



ADVERTISERS INVEST IN RADIO'S ONLINE AND HD PLATFORMS

REVENUE INDICATIVE OF AD INDUSTRY ECONOMY

New York, New York – May 21, 2009 - Year-end 2008 served as an indicator of what would lie ahead for the entire advertising industry and economy in 2009. Financial difficulties for many of the leading advertisers caused seismic shifts in spending, impacting both advertiser and category rankings.

Revenue Comparisons - 2009 vs. 2008 (In Millions)		
Revenue	\$Q1 '09	% Chg
Local	\$ 2,354	-26%
National	\$ 473	-27%
Local & National Combined	\$ 2,827	-26%
Network	\$ 238	-13%
Digital	\$ 101	+13%
Off-Air	\$ 264	-12%
Grand Total	\$ 3,430	-24%

Source: Miller, Kaplan, Arase & Co.*

Off-Air was previously referred to as Non-Spot

Digital consists of all revenue derived from radio websites

“Radio’s digital platforms are experiencing the greatest growth and are reflective of the dollar shift from media to marketing by many of today’s advertisers,” stated Jeff Haley, RAB President and CEO. “As consumer and technological sophistication increases, advertisers will continue to support those platforms which appeal to their customers’ increased on-demand behaviors – and Radio is primed for it.”

Marketing challenges impacting some of the leading advertisers have altered what the Radio industry has always known as the top spending categories. These challenges have provided opportunities for advertisers that historically could not find themselves in a position to compete.

“In today’s economy, consumers are looking to make every dollar count,” remarked Haley. “It’s interesting to note that many advertisers who are tied-in to price and value are making use of Radio – an economic yet effective vehicle to transmit their messages out to the buying public. As the economy begins to turn up, we should have numerous advertisers who’ve confirmed their trust in Radio as we’ve helped their businesses survive – and even thrive – through these times.”

*Local, National, Digital and Off-Air revenues are based on a pool of more than 100 markets as reported by the accounting firm of Miller, Kaplan, Arase & Co. and extrapolated to the entire U.S. The methodology to derive the 2007 local, national, digital and Off-Air (non-spot) quarterly dollar amounts has been recalibrated and maintains previously reported quarterly total revenue while reflecting a shift in the dollars within the sectors. Digital Revenue is comprised from activity generated by the websites, internet/web

streaming and HD Radio including HD2 and HD3 stations. Network Revenue includes the top five Radio network companies. Non-Spot data has been collected and verified since January of 2002, and reported since September of 2004.

The RAB began reporting quarterly Radio revenue in dollar amounts with the 2007 results.

The Radio Advertising Bureau serves more than 6,000 member Radio stations in the U.S. and over 1,000 member networks, representative firms, broadcast vendors, and international organizations. RAB leads and participates in educational, research, sales, and advocacy programs that promote and advance Radio as a primary advertising medium.

Advertiser Category Analysis

A snapshot of Radio's major categories indicates that many advertisers, who are targeting frugal consumers to help them maneuver through this economy, have increased their focus on Radio:

Communications/Cellular/Public Utilities

This category is now the #1 ranked spender in the Local and National sectors. Low-cost and prepaid wireless services MetroPCS, USCellular, and Leap Wireless increased their Radio spending by 97%, 90%, and 25%, respectively in Q1 '09 over Q1 '08. Additionally, Boost Mobile committed nearly \$15M to Radio this year, up from last year's \$289K for the quarter. Meanwhile, the category's top spenders – AT&T (at \$130.8M) and Verizon Wireless (at \$101.8M) – also represent Radio's overall leading advertisers thus far this year.

