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CAPITAL ADVISORS, LLC

# Broadcast Television and Radio Sector Analysis

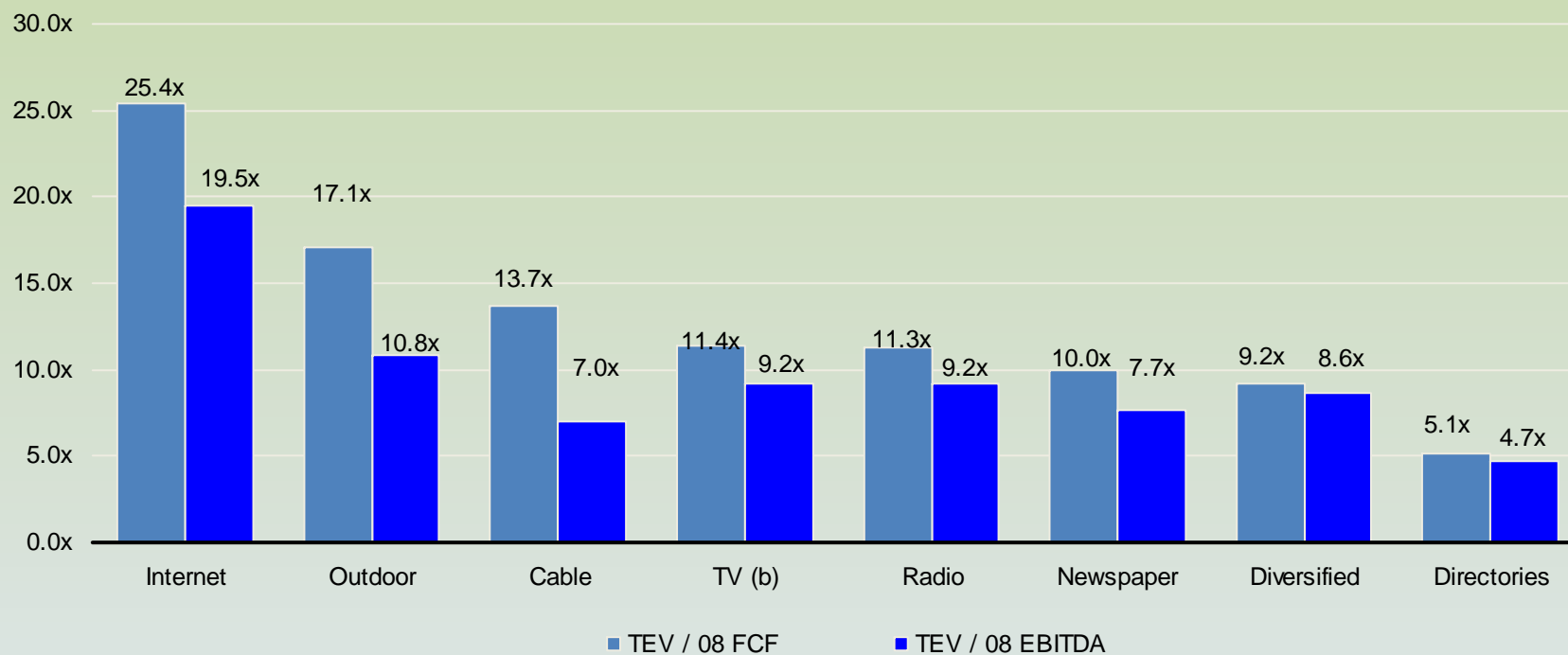
July 2008



Presentation by Damian Riordan

# Valuation of Media Sectors

## Valuation and free cash flow<sup>(a)</sup> generation



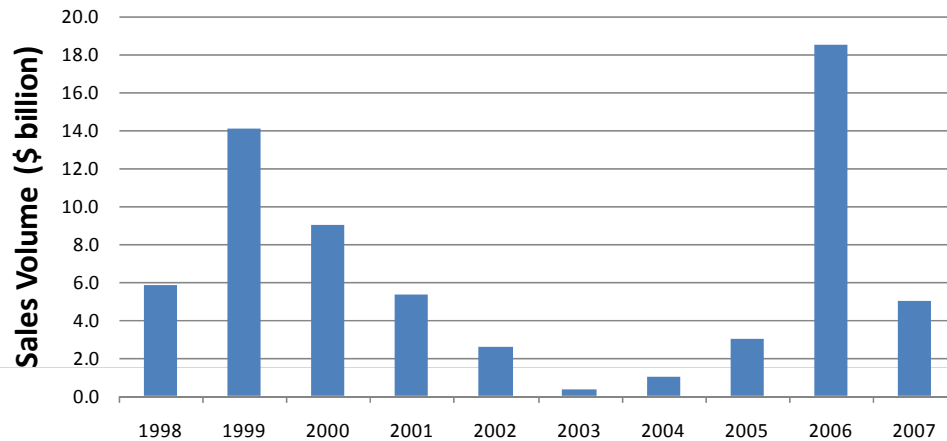
FCF / 08 EBITDA	44%	63%	52%	82%	85%	80%	86%	94%
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- (a) FCF calculated as EBITDA - capex.  
 (b) TV TEV / EBITDA multiple calculated using an average of 2007 and 2008 EBITDA.  
 (c) Return including stock price and dividends.

