WESTWOOD ONE INC /DE/
Form S-1/A
October 16, 2009
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As filed with the Securities and Exchange Commission on October 16, 2009

Registration No. 333-160152

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO.2

TO

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

WESTWOOD ONE, INC.

(Exact name of registrant as specified in its charter)

Delaware	**7900**	**95-3980449**
(State or Other Jurisdiction of	***(Primary Standard Industrial***	***(I.R.S. Employer***
Incorporation or Organization)	***Classification Code Number)***	***Identification Number)***

40 West 57th Street, 5th Floor

New York, New York 10019

(212) 641-2000

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

David Hillman, Esq.

Chief Administrative Officer; EVP, Business Affairs;

General Counsel and Secretary

Westwood One, Inc.

40 West 57th Street, 5th Floor

New York, New York 10019

(212) 641-2000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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 x

Non-accelerated filer ¨ (Do not check if a smaller reporting company) Smaller reporting company ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price (1)(2)**	**Amount of Registration Fee**
Common Stock, par value $0.01 per share	$50,000,000	$2,790(3)

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.

(2) Includes offering price for the shares that the underwriters have the option to purchase to cover over-allotments, if any.

(3) Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 16, 2009

PRELIMINARY PROSPECTUS

Shares

Common Stock

$ per share

Westwood One, Inc. is selling shares of our common stock and the selling stockholders named in this prospectus are selling shares of our common stock. We and the selling stockholders named in this prospectus have granted the underwriters a 30-day option to purchase up to an additional shares of our common stock to cover over-allotments, if any. We will not receive any of the proceeds from the sale of shares by the selling stockholders.

Our common stock is currently traded on the OTC Bulletin Board under the symbol WWOZ.OB. The last reported sale price on , 2009 was $ per share. We intend to apply to list our common stock on the NASDAQ Global Market under the symbol WWON.

INVESTING IN OUR COMMON STOCK INVOLVES RISKS. SEE RISK FACTORS BEGINNING ON PAGE 16.

	Per Share	Total
Public offering price	$	$
Underwriting discounts	$	$
Proceeds, before expenses, to us	$	$
Proceeds, before expenses, to selling stockholders	$	$

Delivery of the shares of common stock will be made on or about , 2009.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

UBS Investment Bank **Thomas Weisel Partners LLC**

Roth Capital Partners **Moelis & Company**

The date of this prospectus is , 2009.

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This prospectus is part of a registration statement on Form S-1 that we filed with the Securities and Exchange Commission (SEC). You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock.

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Unless otherwise stated in this prospectus, references to the Company, we, our, ours, registrant and us refer to Westwood One, Inc. and it consolidated subsidiaries, except where it is clear that such terms mean only Westwood One, Inc.

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Prospectus summary

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information you should consider before buying shares of our common stock. Before deciding to invest in shares of our common stock, you should read the entire prospectus carefully, including our consolidated financial statements and the related notes and the information set forth under the headings Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations, in each case included elsewhere in this prospectus.

OUR COMPANY

We produce and provide traffic, news, weather, sports, talk, music, special events and other programming. Our content is distributed to radio and television stations and digital platforms and reaches over 190 million people. We are one of the largest domestic outsourced providers of traffic reporting services and one of the nation s largest radio networks, delivering content to over 5,000 radio and 170 television stations in the US. We exchange our content with radio and television stations for commercial airtime, which we then sell to local, regional and national advertisers. By aggregating and packaging commercial airtime across radio and television stations nationwide, we are able to offer our advertising customers a cost-effective way to reach a broad audience and target their audience on a demographic and geographic basis as demonstrated by the chart comparing CPMs among different media types that appears in the section entitled Business Industry Overview.

We are organized into two business segments: Metro and Network.

Our Metro business produces and distributes traffic and other local information reports (such as news, sports and weather) to approximately 2,300 radio and television stations, which include stations in over 80 of the top 100 Metro Service Area (MSA) markets in the US. Our Metro business generates revenue from the sale of commercial advertising inventory to advertisers (typically 10 and 15 second spots in radio embedded within our information reports and 30 second spots in television). We provide broadcasters a cost-effective alternative to gathering and delivering their own traffic and local information reports and offer advertisers a more efficient, broad reaching alternative to purchasing advertising directly from individual radio and television stations.

Our Network business nationally syndicates proprietary and licensed content to radio stations, enabling them to meet their programming needs on a cost-effective basis. The programming includes national news and sports content, such as CBS Radio News, CNN Radio News and NBC Radio News and major sporting events, including the National Football League (including the Super Bowl), NCAA football and basketball games (including the Men s Basketball Tournament, *ie*, March Madness) and the 2010 Winter Olympic Games. Our Network business features popular shows that we produce with personalities including Dennis Miller, Charles Osgood, Fred Thompson and Billy Bush. We also feature special events such as live concert broadcasts, countdown shows (including MTV and Country Music Television branded programs), music and interview programs. Our Network business generates revenue from the sale of 30 and 60 second commercial airtime, often embedded in our programming, that we bundle and sell to national advertisers who want to reach a large audience across numerous radio stations.

We believe that our market position in both the Metro and Network businesses and our recent turnaround strategies and revenue enhancement initiatives afford us with a number of revenue growth opportunities. We are developing additional potential revenue streams by leveraging our existing resources and accessing new distribution channels for our extensive content. In addition, we believe there

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is an opportunity to pursue acquisitions, partnerships and joint ventures to consolidate our existing business with competitors and expand into new markets. We routinely evaluate and analyze such opportunities, but we have no current binding plans or arrangements with respect to any such opportunities. We have an option, exercisable through December 1, 2009, to acquire TrafficLand, a provider of traffic video collected from local and state Departments of Transportation. Entering into any transactions with respect to such opportunities would be subject to completion of due diligence, finalization of key business and financial terms (including price) and negotiation of final definitive documentation as well as a number of other factors and conditions including, without limitation, the approval of our board of directors and any required third party consents (including any required lenders consent). We cannot predict how quickly the terms of any such transaction could be finalized, if at all. Accordingly, there can be no assurance that definitive documentation for any such transaction would be executed or even if executed, that any such transaction will be consummated. In connection with evaluating potential strategic acquisition and investment transactions, we have, and may in the future, incur significant expenses for the evaluation and due diligence investigation of these potential transactions.

OUR STRENGTHS

We believe our strengths include:

Ø *Large Independent Provider of Content.* We are one of the largest domestic outsourced providers of traffic reporting services and one of the nation s largest radio networks, producing and distributing traffic, news, weather, sports, talk, music, special events and other programming. As an independent provider of content, without any stations under our ownership, we are able to transact with all station groups. We deliver content to over 5,000 radio and 170 television stations in the US.

Ø *Developer of Original Content*. We create and develop content for radio and television stations. The programming includes several nationally known personalities including Dennis Miller, Charles Osgood, Fred Thompson and Billy Bush. We also provide stations with targeted programming, including national news, major sporting events and local news and traffic programming that they can generally not afford to develop on their own.

Ø *Multichannel Distributor of Content*. As a producer of original content, we have the ability to utilize multiple media channels by leveraging our existing production capabilities and vast library of content to generate additional revenue without incurring significant costs. For example, much of the same content we distribute to our radio station customers is available to consumers online via podcasting or live streaming, which enables us to generate additional revenue from the sale of advertising embedded in such streams or podcasts.

Ø *Significant Operating Leverage.* Our business model has a relatively fixed cost base leading to significant operating leverage. We have made progress and are working to further reduce our fixed costs which we believe will enhance our profitability if revenue increases in the future due to an economic recovery or organic growth factors.

Ø *Experienced Management Team*. We have brought together a new, experienced management team with extensive strategic, operating and financial expertise. Our management team has an average of 16 years of industry experience. Our relationship with The Gores Group provides us with additional operational, financial and strategic support. We believe this management team has the ability to respond to economic and industry trends and cycles while maximizing revenue growth from the sale of commercial airtime.

OUR STRATEGY

Our goal is to grow the revenue and profitability of our business. Key elements of our strategy to achieve this goal include:

- *Complete operational turnaround.* We have recently begun and believe we will continue to increase our operational efficiency with the assistance of The Gores Group. We announced on March 16, 2009, certain re-engineering and cost-cutting initiatives, as described below in Turnaround Strategies and Revenue Enhancement Initiatives , that are collectively anticipated to result in total annual savings of approximately $55 to $63 million. In the third quarter of 2008, we announced a plan to restructure the traffic operations of the Metro Traffic business (commonly referred to by us as the Metro re-engineering) and to implement other cost reductions. The reengineering entailed reducing the number of our Metro Traffic operational hubs from 60 to 13 regional centers and produced meaningful reductions in labor expense, aviation expense, station compensation, program commissions and rent. We have also implemented additional cost reduction initiatives in the first half of 2009, including reductions in Network programming costs, labor expense, station compensation and other operating costs, to help improve our operating and financial performance and help establish a foundation for potential long-term growth. We have recognized $25.0 million of savings from both the Metro re-engineering and additional cost reduction initiatives undertaken by us through the end of the second fiscal quarter of 2009. We anticipate that the total annual savings in 2009 (from the start of the Metro re-engineering and other cost reductions in the third quarter of 2008) will be in the $53.0 million to $61.0 million range and additional savings in 2010 will be approximately $2.0 million, as additional phases of the Metro re-engineering and cost-reduction programs are implemented. These anticipated savings are comprised of labor savings, lower programming costs and reductions in aviation expense, station compensation and savings from consolidation of office leases. Many of the initiatives were instituted as of June 30, 2009. Not included in the foregoing are amounts related to the compensation reduction and furlough actions (aggregating 10 days of pay per each participating full-time employee) that we announced on September 29, 2009, which actions shall result in additional cost savings in 2009.

These savings will be offset to a limited degree by investments in our sales force, technology and digital capabilities and certain strategic partnerships such as TrafficLand, a provider of traffic video collected from local and state Departments of Transportation.

- *Expand our Sales Force.* We have recently begun and plan to continue to build-out and leverage our extensive local and national sales force to generate increased revenue from the sale of commercial airtime. In our Network business, we are adding category management specialists in high-potential segments of the advertising market. In our Metro business, we have added new sales people at various locations across the country to deepen our local market coverage. We are also adding select sales people in our Metro business to expand the distribution of our local content. Additionally, in our Network business we recently began to offer copy-splitting advertising services which enable our advertising clients to reach more than one desired geographic area at the same time.

- *Pursue strategic opportunities.* We evaluate acquisitions, partnerships and joint ventures on an ongoing basis and intend to pursue acquisitions of and partnerships or joint ventures with businesses in our industry and related industries that can assist us in achieving our growth strategy. We focus on opportunities with content and services businesses serving the radio, television and digital markets. We approach strategic opportunities in a disciplined manner and, with the assistance of The Gores Group, intend to focus on opportunities that strengthen our competitive position.

- *Produce cost-effective, original programming.* We will continue to leverage our national scale to provide radio and television stations with programming and services that they may not be able to cost-effectively produce on their own, most notably on the Network side, where rights fees for sporting

events and fees for prominent talent personalities are significant and have generally continued to increase over time (except in certain cases in 2009 where we have been able to negotiate lower fees, in part because of a weaker economy). As a syndicator of programming to over 5,000 radio stations and 170 television stations nationwide, we are able to pay such programming costs for a broad array of content, while one station, in most cases, could not. We distribute our programming on a barter basis in exchange for commercial airtime in lieu of cash, which allows stations to preserve capital.

Ø *Expand our distribution channels*. We plan to continue expanding our product offerings across radio, television, online and other platforms through initiatives such as on-camera graphics and mobile video. Our Metro business is also expanding into the digital and wireless categories as a provider of traffic information on mobile and personal navigation devices. As part of this strategy, our Metro business recently entered into a License and Services Agreement with TrafficLand. The agreement provides our Metro business with the exclusive right to enter into affiliation agreements with third party broadcasters wanting access to TrafficLand s live video traffic feeds, which (i) provides us with simultaneous access to 4,700 traffic cameras and (ii) enables us to enhance our product offerings to stations that carry our programming and data feeds. We have an option, exercisable through December 1, 2009, to acquire TrafficLand. We have also partnered with AirSage, a provider of digital traffic data, to enhance our real-time road condition and data reports and with TrafficCast, a traffic science company, to collaborate on licensing of integrated data for others. We believe these initiatives will allow us to significantly expand our digital content offerings.

OUR INDUSTRY

Radio broadcasting and advertising

According to the Federal Communications Commission (FCC), there were 11,213 commercial radio stations serving listeners in the United States as of December 31, 2008. The Radio Advertising Bureau (RAB) reported on its website, based on information provided by Miller, Kaplan, Arase & Co., that the market for US radio advertising in 2008 was $19.5 billion. We compete in the local ($13.6 billion), national ($2.9 billion) and network ($1.2 billion) radio advertising segments which comprise the majority of the total industry.

AM/FM radio is one of the most popular forms of media in terms of audience consumption. According to Arbitron s Spring 2007 study, the average time spent listening to the radio by persons 12 years and older (12+) in the US is 19 hours per week. Similarly, network radio listenership remains strong among key demographics. According to Arbitron s 2008 Network Radio Today report, network radio reaches nearly 75% of the 12+ US population each week and performs well within the key 18-24, 18-49 and 25-54 year old demographics, reaching 73%, 74% and 74%, respectively. Furthermore, the report also shows that more than 60% of adult consumers over the age of 18 listen to network radio out of the home, or approximately 143 million adults each week.

Radio offers a cost efficient way of reaching diverse audience groups in large numbers. Radio advertising can be purchased by advertisers on a local, regional or national basis. Local and regional purchases allow an advertiser to choose a geographic market for the broadcast of commercial messages. Advertising purchased from a national radio network allows an advertiser to target its commercial messages to a specific demographic within a large national audience. Radio advertising has historically been cyclical as spending on advertising can grow or decline depending on the state of the economy.

Television broadcasting and advertising

According to the Television Bureau of Advertising s April 2009 report, total broadcast television advertising revenue in 2008 was $46.4 billion. Network television is the largest segment within broadcast

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television representing revenue of $25.4 billion in 2008. We compete in the local ($16.5 billion) and syndication ($4.4 billion) television advertising segments.

During the 2008-09 broadcast season, television was viewed in 114.5 million, or 98.9%, of all US households according to The Nielsen Company s August 2008 report. Television remains the most popular form of media in terms of audience consumption with the average household (*ie*, all persons living in the house collectively) watching 8 hours and 18 minutes of television each day during the 2007-08 television season according to The Nielsen Company s November 2008 report.

Television s broad reach and visual impact makes it a powerful and attractive medium for advertisers. Television spots are generally 30 to 60 seconds in length and are purchased by advertisers on a local, regional or national basis. Similar to the radio broadcasting industry, local and regional purchases allow an advertiser to choose a geographic market for the broadcast of commercial messages. Advertising purchased from a national television network allows an advertiser to target its commercial messages to a specific demographic within a large national audience.

TURNAROUND STRATEGIES AND REVENUE ENHANCEMENT INITIATIVES

Since September 2008, we have implemented a significant number of key turnaround strategies and revenue enhancement initiatives, including:

Ø Re-Engineering of Traffic Operations

- Regionalize 60 operating centers to 13 hubs
- Reduce reliance on aircraft and implement new video and speed and flow technology

Ø Cost Reduction Programs

- Reduce salary/headcount
- Reduce programming costs and eliminate unprofitable programming
- Negotiate reductions in compensation paid to radio stations that provide us with commercial airtime to more effectively match compensation to revenue and profitability

Ø Revenue Initiatives

- Increase our sales force to expand our market presence across regions and products
- Grow revenue and profitability from advertising through optimization of sales mix, inventory utilization and pricing
- Deliver expanded product offerings such as copy-splitting, 15 second spots and pre-recorded advertisements

- Add new programming such as The Fred Thompson Show and programming pursuant to recent deals with The Weather Channel and Sports USA

Ø Management Reorganization

- Engage new, experienced management team to provide greater leadership

- Reorganize corporate structure to increase accountability

RESTRUCTURING

At December 31, 2008, our principal sources of liquidity were our cash and cash equivalents of $6.4 million and borrowings under our Credit Agreement dated as of March 3, 2004 (the Old Credit

Agreement). As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2008 (the 2008 10-K) and as discussed elsewhere in this prospectus, on February 27, 2009, our outstanding indebtedness under our Old Credit Agreement, which totaled approximately $41.0 million, matured and became due and payable in its entirety. Additionally, we had not made our most recent interest payment due to holders of our then outstanding senior notes (the Old Notes) on November 30, 2008. The non-payment of such amounts constituted an event of default under the Old Credit Agreement and the Old Notes, respectively. Based upon facts and circumstances that existed as of December 31, 2008, we previously disclosed in our 2008 10-K that there was a substantial doubt about our ability to continue as a going concern. We previously disclosed that, as of March 30, 2009, we were unable to meet our outstanding debt obligations, which raised substantial doubt about our ability to continue as a going concern and our sources of liquidity were anticipated to be inadequate to fund immediate and ongoing operating requirements.

In order to address these concerns, on April 23, 2009, we completed a refinancing of substantially all of our outstanding long-term indebtedness (approximately $241.0 million in principal amount) and a recapitalization of our equity (the Restructuring). As part of the Restructuring, our then existing debtholders released all of their existing obligations in exchange for (1) $117.5 million of 15% Senior Notes maturing July 15, 2012 (the Senior Notes), (2) 34,962 shares of Series B Preferred Stock (as defined below), and (3) a one-time cash payment of $25.0 million. We also entered into a new senior credit facility (the Senior Credit Facility) pursuant to which we have a $15.0 million revolving line of credit and a $20.0 million unsecured non-amortizing term loan which currently bear interest at 7.0% per annum based on the currently applicable LIBOR rate plus a 4.5% margin. As of the date of this prospectus, we have borrowed the entire amount under the term loan and we have borrowed $5.0 million under the revolving line of credit. The Senior Notes bear interest at 15.0% per annum, payable 10.0% in cash and 5.0% pay-in-kind (PIK interest). The PIK interest will be added to principal quarterly, but will not be payable until the Senior Notes become due. As a result of the Restructuring, the annual interest payments on our debt increased from approximately $12.0 million to $19.0 million (which amount includes interest payable on the $20.0 million term loan entered into on April 23, 2009), $6.0 million of which will be PIK interest and not payable in cash until the Senior Notes become due. To date, we have also made one deferral of $4.0 million in payments due to CBS Radio under the CBS Master Agreement (see Business CBS).

In addition, Gores Radio Holdings, LLC (1) agreed to purchase, at a discount, approximately $22.6 million principal amount of our then existing debt held by debt holders who did not wish to participate in the Senior Notes, (2) agreed to guarantee the Senior Credit Facility and payments due to the NFL in an amount of up to $10.0 million for the license and broadcast rights to certain NFL games and NFL-related programming and (3) invested $25.0 million in the Company for 25,000 shares of 8.0% Series B Convertible Preferred Stock (the Series B Preferred Stock). In connection with Gores providing the guarantees and purchasing the debt from non-participating holders, the 75,000 shares of 7.5% Series A Convertible Preferred Stock (the Series A Preferred Stock and collectively with the Series B Preferred Stock, the Preferred Stock) held by Gores immediately prior to the Restructuring, which then had a liquidation preference of approximately $79.0 million, were exchanged for 75,000 shares of 7.5% Series A-1 Convertible Preferred Stock (the Series A-1 Preferred Stock) with a per share conversion price which provided Gores with an approximately 54.6% interest in the Company after the Restructuring.