Restaurants

Across the Local and National sectors, this is now Radio's second largest spending reporting category. McDonald's and Burger King remain as category leaders. McDonald's, who outspent Burger King nearly 3 to 1 (at \$75.4M), is Radio's 3rd largest advertiser overall. As consumers looked for ways to eat out on tighter budgets, a number of restaurants offering value drove home their messages on Radio:

Restaurants		
2009 vs. 2008 Local & National Growth Leaders		
Advertiser	Q1 '09 (in Millions)	% Chng
White Castle	\$ 4.9	310%
Panera Bread	\$ 4.3	278%
Jack in the Box	\$ 4.9	79%
Luby's Cafeteria	\$ 2.5	69%
Dunkin' Donuts	\$ 23.1	55%
Del Taco	\$ 4.9	49%
International House of Pancakes	\$ 3.9	48%
Papa John's Pizza	\$ 2.5	29%
Taco Bell	\$ 20.1	25%
Qdoba Mexican Grill	\$ 2.4	23%
Carl's Jr.	\$ 2.4	6%

Source: Miller, Kaplan, Arase & Co.,: X-Ray Markets

Radio also got impressive boosts from two national chains: Arby's Restaurant, adding \$4.7M to last year's \$322K; and from Steak N Shake, which added \$2.4M to last year's \$17K spend.

Television/Networks/Cable Providers

With more people staying at home for leisure activities, television Radio sector spending stands to gain traction in a downturn. Within the Local and National sectors, spending more in Q1 to tout their programming and services to consumers were Showtime (up nearly eight-fold), TNT (up nearly fivefold), TBS (up 122%), ESPN and Fox Spots Networks (each up 48%), BET (up 12%), E! (up 9%), and Hallmark Channel (up 6%).

Auto Dealers/Dealer Groups/Manufacturers/Rentals

Formerly Local and National Radio's #1 spending category, this industry continued its widespread struggles through Q1 and fell to #4 in Q1 category rankings. Several nameplates took advantage of distress at the top to promote their brands. These advertisers shone in the category in Q1 2009: Volvo Motor Corp. (+137% - and moving into the #5 category rank, up from #31 same time last year); Audi Motor Corp. (up over fivefold over Q1 '08); GMC Motor Corp. (+4%); and BMW Dealer Association (+1%). CarMax, the Nation's #2 auto dealer group, revved its Radio spending up 29%.

In deep contrast, Network Radio saw increases from many of the larger auto manufacturers. General Motors Corporate increased its spend two-fold in Q1 '09 – to nearly \$7.5M. Chrysler and Volkswagen, each absent within the sector in Q1 '08, chose to advertise by spending more than \$1M individually. Carfax.com increased its spending 87% (to \$1.4) and Safelite Auto Glass introduced itself in 2009 with a near three quarters of a million dollar investment in Network Radio.

Grocery/Convenience/Liquor Stores

Taking advantage of America's trend to dining in more – whether cooking or bringing in prepared foods -- the food marketing industry is loading up on Radio in a big way. Within the Local and National sectors, regional supermarkets increased their Radio budgets in Q1 as seen by HEB Food Stores (up 217%) and Publix (up 88%). SUPERVALU and *ampm* mini markets, both small spenders in Q1 '08, were up \$11.9M and \$2.1M, respectively this year. Also upping spending considerably was C-store giant 7-Eleven (up 26%) to \$1.8 million.

Insurance

Consumers look to save on essentials like insurance when pinching pennies, so a number of advertisers in this category made sure they had a greater presence on Local and National Radio in the first quarter of this year. Esurance placed nearly \$2.0M on Radio versus just \$147K in 2008, and American Family Insurance spent over four times its '08 commitment. Partners Health Care was up 34%, and AAA (Auto Association of America) added 28% to its Radio expenditures. State Farm, Farmers' Insurance, and Safe Auto Insurance were all relatively consistent with last year's spend. Category topper GEICO dominated spending at \$58.6M and ranks as Radio's 4th largest overall spender.

Financial Services

As economic hurdles continued for many financial institutions, some infused the Radio airwaves with messages to boost consumer confidence. Citibank and JP Morgan Chase, the top two spending category leaders within the Local and National sectors, each increased their Q1 '09 investments versus same time period last year - Citibank by \$18.3M and JP Morgan by \$14.3M. Some smaller financial institutions also increased their spend: Fifth Third Bank by 10% (to \$6.4M) and Provident Bank by 86% (to \$5.3M).

