MC Alcamo & Co

October 28, 2009
For Immediate Release

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"Recovery Multiplier" Likely to Boost 2010 Broadcast Revenue

Based on Analysis of 2002 Recovery, M.C. Alcamo & Co., Inc. Forecasts 6% Growth for Broadcasters in 2010

In 2002 recovery, broadcast revenue growth outpaced GDP growth 3:1, and trading multiples increased from 8.3x during the 2001 recession to 13.8x in 2002.

New York, N.Y., October 28, 2009 – Media investment bank M.C. Alcamo & Co., Inc. today released a detailed analysis of growth rates for broadcast media in the 2002 recovery. Drawing on this analysis, the firm forecasts 2010 growth of 6.0%.

In the recovery after the 2001 recession, revenue growth in ad-supported media over-responded to underlying GDP growth by up to 3:1. "Data from 2002-03 clearly illustrate a multiplier effect for ad-supported broadcast media," said Michael Alcamo, the firm's president. "In that recovery, broadcasters saw revenue growth rates that were up to three times the growth rate of underlying GDP. We believe the industry will experience similarly outsized growth rates in 2010-12."

Alcamo noted, "The consensus forecast for 2010 GDP growth is 2.8%. We therefore expect broadcast revenue to grow at 5.6% to 6.0%. Moreover, after the cost cutting of the last twenty months, most of that incremental revenue should be margin."

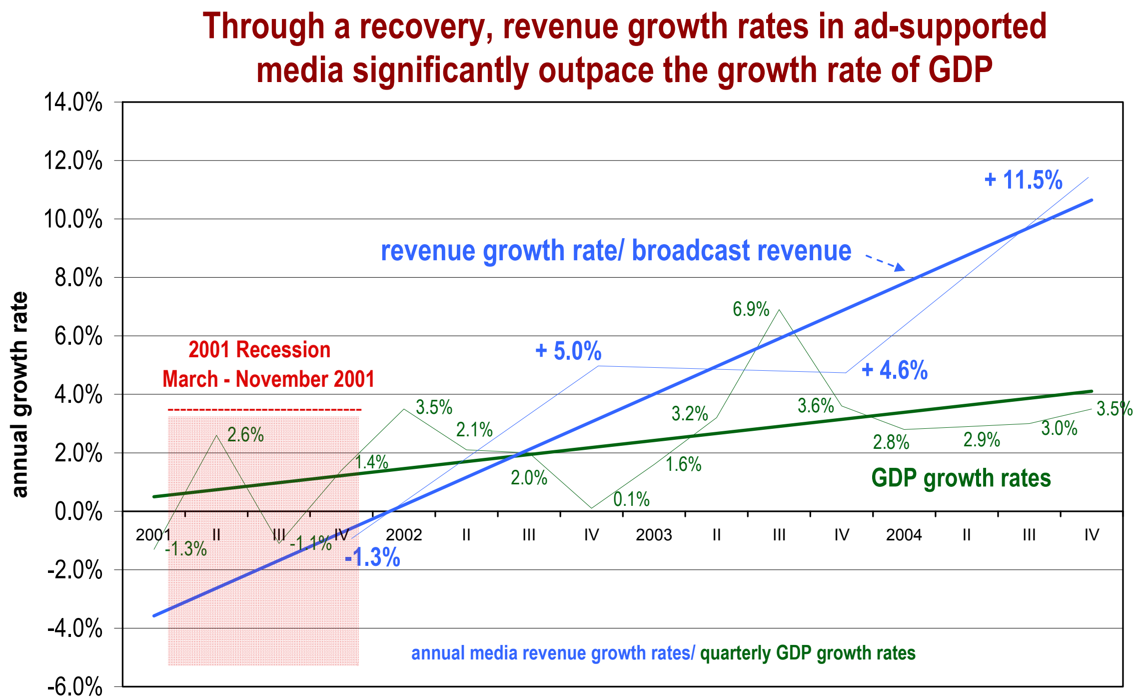
Calculation of the Recovery Multiplier, 2002 to 2004

At end of period	GDP growth rate	Broadcast group revenue growth	Multiplier
2000	+ 2.4%	+ 16.0%	*6.6 x (pre-recession)*
2001	+ 1.4%	- 1.3%	*recession*
2002	+ 2.0%	+ 5.0%	2.5 x
2003	+ 3.6%	+ 4.6%	1.3 x
2004	+ 3.5%	+ 11.5%	3.3 x

(For 2011, the Federal Reserve forecasts GDP growth of 3.8% to 5.0%. Applying the recovery multiplier indicates 2011 broadcast revenue growth of 11.0% to 15.0%).

