MC Alcamo & Co

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M.C. Alcamo & Co., Inc. Forecasts Winners in 2010 Elections

Supreme Court's Ruling Adds Octane to a Well-Fueled Political Season
Certain Broadcasters to be "Very Significant Winners"

New York, N.Y., January 26, 2010 – Media investment bank M.C. Alcamo & Co., Inc. today released a forecast indicating the broadcasters likely to see substantial political revenue in the 2010 election season. The firm reviewed House, Senate and gubernatorial elections headed for close contests, and mapped these against the broadcast DMA landscape.

"While all broadcasters will benefit in the 2010 political cycle, certain groups in key markets will do exceptionally well," said Michael Alcamo, the firm's President. The 2010 season is expected to be one of the busiest off-year elections in U.S. history; the Television Bureau of Advertising estimates political spending will approach $3 billion. Alcamo said, "After *Citizens United*, this will be a highly-caffeinated political season."

In recent investor calls, broadcasters say they are "cautiously optimistic" about the impact of the Supreme Court's January 20 *Citizens United* decision, striking down key limitations on political spending. The Court held that corporations and unions can spend as freely as they like to support or oppose candidates for President and Congress.

Alcamo said, "After assessing the hotly-contested elections across the country, we estimate that sixteen broadcasters will be very significant winners this fall. In particular, ten will see close, well-funded campaigns in 50% at more of their stations."

Likely "Significant Winners" in the 2010 Campaign Cycle
% of Stations Located in Markets with Contested, "Toss-Up" races

broadcast group	stations affected	%	broadcast group	stations affected	%
ABC Television Network	6 of 10	60%	Journal Broadcast Group	7 of 14	50%
Belo Corporation	5 of 20	25%	Local TV LLC	6 of 16	38%
CBS Television Stations	18 of 29	62%	McGraw-Hill Companies	3 of 4	75%
Cox Television	4 of 15	27%	Meredith Corporation	7 of 11	64%
E.W. Scripps Co.	5 of 10	50%	NBC Universal	6 of 10	60%
Fox Television Stations	15 of 29	52%	Post-Newsweek Stations	3 of 6	50%
Gannett Company, Inc.	14 of 24	58%	Sinclair Broadcast Group	11 of 58	19%
Hearst Television, Inc.	10 of 32	31%	Tribune Broadcasting	10 of 24	42%

"In 2010, political advertising will yield a significant bump in revenue and profitability in key markets," said Alcamo. "Now that operating costs have been tightly controlled through the aggressive cost reductions achieved in 2009, incremental high-margin revenue will bring an important boost to the industry, allowing broadcasters to pay down debt, increase dividends, or make acquisitions."

Alcamo said that the renewed profitability could also provide a boost to the M&A market. He said, "We see the last half of 2010 as an optimal time to achieve a station sale at high value. First, revenue and profitability will be up significantly. Secondly, valuation multiples are rising and likely to peak over the summer. Thirdly, taxes are likely to increase for asset sales made after December 31, 2010. And, finally, nineteen well-capitalized strategic buyers are seeking to expand through acquisition. Six of these are backed by ambitious private-equity funds."

In the study, "Substantial Winners" were well-capitalized station groups, more than 25% of whose stations are in markets where Congressional, Senatorial, or gubernatorial elections are classified "toss-up" or a similar metric by *Congressional Quarterly*, *The Cook Political Report*, or *The Wall Street Journal*. Sinclair Broadcast Group was included because of its high number of affected stations. The study is meant to provide a rough estimate of the markets where candidates and parties will focus expenditures on political advertising. M.C. Alcamo & Co., Inc.'s study was led by Research Directors Sara Tam and Chirag Hirawat, undergraduate students at, respectively, the Leonard M. Stern School of Business and the College of Arts and Sciences, at New York University.

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 business and consumer media, and advises owners of broadcast assets and business and consumer media assets in strategic sale transactions.

In January 2009, the firm's research group forecasted the end of the recession for June 2009. In October, the firm evaluated the 2002 recovery and noted a "Recovery Multiplier" effect for broadcast media growth amounting to 2x GDP growth, and thus forecast growth in broadcast media of 6.0% for 2010. In January 2010, the firm published a December 31, 2009 study of valuation multiples in broadcast media, indicating the average revenue-weighted multiple to be 10.3 x EBITDA. Please see www.mcalcamo.com.

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