## Radio Broadcasting

Radio Broadcasting: Core Revenue Performance & Guidance:

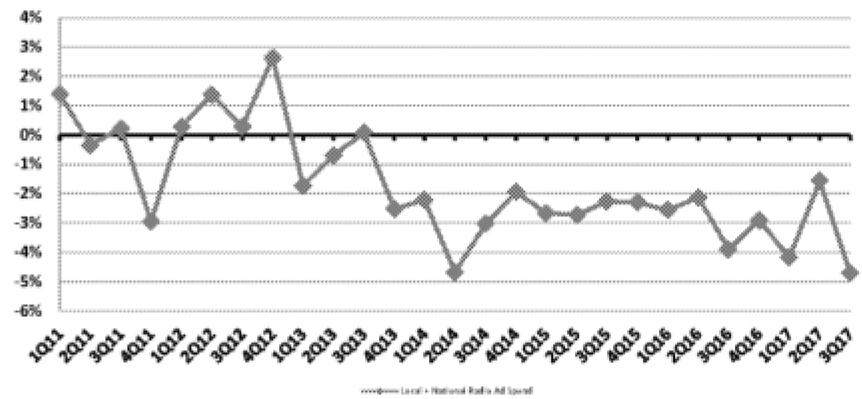
| Radio Broadcasting | 4Q15 | 1Q16 | 2Q16 | 3Q16 | 4Q16 | 1Q17 | 2Q17 | 3Q17 | 4Q17 Guidance | Notes |
|---|---|---|---|---|---|---|---|---|---|---|
| *Radio time spent listening (a)* | -2% | 1% | 2% | 2% | 1% | -1% | -2% | NA | NA | Daily time spent listening to **AM/FM radio** (18+) |
| *Radio Industry Ad Spending* | -2% | -3% | -2% | -4% | -3% | -4% | -2% | -5% | NA | Local+Nat'l spend; Metrics from MAGNA (OOPM) |
| Beasley Broadcast | -2% | 13% | 3% | 5% | 0% | -6% | -3% | 0% | pacing down HSD ($4mm political headwind) | Pro forma revenues |
| CBS Radio | -5% (f) | -2% | -1% | 0% | 2% | -3% | -2% | -5% | NA | Reported radio revenues |
| Cumulus Media | -6% | -1% | -4% | -1% | -3% | -2% | 1% | 0% | pacing down LSD (flat ex-political) | Reported pro forma net revs |
| Entercom | 2% | 6% | 5% | 3% | 3% | -1% | 1% | -2% | SS pacing +2% (ex political) | Excludes acquisitions (where applicable) |
| Entravision | 6% | 3% | 0% | -8% | 4% | -7% | -12% | -12% | pacing down 13% (-6% ex political) | Reported radio revenues |
| iHeartMedia | 5% | 6% | 3% | 3% | 4% | 2% | 2% | 0% | IHM +0.2% (ex political) | IHM revs (ex acqs where applicable) |
| Urban One (Radio One) | -9% | 0% | 0% | -6% | 1% | -7% | -5% | -1% | 4Q pacing up ~1% (ex political) | Radio broadcasting division revs (ex Reach) |
| Townsquare (e) | 0% | 4% | 3% | 4% | 5% | 1% | 4% | 2% | Local Marketing Solutions revs up >5% (ex political) | PF local market revs (broadcast+digital) |

*(a) Time spent listening to AM/FM radio and viewing TV are sourced from Nielsen.*
*(e) Townsquare core radio growth through 3Q14, and thereafter "Local Ads" which includes local broadcast, digital, and mobile advertising.*
*Source: Deutsche Bank estimates, Company reports & conference calls, RAB*

The radio industry seems to have settled into a new normal - that of overall LSD declines. FY14 was down ~3%, FY15 down ~2.5% Y-o-Y, FY16 down ~3%, and FY17 tracking to down ~2.4%. Station digital ad sales are growing ~10%, but still represent just ~10% of revenues. Excess supply and a lack of pricing discipline have hurt the industry. In addition, terrestrial radio continues to battle competition for both ad dollars and listeners on multiple fronts: satellite radio, streaming radio (i.e., Pandora), and music subscription services (e.g. Spotify, Apple Music), to name a few. Connected cars may amplify these competitive pressures.

All that said, unlike other under-pressure traditional media outlets (i.e. newspapers), the radio industry recovered from the depths of the recession to post mid-single growth in 2010, followed up by more stable - albeit down slightly - performance since.

Radio Industry: Ad Revenue Trend (Y-o-Y % Change)




*Source: MAGNA*

The big players in the industry, iHeart and Cumulus, remain saddled with excessive debt loads that have hampered re-investment in the business. That said, recent developments (discussions with creditors) bring hope that debt loads may be reduced in 2018 (via restructuring), freeing management teams to operate and invest as they see fit. Further, the recent combination of Entercom and CBS Radio creates a new scaled national competitor that should be able to produce more attractive product at better margins and, the industry hopes, provide another vocal advocate to attract ad dollars to the space.