

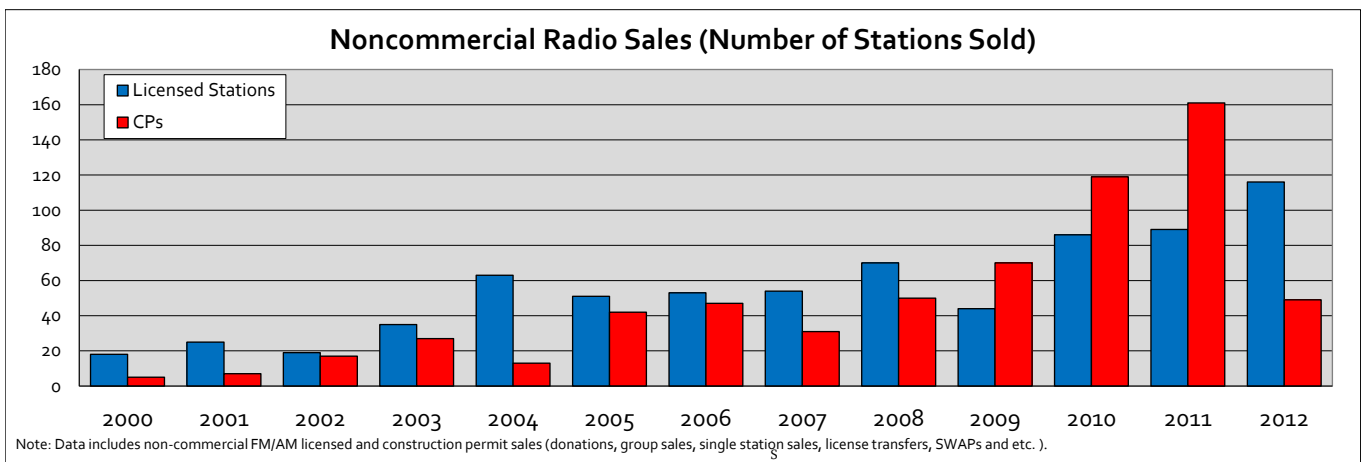


Trends in Noncommercial Radio Sales: 2012

In 2012 there were 116 licensed¹ noncommercial station sales, the highest amount ever in the noncommercial market. It should be noted that the sales data includes noncommercial AMs, and noncommercial reserved band and non-reserved band² FMs.

A review of the data indicates that a majority of the sales occurred in relatively smaller markets, ranked 100th or higher³, representing 78% of all. Texas and Florida had the highest sales activity, with 11 sales for each state, followed by Illinois, with a total of eight sales.

After a significant increase in 2010 and 2011, the number of construction permit “CP” sales was down to 49 in 2012. The hike in CP sales was triggered by expiring permits that had been issued during the FCC’s Noncommercial Filing Window in 2007, prompting several organizations who couldn’t afford to build the CP’s to sell. The 2012 sales data indicates that the CP activity slowed down as more permits changed hands. The following chart shows the number of noncommercial stations sold between 2000 and 2012 broken out by licensed stations (blue) and CP’s (red).