Taking into account Gores Series B Preferred Stock, Series A-1 Preferred Stock and common stock, upon the consummation of the Restructuring, Gores ownership in the Company increased from approximately 36.8% to 75.1%. Accordingly, the Restructuring, when considering the ownership held by Gores as well as the ownership held by our then existing debt holders, constituted a change of control transaction that requires the Company to follow the purchase method of accounting, as described by

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Statement of Financial Accounting Standards (SFAS) 141R, Business Combinations (SFAS 141R). We have considered the ownership held by Gores and our then existing debt holders as a collaborative group in accordance with Emerging Issues Task Force D-97, Push Down Accounting . As a result, we will follow the acquisition method of accounting, as described by Statement of Financial Accounting Standards (SFAS) 141R, Business Combinations and will apply the SEC rules and guidance regarding push down accounting treatment effective April 23, 2009.

RECENT EVENTS

On October 14, 2009, we entered into separate agreements with the holders of our Senior Notes and Wells Fargo Foothill to amend the terms of our Securities Purchase Agreement (governing the Senior Notes) and Senior Credit Facility, respectively, to waive compliance with our debt leverage covenants which were to be measured on December 31, 2009 on a trailing four-quarter basis. As part of the Securities Purchase Agreement amendment, we have agreed to pay down our Senior Notes by using the gross proceeds of the offering and additional cash on hand, if necessary by: (i) $15.0 million if the gross proceeds of the offering are less than $40.0 million and (ii) $20.0 million (or more at our sole discretion) if the gross proceeds of the offering are equal to or greater than $40.0 million. If neither an offering of capital stock nor the proposed sale-leaseback of our Culver City properties occurs on or prior to March 31, 2010, we have agreed to pay down $3.5 million of our Senior Notes. Any such prepayments would be deemed optional prepayments under the Securities Purchase Agreement and made within 5 business days of the date the offering is consummated (in the case of clauses (i) or (ii) above) or April 7, 2010 in the event no offering or sale-leaseback was consummated.

The amendments also included consents by holders of the Senior Notes and Wells Fargo Foothill regarding the Culver City sale-leaseback described in the section entitled Business Properties below and in the case of the amendment to the Senior Credit Facility, an increase in the letters of credit sub-limit from $1.5 to 2.0 million.

On August 3, 2009, we held a special meeting of our stockholders to consider and vote upon, among other proposals, amending our Restated Certificate of Incorporation to increase the number of authorized shares of our common stock from 300 million to 5 billion and to amend the Certificate of Incorporation to effect a 200 for 1 reverse stock split of our outstanding common stock (the Charter Amendments).
On August 3, 2009, the stockholders approved the Charter Amendments, which resulted in the automatic conversion of all shares of preferred stock into common stock and the cancellation of warrants to purchase 10 million shares of common stock issued to Gores as part of their investment in our Series A Preferred Stock. There are no longer any issued and outstanding warrants to purchase our common stock or any shares of our capital stock that have any preference over the common stock with respect to voting, liquidation, dividends or otherwise. Under the Charter Amendments, each of the newly authorized shares of common stock has the same rights and privileges as previously authorized common stock. Adoption of the Charter Amendments did not affect the rights of the holders of our currently outstanding common stock nor did it change the par value of the common stock.

On July 9, 2009, Gores converted 3,500 shares of Series A-1 Convertible Preferred Stock into 103,512,913 shares of common stock (without taking into account the reverse stock split). Pursuant to the terms of our Certificate of Incorporation, the 291,722 outstanding shares of our Class B common stock were automatically converted into 291,722 shares of common stock (without taking into account the reverse stock split) because as a result of such conversion by Gores the voting power of the Class B common stock, as a group, fell below ten percent (10%) of the aggregate voting power of issued and outstanding shares of common stock and Class B common stock.

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In connection with the Restructuring and the issuance of the Preferred Stock, we determined that the Preferred Stock contained a beneficial conversion feature (BCF) of approximately $76.9 million that was partially contingent as described below. BCFs are generally recognized by allocating to shareholders equity that portion of the net proceeds from the sale of a convertible security equal to the intrinsic value of the BCF. Intrinsic value is calculated as the spread, as of the date we agreed to issue our Preferred Stock (the commitment date), between the conversion price of our Preferred Stock and the fair value of our common stock multiplied by the number of shares of common stock into which the Preferred Stock is convertible. In our case, because only a portion of the shares into which the Preferred Stock was convertible were authorized on the commitment date, a portion of the BCF was not immediately recognized because it was contingent on our stockholders approving an increase in the authorized shares. The portion of the BCF attributable to already authorized shares (approximately $10.9 million) was recognized at issuance on April 23, 2009 (issuance BCF) while the majority of the BCF (approximately $66 million) was contingent (contingent BCF) upon the authorization of 3,769,344,490 additional common shares. Because such shares were authorized on August 3, 2009, the contingent BCF was recognized on such date in the third quarter and, due to the immediate conversion of the Preferred Stock into common stock on such date, resulted in a deemed dividend of $65.9 million that will be included in our third quarter 2009 earnings per share.

ESTIMATED THIRD QUARTER PERFORMANCE

We estimate that for our third quarter ended September 30, 2009, our revenue will be approximately $.

The foregoing amount is an estimate that is subject to adjustment in connection with our customary quarterly review processes. The inclusion of this estimate should not be regarded as an indication that we consider this estimate to be a reliable prediction of actual results. We cannot provide any assurance that the assumptions we made in preparing this estimate will prove accurate.

This estimate constitutes a forward-looking statement that is subject to significant risks and contingencies as described in more detail below in the section below entitled Cautionary note regarding forward-looking statements and could cause actual results to differ materially from the estimate expressed above.

The preliminary financial data for the third quarter included above has been prepared by, and is the responsibility of, our management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial data and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

GOODWILL IMPAIRMENT

As a result of our Restructuring, we recorded new values for certain intangible assets and goodwill as of April 24, 2009, which values were calculated using the income approach and were based on our then most current forecast. The assumptions underlying our forecasted values were derived from the Company s then best estimates including the industry s general forecast of the advertising market which assumed an improvement in the economy and in advertising market conditions in the later half of 2009. In 2009, the television upfronts (where advertisers purchase commercial airtime for the upcoming television season several months before the season begins), which in prior years concluded in the second quarter, were extended through August to complete the upfront advertising sales. During this period, advertisers were slow to commit to buying commercial airtime for the third quarter of 2009. We believed that the conclusion of the television upfronts would help bring more clarity to both purchasers and

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sellers of advertising; however, once such upfronts concluded in August, it became increasingly evident from our quarterly bookings, backlog and pipeline data that the downturn in the economy was continuing and affecting advertising budgets and orders. These conditions, namely the weak third quarter and the likely continuation of the current economic conditions into the fourth quarter and the immediate future, caused us to reduce our forecasted results for the remainder of 2009 and 2010. We believe these new forecasted results constituted a triggering event and therefore we conducted a goodwill impairment analysis. The new forecast will more likely than not reduce the fair value of one or more of our reporting units below its carrying value. Accordingly, we performed a Step 1 analysis in accordance with ASC 350 by comparing our recalculated fair value based on our new forecast to our current carrying value. Our initial results indicate an impairment in our Metro Traffic segment. We are currently performing a more detailed Step 2 analysis to compare the implied fair value of goodwill for Metro Traffic with the carrying value of its goodwill. We currently estimate the goodwill impairment to be in the range of $40.0 million to $60.0 million. No assurance can be provided as to the ultimate charge which will be recorded in the third quarter of 2009.

THE GORES GROUP

The Gores Group owns approximately 75.1% of our common stock. Founded in 1987, Gores is a private equity firm focused on investing in businesses which can benefit from the firm s operating and turnaround expertise. The firm s current private equity fund has committed equity capital of $1.3 billion.

RISKS ASSOCIATED WITH OUR BUSINESS

Our business is subject to numerous risks and uncertainties, as more fully described under Risk Factors beginning on page 16, which you should carefully consider before deciding whether to invest in our common stock.

CORPORATE INFORMATION

We are a Delaware corporation. Our principal executive office is located at 40 West 57th Street, 5th Floor, New York, NY 10019. Our telephone number is (212) 641-2000 and our website address is www.westwoodone.com. The information contained on, or that can be accessed through, our website is not a part of this prospectus.

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The offering

Common stock offered by Westwood One	shares
Common stock offered by the selling stockholders	shares
Common stock to be outstanding after this offering	shares, or shares if the underwriters exercise their over-allotment option in full
Over-allotment option	shares
Use of proceeds	Our net proceeds from this offering, after deducting underwriting discounts and estimated offering expenses will be approximately $, assuming a public offering price of $ per share, which was the last reported sale price of our common stock on , 2009. As described in more detail elsewhere in this prospectus under the heading Use of Proceeds , we will use between $15.0 to $20.0 million of the proceeds to repay a portion of our outstanding indebtedness. We anticipate that we will use the remaining net proceeds of this offering for general corporate purposes and working capital, which may include: pursuit of possible acquisitions of complementary businesses or other assets such as TrafficLand (if we choose to exercise our purchase option, as described elsewhere in this prospectus) and funding our growth initiatives.

We will not receive any proceeds from the sale of shares by the selling stockholders. See Use of Proceeds.

Anticipated NASDAQ Global Market Symbol	WWON

The number of shares of our common stock to be outstanding upon completion of this offering is based on 20,312,229 shares of our common stock outstanding as of June 30, 2009 (after giving effect to the assumptions on the following page), and excludes:

Ø 31,705 shares of common stock issuable upon exercise of options outstanding as of June 30, 2009 at a weighted average exercise price of $7.16 per share,;

Ø 27,709 shares of common stock reserved as of June 30, 2009 for future issuance under our 1999 Stock Incentive Plan, and an additional 12,291 shares of common stock reserved for issuance after June 30, 2009; and

Ø 3,996 shares of common stock reserved as of June 30, 2009 for future issuance under our 2005 Equity Compensation Plan, and an additional 42,004 shares of common stock reserved for issuance after June 30, 2009.

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Unless otherwise indicated, this prospectus (except in the historical consolidated financial statements included elsewhere in this prospectus):

- reflects and assumes the conversion of all shares of our Series A-1 Preferred Stock (3,500 shares of which were converted on July 9, 2009 and the remainder of which automatically converted on August 3, 2009) and Series B Preferred Stock (which automatically converted on August 3, 2009) into an aggregate of 19,798,483 shares of common stock;

- reflects and assumes the automatic conversion of all outstanding shares of Class B stock into an aggregate of 1,459 shares of common stock that occurred on July 9, 2009;

- reflects a 200 for 1 reverse stock split of our common stock that occurred on August 3, 2009; and

- assumes no exercise by the underwriters of their option to purchase up to an additional shares from us and the selling stockholders to cover over-allotments.

If the underwriters exercise their over-allotment option in full, shares of our common stock will be outstanding after this offering.

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Summary consolidated and other financial data

The following tables summarize our consolidated financial and other data. The consolidated statements of operations data for the fiscal years ended December 31, 2006, 2007 and 2008 and the consolidated balance sheet data as of December 31, 2007 and 2008 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of operations data for the fiscal years ended December 31, 2004 and 2005 and the consolidated balance sheet data as of December 31, 2004, 2005 and 2006 have been derived from our audited financial statements not included in this prospectus. The consolidated statement of operations data for the periods comprising the six months ended June 30, 2008 and 2009, and the consolidated balance sheet data as of June 30, 2009, have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited consolidated financial statements have been prepared on a basis consistent with our audited financial statements and include, in the opinion of management, all adjustments that management considers necessary for the fair statement of the financial information set forth in those financial statements. The following financial data should be read in conjunction with, and is qualified by reference to, our consolidated financial statements and related notes and schedule included elsewhere in this prospectus and the information under Management s Discussion and Analysis of Financial Condition and Results of Operations. Our historical results are not necessarily indicative of the results to be expected in any future period.

						Predecessor Company		Successor Company
			Year ended December 31,			For the six months ended June 30,	For the period January 1, 2009 to April 23,	For the period April 24, 2009 to June 30,
	2004[1]	**2005[1]**	**2006**	**2007**	**2008**	**2008**	**2009**	**2009[4]**
Consolidated statements of operations data:				**(in thousands, except per share data)**				
Revenue	$ 562,246	$ 557,830	$ 512,085	$ 451,384	$ 404,416	$ 206,998	$ 111,474	$ 58,044
Operating Costs	379,097	378,998	395,196	350,440	360,492	179,640	111,580	52,116
Depreciation and Amortization	18,429	20,826	20,756	19,840	11,052	6,397	2,585	5,845
Corporate General and Administrative Expenses	13,596	14,028	14,618	13,171	13,442	4,665	4,248	2,407
Goodwill Impairment			515,916		430,126	206,053		
Restructuring Charges					14,100		3,976	1,454
Special Charges			1,579	4,626	13,245(a)	8,853	12,819	368
Operating (Loss) Income	151,124	143,978	(435,980)	63,307	(438,041)	(198,610)	(23,734)	(4,146)
Other Income								
	(948)	(1,440)	(926)	(412)	(12,368)	(84)	(359)	(4)
Interest Expense	11,911	18,315	25,590	23,626	16,651	9,751	3,222	4,692
Income taxes (benefit)	53,206	49,217	8,809	15,724	(14,760)	(3,194)	(7,635)	(2,650)
Net (Loss) Income	86,955	77,886	(469,453)	24,368	(427,563)	$ (205,082)	$ (18,961)	$ (6,184)
Net (Loss) Income attributable to Common Stockholders	86,955	77,816	(469,528)	24,363	(430,644)	$ (205,270)	$ (22,037)	$ (9,595)
(Loss) Income Per Basic Share[2]								
Common stock	$ 179.80	$ 171.56	$ (1,091.76)	$ 56.59	$ (878.73)	$ (431.24)	$ (43.64)	$ (18.85)
Class B stock	$	$ 48.00	$ 51.20	$ 3.20	$	$	$	$
(Loss) Income Per Diluted Share[2]								
Common stock	$ 175.65	$ 170.05	$ (1,091.76)	$ 56.38	$ (878.73)	$ (431.24)	$ (43.64)	$ (18.85)
Class B stock	$	$ 48.00	$ 51.20	$ 3.20	$	$	$	$

Dividends Declared[2]								
Common stock	$	$ 59.44	$ 64.10	$ 3.85	$	$	$	$
Class B stock	$	$ 48.00	$ 51.20	$ 3.20	$	$	$	$

(a) Does not include $3,272 of special charges classified as Operating Costs on the Statement of Operations.

Other Key Financial Metric:								
Stock-based compensation	14,844	11,686	12,269	9,606	5,443	2,455	2,110	853

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	As of December 31,					As of June 30,	
	2004[(1)]	2005[(1)]	2006	2007	2008	2008	2009[(4)]
	(in thousands)						
Consolidated Balance Sheet Data[(4)]:							
Current Assets	$ 174,346	$ 172,245	$ 149,222	$ 138,154	$ 119,468	$ 109,180	$ 107,454
Working Capital / (Deficit)[(3)]	93,005	72,094	29,313	47,294	(208,034)	(15,181)	47,409
Total Assets	1,262,495	1,239,646	696,701	669,757	205,088	431,134	347,056
Long-Term Debt[(3)]	359,439	427,514	366,860	345,244		199,495	128,078
Total Shareholders Equity (Deficit)	800,709	704,029	202,931	227,631	(203,145)	101,597	4,290

	Year ended December 31,					Predecessor Company		Successor Company
	2004[(1)]	2005[(1)]	2006	2007	2008	Six months ended June 30, 2008	For the period January 1, 2009 to April 23, 2009	For the period April 24, 2009 to June 30, 2009
	(in thousands)							
Other Financial Data:								
Adjusted EBITDA[(5)]	$ 184,397	$ 176,490	$ 114,540	$ 97,378	$ 39,198	$ 25,149	$ (2,243)	$ 4,374

(1) *Effective January 1, 2006, we adopted Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 123 (Revised 2004), Share Based Payment (SFAS 123R) utilizing the modified retrospective transition alternative. Accordingly, results for years prior to 2006 have been restated to reflect stock based compensation expense in accordance with SFAS 123R.*

(2) *No cash dividend was paid on our common stock or Class B stock in 2004 or 2008. The payment of dividends is restricted by the terms of our outstanding indebtedness and we do not plan on paying dividends for the foreseeable future. On August 3, 2009, a 200:1 reverse stock split was declared and effective. All per share amounts have been adjusted for this split (see Note 1 to the Annual Consolidated Financial Statements).*

(3) *On November 30, 2008, we failed to make the interest payment on our previously outstanding senior notes which constituted an event of default under the then existing senior notes. Accordingly, $249,053 of debt previously considered long-term was re-classified as short-term debt, which resulted in a working capital deficit of $208,034 on December 31, 2008.*

(4) *As a result of the Restructuring, we have followed the acquisition method of accounting, as described by SFAS 141R. Accordingly, we have revalued our assets and liabilities using our best estimate of current fair value. Our consolidated financial statements prior to the closing of the Restructuring reflect the historical accounting basis in our assets and liabilities and are labeled predecessor company, while the periods subsequent to the Restructuring are labeled successor company and reflect the push down basis of accounting for the fair values which were allocated to our segments based on the business Enterprise Value of each. Deferred tax liabilities have been recorded as a part of acquisition accounting to reflect the future taxable income to be recognized relating to the cancellation of indebtedness income as well as the deferred tax liability related to the acquisition accounting.*

In connection with the Restructuring and the issuance of the Preferred Stock, we have determined that the Preferred Stock contained a beneficial conversion feature (BCF) that was partially contingent. BCF is measured as the spread between the effective conversion price and the market price of common stock on the commitment date and then multiplying this spread by the number of conversion shares. We recognized the portion of the BCF that was not related to the contingent shares at issuance (issuance BCF) while the majority of the BCF was contingent (contingent BCF) upon the authorization of additional common shares that occurred on August 3, 2009. Because such shares were authorized on August 3, 2009, the contingent BCF was recognized on such date in the third quarter and, due to the immediate conversion of the Preferred Stock into common stock on such date, resulted in a deemed dividend of $65.9 million that will be included in our third quarter 2009 earnings per share.

(5) *Adjusted EBITDA is a non-GAAP financial measure (ie, it is not a measure of financial performance under generally accepted accounting principles) and should not be considered in isolation or as a substitute for consolidated statements of operations and cash flow data prepared in accordance with GAAP. We use Adjusted EBITDA to calculate our compliance with our leverage ratio covenants under our Senior Credit Facility and Senior Notes. We believe the*

presentation of Adjusted EBITDA is relevant and useful for investors because it allows investors to view performance in the same manner as our lenders (who also own approximately 23.0% of our equity as a result of the Restructuring, excluding Gores).

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Our maximum senior leverage ratio (also referred to herein as our debt leverage covenant), defined as the principal amount of Senior Notes over our Consolidated EBITDA (defined below), is measured on a trailing, four-quarter basis. The covenant is the same under our Securities Purchase Agreement (SPA), governing the Senior Notes and our Senior Credit Facility with Wells Fargo Foothill (governing the term loan and revolver) except that they have different maximum levels. We have presented the more restrictive of the two levels below.

