

Why Clear Channel's Accountant Is Smiling

On the same day **Clear Channel Communications** announced a record quarter, claiming a 45% increase in cash flow, the company also announced a two-for-one stock split, followed later in the day with the announcement of a \$600 million revolving credit facility.

The credit facility comes from a 21-member bank group with **NationsBank of Texas** as agent. The facility will be used to purchase radio and TV stations, said the company.

Clear Channel currently owns 44 radio stations and nine TV stations in 26 markets.

The company reported third-quarter earnings of \$8.1 million (46 cents a share) on revenue of \$68.1 million, compared to \$5.4 million (31 cents) on revenue of \$47.5 million for the same period the previous year.

The company also claimed a 45% increase in after-tax cash flow, to \$17.5 million (97 cents) from \$11.6 million (67 cents) for the same quarter the previous year.

The gain came largely from local marketing agreements with three TV stations. The company also acquired an agricultural radio network covering Texas.

All stockholders of record November 15 will participate in the stock split, receiving two shares to be issued on November 30.

Debt Offering The EZ Way

EZ Communications filed with the SEC to offer \$150 million of senior subordinated notes due in 2005.

Sale of the notes will refinance all bank debt and partially finance the acquisition of **KFKF-FM/Kansas City**. The balance will go to general corporate purposes.

Underwriting the notes are **CS First Boston Corp., Alex. Brown & Sons, Chase Securities, and Goldman Sachs & Co.**

EZ Communications, after the completion of pending deals, will own 21 radio stations in eight markets, with FM duopolies in all eight markets.

A prospectus of the offering is available through CS First Boston.

TRANSACTIONS

No Fish Story: Dodge's ARS Lands A \$70 Million Marlin

Compass pointed in Par's direction for \$68 million

Deal Of The Week

Marlin Broadcasting stations

PRICE: \$70 million

TERMS: Stock purchase for cash

BUYER: **American Radio Systems Inc.**, headed by Chairman/CEO **Steven Dodge**. It owns 24 other stations and has options to purchase an additional three.

SELLER: **Marlin Broadcasting Inc.**, headed by President/CEO **Howard "Woody" Tanger**

BROKER: **Blackburn & Co.**

COMMENT: The companies have entered into a letter of intent to merge. Tanger would have the right to repurchase, with the merger, Marlin's **WTMI-FM/Miami**.

WQRS-FM/Detroit

FREQUENCY: 105.1 MHz

POWER: 20kw at 784 feet

FORMAT: Classical

WFLN-FM/Philadelphia

FREQUENCY: 95.7 MHz

POWER: 50kw at 502 feet

FORMAT: Classical

WTMI-FM/Miami

FREQUENCY: 93.1 MHz

POWER: 100kw at 1006 feet

FORMAT: Classical

Group Deal

Compass Radio Group

PRICE: \$68 million

TERMS: Duopoly deal; asset sale for cash

BUYER: **Par Broadcasting Inc.**, headed by President **Stephen Jacobs**. It owns **KGMG-AM, KOGO-AM & KKLQ-FM/San Diego** and **KIOZ-FM/Oceanside (San Diego)**.

SELLER: **Compass Radio Group Inc.**, headed by President **Bob Hughes**

BROKER: **Peter Handy** of **Star Media Group** represented the seller. **Kalil & Co.** represented the buyer.

COMMENT: With this transaction, Par will transfer the license and assets of **KIOZ-FM** to **Compass**. Par will also donate **KGMG-AM** to **Palomar College** in San Marcos, CA to comply with current FCC ownership regulations.

KCBQ-AM & FM/San Diego

FREQUENCY: 1170 kHz; 105.3 MHz

POWER: 50kw day/5kw night; 29kw at 620 feet

FORMAT: Oldies; Classic Hits

KOOL-AM & FM/Phoenix

FREQUENCY: 960 kHz; 94.5 MHz

POWER: 5kw; 100kw at 1609 feet

FORMAT: Oldies

KFNS-AM/Wood River, IL (St. Louis)

FREQUENCY: 590 kHz

POWER: 1kw

FORMAT: Sports/Talk

KEZK-FM/St. Louis

FREQUENCY: 102.5 MHz

POWER: 100kw at 1026 feet

FORMAT: AC

California

KRCI-AM/Avalon

PRICE: \$600,000

TERMS: Asset sale for cash and a non-compete agreement

BUYER: **Amaturo Group of L.A. Ltd.**, headed by General Partner **Joseph Amaturo**

SELLER: **Catalina Radio Ltd.**, headed by General Partner **Lewis Sher**

FREQUENCY: 92.7 MHz

POWER: 3kw at 417 feet

FORMAT: Nostalgia

BROKER: **Andrew McClure** of the **Exline Company**

KRUZ-FM/Santa Barbara

PRICE: \$3 million

TERMS: Asset sale for cash

BUYER: **Pacific Coast Communications LLC.**, headed by Chairman **Howard Grafman** and President **Paulette Grafman**. Phone: (310) 395-5520

