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National Association of Broadcasters and Bond & Pecaro Provide Television Industry Outlook and Profiles of 210 Television Markets in New Study

Reference book provides television advertising revenue forecasts and comprehensive statistical data for each television market

WASHINGTON, DC – The work that the television industry puts into developing new revenue streams and controlling costs, combined with an influx of political and Olympic related revenues, created what may be the best year for television stations in recent memory, according to the 2013 edition of *The Television Industry: A Market-By-Market Review*, a joint venture between the National Association of Broadcasters and Bond & Pecaro, Inc. The analysis forecasts advertising sales in 2012 to be up between 14% and 15% over last year, but total revenues are projected to have increased even more.

“Net television advertising revenues are forecast to grow from approximately \$15.7 billion in 2011 to \$17.9 billion in 2012, or by approximately 14%,” according to Tim Pecaro, a Principal of Bond & Pecaro, noting the positive impact of political and Olympic advertising. Smoothing out the alternating growth and declines defined by even year Olympic and election cycles, television advertising revenues are projected to grow at a compound rate of approximately 3.5% annually from 2011 to 2016. These amounts include conventional time sales and new media/Internet revenues, but not retransmission revenues, which are negotiated separately between over-the-air television broadcasters and subscription television providers. Retransmission fees should add to the growth rate as additional negotiations are concluded.

According to the study, 2011 was characterized as a year of paradoxes because each of the challenges facing the industry seemed to present opportunities as well. In an environment characterized by more economic and political uncertainty than the United States has experienced in more than 80 years, television broadcasters took cautious but determined steps to capitalize on these opportunities.

This year can be characterized as the year when television broadcasters succeeded in turning most of these challenges into opportunities. A surge of political spending accompanied positive trends in automotive spot sales, new media growth, retransmission revenues and the impact of digital sub-channels. Among pure play television companies, total revenues grew 15% in the first quarter and over 20% in the second quarter compared to the prior year. This performance appears to be reflected in increasing multiples in the public equity markets and will likely continue, barring another recession.

The majority of the more than 400-page report provides a snapshot of each U.S. television market that includes television station information, market demographics and ethnic composition, and major cable television systems. A separate appendix provides average profit margin benchmarks for various types of television stations.

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The most important element of the book consists of historical and projected net advertising revenue estimates in each market, broken into downside, midpoint, and upside scenarios. The book also includes the estimated level of cable advertising in each market.

This valuable resource is intended to serve as a tool for station owners, industry investors, and analysts in the media sector and is available from The NAB Store.

About the National Association of Broadcasters

The National Association of Broadcasters is the voice for the nation's radio and television broadcasters. As the premier trade association for broadcasters, NAB advances the interests of its members in federal government, industry and public affairs; improves the quality and profitability of broadcasting; encourages content and technology innovation; and spotlights the important and unique ways stations serve their communities.

About Bond & Pecaro, Inc.

Bond & Pecaro, Inc. is a Washington, DC-based consulting firm specializing in providing economic analysis and valuation services to companies in the media, telecommunications, and technology sectors. It has been serving clients ranging from small, family-owned businesses to Fortune 500 companies for over 25 years.

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