Quarter ending	Senior leverage ratio covenant	Principal amount of senior notes estimated outstanding (includes PIK)*	Required adjusted EBITDA*
12/31/09	6.25 to 1.0**	106.9	17.1
3/31/10	6.00 to 1.0	108.3	18.1
6/30/10	5.5 to 1.0	109.6	19.9
9/30/10	5.00 to 1.0	111.0	22.2
12/31/10	4.50 to 1.0	112.4	25.0
3/31/11	4.25 to 1.0	113.8	26.8
6/30/11	4.00 to 1.0	115.2	28.8
9/30/11	3.75 to 1.0	116.7	31.1
12/31/11	3.50 to 1.0	118.1	33.7
3/31/12	3.50 to 1.0	119.6	34.2
6/30/12	3.50 to 1.0	121.1	34.6

* *Numbers presented in the last two columns are dollars in millions and have been rounded to the nearest tenth. As described elsewhere in this prospectus under the heading Use of Proceeds we will use between $15.0 and $20.0 million of the proceeds of the offering to repay outstanding indebtedness. The above chart reflects a repayment of $15.0 million of the $117.5 principal amount of Senior Notes presently outstanding and includes the PIK interest that accrues on a quarterly basis.*

** *As described below in more detail, on October 14, 2009, we entered into agreements with the holders of our Senior Notes and Wells Fargo Foothill to waive compliance with our debt leverage covenants under our Senior Notes and Senior Credit Facility, respectively, which levels were scheduled to be measured on December 31, 2009. Accordingly, the first measurement period will occur on March 31, 2010.*

Consolidated EBITDA has the same definition in both agreements and means Consolidated Net Income (as defined in such agreements) for Westwood One and its subsidiaries adjusted for the following:

(a) minus any net gain or plus any loss arising from the sale or other disposition of capital assets;

(b) plus any provision for taxes based on income or profits;

(c) plus consolidated net interest expense;

(d) plus depreciation, amortization and other non-cash losses, charges or expenses (including impairment of intangibles and goodwill);

(e) minus any extraordinary, unusual, special or non-recurring earnings or gains or plus any extraordinary, unusual, special or non-recurring losses, charges or expenses;

(f) plus restructuring expenses or charges;

(g) plus non-cash compensation recorded from grants of stock appreciation or similar rights, stock options, restricted stock or other rights;

(h) plus any Permitted Glendon/Affiliate Payments (as described below);

(i) plus any Transaction Costs (as described below);

(j) minus any deferred credit (or amortization of a deferred credit) arising from the acquisition of any Person; and

(k) minus any other non-cash items increasing such Consolidated Net Income (including, without limitation, any write-up of assets);

in each case to the extent taken into account in the determination of such Consolidated Net Income, and determined without duplication and on a consolidated basis in accordance with GAAP. Permitted Glendon/Affiliate Payments means payments made at our discretion to Gores and its affiliates including Glendon Partners for consulting services provided to Westwood One and Transaction Costs refers to the fees, costs and expenses incurred by us in connection with the Restructuring.

Under the amended terms of our indebtedness, our financial covenant will first be measured on March 31, 2010 based on our trailing four-quarter EBITDA. Our Adjusted EBITDA (which is the same as Consolidated EBITDA described above) for the

(footnotes on following page)

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three-month period ended June 30, 2009 was $9.1 million. In order to satisfy our 6.00 covenant under the terms of our Senior

Notes (which is more restrictive than the 6.90 covenant set forth in our Senior Credit Facility) on March 31, 2010, we would require Adjusted EBITDA (for the three quarters ended March 31, 2010) of $9.0 million or greater. This assumes the amount of Senior Notes outstanding on March 31, 2010 is reduced by $15.0 million from the proceeds of this offering and includes PIK interest accrued through March 31, 2010. This compares with Adjusted EBITDA of $16.2 million on June 30, 2009, on a trailing four-quarter basis, which amount does not include the full benefit of the cost reduction programs undertaken by us and described elsewhere in this prospectus in more detail.

Adjusted EBITDA, as we calculate it, may not be comparable to similarly titled measures employed by other companies. While Adjusted EBITDA does not necessarily represent funds available for discretionary use, and is not necessarily a measure of our ability to fund our cash needs, we use Adjusted EBITDA as a liquidity measure, which is different from our operating cash flow, the most directly comparable financial measure calculated and presented in accordance with GAAP. We have provided below the requisite reconciliation of operating cash flow to Adjusted EBITDA. Adjusted EBITDA, a non-GAAP measure, for the combined six months ended June 30, 2009 was $2.1 million as previously reported in our second quarter earnings press release.

						Predecessor Company		Successor Company
	Year ended December 31,					Six months ended June 30,	For the period January 1, 2009 to April 23, 2009(4)	For the period April 24, 2009 to June 30, 2009(4)
	2004	2005	2006	2007	2008	2008		
	(in thousands)							
Net Cash Provided by (Used in) Operating Activities	**$ 117,456**	**$ 118,290**	**$ 104,251**	**$ 27,901**	**$ 2,038**	**$ (4,842)**	**$ (777)**	**$ (14,327)**
Interest expense	11,911	18,315	25,590	23,626	16,651	9,751	3,222	4,692
Income taxes (benefit)	53,206	49,217	8,809	15,724	(14,760)	(3,194)	(7,635)	(2,650)
Restructuring					14,100		3,976	1,454
Special charges			1,579	4,626	16,517	8,853	12,819	368
Investment income	(157)	(436)	(394)		(207)	(84)	(359)	(4)
Other non-operating income	(791)	(42)	(532)	(412)	(998)		(188)	(76)
Deferred taxes	5,276	7,451	20,546	6,480	13,907	7,196	6,874	(2,162)
Amortization of deferred financing costs	(709)	(333)	(359)	(481)	(1,674)	(792)	(331)	
Change in assets and liabilities	(1,795)	(15,972)	(44,950)	19,914	(6,376)	8,261	(19,844)	17,079
Adjusted EBITDA	**$ 184,397**	**$ 176,490**	**$ 114,540**	**$ 97,378**	**$ 39,198**	**$ 25,149**	**$ (2,243)**	**$ 4,374**

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Risk factors

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors, as well as all of the other information contained or incorporated by reference in this prospectus, before deciding to invest in our common stock. The occurrence of any of the following risks could materially and adversely affect our business, financial condition, prospects, results of operations and cash flows. In such case, the trading price of our common stock could decline and you could lose all or part of your investment. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, prospects, results of operations and cash flows.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Deterioration in general economic conditions and constrained consumer spending has caused, and could cause, additional decreases or delays in advertising spending, could harm our ability to generate advertising revenue and negatively affect our results of operations.

We derive the majority of our revenue from the sale of local, regional and national advertising. The current global economic slowdown has resulted in a decline in advertising and marketing services among our customers, resulting in a decline in advertising revenue across our businesses which to date has not abated. Additionally, advertisers, and the agencies that represent them, have put increased pressure on advertising rates, in some cases, requesting broad percentage discounts on ad buys, demanding increased levels of inventory and re-negotiating booked orders. The current state of the economy could also adversely affect our ability to collect accounts receivable from our advertisers, particularly those entities which have filed for bankruptcy. Reductions in advertising expenditures and declines in ad rates have adversely affected our revenue and the continuation of the global economic slowdown would likely continue to adversely impact our revenue, profit margins, cash flow and liquidity in future periods. In addition, once the current economic situation improves, we cannot predict whether or not advertisers demands and budgets for advertising will return to previous levels.

Our operating income has declined since 2002 and may continue to decline. We may not be able to reverse this trend or reduce costs sufficiently to offset declines in revenue if such trends continue.

Since 2002, our annual operating income has declined from operating income of approximately $180 million to an operating loss of $438 million, which included goodwill impairment charges of approximately $430 million, for the year ended 2008, with the most significant decline occurring between 2005 and 2008. Between 2002 and 2008, our operating income declined as a result of increased competition in our local and regional markets and an increase in the amount of 10 second inventory being sold by radio stations. The decline (between 2005 and 2008) also was due to reductions in national audience levels (which dropped significantly between 2005 and 2006), lower commercial clearance and audience levels of our affiliated stations and reductions in our local and regional sales force, which began in mid-2006. Recently, our operating income has also been affected by the weakness in the United States economy and advertising market. Given the current economic climate, it is possible our operating income will continue to decline.

Risk factors

CBS Radio provides us with a significant portion of our commercial inventory and audience that we sell to advertisers. A material reduction in the audience delivered by CBS Radio stations or a material loss of commercial inventory from CBS Radio would have an adverse effect on our advertising sales and financial results.

While we provide programming to all major radio station groups, we have affiliation agreements with most of CBS Radio s owned and operated radio stations which, in the aggregate, provide us with a significant portion of the audience and commercial inventory that we sell to advertisers, much of which is in the more desirable top 10 radio markets. Although the compensation we pay to CBS Radio under our new 2008 arrangement is adjustable for audience levels and commercial clearance (*ie*, the percentage of commercial inventory broadcast by CBS Radio stations), any significant loss of audience or inventory delivered by CBS Radio stations, including, by way of example only, as a result of a decline in station audience, commercial clearance levels or station sales that resulted in lower audience levels, would have a material adverse impact on our advertising sales and revenue. Since implementing the new arrangement in early 2008 and continuing through the end of 2008, CBS Radio has delivered improved audience levels and broadcast more advertising inventory than it had under our previous arrangement. However, there can be no assurance that CBS Radio will be able to maintain these higher levels in particular, with the introduction of The Portable People Meter, or PPM, which to date has reported substantially lower audience ratings for certain of our radio station affiliates, including our CBS Radio station affiliates, in those markets in which PPM has been implemented as described below. Additionally, while our arrangement with CBS Radio is scheduled to terminate in 2017, there can be no assurance that such arrangement will not be breached by either party. If our agreement with CBS Radio were terminated as a result of such breach, our results of operations could be materially impacted.

We may not realize expected benefits from our cost cutting initiatives.

In order to improve the efficiency of our operations, we have implemented and continue to implement certain cost cutting initiatives, including headcount and salary reductions and more recently a furlough of participating full-time employees. We cannot assure you that we will realize the full level of expected cost savings or improve our operating performance as a result of our past, current and future cost cutting activities. We also cannot assure you that our cost cutting activities will not adversely affect our ability to retain key employees, the significant loss of whom could adversely affect our operating results. Further, as a result of our cost cutting activities, we may not have the appropriate level of resources and personnel to appropriately react to significant changes or fluctuations in the market and in the level of demand for our programming and services.

Our ability to grow our Metro business revenue may be adversely affected by the increased proliferation of free of charge traffic content to consumers.

Our Metro business produces and distributes traffic and other local information reports to approximately 2,300 radio and television affiliates and we derive the substantial majority of the revenue attributed to this business from the sale of commercial advertising inventory embedded within these reports. Recently, the US Department of Transportation and other regional and local departments of transportation have significantly increased their direct provision of real-time traffic and traveler information to the public free of charge. The ability to obtain this information free of charge may result in our radio and television affiliates electing not to utilize the traffic and local information reports produced by our Metro business, which in turn could adversely affect our revenue from the sale of advertising inventory embedded in such reports.

Risk factors

If we are unable to achieve our financial forecast, we may require an amendment or additional waiver of our debt leverage covenant, which amendment or waiver, if not obtained, could have a material and adverse effect on our business continuity and financial condition.

Management believes that after giving effect to certain cost containment measures including furloughs and salary reductions for employees, we will generate sufficient Adjusted EBITDA in order to meet our debt leverage covenant over the next twelve months (namely, on March 31, 2010, June 30, 2010 and September 30, 2010 when the covenants are measured on a trailing four-quarter basis). However, as described elsewhere in this prospectus, we are operating in an uncertain economic environment with limited visibility on advertising orders for the duration of 2009 and the beginning of 2010. As described in the section entitled Use of Proceeds , we have agreed to pay down our Senior Notes in an amount of either $15.0 or 20.0 million, depending on the amount of gross proceeds of the offering. If we are unable to achieve our forecasted results, or sufficiently mitigate those results with certain cost reduction measures, and cannot obtain a waiver or amendment of our debt covenant requirements at March 31, 2010 or beyond, it could have a material and adverse effect on our business continuity, results of operations, cash flows and financial condition.

We may require additional financing to fund our working capital, debt service, capital expenditures or other capital requirements and the ongoing global credit market disruptions have reduced access to credit and created higher costs of obtaining financing.

Our primary source of liquidity is cash flow from operations, which has been adversely impacted by the decline in our advertising revenue. Based on our current and anticipated levels of operations, we believe that cash flow from operations as well as cash on hand (including amounts drawn or available under our Senior Credit Facility) will enable us to meet our working capital, capital expenditure, debt service and other capital requirements for at least the next 12 months. However, our ability to fund our working capital needs, debt service and other obligations, and to comply with the financial covenants under our financing agreements depends on our future operating performance and cash flow, which are subject to prevailing economic conditions and other factors, many of which are beyond our control. We recently negotiated agreements with the holders of our Senior Notes and Wells Fargo Foothill to waive compliance with our debt leverage covenants under our Senior Notes and Senior Credit Facility, respectively (which levels were to be measured on December 31, 2009), as a result of lower than anticipated revenue and the uncertain economic and advertising environments. If our future operating performance does not meet our expectations or our plans materially change in an adverse manner or prove to be materially inaccurate, we may need additional financing. There can be no assurance that such financing, if permitted under the terms of our financing agreements, will be available on terms acceptable to us or at all. Additionally, disruptions in the credit markets make it harder and more expensive to obtain financing. If available financing is limited or we are forced to fund our operations at a higher cost, these conditions may require us to curtail our business activities and increase our cost of financing, both of which could reduce our profitability or increase our losses. The inability to obtain additional financing in such circumstances could have a material adverse effect on our financial condition and on our ability to meet our obligations.

We have a significant amount of indebtedness, which could adversely affect our liquidity and future business operations if our operating income declines more than we currently anticipate.

As of September 30, 2009, we had approximately $120.4 million in aggregate principal amount of Senior Notes outstanding (of which $2.9 million is PIK interest), which bear interest at a rate of 15.0%, and a Senior Credit Facility consisting of: (x) a $20 million term loan and (y) a $15 million revolving line of credit which we intend to borrow against in the future. Loans under our Senior Credit Facility bear

interest at LIBOR plus 4.5% (with a LIBOR floor of 2.5%) or a base rate plus 4.5% (with a base rate floor equal to the greater of 3.75% or the one-month LIBOR rate). As described in the section entitled Prospectus Summary Recent Events above, we recently obtained waivers of compliance with our debt leverage covenants for the fourth quarter of 2009 measurement period. Our ability to service our debt in 2010 and beyond will depend on competitive pressures and our financial performance in an uncertain and unpredictable economic environment. Further, our Senior Notes and Senior Credit Facility restrict our ability to incur additional indebtedness. If our operating income declines more than we currently anticipate, resulting in an inability to incur additional indebtedness under the terms of our outstanding indebtedness, and we are unable to obtain a waiver to increase our indebtedness or successfully raise funds through an issuance of equity, we could have insufficient liquidity which would have a material adverse effect on our business, financial condition and results of operations. If we are unable to meet our debt service and repayment obligations under the Senior Notes or the Senior Credit Facility, we would be in default under the terms of the agreements governing our debt, which if uncured, would allow our creditors at that time to declare all outstanding indebtedness to be due and payable and materially impair our financial condition and liquidity.

Our Senior Credit Facility and Senior Notes contain various covenants which, if not complied with, could accelerate repayment under such indebtedness, thereby materially and adversely affecting our financial condition and results of operations.

Our Senior Credit Facility and Senior Notes require us to comply with certain financial and operational covenants. These covenants include, without limitation:

- a maximum senior leverage ratio (expressed as the principal amount of Senior Notes over our consolidated EBITDA (as defined in our Senior Credit Facility) measured on a trailing, four-quarter basis) which is 6.25 to 1.0 on December 31, 2009 but begins to decline on a quarterly basis thereafter, including to a 4.5 to 1.0 ratio on December 31, 2010 and a 3.5 to 1.0 ratio on December 31, 2011; and

- restrictions on our ability to incur debt, incur liens, make investments, make capital expenditures, consummate acquisitions, pay dividends, sell assets and enter into mergers and similar transactions.

We can not make any assurances that we will remain in compliance with these agreements, particularly if the advertising environment remains weak or our operating income continues to decline. As described in the section entitled Prospectus Summary Recent Events above, we recently obtained waivers of compliance with our debt leverage covenants for the fourth quarter of 2009 measurement period which means our debt leverage covenant will first be measured on March 31, 2010 and thereafter on a quarterly basis on a trailing four-quarter basis. Failure to comply with any of our covenants would result in a default under our Senior Credit Facility and Senior Notes that, if we were unable to obtain a waiver from the lenders or holders thereof, could accelerate repayment under the Senior Credit Facility and Senior Notes and thereby have a material adverse impact on our business.

Our ability to increase our revenue is significantly dependent on advertising rates, which rates could be negatively impacted by the introduction of The Portable People Meter.

Arbitron Inc., the supplier of ratings data for United States radio markets, has developed new electronic audience measurement technology to collect data for its ratings service known as The Portable People Meter™, or PPM™. The PPM™ measures the audience of radio stations remotely without requiring listeners to keep a manual diary of the stations they listen to. To date, the PPM™ has been implemented in 22 markets (including nine of the top 10 markets) and, in the two most recent periods measured by RADAR, March 2009 to June 2009, and June 2009 to September 2009, the audience reported for our

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14 RADAR networks (which comprise 50% of our inventory) declined by 4% and 0.9%, respectively. Because PPM information is incorporated into Arbitron s ratings books on an incremental basis over time (*ie,* over a rolling four-quarter period), we are unable to determine how much of the audience decline is a result of the change to PPM, versus other factors, such as changes in the stations included in the RADAR network, the specific inventory or programs in these networks, or other factors. As the PPM™ is instituted in more markets, it is unclear whether the audience ratings posted by it will continue to be significantly lower and if so, what effect this may have on advertising rates as our advertisers become more knowledgeable about the advantages of the PPM™. Additionally, as described elsewhere in this prospectus, we have to date experienced a decline in our ad revenue in our Network and Metro businesses; however, we are unable to determine at this time how much of such decline is a result of the general economic environment versus a decline in audience. If the PPM™ continues to report lower audience ratings than the traditional diary methodology and the rates we charge our advertisers are materially impacted by such results, our revenue would be materially and adversely affected.

Our failure to obtain or retain the rights in popular programming could adversely affect our revenue.

Our revenue from our radio programming and television business is dependent on our continued ability to anticipate and adapt to changes in consumer tastes and behavior on a timely basis. We obtain a significant portion of our popular programming from third parties. For example, some of our most widely heard broadcasts, including certain NFL games, are made available based upon programming rights of varying duration that we have negotiated with third parties. Competition for popular programming that is licensed from third parties is intense, and due to increased costs of such programming or potential capital constraints, we may be outbid by our competitors for the rights to new, popular programming or in connection with the renewal of popular programming currently licensed by us. Our failure to obtain or retain rights to popular content could adversely affect our revenue.

Our business is subject to increased competition resulting from new entrants into our business, consolidated companies and new technology/platforms, each of which has the potential to adversely affect our business.

