



US Hispanic Media and Communications Monthly *Apr 2006, Issue 5*

Mission Capital Group is an investment bank specialized in the US Hispanic media and communications sectors.

Advisory services include capital raising, mergers and acquisitions, and financial restructurings.

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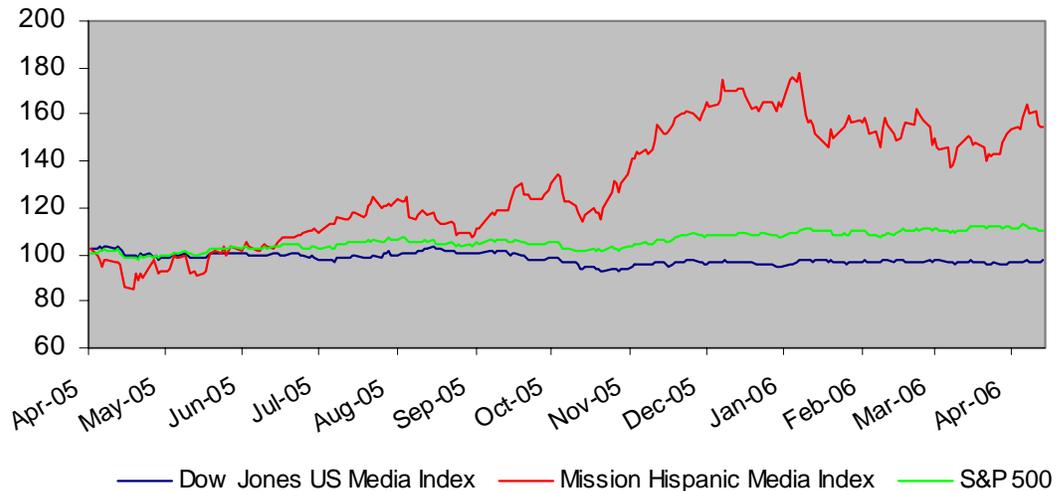
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Monthly Features

Hispanic Advertising Industry

General Ad Market Overview

Ever since Philadelphia entrepreneur Volney B. Palmer opened the first U.S. ad agency in 1843, the advertising business has blossomed into a multi-billion dollar industry. Today, the American Association of Advertising Agencies (AAAA) estimates there are over 13,000 ad agencies in the U.S., generating revenues of over \$280bn.

Total U.S. Advertising Market, 2004-07e (US\$bn)

	2004	2005	2006e	2007e
Direct Mail	\$52.2	\$56.1	\$59.5	\$63.0
Newspapers	\$46.7	\$47.2	\$46.4	\$45.9
Broadcast TV	\$46.3	\$45.3	\$47.8	\$48.7
Cable TV	\$21.5	\$24.5	\$26.2	\$28.3
Radio	\$20.0	\$20.1	\$20.2	\$20.5
Magazines	\$12.2	\$12.6	\$13.0	\$13.4
Other	\$70	\$74	\$79	\$84
Total	\$268.6	\$280.1	\$292.2	\$304.2
Growth, YoY	8.0%	4.3%	4.3%	4.1%

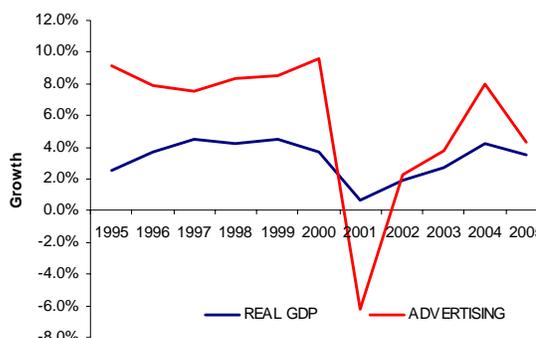
Source: Ad Age, RAB, NAA, IAB, OAAA

Following a strong performance in 2004, the U.S. advertising market grew at a more moderate pace in 2005. While 2004 was boosted by a number of factors – political elections, the Olympics, and strong internet ad sales – 2005 went down as a modest year for advertising, particularly in light of the strong economic backdrop.

Industry observers attributed this to a more cautious, results-oriented approach to ad spending among companies. Meanwhile, the rapidly changing, increasingly web-based media buying landscape also made a negative impact.

In general, U.S. ad spending keeps pace with economic activity (see following graph). This correlation has held up fairly consistently on a historical basis, with ad spending increases or decreases occurring at a multiple of real GDP.

U.S. Ad Spending vs. GDP, 1995-2005



Source: Mission Research

But some industry observers have been questioning whether the recent narrowing of the historical multiple between ad spending and GDP growth is due to temporary factors or to longer-term trends: (1) structural shifts in companies' attitudes to ad spending; and (2) revised marketing strategies to address the rapid changes currently affecting the media landscape.

The 'New Media' Era

Due to new technology – such as the internet, digital video recorders, iPods, and satellite radio – ad agencies have been forced to look past traditional media outlets such as TV, newspapers and radio when creating campaigns for their clients.

Because of changes in media consumption and consumer buying behaviors, agencies can no longer rely simply on the traditional 30-second TV spot when designing an ad campaign. Today, agencies must offer much broader solutions for clients if they want to remain competitive.

Overall Ad Outlook Tepid

The advertising market is expected to tick up modestly over the next two years, rising an estimated 4.3% in 2006 (to \$292bn), and a further 4.1% in 2007. A continued emphasis on ROI by marketers is likely to keep growth rates moderate.

One enduring question is whether the Internet has increased the overall advertising market, or if companies have simply allocated a portion of previous ad budgets to the web and away from more

traditional platforms. It's also possible that by boosting spending on more cost-effective platforms, such as the internet and cable TV, companies have taken the opportunity to reduce their overall ad budgets.

Hispanic Advertising Growing Strongly

In marked contrast, the U.S. Hispanic advertising market continues to grow at a brisk pace. Companies are devoting an ever-larger share of their budgets to Hispanics, due to the surging population growth and purchasing power of this demographic.

Latinos are now the largest minority in the U.S., and growing at 3 times the rate of the general population. Currently amounting to 41 million people (or 14% of the country's population), U.S. Hispanics are expected to total 60 million by 2020.

Meanwhile, their discretionary income should continue to grow rapidly. From \$200 billion in 1980, Hispanic purchasing power reached \$800 billion last year, and is expected to hit \$1.6 trillion by 2010.

U.S. Hispanic Advertising Market, 2005-08e (US\$m)

	2005	2006e	2007e	2008e
Network/National TV	\$1,593	\$1,784	\$1,998	\$2,238
Local TV	\$639	\$703	\$773	\$851
National Radio	\$201	\$221	\$243	\$268
Local Radio	\$492	\$541	\$595	\$655
National Newspapers	\$113	\$118	\$122	\$127
Local Newspapers	\$171	\$178	\$185	\$192
Internet	\$100	\$130	\$169	\$220
Magazines	\$93	\$97	\$101	\$105
Out-of-home	\$80	\$85	\$90	\$95
Total	\$3,482	\$3,856	\$4,277	\$4,750
Growth, YoY	10.0%	10.7%	10.9%	11.1%

Source: Kagan, Mission Research

In response to this growing opportunity, Hispanic advertising jumped an estimated 10% to \$3.5bn last year. Kagan forecasts that between 2006 and 2008, this annual rate of growth will accelerate to 11%.

