

**Table 1.9 Radio Industry Revenue Impact**

**WITHOUT INITIATION OF SATELLITE DARS**

YEAR 2000	Total Revenue	% of Radio Industry Revenue	Number of Markets
Markets - \$100 Million +	\$5,226,657,738	52.7%	23
Markets - \$30-\$100 Million	\$2,275,375,046	22.9%	42
Markets - \$15-\$30 Million	\$1,273,639,399	12.8%	62
Markets - \$10-\$15 Million	\$588,887,034	5.9%	47
Markets - \$5-\$10 Million	\$511,852,393	5.2%	71
Markets - Less Than \$5 Million	\$43,224,993	0.4%	10
<b>RADIO INDUSTRY TOTAL</b>	<b>\$9,919,636,602</b>		

**WITH INITIATION OF SATELLITE DARS**

YEAR 2000	Total Revenue	% of Radio Industry Revenue	Number of Markets
Markets - \$100 Million +	\$5,221,731,576	52.7%	23
Markets - \$30-\$100 Million	\$2,273,230,489	22.9%	42
Markets - \$15-\$30 Million	\$1,272,438,984	12.8%	62
Markets - \$10-\$15 Million	\$588,332,004	5.9%	47
Markets - \$5-\$10 Million	\$511,369,968	5.2%	71
Markets - Less Than \$5 Million	\$43,184,253	0.4%	10
<b>RADIO INDUSTRY TOTAL</b>	<b>\$9,910,287,274</b>		

YEAR 2007	Total Revenue	% of Radio Industry Revenue	Number of Markets
Markets - \$100 Million +	\$9,142,202,662	60.9%	33
Markets - \$30-\$100 Million	\$3,617,367,057	24.1%	73
Markets - \$15-\$30 Million	\$1,473,894,081	9.8%	72
Markets - \$10-\$15 Million	\$575,220,309	3.8%	51
Markets - \$5-\$10 Million	\$205,559,210	1.4%	26
Markets - Less Than \$5 Million	\$0	-	-
<b>RADIO INDUSTRY TOTAL</b>	<b>\$15,014,243,319</b>		

YEAR 2007	Total Revenue	% of Radio Industry Revenue	Number of Markets
Markets - \$100 Million +	\$9,064,937,000	60.9%	33
Markets - \$30-\$100 Million	\$3,586,794,746	24.1%	73
Markets - \$15-\$30 Million	\$1,461,437,411	9.8%	72
Markets - \$10-\$15 Million	\$570,358,814	3.8%	51
Markets - \$5-\$10 Million	\$203,821,918	1.4%	26
Markets - Less Than \$5 Million	\$0	0.0%	-
<b>RADIO INDUSTRY TOTAL</b>	<b>\$14,887,349,889</b>		

**DIFFERENCE IN RADIO INDUSTRY REVENUES**

	2000	2007
Projected Difference	\$9,349,328	\$126,893,430
Percentage Reduction	0.09%	1.28%



Revenue data for 1994 and growth rates through 1999 taken from BIA's Investing In Radio '95 Market Report. Growth rates have been extended through 2000.

*FINANCIAL IMPACT OF SATELLITE DARS  
ON AVERAGE FM STATIONS IN SELECTED MARKETS*

*MARKET SIZE*  
*\$100,000,000 IN REVENUE*

**AVERAGE FM STATION IN MARKET  
WITH \$100 MILLION IN REVENUE**

**EXHIBIT A**

<b>AUDIENCE ANALYSIS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>
Total Market Population	2,750,000	2,777,500	2,805,275	2,833,328	2,861,661	2,890,278	2,919,180	2,948,372
Percentage of Terrestrial Listening:								
Vehicles	30.0%	30.3%	30.5%	30.8%	31.0%	31.3%	31.5%	31.8%
At Home	40.5%	40.0%	39.5%	39.0%	38.5%	38.0%	37.5%	37.0%
Other	29.5%	29.8%	30.0%	30.3%	30.5%	30.8%	31.0%	31.3%
Terrestrial Market AQH of Listening	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
AQH of Listening:								
Vehicles	1,050	1,059	1,068	1,076	1,085	1,094	1,103	1,111
At Home	1,418	1,400	1,383	1,365	1,348	1,330	1,313	1,295
Other	1,033	1,041	1,050	1,059	1,068	1,076	1,085	1,094
Percentage Loss of AQH to DARS	0.01%	0.03%	0.05%	0.11%	0.15%	0.24%	0.39%	0.64%
Terrestrial Market AQH of Listening w/ DARS	3,500	3,499	3,498	3,496	3,495	3,492	3,486	3,478
DARS AQH of Listening	0.3	0.9	1.9	3.8	5.4	8.3	13.6	22.3
Percentage of AQH DARS Listening								
Vehicles	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
At Home	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Other	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
AQH of DARS Listening:								
Vehicles	0.2	0.7	1.3	2.6	3.8	5.8	9.5	15.6
At Home	0.0	0.1	0.3	0.6	0.8	1.2	2.0	3.3
Other	0.0	0.1	0.3	0.6	0.8	1.2	2.0	3.3
Terrestrial Market AQH of Listening w/ DARS:								
Vehicles	1,050	1,058	1,066	1,074	1,081	1,088	1,093	1,096
At Home	1,417	1,400	1,382	1,364	1,347	1,329	1,310	1,292
Other	1,032	1,041	1,050	1,058	1,067	1,075	1,083	1,090
Percentage of AQH Listening w/ DARS:								
Vehicles	30.0%	30.2%	30.5%	30.7%	30.9%	31.2%	31.3%	31.5%
At Home	40.5%	40.0%	39.5%	39.0%	38.5%	38.1%	37.6%	37.1%
Other	29.5%	29.8%	30.0%	30.3%	30.5%	30.8%	31.1%	31.4%



