

"GET" diversified: Gaylord Entertainment Co.'s TV/radio/entertainment empire

1990 financial results (in millions)

	Revenue	Operating Cash Flow *
Entertainment	\$235.6	\$48
Broadcasting	\$160.1	\$17
Cable networks	\$116.9	\$30.5
Cable TV systems	\$67.6	\$23.8
Total	\$580.2	\$119.3

* Defined as operating income before depreciation and amortization.

Entertainment—Opryland Hotel; General Jackson paddlewheel showboat; Opryland Park; The Grand Ole Opry and concert hall, Opryland music publishing; Gaylord Syndicom television syndication

Broadcasting—KTVT(TV) (ch. 11) Dallas-Fort Worth; KHTV(TV) (ch. 39) Houston; KSTW(TV) Tacoma (Seattle) (ch. 11), Washington; WVTV(TV) (ch. 18) Milwaukee; WSM-AM-FM Nashville; WKY(AM) Oklahoma City.

Cable Networks—TNN (The Nashville Network) reaching 54 million cable subscribers; 67% interest in Country Music Television, reaching 14 million cable subscribers.

Cable TV Systems—26 franchises covering 170,600 subs: 105,000 in Los Angeles County and 48,400 in Riverside County, Calif., both by 54-channel systems; 13,900 in Lenoir, N.C., and 3,500 in Greer S.C.



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Most of Gaylord Entertainment's current debt was incurred in the October 1989 purchase of 97.1% of Cencom Cable TV for \$417.5 million. In the first half of this year, the cable systems have raised rates approximately \$3 per sub while increasing total subscribers 7.1%. The company's other Nashville, Tenn.-based entertainment operations have historically contributed more than a third of total cash flow.

The class A shares, whose proposed New York stock exchange symbol is "GET," would comprise 22% of Gaylord Entertainment's equity. The remaining 78% will be retained, as non-trading class B shares, by existing owners who, with five vote-per-class-B shares will control 95% of the voting power. A majority, 57%, of the votes are held by a Gaylord family-controlled trust that stays in effect at least until the year 2000. The trust can thus on its own, "...control virtually all matters requiring stockholder approval including the election of directors and will be able to effect an amendment to certificate [of incorporation] (except for certain provisions requiring a two-thirds majority vote), or merger, sale of all or substantially all of the company's assets, "going private" transaction or any other fundamental corporate transaction without the approval of the company's public stockholders," said the SEC filing. —GF

ABRY EXPANDS GROUP

ABRY Communications (five TV's), has reached an agreement with Norman Lear to acquire the television producer's 35% ownership and 80% voting control of Act III Broadcasting for between \$30 million and \$40 million in cash and seller paper. A letter of intent between Lear and ABRY has been signed, and filings are expected at the FCC within two to three weeks. By gaining controlling interest of the eight Fox affiliates, ABRY—which already owns two Fox affiliates—will be the largest owner of Fox affiliates. Fox is said to have given its approval to the deal.

Whether ABRY will immediately offer to buy out the remaining Act III shareholders remains to be seen. Other shareholders—including second-largest shareholder Prudential Insurance—are said to have waived rights to have their interests purchased at the same price as Lear's holdings. Down the road, however, ABRY is expected to acquire the remaining 65% of Act III Broadcasting.

Because Fox does not want any station group to own more than eight affiliates, ABRY will have to spin off two of its affiliates; Fox has given the Boston-based group owner two years to accomplish this. ABRY is not expected to sell either WTTO-TV Birmingham, Ala., or WCGV-TV Milwaukee. Stations that may be spun off could include Act III's WRGT-TV Dayton, Ohio, property because of a possible overlap with ABRY's Cincinnati station, and WTAT(TV) Charleston, S.C., the smallest station of the group.

Still to be determined is whether the Act III stations will come under the ABRY name. Executives at ABRY and Act III will be meeting over the next two weeks to iron out details of the purchase agreement including, most likely, management of the properties.

Act III owns WUTV(TV) Buffalo and WUHF-TV Rochester, both New York; WNRW-TV Winston-Salem, N.C.; WTAT(TV) Charleston, S.C.; WVAH-TV Charleston, W. Va.; WZTV(TV) Nashville; WRGT-TV Dayton, Ohio and WRLH-TV Richmond, Va. Act III currently operates the two New York properties with a waiver from the FCC's duopoly rules. ABRY is also expected to request a waiver of the duopoly rules.

ABRY also owns WNUV-TV Baltimore; WSTR-TV Cincinnati and KSMO(TV) Kansas City, Mo. —JF