Competitive Landscape

There are an estimated 110 Hispanic ad agencies in the U.S., according to the Association of Hispanic Advertising Agencies (AHAA). This includes a number of different types of agencies, including

traditional independent firms; holding-company-owned agencies; and smaller, cutting-edge creative boutiques.

Bucking the general market trend, specialization is rare among Hispanic agencies. The majority are full-service, offering a range of functions from strategic planning to creative, media planning and buying, promotions, public relations, and direct marketing.

According to a recent survey by Ad Age magazine, Bromley Communications stands as the largest Hispanic ad agency in terms of revenue, at \$40m (see table below). Growth was also fairly robust at most agencies compared to the previous year, with only a few exceptions.

Top 25 Hispanic Ad Agencies, by Revenue (US\$m)

Ranking		2004 Rev	% inc.
1	Bromley Communications	\$39,500	20%
2	Bravo Group	\$37,500	18%
3	GlobalHue	\$32,130	48%
4	Dieste,Harmel & Partners	\$31,000	35%
5	Accentmarketing	\$18,200	40%
6	Zubi Advertising Services	\$17,000	4%
7	Lopez Negrete Communications	\$16,500	36%
8	Lapiz	\$16,300	31%
9	La Agencia de Orci & Asociados	\$14,047	-1%
10	Vidal Partnership	\$13,000	46%
11	Del Rivero Messianu DDB	\$12,600	12%
12	Casanova Pendrill Publicidad	\$11,200	5%
13	Conill	\$11,000	45%
14	WING Latino	\$9,600	6%
15	Reynardus & Moya Advertising	\$7,572	63%
16	Cartel Group	\$7,137	14%
17	Headquarters Advertising	\$6,900	47%
18	Machado Garcia-Serra Publicidad	\$6,476	21%
19	Castells & Asociados Advertising	\$6,421	-1%
20	San Jose Group	\$6,415	5%
21	Siboney USA	\$6,300	2%
22	Arvizu Advertising & Promotions	\$6,255	17%
23	Hispanic Group Corp.	\$5,782	172%
24	LatinWorks Marketing	\$5,498	-15%
25	Acento	\$5,059	4%

Source: Advertising Age

Existing Clients Are Fueling Growth

According to observations from the recent AHAA conference, Hispanic ad growth appears to be driven more by the increasing budgets of existing clients, rather than by the entry of major new clients. As companies that have Hispanic advertising budgets

see positive financial results, their budgets rise accordingly.

According to industry participants, companies allocate anywhere from 2% to 5% of their ad budgets to Hispanics. But this number is edging upward. A recent study by AHAA indicated that corporate spending on Hispanic advertising has reached an average of 5.2% of ad budgets, an increase from 3.6% in 2000.

Considering that Hispanics account for 14% of the country's population, these figures are still low. Feedback from the recent AHAA conference confirms that Hispanic ad budgets are inching up slowly. The upshot: To add more sizzle to the industry, Hispanic ad agencies will have to work hard to educate companies on what increased spending to Hispanics can mean to their bottom lines.

In future, Hispanic advertising growth is expected to come from two sources: 1) increased spending from categories that currently under-spend on Hispanics, and; 2) the expanding role of agencies, from advertising-only services to wider marketing efforts such as customer relationship management (CRM), direct mail, online initiatives, public relations events, and viral marketing and promotions.

According to AHAA, sectors that are currently perceived as under-spending on Hispanics include financial services, insurance, automotive, specialty retail (grocery, toy, apparel), and travel & entertainment. Nevertheless, industry feedback suggests that these sectors are slowly getting into the game.

Market Challenges

Independents vs. General Market Agencies

In the fight for the Hispanic market, independent Hispanic ad agencies continue to battle against their larger, holding-company-owned counterparts. The latter are increasingly interested in tapping the U.S. Hispanic advertising opportunity, particularly as growth in the general market continues to slow.

Until recently, many of the larger agencies have been slow to enter into the Hispanic ad market.

Increasingly, however, the holding companies are aggressively hiring Hispanic creative talent away from the independent agencies and forming their own multicultural divisions. In other cases, general market agencies have acquired a full or partial stake in a Hispanic ad shop.

Indeed, the battle between independents and general market agencies appears as heated as ever, particularly as the number of English-speaking, 2nd and 3rd generation Hispanics expands. More than ever, the general market agencies are now targeting this demographic, making the same pitch they've honed while communicating to multicultural, urban youth.

The independents biggest fear is that general market agencies will automatically pass large clients to their own in-house Hispanic units. For now, it remains unclear whether the general market agencies hold an advantage when competing for Hispanic business. On the one hand, it would appear that Hispanic agencies with larger, holding-company parents benefit from the deeper executive level contacts and greater pool of internal resources and experience.

Nevertheless, executives from Hispanic holding-company agencies deny that they receive any special benefits from their corporate parents. Moreover, the healthy number of thriving independent shops seems to indicate that business is won on the merit of the work, and that there are plenty of different clients to go around.

It should also be noted that some independent Hispanic agencies are migrating toward general market duties as well. In a recent account review, the Hispanic agency La Comunidad won the U.S. Remy Martin account over both the African-American agency Fuse and at least one other general market agency. For its Big Mac advertising, McDonald's has been using the Hispanic agency Del Rivero Messianu DDB for years.

Independents benefit from other factors. For one, their smaller size usually means that senior-level staff members are heavily involved in each client project. At the larger agencies, the senior, name-brand stars may not always be present.

Secondly, the independents exercise the flexibility to produce more cutting-edge creative work. The agencies that are tied to larger holding-company parents are part of publicly-traded companies, and are thus under pressure to maintain a tight budget on a quarterly basis. By contrast, the independents can invest for the long-term.

Media Buying Migrating to Specialist Shops

Full service Hispanic agencies still handle the majority of media planning and buying duties for their clients. However, in a sign of the times, an increasing number of specialist media-buying shops are winning Hispanic business.

One worrying trend: These specialist media-buying shops are part of general market agencies, and clients are handing them Hispanic media-buying assignments for two reasons: (1) on the strength of their expertise in the general market; and (2) as a bid to reduce costs, clients are grouping all their media-buying business – general market plus multicultural – under one roof.

As a result, Hispanic agencies are becoming vocal about the pitfalls of using a general market media-buying agency to handle the Hispanic market. They argue that media-buying shops lack the expertise and cultural understanding to efficiently target that demographic.

To counter the trend, Hispanic agencies have been including their media departments in the pitch process. They want to clearly demonstrate the importance of having a fully integrated advertising, buying and media marketing campaign.

Focus on Culture, Not Language

As immigrants and their children acculturate and increasingly adopt English, Hispanic advertising agencies will need to find cultural messages that connect with the Hispanic community, rather than simply relying on Spanish.

Evidence suggests that English is increasingly creeping into Hispanic ad campaigns. In 2002, 94.8% of Hispanic ad agency billings were for Spanish-

language services. In 2005, Hispanic Business estimates that this figure dropped to 81%. In the future, this figure is likely to continue on its downward slope.

