

WESTWOOD ONE INC /DE/
Form 10-Q
November 14, 2011

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

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

For the quarterly period ended September 30, 2011
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 001-14691

WESTWOOD ONE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

95-3980449

(I.R.S. Employer
Identification No.)

220 W. 42nd St. New York, NY
(Address of principal executive offices)

10036
(Zip Code)

(212) 419-2900

(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 ("Exchange Act") 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 Web Site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-X 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 (Check One):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding as of November 4, 2011 (excluding treasury shares) was Class A common stock, par value \$.01 per share: 22,667,591; Class B common stock, par value \$.01 per share: 34,237,638; and Series A Preferred Stock, par value \$.01 per share: 9,691,374.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

WESTWOOD ONE, INC.

CONSOLIDATED BALANCE SHEET

(In thousands, except per share amounts)

	September 30, 2011 (unaudited)	December 31, 2010 (derived from audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$4,733	\$2,938
Accounts receivable, net of allowance for doubtful accounts of \$1,300 (2011) and \$143 (2010)	37,489	49,672
Prepaid and other assets	15,431	16,583
Current assets discontinued operations	590	48,723
Total current assets	58,243	117,916
Property and equipment, net	23,080	23,502
Intangible assets, net	23,769	26,262
Goodwill	25,796	25,796
Other assets	6,131	1,642
Non-current assets discontinued operations	—	93,156
TOTAL ASSETS	\$137,019	\$288,274
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$24,587	\$33,957
Amounts payable to related parties	963	859
Accrued and other current liabilities	17,534	20,148
Current liabilities discontinued operations	11,244	32,357
Total current liabilities	54,328	87,321
Long-term debt	27,000	136,407
Deferred tax liability	12,989	24,188
Due to Gores	10,610	10,222
Other liabilities	14,428	15,951
Non-current liabilities discontinued operations	5,938	20,177
TOTAL LIABILITIES	125,293	294,266
Commitments and Contingencies	—	—
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, \$.01 par value: authorized: 5,000,000 shares issued and outstanding: 22,605 (2011) and 21,314 (2010)	226	213
Class B stock, \$.01 par value: authorized: 3,000 shares; issued and outstanding: 0	—	—
Additional paid-in capital	100,731	88,652
Accumulated deficit	(89,231	) (94,857
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	11,726	(5,992
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$137,019	\$288,274

See accompanying notes to consolidated financial statements

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WESTWOOD ONE, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenue	\$40,878	\$44,224	\$133,372	\$139,835
Operating costs	39,228	41,610	133,972	130,338
Depreciation and amortization	1,677	1,467	5,070	4,313
Corporate general and administrative expenses	1,931	2,083	6,604	8,254
Restructuring charges	137	84	1,911	243
Special charges	2,550	1,350	4,474	3,878
Total expenses	45,523	46,594	152,031	147,026
Operating loss	(4,645)	) (2,370)	) (18,659)	) (7,191)
Interest expense	923	2,095	3,512	5,343
Other (income) expense	(4,946)	) 1,920	(6,042)	) 1,918
Loss from continuing operations before income tax	(622)	) (6,385)	) (16,129)	) (14,452)
Income tax provision (benefit) from continuing operations	60	(1,917)	) (6,908)	) (5,816)
Net loss from continuing operations	(682)	) (4,468)		