

DEAL OF THE WEEK

- **KALC-FM/Denver (Denver-Boulder), CO \$88 million**

2002 DEALS TO DATE

Dollars to Date: \$247,572,911
(Last Year: \$3,860,191,556)

Dollars This Quarter: \$247,572,911
(Last Year: \$2,202,699,600)

Stations Traded This Year: 90
(Last Year: 1,054)

Stations Traded This Quarter: 90
(Last Year: 343)

TRANSACTIONS AT A GLANCE

All transaction information provided by BIA's MEDIA Access Pro, Chantilly, VA.

- KIDI-FM/Guadalupe (Santa Maria) and KTAP-AM/Santa Maria, CA \$260,000
- KXPB-FM/Evergreen (Denver-Boulder), CO \$47.5 million
- WMID-AM/Atlantic City, WMID-FM/Cape May, WGBZ-FM/Cape May Court House, WTTH-FM/Margate City, WZBZ-FM/Pleasantville and WBNJ-FM/Wildwood Crest (Atlantic City-Cape May), NJ \$13 million
- WYNT-FM/Upper Sandusky, OH \$825,000

Emmis Exits Denver With Two Big Sales

Entercom captures 'Alice' for \$88 million; Entravision to place 'Radio Tri-Color' on 'The Peak'

Deal Of The Week

Colorado

KALC-FM/Denver (Denver-Boulder)

PRICE: \$88 million

TERMS: Asset sale for cash

BUYER: Entercom Communications, headed by President/COO David Field. Phone: 610-660-5610. It owns 98 other stations. This represents its entry into the market.

SELLER: Emmis Communications, headed by President/CEO Jeff Smulyan. Phone: 317-266-0100

FREQUENCY: 105.9 MHz

POWER: 100kw at 1,470 feet

FORMAT: Hot AC

Multistate Deal

Saga New England Purchase

PRICE: \$9.08 million

TERMS: Asset sale for cash

BUYER: Saga Communications Inc., headed by President/CEO Ed Christian. Phone: 313-886-7070. It

owns 56 other stations. This represents its entry into the market.

SELLER: Tele-Media Broadcasting Co., headed by VP/COO Radio Ira Rosenblatt. Phone: 603-889-1063

BROKER: Bob Maccini of Media Services Group and Frank Boyle of Frank Boyle & Co.

New Hampshire

WKNE-AM & FM/Keene

FREQUENCY: 1290 kHz; 103.7 MHz

POWER: 5kw; 12kw at 997 feet

FORMAT: News/Talk; AC

Vermont

WKVT-AM & FM/Brattleboro

FREQUENCY: 1490 kHz; 92.7 MHz

POWER: 1kw; 2kw at 610 feet

FORMAT: News/Talk; Classic Rock

California

KIDI-FM/Guadalupe (Santa Maria) and KTAP-AM/Santa Maria

PRICE: \$260,000

TERMS: Emerald Wave Media President George Ruiz is buying out partner Palma Ann Case's shares in the company. Ruiz is purchasing 10,000 shares of common stock, valued at \$26 per share.

BUYER: Emerald Wave Media President George Ruiz. Phone: 415-598-9959. The company owns no other stations.

SELLER: Emerald Wave Media Secretary Palma Ann Case. Phone: 805-928-4334

FREQUENCY: 105.5 MHz; 1600 kHz

POWER: 350 watts at 1,342 feet; 470 watts

FORMAT: Regional Mexican; Regional Mexican

Colorado

KXPB-FM/Evergreen (Denver-Boulder)

PRICE: \$47.5 million

TERMS: Asset sale for cash

BUYER: Entravision Communications Co., headed by Chairman/CEO Walter Ulloa. Phone: 310-447-3870. It owns 52 other stations, including KMXA-AM & KJMN-FM/Denver.

SELLER: Emmis Communications, headed by President/CEO Jeff Smulyan. Phone: 317-266-0100

FREQUENCY: 96.5 MHz

POWER: 100kw at 1,528 feet

FORMAT: '80s

New Jersey

WMID-AM/Atlantic City, WMID-FM/Cape May, WGBZ-FM/Cape May Court House, WTTH-FM/Margate City, WZBZ-FM/Pleasantville and WBNJ-FM/Wildwood Crest (Atlantic City-Cape May)

PRICE: \$13 million

TERMS: Asset sale for cash

BUYER: Equity Communications LP, headed by President/CEO Gary Fisher. Phone: 609-484-8444. It owns three other stations: WCMC-AM, WAYV-FM & WZXL-FM/Atlantic City, NJ.

