

What's It Worth?

Media and Communications Valuation Techniques and Trends in Mid-2004

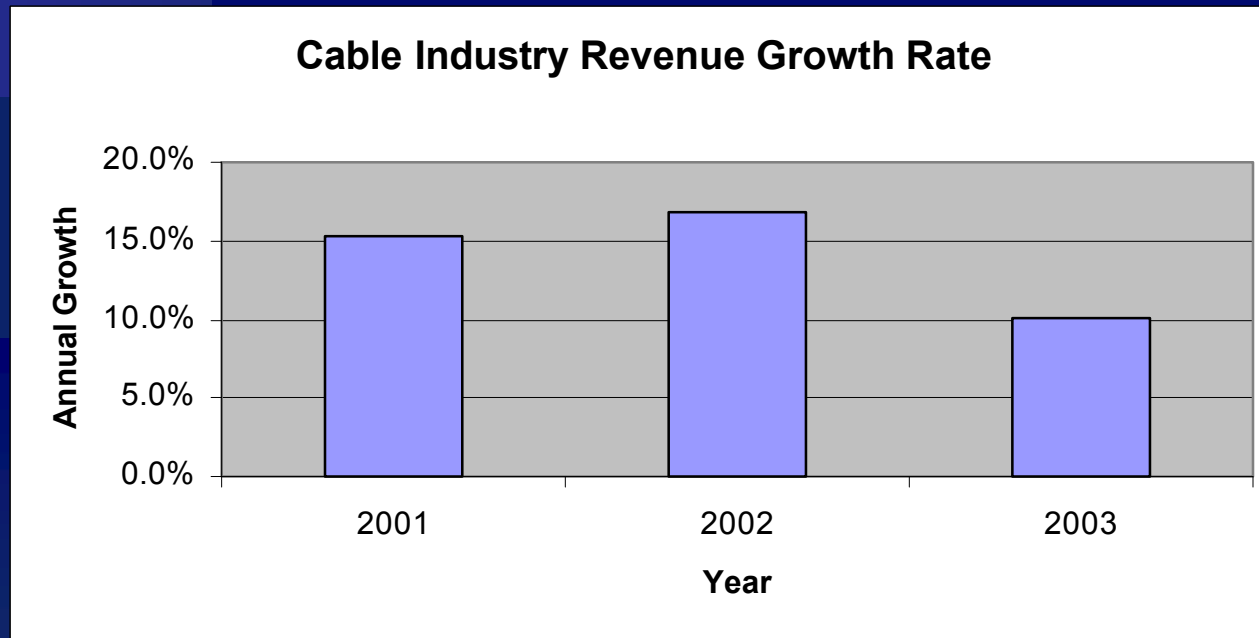
BCFM/BCCA 2004 Conference
May 16, 2004
Atlanta, Georgia

John Sanders, Principal
Bond & Pecaro, Inc.