Source: Company filings, Wall Street research

# Transaction Volume 1998-2007

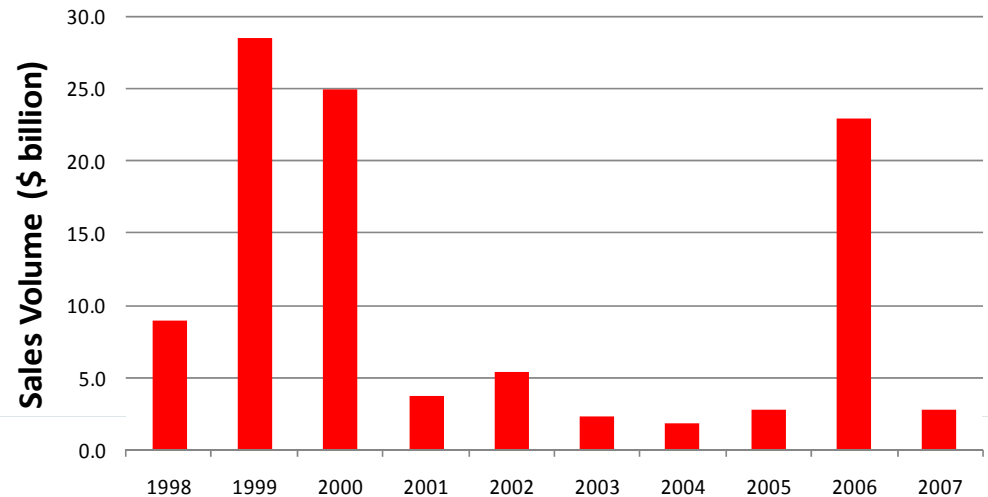
## Television Station Transaction Volume 1998-2007



Historically attractive credit levels helped drive M&A activity to a peak in 2006

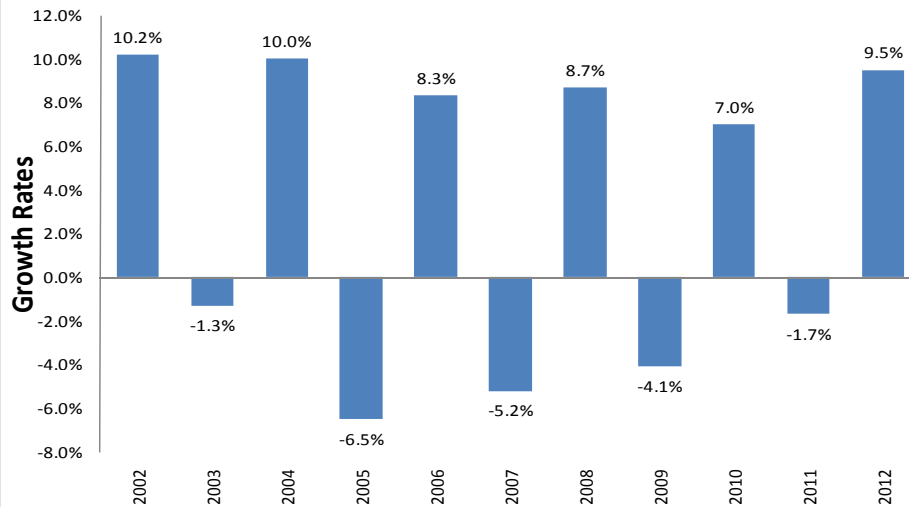
Transaction activity may increase as the sector's revenue trends stabilize or debt covenant default from failed consolidation strategies emerge

## Radio Station Transaction Volume 1998-2007



# Revenue Growth Rate 2001-2012

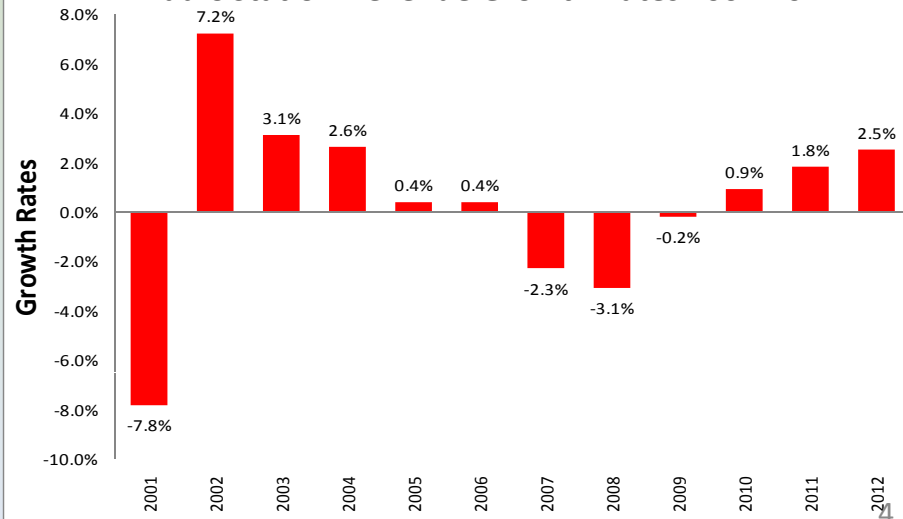
### Television Station Revenue Growth Rates 2002-2012