Our business segments operate in a highly competitive environment. Our radio and television programming competes for audiences and advertising revenue directly with radio and television stations and other syndicated programming, as well as with other media such as satellite radio, newspapers, magazines, cable television, outdoor advertising, direct mail and, more increasingly, digital media. We may experience increased audience fragmentation caused by the proliferation of new media platforms, including the Internet and video-on-demand and the deployment of portable digital devices and new technologies which allow consumers to time shift programming, make and store digital copies and skip or fast-forward through advertisements. New or existing competitors may have resources significantly greater than our own and, in particular, the consolidation of the radio industry has created opportunities for large radio groups, such as Clear Channel Communications, CBS Radio and Citadel Broadcasting Corporation to gather information and produce radio and television programming on their own. Increased competition, in part, has resulted in reduced market share, and could result in lower audience levels, advertising revenue and cash flow. There can be no assurance that we will be able to compete effectively, be successful in our efforts to regain market share and increase or maintain our current audience ratings and advertising revenue. To the extent we experience a further decline in audience for our programs or the cost of programming continues to increase, we may be unable to retain the rights to popular programs and advertisers willingness to purchase our advertising could be further reduced. Additionally, audience ratings and performance-based revenue arrangements are subject to change based

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on the competitive environment and any adverse change in a particular geographic area could have a material and adverse effect on our ability to attract not only advertisers in that region, but national advertisers as well.

In recent years, digital media platforms and the offerings thereon have increased significantly and consumers are playing an increasingly large role in dictating the content received through such mediums. We face increasing pressure to adapt our existing programming as well as to expand the programming and services we offer to address these new and evolving digital distribution channels. Advertising buyers have the option to filter their messages through various digital platforms and as a result, many are adjusting their advertising budgets downward with respect to traditional advertising mediums such as radio and television or utilizing providers who offer one-stop shopping access to both traditional and alternative distribution channels. If we are unable to offer our broadcasters and advertisers an attractive full suite of traditional and new media platforms and address the industry shift to new digital mediums, our operating results may be negatively impacted.

The cost of our indebtedness has increased substantially, which, when combined with our recent declining revenue, further affects our liquidity and could limit our ability to implement our business plan and respond competitively.

As a result of our recently completed recapitalization transactions, the annual interest payments on our debt increased from approximately $12 million to $19 million, $6 million of which will be paid in kind. If the economy continues in recession and advertisers continue to maintain reduced budgets which do not recover in 2009 or early 2010, we may be required to delay the implementation or reduce the scope of our business plan and our ability to develop or enhance our services or programs could be curtailed. Without additional revenue and capital, we may be unable to take advantage of business opportunities, such as acquisition opportunities or securing rights to name-brand or popular programming, or respond to competitive pressures. If any of the foregoing should occur, this could have a material and adverse effect on our business.

If we are not able to integrate future acquisitions successfully, our operating results could be harmed.

We evaluate acquisitions on an ongoing basis and intend to pursue acquisitions of businesses in our industry and related industries that can assist us in achieving our growth strategy. The success of our future acquisition strategy will depend on our ability to identify, negotiate, complete and integrate acquisitions and, if necessary, to obtain satisfactory debt or equity financing to fund those acquisitions. Mergers and acquisitions are inherently risky, and any mergers and acquisitions we do complete may not be successful. Any mergers and acquisitions we do may involve certain risks, including, but not limited to, the following:

Ø difficulties in integrating and managing the operations, technologies and products of the companies we acquire;

Ø diversion of our management s attention from normal daily operations of our business;

Ø our inability to maintain the key business relationships and reputations of the businesses we acquire;

Ø uncertainty of entry into markets in which we have limited or no prior experience or in which competitors have stronger market positions;

Ø our dependence on unfamiliar affiliates and partners of the companies we acquire;

- insufficient revenue to offset our increased expenses associated with the acquisitions;

- Ø our responsibility for the liabilities of the businesses we acquire; and
- Ø potential loss of key employees of the companies we acquire.

Our success is dependent upon audience acceptance of our content, particularly our radio programs, which is difficult to predict.

Revenue derived from the production and distribution of radio programs depend primarily upon their acceptance by the public, which is difficult to predict. The commercial success of a radio program also depends upon the quality and acceptance of other competing programs released into the marketplace at or near the same time, the availability of alternative forms of entertainment activities, general economic conditions and other tangible and intangible factors, all of which are difficult to predict. Rating points are also factors that are weighed when determining the advertising rates that we receive. Poor ratings can lead to a reduction in pricing and advertising revenue. Consequently, low public acceptance of our content, particularly our radio programs, could have an adverse effect on our results of operations.

Continued consolidation in the radio broadcast industry could adversely affect our operating results.

The radio broadcasting industry has continued to experience significant change, including a significant amount of consolidation in recent years and increased business transactions by key players in the radio industry (*eg,* Clear Channel, Citadel and CBS Radio). Certain major station groups have: (1) modified overall amounts of commercial inventory broadcast on their radio stations; (2) experienced significant declines in audience; and (3) increased their supply of shorter duration advertisements, in particular the amount of 10 second inventory, which is directly competitive to us. To the extent similar initiatives are adopted by other major station groups, this could adversely impact the amount of commercial inventory made available to us or increase the cost of such commercial inventory at the time of renewal of existing affiliate agreements. Additionally, if the size and financial resources of certain station groups continue to increase, the station groups may be able to develop their own programming as a substitute to that offered by us or, alternatively, they could seek to obtain programming from our competitors. Any such occurrences, or merely the threat of such occurrences, could adversely affect our ability to negotiate favorable terms with our station affiliates, attract audiences and attract advertisers. If we do not succeed in these efforts, our operating results could be adversely affected.

We may be required to recognize further impairment charges.

On an annual basis and upon the occurrence of certain events, we are required to perform impairment tests on our identified intangible assets with indefinite lives, including goodwill, which testing could impact the value of our business. At December 31, 2008, we determined that our goodwill was impaired and recorded an impairment charge of approximately $224.1 million, which is in addition to the impairment charge of approximately $206.1 million taken on June 30, 2008. In connection with our Restructuring and our requisite adoption of the acquisition method of accounting, we recorded new values of certain assets such that as of April 24, 2009 our revalued goodwill was $86.4 million (an increase of $52.4 million) and net intangible assets were $112.0 million (an increase of $109.3 million). In September 2009, we believe a triggering event occurred and therefore we conducted a goodwill impairment analysis as a result of new forecasted results for 2009 and 2010. As described in the section above entitled Prospectus Summary Recent Events in more detail, we prepared the new forecasts when after the conclusion of the television upfronts in August, we observed from our quarterly bookings, backlog and pipeline data that the softness of the economy was continuing and affecting advertising budgets and orders and accordingly reduced our forecasted results for 2009 and 2010. We have since

performed a Step 1 analysis according to ASC 350 by comparing our recalculated fair value based on our new forecast to our current carrying value and our initial results indicate an impairment in our Metro Traffic segment. We are currently performing a more detailed Step 2 analysis to compare the implied fair value of goodwill for Metro Traffic with the carrying value of its goodwill. At present, we estimate the goodwill impairment to be in the range of $40.0 million to $60.0 million. No assurance can be provided as to the ultimate change which will be recorded in the third quarter of 2009. Future unanticipated differences to our forecasted operational results and cash flows could require additional provisions for further impairment that could significantly affect our reported earnings in a period of such change.

RISKS RELATING TO THIS OFFERING AND OWNERSHIP OF OUR COMMON STOCK

The market price of our common stock may fluctuate significantly.

The price of the common stock that will prevail in the market after this offering may be higher or lower than the price you pay. The market price and liquidity of the market for shares of our common stock may be significantly affected by numerous factors, including some which are beyond our control and may not be directly related to our operating performance. These factors include those described above under Risks Related to Our Business and Industry and the following:

- termination or expiration of one or more of our key contracts;
- announcements by us or our competitors of significant contracts, productions, projects, acquisitions, strategic investments or capital commitments;
- changes in earnings estimates or recommendations by analysts who cover our common stock;
- variations in our quarterly operating results or the quarterly financial results of companies perceived to be competitors or similar to us;
- changes in our capital structure, such as future issuances of securities, sales of large blocks of common stock by our stockholders or the incurrence of additional debt; and
- changes in general economic and market conditions.

Our common stock may not maintain an active trading market or list on a nationally recognized exchange which could affect the liquidity and market price of your common stock.

As a result of the decline in our stock price, our common stock was delisted from the New York Stock Exchange as of November 24, 2008 and since that date has traded over-the-counter on the OTC Bulletin Board which has, among other things, constrained the liquidity of our common stock. As part of this offering, we intend to apply to list our common stock on the NASDAQ Global Market. However, there can be no assurance that following this offering an active trading market on the NASDAQ Global Market will be maintained, that our common stock price will increase or that our common stock will continue to trade on the exchange for any specific period of time.

Sales of additional shares of common stock by Gores or our other lenders could adversely affect the stock price.

Gores Radio Holdings, LLC (Gores) beneficially owns, in the aggregate, 15,257,507 shares of our common stock (or approximately 75.1% of our outstanding common stock prior to this offering). There can be no assurance that at some future time Gores, or our other lenders, will not, subject to the applicable volume, manner of sale, holding period and limitations of Rule 144 under the Securities Act, sell additional shares of our common stock, which could adversely affect our share price. The perception

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that these sales might occur could also cause the market price of our common stock to decline. Such sales could also make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate.

We have broad discretion in the use of the net proceeds from this offering, and we may not use these proceeds effectively.

Our management will have broad discretion in the application of a portion of the net proceeds from this offering and could spend the proceeds in ways that do not necessarily improve our results of operations or enhance the value of our common stock. Other than using the proceeds for general corporate purposes and working capital, we cannot specify with certainty the uses to which we will apply these net proceeds. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business or financial condition and could cause the price of our common stock to decline.

Gores will be able to exert significant influence over us and our significant corporate decisions and may act in a manner that advances its best interest and not necessarily those of other stockholders.

As a result of its beneficial ownership of 15,257,507 shares of our common stock, or approximately 75.1% of our voting power, Gores has voting control over our corporate actions. For so long as Gores continues to beneficially own shares of common stock (including preferred stock on an as-converted basis) representing more than 50% of the voting power of our common stock, it will be able to elect all of the members of our board of directors and determine the outcome of all matters submitted to a vote of our stockholders, including matters involving mergers or other business combinations, the acquisition or disposition of assets, the incurrence of indebtedness, the issuance of any additional shares of common stock or other equity securities and the payment of dividends on common stock. Gores may act in a manner that advances its best interests and not necessarily those of other stockholders by, among other things:

- delaying, deferring or preventing a change in control;
- impeding a merger, consolidation, takeover or other business combination;
- discouraging a potential acquirer from making a tender offer or otherwise attempting obtain control; or
- causing us to enter into transactions or agreements that are not in the best interests of all stockholders.

Provisions in our restated certificate of incorporation and by-laws and Delaware law may discourage, delay or prevent a change of control of our company or changes in our management and, therefore, depress the trading price of our common stock.

Provisions of our restated certificate of incorporation and by-laws and Delaware law may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our common stock. These provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

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In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. This provision of the Delaware General Corporation Law could delay or prevent a change of control of our company, which could adversely affect the price of our common stock.

We do not anticipate paying dividends on our common stock.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently anticipate that we will retain all of our available cash, if any, for use as working capital and for other general corporate purposes. Any payment of future cash dividends will be at the discretion of our board of directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our board of directors deems relevant. Investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment. Investors seeking cash dividends should not purchase shares of our common stock. In addition, our Senior Credit Facility and the Senior Notes restrict the payment of dividends.

Any issuance of shares of preferred stock by us could delay or prevent a change of control of our company, dilute the voting power of the common stockholders and adversely affect the value of our common stock.

Our board of directors has the authority to cause us to issue, without any further vote or action by the stockholders, up to 10,000,000 shares of preferred stock, in one or more series, to designate the number of shares constituting any series, and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series. To the extent we choose to issue preferred stock, any such issuance may have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders, even where stockholders are offered a premium for their shares.

The issuance of shares of preferred stock with voting rights may adversely affect the voting power of the holders of our other classes of voting stock either by diluting the voting power of our other classes of voting stock if they vote together as a single class, or by giving the holders of any such preferred stock the right to block an action on which they have a separate class vote even if the action were approved by the holders of our other classes of voting stock.

The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. For example, investors in the common stock may not wish to purchase common stock at a price above the conversion price of a series of convertible preferred stock because the holders of the preferred stock would effectively be entitled to purchase common stock at the lower conversion price causing economic dilution to the holders of common stock.

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Cautionary note regarding forward-looking statements

This prospectus and the documents incorporated by reference contain forward-looking statements that involve risks and uncertainties, which are based on beliefs, expectations, estimates, projections, forecasts, plans, anticipations, targets, outlooks, initiatives, visions, objectives, strategies, opportunities, drivers and intents of our management. Such statements are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements include, without limitation, our expectations and estimates (whether qualitative or quantitative) as to our intention and ability, including as a result of market conditions or restrictions under our credit agreements, other contractual arrangements or applicable law, to issue securities pursuant to this prospectus. In addition to factors that may be described in this prospectus and the documents incorporated by reference, our determination not to, or difficulties, delays or unanticipated costs in or our inability to, including as a result of market conditions or restrictions under our indentures, credit agreements, other contractual arrangement or applicable law, issue securities pursuant to this prospectus, among others factors, could cause our actual results to differ materially from those expressed in any forward-looking statements made by us. While we believe that our estimates and assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, impossible for us to anticipate all factors that could affect our actual results. We discuss certain of these risks in greater detail in the Risk Factors section of this prospectus. Our actual results may differ materially from those discussed in such forward-looking statements.

Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as believes, expects, estimates, projects, forecasts, plans, anticipates, targets, outlooks, initiatives, visions, objectives, strategies, opportunities, drivers, seeks, may, will, or should or the negative of those terms, or other variations of those terms or comparable language, or by discussions of strategy, plans, targets, models or intentions. Forward-looking statements speak only as of the date they are made, and except for our ongoing obligations under the US federal securities laws, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements.

Use of proceeds

We estimate that the net proceeds from the sale of shares by us in the offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be $ million, assuming a public offering price of $ per share, which was the last reported sale price of our common stock on , 2009. We will not receive any proceeds from the sale of common stock by the selling stockholders.

We anticipate that we will use the net proceeds of this offering to repay $15.0 million or $20.0 million of our outstanding Senior Notes pursuant to our agreement with the holders of our Senior Notes. Our Senior Notes bear interest at 15.0% per annum, payable 10.0% in cash and 5.0% in-kind, and mature on July 15, 2012. The proceeds from the issuance of our Senior Notes were used in part to induce our lenders to release their claims under our Old Notes and our Old Credit Agreement. We anticipate that we will use the remainder of the net proceeds of this offering for general corporate purposes and working capital, which may include:

Ø pursuit of possible acquisitions of complementary businesses or other assets;

Ø funding our growth initiatives; and

Ø repayment of additional indebtedness.

Other than the agreements with the holders of our Senior Notes and Wells Fargo Foothill to pay down the Senior Notes in an amount of either $15.0 or 20.0 million, depending on the amount of gross proceeds of the offering, we have no definitive agreements or commitments with respect to any of the above activities. However, as discussed elsewhere in this prospectus, we have an option to purchase TrafficLand, a provider of traffic video collected from local and state Departments of Transportation, which is exercisable by us on or prior to December 1, 2009. While no definitive decision has been made regarding whether to exercise this option, to the extent we were to acquire TrafficLand, $11 million of the $26 million purchase price would be due at closing (which must occur on or prior to December 31, 2009) and would be funded from the net proceeds of this offering. Our management may decide to change the use of the net proceeds from this offering if opportunities or needs arise. Such opportunities and needs could include payment of certain contractual obligations, the need to make increased capital or operating expenditures if we change our business plan, or payment of an unexpected liability. Additionally, as described in more detail in the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity of this prospectus, subject to certain limited exceptions, our lenders must consent to any merger, acquisition of the stock or assets of another business, or investment (including TrafficLand to the extent we exercise the option), which consent they may or may not provide in connection with any acquisition/investment opportunity we identify. Pending the foregoing uses, we intend to invest the net proceeds in high quality, investment grade US government-backed obligations. The actual use of the proceeds may vary significantly and will depend on a number of factors, including our future revenue and cash generated by operations and the other factors described in the section entitled Risk Factors appearing elsewhere in this prospectus. Accordingly, our management will have broad discretion in applying the net proceeds of this offering.

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Dividend policy

We last declared a dividend on our common stock on March 6, 2007, when our Board of Directors declared a cash dividend of $3.85 per share for every issued and outstanding share of common stock and $3.20 per share for every issued and outstanding share of Class B stock.

We do not anticipate paying any cash dividends in the foreseeable future. Instead, we anticipate that all of our earnings, if any, in the foreseeable future will be used to repay debt, for working capital, to support our operations and to finance the growth and development of our business. Any future determination relating to dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including restrictions in our debt instruments, our future earnings, capital requirements, financial condition, future prospects and other factors that the board of directors may deem relevant. The terms of our Senior Credit Facility and Senior Notes also restrict our ability to pay dividends or make distributions.

On August 3, 2009, a 200:1 reverse stock split was declared and effective. All per share amounts have been adjusted for this split (see Note 1 to the Annual Consolidated Financial Statements).

Capitalization

The following table sets forth our capitalization as of June 30, 2009:

- on an actual basis;

- on a pro forma basis giving effect to: (i) the conversion of all shares of our Series A-1 Preferred Stock (3,500 shares of which were converted on July 9, 2009 and the remainder of which automatically converted on August 3, 2009) and Series B Preferred Stock (which automatically converted on August 3, 2009) into an aggregate of 19,280,918 shares of common stock; (ii) the automatic conversion of all outstanding shares of Class B stock into an aggregate of 1,459 shares of shares of common stock which occurred on July 9, 2009; and (iii) a 200 for 1 reverse stock split of our common stock which occurred on August 3, 2009; and

- on a pro forma as adjusted basis to reflect the sale of the shares of our common stock offered by us and the selling stockholders at an assumed public offering price of $ per share, which was the last reported sale price of our common stock on , 2009.

The table below is depicted on a pro forma basis to reflect a beneficial conversion feature contained in the Preferred Stock and accretion of the Preferred stock to redemption value as described elsewhere in this prospectus in more detail.

You should read this table together with Management s Discussion and Analysis of Financial Condition and Results of Operations, Description of Capital Stock and our consolidated financial statements and the related notes, each included elsewhere in this prospectus.

	As of June 30, 2009		
	Actual	Pro forma	Pro forma as adjusted
	(in thousands, except per share data)		
Cash and cash equivalents	$ 7,980	$ 7,980	$
Long-term debt	128,078	128,078	$
Deferred tax liability	63,845	63,845	
Due to Gores	10,891	10,891	
Other liabilities	10,551	10,551	
TOTAL LIABILITIES	213,365	213,365	
Commitments and Contingencies			
Redeemable Preferred Stock: $.01 par value, authorized: 75 shares; issued and outstanding: 75 shares of 7.5% Series A-1 Preferred Stock; liquidation preference $1,065 per share, plus accumulated dividends, actual; -0- shares issued and outstanding, pro forma and pro forma as adjusted	38,880		
Redeemable Preferred Stock: $.01 par value, authorized: 60 shares; issued and outstanding: 60 shares of 8.0% Series B Convertible Preferred Stock; liquidation preference $1,000 per share, plus accumulated dividends, actual; -0- shares issued and outstanding, pro forma and pro forma as adjusted	30,476		
TOTAL REDEEMABLE PREFERRED STOCK	69,356		

SHAREHOLDERS EQUITY			
Common stock, $.01 par value: 300,000 shares authorized and 510 outstanding, actual; 5,000,000 shares authorized and 20,312 outstanding, pro forma; 5,000,000 shares authorized and outstanding, pro forma as adjusted	5	203	
Class B stock, $.01 par value: 3,000 shares authorized and 292 outstanding, actual; 3000 shares authorized and -0- shares outstanding, pro forma and pro forma as adjusted	3		
Additional paid-in capital	10,561	79,722	
Net unrealized gain	(95)	(95)	
Accumulated deficit	(6,184)	(6,184)	
TOTAL SHAREHOLDERS EQUITY	4,290	73,646	
TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK AND SHAREHOLDERS EQUITY	$ 287,011	$ 287,011	
Total capitalization	$ 287,011	$ 287,011	$

(footnotes on following page)

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Capitalization

* *In connection with the Restructuring, we issued $117.5 million of Senior Notes. Additionally, we borrowed the entire amount of the $20.0 million term loan available to us under our Senior Credit Facility on April 23, 2009. The term loan was drawn on subsequent to the completion of the Restructuring.*

This table assumes no exercise by the underwriters of their option to purchase up to an additional shares from us and the selling stockholders to cover over-allotments.

