

JACK MYERS REPORT™

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Arbitron Issues First Weekly 'Measurecast' Ratings

NOVEMBER 18, 2002 — The Internet has not yet impacted on television viewing, but it appears to be having a major impact on radio listening. Since January, the total time spent listening to online radio stations, measured by Arbitron's MeasureCast Ratings, grew 164 percent. The index is a representation of the trend in the total time spent listening (TTSL) to a spectrum of online radio stations. Arbitron Inc released its first weekly Webcast ratings for the week of October 28 - November 3.

Arbitron acquired a license to the streaming audio measurement system and related assets from MeasureCast, Inc. and has incorporated MeasureCast's technology into its webcast ratings service to provide weekly and monthly webcast audience estimates.

During the week of October 28, Clear Channel Worldwide was the top ranked Web radio network with 1,566,183 Total Time Spent Listening. Total Time Spent Listening (TTSL), also called Aggregate Tuning Hours (ATH), is the sum total of hours tuned by listeners to a given station or network. MUSICMATCH, Inc. was ranked number two with 1,205,175 and StreamAudio was third with 1,006,579 hours of listening.

On Friday, the U.S. Congress approved a deal that would allow small Internet-based radio stations to pay lower royalty rates to the musicians and record labels whose songs they use. Both the House of Representatives and the Senate passed a bill giving copyright holders (record companies and artists) and "Webcasters" who stream broadcasts over the Internet, authority to set royalty rates depending on whether the operator was a large commercial operation, a hobbyist or a noncommercial station. This is a major victory for small webcasters who would have been immediately put out of business if Congress had required them to pay a flat per-song rate set by the Library of Congress in June.

However, the bill should not affect large webcasters, such as Yahoo!, MSN and America Online, which will continue to make payments based on the established rate of roughly 1 cent per hour for each listener. Smaller Webcasters who cannot afford such payments will be able to pay an annual fee of no more than \$2,500, or a percentage of their revenues.

With this major issue resolved, smaller Internet based broadcasters can begin marketing themselves more aggressively, and are free to negotiate independent licensing agreements with rights-holders that are consistent with business models

and potential revenues. In some instances, radio stations are enhanced because they have made a concerted effort to simulcast their signal on the Internet, boosting audiences outside of their core DMA, and also providing streaming background music for office workers on their personal computers.

Advertisers have not yet discovered the Internet, but with the advent of weekly program ratings and demographics, it is inevitable that they will. Just as a superior distribution technology expanded the number of choices in the television industry, Internet radio has the potential to alter the radio landscape. Streaming audio is a forerunner of rich video media that will enable advertisers to place traditional video commercials onto websites. Increased advertiser interest in streaming audio and video advertising could shift the creative focus from traditional 60-second and 30-second commercials to shorter five, ten and fifteen

second spots, which would maximize consumer acceptance and avoid negative backlash.

Reinforcing the idea that Internet radio will intersect with traditional radio, the largest radio company, Clear Channel, also controls the leading Internet radio network, Clear Channel World Wide, which delivered more than 1.5 million aggregate tuning hours. The United Kingdom's Virgin Radio New Media (www.virginradio.co.uk) is the leading individual Internet radio 'station' with nearly 340,000 aggregate tuning hours generated from 69,000 unique subscribers.

With increased penetration of high-speed Internet connections, one of the most important trends to watch will be the increased adoption rates of Internet radio, and how the growth of this medium enhances and detracts from traditional radio transmissions.

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INTERNET RADIO LISTENING UP

Demographic Highlights for the Week of Oct. 28 - Nov. 3, 2002

- The peak listening day was Monday, Oct. 28, with 18% of the week's online listening.
- 79% of weekly on-line listening took place between 5 a.m. and 5 p.m. Pacific time.
- 12% of the week's total listening took place during the weekend.
- 86% of the measured listeners were between the ages of 18 and 54.
- 70% of listeners were men; 30% were women.
- In the U.S., 32% of listeners resided in the South; 30% in the West, 20% in the Northeast, and 18% in the Midwest.

Top 10 Internet Radio Networks (Oct. 28 - Nov. 3, 2002)

Rank	Company	TTSL (ATH) ¹	CUME ²
1	Clear Channel World Wide	1,566,183	331,071
2	MusicMatch	1,205,175	360,590
3	StreamAudio	1,006,579	146,569
4	Radio Free Virgin	880,659	178,191
5	Warp Radio	634,185	97,582
6	Internet Radio, Inc.	579,320	203,270
7	Virgin Radio	439,683	85,275
8	SurferNETWORK	419,405	44,345
9	StreamGuys	318,071	78,197
10	Moontaxi	299,619	50,819

Source: Arbitron.

