



Q1 RECORD REVENUE GROWTH SHOWS BROAD SIGNS OF STRENGTH AS KEY ADVERTISER SECTORS SPEND MORE IN RADIO

NATIONAL SPOT & DIGITAL SPENDING REGISTER HIGHEST GAINS

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New York, New York – May 21, 2010 – Reflecting growing signs that the U.S. economy is back, Radio delivers its best results in quarter-to-quarter revenue comps since Q1 2007 with a +6% overall increase to \$3.687B. In fact, this gain represents the highest posted in nearly a decade (3rd-Quarter 2000, +8).

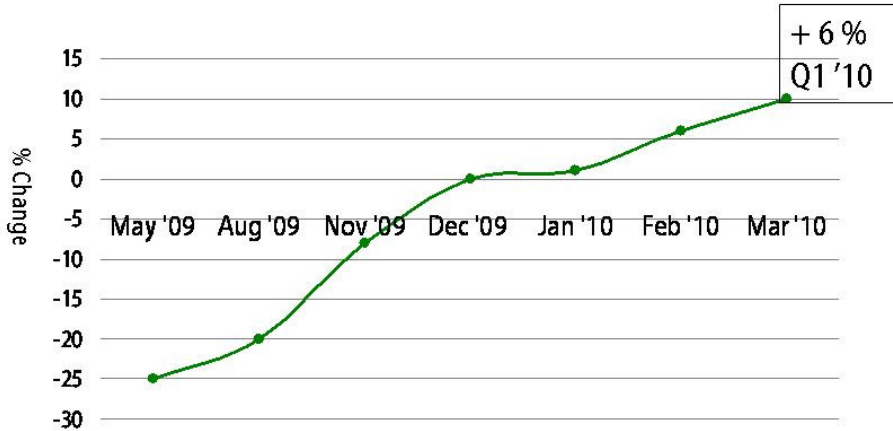
Revenue Comparisons - 2010 vs. 2009		
(In Millions)		
Revenue	\$Q1 '10	% Chg
Local	2,450	2%
National	568	19%
Local & National Combined	3,018	6%
Network	260	6%
Digital	123	18%
Off-Air	286	Flat
Grand Total	3,687	6%

Source: Miller, Kaplan, Arase & Co.*
 Off-Air was previously referred to as Non-Spot
 Digital consists of all revenue derived from radio websites

The Eastern Region outpaced the rest of the nation in ad spending gains for Q1, up 12.7% - followed by the Southwest and Central Regions, up 9.7% and 6.7%, respectively. Spending is up but trails nationwide growth in the West (4.5%) and South (3.5%).

“Our growth in this recovery is showing signs that Radio’s momentum is outpacing that of other traditional media,” says RAB President and CEO Jeff Haley. “This gain underscores Radio’s inherent strength with advertisers demonstrating renewed enthusiasm for spending in our medium.”

Revenue Comparison Trend May 2009 – March 2010



Source: Trend based on same month comps (i.e., March 2010 represents 10% change from March 2009) based on Miller, Kaplan, Arase & Co. X-Ray Markets

“Spending levels in important Radio categories such as Automotive, Communications, TV/Cable, Financial Services, Grocery, and Retail are all up significantly from what we saw a year ago,” states Haley. “First quarter’s results prove that advertisers have found and, in many instances, rediscovered Radio. With ever-expanding Digital and Off-Air vehicles adding to Radio’s appeal to advertisers and marketers, this growth trend will continue to gain momentum.”

Q1 2010 Leading Growth Categories Local and National Radio (in Millions)		
Category	\$Q1 '10	% Chg
Communications/Cellular/Public Utilities	350.5	6%
Television/Networks/Cable Providers	276.2	23%
Auto Dealers/Dealer Groups/Manufacturers/Rentals	230.6	39%
Financial Services	191.6	49%
Grocery/Convenience/Liquor Stores	187.2	27%
Home Improvement	31.0	18%

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

(Extrapolated dollar amounts based on the 35 market X-Ray pool may not be fully indicative of industry results as a whole.)