The continued influx of Hispanic immigrants will ensure that Spanish-language media and advertising efforts will be here for some time to come. Among the 41 million Hispanics in the US, almost half are foreign born. In fact, 47% of the growth in the US Hispanic population is driven by immigration. This guarantees a Spanish-dominant audience for the present and the future.

Yet the growing 2nd and 3rd generations of English-speaking Latinos – and the new media outlets springing up to target this segment – are forcing Hispanic ad agencies to develop strategies to better address bilingual market opportunities. A combination of English and Spanish can be used to reach Hispanics; and in TV, language selection will depend on the particular demographic being targeted.

Future Looks Bright

The steady increase in Hispanic population and purchasing power should continue to propel the Hispanic advertising industry. Growth is expected to come from a variety of sources, as more companies begin to market to Hispanics for the first time and existing advertisers increase the amount of ad dollars targeting the segment.

New areas of service should also fuel revenue growth, as Hispanic ad shops continue to expand into services such as event marketing, viral and direct marketing, direct response, CRM and public relations.

Earnings Preview

Univision – Q1 to Face Tough Comps

Univision is expected to report solid first-quarter results after the market close on May 4th. Management projects that total revenue in the quarter will increase in the 'mid-single digit' percentage range compared to the first quarter last year, and that EBITDA will grow in the low 'double-digit' range. EPS is estimated to rise 13% YoY, to \$0.14 per share.

Univision Q1 Results Preview

(in US\$m)	1Q06	1Q05	YoY (%)
Revenue	460	437	5%
EBITDA	130	114	14%
EBITDA Margin	28.3%	26.1%	
Net Inc (excl. extras)	46	43	
EPS	0.14	0.12	13%

Source: Company Data; IBES consensus

Total revenues are forecasted to increase 5% YoY to \$460m, as strong TV sales are partially offset by a decline at the company's Music division. Overall, Univision's revenue growth rate in the first quarter is tempered by the particularly strong performance the company had in the first quarter of last year.

As the year progresses, however, Univision's growth rates should pick up. Propelled by the World Cup, the company's total revenues are forecasted to increase 15% this year, with EBITDA growth of 15-16% as margins continue to expand. Growth should remain consistent across TV, radio and the internet, with music publishing continuing to show weakness.

Televisa – Strong Q1 Expected

Grupo Televisa is expected to report favorable first-quarter results, driven by robust TV sales growth and improved operating margins. Total revenue is forecasted to increase 16% to \$707m, while EBITDA should climb an expected 28% to \$268m. Net income, excluding extraordinary items, is estimated to rise 54% to \$0.20/ADR.

Televisa Q1 Results Preview

(in US\$m)	1Q06	1Q05	YoY (%)
Revenue	707	610	16%
EBITDA	268	209	28%
EBITDA Margin	37.9%	34.3%	
Net Inc (excl. extras)	114	74	
E/ADR	0.20	0.13	54%

Source: Company Data; IBES consensus

Televisa is expected to post strong results this year, due to increased ad spending from the World Cup and the Presidential election. In anticipation of strong demand, Televisa has increased its ad rates sharply for upfront sales, which in turn has prompted advertisers to take a wait-and-see approach rather than commit early as in prior years.

The lukewarm upfront sales could be cause for some concern for some investors. Still, it is important to note that all political advertising this year will be purchased on a spot basis, rather than upfront.

In addition to strong cable and broadcast TV sales, Televisa should also benefit from the opening of new off-track and numbers-based betting operations that will debut this year.

Spanish Broadcasting Q1 Preview

Spanish Broadcasting Systems (SBS) is expected to report disappointing first quarter earnings, as ongoing start-up costs at the company's new TV station negatively impact EBITDA.

SBS Q4 Results Summary

(in US\$m)	1Q06	1Q05	YoY (%)
Revenue	37	35	5%
EBITDA	6	9	-29%
EBITDA Margin	16.2%	24.1%	
Net Inc (excl. extras)	-5	0	
EPS	-0.06	0.00	nmf

Source: Company Data, Consensus Forecasts

During a conference call with investors last quarter, management indicated that it expected radio revenues to grow in the mid-single digit range, and

operating income to increase at a low double-digit percentage rate. Consensus forecasts call for first quarter revenue to increase 5% to \$37m.

However, SBS also expects to spend roughly \$5m in TV-related expenses in the first quarter, which would negatively impact margins and net profitability. This trend is expected to continue throughout most of 2006, with aggregate start-up expenses estimated to total \$16-18m this year.

Deal Activity

Slim Expands in Latin America

Carlos Slim's wireless provider, America Movil (NYSE: AMX), will acquire Verizon's (NYSE: VZ) telecommunications assets in Latin America through three different transactions, valued at a total \$4.2bn.

Three Assets Acquired

The first transaction will be the acquisition of 100% of Verizon Dominicana for \$2.06bn. Verizon Dominicana is the leading voice and data telecommunications provider in the Dominican Republic, with more than 2.5 million telephony subscribers (including 752,000 fixed lines and 1.8 million wireless consumers).

The second transaction is the acquisition of a controlling 52% stake in Puerto Rico's market leader Telpri for \$1.44bn (\$939 in equity plus assumed debt of \$500m). Telpri controls more than 90% of the local wireline market, with approximately 1.1 million access lines and 485,000 wireless customers. Telpri also has an estimated 90% share of the Puerto Rican broadband internet market.

The third step of the deal will be a 50/50 joint venture with Telmex to acquire 28.5% of Venezuela's dominant telephone operator, CANTV, for \$677m. CANTV holds an estimated 85% share of the fixed-line market, with 3.1 million customers. CANTV's mobile subsidiary is Movilnet, which boasts a 41% market share with 5.1 million subscribers.

The total transaction value is \$4.2bn (including assumed debt), and AMX expects to pay with cash and free cash flow. This transaction is subject to regulatory approvals.

Valuation

The average EV/EBITDA multiple of the acquisition is 4.5x. This figure includes a multiple of 11.3x for CANTV, 5.3x for Telpri and 4.5x for Verizon Dominicana.

America Movil's New Profile

The valuation of assets is accretive for AMX, and will increase the company's footprint in Latin America, adding three new countries and a total of 12,337 new subscribers (4,952 fixed lines and 7,385 mobile lines). These new subscribers represent a 13% increase on the 2005 subscriber base of 95,325.

This acquisition will add \$1.3bn to AMX's EBITDA, and will result in a 17% increase in the company's 2006 EBITDA forecast to \$8.8bn, up from a prior \$7.5bn.

Future Moves

In the future, AMX could seek to increase its stake in Telpri and CANTV to 100%. In this case, the company would have to follow the security regulations in each country. In the case of Telpri in Puerto Rico, AMX will have to give the right to the remaining 48% of Telpri's shareholders to sell their shares at the same price as Verizon. In Venezuela, the joint venture (AMX – Telmex) will have to make a tender offer for the remaining shareholders, which would occur most likely at the price paid for the controlling shares.

