WELCOME SIX NEW RECEIVERS TO THE C-QUAM FAMILY!

Six major manufacturers of C-QUAM receivers can be added to the 16 which were listed in the February/ March Motorola AM Stereo Bulletin. Radio Shack, J.C. Penney, Omnivox, Sharp, Grundig and Clarion are on the market or are being offered in their latest catalogs. Included is the MCS Series home receivers from J.C. Penney and the Radio Shack TM-152 C-QUAM AM stereo home tuner. The Radio Shack tuner is designed to be used in conjunction with a home stereo unit by connecting it to the auxiliary input. It's \$59.95 low cost will make it attractive to radio stations for use as promotional prizes. Quantity discounts are available, so check with your local Radio Shack dealer.

CHRYSLER GOES AM STEREO WITH ALL FM STEREO RECEIVERS!

Chrysler Corporation will include C-QUAM AM stereo with all domestically built 1986 automobiles which have FM stereo. Any purchase of an FM stereo receiver in a domestically built Chrysler Corporation car or truck will automatically also have C-QUAM AM stereo. This nearly triples the quantity of AM stereo Chrysler receivers from about 500,000 produced in model year 1985 to an estimated 1,400,000 to be built in model year 1986. These receivers will appear in all markets of normal automobile distribution as was the case for the 1985 GM, Ford and Chrysler, as well as VW, Nissan and Toyota.

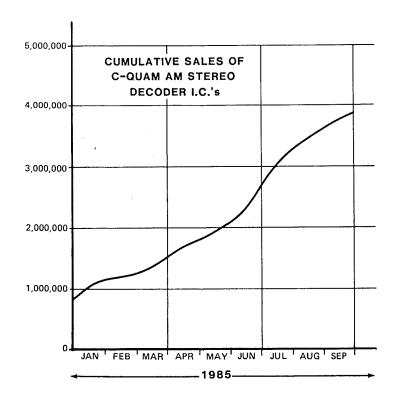
This means that C-QUAM AM stereo receiver quantities are expected to grow in all markets including New York, Los Angeles, San Francisco and Chicago. In fact, based on the normal distribution of new automobiles, Motorola now estimates that over 50,000 are in the New York market and between 20,000 and 50,000 are in each of the other top five markets.

Many C-QUAM broadcasters are receiving phone calls from listeners who have discovered that they have AM stereo in their new cars. Not only do they mention the stereo light coming on while tuned to the C-QUAM AM stereo station, but they also are pleased with the improved sound due to both the stereo and the wider audio bandwidth.

Broadcasters operating in mono or with a non-C-QUAM stereo system might consider converting to C-QUAM stereo so they also can light that stereo light and be heard in stereo on the new C-QUAM automobile receivers.

I.C. SALES PREDICT FUTURE RADIOS

At this time, Motorola Semiconductor and Toshiba of Japan are manufacturing the C-QUAM AM stereo decoder integrated circuit. One of these decoder IC's is used in every C-QUAM receiver to extract the stereo audio from the incoming radio signal. Soon, Sprague and Toko will also be adding to the IC quantities. This added competition can be expected to be healthy for the growth of AM stereo.



The chart shown above indicates the total sales of the C-QUAM AM stereo decoder IC's manufactured by Motorola. As of the end of September, well over 3.5 million were shipped. Because of the short term inventory policy of receiver manufacturers, generally these IC's can be expected to become part of a radio several months after delivery to the receiver manufacturer.

This contrasts with the estimates by Motorola of the production of "multi-system" receivers. Based on information provided to Motorola by manufacturers of "multi-system" receivers, less than 50,000 of these receivers have been produced with a very small percentage of those being automobile receivers.