Communications/Cellular/Public Utilities, which held the top spot for spending in the first three quarters of 2009 (#2 in Q4 against a spending surge in Automotive), regains that position in Q1 '10 at \$350.5M – an increase of 6% over Q1 '09.

*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. Digital Revenue is comprised from activity generated by 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 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.

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If you have any questions, please email revenue@rab.com or call 212-681-7200.

Advertiser Category Analysis

Communications/Cellular/Public Utilities

Communications/Cellular/Public Utilities, a strong category for Local and National Spot Radio throughout the past year, regains the top spot in Radio spending in Q1 '10, at \$350.5M – an increase of 5.7% over a comparatively strong showing in Q1 '09.

Battling cellular services AT&T (\$108.3M) and Verizon Wireless (\$104.1M) dominate the sector, comprising approximately 61% of total spending. These also represent Radio's top two Q1 2010 spenders overall. Additionally, MetroPCS (at \$35.4M – up 17%) emerges in a dead heat with JPMorgan Chase for Radio's 6th-largest advertiser ranking.

Gains in the category come mainly from amped-up spending from smaller companies such as Leap Wireless (+35%, to \$21.1M) and T-Mobile (+128%, to \$4.7M). Absent from Radio in Q1 '09, Palm Inc. and ClearWire added \$22.3M and \$13.4M to Radio's bottom line, respectively; and Tracfone invested \$4.4M, up from a modest \$105K last year.

Television/Networks/Cable Providers

A huge boost in spending by its leading advertiser Comcast Cable (+32%, to \$60.9M) propelled this category into Radio's #2 rank for Q1 2010, up from 3rd in Q1 '09. The category grew 23% overall, to \$276.2M.

TV broadcasters, cable networks, and access providers increasing spending to contribute to Q1's impressive gain include ABC-TV Network (+105%, to \$31.6M), NBC-TV Network (+321%, to \$29.3M), USA Network (+429%, to \$11.7M), CBS-TV Network (+121%, to \$10.5M), Charter Communications Cable (+42%, to \$9.0M), Cablevision (+132%, to \$5.3M), Telemundo (+309%, to \$5M), Cox Communications Cable (+45%, to \$3.5M), ESPN (+107%, to \$3.1M), and HBO (+98%, to \$2.2M).

Restaurants

With year over year spending virtually flat, the Restaurant category flips from 2nd in Q1 '09 to #3 this year, at \$260.4M.

McDonald's remains Radio's third-largest advertiser for this quarter, at \$71.7M. Major competitor Wendy's Radio spend of \$22.8M represented an increase of 18%. Other major spenders adding Radio to the menu this quarter were: Romano's Macaroni Grill (+385% to \$18.6M), Buffalo Wild Wings (+28% to \$9.3M), Panera Bread Co. (+111% to \$9.1M), TGI Friday's (+860% to \$5.5M) and Arby's (+4% to \$5.3M).

Auto Dealers/Dealer Groups/Manufacturers/Rentals

The automotive industry's turnaround has been prominently in the news over the last several months, and the sector's spending on Radio is also rebounding. The Automotive category's very positive +39% uptick to \$230.6M is cause for optimism for the year ahead.

As in Q1 2009, Automotive occupied the #4 rank for spending this quarter. The top-spending auto advertisers that have significantly increased their Radio commitments compared to last year are:

Auto Dealers/Dealer Groups/Manufacturers/Rentals 2010 vs. 2009 Local and National Radio (in Millions)		
Advertiser	\$Q1 '10	% Chg
Nissan Dealer Association	30.0	134%
Toyota Dealer Association	25.7	107%
Daimler Chrysler Plymouth Dodge Jeep Corporation	24.7	652%
Chevrolet Motor Corporation	14.8	328%
Honda Dealer Association	13.5	104%
Nissan Motor Corporation	13.4	98%
Lexus Dealer Association	8.6	365%
Chevrolet Dealer Association	7.5	107%

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

(Extrapolated dollar amounts based on the 35 market X-Ray pool may not be fully indicative of industry results as a whole.)