SELLER: Margate Communications LP, headed by President

Donald Brooks. Phone: 609-348-4040

FREQUENCY: 1340 kHz; 102.3 MHz; 105.5 MHz; 96.1 MHz; 99.3 MHz; 93.1 MHz

POWER: 890 watts; 3kw at 292 feet; 3kw at 295 feet; 3kw at 371 feet; 3kw at 328 feet; 4kw at 217 feet

FORMAT: Adult Standards; Smooth Jazz; CHR; Urban AC; CHR; Urban AC

Ohio

WYNT-FM/Upper Sandusky

PRICE: \$825,000

TERMS: Asset sale for cash

BUYER: Clear Channel Communications, headed by Radio CEO Randy Michaels. Phone: 859-655-2267. It owns 1,213 other stations. This represents its entry into the market.

SELLER: US Communications Inc., headed by owner/President Forrest Whitehead. Phone: 419-294-4903

FREQUENCY: 95.9 MHz

POWER: 3kw at 299 feet

FORMAT: AC/Country

Earnings

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loss. For the full year, Viacom posted a net loss of \$223.5 million, or 13 cents, compared to 2000's loss of \$816.1 million, or 67 cents. Excluding one-time gains and charges, Viacom had a loss of 8 cents per share in 2001.

Viacom President/COO Mel Karmazin, paraphrasing what he told R&R last November that he feared would happen, told an investor's tele-

conference last week that advertisers "beat up on radio sales guys." Advertisers wanted sales reps "to sell them lower rates," Karmazin told analysts, trying to explain Infinity's revenue drop.

"It wasn't that we saw one cancellation of somebody who left radio because it was too expensive," he said. "If advertisers were genuinely concerned about value, we would have seen an awful lot of dollars shift from

more expensive media like newspapers into radio. It was more of a perception that the advertising business was soft, and if the advertising business is soft, they still want to buy their spots — but they want to buy them at a lower rate. The sense is that the prices are firming up because the demand is firming up."

But Viacom had some good news for investors too. The company acquired KCAL-TV/Los Angeles for \$650 million cash, giving Viacom — which owns and operates KCBS-TV in Los Angeles — its eighth TV duopoly in the country. It's unclear if the company will have to spin off one or more of its L.A. radio stations to comply with FCC market-ownership limits.

During the teleconference Viacom Chairman/CEO Sumner Redstone set out to soothe the concerns that trouble was brewing between himself and Karmazin. "Mel and I are getting along great!" declared Redstone. "Our management team, led by Mel, came through with flying colors." Redstone added that Viacom's future is "bright because of top management" and said

he and Karmazin are "totally in synch and unequivocally committed" to Viacom.

Cumulus Sees Tough Comps In Q4

Cumulus Media's Q4 net revenue dropped 11%, to \$50.8 million. On Tuesday President/CEO Lew Dickey said the drop was the result of a combination of a very soft advertising environment and outstanding sales performance in October and November of 2000 that made the most recent fall comparables more difficult to meet.

Broadcast cash flow dropped 3.5%, to \$16.6 million, while after-tax cash flow improved from a loss of \$1.6 million, or 5 cents per share, to a gain of \$1 million, or 3 cents. EBITDA jumped 14%, to \$13.1 million, generally due to the benefits from cost cuts made earlier in the year, Dickey said. Cumulus' per-share loss widened from 32 cents to 48 cents. On a same-station basis, revenue fell 10% and BCF increased 3%.

"It's a pretty tough revenue environment, and no one can tell for sure when there will be an improvement,"

Dickey said. "We are focused on increasing shares in each market." Not only that, he said, but "it's a lot tougher to put ad dollars on our books" because of tighter advertiser guidelines adopted by the company.

Two years ago Cumulus was ravaged by hard-to-collect debt. It has since improved its profit margin dramatically through better collections. Dickey said that the company has worked hard to cut costs and that costs are now in hand. "We are holding our own," he said. "Cumulus has made a great deal of progress in a relatively short time, and we are poised for expansion."

But Dickey noted that Cumulus will be picky about its growth and will choose deals that add to the bottom line. The recent deals to acquire Aurora and Dickey Brothers outlets by using Cumulus shares has helped boost the company's stock value and eased its cash outlay. Dickey said the addition of Aurora, expected to close in late March, will add about \$15 million in BCF; the Dickey Brothers stations will kick in about \$3.9 million.

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Ownership

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friendly" procedures for filing informal complaints. Only the Common Carrier Bureau now has a system in place for informal complaints; the new proposal calls for similar systems to handle complaints filed by consumers about any of the services regulated by the FCC.

Commissioner Kathleen Abernathy said a reworking of the FCC's complaint process is overdue. "We want to send a message to consumers that

their voices will be heard, and we want to tell businesses that infractions of commission rules will not be tolerated," she said. But Copps believes the proposal comes up short. "I am concerned that the procedures proposed here may, in some cases, complicate rather than simplify the complaint process for consumers," he said. "In creating a simplified consumer-complaints process, we must not create new bureaucratic hoops through which consumers must jump before their complaints are addressed by this agency."