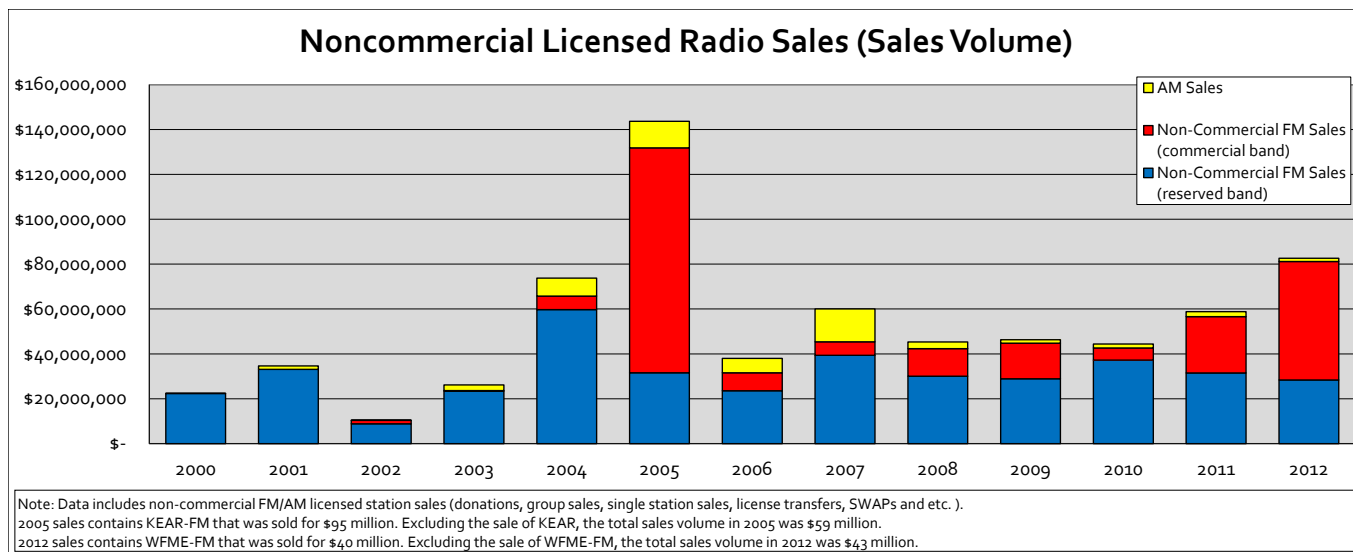
Despite the upward trend in the number of licensed noncommercial station sales, total sales volume (\$), excluding commercial band FMs, has been down for the past three years, indicating that the average sales price per deal for these assets has decreased over this period. In 2012 the 85 noncommercial reserved band licensed FM stations were sold for a total of \$28 million, down from \$32 million in 2011. Additionally nine noncommercial

¹ Not including construction permits

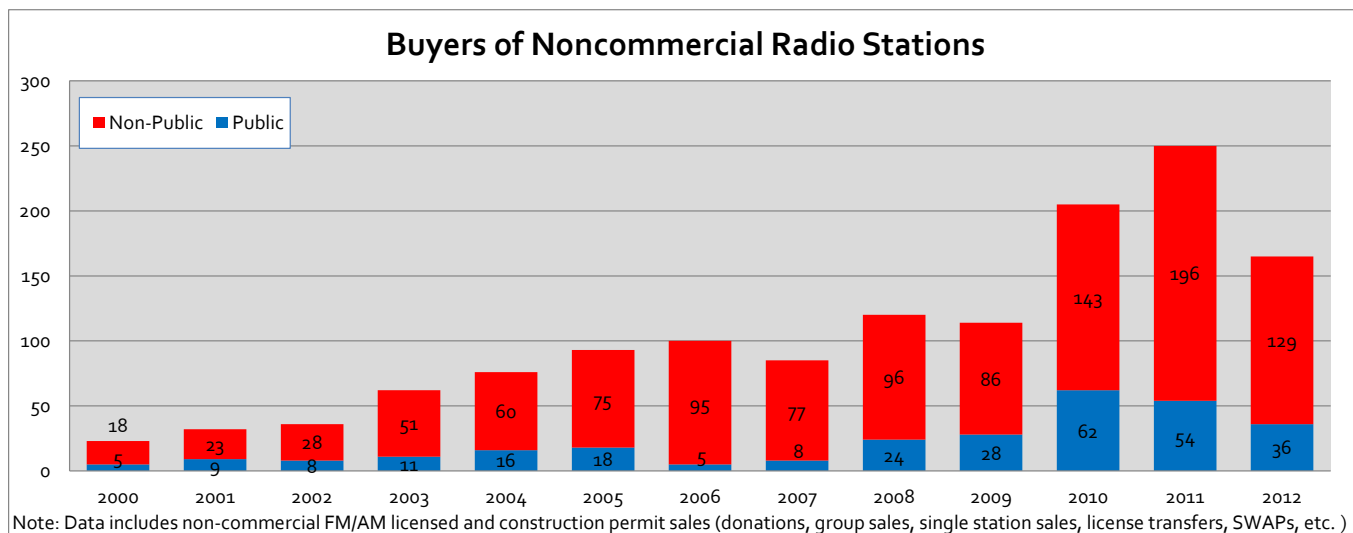
² On the FM dial, frequencies between 88.1 and 91.9 are reserved for noncommercial use only. There is no restriction on the dial position above 91.9. Non-profit entities can own and operate non-reserved band FM frequencies.

³ Market rankings are provided by Kagan and based on population coverage. The higher the market rank is the smaller the population size.

AM stations were sold for a total of \$1.4 million. The following chart shows the total sales volume (\$) broken out by station type.