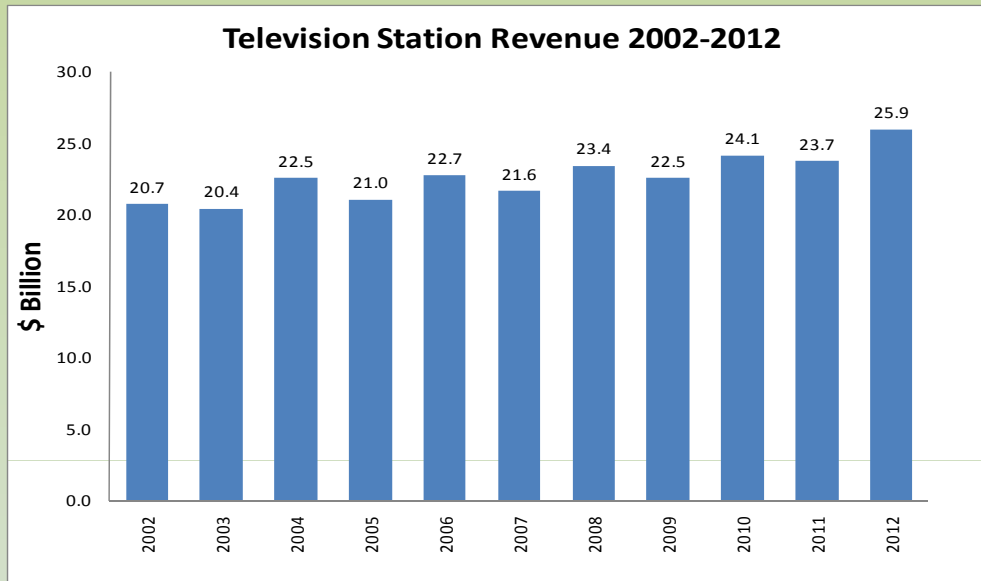
Remarkably, revenue decreases in non-political years have continued to shrink