1920 N Street, N.W., Suite 350 Washington, DC 20036 Phone: (202) 775-8870 Fax: (202) 775-0175

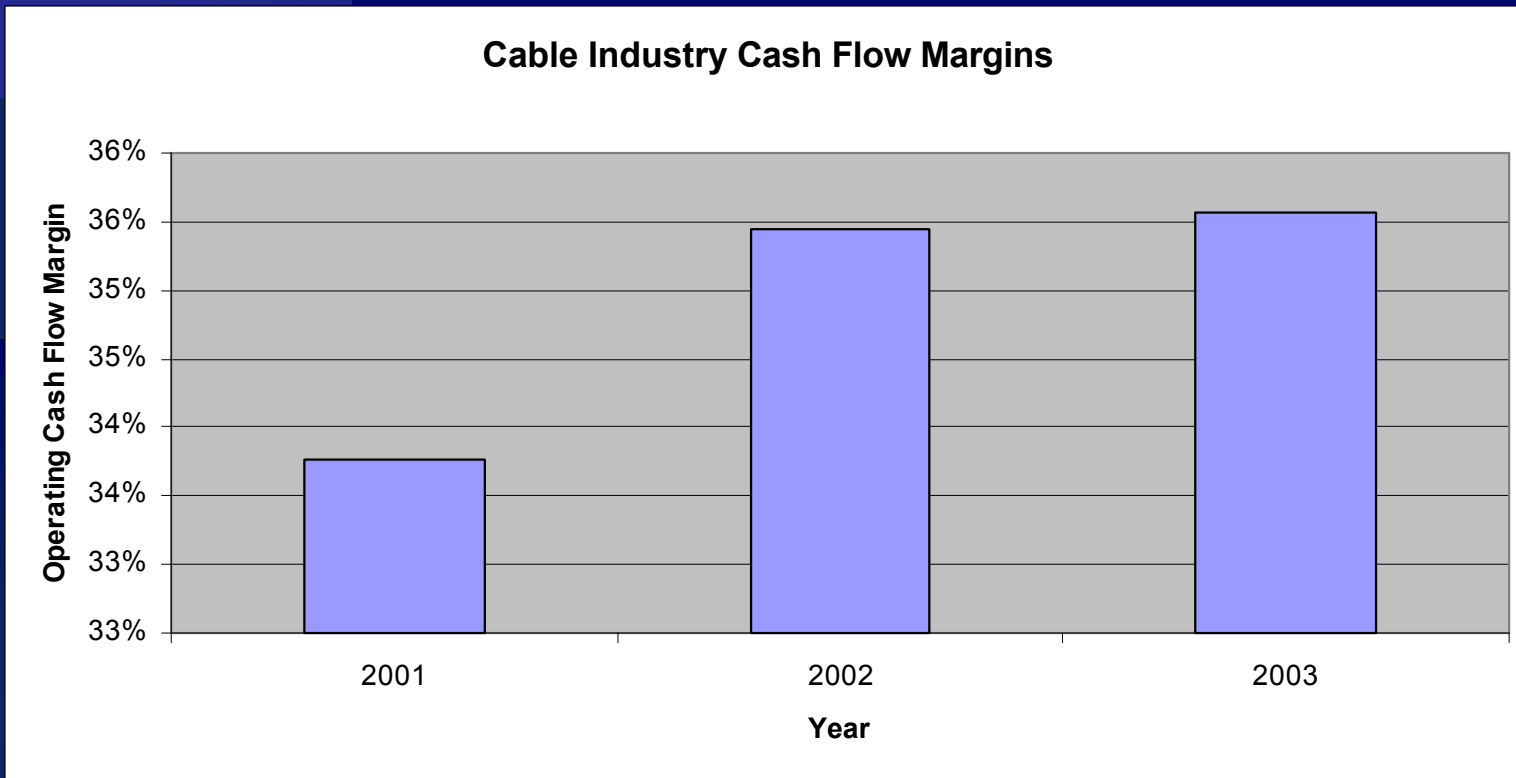
**BOND &
PECARO**

Cable Revenue Growth has Been Solid



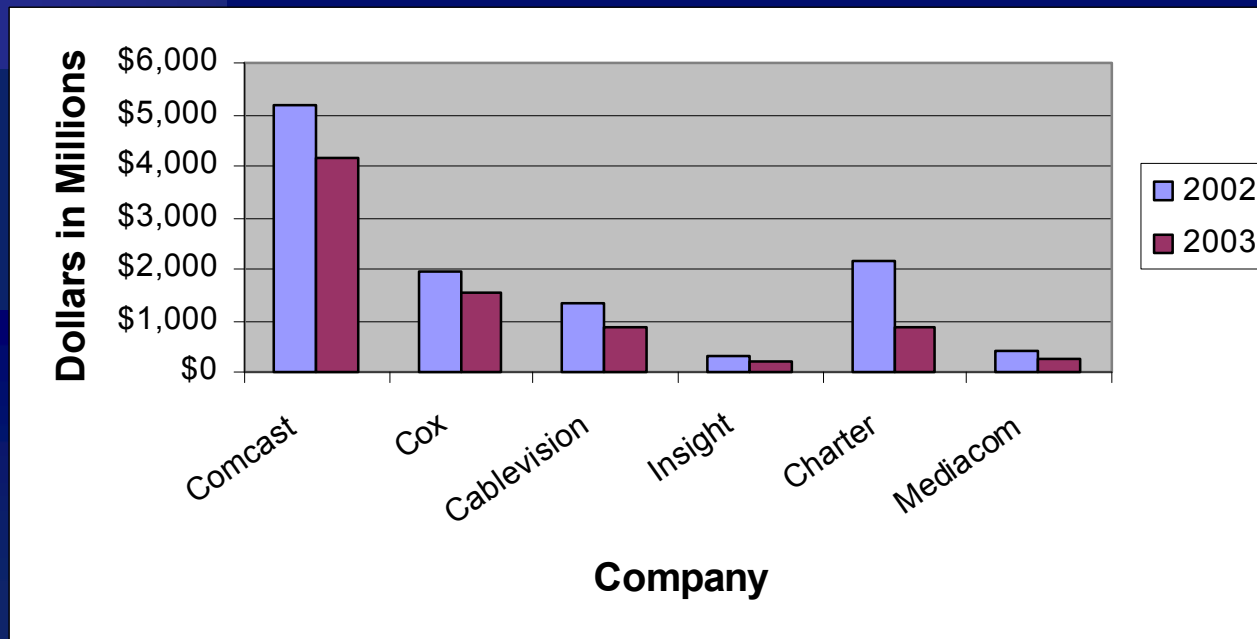
- Source: Cable company financial reports. Adjusted to smooth impact of major acquisitions.