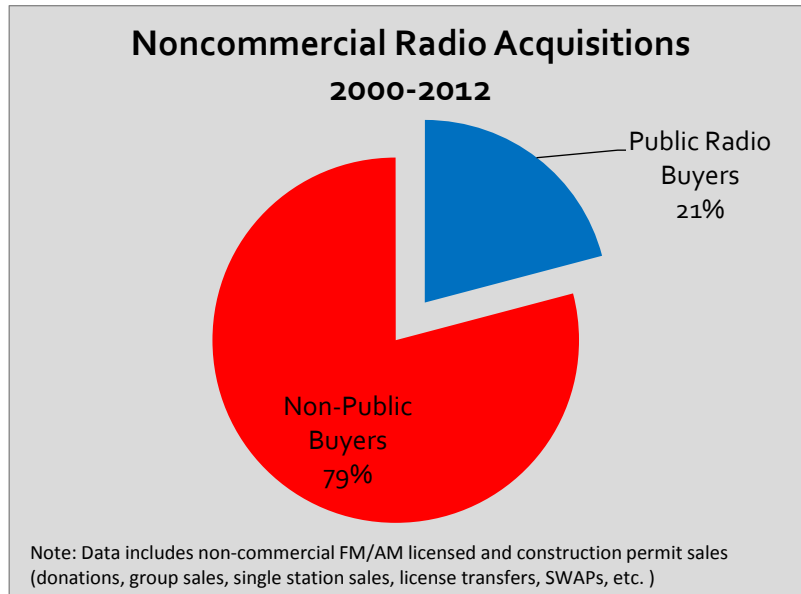


In line with the historical trends, the majority of noncommercial radio stations, including CPs, were acquired by “non-public” radio entities, representing 78% of all sales in 2012. The term “non-public” refers to entities that provide noncommercial religious or any commercial programming on their radio stations. The “non-public” group consists primarily of religious groups, with a small portion being commercial broadcasters buying from or selling to noncommercial broadcasters. The public radio entities refer to those that air noncommercial non-religious formats on their radio stations and are owned by nonprofit community groups, educational institutions, or states. The following chart shows the composition of noncommercial radio buyers between 2000 and 2012.

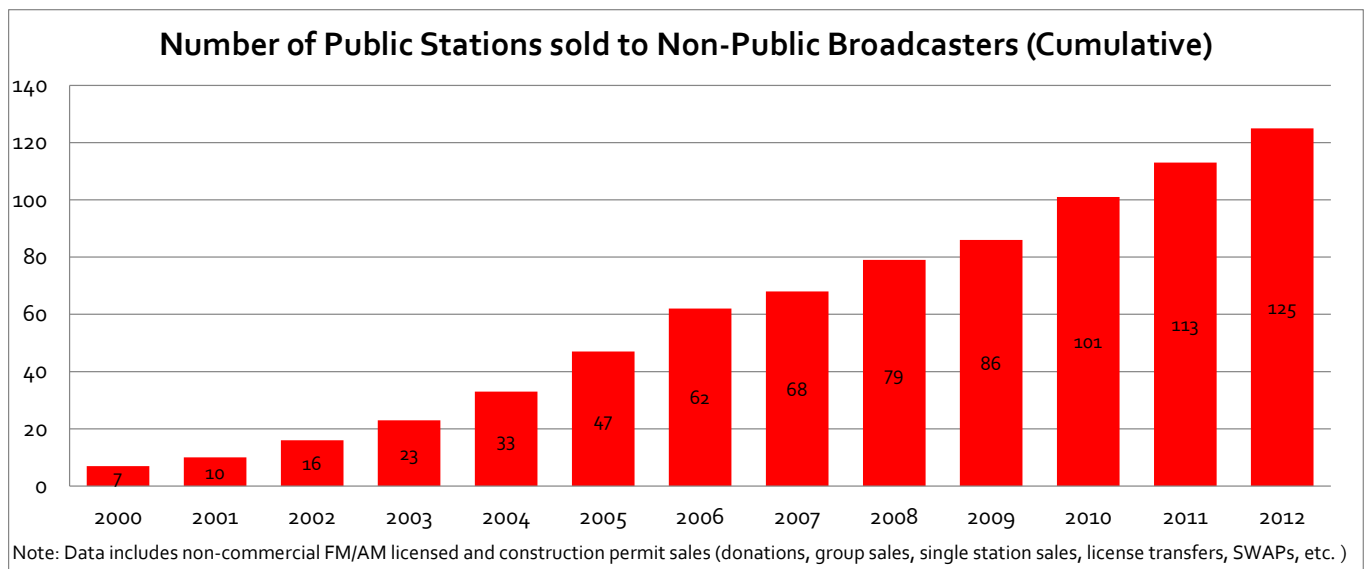


A deeper look into the noncommercial radio sales indicates that a majority of the transactions occurred between non-public sellers and buyers, representing 71% of all sales in 2012. Furthermore sales between public broadcasters made up 15% while sales between public and non-public organizations made up 14%. These figures

indicate that public and non-public broadcasters are more likely to sell to one of their own than sell to the other. The chart below includes the breakdown of sales between these two groups:

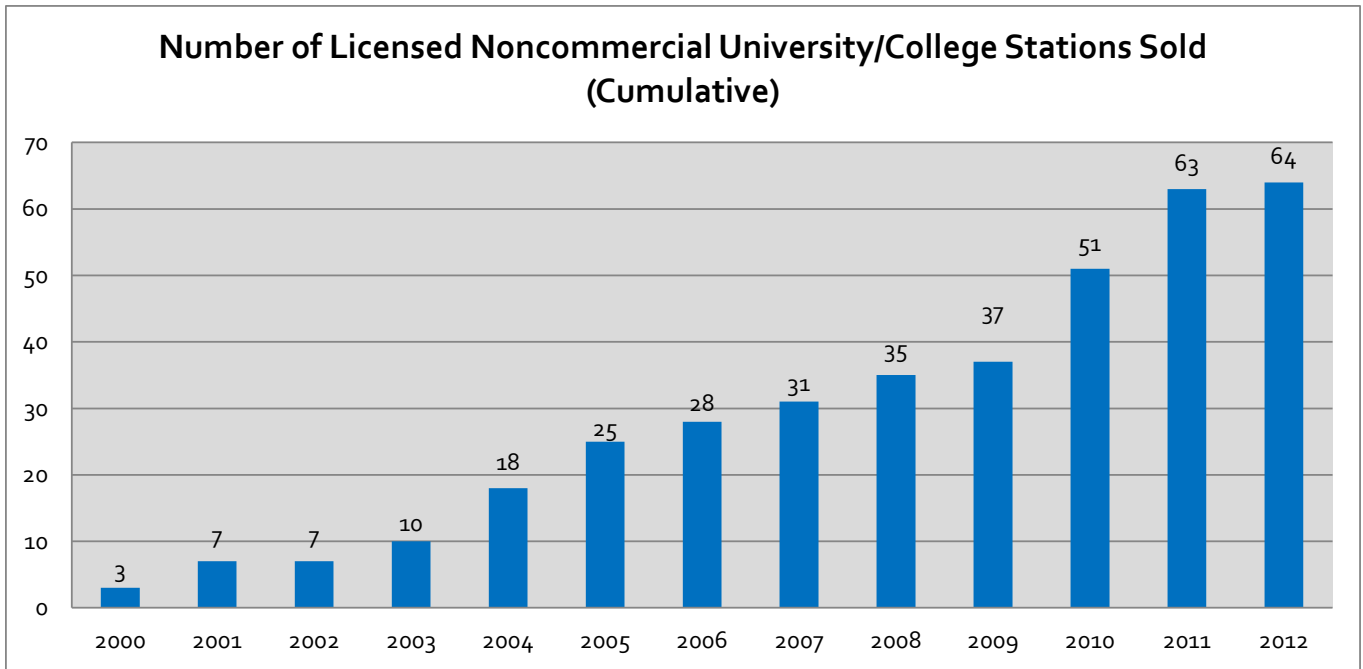


The following chart shows the cumulative number of public radio stations sold to non-public buyers. Since 2000, 125 public radio stations have been sold to non-public buyers.



In recent years there has been an increase in the number of institutional (University and College) station sales, particularly between 2010 and 2011. Many universities and colleges have experienced drastic cuts in Federal and State appropriations; and faced budget shortfalls. Approximately two-thirds of all public radio stations are licensed to institutions and several of these stations receive significant funding from their licensees in the form of direct/cash or indirect/in-kind support. Due to budgetary constraints, many institutions have resorted to the sale of their public radio and TV stations to help balance their budget. It is not just university and college stations that are seeing funding cuts and an increase in sales, state networks are also feeling the pressure. In 2011, the

New Jersey Public Broadcasting System decided to sell its radio stations and find a new operator for the TV stations. The below chart shows the number of institutionally-owned stations sold between 2000 and 2012:



Source of Data

BIA/Kelsey, Media Access Pro Financial Database 2013