Radio has suffered from weak revenue trends

### Radio Station Revenue Growth Rates 2001-2012

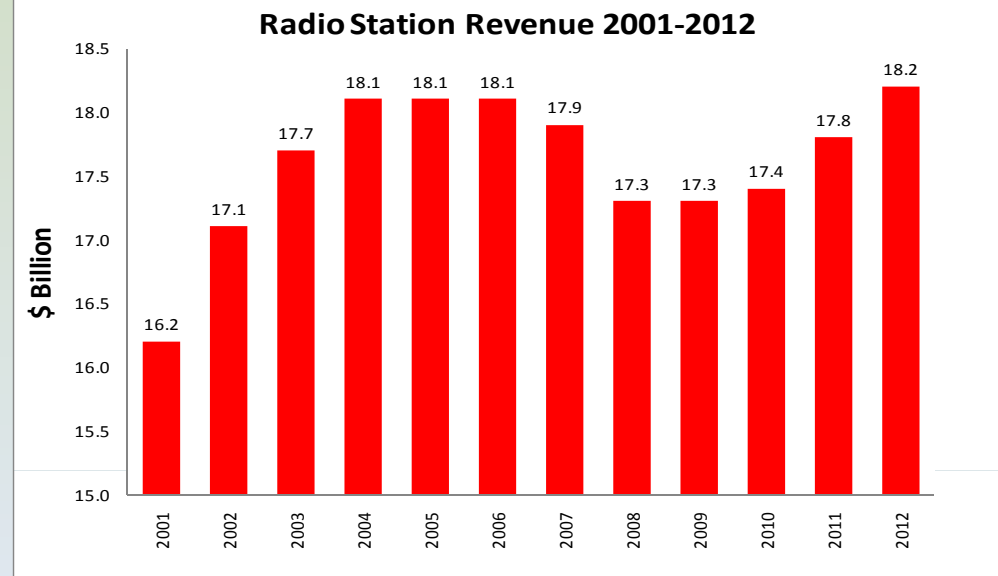


# Station Revenue 2001-2012

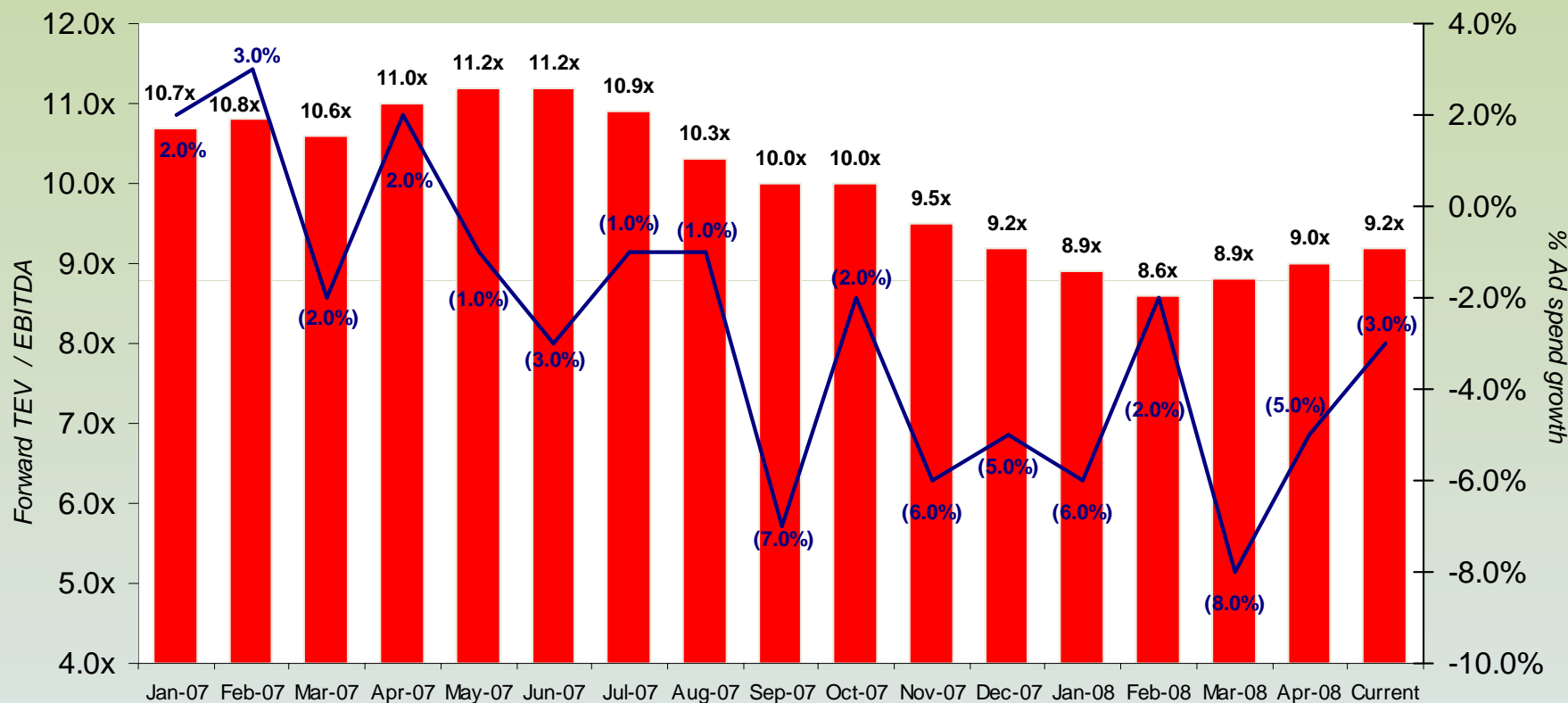


Television revenue is expected to reach a historical high by 2012

Weak revenue trends should begin to stabilize as internet/mobile strategies begin to emerge and HD radio gains traction



# Radio Public Multiples & Growth Rates



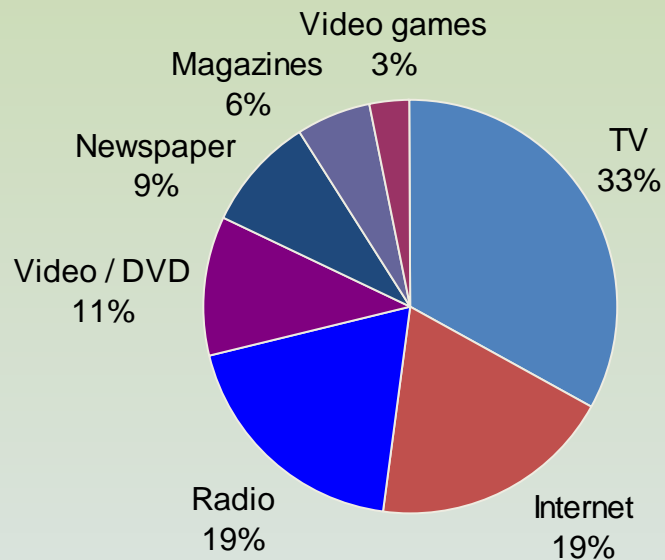
(a)

Note: Radio Index includes Clear Channel Communications Inc., Cumulus Media Inc., Regent Communications Inc., Saga Communications Inc., Radio One Inc., Salem Communications Corp., Beasley Broadcast Group Inc., Cox Radio Inc., Emmis Communications Corp., Entercom Communications Corp. and Citadel Broadcasting Corp.