From the strategic perspective, these acquisitions provide new growth opportunities for AMX, as well as position the company to become Latin America's largest telecommunication provider. This latter move also challenges Telefonica de Espana, which is AMX's main competitor in the region.

Batanga Raises Capital

Batanga, a privately-held company that runs the Batanga.com internet portal, received a \$5m investment from venture capital firm H.I.G. Ventures. The funds will be used to promote the Batanga brand and website properties, as well as to educate marketers on the Hispanic market. Batanga's Hispanic-targeted website offers users access to 25 online radio stations, as well as news and streaming video clips on Latin music, sports and autos. The new capital will also help Batanga expand into new categories.

Alcatel and Lucent Merge

Pending regulatory and shareholder approval on both sides of the Atlantic, telecom equipment provider Alcatel announced plans to acquire U.S.-based rival Lucent Communications in a deal valued at \$13.4bn. Despite a failed attempt to merge five years ago, both firms finally agreed to unite, and the deal is expected to close in the next 6-12 months.

The combined company will total more than \$25bn in sales and have a market value of roughly \$35bn, second only to Cisco. It expects to deliver \$1.7bn in cost savings over the next 3 years, with half coming from a 10% labor cut of its combined 88,000 employees.

Good Geographic and Product Synergies

From a client perspective, Alcatel and Lucent complement each other nicely. While Lucent generates more than two-thirds of its business in the U.S., Alcatel's client base is skewed towards Europe, Latin America, Africa, and the Middle-East.

The fusion should also help create new revenue opportunities. Alcatel currently has a large GSM customer base, but limited progress in 3G products. By contrast, Lucent has successfully deployed a 3G solution at Cingular Wireless, but has lacked the ability to penetrate into GSM customers. Together, the merged companies will have deep relationships with nearly every major service provider around the globe—as well as complementary product and service capabilities to offer them.

Under the terms of the deal, Alcatel shareholders will offer 0.1952 ADRs for each Lucent share. The new company's stock will be listed in Paris, and Alcatel holders will own 60% of the combined company.

Cultural Differences Still a Question Mark

Despite the strong operating synergies, the deal has raised some cultural and political concerns in the U.S., given that Lucent's Bell Labs works on highly confidential and sensitive defense contracts for the US military.

To combat these objections, a separate company with a U.S. board will be created to solely manage all sensitive projects.

Some industry observers have also questioned how Lucent CEO Patricia Russo will fare in managing the company from Paris, as she will be operating in such a foreign environment. Also at issue is how the two new entities will be able to merge two labor forces from such different cultures. Job cuts will be difficult to enact in France, where labor unions are strong. Indeed, it is likely that the brunt of job cuts will be done in the U.S. rather than France.

From a cultural perspective, this transaction has been billed as a merger, but strictly speaking, it is an acquisition. As such, the final company will be more French than American, and for this reason, the deal met with little resistance in France.

Colombia Auctions Telecom Company

The Colombian government has set a minimum price of \$233m to purchase a controlling stake of 50% plus one share of Colombia Telecom. Originally, Telefonos de Mexico (Telmex) agreed with the Colombian government to make an investment of \$350m in the company in exchange for ownership, but the country's comptroller vetoed the decision, arguing that the deal was too favorable for Telmex.

The six main prospects to submit bids include: Telmex, Venezuela's CANTV, Phone1, Cablecentro, Spain's Telefonica de Espana, and Empresa de Telecomunicaciones de Bogota. The winner will not be able to receive dividends from Colombia Telecomunicaciones in the first five years after the transaction, and will be required to repay all outstanding debt by 2022. Colombia Telecom has \$3.3bn in debt, comprised mainly of pension liabilities.

You Tube raises \$8 million

Sequoia Capital has committed to an \$8m series B round of funding for online video-sharing company You Tube. The first round of financing was done in November and consisted of \$3.5m from Sequoia. According to Nielsen, You Tube has 6 million unique visitors per day.

Equity Broadcasting Corp Acquired

In a deal valued at \$267m, Coconut Palm Acquisition Corporation has announced that it will buy Equity Broadcasting Corp., with the intention of taking it public. Richard Rochon, owner of Coconut Palm Acquisition, has indicated that he plans to turn Equity Broadcasting into one of the country's largest Spanish-language TV broadcasting groups.

Equity Broadcasting owns 132 stations in the U.S., including WB affiliates in Little Rock, AK and the Fox, UPN, and WB Affiliates in Northwest Arkansas. The company reaches nearly 15.1 million households. Among its main assets are 22 affiliates of Univision, and most of its stations are low-power and located in smaller markets.

Vonage – IPO vs. Trade Sale

After nearly 2 months of filing for its IPO, Vonage has not yet filed any amended registration statements with the Securities and Exchange Commission. Given the longer-than-usual timeframe, analysts are skeptical as to whether Vonage really wants an IPO or a buyout from a larger telecom company.

Vonage is the leader in retail VoIP services, with a reported 1.4 million subscribers as of February 2006. Sales during the first three quarters of 2005 have more than tripled from the same period in 2004. But expenses have also ballooned, forcing the company to report significant losses.

High customer acquisition costs have caused Vonage to seek additional capital through an IPO. However, the company's risky financial profile could prove to be a barrier to a successful market flotation. As a result, many industry analysts suggest that a buyout from a larger telecommunications firm would make more strategic sense. Given the tough competition in the VoIP market from cable operators and other new entrants, a larger media or communications player with a stronger balance sheet and perhaps even an existing residential customer base could be a better fit.

Americatel Equity Increases

Platinum Equity has agreed to buy an 80% stake in the Hispanic-focused telecom provider Americatel. Platinum bought the stake from the Chilean phone company Empresa Nacional de Telecomunicaciones for \$49.6m. The deal is expected to close in 120 days, and values Americatel at \$62m.

Americatel offers a line of prepaid calling cards, and in 1998, launched the "1010-123" telephone prefix—which allows callers in the US to access the Americatel network and make cheap calls to Latin America. Platinum's acquisition of Americatel represents its second investment in communications companies, following an investment in Matrix Telecom Inc.

Google Issues Shares

Google announced plans to issue 5.3 million shares at a price of \$389.75 per share for a total capital increase of \$2.065bn. The additional shares represent a 1.8% dilution over existing shares, and were issued in part to meet the demands of index funds, which needed to buy shares of the company as it recently joined the S&P500 index. In addition to raising share liquidity, proceeds from the capital will go towards making larger investments and acquisitions.

NEWS CLIPS

Print Media

Meximerica Modifies Newspaper Strategy

The Rumbo chain of newspapers will close its Austin edition and also change the frequency of its Houston, San Antonio and Rio Grande papers. In a press statement, Rumbo said it was refocusing to concentrate resources on its remaining periodicals.

Under the new model, Rumbo will publish newspapers three times per week in two markets and one time per week in the remaining market: Houston and San Antonio editions on Mondays, Wednesdays and Fridays; and the Rio Grande Valley edition on Fridays. The company plans to make some format changes as well. Meanwhile, its new strategy also includes a switch to free circulation—via home delivery and city-wide rack distribution—to boost reader numbers.

