

CUMULUS MEDIA INC  
Form 10-Q  
August 09, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2012

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from            to

Commission file number 000-24525

**CUMULUS MEDIA INC.**

(Exact Name of Registrant as Specified in its Charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**36-4159663**  
(I.R.S. Employer  
Identification No.)

**3280 Peachtree Road, NW Suite 2300,**  
**Atlanta, GA**  
(Address of Principal Executive Offices)

**30305**  
(ZIP Code)

**(404) 949-0700**  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act:

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of July 31, 2012, the registrant had 167,488,902 outstanding shares of common stock consisting of (i) 154,404,364 shares of Class A common stock; (ii) 12,439,667 shares of Class B common stock; and (iii) 644,871 shares of Class C common stock.

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**Table of Contents****PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****CUMULUS MEDIA INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(Dollars in thousands, except for per share data)****(Unaudited)**

	<b>June 30, 2012</b>	<b>December 31, 2011</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 19,083	\$ 30,592
Restricted cash	3,854	3,854
Accounts receivable, less allowance for doubtful accounts of \$3,694 and \$2,765 at June 30, 2012 and December 31, 2011, respectively	233,776	236,804
Trade receivable	7,178	5,967
Compensation held in trust		24,807
Prepaid expenses and other current assets	26,059	22,315
Current assets held for sale	72,350	
Total current assets	362,300	324,339
Property and equipment, net	262,078	278,070
Broadcast licenses	1,598,228	1,625,415
Other intangible assets, net	315,539	390,509
Goodwill	1,292,725	1,334,512
Other assets	83,586	87,746
Total assets	\$ 3,914,456	\$ 4,040,591
<b>Liabilities, Redeemable Preferred Stock and Stockholders Equity</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 112,108	\$ 160,186
Trade payable	5,392	4,999
Current portion of long-term debt	13,250	13,250
Total current liabilities	130,750	178,435
Long-term debt, excluding 7.75% senior notes	2,171,990	2,227,287
7.75% senior notes	610,000	610,000
Other liabilities	62,512	63,938
Deferred income taxes	542,466	556,771
Total liabilities	3,517,718	3,636,431
Redeemable preferred stock:		
Series A cumulative redeemable preferred stock, par value \$0.01 per share; stated value of \$1,000 per share; 100,000,000 shares authorized; 125,000 shares issued and outstanding at both June 30, 2012 and December 31, 2011	118,231	113,447

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Total redeemable preferred stock	118,231	113,447
<b>Stockholders' equity</b>		
Class A common stock, par value \$0.01 per share; 750,000,000 shares authorized; 176,273,876 and 160,783,484 shares issued and 152,156,089 and 137,085,813 shares outstanding at June 30, 2012 and December 31, 2011, respectively	1,763	1,608
Class B common stock, par value \$0.01 per share; 600,000,000 shares authorized; 12,439,667 shares issued and outstanding at both June 30, 2012 and December 31, 2011	124	124
Class C common stock, par value \$0.01 per share; 644,871 shares authorized, issued and outstanding at both June 30, 2012 and December 31, 2011	6	6
Treasury stock, at cost, 24,117,787 and 23,697,671 shares at June 30, 2012 and December 31, 2011, respectively	(251,915)	(251,666)
Additional paid-in-capital	1,517,988	1,526,114
Accumulated deficit	(989,459)	(985,473)
Total stockholders' equity	278,507	290,713
Total liabilities, redeemable preferred stock and stockholders' equity	\$ 3,914,456	\$ 4,040,591

*See accompanying notes to the unaudited condensed consolidated financial statements.*

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(Dollars in thousands, except for share and per share data)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Broadcast revenues	\$ 280,745	\$ 61,116	\$ 516,710	\$ 111,657
Management fees	296	1,125	326	2,250
Net revenues	281,041	62,241	517,036	113,907
Operating expenses:				
Direct operating expenses (excluding depreciation, amortization and LMA fees)	168,746	35,281	322,442	68,981
Depreciation and amortization	36,200	1,769	71,007	3,677
LMA fees	885	560	1,724	1,141
Corporate general and administrative expenses (including stock-based compensation expense of \$5,928, \$598, \$12,906 and \$1,187, respectively)	16,802	9,139	33,494	17,271
Gain on exchange of assets or stations		(120)		(15,278)
Realized loss on derivative instrument	841	1,205	753	1,244
Impairment of intangible assets	12,435		12,435	
Total operating expenses	235,909	47,834	441,855	77,036
Operating income	45,132	14,407	75,181	36,871
Non-operating (expense) income:				
Interest expense, net	(49,619)	(9,178)	(100,422)	(15,496)
Loss on early extinguishment of debt		(4,366)		(4,366)
Other (expense) income, net	(74)	(92)	190	(93)
Total non-operating expense, net	(49,693)	(13,636)	(100,232)	(19,955)
(Loss) income from continuing operations before income taxes	(4,561)	771	(25,051)	16,916
Income tax benefit (expense)	2,798	(1,582)	10,689	(3,483)
(Loss) income from continuing operations	(1,763)	(811)	(14,362)	13,433
Income from discontinued operations, net of taxes	9,906	2,152	10,375	4,027
Net income (loss)	8,143	1,341	(3,987)	17,460
Less: dividends declared and accretion of redeemable preferred stock	6,791		12,491	
Income (loss) attributable to common shareholders	\$ 1,352	\$ 1,341	\$ (16,478)	\$ 17,460
<b>Basic and diluted (loss) income per common share (see Note 12, Earnings Per Share ):</b>				
Basic: (Loss) income from continuing operations per share	\$ (0.05)	\$ (0.02)	\$ (0.17)	\$ 0.32

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Income from discontinued operations per share	\$	0.06	\$	0.05	\$	0.07	\$	0.10
Income (loss) per share	\$	0.01	\$	0.03	\$	(0.11)	\$	0.41
Diluted: (Loss) income from continuing operations per share	\$	(0.05)	\$	(0.02)	\$	(0.17)	\$	0.31
Income from discontinued operations per share	\$	0.06	\$	0.05	\$	0.07	\$	0.09
Income (loss) per share	\$	0.01	\$	0.03	\$	(0.11)	\$	0.40
Weighted average basic common shares outstanding		157,710,861		40,762,233		153,540,006		40,667,773
Weighted average diluted common shares outstanding		157,710,861		40,762,233				