Professional Services

In the Local and National sectors, various advertisers contributed to this category's bottom-line. Mass-appeal salon services Fantastic Sam's upped its Radio spending by 17%, while Great Clips held at last year's level. And, for those not able to get away to the sun this winter, there was Palm Beach Tan, increasing its Radio exposure by 3%.

Public Storage Rental Space – not present in Radio in Q1 last year – bought \$4.7M in Radio advertising this year to spread the word about their services to people who are downsizing or facing foreclosure. Jackson-Hewitt Tax Service used 70% more Radio in the Local and National sectors while H&R Block pumped up Network Radio by 54% (to \$4.1M) - appealing to consumers looking for help and early refunds.

Casinos

As consumers remain thrifty and plan stay-cations, many regional casinos have upped their Local and National Radio spending. Morongo Casino Resort & Spa increased year over year 54% (to \$5.8M) and Ameristar Casino Hotel increased by 61% (to nearly \$3.2). Largest percentage increase within this category was made by Empire City Casino - nearly seven-fold.

Retail – Including Home Improvement, Department Stores, Discount Stores & Shopping Centers

On this retail front, Target nearly quadrupled its spending to \$15.3M (up 376%), moving it to the #2 rank in the category – and 94% ahead of Wal-Mart in Radio spending within the Local and National sectors. JC Penney jumped to #3 (from #5 in Q1 '08) based on a 28% increase (to \$8.3M). Goodwill Industries increased its Radio presence with a 7% bump, and Burlington Coat Factory remained even with last year (down just 2%).

In the Network sector, Home Depot remains the largest spending advertiser at \$8M (up 15%) versus Q1 '08. Increases of well over 50% were seen by Walgreens Store (to \$4M) and Advance Auto Parts Stores (to \$2.3M). Greatest percentage increase was seen by Macy's Department Store – nearly ten-fold to nearly three-quarters of a million dollars.

Specialty Retail

Among specialty stores, Joseph A Bank placed 60% more dollars on Local and National Radio to tout its reasonably priced apparel offerings, while Plato's Closet's spend was up 39% over Q1 '08. Taking care of feet, Off-Broadway Shoe Warehouse tapped into Radio in a big way this quarter, spending \$3.8M compared to \$212K in '08. For that bit of ambiance at home (and helped by Valentine's Day in the quarter), proflowers.com grew its presence by 18%, and Aroma Senses made its Radio debut with a \$2.3M commitment.

Political

Although the first 100 days of the Obama administration has come and gone, Q1 '09 was not without an influx of political dollars. Mayoral and gubernatorial races supported the quarter with nearly half a million dollars while various issue ads accounted for \$1.3M in the Miller, Kaplan markets.

Various organizations were responsible for the additional funds in the Network Radio sector. The Internal Revenue Service, although not the largest spender, displayed the greatest percentage increase for the quarter – more than two-fold versus same time period last year.

Political		
First Quarter 2009 vs. 2008 Network Radio		
Advertiser	Q1'09 (in Thousands)	% Chng
Heritage Foundation	\$ 789.0	131%
Internal Revenue Service	\$ 633.0	265%
Office of National Drug Control	\$ 461.0	31%

Source: TNS Media Intelligence

Local and National Advertiser Category analysis is based on data from Miller, Kaplan, Arase & Co. X-Ray Market Reports. X-Ray Market Reports are compiled from advertiser expenditure data direct from station billing in 35 markets, extrapolated to the entire U.S. Extrapolated dollar amounts may not be fully indicative of industry results as a whole. X-Ray Markets represent approximately 80% of the dollars from the pool of 100 markets.

Network Radio Advertiser Category spending analysis is based on data from TNS Media Intelligence.