Rumbo is owned by Meximerica Media, which was formed in 2003 and is financially backed by a consortium of investors co-led by Pinto America Growth Fund and Rustic Canyon Partners. The Houston, San Antonio and Rio Grande markets are all among the top 10 Hispanic markets in the country.

Weak Ad Sales Curb Papers' Profits

First-quarter earnings decreased at three of the nation's top newspaper publishers, as print-ad demand continued to weaken and rising online ad sales only partially compensated for the loss.

As companies shift print ad expenditures to online outlets, newspapers face an ongoing struggle. Consumers—particularly younger people—are increasingly using the Internet as their main source for information, which in turn is drawing advertisers away from traditional media. This shift has been particularly pronounced in the classified automobile and job listings.

Tribune Newspaper-Ad Revenue Is Flat

Tribune, which publishes the Los Angeles Times, Chicago Tribune and Newsday, reported Q1 net income fell to \$103m, or \$0.33/per share, down from \$143m, or \$.044/per share last year.

Revenue in the quarter decreased 1.3% to \$1.3bn. Newspaper ad revenue was flat for the quarter, as a small up-tick in classifieds was offset by declining national and retail advertising. Broadcasting and entertainment revenue fell 2% to \$303 million.

The Q1 results included: 1) a \$0.04/share charge for share option expenses; 2) a \$0.04/share charge for severance, and; 3) a gain of \$0.01/share for property sales.

New York Times Net Slides

The New York Times Company reported Q1 net income fell to \$35m, or \$0.24/share, down from \$111m (\$.076/share) in Q1 2005. First-quarter results included a pretax charge of \$0.04/share for layoffs. However, it should also be noted that Q1 2005 results were flattered by a \$0.46/share non-recurring gain from the sale of certain properties.

Revenues increased 3.3% to \$832m, driven by a doubling of sales at the company's About.com website. Internet sales now account for 7.5% of the company's total revenue, up from 4.5% a year ago.

Expenses increased 6% to \$764m, mostly due to staff-reduction expenses. Higher printing and raw-material costs also negatively impacted the company's bottom line.

McClatchy Faces Tough Ad Comparisons

McClatchy, which is acquiring rival newspaper publishing group Knight Ridder, reported Q1 net earnings of \$28m (\$0.59/share), down from \$32m (\$0.69/share) last year. Excluding stock-option expensing, McClatchy would have earned \$0.62 per share this quarter.

First quarter revenues increased less than 1% to \$282m. However, weak print ad sales and the stock-option costs proved a drag on profits.

Gannett's Net Falls 11%

Gannett reported an 11% decrease Q1 earnings, due also to stock option expensing and weak print ad revenue.

Editorial Armonía Buys Stake in Megazines

Mexican publishing group Editorial Armonía has acquired a majority stake in Megazines Publications. Based in Miami, Megazines publishes the newspaper insert-magazine *Sobre Ruedas*, which has a circulation of 640,000.

Editorial Armonía publishes female-interest magazines, such as cooking and family titles. The group also handles custom publications, including a custom magazine for American Express.

Armonía will use Megazines Publications as a base for penetrating the U.S. Hispanic market. As such, Armonía plans to introduce some of its titles in the U.S. in the near term, and to leverage Megazines' distribution network, expertise and industry contacts. With the capital, Megazines plans to hire more people, including marketing and sales staff.

Fútbol Mundial Publishes in English

Sensación Marketing Creatives, publisher of Fútbol Mundial, plans to issue an English-language edition of the soccer magazine beginning in June. The company will publish the magazine in conjunction with USA Today's Sports Weekly, and will take advantage of the World Cup, which begins on June 9th.

The deal will last for three months and, depending on the magazine's reception, could be extended. Sensación may seek similar deals for its other Spanish-language magazines, which focus on baseball and boxing. Sensación Marketing's magazines are inserted in Spanish-language newspapers across the country in top Hispanic markets.

New Spanish Paper for Washington

The Herald in Everett, Washington, is launching a Spanish-language weekly called *La Raza de Noroeste* on April 21st. In the initial phase, 20,000 copies of *La Raza de Noroeste* will be distributed to

Spanish-speaking independent contractors who will place the papers in bodegas, food stores and retail outlets throughout the three counties of the city. In addition, the paper will have its own website. The Herald is owned by the Washington Post Company.

AMI Retires 'Shape en Español'

As part of a larger corporate restructuring, American Media Inc. announced that it will be closing three magazine titles, and moving the staff of a fourth title to lower-cost offices in Florida.

The company announced that it was closing *Celebrity Living*, *Shape en Español* and the automotive magazine *MPH*. The moves are designed to increase the overall profitability of the company.

Weekend Supplements on the Rise

Advertising pages for the weekend supplements *Parade*, *USA Weekend*, *New York Times Magazine*, *Life*, *American Profile*, and *Los Angeles Times Magazine* increased a total 9% YoY in 2005, according to PIB. By contrast, ad pages for traditional consumer magazines were roughly flat in 2005 compared to 2004.

According to marketers, magazine supplements—as opposed to traditional magazines—can deliver significant circulation figures, which make them appealing to national advertisers. In addition, since readers receive the supplements on weekends when they have more free time, they are perceived to be more likely to have spent time with them. Consumers also tend to read the magazine supplements on the day the newspaper is delivered, which makes them attractive to direct-response advertisers.

Broadcast – TV and Cable**Comcast Launches SiTV in Stockton**

Comcast announced that it has launched SiTV in the Stockton, California area. SiTV will be available on Digital Classic, a widely distributed digital package, at no additional charge.

Capitol Broadcasting Teams with Que Pasa

Executives from privately-held Capitol Broadcasting and Que Pasa Media have announced plans to share resources and jointly explore local news and business opportunities. Que Pasa Media, with eight Spanish language AM stations and three Spanish newspapers, is the largest company in North Carolina targeting the growing Hispanic population. The two companies plan to pursue further opportunities in Spanish-language television broadcasting in the state.

Discovery to Roll out Hispanic Content

Discovery Channel announced that it will debut a host of short-form content in the second quarter of 2006, in an attempt to provide more culturally relevant programming to U.S. Latinos. The show "Discovery Travel & Living" (Viajar y Vivir) will feature history content, restaurants, and hotels related to Latinos. "Hispanic-American History"—a series of travel vignette—will highlight the events and history behind landmarks like the California missions, the Freedom Tower in Miami, and St. Augustine, FL. "U.S. Latin Restaurants: Best Kept Secrets" will serve as an insider's guide to the best Hispanic eateries in the country.

MTV Launches MTV Tr3s

Viacom's MTV cable channel has announced the launch of MTV Tr3s (MTV Three), a new bilingual music channel targeting 12-to-34-year-old bicultural U.S. Hispanics. The channel will feature bilingual video DJs and a wide-ranging list of popular Spanish and English-language artists. Interviews and special features will be carried in either language most appropriate for the artist.

Telemundo Partners with Grupo Xtra

U.S.-based TV broadcaster Telemundo has formed two new companies in Mexico to create and distribute Spanish-language programming. One company, called Estudios Mexicanos Telemundo, will produce and export content from Mexico to the U.S. and Latin America. Another company, Palmas 26, will be majority-owned by Grupo Xtra and specifically target the Mexican television market.