Lower in the spending ranks but also using more Radio to broadcast their sales appeals in Q1 were Ford Motor Corporation (+18%, to \$5.3M), Infiniti Motor Corporation (up nearly six-fold, to \$4.3M), Honda Motor Company (+98%, to \$3.2M), Mazda Motor Corporation (at \$2.7M, up from \$60.5K), and Hyundai Dealer Association (+49%, to \$2.2M). The automotive mega-dealer AutoNation USA upped its spending 23%, to \$2.8M, while Auto Trader made a \$3M commitment (compared to just under \$500K in Radio same time last year).

The leading automotive brands increased their Q1 2010 Network Radio spending. Ford Motor Company increased total spending 14% to \$5.5M across various brands – Ford and Quality Care. Other significant increases were seen by: General Motors Onstar – up 125% to \$2.2M and Safelite Auto Glass Co. – up 181% to \$2.1M.

Financial Services

Another category that's all over the news these days, Financial Services moves into Local and National Spot Radio's Top 5 this quarter with expenditures of \$191.6M – up by nearly 50% from last year's Q1 spend of \$129M (#7).

An analysis of the top Q1 '10 Radio spenders finds a new order, with several smaller and/or regional banks moving into the top ranks. JPMorgan Chase emerges as the leading Financial Services category advertiser (was #2 behind Citibank last year) increasing its Radio investment by 138%; Chase is also tied with Communications advertiser MetroPCS as Radio's 6th largest spender overall for the quarter.

Other major accounts that added Radio dollars in Q1 are PNC Bank (+59%, to \$15.1M), Wells Fargo Bank (+53%, to \$13.4M), Capital One (up nearly six-fold, to \$11.4M), Fifth Third Bank (+75%, to \$11.3M), and Bank of the West (at \$6.3M, from \$604K). American Express charged into the #2 position in this category with a \$20.5M commitment (versus just \$24.9K last year).

Within the Network sector, JPMorgan Chase was also the spending leader with \$2M in activity compared to none in Q1 2009. American Express also increased their Q1 2010 spending by more than 300% to nearly \$2M.

Grocery/Convenience/Liquor Stores

Despite an impressive 27% increase in spending, this sector dropped to 6th place in overall Q1 Radio spending, at \$187.2M.

Top category spender Safeway ranks overall as Radio's 4th-largest Q1 advertiser at \$60.5M. That's an increase of 63% over Q1 2009. Also ringing up additional billing on Radio: Kroger Food Stores (+14%, to \$27.7M), Supervalu (+4%, to \$13.7M), relative U.S. newcomer Fresh & Easy Neighborhood Market (\$7.5M, from \$783K – up nearly nine-fold), Trader Joe's (+29%, to \$7.1M), and A&P Supermarkets (up six-fold, to \$5.1M). Not yet cracking the top ranks – but rapidly increasing Radio spending is fast-expanding Aldi Food Store chain (\$3.1M, up from \$119K).

Insurance Companies

While spending in Radio's #7 spending sector was flat at \$139.1M, the category is significant in that it is led by 5th-ranked Radio advertiser GEICO (\$40.5M in Q1 2010).

Increasing competition for low-rate automotive coverage appears to be a major factor in Radio sustaining dollars in this category. Major additions from State Farm Insurance (+151%, to \$26.9M), Progressive Insurance (+212%, to \$11.1M), and Safe Auto Insurance (+37%) went a long way to offset a 31% drop in spending by the category leader. Other advertisers who added sizable increments to their Radio spend were Esurance (+51%, to \$3.1M) and Titan Auto Insurance (\$3.2M, up from \$3.7K last year).