**AVERAGE FM STATION IN MARKET  
WITH \$100 MILLION IN REVENUE**

**EXHIBIT B**

<b>REVENUE ANALYSIS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>
Percentage of Market Revenue National	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Percentage of Market Revenue Local	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%
CPM Without DARS Impact	\$10.39	\$10.91	\$11.45	\$12.03	\$12.63	\$13.26	\$13.92	\$14.62
Percentage Reduction of AQH With DARS Impact	0.01%	0.03%	0.05%	0.11%	0.15%	0.24%	0.39%	0.64%
Percentage of DARS Revenue Generated From Sources Other Than Radio Advertisers	80.00%	70.00%	60.00%	55.00%	50.00%	50.00%	50.00%	50.00%
Percentage Decline in CPM With DARS Impact	0.00%	0.01%	0.02%	0.05%	0.08%	0.12%	0.19%	0.32%
CPM With DARS Impact	\$10.39	\$10.91	\$11.45	\$12.02	\$12.62	\$13.24	\$13.90	\$14.57
<b>Market Revenue:</b>								
National	\$22,000,000	\$23,331,000	\$24,742,526	\$26,239,448	\$27,826,935	\$29,510,464	\$31,295,848	\$33,189,246
Local	<u>\$78,000,000</u>	<u>\$82,719,000</u>	<u>\$87,723,500</u>	<u>\$93,030,771</u>	<u>\$98,659,133</u>	<u>\$104,628,010</u>	<u>\$110,958,005</u>	<u>\$117,670,964</u>
<b>Total Market Revenue</b>	<b>\$100,000,000</b>	<b>\$106,050,000</b>	<b>\$112,466,025</b>	<b>\$119,270,220</b>	<b>\$126,486,068</b>	<b>\$134,138,475</b>	<b>\$142,253,853</b>	<b>\$150,860,211</b>
Growth in Percent		6.1%	6.1%	6.1%	6.1%	6.0%	6.1%	6.1%
<b>Market Revenue w/ DARS Impact:</b>								
National	\$21,998,373	\$23,322,447	\$24,718,177	\$26,181,642	\$27,729,039	\$29,350,964	\$31,019,212	\$32,709,453
Local	<u>\$78,000,000</u>	<u>\$82,719,000</u>	<u>\$87,723,500</u>	<u>\$93,030,771</u>	<u>\$98,659,133</u>	<u>\$104,628,010</u>	<u>\$110,958,005</u>	<u>\$117,670,964</u>
<b>Total Market Revenue w/ DARS Impact</b>	<b>\$99,998,373</b>	<b>\$106,041,447</b>	<b>\$112,441,677</b>	<b>\$119,212,413</b>	<b>\$126,388,171</b>	<b>\$133,978,975</b>	<b>\$141,977,218</b>	<b>\$150,380,418</b>
Growth in Percent		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	5.9%
Audience Share of Terrestrial Listening	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Power Ratio	100%	100%	100%	100%	100%	100%	100%	100%
Station Market Revenue Share	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
<b>Gross Station Time Sales</b>	<b>\$4,500,000</b>	<b>\$4,772,250</b>	<b>\$5,060,971</b>	<b>\$5,367,160</b>	<b>\$5,691,873</b>	<b>\$6,036,231</b>	<b>\$6,401,423</b>	<b>\$6,788,709</b>
Less: Commissions	765,000	811,283	860,365	912,417	967,618	1,026,159	1,088,242	1,154,081
Plus: Other Income	<u>112,500</u>	<u>119,306</u>	<u>126,524</u>	<u>134,179</u>	<u>142,297</u>	<u>150,906</u>	<u>160,036</u>	<u>169,718</u>
<b>Station Net Revenues</b>	<b>\$3,847,500</b>	<b>\$4,080,274</b>	<b>\$4,327,130</b>	<b>\$4,588,922</b>	<b>\$4,866,551</b>	<b>\$5,160,978</b>	<b>\$5,473,217</b>	<b>\$5,804,347</b>
<b>Station Revenues w/ DARS Impact</b>	<b>\$4,499,927</b>	<b>\$4,771,865</b>	<b>\$5,059,875</b>	<b>\$5,364,559</b>	<b>\$5,687,468</b>	<b>\$6,029,054</b>	<b>\$6,388,975</b>	<b>\$6,767,119</b>
Less: Commissions	764,988	811,217	860,179	911,975	966,870	1,024,939	1,086,126	1,150,410
Plus: Other Income	<u>112,498</u>	<u>119,297</u>	<u>126,497</u>	<u>134,114</u>	<u>142,187</u>	<u>150,726</u>	<u>159,724</u>	<u>169,178</u>
<b>Station Net Revenues w/ DARS Impact</b>	<b>\$3,847,437</b>	<b>\$4,079,945</b>	<b>\$4,326,194</b>	<b>\$4,586,698</b>	<b>\$4,862,785</b>	<b>\$5,154,841</b>	<b>\$5,462,573</b>	<b>\$5,785,887</b>



**AVERAGE FM STATION IN MARKET  
WITH \$100 MILLION IN REVENUE**

**EXHIBIT C**

**OPERATING EXPENSE ANALYSIS**

Initial Operating Expenses as a Percentage of Revenue

Engineering	3.0%
Programming & Production/News	23.5%
Sales/Advertising & Promotion	26.0%
General and Administrative	22.0%

<u>Annual Percentage Increase</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Technical	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Programming	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Sales	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
General and Administrative	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

Operating Expenses

Technical	\$115,425	\$118,888	\$122,454	\$126,128	\$129,912	\$133,809	\$137,823	\$141,958
Programming	904,163	940,329	977,942	1,017,060	1,057,742	1,100,052	1,144,054	1,189,816
Sales	1,000,350	1,040,364	1,081,979	1,125,258	1,170,268	1,217,079	1,265,762	1,316,392
General and Administrative	846,450	880,308	915,520	952,141	990,227	1,029,836	1,071,029	1,113,870

Percentage Adjustments for DARS Impact

Technical	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Programming	1.3%	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.5%
Sales	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
General and Administrative	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Operating Expenses with DARS Impact

Technical	\$115,425	\$118,888	\$122,454	\$126,128	\$129,912	\$133,809	\$137,823	\$141,958
Programming	915,465	952,083	990,166	1,029,773	1,073,608	1,116,553	1,161,215	1,207,663
Sales	1,005,352	1,045,566	1,087,388	1,130,884	1,176,119	1,223,164	1,272,091	1,322,974
General and Administrative	846,450	880,308	915,520	952,141	990,227	1,029,836	1,071,029	1,113,870

