

GRUPO RADIO CENTRO SAB DE CV

Form 6-K

October 24, 2011

Securities and Exchange Commission
Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer
Pursuant To Rule 13a-16 or 15d-16
of The Securities Exchange Act of 1934

For the month of October, 2011 Commission File Number 1-12090

GRUPO RADIO CENTRO, S.A.B. de C.V.
(Translation of Registrant's name into English)

Constituyentes 1154, Piso 7
Col. Lomas Altas, México D.F. 11954
(Address of principal office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b).
82- .)

For Immediate Release

October 21, 2011

Grupo Radio Centro Reports Results for the Third Quarter and First Nine Months of 2011

Mexico City, October 21, 2011 - Grupo Radio Centro, S.A.B. de C.V. (NYSE: RC, BMV: RCENTRO-A) (the "Company"), one of Mexico's leading radio broadcasting companies, announced today its results of operations for the third quarter and nine months ended September 30, 2011. All figures were prepared in accordance with International Financial Reporting Standards (IFRS).

Third Quarter Results

The Company's broadcasting revenue in third quarter 2011 totaled Ps. 255,215,000, a 12.9% increase compared to the Ps. 226,147,000 reported in third quarter 2010. This increase was mainly attributable to higher advertising expenditures by the Company's clients in Mexico who purchased more airtime during the third quarter 2011 compared to the same period in 2010.

The Company's broadcasting expenses (excluding depreciation, amortization and corporate, general and administrative expenses) in third quarter 2011 totaled Ps. 175,318,000, a 1.6% increase compared to the Ps. 172,511,000 reported in third quarter 2010. This increase was mainly attributable to: (i) higher promotion and advertising expenses and (ii) higher commissions paid to the Company's sales force and advertising agencies due to higher broadcasting revenue, in each case, incurred during the third quarter 2011 compared to the same period in 2010.

The Company's broadcasting income (i.e., broadcasting revenue minus broadcasting expenses, excluding depreciation, amortization and corporate, general and administrative expenses) in third quarter 2011 totaled Ps. 79,897,000, a 49.0% increase compared to the Ps. 53,636,000 reported in third quarter 2010. This increase was attributable to the increase in broadcasting revenue described above.

The Company's depreciation and amortization expenses in third quarter 2011 totaled Ps. 6,337,000, an 8.7% increase compared to the Ps. 5,828,000 reported in third quarter 2010. This increase was due to a correction in the amortization expenses in the third quarter 2011 compared to the same period in 2010.

The Company's corporate, general and administrative expenses in third quarter 2011 totaled Ps. 2,808,000, the same amount reported in the third quarter 2010.

Grupo Radio Centro, S.A.B. de C.V.
Third Quarter 2011 Results

The Company's operating income in third quarter 2011 totaled Ps. 70,752,000, a 57.2% increase compared to the Ps. 45,000,000 reported in third quarter 2010. This increase was mainly due to the increase in broadcasting income described above.

The Company's other expenses, net, in third quarter 2011 totaled Ps. 12,581,000, a 26.8% increase compared to the Ps. 9,925,000 reported in third quarter 2010. This increase was mainly attributable to a decrease in tax credits combined with an increase in legal expenses, in each case, during the third quarter 2011 compared to the same period in 2010.

The Company's comprehensive financing cost in third quarter 2011 totaled Ps. 5,293,000, a slight increase compared to the Ps. 5,261,000 reported in third quarter 2010.

The Company's income before income taxes in third quarter 2011 totaled Ps. 52,878,000, a 77.4% increase compared to the Ps. 29,814,000 reported in third quarter 2010.

The Company's income taxes totaled Ps. 21,768,000 in third quarter 2011, a 22.1% increase compared to the Ps. 17,827,000 reported in third quarter 2010. This increase was due to an increase in taxable income during third quarter 2011 compared to the same period in 2010.

As a result of the foregoing, the Company's net income in third quarter 2011 totaled Ps. 31,110,000, more than double than the Ps. 11,987,000 reported in the third quarter 2010.

Nine-Month Results

The Company's broadcasting revenue in the nine months ended September 30, 2011 totaled Ps. 674,412,000, a 12.2% increase compared to the Ps. 601,017,000 reported in the same period 2010. This increase was mainly attributable to an increase in advertising expenditures by the Company's clients who purchased more airtime during the first nine months of 2011 than the same period in 2010.

The Company's broadcasting expenses (excluding depreciation, amortization and corporate, general and administrative expenses) in the first nine months 2011 totaled Ps. 513,516,000, a 2.6% increase compared to the Ps. 500,539,000 reported in the same period 2010. This increase was primarily due to (i) higher research and promotion costs, and (ii) higher commissions paid to the Company's sales force and to advertising agencies due to higher broadcasting revenue in the first nine months 2011 compared to the same period in 2010.

The Company's broadcasting income (i.e., broadcasting revenue minus broadcasting expenses, excluding depreciation, amortization and corporate, general and administrative expenses) in the first nine months of 2011 totaled Ps. 160,896,000, a 60.1% increase compared to the Ps. 100,478,000 reported in the same period 2010.

The Company's depreciation and amortization expenses in the first nine months 2011 totaled Ps. 17,525,000, a 3.3% decrease compared to the Ps. 18,117,000 reported in the same period 2010. This decrease was due to a reduction in the amount of depreciable assets in the first nine months 2011 compared to the same period in 2010.

The Company's corporate, general and administrative expenses in the first nine months 2011 totaled Ps. 10,365,000, the same amount reported in the same period 2010.