The information in the table above also excludes:

Ø 31,705 shares of common stock issuable upon exercise of options outstanding as of June 30, 2009 at a weighted average exercise price of $7.16 per share;

Ø 27,709 shares of common stock reserved as of June 30, 2009 for future issuance under our 1999 Stock Incentive Plan, and an additional 12,291 shares of common stock reserved for issuance after June 30, 2009; and

Ø 3,996 shares of common stock reserved as of June 30, 2009 for future issuance under our 2005 Equity Compensation Plan, and an additional 42,004 shares of common stock reserved for issuance after June 30, 2009.

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Selected consolidated and other financial data

The following tables summarize our consolidated financial and other data. The consolidated statements of operations data for the fiscal years ended December 31, 2006, 2007 and 2008 and the consolidated balance sheet data as of December 31, 2007 and 2008 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of operations data for the fiscal years ended December 31, 2004 and 2005 and the consolidated balance sheet data as of December 31, 2004, 2005 and 2006 have been derived from our audited financial statements not included in this prospectus. The consolidated statement of operations data for the periods comprising the six months ended June 30, 2008 and 2009, and the consolidated balance sheet data as of June 30, 2009, have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited consolidated financial statements have been prepared on a basis consistent with our audited financial statements and include, in the opinion of management, all adjustments that management considers necessary for the fair statement of the financial information set forth in those financial statements. The following financial data should be read in conjunction with, and is qualified by reference to, our consolidated financial statements and related notes and schedule included elsewhere in this prospectus and the information under Management s Discussion and Analysis of Financial Condition and Results of Operations. Our historical results are not necessarily indicative of the results to be expected in any future period.

						Predecessor Company		Successor Company
	Year ended December 31,					For the six months ended June 30,	For the period January 1, 2009 to April 23, 2009	For the period April 24, 2009 to June 30, 2009[4]
	2004[1]	2005[1]	2006	2007	2008	2008		
	(in thousands, except per share data)							
Consolidated Statements of Operations Data:								
Revenue	$ 562,246	$ 557,830	$ 512,085	$ 451,384	$ 404,416	$ 206,998	$ 111,474	$ 58,044
Operating Costs	379,097	378,998	395,196	350,440	360,492	179,640	111,580	52,116
Depreciation and Amortization	18,429	20,826	20,756	19,840	11,052	6,397	2,585	5,845
Corporate General and Administrative Expenses	13,596	14,028	14,618	13,171	13,442	4,665	4,248	2,407
Goodwill Impairment			515,916		430,126	206,053		
Restructuring Charges					14,100		3,976	1,454
Special Charges			1,579	4,626	13,245	8,853	12,819	368
Operating (Loss) Income	151,124	143,978	(435,980)	63,307	(438,041)	(198,610)	(23,734)	(4,146)
Net (Loss) Income	86,955	77,886	(469,453)	24,368	(427,563)	$ (205,082)	$ (18,961)	$ (6,184)
NET (LOSS) INCOME attributable to Common Stockholders	86,955	77,816	(469,528)	24,363	(430,644)	$ (205,270)	$ (22,037)	$ (9,595)
(Loss) Income Per Basic Share[2]								
Common stock	$ 179.80	$ 171.56	$ (1,091.76)	$ 56.59	$ (878.73)	$ (431.24)	$ (43.64)	$ (18.85)
Class B stock	$	$ 48.00	$ 51.20	$ 3.20	$	$	$	$

(Loss) Income Per Diluted Share[2]								
Common stock	$ 175.65	$ 170.05	$ (1,091.76)	$ 56.38	$ (878.73)	$ (431.24)	$ (43.64)	$ (18.85)
Class B stock	$	$ 48.00	$ 51.20	$ 3.20	$	$	$	$
Dividends Declared[2]								
Common stock	$	$ 59.44	$ 64.10	$ 3.85	$	$	$	$
Class B stock	$	$ 48.00	$ 51.20	$ 3.20	$	$	$	$

(a) Does not include $3,272 of special charges classified as Operating Costs on the Statement of Operations.

Other Key Financial Metric:								
Stock-based compensation	14,844	11,686	12,269	9,606	5,443	2,455	2,110	853

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Selected consolidated and other financial data

	As of December 31,					As of June 30,	
	2004[1]	2005[1]	2006 (in thousands)	2007	2008	2008	2009[4]
Consolidated Balance Sheet Data[4]:							
Current Assets	$ 174,346	$ 172,245	$ 149,222	$ 138,154	$ 119,468	$ 109,180	$ 107,454
Working Capital / (Deficit)[3]	93,005	72,094	29,313	47,294	(208,034)	(15,181)	47,409
Total Assets	1,262,495	1,239,646	696,701	669,757	205,088	431,134	347,056
Long-Term Debt[3]	359,439	427,514	366,860	345,244		199,495	128,078
Total Shareholders Equity (Deficit)	800,709	704,029	202,931	227,631	(203,145)	101,597	4,290

	Year ended December 31,					Predecessor Company		Successor Company
	2004[1]	2005[1]	2006	2007	2008 (in thousands)	Six months ended June 30, 2008	For the period January 1, 2009 to April 23, 2009	For the period April 24, 2009 to June 30, 2009
Other Financial Data:								
Adjusted EBITDA[5]	$ 184,397	$ 176,490	$ 114,540	$ 97,378	$ 39,198	$ 25,149	$ (2,243)	$ 4,374

(1) Effective January 1, 2006, we adopted Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 123 (Revised 2004), Share Based Payment (SFAS 123R) utilizing the modified retrospective transition alternative. Accordingly, results for years prior to 2006 have been restated to reflect stock based compensation expense in accordance with SFAS 123R.

(2) No cash dividend was paid on our common stock or Class B stock in 2004 or 2008. The payment of dividends is restricted by the terms of our outstanding indebtedness and we do not plan on paying dividends for the foreseeable future. On August 3, 2009, a 200:1 reverse stock split was declared and effective. All per share amounts have been adjusted for this split (see Note 1 to the Annual Consolidated Financial Statements).

(3) On November 30, 2008, we failed to make the interest payment on our previously outstanding senior notes which constituted an event of default under the then existing senior notes. Accordingly, $249,053 of debt previously considered long-term was re-classified as short-term debt, which resulted in a working capital deficit of $208,034 on December 31, 2008.

(4) As a result of the Restructuring, we have followed the acquisition method of accounting, as described by SFAS 141R. Accordingly, we have revalued our assets and liabilities using our best estimate of current fair value. Our consolidated financial statements prior to the closing of the Restructuring reflect the historical accounting basis in our assets and liabilities and are labeled predecessor company, while the periods subsequent to the Restructuring are labeled successor company and reflect the push down basis of accounting for the fair values which were allocated to our segments based on the business Enterprise Value of each. Deferred tax liabilities have been recorded as a part of acquisition accounting to reflect the future taxable income to be recognized relating to the cancellation of indebtedness income as well as the deferred tax liability related to the acquisition accounting.

In connection with the Restructuring and the issuance of the Preferred Stock, we have determined that the Preferred Stock contained BCF that was partially contingent. BCF is measured as the spread between the effective conversion price and the market price of common stock on the commitment date and then multiplying this spread by the number of conversion shares. We recognized the portion of the BCF that was not related to the contingent shares at issuance (issuance BCF) while the majority of the BCF was contingent (contingent BCF) upon the authorization of additional common shares that occurred on August 3, 2009. Because such shares were authorized on August 3, 2009, the contingent BCF was recognized on such date in the third quarter and, due to the

immediate conversion of the Preferred Stock into common stock on such date, resulted in a deemed dividend of $65.9 million that will be included in our third quarter 2009 earnings per share.

(5) *Adjusted EBITDA is a non-GAAP financial measure (*ie.*, it is not a measure of financial performance under generally accepted accounting principles) and should not be considered in isolation or as a substitute for consolidated statements of operations and cash flow data prepared in accordance with GAAP. We use Adjusted EBITDA to calculate our compliance with our leverage ratio covenants under our Senior Credit Facility and Senior Notes. We believe the presentation of Adjusted EBITDA is relevant and useful for investors because it allows investors to view performance in the same manner as our lenders (who also own approximately 23.0% of our equity as a result of the Restructuring, excluding Gores).*

(footnotes on following page)

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Selected consolidated and other financial data

Our maximum senior leverage ratio (also referred to herein as our debt leverage covenant), defined as the principal amount of Senior Notes over our Consolidated EBITDA (defined below), is measured on a trailing, four-quarter basis. The covenant is the same under our Securities Purchase Agreement (SPA), governing the Senior Notes and our Senior Credit Facility with Wells Fargo Foothill (governing the term loan and revolver) except that they have different maximum levels. We have presented the more restrictive of the two levels below.

Quarter ending	Senior leverage ratio covenant	Principal amount of senior notes estimated outstanding (includes PIK)*	Required adjusted EBITDA*
12/31/09	6.25 to 1.0	106.9	17.1
3/31/10	6.00 to 1.0	108.3	18.1
6/30/10	5.5 to 1.0	109.6	19.9
9/30/10	5.00 to 1.0	111.0	22.2
12/31/10	4.50 to 1.0	112.4	25.0
3/31/11	4.25 to 1.0	113.8	26.8
6/30/11	4.00 to 1.0	115.2	28.8
9/30/11	3.75 to 1.0	116.7	31.1
12/31/11	3.50 to 1.0	118.1	33.7
3/31/12	3.50 to 1.0	119.6	34.2
6/30/12	3.50 to 1.0	121.1	34.6

* *Numbers presented in the last two columns are dollars in millions and have been rounded to the nearest tenth. As described elsewhere in this prospectus under the heading Use of Proceeds we will use between $15.0 and $20.0 million of the proceeds of the offering to repay outstanding indebtedness. The above chart reflects a repayment of $15.0 million of the $117.5 principal amount of Senior Notes presently outstanding and includes the PIK interest that accrues on a quarterly basis.*

As described below in more detail, on October 14, 2009, we entered into agreements with the holders of our Senior Notes and Wells Fargo Foothill to waive compliance with our debt leverage covenants under our Senior Notes and Senior Credit Facility, respectively, which levels were scheduled to be measured on December 31, 2009. Accordingly, the first measurement period will occur on March 31, 2010.

Consolidated EBITDA has the same definition in both agreements and means Consolidated Net Income (as defined in such agreements) for Westwood One and its subsidiaries adjusted for the following:

(a) minus any net gain or plus any loss arising from the sale or other disposition of capital assets;

(b) plus any provision for taxes based on income or profits;

(c) plus consolidated net interest expense;

(d) plus depreciation, amortization and other non-cash losses, charges or expenses (including impairment of intangibles and goodwill);

(e) minus any extraordinary, unusual, special or non-recurring earnings or gains or plus any extraordinary, unusual, special or non-recurring losses, charges or expenses;

(f) plus restructuring expenses or charges;

(g) plus non-cash compensation recorded from grants of stock appreciation or similar rights, stock options, restricted stock or other rights;

(h) plus any Permitted Glendon/Affiliate Payments (as described below);

(i) plus any Transaction Costs (as described below);

(j) minus any deferred credit (or amortization of a deferred credit) arising from the acquisition of any Person; and

(k) minus any other non-cash items increasing such Consolidated Net Income (including, without limitation, any write-up of assets);

in each case to the extent taken into account in the determination of such Consolidated Net Income, and determined without duplication and on a consolidated basis in accordance with GAAP. Permitted Glendon/Affiliate Payments means payments made at our discretion to Gores and its affiliates including Glendon Partners for consulting services provided to Westwood One and Transaction Costs refers to the fees, costs and expenses incurred by us in connection with the Restructuring.

Under the amended terms of our indebtedness, our financial covenant will first be measured on March 31, 2010 based on our trailing four-quarter EBITDA. Our Adjusted EBITDA (which is the same as Consolidated EBITDA described above) for the three-month period ended June 30, 2009 was $9.1 million. In order to satisfy our 6.00 covenant under the terms of our Senior

(footnotes on following page)

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Selected consolidated and other financial data

Notes (which is more restrictive than the 6.90 covenant set forth in our Senior Credit Facility) on March 31, 2010, we would require Adjusted EBITDA (for the three quarters ended March 31, 2010) of $9.0 million or greater. This assumes the amount of Senior Notes outstanding on March 31, 2010 is reduced by $15.0 million from the proceeds of this offering and includes PIK interest accrued through March 31, 2010. This compares with Adjusted EBITDA of $16.2 million on June 30, 2009, on a trailing four-quarter basis, which amount does not include the full benefit of the cost reduction programs undertaken by us and described elsewhere in this prospectus in more detail.

Adjusted EBITDA, as we calculate it, may not be comparable to similarly titled measures employed by other companies. While Adjusted EBITDA does not necessarily represent funds available for discretionary use, and is not necessarily a measure of our ability to fund our cash needs, we use Adjusted EBITDA as a liquidity measure, which is different from our operating cash flow, the most directly comparable financial measure calculated and presented in accordance with GAAP. We have provided below the requisite reconciliation of operating cash flow to Adjusted EBITDA. Adjusted EBITDA, a non-GAAP measure, for the combined six months ended June 30, 2009 was $2.1 million as previously reported in our second quarter earnings press release.

						Predecessor Company		Successor Company
	Year ended December 31,					Six months ended June 30,	For the period January 1, 2009 to April 23, 2009(4)	For the period April 24, 2009 to June 30, 2009(4)
	2004	2005	2006	2007	2008	2008		
			(in thousands)					
Net Cash Provided by (Used in) Operating Activities	**$ 117,456**	**$ 118,290**	**$ 104,251**	**$ 27,901**	**$ 2,038**	**$ (4,842)**	**$ (777)**	**$ (14,327)**
Interest expense	11,911	18,315	25,590	23,626	16,651	9,751	3,222	4,692
Income taxes (benefit)	53,206	49,217	8,809	15,724	(14,760)	(3,194)	(7,635)	(2,650)
Restructuring					14,100		3,976	1,454
Special charges			1,579	4,626	16,517	8,853	12,819	368
Investment income	(157)	(436)	(394)		(207)	(84)	(359)	(4)
Other non-operating income	(791)	(42)	(532)	(412)	(998)		(188)	(76)
Deferred taxes	5,276	7,451	20,546	6,480	13,907	7,196	6,874	(2,162)
Amortization of deferred financing costs	(709)	(333)	(359)	(481)	(1,674)	(792)	(331)	
Change in assets and liabilities	(1,795)	(15,972)	(44,950)	19,914	(6,376)	8,261	(19,844)	17,079
Adjusted EBITDA	**$ 184,397**	**$ 176,490**	**$ 114,540**	**$ 97,378**	**$ 39,198**	**$ 25,149**	**$ (2,243)**	**$ 4,374**

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Unaudited pro forma financial information

For purposes of this prospectus we have prepared the following pro forma financial statements which reflect information currently available to management and assumptions management believes to be reasonable.

The following unaudited pro forma financial information is derived from our unaudited historical financial statements as of and for the six months ended June 30, 2009 and from the audited historical financial statements for the twelve months ended December 31, 2008 and reflect the Restructuring, the resultant acquisition accounting and the conversion of the Class B stock (which occurred on July 9, 2009), the Series A-1 Preferred Stock (3,500 shares of which were converted on July 9, 2009 and the remainder of which were automatically converted on August 3, 2009) and the Series B Preferred Stock (which automatically converted on August 3, 2009) to common stock and the effects of the 200:1 reverse stock split which occurred on August 3, 2009, (reflected in historical financial statements) as if each had been consummated as described below. We prepared the unaudited pro forma financial information using the acquisition method of accounting, which is based on SFAS 141R. SFAS 141R uses the fair value concepts defined in SFAS No. 157, Fair Value Measurements (FAS 157). The pro forma adjustments and related assumptions are described in the accompanying notes presented on the following pages. The pro forma adjustments are based upon best available information and certain assumptions that our management believes are reasonable. The unaudited pro forma balance sheet as of June 30, 2009 has been prepared as if conversion of preferred stock into common stock had occurred on that date. The unaudited historical balance sheet as of June 30, 2009 already reflects the Restructuring and resultant acquisition accounting. The unaudited pro forma statements of operations for the year ended December 31, 2008 and the six months ended June 30, 2009 give effect to these events as if each had occurred on January 1, 2008.

As part of the Restructuring, our then existing debtholders released all of their existing obligations in exchange for (1) $117.5 million of Senior Notes, (2) 34,962 shares of Series B Preferred Stock, and (3) a one-time cash payment of $25.0 million. We also entered into the Senior Credit Facility pursuant to which we have a $15.0 million revolving line of credit and a $20.0 million unsecured non-amortizing term loan. As of May 31, 2009, we had borrowed the entire amount under the term loan and we had not made any borrowings under the revolving line of credit.

In addition, Gores (1) agreed to purchase, at a discount, approximately $22.6 million principal amount of our then existing debt held by debt holders who did not wish to participate in the new notes, (2) agreed to guarantee the Senior Credit Facility and a $10.0 million contractual commitment by one of our wholly owned subsidiaries and (3) invested $25.0 million in the Company for 25,000 shares of Series B Preferred Stock. In connection with Gores providing the guarantees and purchasing the debt from non-participating holders, the 75,000 shares of Series A Preferred Stock held by Gores immediately prior to the refinancing, which then had a liquidation preference of approximately $79.0 million, were exchanged for 75,000 shares of Series A-1 Preferred Stock with a per share conversion price which provided Gores with an approximately 54.6% interest in the Company after the refinancing. Taking into account Gores Series B Preferred Stock, Series A-1 Preferred Stock and common stock, upon the consummation of the Restructuring, Gores ownership in the Company increased from approximately 36% to 75.1%. Accordingly, the Restructuring, when considering the ownership held by Gores as well as the ownership held by our then existing debt holders, constituted a change of control transaction that requires us to follow the purchase method of accounting, as described by Statement of Financial Accounting Standards (SFAS) 141R, Business Combinations (SFAS 141R).