Note: Sales expenses are exclusive of Agency and Representatives Commissions



**AVERAGE FM STATION IN MARKET  
WITH \$100 MILLION IN REVENUE**

**EXHIBIT D**

**OPERATING INCOME ANALYSIS**

<u>Without DARS Impact</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Net Revenues	\$3,847,500	\$4,080,274	\$4,327,130	\$4,588,922	\$4,866,551	\$5,160,978	\$5,473,217	\$5,804,347
Operating Expenses	<u>2,866,388</u>	<u>2,979,889</u>	<u>3,097,895</u>	<u>3,220,587</u>	<u>3,348,149</u>	<u>3,480,776</u>	<u>3,618,669</u>	<u>3,762,037</u>
Operating Income	\$981,113	\$1,100,385	\$1,229,235	\$1,368,335	\$1,518,403	\$1,680,202	\$1,854,548	\$2,042,309
Operating Margin	25.5%	27.0%	28.4%	29.8%	31.2%	32.6%	33.9%	35.2%
<u>With DARS Impact</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Total Net Revenues	\$3,847,437	\$4,079,945	\$4,326,194	\$4,586,698	\$4,862,785	\$5,154,841	\$5,462,573	\$5,785,887
Operating Expenses	<u>2,882,691</u>	<u>2,996,845</u>	<u>3,115,530</u>	<u>3,238,926</u>	<u>3,369,866</u>	<u>3,503,362</u>	<u>3,642,158</u>	<u>3,786,466</u>
Operating Income	\$964,746	\$1,083,100	\$1,210,664	\$1,347,771	\$1,492,919	\$1,651,479	\$1,820,415	\$1,999,420
Operating Margin	25.1%	26.5%	28.0%	29.4%	30.7%	32.0%	33.3%	34.6%
Operating Income Difference	\$16,366	\$17,285	\$18,571	\$20,564	\$25,484	\$28,723	\$34,133	\$42,889
Percentage Difference	-1.7%	-1.6%	-1.5%	-1.5%	1.7%	1.7%	1.8%	2.1%



*MARKET SIZE*  
*\$30,000,000 IN REVENUE*

**AVERAGE FM STATION IN MARKET  
WITH \$30 MILLION IN REVENUE**

**EXHIBIT A**

<b>AUDIENCE ANALYSIS</b>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Total Market Population	1,000,000	1,010,000	1,020,100	1,030,301	1,040,604	1,051,010	1,061,520	1,072,135
Percentage of Terrestrial Listening:								
Vehicles	30.0%	30.3%	30.5%	30.8%	31.0%	31.3%	31.5%	31.8%
At Home	40.5%	40.0%	39.5%	39.0%	38.5%	38.0%	37.5%	37.0%
Other	29.5%	29.8%	30.0%	30.3%	30.5%	30.8%	31.0%	31.3%
Terrestrial Market AQH of Listening	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
AQH of Listening:								
Vehicles	360	363	366	369	372	375	378	381
At Home	486	480	474	468	462	456	450	444
Other	354	357	360	363	366	369	372	375
Percentage Loss of AQH to DARS	0.02%	0.04%	0.07%	0.13%	0.18%	0.28%	0.45%	0.74%
Terrestrial Market AQH of Listening w/ DARS	1,200	1,200	1,199	1,198	1,198	1,197	1,195	1,191
DARS AQH of Listening	0.2	0.4	0.8	1.5	2.2	3.3	5.4	8.9
Percentage of AQH DARS Listening								
Vehicles	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
At Home	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Other	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
AQH of DARS Listening:								
Vehicles	0.1	0.3	0.6	1.1	1.5	2.3	3.8	6.2
At Home	0.0	0.1	0.1	0.2	0.3	0.5	0.8	1.3
Other	0.0	0.1	0.1	0.2	0.3	0.5	0.8	1.3
Terrestrial Market AQH of Listening w/ DARS:								
Vehicles	360	363	365	368	370	373	374	375
At Home	486	480	474	468	462	456	449	443
Other	354	357	360	363	366	369	371	374
Percentage of AQH Listening w/ DARS:								
Vehicles	30.0%	30.2%	30.5%	30.7%	30.9%	31.1%	31.3%	31.5%
At Home	40.5%	40.0%	39.5%	39.0%	38.5%	38.1%	37.6%	37.2%
Other	29.5%	29.8%	30.0%	30.3%	30.5%	30.8%	31.1%	31.4%