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Arbitron's MeasureCast Weekly Top 25 (Oct. 28 - Nov. 3, 2002)

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JMR Data: Arbitron's MeasureCast Weekly Top 25 (Oct. 28 - Nov. 3, 2002)

Rank	Station	Format	Owner/Network	URL	TTSL (ATH) ¹ (in hours)	Cume Persons ²
1	Virgin Radio/1215 AM & 105.8 FM (London)	Hot Adult Contemporary	Virgin Radio New Media	www.virginradio.co.uk	338,826	69,211
2	MUSICMATCH Artist Match (Internet-only)	Miscellaneous	MUSICMATCH	www.musicmatch.com	317,074	112,374
3	RADIOIO (Internet-only)	Adult Alternative	RADIOIO/ioMediaPartners,inc. / LimeLight Networks	www.radioio.com	254,361	53,613
4	JazzFM/102.2 FM & 100.4 FM (London)	Jazz	Clear Channel World Wide	www.jazzfm.com	248,366	70,054
5	WQXR-FM/96.3 (New York)	Classical	New York Times	www.wqxr.com	206,483	33,251
6	K-LOVE Radio (Sacramento)	Contemporary Christian Music	Educational Media Foundation	www.klove.com	173,676	25,780
7	MUSICMATCH Top Hits (Internet-only)	CHR / Top 40	MUSICMATCH	www.musicmatch.com	168,193	89,447
8	WBLS-FM/107.5 (New York)	Hip Hop	Inner City Broadcasting / BroadcastURBAN.com	www.wbsi.com	164,071	17,336
9	Beethoven.com (Internet-only)	Classical	Beethoven.com	www.beethoven.com	154,367	23,660
10	KING-FM/98.1 (Seattle)	Classical	Classic Radio Inc. Real Broadcast Networks	www.king.org	122,332	19,075
11	BlueGrass Country (Internet-only)	Country	American University / Warp Radio	www.bluegrasscountry.org	86,029	23,652
12	3WK Undergroundradio (Internet-only)	Alternative Rock	3WK	www.3wk.com	78,405	21,742
13	MUSICMATCH Soft Hits (Internet-only)	Soft Hits	MUSICMATCH	www.musicmatch.com	75,128	21,755
14	WXPN-FM/88.5 (Philadelphia)	Adult Album Alternative	University of Pennsylvania / StreamGuys	www.xpn.org	72,936	7,818
15	KNAC.COM (Internet-only)	Pure Rock	KNAC.COM	www.knac.com	68,702	17,670
16	WFZX-FM/93.7 (Wilmington, NC)	Classic Rock	Sea-Comm Media / Warp Radio	www.937thebone.com	67,798	6,611
17	WHTZ-FM/100.3 (New York)	CHR / Top 40	Clear Channel World Wide	www.z100.com	65,032	20,098
18	Radio Margaritaville (Internet-only)	Classic Rock	Radio Margaritaville	www.radiomargaritaville.com	64,569	12,472
19	MUSICMATCH CountryHits (Internet-only)	Country Hits	MUSICMATCH	www.musicmatch.com	61,657	22,922
20	ChoiceRadio New Age (Internet-only)	New Age	Internet Radio, Inc.	www.choicradio.com	60,014	19,675
21	ChoiceRadio Country (Internet-only)	Country	Internet Radio, Inc.	www.choicradio.com	58,411	20,041
22	MUSICMATCH 80's Hits (Internet-only)	80's Hits	MUSICMATCH	www.musicmatch.com	51,227	21,443
23	ChoiceRadio Top 40 (Internet-only)	CHR / Top 40	Internet Radio, Inc.	www.choicradio.com	49,119	20,269
24	Virgin Radio Classic Rock (Internet-only)	Classic Rock	Virgin Radio New Media	www.virginradio.co.uk	47,462	7,069
25	CKFM-FM/99.9 (Toronto)	Adult Contemporary	Standard Broadcasting / SurferNetwork	www.mix999.com	47,168	4,654

Notes: All reported stations stream through Chaincast, Globix, Real Broadcast Networks, StreamAudio, SurferNetwork, Yahoo Broadcast or a broadcaster's in-house servers.

1. **TTSL** (Total Time Spent Listening) sometimes referred to as Aggregate Tuning Hours (ATH) is the total number of hours tuned to a given station or network in the reported time period.

2. **Cume Persons** is an estimate of the total number of unique listeners who had one or more listening sessions lasting five minutes or longer during the reported time period. This estimate is derived using an algorithm that takes into account unique media player GUIDS, unique IP addresses, and other variables during the reported time period.

3. **TTSL** for BigRadio.com and HardRadio.com reflect only those stations listened to with the Windows Media Player.