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Unaudited pro forma financial information

We have considered the ownership held by Gores and our then existing debt holders as a collaborative group in accordance with Emerging Issues Task Force D-97, Push Down Accounting . As a result, we have followed the acquisition method of accounting, as described by SFAS 141R, and applied the SEC rules and guidance regarding push down accounting treatment. Accordingly, our consolidated financial statements and transactional records prior to the closing of the Restructuring reflect the historical accounting basis in our assets and liabilities and are labeled predecessor company, while such records subsequent to the Restructuring are labeled successor company and reflect the push down basis of accounting for the new fair values in our financial statements. This is presented in our consolidated financial statement by a vertical black line division that appears between the columns entitled predecessor company and successor company on the statements and relevant notes. The black line in our historical financial statements signifies that the amounts shown for the periods prior to and subsequent to the Restructuring are not comparable.

The pro forma adjustments are preliminary and have been made solely for purposes of developing the pro forma financial information for illustrative purposes necessary to comply with the requirements of the SEC. The actual results reported in periods following the transactions may differ significantly from those reflected in these pro forma financial statements for a number of reasons, including but not limited to, differences between the assumptions used to prepare these pro forma financial statements and actual amounts. In addition, no adjustments have been made for non-recurring items related to the transactions. As a result, the pro forma information does not purport to be indicative of what the financial condition or results of operations would have been had the transactions been completed on the applicable dates of this pro forma financial information. The pro forma financial statements are based upon historical financial statements and do not purport to project the future financial condition and results of operations after giving effect to the transactions.

The pro forma adjustments described below have been developed based on assumptions and adjustments, including assumptions relating to the purchase price and the allocation thereof to the assets acquired and liabilities assumed based on preliminary estimates of fair value. The final purchase price allocation could differ from that reflected in the pro forma financial statements.

The following unaudited pro forma financial information should be read in conjunction with, and is qualified by reference to, our consolidated financial statements as of December 31, 2008 and for each of the years in the three-year period ended December 31, 2008, including the accompanying notes thereto, which are included in this prospectus and our unaudited consolidated financial statements as of June 30, 2009 and for each of the six-month periods ended June 30, 2009 and 2008, including the accompanying notes thereto, which are included in this prospectus, and the information under Management s Discussion and Analysis of Financial Condition and Results of Operations.

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Unaudited pro forma balance sheet

June 30, 2009

(in thousands, except share and per share amounts)

	Historical	Pro forma adjustments Conversion related	Pro forma
Assets			
Current Assets:			
Cash and cash equivalents	$ 7,980		$ 7,980
Accounts receivable	82,448		82,448
Prepaid and other assets	17,026		17,026
Total Current Assets	107,454		107,454
Property and equipment	36,357		36,357
Goodwill	86,414		86,414
Intangible assets	112,032		112,032
Deferred tax asset	2,385		2,385
Other assets	2,414		2,414
Total Assets	$ 347,056	$	$ 347,056
Liabilities, Redeemable Preferred Stock And Shareholders Equity (Deficit)			
Current Liabilities:			
Accounts payable	$ 17,588		$ 17,588
Amounts payable to related parties	20,128		20,128
Deferred revenue	2,681		2,681
Accrued expenses and other liabilities	19,648		19,648
Current maturity of long-term debt			
Total Current Liabilities	60,045		60,045
Long-term debt	128,078		128,078
Deferred tax liability	63,845		63,845
Due to Gores	10,891		10,891
Other liabilities	10,551		10,551
Total Liabilities	273,410		273,410
Commitments and Contingencies			
Series A-1 Redeemable Preferred Stock	38,880		
BCF Contingency		(36,941)(B)	
Effect of conversion on BCF		42,828 (B)	
Conversion to Common Stock		(44,767)(B)	
Series B Redeemable Preferred Stock	30,476		

BCF Contingency		(29,005)(B)	
Effect of conversion on BCF		33,627 (B)	
Conversion to Common Stock		(35,098)(B)	
Total Redeemable Preferred Stock	69,356	(69,356)	
Shareholders Equity (Deficit)			
Common stock	5	198 (B)	203
Class B stock	3	(3)(B)	
Additional paid-in capital	10,561	69,161 (B)	79,722
Net unrealized gain	(95)		(95)
Accumulated deficit	(6,184)		(6,184)
Total Shareholders Equity (Deficit)	4,290	69,356	73,646
Total Liabilities, Redeemable Preferred Stock and Shareholders Equity (Deficit)	$ 347,056	$	$ 347,056

See accompanying notes to the unaudited pro forma financial information

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Unaudited pro forma statement of operations

for the six months ended June 30, 2009

(in thousands, except share and per share amounts)

		Pro forma adjustments		
	Historical	Acquisition related	Conversion related	Pro forma
Net Revenue	$ 169,518			$ 169,518
Operating Costs	163,696			163,696
Depreciation and Amortization	8,430	121 (A)(C)		8,551
Corporate General and Administrative Expenses	6,655			6,655
Restructuring Charges	5,430			5,430
Special Charges	13,187			13,187
	197,398	121		197,519
Operating (Loss)	(27,880)	(121)		(28,001)
Interest Expense	7,914	919 (D)		8,833
Other Income	(363)			(363)
(Loss) Before Income Tax	(35,431)	(1,040)		(36,471)
Income Tax (Benefit) Expense	(10,286)	(302)(F)		(10,588)
Net (Loss)	$ (25,145)	$ (738)	$	$ (25,883)
Net (Loss) Income Attributable to Common Shareholders	$ (31,632)	$ (738)	$ 6,487 (G)	$ (25,883)
(Loss) Per Share				
Common Stock				
Basic	$ (62.49)		$ 61.18	$ (1.27)
Diluted	$ (62.49)		$ 61.18	$ (1.27)
Class B Stock				
Basic	$			$
Diluted	$			$

Weighted Average Shares Outstanding:

Common Stock			
Basic	506	19,800 (G)	20,306
Diluted	506	19,800 (G)	20,306
Class B Stock*			
Basic	292	(292)(G)	
Diluted	292	(292)(G)	

* *Reverse stock split not reflected in historical total. Class B stock was converted into common stock prior to effectiveness of reverse stock split.*

See accompanying notes to the unaudited pro forma financial information

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Unaudited pro forma statement of operations

For the twelve months ended December 31, 2008

(in thousands, except share and per share amounts)

		Pro forma adjustments		
	Historical	Acquisition related	Conversion related	Pro forma
Net Revenue	$ 404,416			$ 404,416
Operating Costs (includes related party expenses of $73,049)	360,492			360,492
Depreciation and Amortization (includes related party warrant amortization of $1,618)	11,052	17,399 (A)(C)		28,451
Corporate General and Administrative Expenses (includes related party expenses of $610)	13,442			13,442
Goodwill Impairment	430,126			430,126
Restructuring Charges	14,100			14,100
Special Charges (includes related party expenses of $5,000)	13,245			13,245
	842,457	17,399		859,856
Operating (Loss)	(438,041)	(17,399)		(455,440)
Interest Expense	16,651	1,717 (D)		18,368
Other Income	(12,369)			(12,369)
(Loss) Before Income Tax	(442,323)	(19,116)		(461,439)
Income Tax (Benefit) Expense	(14,760)	(5,706)(F)		(20,466)
Net (Loss)	$ (427,563)	$ (13,410)	$	$ (440,973)
Net (Loss) Income Attributable to Common Shareholders	$ (430,644)	$ (13,410)	$ 3,081 (G)	$ (440,973)
(Loss) Per Share				
Common Stock				
Basic	$ (878.73)		$ 857.00	$ (21.73)
Diluted	$ (878.73)		$ 857.00	$ (21.73)
Class B Stock				
Basic	$			$

Diluted	$		$
Weighted Average Shares Outstanding:			
Common Stock			
Basic	490	19,800 (G)	20,290
Diluted	490	19,800 (G)	20,290
Class B Stock			
Basic	1	(1)(G)	
Diluted	1	(1)(G)	

See accompanying notes to the unaudited pro forma financial information

Notes to unaudited pro forma financial statements

(in thousands, except per share amounts)

NOTE 1. BASIS OF PRESENTATION

The unaudited pro forma financial statements were prepared using the acquisition method of accounting under existing US GAAP standards and are based on our historical consolidated financial statements for the twelve months ended December 31, 2008 and as of and for the six months ended June 30, 2009.

The unaudited pro forma balance sheet as of June 30, 2009 has been prepared as if conversion of preferred stock into common stock had occurred on that date. The unaudited historical balance sheet as of June 30, 2009 already reflects the Restructuring and resultant acquisition accounting. The unaudited pro forma statements of operations for the year ended December 31, 2008 and the six months ended June 30, 2009 give effect to these events as if each had occurred on January 1, 2008.

The unaudited pro forma financial information was prepared using the acquisition method of accounting, which is based on FAS 141R. which uses the fair value concepts defined in FAS 157. We have adopted both FAS 141R and FAS 157 as required.

FAS 141R requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. In addition, FAS 141R establishes that the consideration transferred be measured at the closing date of the acquisition at the then-current market price. The transaction fees for the acquisition will be expensed as incurred under FAS 141R.

FAS 157 defines the term fair value and sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of inputs used to develop the fair value measures. Fair value is defined in FAS 157 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be buyers and sellers in the principal market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. Many of these fair value measurements can be highly subjective and it is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

The pro forma adjustments described below have been developed based on assumptions and adjustments, including assumptions relating to the purchase price and the allocation thereof to the assets acquired and liabilities assumed based on preliminary estimates of fair value. The final purchase price allocation may differ from that reflected in the pro forma financial statements.

The unaudited pro forma financial statements are provided for illustrative purposes only and do not purport to represent what our actual consolidated results of operations or consolidated financial position would have been had the acquisition occurred on the dates assumed, nor are they necessarily indicative of our future consolidated results of operations or financial position.

NOTE 2. UNAUDITED PRO FORMA ADJUSTMENTS BALANCE SHEET

The Unaudited Pro Forma Balance Sheet as of June 30, 2009 reflects the conversion of all of the Class B stock (which occurred on July 9, 2009), the Series A-1 Preferred Stock (3,500 shares of which were converted on July 9, 2009 and the remainder of which automatically converted on August 3, 2009) and the Series B Preferred Stock to common stock which occurred on August 3, 2009 as if it had occurred on June 30, 2009.

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Notes to unaudited pro forma financial statements

(in thousands, except per share amounts)

(A) Acquisition Accounting

As a result of our Restructuring that closed in the second quarter, Gores acquired approximately 75.1% of our equity and our then existing lenders acquired approximately 23.0% of our equity. We have considered the ownership held by Gores and our existing debt holders as a collaborative group in accordance with EITF D-97, Push Down Accounting . As a result, we have followed the acquisition method of accounting, as described by SFAS 141R, and have applied the SEC rules and guidance regarding push down accounting treatment. Accordingly, our historical consolidated financial statements and transactional records prior to the closing of the Restructuring reflect the historical accounting basis in our assets and liabilities and are labeled predecessor company, while such records subsequent to the Restructuring are labeled successor company and reflect the push down basis of accounting for the new fair values in our financial statements. Additionally, our historical financial statements include revalued assets and liabilities, which were revalued using our best estimate of current fair value as required by the Restructuring.

Based on the complex structure of the Restructuring described above, a valuation was performed to determine the acquisition price using the Income Approach employing a Discounted Cash Flow (DCF) methodology. The DCF method explicitly recognizes that the value of a business enterprise is equal to the present value of the cash flows that are expected to be available for distribution to the equity and/or debt holders of a company. In the valuation of a business enterprise, indications of value are developed by discounting future net cash flows available for distribution to their present worth at a rate that reflects both the current return requirements of the market and the risk inherent in the specific investment.

We used a multi-year DCF model to derive a Total Invested Capital (TIC) value which was adjusted for cash, non-operating assets and any negative net working capital to calculate a Business Enterprise Value (BEV) which was then used to value our equity. In connection with the Income Approach portion of this exercise, we made the following assumptions: (a) the discount rate was based on an average of a range of scenarios with rates between 15% and 16%; (b) management s estimates of future performance of our operations and; (c) a terminal growth rate of 2%. The discount rate and market growth rate reflect the risks associated with the general economic pressure impacting both the economy in general and more specifically and substantially the advertising industry. All costs and professional fees incurred as part of the Restructuring totaling approximately $15,777 have been expensed as special charges in periods ended April 23, 2009 and prior (the predecessor company).

The allocation of Business Enterprise Value is as follows:

Purchase price	
Current Assets	$ 104,641
Goodwill	86,414
Intangibles	116,910
Property, Plant and Equipment, Net	36,270
Other assets	21,913
Current Liabilities	81,160
Deferred Income Taxes	77,879
Due to Gores	10,797
Other Liabilities	10,458
Long-term debt	106,703
Total Estimated Purchase Price	$ 79,151

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(in thousands, except per share amounts)

We expect to finalize the valuation and complete the allocation of the Business Enterprise Value as soon as practicable but no later than one year from the acquisition date.

In accordance with FAS 141R which is applicable to the Restructuring and the change of control, we have revalued our Goodwill and Intangibles using our best estimate of current fair value. The value assigned to goodwill and indefinite lived intangible assets is not amortized to expense and the majority is not expected to be tax deductible Our client contracts are typically exclusive agreements with our partners and/or talent to provide programming and content over a specified period of time. The values assigned to definite lived assets are amortized over their estimated useful life.

Similarly, in accordance with FAS 141R which is applicable to the Restructuring and the change of control, we have identified leases and client contracts which we valued below market. Accordingly, a liability of $3,460 has been recorded to reflect the estimated fair value of the leases and client contracts and such amount is being taken to income over the remaining life of the contract.

Intangibles	**For the twelve months ended December 31, 2008**			
	Estimated life	**Opening balance**	**Amortization**	**Ending balance**
Trademarks	Indefinite	$ 20,900		20,900
Affiliate Relationships	10 years	72,100	7,210	64,890
Internally Developed Software	5 years	5,600	1,120	4,480
Client Contracts	5 years	8,930	1,984	6,946
Leases	7 years	980	140	840
Insertion Orders	9 months	8,400	8,400	
Subtotal Assets		116,910	18,854	98,056
Client Contracts	1.5 years	(1,410)	(940)	(470)
Leases	7 years	(2,050)	(293)	(1,757)
Subtotal Liabilities		(3,460)	(1,233)	(2,227)
Net Total			17,621	
Amortization Expense			752	
Adjustment to amortization expense (see (h) for depreciation expense adjustment)			16,869	

	For the six months ended June 30, 2009			
Trademarks	Indefinite	$ 20,900		20,900
Affiliate Relationships	10 years	64,890	3,605	61,285
Internally Developed Software	5 years	4,480	560	3,920
Client Contracts	5 years	6,946	992	5,954
Leases	7 years	840	70	770
Insertion Orders	9 months			

Subtotal Assets		98,056	5,227	92,829
Client Contracts	1.5 years	(470)	(470)	
Leases	7 years	(1,757)	(146)	(1,611)
Subtotal Liabilities		(2,227)	(616)	(1,611)
Net Total			4,611	
Amortization Expense			4,755	
Adjustment to amortization expense (see (h) for depreciation expense adjustment)			(144)	

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Deferred tax liability	**June 30, 2009**
Intangibles added to assets	$ 114,480
Intangibles added to liabilities	(3,460)
Net Total	111,020
Effective Tax Rate	38.25%
Deferred Tax Liability for Intangibles	42,465
Deferred Tax Liability for Cancellation of Debt for Tax Purposes	35,967
Deferred Tax Liability Other	546
Deferred Tax Liability	$ 78,978

B) The column labeled Pro forma Adjustments Conversion Related represents the effects of the conversion of Class B stock, Series A-1 Preferred Stock and Series B Preferred Stock into common shares that occurred on August 3, 2009 (and the 3,500 shares of Series A-1 Preferred Stock that converted on July 9, 2009). The Series A-1 Preferred Stock was converted on August 3, 2009 into the number of shares of common stock obtained by multiplying the number of shares of Series A-1 Preferred Stock to be converted by the liquidation preference and dividing such amount by the conversion price. The Series B Preferred Stock was converted on August 3, 2009 into the number of shares of common stock obtained by multiplying the number of shares of Series B Preferred Stock to be converted by the liquidation preference and dividing such amount by the conversion price.

In connection with the Restructuring and the issuance of the Preferred Stock, we determined that the Preferred Stock contained a BCF that was partially contingent as described below. BCFs are recognized by allocating to shareholders equity that portion of the net proceeds from the sale of a convertible security equal to the intrinsic value of the BCF. Intrinsic value is calculated as the spread, as of the date we agreed to issue our Preferred Stock (the commitment date), between the conversion price of our Preferred Stock and the fair value of our common stock multiplied by the number of shares of common stock into which the Preferred Stock is convertible. In our case, because only a portion of the common shares into which the Preferred Stock was convertible were authorized on the commitment date, a portion of the BCF was not immediately recognized because it was contingent on our stockholders approving an increase in the authorized shares.

The total BCF, which is limited to the carrying value of the Preferred Stock, is approximately $76.9 million, of which $10.9 million relates to the issuance BCF, and will be amortized using the effective yield method over the period until redemption. The contingent BCF, which amounts to $66.0 million (and was limited to the carrying amount of the Preferred Stock), will be recognized when the contingency is resolved in the third quarter (August 3, 2009) which due to the immediate conversion, will result in, among other effects, a deemed dividend of $65.9 million that will be included in our third quarter 2009 earnings per share calculation (see Note G).

C) Depreciation expense reflects an increase of $530 for the twelve months ended December 31, 2008 and an increase of $265 for the six months ended June 30, 2009. (See adjustment (A) for amortization adjustment of definite lived intangibles).

NOTE 3. UNAUDITED PRO FORM ADJUSTMENTS STATEMENT OF OPERATIONS

The Unaudited Pro Forma Statements of Operations for the year ended December 31, 2008 and for the six months ended June 30, 2009 reflects the Restructuring, the resultant acquisition accounting, the conversion of the Class B stock, the Series A-1 Preferred Stock and the Series B Preferred Stock into

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common stock and the effects of the 200:1 reverse stock split and gives effect to these events as if each had occurred on January 1, 2008:

D) The Senior Notes bear interest at 15% per annum, payable 10% in cash and 5% in-kind (PIK interest). Interest expense was adjusted to reflect the new debt of $117,500 and new interest rate of 15% on such indebtedness. The PIK interest is added to the principal quarterly but will not be payable until maturity. The debt has been recorded for the pro forma financial statements at face value, which is our best estimate of fair value.

Interest expense	**For the twelve months ended December 31, 2008**	**For the six months ended June 30, 2009**
Interest expense on new debt	17,958	9,319
Interest expense on indebtedness prior to refinancing	16,241	8,400*
Incremental Interest Expense Adjustment	1,717	919

* *Includes $4,603 of interest on new debt from April 2009 to June 30, 2009.*

E) Amortization of the new intangibles for Affiliate Relationships, Client Contracts and Insertion Orders was reflected (see adjustment (A) above).

F) Taxes were calculated on the new pro forma (loss) amount using the effective rate for each applicable period.

Tax	**December 31, 2008**	**June 30, 2009**
PreTax (Loss)	$ (442,323)	$ (35,431)
Tax Benefit (Expense)	14,760	10,286
Effective Rate	3.3%	29.0%
Non-deductible Portion of Goodwill Write-off	31.8%	0.0%
Normalized Effective Tax Rate	35.1%	29.0%
ProForma PreTax (Loss)	(461,439)	(36,471)
Adjustment for Goodwill Impairment	403,194	
Adjusted ProForma Pretax (Loss)	(58,245)	(36,471)
Pro Forma Tax Benefit (Expense)	$ 20,466	$ 10,588

G) Earnings per share amounts give effect to the 200:1 reverse stock split. While a contingent beneficial conversion feature was recorded in the pro forma balance sheet, it has been excluded from the pro forma statement of operations since such adjustment is non-recurring and directly

related to the Restructuring (See Note B). Additionally, we have excluded all preferred stock accretion from our earnings per share amounts.