**AVERAGE FM STATION IN MARKET  
WITH \$30 MILLION IN REVENUE**

**EXHIBIT B**

<b>REVENUE ANALYSIS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>
Percentage of Market Revenue National	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Percentage of Market Revenue Local	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
CPM Without DARS Impact	\$25.00	\$26.25	\$27.56	\$28.94	\$30.39	\$31.91	\$33.50	\$35.18
Percentage Reduction of AQH With DARS Impact	0.02%	0.04%	0.07%	0.13%	0.18%	0.28%	0.45%	0.74%
Percentage of DARS Revenue Generated From Sources Other Than Radio Advertisers	80.00%	70.00%	60.00%	55.00%	50.00%	50.00%	50.00%	50.00%
Percentage Decline in CPM With DARS Impact	0.00%	0.01%	0.03%	0.06%	0.09%	0.14%	0.23%	0.37%
CPM With DARS Impact	\$25.00	\$26.25	\$27.56	\$28.92	\$30.36	\$31.86	\$33.43	\$35.05
Market Revenue:								
National	\$6,000,000	\$6,363,000	\$6,747,962	\$7,156,213	\$7,589,164	\$8,048,308	\$8,535,231	\$9,051,613
Local	<u>\$24,000,000</u>	<u>\$25,452,000</u>	<u>\$26,991,846</u>	<u>\$28,624,853</u>	<u>\$30,356,656</u>	<u>\$32,193,234</u>	<u>\$34,140,925</u>	<u>\$36,206,451</u>
Total Market Revenue	\$30,000,000	\$31,815,000	\$33,739,808	\$35,781,066	\$37,945,820	\$40,241,542	\$42,676,156	\$45,258,063
Growth in Percent		6.1%	6.1%	6.1%	6.1%	6.1%	6.0%	6.1%
Market Revenue w/ DARS Impact:								
National	\$5,999,024	\$6,359,472	\$6,738,971	\$7,135,981	\$7,554,900	\$7,992,483	\$8,438,409	\$8,883,685
Local	<u>\$24,000,000</u>	<u>\$25,452,000</u>	<u>\$26,991,846</u>	<u>\$28,624,853</u>	<u>\$30,356,656</u>	<u>\$32,193,234</u>	<u>\$34,140,925</u>	<u>\$36,206,451</u>
Total Market Revenue w/ DARS Impact	\$29,999,024	\$31,811,472	\$33,730,817	\$35,760,833	\$37,911,557	\$40,185,717	\$42,579,333	\$45,090,136
Growth in Percent		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	5.9%
Audience Share of Terrestrial Listening Power Ratio	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Power Ratio	100%	100%	100%	100%	100%	100%	100%	100%
Station Market Revenue Share	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Gross Station Time Sales	\$1,950,000	\$2,067,975	\$2,193,087	\$2,325,769	\$2,466,478	\$2,615,700	\$2,773,950	\$2,941,774
Less: Commissions	331,500	351,556	372,825	395,381	419,301	444,669	471,572	500,102
Plus: Other Income	<u>48,750</u>	<u>51,699</u>	<u>54,827</u>	<u>58,144</u>	<u>61,662</u>	<u>65,393</u>	<u>69,349</u>	<u>73,544</u>
Station Net Revenues	\$1,667,250	\$1,768,119	\$1,875,090	\$1,988,533	\$2,108,839	\$2,236,424	\$2,371,727	\$2,515,217
Station Revenues w/ DARS Impact	\$1,949,937	\$2,067,746	\$2,192,503	\$2,324,454	\$2,464,251	\$2,612,072	\$2,767,657	\$2,930,859
Less: Commissions	331,489	351,517	372,726	395,157	418,923	444,052	470,502	498,246
Plus: Other Income	<u>48,748</u>	<u>51,694</u>	<u>54,813</u>	<u>58,111</u>	<u>61,606</u>	<u>65,302</u>	<u>69,191</u>	<u>73,271</u>
Station Net Revenues w/ DARS Impact	\$1,667,196	\$1,767,923	\$1,874,590	\$1,987,408	\$2,106,935	\$2,233,321	\$2,366,346	\$2,505,884



**AVERAGE FM STATION IN MARKET  
WITH \$30 MILLION IN REVENUE**

**EXHIBIT C**

**OPERATING EXPENSE ANALYSIS**

**Initial Operating Expenses as a Percentage of Revenue**

Engineering	3.5%
Programming & Production/News	22.5%
Sales/Advertising & Promotion	27.0%
General and Administrative	24.0%

<u>Annual Percentage Increase</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Technical	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Programming	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Sales	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
General and Administrative	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

**Operating Expenses**

Technical	\$58,354	\$60,104	\$61,907	\$63,765	\$65,678	\$67,648	\$69,677	\$71,768
Programming	375,131	390,137	405,742	421,972	438,851	456,405	474,661	493,647
Sales	450,158	468,164	486,890	506,366	526,621	547,685	569,593	592,377
General and Administrative	400,140	416,146	432,791	450,103	468,107	486,831	506,305	526,557

**Percentage Adjustments for DARS Impact**

Technical	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Programming	1.3%	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.5%
Sales	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
General and Administrative	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Operating Expenses with DARS Impact**

Technical	\$58,354	\$60,104	\$61,907	\$63,765	\$65,678	\$67,648	\$69,677	\$71,768
Programming	379,820	395,013	410,814	427,246	445,433	463,251	481,781	501,052
Sales	452,408	470,505	489,325	508,898	529,254	550,424	572,441	595,338
General and Administrative	400,140	416,146	432,791	450,103	468,107	486,831	506,305	526,557

Note: Sales expenses are exclusive of Agency and Representatives Commissions



**AVERAGE FM STATION IN MARKET  
WITH \$30 MILLION IN REVENUE**

**EXHIBIT D**

**OPERATING INCOME ANALYSIS**

<u>Without DARS Impact</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Net Revenues	\$1,667,250	\$1,768,119	\$1,875,090	\$1,988,533	\$2,108,839	\$2,236,424	\$2,371,727	\$2,515,217
Operating Expenses	<u>1,283,783</u>	<u>1,334,550</u>	<u>1,387,331</u>	<u>1,442,205</u>	<u>1,499,256</u>	<u>1,558,569</u>	<u>1,620,236</u>	<u>1,684,348</u>
Operating Income	\$383,468	\$433,568	\$487,759	\$546,327	\$609,583	\$677,854	\$751,492	\$830,868
Operating Margin	23.0%	24.5%	26.0%	27.5%	28.9%	30.3%	31.7%	33.0%
<u>With DARS Impact</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Total Net Revenues	\$1,667,196	\$1,767,923	\$1,874,590	\$1,987,408	\$2,106,935	\$2,233,321	\$2,366,346	\$2,505,884
Operating Expenses	<u>1,290,722</u>	<u>1,341,768</u>	<u>1,394,837</u>	<u>1,450,012</u>	<u>1,508,472</u>	<u>1,568,154</u>	<u>1,630,204</u>	<u>1,694,715</u>
Operating Income	\$376,473	\$426,155	\$479,753	\$537,396	\$598,463	\$665,167	\$736,143	\$811,169
Operating Margin	22.6%	24.1%	25.6%	27.0%	28.4%	29.8%	31.1%	32.4%
Operating Income Difference	\$6,994	\$7,414	\$8,006	\$8,931	\$11,120	\$12,687	\$15,349	\$19,699
Percentage Difference	-1.8%	-1.7%	-1.6%	-1.6%	-1.8%	-1.9%	-2.0%	-2.4%



