Inc. (Susan Armstrong). \$50K escrow, balance in cash at closing. Broker: Bergner & Co. (seller)

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June 1998

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.

\$160,000,000—* WHOK-FM, WLVQ-FM, WAZU-FM Columbus OH (Circleville-Columbus-Lancaster), **KSGS-AM &**

by Jack Messmer & Dave Seyler

KMJZ-FM Minneapolis (St. Louis Park-Minneapolis) from Jacor Communications Inc. (O:JCOR) (Randy Michaels) to CBS Radio Inc. (N:CBS) (Mel Karmazin). Like-kind exchange. CBS is trading KSD-FM St. Louis for WHOK; KLOU-FM St. Louis, WOCT-FM Baltimore and KUFX-FM San Jose for WLVQ and WAZU; WCAO Baltimore and KOME-FM San Jose for KSGS/KMJZ. Creates new **superdupoly** in Columbus; double **dupoly** in Minneapolis with WCCO-AM, WLTE-FM. Value of deal estimated by RBR (6/1/98, p. 3)

\$160,000,000—* KSD-FM, KLOU-FM St. Louis, **WCAO-AM & WOCT-FM** Baltimore, **KOME-FM, KUFX-FM** San Jose (San Jose-Fremont) from CBS Radio Inc. (N:CBS) (Mel Karmazin) to Jacor Communications Inc. (O:JCOR) (Randy Michaels). Like-kind exchange. Jacor is trading WHOK-FM Columbus for KSD; WLVQ-FM and WAZU-FM Columbus for KLOU, WOCT and KUFX; KSGS/KMJZ Minneapolis for WCAO and KOME-FM. **Superdupoly** in San Jose with KSJO-FM; **dupoly** in Baltimore with WPOC-FM; **superdupoly** in St. Louis with KMJM-FM, KSLZ-FM, KATZ AM-FM. Value of deal estimated by RBR (6/1/98, p. 3)

\$5,600,000—* KQBR-FM Sacramento (Davis CA) from The Beverly Group Inc. as Receiver for Progressive Media Group Inc. (Beverly N. McFarland, mgng officer) to KQBR Broadcasting Inc. (Amador S. Bustos et al), a subsidiary of Z-Spanish Radio. \$280K earnest money, \$320K cash at closing, \$5M note. **Dupoly** with KSQR-AM, KZSA-FM (latter incorrectly identified as an AM station in parts of the contract).

\$5,000,000—WKNR-AM Cleveland from Jacor Broadcasting Corp. (Randy Michaels), a subsidiary of Jacor Communications Inc. (O:JCOR), to CBC Pennsylvania L.P. (Steve Hicks), a subsidiary of Capstar Broadcasting Partners (N:CRB). Like-kind exchange for WTAE Pittsburgh valued at \$5M.

\$5,000,000—WTAE-AM Pittsburgh from CBC Pennsylvania L.P. (Steve Hicks), a subsidiary of Capstar Broadcasting Partners (N:CRB), to Jacor Broadcasting Corp. (Randy Michaels), a subsidiary of Jacor Communications Inc. (O:JCOR). Like-kind exchange for WKNR Cleveland valued at \$5M.

\$3,500,000—* WZAT-FM Savannah from Phoenix Broadcast Partners Inc. (Carl & Betty Lou Marcocci) to Cumulus Licensing Corp. (William Bungeroth, Richard Bonick Jr.), a subsidiary of Cumulus Media L.L.C. (O:CMLS) (Richard Weening, Lewis Dickey Jr.). \$175K escrow, balance in cash at closing. **Superdupoly** with WBMQ-AM, WEAS AM-FM, WIXV-FM, WJCL-FM, WSGF-FM. LMA since 3/16. Seller has just announced a deal to sell co-located WSGA-AM to Bruce Maduri (RBR 7/6). **Broker:** Media Venture Partners

\$2,500,000—WIBV-AM St. Louis (Belleville IL) from WIBV-AM L.L.C. (Timothy C. Dorsey) to ABC Inc. (Robert Callahan), a subsidiary of Walt Disney Co. (N:DIS). \$125K escrow, balance in cash at closing. LMA since 5/20. **Broker:** Media Venture Partners

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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.

\$160,000,000—* WHOK-FM, WLWQ-FM, WAZU-FM Columbus OH (Circleville-Columbus-Lancaster), **KSGS-AM &**

by Jack Messmer & Dave Seyler

KMJZ-FM Minneapolis (St. Louis Park-Minneapolis) from Jacor Communications Inc. (O:JCOR) (Randy Michaels) to CBS Radio Inc. (N:CBS) (Mel Karmazin). Like-kind exchange. CBS is trading KSD-FM St. Louis for WHOK; KLOU-FM St. Louis, WOCT-FM Baltimore and KUFX-FM San Jose for WLWQ and WAZU; WCAO Baltimore and KOME-FM San Jose for KSGS/KMJZ. Creates new **superdupoly** in Columbus; double **dupoly** in Minneapolis with WCCO-AM, WLTE-FM. Value of deal estimated by *RBR* (6/1/98, p. 3)

\$160,000,000—* KSD-FM, KLOU-FM St. Louis, **WCAO-AM & WOCT-FM** Baltimore, **KOME-FM, KUFX-FM** San Jose (San Jose-Fremont) from CBS Radio Inc. (N:CBS) (Mel Karmazin) to Jacor Communications Inc. (O:JCOR) (Randy Michaels). Like-kind exchange. Jacor is trading WHOK-FM Columbus for KSD; WLWQ-FM and WAZU-FM Columbus for KLOU, WOCT and KUFX; KSGS/KMJZ Minneapolis for WCAO and KOME-FM. **Superdupoly** in San Jose with KSJO-FM; **dupoly** in Baltimore with WPOC-FM; **superdupoly** in St. Louis with KMJM-FM, KSLZ-FM, KATZ AM-FM. Value of deal estimated by *RBR* (6/1/98, p. 3)

\$5,600,000—* KQBR-FM Sacramento (Davis CA) from The Beverly Group Inc. as Receiver for Progressive Media Group Inc. (Beverly N. McFarland, mgng officer) to KQBR Broadcasting Inc. (Amador S. Bustos et al), a subsidiary of Z-Spanish Radio. \$280K earnest money, \$320K cash at closing, \$5M note. **Duopoly** with KSQR-AM, KZSA-FM (latter incorrectly identified as an AM station in parts of the contract).

\$5,000,000—WKNR-AM Cleveland from Jacor Broadcasting Corp. (Randy Michaels), a subsidiary of Jacor Communications Inc. (O:JCOR), to CBC Pennsylvania L.P. (Steve Hicks), a subsidiary of Capstar Broadcasting Partners (N:CRB). Like-kind exchange for WTAE Pittsburgh valued at \$5M.

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