Common stock share calculation after conversion	**Number of shares**
Common Stock	102,457
Class B Stock	292
Series A-1 Convertible Preferred Stock	2,218,134
Series B Convertible Preferred Stock	1,741,563
Total Common Stock before Reverse Stock Split	4,062,446
Reverse Stock Split ratio	200
Common Shares Issued and Outstanding	20,312

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Management s discussion and analysis of financial condition and results of operations

You should read the following discussion and analysis of our results of operations, financial condition and liquidity in conjunction with our consolidated financial statements and the related notes thereto. This discussion contains forward-looking statements. Please see Risk Factors and Cautionary Note Regarding Forward-Looking Statements and Industry Data for a discussion of the uncertainties, risks and assumptions associated with these statements.

EXECUTIVE OVERVIEW

We produce and provide traffic, news, weather, sports, talk, music, special events and other programming. Our content is distributed to radio and television stations and digital platforms and reaches over 190 million people. We are one of the largest domestic outsourced providers of traffic reporting services and one of the nation s largest radio networks, delivering content to over 5,000 radio and 170 television stations in the US. We exchange our content with radio and television stations for commercial airtime, which we then sell to local, regional and national advertisers. By aggregating and packaging commercial airtime across radio and television stations nationwide, we are able to offer our advertising customers a cost-effective way to reach a broad audience and target their audience on a demographic and geographic basis.

We are organized into two business segments: Metro and Network.

Our Metro business produces and distributes traffic and other local information reports (such as news, sports and weather) to approximately 2,300 radio and television stations, which include stations in over 80 of the top 100 Metro Service Area (MSA) markets in the US. Our Metro business generates revenue from the sale of commercial advertising inventory to advertisers (typically 10 and 15 second spots in radio and 30 second spots in television embedded within our information reports). We provide broadcasters a cost-effective alternative to gathering and delivering their own traffic and local information reports and offer advertisers a more efficient, broad reaching alternative to purchasing advertising directly from individual radio and television stations.

Our Network business syndicates proprietary and licensed content to radio stations, enabling them to meet their programming needs on a cost-effective basis. The programming includes national news and sports content, such as CBS Radio News, CNN Radio News and NBC Radio News and major sporting events, including the National Football League (including the Super Bowl), NCAA football and basketball games (including the Men s Basketball Tournament, *ie*, March Madness) and the 2010 Winter Olympic Games. Our Network business features popular shows that we produce with personalities including Dennis Miller, Charles Osgood, Fred Thompson and Billy Bush. We also feature special events such as live concert broadcasts, countdown shows (including MTV and Country Music Television branded programs), music and interview programs. Our Network business generates revenue from the sale of 30 and 60 second commercial airtime, often embedded in our programming, that we bundle and sell to national advertisers who want to reach a large audience across numerous radio stations.

We develop programming and exploit our commercial airtime by concurrently taking into consideration the demands of our advertisers on both a market specific and national basis, the inputs of the owners and management of our radio station affiliates, and the inputs of our programming partners and talent. Our continued success and prospects for growth are dependent upon our ability to manage these factors in a

Management s discussion and analysis of financial condition and results of operations

cost effective manner and to adapt our information and entertainment programming to different distribution platforms. Historically, our results have been impacted by overall economic conditions, trends in demand for radio and television-related advertising, competition, and risks inherent in our customer base, including customer attrition and our ability to generate new business opportunities to offset any attrition.

There are a variety of factors that influence our revenue on a periodic basis, including, but not limited to: (i) economic conditions and the relative strength or weakness in the United States economy; (ii) advertiser spending patterns and the timing of the broadcasting of our programming, principally the seasonal nature of sports programming; (iii) advertiser demand on a local/regional or national basis for radio and television- related advertising products; (iv) increases or decreases in our portfolio of program offerings and related audiences, including changes in the demographic composition of our audience base; (v) increases or decreases in the size of our advertiser sales force; and (vi) competitive and alternative programs and advertising mediums, including, but not limited to, local print, magazines, cable and the Internet.

Our commercial airtime is perishable, and accordingly, our revenue is significantly impacted by the commercial airtime available at the time we enter into an arrangement with an advertiser. Our ability to specifically isolate the relative historical aggregate impact of price and volume is not practical as commercial airtime is sold and managed on an order-by-order basis. We closely monitor advertiser commitments for the current calendar year, with particular emphasis placed on the annual upfront process and a prospective three-month period. We take the following factors, among others, into account when pricing commercial airtime: (i) the dollar value, length and breadth of the order; (ii) the desired reach and audience demographic; (iii) the quantity of commercial airtime available for the desired demographic requested by the advertiser for sale at the time their order is negotiated; and (iv) the proximity of the date of the order placement to the desired broadcast date of the commercial airtime.

Our national revenue has been trending downward for the last several years due principally to reductions in national audience levels and lower clearance (as defined below) and audience levels of our affiliated stations. Our local/regional revenue has been trending downward due principally to increased competition, reductions in our local/regional sales force and an increase in the amount of 10 second inventory being sold by radio stations. Recently, our operating performance has also been affected by the weakness in the United States economy and advertiser demand for radio and television-related advertising products.

The principal components of our operating expenses are programming, production and distribution costs (including affiliate compensation and broadcast rights fees), selling expenses including commissions, promotional expenses and bad debt expenses, depreciation and amortization, and corporate general and administrative expenses. Corporate general and administrative expenses are primarily comprised of costs associated with our previous Management Agreement with CBS Radio (which terminated on March 3, 2008), corporate accounting, legal and administrative personnel costs, and other administrative expenses, including those associated with corporate governance matters. Special charges include one-time expenses associated with the re-negotiation of the CBS agreements, the 2009 and 2008 Gores investment, Restructuring costs and re-engineering expenses.

We consider our operating cost structure to be largely fixed in nature, and as a result, we generally require several months lead time to make significant modifications to our cost structure to react to what we view are more than temporary increases or decreases in advertiser demand. This becomes important in predicting our performance in periods when advertiser revenue is increasing or decreasing. In periods where advertiser revenue is increasing, the fixed nature of a substantial portion of our costs means that

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operating income will grow faster than the related growth in revenue. Conversely, in a period of declining revenue, operating income will decrease by a greater percentage than the decline in revenue because of the lead time needed to reduce our operating cost structure. If we perceive a decline in revenue to be temporary, we may choose not to reduce our fixed costs, or may even increase our fixed costs, so as to not limit our future growth potential when the advertising marketplace rebounds. We carefully consider matters such as credit and commercial inventory risks, among other factors, in assessing arrangements with our programming and distribution partners. In those circumstances where we function as the principal in the transaction, the revenue and associated operating costs are presented on a gross basis in the Consolidated Statement of Operations. In those circumstances where we function as an agent or sales representative, our effective commission is presented within revenue with no corresponding operating expenses. Although no individual relationship apart from CBS is significant, the relative mix of such arrangements is significant when evaluating operating margin and/or increases and decreases in operating expenses.

We engaged consultants primarily to assist us in determining the most cost effective manner to gather and disseminate traffic information. As a result, we announced a Metro business re-engineering initiative that was implemented in the last half of 2008. The modifications to the Metro business are part of a series of re-engineering initiatives implemented by us to improve our operating and financial performance in the near-term, while setting the foundation for profitable long-term growth. These changes are expected to result in a reduction of staff levels and the consolidation of operations centers into 13 regional hubs by July 2009.

On March 3, 2008, we closed on the new Master Agreement with CBS Radio (the CBS Master Agreement), which documents a long-term agreement through March 31, 2017. As part of the new arrangement, CBS agreed to broadcast certain of our commercial inventory for our Network and Metro businesses through March 31, 2017 in exchange for certain programming and/or cash compensation. Under the new arrangement, CBS Radio agreed to assign to us all of its right, title and interest in the warrants to purchase common stock outstanding under prior agreements. These warrants were cancelled and retired on March 3, 2008.

The new arrangement with CBS Radio is particularly important to us, as in recent years, the radio broadcasting industry has experienced a significant amount of consolidation. As a result, certain major radio station groups, including Clear Channel Communications and CBS Radio, have emerged as powerful forces in the industry. While we provide programming to all major radio station groups, our extended affiliation agreements with most of CBS Radio s owned and operated radio stations provide us with a significant portion of the audience that we sell to advertisers.

Prior to the new CBS arrangement which closed on March 3, 2008, many of our affiliation agreements with CBS Radio did not tie station compensation to audience levels or clearance levels. This contributed to a significant decline in our national audience delivery to advertisers when CBS Radio stations delivered lower audience levels and broadcast fewer commercials than in earlier years. Our new arrangement with CBS limits the impact of these circumstances in most instances by adjusting affiliate compensation for changes in audience levels. In addition, the arrangement provides CBS Radio with financial incentives to broadcast substantially all our commercial inventory (referred to as clearance) in accordance with the terms of the contracts and significant penalties for not complying with the contractual terms of our arrangement. We believe that CBS Radio has taken and will continue to take the necessary steps to stabilize and increase the audience reached by its stations. It should be noted however, that as CBS takes steps to increase its compliance with our affiliation agreements, our operating costs will increase before we will be able to increase advertising prices for the larger audience we will deliver, which was and may continue to be a contributing factor to the decline in our operating income.

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For management purposes we continue to measure our performance against comparable prior periods. For purposes of presenting a comparison of our 2009 results to prior periods, we have presented our 2009 results as the mathematical addition of the Predecessor Company and Successor Company periods. We believe that this presentation provides the most meaningful information about our results of operations. This approach is not consistent with GAAP, may yield results that are not strictly comparable on a period-to-period basis, and may not reflect the actual results we would have achieved.

As a result of the Restructuring, we followed the acquisition method of accounting, as described by SFAS 141R, and applied the SEC rules and guidance regarding push down accounting treatment. Accordingly, our consolidated financial statements and transactional records prior to the closing of the Restructuring reflect the historical accounting basis in our assets and liabilities and are labeled predecessor company, while such records subsequent to the Restructuring are labeled successor company and reflect the push down basis of accounting for the new fair values in our financial statements. This is presented in our consolidated financial statements by a vertical black line division which appears between the columns entitled predecessor company and successor company on the statements and relevant notes. The black line signifies that the amounts shown for the periods prior to and subsequent to the Restructuring are not comparable. For management purposes we continue to measure our performance against comparable prior periods. For purposes of presenting a comparison of our 2009 results to prior periods, we have presented our 2009 results as the mathematical addition of the Predecessor Company and Successor Company periods. We believe that this presentation provides the most meaningful information about our results of operations. This approach is not consistent with GAAP, may yield results that are not strictly comparable on a period-to-period basis, and may not reflect the actual results we would have achieved. Below is a reconciliation of our financial statements to this non-GAAP measure. The Preferred Stock non-cash adjustments relate to the accounting for a beneficial conversion feature contained in the Preferred Stock and accretion of the Preferred stock to redemption value as described elsewhere in this prospectus in more detail.

	Successor Company For the period	**Predecessor Company For the period**	**Combined total For the three months ended**
	April 24, 2009 to June 30, 2009	**April 1, 2009 to April 23, 2009**	**June 30, 2009**
NET REVENUE	$ 58,044	$ 25,607	$ 83,651
Operating Costs	52,116	20,187	72,303
Depreciation and Amortization	5,845	521	6,366
Corporate General and Administrative Expenses	2,407	1,482	3,889
Restructuring Charges	1,454	536	1,990
Special Charges	368	7,010	7,378
	62,190	29,736	91,926
OPERATING (LOSS)	**(4,146)**	**(4,129)**	**(8,275)**
Interest Expense (Income)	4,692	(41)	4,651
Other Income	(4)	(59)	(63)
(LOSS) BEFORE INCOME TAX	(8,834)	(4,029)	(12,863)
INCOME TAX (BENEFIT)	(2,650)	(254)	(2,904)
NET (LOSS)	**$ (6,184)**	**$ (3,775)**	**$ (9,959)**

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	Successor Company For the period April 24, 2009 to June 30, 2009	Predecessor Company For the period January 1, 2009 to April 23, 2009	Combined total For the six months ended June 30, 2009
NET REVENUE	$ 58,044	$ 111,474	$ 169,518
Operating Costs	52,116	111,580	163,696
Depreciation and Amortization	5,845	2,585	8,430
Corporate General and Administrative Expenses	2,407	4,248	6,655
Restructuring Charges	1,454	3,976	5,430
Special Charges	368	12,819	13,187
	62,190	135,208	197,398
OPERATING (LOSS)	**(4,146)**	**(23,734)**	**(27,880)**
Interest Expense (Income)	4,692	3,222	7,914
Other Income	(4)	(359)	(363)
(LOSS) BEFORE INCOME TAX	(8,834)	(26,596)	(35,430)
INCOME TAX (BENEFIT)	(2,650)	(7,635)	(10,285)
NET (LOSS)	**$ (6,184)**	**$ (18,961)**	**$ (25,145)**

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Six months ended June 30, 2009 compared with six months ended June 30, 2008

We established a new organizational structure in 2008 pursuant to which we manage and report our business in two segments: Network and Metro. Our Network business produces and distributes regularly scheduled and special syndicated programs, including exclusive live concerts, music and interview shows, national music countdowns, lifestyle short features, news broadcasts, talk programs, sporting events and sports features. Our Metro business provides traffic reports and local news, weather and sports information programming to radio and television affiliates and their websites. We evaluate segment performance based on segment revenue and segment operating (loss)/income. Administrative functions such as finance, human resources and information systems are centralized. However, where applicable, portions of the administrative function costs are allocated between the operating segments. The operating segments do not share programming or report distribution and operating costs are captured discretely within each segment. Our accounts receivable and property, plant and equipment are captured and reported discretely within each operating segment.

Combined three months ended June 30, 2009 compared with three months ended June 30, 2008

Revenue

Revenue presented by operating segment is as follows:

	Three months ended			
	June 30, 2009		June 30, 2008	
	$	% of total	$	% of total

	(in millions)			
Metro	43.5	52%	53.2	53%
Network	40.2	48%	47.2	47%
Total[(1)]	$ 83.7	100%	$ 100.4	100%

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For the three months ended June 30, 2009, revenue decreased $16.7 million or 16.7%, to $83.7 million compared with $100.4 million for the three months ended June 30, 2008. The overall decline in revenue is principally attributable to the ongoing economic downturn and, in particular, the general decline in advertising spending, which started to contract in the second half of 2008 and has continued in 2009.

Metro Traffic revenue for the three months ended June 30, 2009 decreased $9.7 million or 18.2% to $43.5 million from $53.2 million for the same period in 2008. The decrease in Metro Traffic revenue was principally related to a weak local advertising marketplace spanning various sectors and categories including automotive, retail and telecommunications, which placed an overall downward pressure on advertising sales and rates.

For the three months ended June 30, 2009, Network revenue was $40.2 million compared to $47.2 million for the comparable period in 2008, a decrease of 14.9% or $7.0 million. The decline is primarily the result of the general decline in advertising spending which affected our Network revenue from news and talk programs and sports events, our cancellation of certain programs, and lower revenues from our RADAR network inventory.

Operating costs

Operating costs for the three months ended June 30, 2009 and 2008 were as follows:

	Three months ended			
	June 30, 2009		June 30, 2008	
	$	% of total	$	% of total
	(in millions)			
Payroll and payroll related	20.4	28%	25.5	30%
Programming and production	14.4	20%	18.5	22%
Program and operating	6.7	9%	4.1	5%
Station compensation	18.3	25%	20.8	24%
Other operating expenses	12.5	18%	16.5	19%
	$ 72.3	100%	$ 85.4	100%

Operating costs decreased $13.1 million, or 15.3%, to $72.3 million in the second quarter of 2009 from $85.4 million in the second quarter of 2008. The decrease reflects the benefit of the Metro re-engineering and cost reduction programs which began in the last half of 2008 and continued through the second quarter of 2009. Payroll and payroll related costs declined $5.1 million or 20.0% as a result of the salary and headcount reductions, partially offset by an increase in commission rates implemented to incentivize sales growth. Programming and production costs decreased by $4.1 million from $18.5 million to $14.4 million due to lower talent fees and reduced revenue sharing expense as a result of our lower revenue. Program and operating costs increased to $6.7 million from $4.1 million reflecting increased purchases of inventory and expenses related to our License Agreement with TrafficLand. Station Compensation expense decreased by $2.4 million primarily due to the renegotiation and cancellation of certain affiliate arrangements. Other operating expenses declined from $16.5 million to $12.5 million, again reflecting the benefit of the Metro re-engineering program, primarily related to facilities, aviation, telephony and other costs.

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Depreciation and amortization

Depreciation and amortization increased $4.0 million to $6.4 million in the second quarter of 2009 from $2.4 million in the second quarter of 2008. The increase is primarily attributable to the increase in amortization for the fair value of intangibles recorded as a result of the application of acquisition accounting and by increased depreciation and amortization for additional investments in systems and infrastructure, partially offset by decreased depreciation for leasehold improvements from the closure and consolidation of facilities in connection with our Metro re-engineering that began in the last half of 2008.

Corporate general and administrative expenses

Corporate, general and administrative expenses increased by $2.7 million to $3.9 million for the three months ended June 30, 2009 as compared to $1.2 million for the same period in 2008. The increase is principally due to increased accounting fees associated with the additional reporting required by acquisition accounting, which increased by $1.0 million, and the increased stock compensation expense of $1.5 million which reflects a credit taken in 2008 for the reversal of compensation cost associated with the cancellation of unvested options. Corporate, general and administrative expenses are expected to return to more normal levels once the accounting work in support of the acquisition accounting and a potential stock offering are completed.

Goodwill impairment

During the second quarter of 2009, there were no indications of impairment of our goodwill. During the comparable quarter of 2008, we incurred a goodwill impairment charge of $206.1 million as a result of a continued decline in our operating performance and stock price in that period.

Restructuring charges

During the three months ended June 30, 2009, we recorded a $2.0 million restructuring charge in connection with the re-engineering of our Metro Traffic operations that commenced in the last half of 2008 and has continued into 2009, and the new cost reduction initiatives undertaken in the first half of 2009. Facilities shutdown expense of $1.6 million was the major component of the restructuring charge, which also included amounts for severance and contract cancellations.

Special charges

We incurred non-recurring expenses aggregating $7.4 million and $0.9 million in the second quarter of 2009 and 2008, respectively. Special charges in the second quarter of 2009 include transaction fees and expenses related to negotiation of the definitive documentation for the Restructuring, including the fees of various legal and financial advisors to the constituents involved in the Restructuring (*eg* Westwood One, Gores, Glendon Partners, the banks, noteholders and the lenders of the new Senior Credit Facility) and other professional fees. Special charges in the second quarter of 2008 consisted primarily of costs related to the negotiation and closing of documentation related to the issuance of Series A Preferred Stock to Gores in 2008.

Operating (loss)

The operating (loss) for the three months ended June 30, 2009 decreased to $(8.3) million from $(195.6) million for the same period in 2008. The decreased loss is due to the absence of a goodwill impairment of

$206.1 million recorded in the second quarter of 2008. Exclusive of the impairment charge, net income

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for the second quarter of 2008 would have been $10.4 million. The decline in operating income between the second quarter of 2008, absent the goodwill impairment charge, and the operating (loss) for the second quarter of 2009 is primarily attributable to the decline in our revenue, which was impacted by the current overall economic downturn and related weakness in the advertising market. The decline in revenue was partially offset by the realignment of our cost base, net of restructuring charges, as part of our Metro Traffic re-engineering and other cost reduction initiatives.