Source: Factset, Deutsche Bank and Radio Advertising Bureau

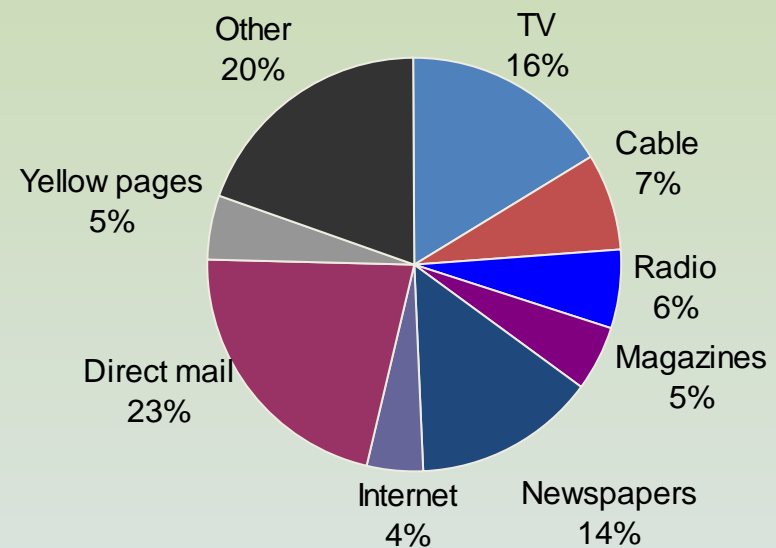
# Radio Represents 19% of Media Consumption

**Share of annual time spent with consumer media**



Source: Forrester Research

**% of 2008E ad spend**



Source: Universal McCann

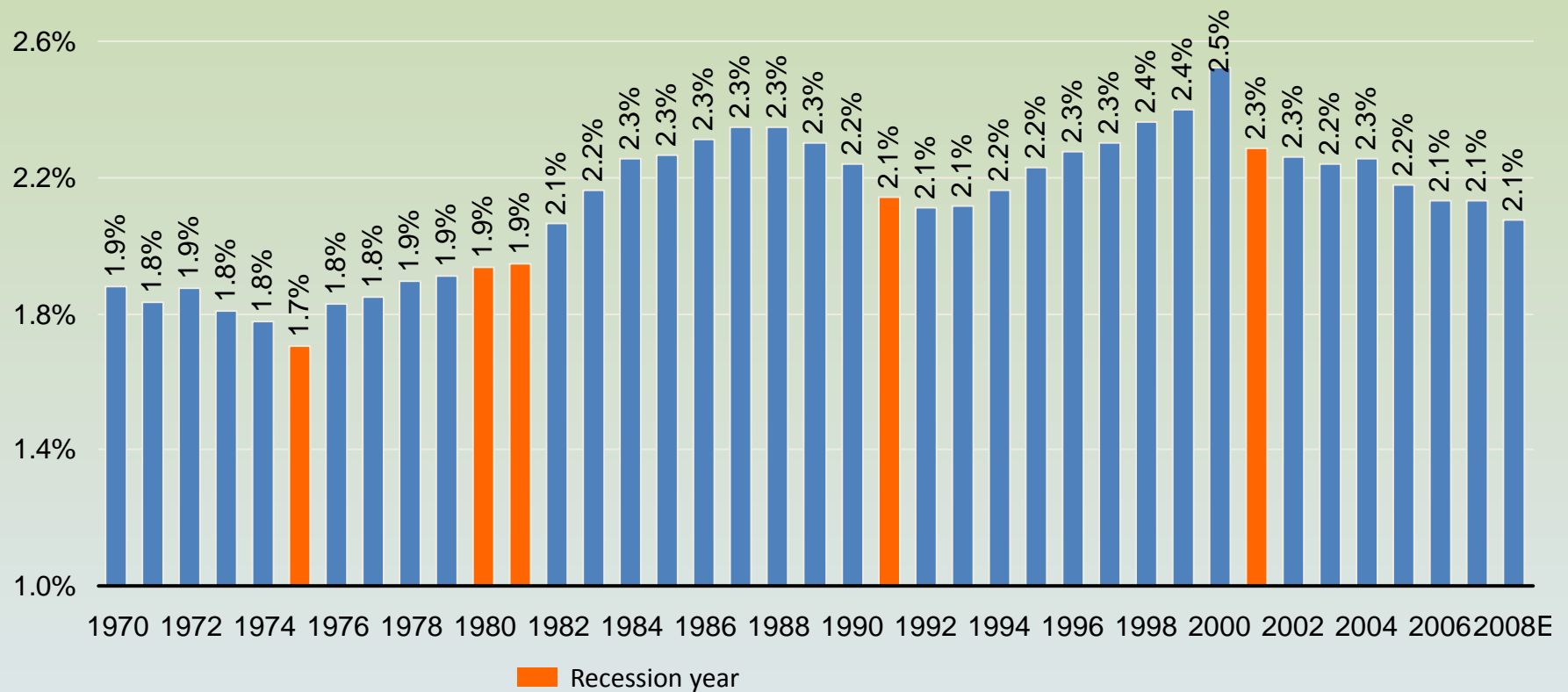
Radio represents 19% of the media day, yet only represents 6% of total advertising spending