SELLER: **The Schuele Organization Inc.**, headed by President **Dorothy Schuele**. Phone: (805) 963-1831

FREQUENCY: 103.3 MHz

POWER: 105kw at 2980 feet

FORMAT: B/EZ

Colorado

KWXA-FM/Durango

PRICE: \$137,500 for 51%

TERMS: Duopoly deal; stock sale for cash

BUYER: **Kenneth Kendrick**, increasing his stock interest from 49% to 100%. He has an interest in three other stations, including **KRWN-FM/Farming-**

ton, NM. Phone: (505) 327-4449

TRANSACTIONS AT A GLANCE

- **Compass Radio Group** \$68 million
 - **KCBQ-AM & FM/San Diego**
 - **KOOL-AM & FM/Phoenix**
 - **KFNS-AM/Wood River, IL (St. Louis)**
 - **KEZK-FM/St. Louis**
- **KRCI-AM/Avalon, CA** \$600,000
- **KRUZ-FM/Santa Barbara, CA** \$3 million
- **KWXA-FM/Durango, CO** \$137,500 for 51%
- **WKIQ-AM/Eustis, FL** \$125,000
- **WLQY-AM/Hollywood, FL** \$656,250 for 54.2%
- **WFIV-AM/Kissimmee, FL** \$900,000
- **WNIV-AM/Atlanta** \$218,750 for 54.2%
- **WCAZ-AM/Carthage, IL** \$350,000
- **WHBU-AM/Anderson & WAXT-FM/Alexandria, IN** \$615,000
- **WBVR-FM/Bowling Green, KY** No cash consideration
- **WJKK-FM/Vicksburg, MS** \$1.62 million
- **WAZF-AM/Yazoo City, MS** \$20,000
- **KSLH-FM/St. Louis** \$1,625,000
- **WJTP-AM/Newland, NC** \$175,000
- **KUPL-AM/Portland, OR** \$2 million
- **WKOY-AM/Bluefield & WKMY-FM/Princeton, WV** \$280,000

SELLER: **KWXA Inc.**, headed by President **Caren Lacy**. She owns **KVYT-FM/Basalt, CO**. Phone: (719) 636-2470

FREQUENCY: 99.7 MHz

POWER: 16kw at 879 feet

FORMAT: This station is dark.

Florida

WKIQ-AM/Eustis

PRICE: \$125,000

TERMS: Asset sale for \$62,500 cash and a 10-year, \$62,500 promissory note at 8% interest

BUYER: **Christianson Broadcasting Inc.**, headed by President **Carl Christianson**

SELLER: **J&V Communications Inc.**, headed by President **Jesus Torrado**. He owns **WPRD-AM/Winter Park, FL** and **WTTR-AM/Sanford, FL**.

FREQUENCY: 1240 kHz

POWER: 1kw

FORMAT: News/Talk

BROKER: **Doyle Hadden of Hadden & Assoc.**

WLQY-AM/Hollywood

PRICE: \$656,250 for 54.2%

TERMS: Stock sale for cash

BUYER: **Starter Enterprises Inc.**, owned by **Bruce Maduri, M.T. Haymes, and Robert White**

SELLER: **L. Edgar Barnhill**, selling his 8.4% interest in **Genesis Communications I Inc.**, and **Robert Sterling III**, selling his 45.8% interest in **Genesis**. They are also selling their interests in **WNIV-AM/Atlanta** (see deal, right).

Phone: (202) 293-3860

FREQUENCY: 1320 kHz

POWER: 5kw

FORMAT: Ethnic

COMMENT: **Maduri** currently has a 45.8% interest in **Genesis**. After the

transfer, all of the **Genesis** stock will be evenly divided (one-third each) between **Maduri, Haymes, and White**.

WFIV-AM/Kissimmee

PRICE: \$900,000

TERMS: Duopoly deal; asset sale for \$150,000 cash and a 10-year, \$750,000 promissory note at 8% interest

BUYER: **Radio Selecta Inc.**, headed by President **Sabeta Persaud**. It owns three other stations, including **WXXU-AM/Cocoa, FL**.

SELLER: **Radio Florida Broadcasters**, headed by President **Edward Allmon**

FREQUENCY: 1080 kHz

POWER: 10kw daytimer

FORMAT: Ethnic

BROKER: **Doyle Hadden of Hadden & Assoc.**

Georgia

WNIV-AM/Atlanta

PRICE: \$218,750 for 54.2%

TERMS: Stock sale for cash

BUYER: **Starter Enterprises Inc.**, owned by **Bruce Maduri, M.T. Haymes, and Robert White**

SELLER: **L. Edgar Barnhill**, selling his 8.4% interest in **Genesis Communications I Inc.**, and **Robert Sterling III**, selling his 45.8% interest in **Genesis**. They are also selling their interests in **WLQY-AM/Hollywood, FL** (see deal, left). Phone: (202) 293-3860

FREQUENCY: 970 kHz

POWER: 5kw day/39 watts night

FORMAT: Religious

COMMENT: **Maduri** currently has a 45.8% interest in **Genesis**. After the

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