Internet

Captura Partners with Idiom Technologies

Captura Group, an interactive marketing-consulting firm based in San Diego, has teamed up with Massachusetts-based software producer Idiom Technologies to develop, manage and market content targeted to Hispanics online.

Idiom handles the multi-language website requirements of major clients like Continental Airlines. Together, Captura and Idiom will offer companies a cost-efficient way to build and update Spanish-language web sites and other interactive marketing platforms. The market opportunity for such a service appears high, as an estimated 80% or more of the top 100 global brands provide only English-language content online.

Broadband Surges, Drives RSS Growth

According to a new study from Nielsen/Ad Age, nearly 70% of U.S. homes now have broadband internet access. Last year, broadband penetration increased 13%, reaching a total 95.5 million households.

The higher broadband penetration has driven users to stay online for longer periods and to access a number of new services. Users today spend 30.5 hours per month online (vs. 25.5 hours two years ago). The increased penetration has also spurred the growth of existing and new sites that support streaming media, such as MSN Video, Google Video, YouTube and iFilm. As a result, video is quickly becoming a must-have for online news sites.

Google Leads the Way In Search Queries

According to data from ComScore Networks, Google maintained its leading position in search-market share in March 2006. Out of all queries searched during the month, Google fielded 42.7%, followed by Yahoo! with 28%, and MSN with 13.2%. Americans conducted 6.4 billion searches online in March, up 10% from February and 15% from March of last year.

HGTVPro.Com Launches in Hispanic Market

In a low-cost, low-risk venture, HGTVPro.Com is scheduled to enter the U.S. Hispanic market. On May 5, the company will release 40 new, Spanish-language videos to Hispanic contractors. The videos will be presented by former Miami Dolphins football player Fuad Reveiz, who now owns a construction company. Topics such as framing, improved stucco systems and insulation will be produced in both English and Spanish. Currently, there are close to one hundred English-language videos on the site.

Internet to Become 4th Largest Media

The internet is likely to tie with radio as the 4th largest communications media by 2008, behind television, newspapers and magazines, according to a new study by ZenithOptimedia.

ZenithOptimedia estimates that between 2005 and 2008 global internet ad spending will grow at a 20% annual rate. By contrast, total global ad spending is forecasted to increase 5.6% percent per year. According to the consultancy, the internet could surpass radio by 2010.

Are Social Networking Sites Ready for Ads?

While the rapid growth among young adults at social networking websites like MySpace.com and Facebook.com is attracting the attention of marketers, industry observers question how popular the sites will ultimately become. For now, advertisers are still wrestling with the new and unpredictable nature of social networking sites. For one, they could contain sexual or offensive content, which would bring advertisers unwanted associations. Secondly, the extent to which users will tolerate traditional advertising on the sites is uncertain.

Despite these issues, advertising spending on the social network sites has been growing strongly. Research firm PQ Media estimates that ad spending on "user-generated media" totaled \$20.4m last year, and will more than double to \$50m this year.

Disney to Air Shows Online for Free

Disney plans to offer television programs for free over the internet—including some of its most popular shows, such as ABC's "Desperate Housewives" and

"Lost". Episodes will be available the morning after they air, and will be archived so people can eventually view the whole season.

In order to protect the advertising base, the programs will have non-skippable commercials that are specifically designed for the internet. The commercials will be much shorter than traditional spots, and could have an element of interactivity in order to engage the viewer.

Disney's plan is a further leap forward for media content companies, as they seek new ways to distribute video over the internet. Traditional media outlets such as broadcast television have been steadily losing viewers to new forms of media such as the internet, iPods and electronic games.

Up to now, the business model on the internet has been to charge for shows and forgo the advertising model. However, Disney's move to offer shows for free with an advertising component is the next logical step, particularly as consumers are already used to watching regular broadcast television with advertising. In fact, the move to offer free shows suggests that there is a limit as to how much consumers are willing to pay for media content.

For now, the other major media and television broadcast companies are waiting to see how Disney fares before following its lead. Media companies are still unsure if a viewer will watch an entire show over a computer.

As for the media landscape in general, Disney's move has some far-reaching consequences:

1. Infrastructure issues. Some say that the design of the Internet is not suited to offer online TV broadcasts, and that bandwidth is too limited at the moment. A move towards global online video delivery would necessitate a significant upgrade in network technology and bandwidth, in turn fuelling a new round of spending for some of the larger communications networking companies.

2. Free internet TV threatens telcos and cable. While Disney's move does not initially affect the telecom

and cable paid-TV business model any time soon, if Disney's experiment proves successful these operators will need to also respond with a competing free service over the internet of their own.

Radio

Latino Tunes

Madacy Latino, a maker of children's musical products, has partnered with Scholastic Media to launch a music CDs based on the popular PBS series "*Maya & Miguel*." Plans call for releasing three English- and Spanish-language musical CD's with songs from the series.

More Spanish-language Radio for Charlotte

Norsan Broadcasting has purchased WRML-FM 102.3 in the Charlotte market from Robert Broadcasting for \$976,000 - \$48,700 in escrow and \$926,500 in cash at closing. Formerly a Gospel station, WRML is the first Spanish-language FM in Charlotte. Norsan is simulcasting its La Tremenda format WGSP-AM 1310, also in Charlotte, on WRML. Currently, the station's signal reaches the south side of the Charlotte area; Norsan's plans call for expanding WRML's reach throughout the region. On the air for only one year, La Tremenda is already challenging the city's other leading Spanish-language music and news station, WNOW_AM 1030. Charlotte boasts one of the nation's fastest-growing Latino populations..

March Radio Ad Time Down 5.9%

Radio advertising for March decreased 5.9% to 10.4 minutes per hour. Morning drive slots fell 6.4%, while afternoon drive fell 5.8%.

Communications

Grupo Hevi to offer Voice over IP

Grupo Hevi, owner of Hypercable and Telecable, will launch its VoIP service in Zapopan, Guadalajara, and Puerto Vallarta, Mexico. Hevi's decision to offer triple play comes on the heels of legislation from the Communications and Transportation government

agency that authorizes cable operators to offer voice service.

Hola Partners With PeerMe

Hola! Media Group, LLC announced that it has partnered with PeerMe, Inc.—a peer-to-peer voice communication technology company—to provide free, unlimited voice communications via the Internet to Spanish-speaking internet users worldwide. Targeting users in the United States, Spain, and Central and Latin America, the new Spanish version promises to round out Hola's current offerings in English, Japanese, Korean, and Chinese.

Advertising & Marketing

Online Ad Spend Increasing with Search

An increasing number of ad agencies are increasing online investments in what is known as "search marketing" or "search engine marketing." Online search ad spending was an estimated \$5.1bn category last year, and has been growing at a far faster rate than traditional advertising in media like television and newspapers.

Agencies are embracing search engine marketing themselves in order to ensure that clients do not go to independent specialist agencies. Search marketing is the placement of text ads that appear next to results when someone conducts an online search on Google or Yahoo. Marketers buy the rights for their ads to appear on-screen when computer users type in key words. There is also search engine optimization, which tries to determine how to elevate a client's web site in the listings when computer users search for a subject or topic.