Grupo Radio Centro, S.A.B. de C.V.
Third Quarter 2011 Results

As a result of the foregoing, the Company recorded operating income of Ps. 133,006,000 in the first nine months 2011, an 84.7% increase compared to the Ps. 71,996,000 reported in the same period 2010.

The Company's other expenses, net, for the first nine months 2011 totaled Ps. 43,784,000, a 20.3% increase compared to the Ps. 36,390,000 reported in the same period 2010. This increase was mainly attributable to a decrease in tax credits combined with an increase in legal expenses in the first nine months 2011 compared to the same period in 2010.

The Company's comprehensive cost of financing in the first nine months 2011 totaled Ps. 15,677,000, a decrease of 13.4% compared to the Ps. 18,101,000 reported in the same period 2010. This decrease was mainly attributable to a reduction in the principal amount of the Company's loan with Banco Inbursa, S.A., combined with a reduction in the annual interest rate of the loan, from 13% through March 18, 2010 to 9.5% thereafter.

The Company's income before income taxes in the first nine months 2011 totaled Ps. 73,545,000, a significant increase compared to the Ps. 17,505,000 reported in the same period 2010. This increase was mainly due to the aforementioned increase in broadcasting revenue.

The Company's income taxes in the first nine months 2011 totaled Ps. 43,344,000, a 44.5% increase compared to the Ps. 29,994,000 recorded in the same period 2010. This increase was mainly due to an increase in taxable income during the first nine months 2011 compared to the same period in 2010.

As a result of the foregoing, the Company recorded net income of Ps. 30,201,000 during the first nine months 2011, compared to a net loss of Ps. 12,489,000 in the same period in 2010.

Company Description

Grupo Radio Centro owns and/or operates 15 radio stations. Of these 15 radio stations, 12 are located in Mexico City, two stations are located in Guadalajara and Monterrey, and one station is located in Los Angeles. The Company's principal activities are the production and broadcasting of musical and entertainment programs, talk shows, news and special events programs. Revenue is primarily derived from the sale of commercial airtime. In addition to the Organización Radio Centro radio stations, the Company also operates Grupo RED radio stations and Organización Impulsora de Radio (OIR), a radio network that acts as the national sales representative for, and provides programming to 110 Grupo Radio Centro-affiliated radio stations throughout Mexico.

Note on Forward Looking Statements

This release may contain projections or other forward-looking statements related to Grupo Radio Centro that involve risks and uncertainties. Readers are cautioned that these statements are only predictions and may differ materially from actual future results or events. Readers are referred to the documents filed by Grupo Radio Centro with the United States Securities and Exchange Commission, specifically the most recent filing on Form 20-F, which identifies important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are based on information available to Grupo Radio Centro on the date hereof, and Grupo Radio Centro assumes no obligation to update such statements.

IR Contacts

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Grupo Radio Centro, S.A.B. de C.V.
Third Quarter 2011 Results

GRUPO RADIO CENTRO, S.A.B. DE C.V.
CONSOLIDATED UNAUDITED BALANCE SHEETS
as of September 30, 2011 and 2010
(figures in thousands of Mexican pesos ("Ps.") and U.S. dollars ("U.S. \$") (1))

| | September 30, | | |
|---|-----------------------|------------------|------------------|
| | U.S.\$ ⁽¹⁾ | 2011 Ps. | 2010 Ps. |
| ASSETS | | | |
| Current assets: | | | |
| Cash and temporary investments | 10,093 | 135,463 | 38,656 |
| Accounts receivable: | | | |
| Broadcasting, net | 18,846 | 252,946 | 235,483 |
| Other | 669 | 8,976 | 10,695 |
| Income taxes recoverable | 133 | 1,782 | 0 |
| | 19,648 | 263,704 | 246,178 |
| Prepaid expenses | 2,534 | 34,009 | 65,337 |
| Total current assets | 32,275 | 433,176 | 350,171 |
| Property and equipment, net | 31,875 | 427,820 | 442,565 |
| Deferred charges, net | 277 | 3,723 | 5,526 |
| Excess of cost over book value of net assets of subsidiaries, net | 61,755 | 828,863 | 828,863 |
| Other assets | 253 | 3,404 | 3,338 |
| Total assets | 126,435 | 1,696,986 | 1,630,463 |
| LIABILITIES | | | |
| Current: | | | |
| Notes payable | 3,039 | 40,792 | 71,305 |
| Advances from customers | 7,494 | 100,581 | 57,413 |
| Suppliers and other accounts payable | 4,859 | 65,219 | 65,478 |
| Taxes payable | 2,671 | 35,845 | 29,501 |
| Total current liabilities | 18,063 | 242,437 | 223,697 |
| Long-Term: | | | |
| Notes payable | 4,470 | 60,000 | 100,000 |
| Reserve for labor liabilities | 4,646 | 62,361 | 67,841 |
| Deferred taxes | 1,776 | 23,842 | 19,545 |
| Total liabilities | 28,955 | 388,640 | 411,083 |
| SHAREHOLDERS' EQUITY | | | |
| Capital stock | 78,974 | 1,059,962 | 1,059,962 |
| Cumulative earnings | 6,352 | 85,256 | (3,701) |
| Reserve for repurchase of shares | 2,234 | 29,989 | 29,989 |
| Effect from Initial Adoption of IFRS | 9,896 | 132,821 | 132,821 |

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| | | | |
|----------------------------|--------|-----------|-----------|
| Controlling Interest | 97,456 | 1,308,028 | 1,219,071 |
| Non-controlling Interest | 24 | 318 | 309 |
| Total shareholders' equity | 97,480 | 1,308,346 | |