TV represents 33% of the media day, yet only represents 16% of total advertising spending

Source: Deutsche Bank

# Trends in Advertising Growth

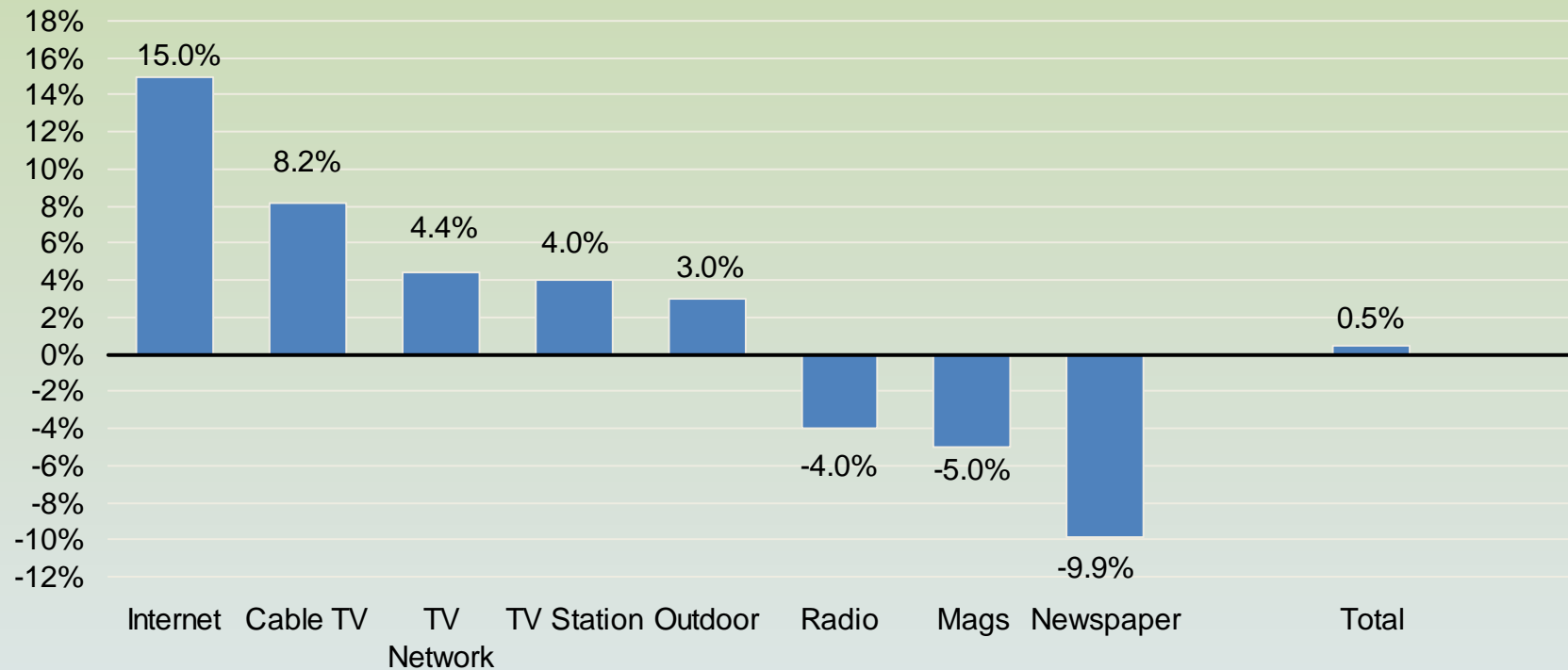
## U.S. ad spend as % of nominal GDP



Source: Universal McCann, International Monetary Fund and Wall Street research

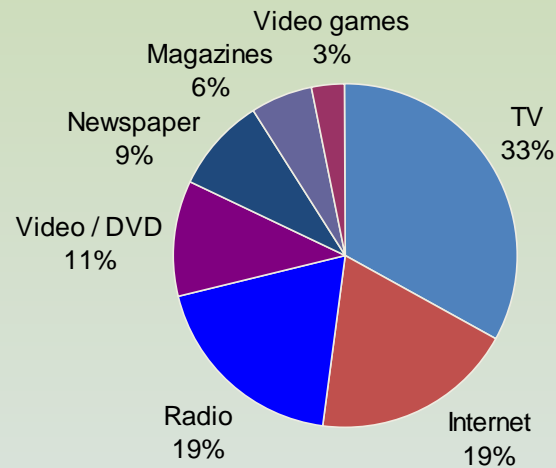
# U.S. Advertising Outlook 2008

## 2008 Advertising spending annual growth



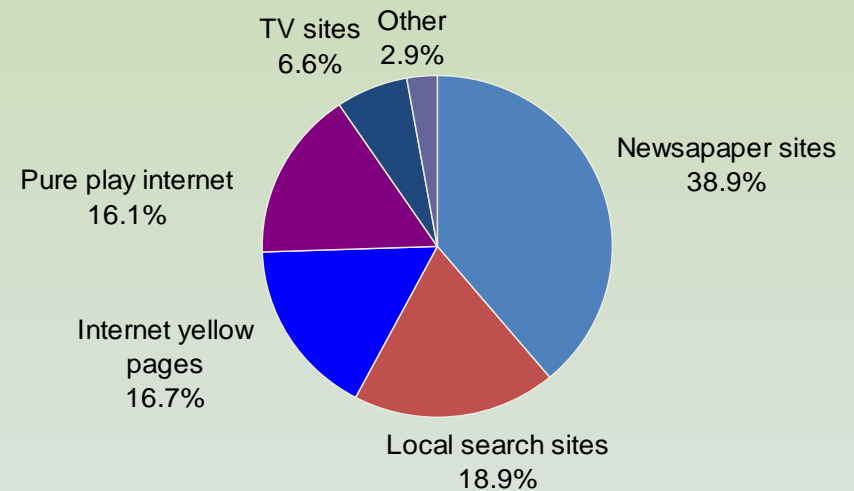
# TV Consumption & Ad Spending

**Share of annual time spent with consumer media**



Source: Forrester Research

**Breakdown of local online ad spend by type of website**



Source: eMarketer (October 2007)

At 33% TV significantly leads in share of media consumption but lags in online ad spending at 6.6%

# Public Market Comparables

## Broadcasting-TV & Radio Selected Comparable Public Companies

(\$ in millions, except per share)