Search engine marketing taps into the growing usage of the internet as the primary source to find consumer purchasing information. Marketers are increasingly finding search engine marketing as effective, and like the fact that the effectiveness of the advertising effort can be measured.

As a result, search marketing spending continues to grow at a rapid pace. Industry research firm

eMarketer has forecast that ad revenue from search engine marketing would increase to \$6.5bn this year, up from \$5.1bn in 2005.

Advertising in Video Games to Take-Off

The Yankee Group revealed that advertising within video games is poised for an explosive growth. They estimate that by 2010, 732 million people can be reached through this medium. This is a very

fragmented media environment, therefore giving advertisers the chance to improve effectiveness by better pinpointing target audiences. In 2005, advertisers spent approximately \$56 million placing ads in video games, up from 34 million in 2004. It is expected that by 2006, the number of games with in-game ads will double.

Media Valuation Comparison Table

Figures in millions of US\$ except share price and multiples data

	Share Price	Enterprise Value	Valuation Multiples								
			P/E			EV/EBITDA			EV/Sales		
			2005	2006e	2007e	2005	2006e	2007e	2005	2006e	2007e
Hispanic Media Companies											
Univision (UVN)	\$34.85	\$12,065	41.0x	32.9x	28.6x	18.1x	15.3x	14.1x	6.2x	5.4x	5.3x
Grupo Televisa (TV)	\$19.99	\$39,830	5.3x	4.1x	4.0x	34.0x	28.0x	27.7x	13.4x	11.7x	11.4x
Entravision (EVC)	\$8.49	\$1,331	193.0x	60.6x	47.2x	14.8x	13.1x	12.1x	4.7x	4.5x	4.3x
Spanish Broadcasting (SBSA)	\$5.09	\$628	-9.1x	169.7x	39.2x	11.8x	12.8x	10.6x	3.7x	3.4x	3.2x
Media Conglomerates											
News Corp (NWS)	\$17.96	\$58,441	26.0x	22.2x	18.8x	13.5x	12.1x	10.9x	2.4x	2.3x	2.2x
Walt Disney (DIS)	\$27.88	\$65,188	19.8x	19.2x	17.3x	11.4x	9.4x	8.6x	2.0x	1.9x	1.8x
Viacom (New) (VIA)	\$38.65	\$27,326	20.5x	19.7x	16.7x	9.6x	8.5x	7.6x	2.8x	2.6x	2.4x
CBS Corp (CBS)	\$24.85	\$68,659	15.7x	14.8x	13.6x	21.7x	20.6x	19.6x	4.7x	4.6x	4.4x
Time Warner Inc (TWX)	\$16.97	\$92,645	22.0x	19.4x	16.6x	8.7x	8.1x	7.3x	2.1x	2.0x	1.9x
Clear Channel Outdoor (CCO)	\$23.31	\$10,785	119.5x	59.8x	43.2x	14.9x	13.0x	11.9x	4.0x	3.8x	3.6x
Radio											
Clear Channel (CCU)	\$28.90	\$21,904	23.9x	22.2x	19.1x	10.0x	9.9x	9.2x	3.3x	3.2x	3.0x
Cox Radio (CXR)	\$13.40	\$1,716	18.4x	17.6x	16.5x	10.6x	10.7x	10.3x	3.9x	3.9x	3.8x
Citadel Broadcasting (CDL)	\$10.76	\$1,854	19.6x	18.6x	17.6x	10.8x	10.8x	10.4x	4.4x	4.3x	4.2x
Cable											
Comcast Corp (CMCSA)	\$27.93	\$82,299	47.3x	37.2x	25.2x	9.6x	8.8x	7.7x	3.7x	3.4x	3.0x
Cablevision Systems (CVC)	\$27.40	\$17,365	-45.1x	391.4x	43.5x	11.3x	9.6x	8.8x	3.4x	3.0x	2.8x
Mediacom (MCCC)	\$6.68	\$3,829	-43.7x	-74.2x	33.4x	9.4x	8.8x	8.2x	3.5x	3.2x	3.0x
Television											
Hearst Argyle TV (HTV)	\$23.34	\$3,039	28.0x	22.7x	25.9x	12.2x	10.4x	11.9x	4.3x	3.9x	4.1x
Lin TV Corp (TVL)	\$8.66	\$1,418	36.5x	19.7x	39.4x	12.8x	9.8x	11.6x	3.7x	3.0x	3.1x
Gray Television INC (GTN)	\$8.02	\$1,175	29.7x	23.6x	NA	12.0x	8.7x	NA	3.4x	3.0x	NA
Advertising Agencies											
Omnicom Group (OMC)	\$85.15	\$16,385	19.5x	17.6x	15.7x	10.8x	9.9x	9.1x	1.6x	1.5x	1.4x
WPP Group (WPPGY)	\$58.98	\$16,219	1.7x	1.5x	1.3x	20.0x	17.2x	16.0x	3.1x	2.8x	2.7x
Publicis Groupe (PUB)	\$38.52	\$7,280	26.0x	20.7x	19.1x	9.6x	8.7x	8.2x	1.8x	1.6x	1.6x
Monster Worldwide (MNST)	\$49.68	\$6,008	54.0x	39.7x	30.7x	20.4x	20.4x	16.2x	6.1x	5.0x	4.2x
Interpublic Group (IPG)	\$9.41	\$4,153	-21.9x	117.6x	NA	23.6x	9.6x	NA	0.7x	0.7x	NA
Newspaper											
Gannet (GCI)	\$56.77	\$18,793	11.5x	10.9x	10.6x	8.1x	7.7x	8.0x	2.5x	2.3x	2.3x
Washington Post (WPO)	\$743.75	\$7,319	25.1x	20.6x	19.4x	10.4x	9.2x	8.7x	2.1x	1.9x	1.8x
New York Times (NYT)	\$25.05	\$4,992	16.2x	15.6x	15.1x	9.7x	8.5x	8.4x	1.5x	1.4x	1.4x
Tribune Co. (TRB)	\$28.20	\$11,635	13.4x	14.0x	13.4x	8.0x	8.2x	8.1x	2.1x	2.1x	2.0x
Knight Ridder (KRI)	\$61.85	\$6,249	17.6x	18.0x	17.0x	10.2x	10.3x	10.4x	2.1x	2.0x	2.0x
Magazine Companies											
Primedia Inc. (PRM)	\$2.05	\$1,994	-136.7x	34.2x	41.0x	10.7x	10.7x	10.2x	2.0x	1.9x	NA
Martha Stewart Living (MSO)	\$19.80	\$928	-22.0x	-396.0x	110.0x	-29.9x	103.1x	35.7x	4.4x	3.3x	3.0x
Meredith Corp. (MDP)	\$55.89	\$3,333	19.5x	19.5x	16.6x	12.6x	10.6x	9.6x	2.7x	2.1x	2.0x
Reader's Digest (RDA)	\$14.72	\$1,984	16.9x	15.8x	13.3x	10.4x	9.2x	8.2x	0.8x	0.8x	0.8x