*MARKET SIZE*  
*\$15,000,000 IN REVENUE*



**AVERAGE FM STATION IN MARKET  
WITH \$15 MILLION IN REVENUE**

**EXHIBIT A**

<b>AUDIENCE ANALYSIS</b>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Total Market Population	550,000	555,500	561,055	566,666	572,332	578,056	583,836	589,674
Percentage of Terrestrial Listening:								
Vehicles	30.0%	30.3%	30.5%	30.8%	31.0%	31.3%	31.5%	31.8%
At Home	40.5%	40.0%	39.5%	39.0%	38.5%	38.0%	37.5%	37.0%
Other	29.5%	29.8%	30.0%	30.3%	30.5%	30.8%	31.0%	31.3%
Terrestrial Market AQH of Listening	650	650	650	650	650	650	650	650
AQH of Listening:								
Vehicles	195	197	198	200	202	203	205	206
At Home	263	260	257	254	250	247	244	241
Other	192	193	195	197	198	200	202	203
Percentage Loss of AQH to DARS	0.02%	0.05%	0.08%	0.14%	0.21%	0.32%	0.52%	0.85%
Terrestrial Market AQH of Listening w/ DARS	650	650	649	649	649	648	647	644
DARS AQH of Listening	0.2	0.3	0.5	0.9	1.3	2.1	3.4	5.5
Percentage of AQH DARS Listening								
Vehicles	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
At Home	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Other	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
AQH of DARS Listening:								
Vehicles	0.1	0.2	0.4	0.7	0.9	1.4	2.4	3.9
At Home	0.0	0.0	0.1	0.1	0.2	0.3	0.5	0.8
Other	0.0	0.0	0.1	0.1	0.2	0.3	0.5	0.8
Terrestrial Market AQH of Listening w/ DARS:								
Vehicles	195	196	198	199	201	202	202	203
At Home	263	260	257	253	250	247	243	240
Other	192	193	195	196	198	200	201	202
Percentage of AQH Listening w/ DARS:								
Vehicles	30.0%	30.2%	30.5%	30.7%	30.9%	31.1%	31.3%	31.4%
At Home	40.5%	40.0%	39.5%	39.0%	38.5%	38.1%	37.6%	37.2%
Other	29.5%	29.8%	30.0%	30.3%	30.5%	30.8%	31.1%	31.4%



**AVERAGE FM STATION IN MARKET  
WITH \$15 MILLION IN REVENUE**

**EXHIBIT B**

<b>REVENUE ANALYSIS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>
Percentage of Market Revenue National	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Percentage of Market Revenue Local	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%
CPM Without DARS Impact	\$41.96	\$44.06	\$46.26	\$48.57	\$51.00	\$53.55	\$56.23	\$59.04
Percentage Reduction of AQH With DARS Impact	0.02%	0.05%	0.08%	0.14%	0.21%	0.32%	0.52%	0.85%
Percentage of DARS Revenue Generated From Sources Other Than Radio Advertisers	80.00%	70.00%	60.00%	55.00%	50.00%	50.00%	50.00%	50.00%
Percentage Decline in CPM With DARS Impact	0.00%	0.01%	0.03%	0.06%	0.10%	0.16%	0.26%	0.42%
CPM With DARS Impact	\$41.96	\$44.05	\$46.24	\$48.54	\$50.95	\$53.47	\$56.08	\$58.79
Market Revenue:								
National	\$2,700,000	\$2,863,350	\$3,036,583	\$3,220,296	\$3,415,124	\$3,621,739	\$3,840,854	\$4,073,226
Local	<u>\$12,300,000</u>	<u>\$13,044,150</u>	<u>\$13,833,321</u>	<u>\$14,670,237</u>	<u>\$15,557,786</u>	<u>\$16,499,032</u>	<u>\$17,497,224</u>	<u>\$18,555,806</u>
Total Market Revenue	\$15,000,000	\$15,907,500	\$16,869,904	\$17,890,533	\$18,972,910	\$20,120,771	\$21,338,078	\$22,629,032
Growth in Percent		6.1%	6.1%	6.0%	6.1%	6.1%	6.1%	6.1%
Market Revenue w/ DARS Impact:								
National	\$2,699,268	\$2,861,105	\$3,031,245	\$3,208,735	\$3,395,545	\$3,589,839	\$3,785,527	\$3,977,267
Local	<u>\$12,300,000</u>	<u>\$13,044,150</u>	<u>\$13,833,321</u>	<u>\$14,670,237</u>	<u>\$15,557,786</u>	<u>\$16,499,032</u>	<u>\$17,497,224</u>	<u>\$18,555,806</u>
Total Market Revenue w/ DARS Impact	\$14,999,268	\$15,905,255	\$16,864,566	\$17,878,972	\$18,953,331	\$20,088,871	\$21,282,751	\$22,533,073
Growth in Percent		6.0%	6.0%	6.0%	6.0%	6.0%	5.9%	5.9%
Audience Share of Terrestrial Listening Power Ratio	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Power Ratio	100%	100%	100%	100%	100%	100%	100%	100%
Station Market Revenue Share	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Gross Station Time Sales	\$1,125,000	\$1,193,063	\$1,265,243	\$1,341,790	\$1,422,968	\$1,509,058	\$1,600,356	\$1,697,177
Less: Commissions	191,250	202,821	215,091	228,104	241,905	256,540	272,060	288,520
Plus: Other Income	<u>28,125</u>	<u>29,827</u>	<u>31,631</u>	<u>33,545</u>	<u>35,574</u>	<u>37,726</u>	<u>40,009</u>	<u>42,429</u>
Station Net Revenues	\$961,875	\$1,020,068	\$1,081,783	\$1,147,230	\$1,216,638	\$1,290,244	\$1,368,304	\$1,451,087
Station Revenues w/ DARS Impact:								
Less: Commissions	191,241	202,792	215,023	227,957	241,655	256,133	271,355	287,297
Plus: Other Income	<u>28,124</u>	<u>29,822</u>	<u>31,621</u>	<u>33,523</u>	<u>35,537</u>	<u>37,667</u>	<u>39,905</u>	<u>42,250</u>
Station Net Revenues w/ DARS Impact	\$961,828	\$1,019,924	\$1,081,440	\$1,146,489	\$1,215,382	\$1,288,199	\$1,364,756	\$1,444,933



**AVERAGE FM STATION IN MARKET  
WITH \$15 MILLION IN REVENUE**

**EXHIBIT C**

**OPERATING EXPENSE ANALYSIS**

**Initial Operating Expenses as a Percentage of Revenue**

Engineering	4.0%
Programming & Production/News	21.5%
Sales/Advertising & Promotion	28.0%
General and Administrative	26.0%

<b><u>Annual Percentage Increase</u></b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>	<b><u>Year 6</u></b>	<b><u>Year 7</u></b>	<b><u>Year 8</u></b>
Technical	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Programming	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Sales	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
General and Administrative	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