Updated as of: 06/20/08

Company	Stock Price			Equity Value	Enterprise Value	Debt/EV 2007	Price/EPS		Enterprise Value as a Multiple of:					
	Date	As a % of High					2007	2008	Revenue <sup>(TTM)</sup>		EBITDA <sup>(TTM)</sup>		EBIT <sup>(TTM)</sup>	
	6/20/08	LTM	AT						2007	2008	2007	2008	2007	2008
<b><i>Broadcasting-TV</i></b>														
ACME Communications Inc. (ACME)	\$1.33	23%	4%	23	23	3.5%	NM	NM	2.44x	1.11x	NM	NM	NM	NM
CBS Corporation (CBS)	20.00	56%	20%	13,913	18,783	37.9%	17.69	13.27	1.90	1.51	8.97	7.07	10.54	8.32
Central European Media Enterprise (CETV)	95.82	76%	76%	4,359	4,911	22.9%	99.66	77.64	6.58	5.44	12.69	9.73	28.37	20.88
Entravision Communications Corp. (EVC)	4.28	38%	21%	421	865	54.8%	34.47	20.42	4.57	3.85	13.77	10.95	25.92	17.28
Equity Media Holdings Corporation (EMDA)	0.65	14%	11%	79	152	50.6%	NM	NM	NM	NM	NM	NM	NM	NM
Fisher Communications Inc. (FSCI)	31.86	61%	39%	291	443	35.7%	83.10	31.90	3.51	2.65	18.07	16.08	32.41	28.70
Gray TV (GTN)	3.31	30%	21%	165	1,069	86.3%	NM	NM	4.13	3.74	11.29	11.92	17.12	19.92
Grupo Televisa SA (TV)	23.09	76%	74%	13,387	13,246	18.7%	20.90	18.58	4.48	3.58	10.85	7.63	13.23	11.00
Hearst-Argyle Television Inc. (HTV)	19.72	73%	53%	1,888	2,775	32.4%	28.12	28.66	4.20	3.81	12.19	12.52	15.57	16.45
ION Media Networks, Inc. (IION)	1.60	82%	82%	120	2,440	70.3%	NM	NM	11.39	10.48	24.84	21.80	95.03	53.97
LIN TV Corp. (TVL)	6.99	35%	25%	367	1,147	70.8%	NM	NM	3.79	3.30	11.47	10.51	16.30	14.56
Nexstar Broadcasting Group Inc. (NXST)	4.80	31%	31%	143	814	89.6%	NM	NM	3.55	3.18	10.54	9.89	21.23	20.92
NTN Buzztime Inc. (NTN)	0.32	26%	3%	18	10	0.0%	NM	NM	1.36	0.56	8.76	8.83	50.68	60.24
Playboy Enterprises Inc. (PLA)	5.22	44%	13%	184	277	41.5%	94.66	43.04	1.28	1.01	22.51	18.24	33.30	29.94
Sinclair Broadcast Group Inc. (SBGI)	7.84	49%	26%	704	2,080	65.9%	34.87	42.16	3.49	2.94	10.19	9.06	14.25	13.04
Walt Disney Co. (DIS)	31.94	87%	76%	62,661	75,737	20.8%	16.48	14.44	2.26	2.03	9.69	8.04	11.07	9.47
Young Broadcasting Inc. (YBTV)	0.13	3%	0%	3	790	100.0%	NM	NM	3.71	4.54	20.82	22.28	36.61	37.67
<b>MEDIAN</b>		<b>44%</b>	<b>25%</b>			<b>41.5%</b>	<b>34.47x</b>	<b>28.66x</b>	<b>3.63x</b>	<b>3.24x</b>	<b>11.47x</b>	<b>10.51x</b>	<b>21.23x</b>	<b>19.92x</b>
<b>MEAN</b>		<b>47%</b>	<b>34%</b>			<b>47.2%</b>	<b>47.77x</b>	<b>32.23x</b>	<b>3.92x</b>	<b>3.36x</b>	<b>13.78x</b>	<b>12.30x</b>	<b>28.11x</b>	<b>24.16x</b>