There are indications that the 2010 recovery may be stronger than the 2002 recovery. The 2001 recession – lasting nine months, from March to November 2001 – was milder than the 2007-09 recession. Unemployment peaked at 6.3%, and current expectations are that unemployment may peak at 10.5%. Because the strength of a recovery typically mirrors the depth of the preceding downturn, 2010-11 growth rates could be much more substantial than in 2002-03.

A comparison with 2002 is apposite for another key reason. Calendar years 2002 and 2010 are the first full post-recession years, and both are off-year election years. Moreover, 2010 will likely see robust campaigning for at least eight key toss-up gubernatorial races, in California, Florida, Michigan, Minnesota, Nevada, Rhode Island, Wisconsin, and Wyoming. In their recent investor calls, Media General, Inc. and LIN Television discussed expected strength in political advertising in these areas, notably South Carolina and Rhode Island.



***data source**:* National Bureau of Economic Research.

M.C. Alcamo & Co., Inc. examined quarterly GDP growth rates published by the U.S. Bureau of Economic Analysis, and calculated annual aggregate revenue growth from the annual reports filed by thirteen publicly-listed broadcasters. (The firm interpolated data for broadcasters that were not reporting companies in the early phases of the study.)

"It was clear that in a recovery, ad-supported revenue growth greatly outpaces GDP growth," said research director Chirag Hirawat. "The Recovery Multipler varied from 2.5x up to 3.3x."

In its quarterly newsletter ***M.C. Alcamo's Television Marketplace**,* the firm wrote, "An over-recovery in advertising spending occurs for several reasons:

"First, in the "green shoots" phase of the recovery, advertisers in industrial or consumer retail categories will see outsized gains in EBITDA – in the downturn, firms tightened their cost structure by over-firing employees and reducing cost of goods sold. With greater visibility for continued profits, managers then become more enthusiastic about investing in advertising.

"Secondly, broadcasters themselves have cut costs – through significant cutbacks in newsgathering, JSAs with other firms, and sales of non-core assets. Incremental revenue during the post-recession phase is thus highly profitable. Essentially the only cost-of-goods-sold on this revenue are sales commissions and other sales costs.

"Finally, during a recovery, advertisers are enterprising and are competitive; ad inventory, however, is finite. To hold and expand market share during the coming cycle, advertisers invest in advertising to mark out territory and block competitors."

The result, Alcamo said, is that television broadcasters and similar ad supported media companies experience revenue and EBITDA growth rates far higher than underlying GDP growth rates.

The firm also noted that average trading multiples for broadcasting companies peaked at 13.8 x during the recovery of 2002. "As the debt syndication markets return to normalcy in 2010, we should see more M&A transactions in the industry," said Alcamo.

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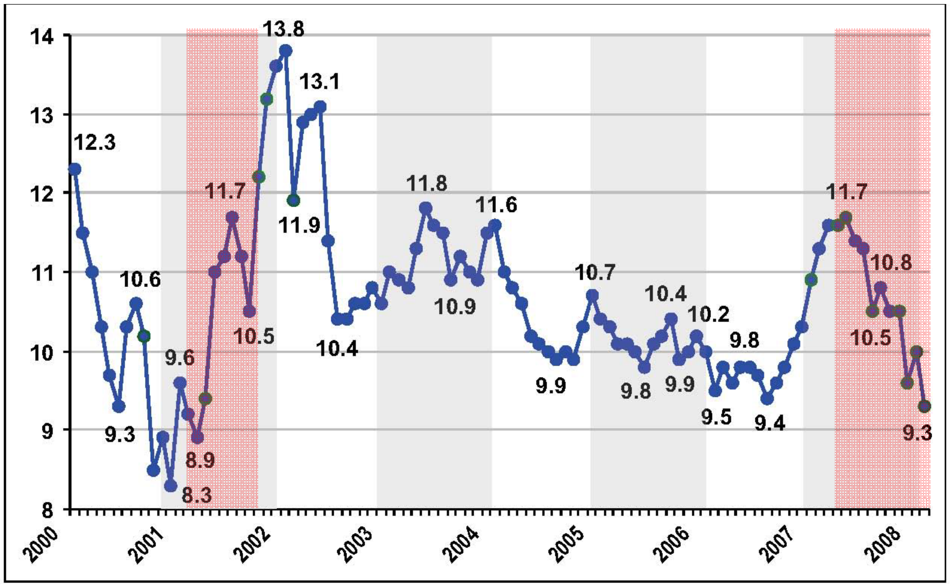
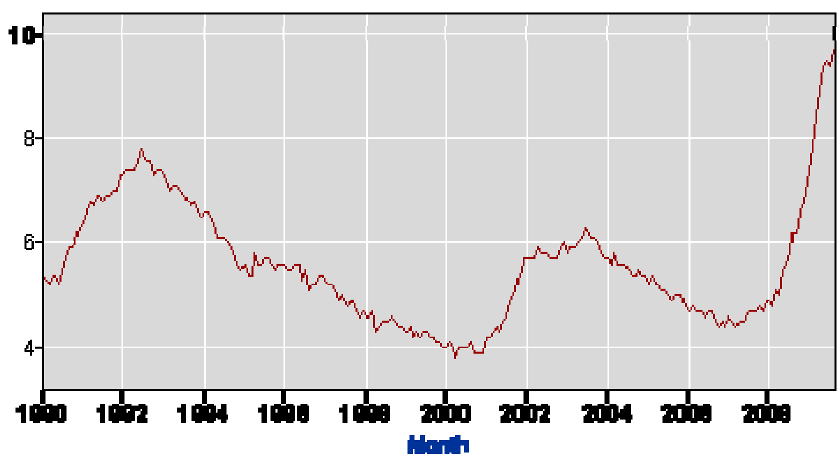
Average Trading Multiples
of Publicly Listed Broadcasting Companies, 2000 to 2008