**Operating Expenses**

Technical	\$38,475	\$39,629	\$40,818	\$42,043	\$43,304	\$44,603	\$45,941	\$47,319
Programming	206,803	215,075	223,678	232,625	241,930	251,608	261,672	272,139
Sales	269,325	280,098	291,302	302,954	315,072	327,675	340,782	354,413
General and Administrative	250,088	260,091	270,495	281,314	292,567	304,270	316,440	329,098

**Percentage Adjustments for DARS Impact**

Technical	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Programming	1.3%	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.5%
Sales	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
General and Administrative	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Operating Expenses with DARS Impact**

Technical	\$38,475	\$39,629	\$40,818	\$42,043	\$43,304	\$44,603	\$45,941	\$47,319
Programming	209,388	217,764	226,474	235,533	245,559	255,382	265,597	276,221
Sales	270,672	281,498	292,758	304,469	316,648	329,313	342,486	356,185
General and Administrative	250,088	260,091	270,495	281,314	292,567	304,270	316,440	329,098

Note: Sales expenses are exclusive of Agency and Representatives Commissions



**AVERAGE FM STATION IN MARKET  
WITH \$15 MILLION IN REVENUE**

**EXHIBIT D**

**OPERATING INCOME ANALYSIS**

<u>Without DARS Impact</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Net Revenues	\$961,875	\$1,020,068	\$1,081,783	\$1,147,230	\$1,216,638	\$1,290,244	\$1,368,304	\$1,451,087
Operating Expenses	<u>764,691</u>	<u>794,894</u>	<u>826,293</u>	<u>858,936</u>	<u>892,874</u>	<u>928,155</u>	<u>964,836</u>	<u>1,002,970</u>
Operating Income	\$197,184	\$225,175	\$255,490	\$288,294	\$323,764	\$362,089	\$403,469	\$448,117
Operating Margin	20.5%	22.1%	23.6%	25.1%	26.6%	28.1%	29.5%	30.9%
<u>With DARS Impact</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Total Net Revenues	\$961,828	\$1,019,924	\$1,081,440	\$1,146,489	\$1,215,382	\$1,288,199	\$1,364,756	\$1,444,933
Operating Expenses	<u>768,622</u>	<u>798,982</u>	<u>830,545</u>	<u>863,359</u>	<u>898,078</u>	<u>933,568</u>	<u>970,465</u>	<u>1,008,824</u>
Operating Income	\$193,206	\$220,942	\$250,895	\$283,130	\$317,305	\$354,631	\$394,292	\$436,110
Operating Margin	20.1%	21.7%	23.2%	24.7%	26.1%	27.5%	28.9%	30.2%
Operating Income Difference	\$3,979	\$4,233	\$4,595	\$5,164	\$6,460	\$7,458	\$9,177	\$12,007
Percentage Difference	-2.0%	-1.9%	-1.8%	-1.8%	-2.0%	-2.1%	-2.3%	-2.7%



*MARKET SIZE*  
*\$10,000,000 IN REVENUE*



**AVERAGE FM STATION IN MARKET  
WITH \$10 MILLION IN REVENUE**

**EXHIBIT A**

<b>AUDIENCE ANALYSIS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>
Total Market Population	350,000	353,500	357,035	360,605	364,211	367,854	371,532	375,247
Percentage of Terrestrial Listening:								
Vehicles	30.0%	30.3%	30.5%	30.8%	31.0%	31.3%	31.5%	31.8%
At Home	40.5%	40.0%	39.5%	39.0%	38.5%	38.0%	37.5%	37.0%
Other	29.5%	29.8%	30.0%	30.3%	30.5%	30.8%	31.0%	31.3%
Terrestrial Market AQH of Listening	400	400	400	400	400	400	400	400
AQH of Listening:								
Vehicles	120	121	122	123	124	125	126	127
At Home	162	160	158	156	154	152	150	148
Other	118	119	120	121	122	123	124	125
Percentage Loss of AQH to DARS	0.03%	0.06%	0.09%	0.16%	0.23%	0.36%	0.58%	0.95%
Terrestrial Market AQH of Listening w/ DARS	400	400	400	399	399	399	398	396
DARS AQH of Listening	0.1	0.2	0.4	0.6	0.9	1.4	2.3	3.8
Percentage of AQH DARS Listening:								
Vehicles	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
At Home	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Other	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
AQH of DARS Listening:								
Vehicles	0.1	0.2	0.3	0.5	0.7	1.0	1.6	2.7
At Home	0.0	0.0	0.1	0.1	0.1	0.2	0.4	0.6
Other	0.0	0.0	0.1	0.1	0.1	0.2	0.4	0.6
Terrestrial Market AQH of Listening w/ DARS:								
Vehicles	120	121	122	123	123	124	124	124
At Home	162	160	158	156	154	152	150	147
Other	118	119	120	121	122	123	124	124
Percentage of AQH Listening w/ DARS:								
Vehicles	30.0%	30.2%	30.5%	30.7%	30.9%	31.1%	31.3%	31.4%
At Home	40.5%	40.0%	39.5%	39.0%	38.6%	38.1%	37.6%	37.2%
Other	29.5%	29.8%	30.0%	30.3%	30.5%	30.8%	31.1%	31.4%