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

Retail continues to be an important category for Radio. Local and National Radio saw increases from many of the top retail sectors – from fashion, to big box, and home improvement. Within the entire retail category, Walmart remains the top spender and accounts for 17% of the Department/Discount Stores and Shopping subcategory.

Growing consumer optimism has generated a building boom for home fix-up retailers in the early months of 2010, and the major players in the category have added to their Radio budgets as they compete to attract customers to their stores.

Radio's revenue from Home Improvement advertisers grew 18% over Q1 '09 to \$31M, with added spending by all four major players: Home Depot (+18%, to \$12.7M), Orchard Supply Hardware (+16%, to \$8M), Lowe's Companies (+61%, to \$5.8M), and Menard's Building Supply (+17%, to \$3.1M).

Retail 2010 vs. 2009 Local and National Radio (in Millions)		
Advertiser	\$Q1 '10	% Chg
Walmart	13.7	74%
Kohl's	13.6	126%
Home Depot	12.7	18%
Orchard Supply Hardware	8.0	16%
Lowe's Home Improvement	5.8	61%
Burlington Coat Factory	4.1	42%
Meijer Discount Department Store	3.2	53%

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

(Extrapolated dollar amounts based on the 35 market X-Ray pool may not be fully indicative of industry results as a whole.)

In the Network arena, there were significant increases by many of the Local and National leaders: Home Depot (+28% to \$10.3M), Walmart (+49% to \$4.1M), and Kohl's (+8% to \$2.3M). Increases were also posted by AutoZone (+8% to \$5.7M), Macy's (+296% to \$2.8M) and Sears (+260% to \$1.5M).

Specialty Retail

On the Local and National front, Old Navy, the second ranked advertiser within the Specialty Retail category, increased Q1 spending by 215% - up \$3.6M. Sister company, GAP increased first quarter spending 133% to \$4.3M.

Within this category, Proflowers.com catapulted its way to the #1 position with a \$10.9M spending level in Q1 and accounted for 21% of the category's bottom line. Spending by rival 1-800-Flowers also grew by 13% to \$3.6M. Proflowers.com also upped their Network spending 7% to \$2.5M.

Concerts/Theaters/Movies

With consumers' activities concentrated closer to home, especially during post holidays, they often seek various entertainment options. This category realized a 7% Q1 year over year increase as studios promoted blockbuster theatrical releases.

Paramount Pictures, the largest spending movie distributor for the quarter, increased spending 28% to \$20.7M. The greatest percent increase was posted by Universal Pictures (#2 rank) – 159%, up \$7.7M.

Beverages

The beverage category increased Network advertising 33% in Q1' 10 to \$3.7M due to upticks by various brands including Coca-Cola Co. and Kraft. Notable increases within the category were in the Local and National Sectors; spending in this category grew 9% (to \$82M) in Q1 2010 compared to the same time period 2009.

Although Pepsi remains the top spender at \$21M, soft drink competitor Coca-Cola increased Q1 spending 11% to \$10M - and Dr. Pepper Seven Up had an even more impressive increase, up \$2.6M (+128%).

Under beer and ale, Anheuser-Busch remains the Q1 leader – up 64% to \$12M; MillerCoors continues to rank #2 at \$11M.

Political

Political spending for the quarter helped to fund Radio's Local/National Q1 increases by \$12.3M within the Miller Kaplan markets. Issue advertising comprised 25% of first quarter's political spending fueled by the healthcare debate. The recent Supreme Court ruling invalidating corporate campaign funding limitations should impact political throughout 2010. With 57% of all political dollars spent on candidate support (\$7M) in special elections and preliminary name recognition building in Q1, Radio is certain to be a frontrunner come the primary and general election season.

In the Network sector, the U.S. Census Bureau led the pack with \$2.3M, accounting for 50% of Q1 dollars. Other top spenders included The American Legacy Foundation, \$437K and the CDC (Center for Disease Control), \$402K.

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 Kantar Media (formerly TNS Media).