Cable Operating Cash Flow Has Expanded



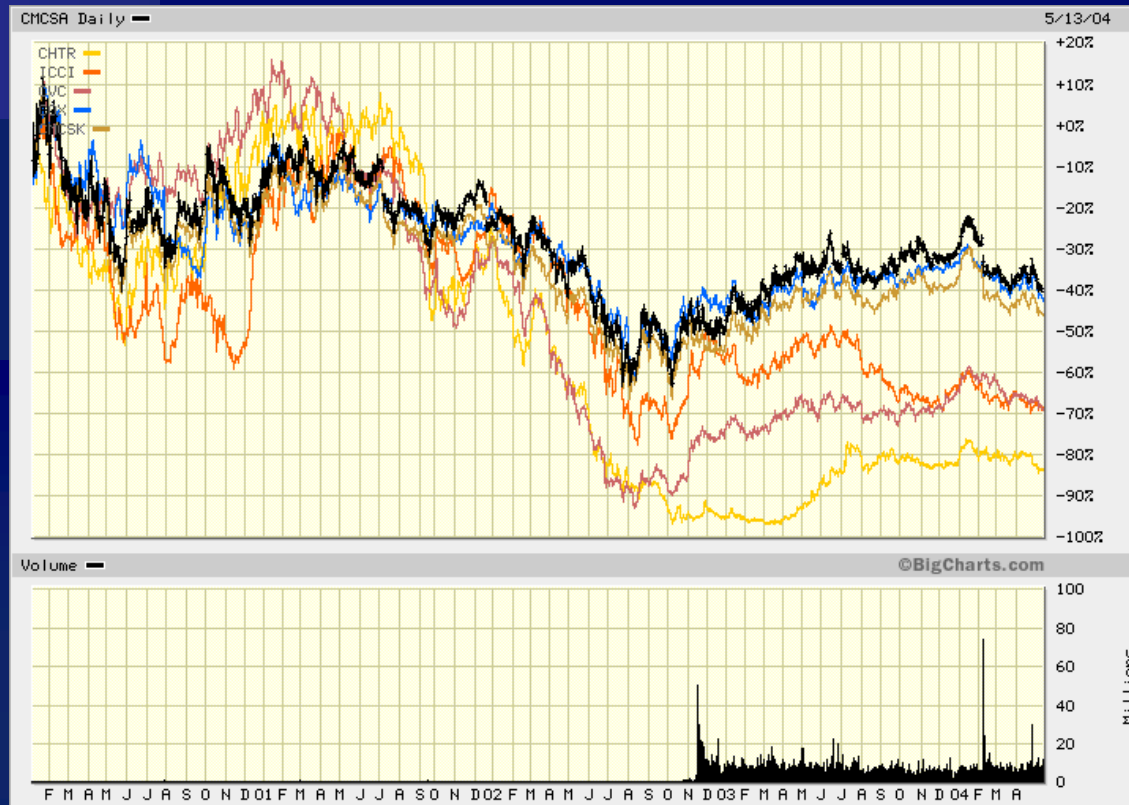
- Source: Cable company financial reports. Adjusted to smooth impact of major acquisitions.

The Big Capital Expenditures are Completed



- Source: Cable company financial reports. Adjusted to smooth impact of major acquisitions.

Cable Stock Performance Since 2000 Has Been Disappointing



- Cable stock sample consists of Comcast A and B, Cox, Cablevision, Insight, and Charter.

Cable Risk/Opportunity Factors

- Competition and Uncertainty in Traditional Services
- Advertising Trends
- Competition and Uncertainty in New Services
- Regulation
- The Adelphia-AOL/TimeWarner Factor

Discounted Cash Flow Can Help Clarify the Issues

<u>Outlook</u>	<u>Cash Flow Multiple</u>	<u>Subscriber Multiple</u>
Low Risk Video-Centric Model	9.2	\$2,600
Expanded Service Model with High Perceived Risk	13	\$3,400
Expanded Service Model with Moderate Perceived Risk	16	\$4,200

What's It Worth?

Media and Communications Valuation Techniques and Trends in Mid-2004

BCFM/BCCA 2004 Conference
May 16, 2004
Atlanta, Georgia

John Sanders, Principal
Bond & Pecaro, Inc.

1920 N Street, N.W., Suite 350 Washington, DC 20036 Phone: (202) 775-8870 Fax: (202) 775-0175

BOND &
PECARO