**AVERAGE FM STATION IN MARKET  
WITH \$10 MILLION IN REVENUE**

**EXHIBIT B**

<b>REVENUE ANALYSIS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>
Percentage of Market Revenue National	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
Percentage of Market Revenue Local	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%
CPM Without DARS Impact	\$71.43	\$75.00	\$78.75	\$82.69	\$86.82	\$91.16	\$95.72	\$100.51
Percentage Reduction of AQH With DARS Impact	0.03%	0.06%	0.09%	0.16%	0.23%	0.36%	0.58%	0.95%
Percentage of DARS Revenue Generated From Sources Other Than Radio Advertisers	80.00%	70.00%	60.00%	55.00%	50.00%	50.00%	50.00%	50.00%
Percentage Decline in CPM With DARS Impact	0.01%	0.02%	0.04%	0.07%	0.12%	0.18%	0.29%	0.48%
CPM With DARS Impact	\$71.42	\$74.99	\$78.72	\$82.63	\$86.72	\$91.00	\$95.44	\$100.03
Market Revenue								
National	\$1,600,000	\$1,696,800	\$1,799,456	\$1,908,324	\$2,023,777	\$2,146,216	\$2,276,062	\$2,413,763
Local	<u>\$8,400,000</u>	<u>\$8,908,200</u>	<u>\$9,447,146</u>	<u>\$10,018,698</u>	<u>\$10,624,830</u>	<u>\$11,267,632</u>	<u>\$11,949,324</u>	<u>\$12,672,258</u>
Total Market Revenue	\$10,000,000	\$10,605,000	\$11,246,603	\$11,927,022	\$12,648,607	\$13,413,847	\$14,225,385	\$15,086,021
Growth in Percent		6.1%	6.1%	6.1%	6.0%	6.1%	6.1%	6.0%
Market Revenue w/ DARS Impact								
National	\$1,599,349	\$1,694,983	\$1,795,336	\$1,899,653	\$2,009,093	\$2,122,291	\$2,234,566	\$2,341,794
Local	<u>\$8,400,000</u>	<u>\$8,908,200</u>	<u>\$9,447,146</u>	<u>\$10,018,698</u>	<u>\$10,624,830</u>	<u>\$11,267,632</u>	<u>\$11,949,324</u>	<u>\$12,672,258</u>
Total Market Revenue w/ DARS Impact	\$9,999,349	\$10,603,183	\$11,242,482	\$11,918,351	\$12,633,922	\$13,389,922	\$14,183,890	\$15,014,052
Growth in Percent		6.0%	6.0%	6.0%	6.0%	6.0%	5.9%	5.9%
Audience Share of Terrestrial Listening Power Ratio	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Station Market Revenue Share	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Gross Station Time Sales	\$1,000,000	\$1,060,500	\$1,124,660	\$1,192,702	\$1,264,861	\$1,341,385	\$1,422,539	\$1,508,602
Less: Commissions	170,000	180,285	191,192	202,759	215,026	228,035	241,832	256,462
Plus: Other Income	<u>25,000</u>	<u>26,513</u>	<u>28,117</u>	<u>29,818</u>	<u>31,622</u>	<u>33,535</u>	<u>35,563</u>	<u>37,715</u>
Station Net Revenues	\$855,000	\$906,728	\$961,585	\$1,019,760	\$1,081,456	\$1,146,884	\$1,216,270	\$1,289,855
Station Revenues w/ DARS Impact	\$999,935	\$1,060,318	\$1,124,248	\$1,191,835	\$1,263,392	\$1,338,992	\$1,418,389	\$1,501,405
Less: Commissions	169,989	180,254	191,122	202,612	214,777	227,629	241,126	255,239
Plus: Other Income	<u>24,998</u>	<u>26,508</u>	<u>28,106</u>	<u>29,796</u>	<u>31,585</u>	<u>33,475</u>	<u>35,460</u>	<u>37,535</u>
Station Net Revenues w/ DARS Impact	\$854,944	\$906,572	\$961,232	\$1,019,019	\$1,080,200	\$1,144,838	\$1,212,723	\$1,283,701



**AVERAGE FM STATION IN MARKET  
WITH \$10 MILLION IN REVENUE**

**EXHIBIT C**

**OPERATING EXPENSE ANALYSIS**

Initial Operating Expenses as a Percentage of Revenue

Engineering	4.5%
Programming & Production/News	20.5%
Sales/Advertising & Promotion	29.0%
General and Administrative	28.0%

<u>Annual Percentage Increase</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Technical	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Programming	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Sales	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
General and Administrative	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

Operating Expenses

Technical	\$38,475	\$39,629	\$40,818	\$42,043	\$43,304	\$44,603	\$45,941	\$47,319
Programming	175,275	182,286	189,577	197,161	205,047	213,249	221,779	230,650
Sales	247,950	257,868	268,183	278,910	290,066	301,669	313,736	326,285
General and Administrative	239,400	248,976	258,935	269,292	280,064	291,267	302,917	315,034

Percentage Adjustments for DARS Impact

Technical	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Programming	1.3%	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.5%
Sales	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
General and Administrative	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Operating Expenses with DARS Impact

Technical	\$38,475	\$39,629	\$40,818	\$42,043	\$43,304	\$44,603	\$45,941	\$47,319
Programming	177,466	184,565	191,947	199,625	208,123	216,448	225,105	234,110
Sales	249,190	259,157	269,524	280,305	291,517	303,177	315,305	327,917
General and Administrative	239,400	248,976	258,935	269,292	280,064	291,267	302,917	315,034

Note: Sales expenses are exclusive of Agency and Representatives Commissions



**AVERAGE FM STATION IN MARKET  
WITH \$10 MILLION IN REVENUE**

**EXHIBIT D**

**OPERATING INCOME ANALYSIS**

<u>Without DARS Impact</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Net Revenues	\$855,000	\$906,728	\$961,585	\$1,019,760	\$1,081,456	\$1,146,884	\$1,216,270	\$1,289,855
Operating Expenses	<u>701,100</u>	<u>728,759</u>	<u>757,513</u>	<u>787,406</u>	<u>818,481</u>	<u>850,788</u>	<u>884,373</u>	<u>919,289</u>
Operating Income	\$153,900	\$177,968	\$204,071	\$232,355	\$262,974	\$296,096	\$331,897	\$370,566
Operating Margin	18.0%	19.6%	21.2%	22.8%	24.3%	25.8%	27.3%	28.7%
<u>With DARS Impact</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Total Net Revenues	\$854,944	\$906,572	\$961,232	\$1,019,019	\$1,080,200	\$1,144,838	\$1,212,723	\$1,283,701
Operating Expenses	<u>704,531</u>	<u>732,327</u>	<u>761,224</u>	<u>791,265</u>	<u>823,008</u>	<u>855,495</u>	<u>889,269</u>	<u>924,380</u>
Operating Income	\$150,414	\$174,245	\$200,008	\$227,754	\$257,193	\$289,344	\$323,454	\$359,322
Operating Margin	17.6%	19.2%	20.8%	22.4%	23.8%	25.3%	26.7%	28.0%
Operating Income Difference	\$3,486	\$3,723	\$4,063	\$4,600	\$5,782	\$6,753	\$8,443	\$11,245
Percentage Difference	-2.3%	-2.1%	-2.0%	-2.0%	-2.2%	-2.3%	-2.5%	-3.0%