Source: SNL Kagan

Data from the Bureau of Labor Statistics present clearly the recessionary cycle in 1992, 2001, and the current recession, which commenced in December 2007.

United States Unemployment Rate, 1990 to 2009



Source: United States Bureau of Labor Statistics
"Labor Force Statistics from the Current Population Survey"

Previously, in January 2009, M.C. Alcamo & Co., Inc. analyzed NBER economic data and predicted that the recession would end on or prior to June 1, 2009. "The NBER data showed us that we have had eleven recessions since World War II, and that the average post-war recession lasted 10.3 months," said Alcamo in a research note. "We derived a standard deviation and a 95% confidence interval, and we determined that the forecast has a moderately strong predictive value."   The recession appears to have ended at the end of June 2009.

Alcamo said the standard deviation for the sample set was 3.3. In a normal distribution, 95% of the data points fall within two units of standard deviation, or "two sigma." The data for the ten prior recessions are generally evenly clustered around the average, indicating a general consistency with the normal distribution, and a generally robust predictive value. Two sigmas of standard deviation brought the end of the 95% confidence interval to June 1, 2009.

The National Bureau of Economic Research is a private, nonprofit research organization that is the quasi-official arbiter of business cycles. While "recession" is commonly defined as two consecutive quarterly declines in gross domestic product, the NBER defines a recession differently, as "a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in production, employment, real income, and other indicators."

About M.C. Alcamo & Co., Inc.

M.C. Alcamo & Co., Inc. is a New York-based investment banking firm specializing in mergers and acquisitions, workouts and restructuring, and private equity transactions. The firm serves diverse industries, including television broadcasting and consumer and business media, and currently is advising numerous owners of broadcast groups, business newsletters, consumer publishing assets in sale transactions and strategic market positioning. Please see: www.mcalcamo.com.

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Press Release Date: October 28, 2009

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	recessionary period (1)		**months of contraction**	**total GDP contraction (%)**	**maximum unemployment rate (%)**
1	Nov. 1948	Oct. 1949	8	1.70	7.90
2	July 1953	May 1954	10	2.70	6.10
3	Aug. 1957	April 1958	8	3.70	7.50
4	April 1960	Feb. 1961	10	1.60	7.10
5	Dec. 1969	Nov. 1970	11	0.60	6.10
6	Nov. 1973	March 1975	16	3.00	9.00
7	Jan. 1980	July 1980	6	2.20	7.80
8	July 1981	Nov. 1982	16	2.90	9.70
9	July 1990	March 1991	9	1.50	6.80
10	March 2001	Nov. 2001	9		6.50
11	Dec. 2007	June 2009	19	TBD	TBD

(1) Source: National Bureau of Economic Research

<u>statistical analysis</u>

average length of recessionary period, months	10.3	months
average GDP contraction	2.21	%
average maximum unemployment	7.79	%
standard deviation of recessionary period	3.30	months
two sigma	6.60	months
95% confidence interval	16.91	months
beginning of recession	December 1, 2007	
95% probability of endpoint	June 1, 2009	