Source: Bloomberg, Yahoo Finance
Values as of 4/13/2006

Recent Media Transactions

<u>Buyer</u>	<u>Seller</u>	<u>Target</u>	<u>State</u>	<u>Value</u>	<u>Format</u>
1. Citadel Broadcasting	ABC/Disney	24 AM and FM stations	Various	\$2,700,000,000	Various
2. Arte Moreno	Radiovisa	KMXE AM	CA	\$42,000,000	
3. Radio One Inc	Rodgers Broadcasting Corp	WIFE FM	OH	\$18,000,000	Country
4. Clear Channel Communications	Acme Communications Inc	14 TV stations	Various	\$18,000,000	
5. Riverbend Communications	Bonneville International Corp	7 AM and FM stations	ID	\$13,500,000	Various
6. Cherry Creek Radio	Bonneville International Corp	KREC FM, KSNN FM, KDXU AM, KUNF AM	UT	\$9,000,000	
7. Forever Communications	Clear Channel Communications	WTJS AM, WTNV FM, WYNU FM	TN	\$4,750,000	
8. RadioStar Inc	AAA Entertainment	WGKC FM, WEVX FM, WQQB FM	IL	\$3,500,000	Classic Rock, Top 40
9. Una Vez Mas LLC	Shaffer Communications Group	KADF LP	TX	\$1,500,000	
10. TeleSouth Communications	O'Neal Broadcasting	WOGF AM, WDXOFM, WRQO FM	MS	\$1,100,000	Urban, Gospel, Country, AC
11. Phillips Broadcasting LLC	Shull Broadcasting Co	WAOC AM, WFOY AM	FL	\$1,000,000	Country, News/Talk
12. Norsan Consulting	Robert Broadcasting	WRML FM	SC	\$975,000	Gospel
13. Mission Nebraska Inc	Legacy Communications	KMMU AM	NE	\$825,000	News/Talk
14. Nininger Stations	Harris Broadcasting Inc	WNPC AM, WNPC FM	TN	\$800,000	Country
15. Robert Ledbetter	Global Communications	WGBC TV	MS	\$750,000	
16. Jose Roberto Ekonomo	Fulmer Broadcasting	KHAS AM; WSPG AM	SC	\$600,000	Gospel
17. Platte River Radio	KHAS Broadcasting	KICS AM	NE	\$560,000	AC, Sports/Talk
18. Gore-Overgaard	TK Radio Inc	WSBB AM	FL	\$450,000	Adult Standard
19. Caledonia Communication	Family Broadcasting Inc	WSTX AM, WSTX AM	VI	\$350,000	Variety
20. Reynolds Media Inc	Mountain Communications Inc	K26GS	AR	\$60,000	
21. John and Dana Summers	Brady Broadcasting	KIDQ LP	ID	\$42,500	
22. Sainte Partners LP	Turner Enterprises	K41ID	OR	\$35,000	
23. Lamar Veasey	Vernon G. Snyder	K52HZ	KS	\$4,000	
24. Paradise TV LLC	The LPTV Store	W69EI	FL	\$10 plus liability assumptions	

Source: Broadcasting and Cable

Share Price Performance

	Current Price	Performance				
		1-month	3-month	6-Month	1-Year	3-Years
Hispanic Media Companies						
Univision (UVN)	\$34.85	2.3%	10.3%	39.2%	25.9%	35.7%
Grupo Televisa (TV)	\$19.99	1.2%	-2.7%	19.7%	44.6%	223.5%
Entravision (EVC)	\$8.49	9.7%	18.9%	13.0%	-3.5%	42.4%
Spanish Broadcasting Systems (SBSA)	\$5.09	1.4%	-5.2%	-22.9%	-45.6%	-24.8%
Media Conglomerates						
News Corp (NWS)	\$17.96	1.5%	5.4%	15.5%	5.0%	35.4%
Walt Disney (DIS)	\$27.88	-2.4%	8.5%	20.3%	1.7%	60.9%
Viacom (New) (VIA)	\$38.65	-0.5%	-8.3%	NA	NA	NA
CBS Corp. (CBS)	\$24.85	3.5%	-1.9%	NA	NA	NA
Time Warner Inc (TWX)	\$16.97	-0.9%	-1.5%	-3.0%	-3.7%	39.1%
Clear Channel Outdoor (CCO)	\$23.31	3.1%	22.6%	NA	NA	NA
Radio Companies						
Clear Channel Communications (CCU)	\$28.90	0.8%	-8.3%	-1.3%	-9.4%	-15.3%
Cox Radio INC (CXR)	\$13.40	2.3%	-4.7%	-7.2%	-21.4%	-39.9%
Citadel Broadcasting Corp (CDL)	\$10.76	-5.6%	-16.7%	-19.9%	-19.5%	NA
Cable Companies						
Comcast Corp (CMCSA)	\$27.93	7.0%	-0.1%	2.7%	-16.6%	-2.5%
Cablevision Systems (CVC)	\$27.40	4.0%	9.6%	-3.3%	1.1%	40.1%
Mediacom Communications (MCCC)	\$6.68	17.0%	14.2%	3.2%	7.4%	-20.2%
TV Companies						
Hearst Argyle TV (HTV)	\$23.34	-0.6%	-1.5%	-3.4%	-7.5%	11.2%
Lin TV Corp (TVL)	\$8.66	-9.1%	-20.7%	-35.4%	-48.8%	-57.7%
Gray Television INC (GTN)	\$8.02	-2.0%	-13.1%	-9.5%	-33.9%	3.8%
Advertising Agencies						
Omnicom Group (OMC)	\$85.15	5.4%	0.5%	8.1%	0.1%	50.5%
WPP Group (WPPGY)	\$58.98	-1.6%	4.0%	20.8%	3.3%	108.7%
Publicis Groupe (PUB)	\$38.52	-1.6%	2.5%	23.3%	24.5%	119.4%
Monster Worldwide (MNST)	\$49.68	5.6%	14.3%	68.8%	83.0%	311.6%
Interpublic Group (IPG)	\$9.41	-6.2%	-5.9%	-15.2%	-28.8%	-3.0%
Newspaper Companies						
Gannet Co. INC (GCI)	\$56.77	-7.5%	-11.3%	-12.2%	-27.3%	-18.4%
Washington Post (WPO)	\$743.75	-1.8%	-3.2%	0.3%	-15.2%	7.4%
New York Times Co. (NYT)	\$25.05	-6.9%	-8.4%	-9.5%	-28.0%	-41.1%
Tribune Co. (TRB)	\$28.20	-9.0%	-10.2%	-12.4%	-26.6%	-37.4%
Knight Ridder (KRI)	\$61.85	-3.2%	-2.6%	13.5%	-5.9%	8.5%
Magazine Companies						
Primedia Inc. (PRM)	\$2.05	-1.4%	6.8%	-45.3%	-56.3%	-15.6%
Martha Stewart Living (MSO)	\$19.80	20.7%	10.0%	-4.3%	-3.0%	136.3%
Meredith Corp. (MDP)	\$55.89	1.6%	4.2%	14.1%	22.8%	46.4%
Reader's Digest (RDA)	\$14.72	0.1%	-3.8%	6.6%	-12.6%	48.5%

Values as of 4/13/2006

Source: Bloomberg;Yahoo Finance