*MARKET SIZE*  
*\$5,000,000 IN REVENUE*

**AVERAGE FM STATION IN MARKET  
WITH \$5 MILLION IN REVENUE**

**EXHIBIT A**

<b>AUDIENCE ANALYSIS</b>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
Total Market Population	175,000	176,750	178,518	180,303	182,106	183,927	185,766	187,624
Percentage of Terrestrial Listening:								
Vehicles	30.0%	30.3%	30.5%	30.8%	31.0%	31.3%	31.5%	31.8%
At Home	40.5%	40.0%	39.5%	39.0%	38.5%	38.0%	37.5%	37.0%
Other	29.5%	29.8%	30.0%	30.3%	30.5%	30.8%	31.0%	31.3%
Terrestrial Market AQH of Listening	175	175	175	175	175	175	175	175
AQH of Listening:								
Vehicles	53	53	53	54	54	55	55	56
At Home	71	70	69	68	67	67	66	65
Other	52	52	53	53	53	54	54	55
Percentage Loss of AQH to DARS	0.04%	0.07%	0.10%	0.18%	0.26%	0.40%	0.65%	1.06%
Terrestrial Market AQH of Listening w/ DARS	175	175	175	175	175	174	174	173
DARS AQH of Listening	0.1	0.1	0.2	0.3	0.5	0.7	1.1	1.9
Percentage of AQH DARS Listening:								
Vehicles	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
At Home	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Other	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
AQH of DARS Listening:								
Vehicles	0.0	0.1	0.1	0.2	0.3	0.5	0.8	1.3
At Home	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.3
Other	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.3
Terrestrial Market AQH of Listening w/ DARS:								
Vehicles	52	53	53	54	54	54	54	54
At Home	71	70	69	68	67	66	65	64
Other	52	52	52	53	53	54	54	54
Percentage of AQH Listening w/ DARS:								
Vehicles	30.0%	30.2%	30.5%	30.7%	30.9%	31.1%	31.2%	31.3%
At Home	40.5%	40.0%	39.5%	39.0%	38.6%	38.1%	37.6%	37.2%
Other	29.5%	29.8%	30.0%	30.3%	30.5%	30.8%	31.1%	31.4%



**AVERAGE FM STATION IN MARKET  
WITH \$5 MILLION IN REVENUE**

**EXHIBIT B**

<b>REVENUE ANALYSIS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>
Percentage of Market Revenue National	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Percentage of Market Revenue Local	88.5%	88.5%	88.5%	88.5%	88.5%	88.5%	88.5%	88.5%
CPM Without DARS Impact	\$163.27	\$171.43	\$180.00	\$189.00	\$198.45	\$208.37	\$218.79	\$229.73
Percentage Reduction of AQH With DARS Impact	0.04%	0.07%	0.10%	0.18%	0.26%	0.40%	0.65%	1.06%
Percentage of DARS Revenue Generated From Sources Other Than Radio Advertisers	80.00%	70.00%	60.00%	55.00%	50.00%	50.00%	50.00%	50.00%
Percentage Decline In CPM With DARS Impact	0.01%	0.02%	0.04%	0.08%	0.13%	0.20%	0.32%	0.53%
CPM With DARS Impact	\$163.25	\$171.39	\$179.93	\$188.85	\$198.19	\$207.96	\$218.08	\$228.51
<b>Market Revenue:</b>								
National	\$575,000	\$609,788	\$646,680	\$685,804	\$727,295	\$771,296	\$817,960	\$867,446
Local	<u>\$4,425,000</u>	<u>\$4,692,713</u>	<u>\$4,976,622</u>	<u>\$5,277,707</u>	<u>\$5,597,008</u>	<u>\$5,935,628</u>	<u>\$6,294,733</u>	<u>\$6,675,564</u>
Total Market Revenue	\$5,000,000	\$5,302,500	\$5,623,301	\$5,963,511	\$6,324,303	\$6,706,924	\$7,112,693	\$7,543,011
Growth in Percent		6.1%	6.1%	6.0%	6.1%	6.1%	6.1%	6.1%
<b>Market Revenue w/ DARS Impact</b>								
National	\$574,593	\$608,718	\$644,338	\$680,987	\$719,137	\$758,005	\$794,907	\$827,463
Local	<u>\$4,425,000</u>	<u>\$4,692,713</u>	<u>\$4,976,622</u>	<u>\$5,277,707</u>	<u>\$5,597,008</u>	<u>\$5,935,628</u>	<u>\$6,294,733</u>	<u>\$6,675,564</u>
Total Market Revenue w/ DARS Impact	\$4,999,593	\$5,301,431	\$5,620,960	\$5,958,694	\$6,316,145	\$6,693,632	\$7,089,640	\$7,503,028
Growth in Percent		6.0%	6.0%	6.0%	6.0%	6.0%	5.9%	5.8%
Audience Share of Terrestrial Listening Power Ratio	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Station Market Revenue Share	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Gross Station Time Sales	\$600,000	\$636,300	\$674,796	\$715,621	\$758,916	\$804,831	\$853,523	\$905,161
Less: Commissions	102,000	108,171	114,715	121,656	129,016	136,821	145,099	153,877
Plus: Other Income	<u>15,000</u>	<u>15,908</u>	<u>16,870</u>	<u>17,891</u>	<u>18,973</u>	<u>20,121</u>	<u>21,338</u>	<u>22,629</u>
Station Net Revenues	\$513,000	\$544,037	\$576,951	\$611,856	\$648,874	\$688,130	\$729,762	\$773,913
Station Revenues w/ DARS Impact	\$599,951	\$636,172	\$674,515	\$715,043	\$757,937	\$803,236	\$850,757	\$900,363
Less: Commissions	101,992	108,149	114,668	121,557	128,849	136,550	144,629	153,062
Plus: Other Income	<u>14,999</u>	<u>15,904</u>	<u>16,863</u>	<u>17,876</u>	<u>18,948</u>	<u>20,081</u>	<u>21,269</u>	<u>22,509</u>
Station Net Revenues w/ DARS Impact	\$512,958	\$543,927	\$576,711	\$611,362	\$648,037	\$686,767	\$727,397	\$769,811