<b><i>Broadcasting-Radio</i></b>														
Beasley Broadcast Group Inc. (BBGI)	\$4.39	48%	23%	119	301	62.2%	21.78x	2.63x	2.87x	2.29x	12.5x	11.11x	13.84x	12.51x
Citadel Broadcasting Corporation (CDL)	1.45	16%	6%	382	2,599	90.2%	18.21	14.15	5.04	3.91	14.40	12.30	15.97	14.12
Clear Channel Communications (CCU)	35.44	92%	39%	17,675	23,475	25.3%	25.71	20.09	3.60	3.28	11.19	9.99	15.34	13.33
Corus Entertainment Inc. (CJR)	18.68	69%	69%	1,588	2,199	28.5%	25.71	15.15	3.49	2.97	11.39	9.44	12.69	10.42
Cox Radio Inc. (CXR)	11.98	77%	36%	1,075	1,433	25.1%	22.00	NM	3.79	3.18	10.51	9.18	11.32	9.91
Cumulus Media Inc. (CMLS)	4.20	36%	19%	187	886	82.2%	NM	NM	3.50	2.97	15.28	18.94	19.57	27.46
Emmis Communications Corp. (EMMS)	2.67	25%	4%	97	717	61.6%	NM	NM	2.59	2.06	13.48	11.63	17.28	15.25
Entercom Communications Corp. (ETM)	7.60	27%	11%	312	1,250	75.3%	46.95	NM	3.65	2.78	11.14	9.09	12.49	10.31
Radio One Inc. (ROI)	1.62	21%	7%	139	946	86.0%	25.10	NM	4.00	2.79	10.99	9.24	12.71	10.92
Regent Communications Inc. (RGCI)	0.97	28%	7%	36	232	84.8%	NM	NM	3.33	2.53	13.77	9.24	18.37	11.42
Saga Communications Inc. (SGA)	5.75	57%	25%	108	235	57.2%	15.15	10.05	2.09	1.62	8.10	6.41	10.43	8.27
Salem Communications Corp. (SALM)	2.00	15%	6%	52	391	87.0%	18.94	9.52	2.61	1.87	10.77	7.90	14.82	10.95
Spanish Broadcasting System (SBSA)	1.09	22%	3%	73	453	75.2%	6.84	NM	3.30	2.67	14.90	12.88	16.68	14.82
<b>MEDIAN</b>		<b>28%</b>	<b>11%</b>			<b>75.2%</b>	<b>21.89x</b>	<b>12.10x</b>	<b>3.49x</b>	<b>2.78x</b>	<b>11.39x</b>	<b>9.44x</b>	<b>14.82x</b>	<b>11.42x</b>
<b>MEAN</b>		<b>41%</b>	<b>20%</b>			<b>64.7%</b>	<b>22.64x</b>	<b>11.93x</b>	<b>3.37x</b>	<b>2.69x</b>	<b>12.19x</b>	<b>10.57x</b>	<b>14.73x</b>	<b>13.05x</b>
<b>AGGREGATE MEDIAN</b>		<b>37%</b>	<b>21%</b>			<b>59.4%</b>	<b>25.10x</b>	<b>18.58x</b>	<b>3.51x</b>	<b>2.94x</b>	<b>11.43x</b>	<b>9.94x</b>	<b>16.14x</b>	<b>14.34x</b>
<b>AGGREGATE MEAN</b>		<b>44%</b>	<b>28%</b>			<b>54.7%</b>	<b>34.54x</b>	<b>24.11x</b>	<b>3.67x</b>	<b>3.06x</b>	<b>13.04x</b>	<b>11.50x</b>	<b>21.90x</b>	<b>19.00x</b>

\* Enterprise Value equals market capitalization minus cash and short term investments plus total debt, preferred equity, and total minority interest.

\* Source: Capital IQ, Google Finance, Yahoo Finance, and HT Capital database