Interest expense

Interest expense increased $0.3 million, or 6.8%, to $4.7 million in the second quarter of 2009 from $4.4 million in the second quarter of 2008. The increase reflects the higher interest rate on the debt from our Restructuring, which was incurred for most of the second quarter of 2009, offset by the reduction in the debt level.

Provision for income taxes

Income tax benefit in the second quarter of 2009 was $3.0 million compared with a tax benefit of $0.2 million in the second quarter of 2008. Our effective tax rate for the quarter ended June 30, 2009 was approximately 22.5% as compared to the 38.5% (excluding the impact of our goodwill impairment) for the same period in 2008, due to the non-deductibility of certain costs incurred related to our Restructuring.

Net (loss)

Net (loss) for the second quarter of 2009 increased to $(10.0) million from net income of $6.3 million, absent the goodwill impairment charge of $206.0 million, in the second quarter of 2008. Net (loss) per share for basic and diluted shares was $(29.48) in the second quarter of 2009, compared with net (loss) per share, including the goodwill impairment charge, for basic and diluted of $(396.69) in the second quarter of 2008.

Combined six months ended June 30, 2009 compared with six months ended June 30, 2008

Revenue

Revenue presented by operating segment is as follows:

	Six months ended			
	June 30, 2009		June 30, 2008	
	$	% of total	$	% of total
	(In millions)			
Metro	$ 78.2	46%	$ 100.6	49%
Network	$ 91.3	54%	$ 106.4	51%
Total[(1)]	$ 169.5	100%	$ 207.0	100%

For the six months ended June 30, 2009, revenue decreased $37.5 million or 18.1%, to $169.5 million compared with $207.0 million for the six months ended June 30, 2008. The overall decline in revenue is principally attributable to the ongoing economic downturn and, in particular, the general decline in advertising spending, which started to contract in the second half of 2008 and has continued in 2009.

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Metro Traffic revenue for the six months ended June 30, 2009 decreased $22.4 million or 22.3% to $78.2 million from $100.6 million for the same period in 2008. The decrease in Metro Traffic revenue was principally related to a weak local advertising marketplace spanning various sectors and categories including automotive, retail and telecommunications, which placed an overall downward pressure on advertising sales and rates.

For the six months ended June 30, 2009, Network revenue was $91.3 million compared to $106.4 million for the comparable period in 2008, a decrease of 14.1% or $15.1 million. The decline is primarily the result of the general decline in advertising spending which affected our Network revenue from news and talk programs and sports events, the cancellation of certain programs and lower revenues from our RADAR network inventory.

Operating costs

Operating costs for the six months ended June 30, 2009 and 2008 were as follows:

	Six months ended			
	June 30, 2009		June 30, 2008	
	$	% of total	$	% of total
	(in millions)			
Payroll and payroll related	$ 42.5	26%	$ 51.7	29%
Programming and production	$ 43.2	26%	$ 47.2	26%
Program and operating	$ 11.3	7%	$ 8.3	5%
Station compensation	$ 38.1	23%	$ 39.9	22%
Other operating expenses	$ 28.6	18%	$ 32.5	18%
	$ 163.7	100%	$ 179.6	100%

Operating costs decreased $15.9 million, or 8.9%, to $163.7 million for the six months ended June 30, 2009 from $179.6 million for the six month ended June 30, 2008. The decrease generally reflects the benefit of the re-engineering and cost reduction programs which began in the last half of 2008. Payroll and payroll related costs declined $9.2 million, or 17.9%, as a result of the reduction in salaries and headcount, partially offset by an increase in commission rates implemented to incentivize sales growth. Programming and production costs decreased by $4.0 million to $43.2 million from $47.2 million for the six months ended June 30, 2009 due to lower talent fees and reduced revenue sharing expense as a result of our lower revenue. Program and operating costs increased to $11.3 million from $8.3 million, reflecting increased purchases of inventory and expenses related to our License Agreement with TrafficLand. Station compensation expense decreased to $38.1 million from $39.9 million, reflecting the renegotiation and cancellation of certain affiliate arrangements. Other operating expenses declined by $3.9 million, or 12.1%, again reflecting the benefit of the Metro Traffic re-engineering program primarily related to facilities, aviation, telephony and other costs.

Depreciation and amortization

Depreciation and amortization increased $2.0 million, or 31.8%, to $8.4 million for the six months ended June 30, 2009 from $6.4 million for the six months ended June 30, 2008. The increase is primarily attributable to the increase in amortization for the fair value of intangibles recorded as a result of the application of acquisition accounting and by increased depreciation and amortization for additional investments in systems and infrastructure. This was partially offset by a decrease in warrant amortization expense as a result of the cancellation on March 3, 2008 of all outstanding warrants previously granted to CBS Radio and decreased depreciation for leasehold improvements from the closure and consolidation of facilities.

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Corporate general and administrative expenses

Corporate, general and administrative expenses increased $2.0 million to $6.7 million for the six months ended June 30, 2009 as compared to $4.7 million for the same period in 2008. The increase is principally due to increased accounting fees associated with the additional reporting required by acquisition accounting, which increased by $1.0 million, and the increased stock compensation expense of $1.0 million, which reflects a credit taken in 2008 for the reversal of compensation cost associated with the cancellation of unvested options. Corporate, general and administrative expenses are expected to return to more normal levels once the accounting work in support of the acquisition accounting and a potential stock offering are completed.

Goodwill impairment

There were no impairment charges recorded for the six months ended June 30, 2009. During the first six months of 2008, we incurred a goodwill impairment charge of $206.0 million as a result of a continued decline in our operating performance and stock price in that period.

Restructuring charges

During the six months ended June 30, 2009, we recorded $5.4 million of restructuring charges in connection with the re-engineering of our Metro Traffic operations that commenced in the last half of 2008 and has continued into 2009, and the new cost reduction initiatives undertaken in the first half of 2009. The major components of these charges included severance of $2.0 million and facilities closure expense of $3.4 million.

Special charges

We incurred non-recurring expenses aggregating $13.2 million and $8.9 million for the six months ended June 30, 2009 and 2008, respectively. Special charges in the six months ended June 30, 2009 related to the Restructuring include transaction fees and expenses related to the negotiation of the definitive documentation for the Restructuring and includes third party financial advisor fees of $5.1 million, Glendon Partners advisory fees of $1.1 million, legal fees (for counsel representing the various constituencies involved in the Restructuring) of $4.5 million, bank costs (including their advisers fees) of $1.0 million, insurance costs of $0.8 million and corporate governance and other costs of $0.7 million. Special charges in the six months ended June 30, 2008 consisted of $5.0 million of contract termination costs, $3.2 million of associated legal and professional fees incurred in connection with the new CBS arrangement and a $0.7 million charge related to the Metro re-engineering initiative.

Operating (loss)

The operating (loss) for the six months ended June 30, 2009 decreased to $(27.9) million from $(198.6) million for the same period in 2008. The decreased loss is due to the absence of a goodwill impairment of $206.0 million recorded in the second quarter of 2008. Excluding the impairment charge, net income for the six months ended June 30, 2008 would have been $7.4 million. The decline in operating income between the six months ended June 30, 2008, absent the goodwill impairment charge, and the operating (loss) for the comparable period of 2009 is primarily related to a weak local advertising marketplace spanning various sectors and categories including automotive, retail and telecommunications, which placed an overall downward pressure on advertising sales and rates. The decline in revenue was partially offset by the realignment of our cost base, net of restructuring charges, as part of our Metro re-engineering and other reduction initiatives.

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Interest expense

Interest expense decreased $1.9 million, or 18.8%, to $7.9 million for the six months ended June 30, 2009 from $9.8 million in the comparable period in 2008. The decrease reflects the reduced debt level from our Restructuring partially offset by the higher interest rates associated with that debt. The decrease also reflects a one-time reversal of interest expense from the settlement of an amount owed to a former employee of $0.8 million.

Provision for income taxes

Income tax benefit in the first half of 2009 was $10.3 million compared with a tax benefit of $3.2 million in the first half of 2008. Our effective tax rate for the first half of 2009 was approximately 28.8% as compared to the 38.5% (excluding the impact of goodwill impairment) for the same period in 2008.

Net (loss) income

Net (loss) in the first half of 2009 increased to $(25.1) million from net income of $1.0 million, absent the goodwill impairment charge of $206.0 million, in the first half 2008. Net (loss) per share for basic and diluted shares was $(62.45) in the first half of 2009, compared with net (loss) per share, including the impairment charge, for basic and diluted of $(431.24), in the first half of 2008.

Comparison of the three years ended December 31, 2006, 2007 and 2008

Revenue

Revenue presented by operating segment is as follows for the years ending December 31:

	2006		2007		2008	
	$	% of total	$	% of total	$	% of total
			($ amounts in millions)			
Metro	$ 265.8	52%	$ 232.4	51%	$ 194.9	48%
Network	246.3	48%	218.9	49%	209.5	52%
Total[1]	$ 512.1	100%	$ 451.4	100%	$ 404.4	100%

(1) *We currently aggregate revenue data based on the operating segment. A number of advertisers purchase both local/regional and national commercial airtime in both segments. Our objective is to optimize total revenue from those advertisers.*

Revenue for the year ended December 31, 2008 (2008) decreased $47.0 million, or 10.4%, to $404.4 million from $451.4 million for the year ended December 31, 2007 (2007). Revenue in 2007 decreased $60.7 million, or 11.9%, to $451.4 million from $512.1 million for the year ended December 31, 2006 (2006). The decrease in 2008 was principally attributable to the current economic downturn. Revenue in 2008 and 2007 was also affected by increased competition, lower audience levels and a reduction in our sales force.

Metro business revenue in 2008 decreased $37.5 million, or 16.2%, to $194.9 million from $232.4 million in 2007. Metro business revenue in 2007 decreased $33.3 million, or 12.5%, to $232.4 million from $265.8 million in 2006. The decrease in 2008 was primarily due to the current economic downturn, a weak local advertising marketplace primarily in the automotive, financial services and retail categories, increased competition and a continued reduction in 10 second inventory units available to

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sell. The decrease in 2007 was principally attributable to a 15% reduction in our sales force from 2006, a reduction in 10 second inventory units to sell as a result of the closure of several second-tier traffic markets in mid to late 2006, cancellation of several representation and affiliation agreements (representing an approximately 18% decrease in inventory units from June 30, 2006 to December 31, 2007) and increased 10 second inventory being sold by radio stations. The reduced demand was experienced in most markets and advertiser categories.

Network business revenue in 2008 decreased $9.4 million, or 4.3%, to $209.5 million from $218.9 million in 2007. Network business revenue in 2007 decreased $27.4 million, or 11.1%, to $218.9 million from $246.3 million in 2006. The decrease in 2008 was primarily the result of the general decline in advertising spending, which started to contract mid-year and which accelerated during the fourth quarter of 2008. Our performance was also impacted by lower revenue from our RADAR inventory and lower barter revenue. The decrease in 2007 was principally attributable to an approximate 23% reduction in our quarterly gross impressions from RADAR rated network inventory (news programming inventory) which resulted from our affiliates experiencing audience declines, lower clearance levels by certain CBS Radio stations and planned reductions in affiliate compensation, the cancellation of certain programs (approximately $5.5 million) and the non-recurrence of revenue attributable to the 2006 Winter Olympic games (approximately $5.7 million), partially offset by revenue generated from new program launches (approximately $6.0 million). Excluding the effect of the non-recurrence of revenue attributable to the 2006 Winter Olympics, national revenue would have declined approximately 8.9%.

Operating costs

Operating costs for 2006, 2007 and 2008 were as follows:

	2006		2007		2008	
	$	% of total	$	% of total	$	% of total
			($ amounts in millions)			
Programming, production and distribution expenses	$ 301.6	76%	$ 274.6	78%	$ 293.8	81%
Selling expenses	46.8	12%	34.2	10%	34.3	10%
Stock-based compensation	6.3	2%	5.4	2%	5.4	2%
Other operating expenses	40.4	10%	36.2	10%	27.0	7%
	$ 395.1	100%	$ 350.4	100%	$ 360.5	100%

Operating costs for 2008 increased $10.1 million, or 2.9%, to $360.5 million from $350.4 million in 2007 due to increased station compensation and salary costs, which were partially offset by the elimination of management fees as a result of the new CBS arrangement. Operating costs in 2007 decreased $44.8 million, or 11.3%, to $350.4 million from $395.2 million in 2006.

Programming, production and distribution expenses for 2008 increased $19.2 million, or 7.0%, to $293.8 million from $274.6 million in 2007. The increase was due to an increase in station compensation costs primarily related to the CBS arrangement. Programming, production and distribution expenses in 2007 decreased $27.0 million, or 8.9%, to $274.6 million from $301.6 million in 2006. The decrease in 2007 was principally attributable to the cancellation of certain programming contracts (approximately $15.0 million), the non-recurrence of costs associated with the 2006 Winter Olympics and lower payroll and rent costs associated with closing certain traffic information operation centers (approximately $9.0 million).

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Selling expenses in 2008 remained relatively flat at $34.3 million as compared to $34.2 million in 2007. Selling expenses in 2007 decreased $12.6 million, or 26.9%, to $34.2 million from $46.8 million in 2006. The 2007 decrease was principally attributable to a reduction in sales staff and commissions of $7.8 million and a decrease in bad debt expense of approximately $2.2 million.

Other operating expenses in 2008 declined by $9.2 million, or 25.5%, to $27.0 million from $36.2 million in 2007, the majority of which is the elimination of the CBS management fee. The decrease in other operating expenses also reflects the Metro business re-engineering program and other cost reductions, which led to declines in Metro business-related personnel, facilities and aviation costs. Other operating expenses in 2007 decreased $4.2 million, or 10.6%, to $36.2 million from $40.4 million in 2006. The 2007 decrease was principally attributable to reduction in personnel costs.

Depreciation and amortization

Depreciation and amortization in 2008 decreased $8.7 million, or 44.3%, to $11.1 million from $19.8 million in 2007 primarily as a result of the cancellation of the CBS warrants. Depreciation and amortization in 2007 decreased $1.0 million, or 4.4%, to $19.8 million from $20.8 million in 2006. The 2007 decrease is principally attributable to certain assets becoming fully depreciated.

Corporate general and administrative expenses

Corporate general and administrative expenses in 2008 increased slightly to $13.4 million from $13.2 million in 2007. The increase reflects an increase in salary and wages and stock-based compensation offset by a reduction in legal fees and the CBS management fee. Corporate general and administrative expenses in 2007 decreased $1.4 million, or 9.9%, to $13.2 million from $14.6 million in 2006. The 2007 decrease was principally attributable to reduced stock-based compensation and lower corporate governance costs, partially offset by increased personnel costs.

Goodwill impairment

On an annual basis and upon the occurrence of certain interim triggering events, we are required to perform impairment tests on our identified intangible assets with indefinite lives, including goodwill, which testing could impact the value of our business.

Prior to 2008, we operated as a single reportable operating segment: the sale of commercial airtime. As part of our re-engineering initiative, in the fourth quarter of 2008, we installed separate management for the Network and Metro businesses providing discrete financial information and management oversight. In accordance with Statement of Financial Accounting Standards 142, Goodwill and Other Intangible Assets (FAS 142), we have determined that each division is an operating segment. A reporting unit is the operating segment or a business which is one level below the operating segment. Our reporting units are consistent with our operating segments and impairment has been tested at this level.

We employ a third party firm specializing in valuation services to assist us in determining the fair value of the reporting units and goodwill. In connection with the 2008 testing, we have determined that using a discounted cash flow model was the best calculation of our fair value. In prior periods, the fair value was calculated on a consistently applied weighted average basis using a discounted cash flow model and the quoted market price of our common stock.

In 2008, we determined that our goodwill was impaired and recorded impairment charges totaling $430.1 million ($206.1 million in the second quarter and $224.1 million in the fourth quarter). The remaining value of our goodwill is $34.0 million based upon management s best estimates including a

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valuation study that was prepared by a third party firm specializing in valuation services and using management s operational forecasts. The goodwill impairment, the majority of which was not deductible for income tax purposes, was primarily due to our declining operating performance and the reduced valuation multiples in the radio industry.

In connection with our annual goodwill impairment testing for 2007, we determined our goodwill was not impaired at December 31, 2007. The conclusion that our fair value was greater than our carrying value at December 31, 2007 was based upon management s best estimates including a valuation study that was prepared using our operational forecasts by a third party firm specializing in valuation services.

In connection with our annual goodwill impairment testing for 2006, based on a similar approach as applied in 2007, we determined our goodwill was impaired and recorded a non-cash charge of $515.9 million. The goodwill impairment, the majority of which was not deductible for income tax purposes, was primarily due to our declining operating performance and the reduced valuation multiples in the radio industry.

If actual results differ from our operational forecasts, or if the discount rate used in our calculation increases, future impairment charges may be recorded.

Restructuring charges

In connection with the re-engineering of our traffic operations and other cost reductions implemented to a significant degree in the last half of 2008, we recorded $14.1 million in restructuring charges for the twelve months ended December 31, 2008. Cost reduction initiatives included the consolidation of leased offices, staff reductions and the elimination of underperforming programming. We anticipate further charges of approximately $9.7 million as additional phases of the original traffic re-engineering and other programs are implemented and finalized in the second quarter of 2009. The total restructuring charges for the traffic re-engineering and other cost savings programs are projected to be approximately $23.8 million. In addition, we have introduced and will complete new cost reduction programs in 2009. As these programs are implemented, we anticipate that we will incur new incremental costs for severance of approximately $6.0 million and contract terminations of $3.1 million. In total, we estimate we will record aggregate restructuring charges of approximately $32.9 million, consisting of: (1) $15.5 million of severance, relocation and other employee related costs; (2) $7.4 million of facility consolidation and related costs; and (3) $10.0 million of contract termination costs.

Special charges

We incurred non-recurring expenses aggregating $13.2 million, $4.6 million and $1.6 million in 2008, 2007 and 2006, respectively. Special charges for 2008 were primarily related to a $5.0 million payment to CBS Radio as a result of the new arrangement with CBS Radio, legal and advisor costs associated with the new arrangement, consulting costs attributable to our Metro business re-engineering initiative, re-financing transaction costs and costs related to the issuance of Series A Preferred Stock to Gores. The 2007 and 2006 charges relate to the negotiation of a new long-term arrangement with CBS Radio and for severance obligations related to executive officer changes.

Operating loss

We incurred an operating loss of $438.0 million in 2008. Absent the goodwill impairment charge of $430.1 million, operating income in 2008 decreased $71.2 million to an operating loss of $7.9 million from an operating income of $63.3 million in 2007. The decline in 2008 reflects a $47.0 million decrease

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in revenue and an increase in costs due to restructuring charges for the facilities vacated in connection with the Metro business re-engineering initiative, accrued severance payments, increased personnel costs and costs associated with the new CBS agreement. Operating income in 2007 increased $499.3 million to $63.3 million from an operating loss of $436.0 million in 2006. Excluding the 2006 impairment charge, operating income in 2007 decreased $16.6 million, or 20.8%, to $63.3 million from $79.9 million in 2006. The 2007 decrease was attributable to lower revenue, partially offset by a reduction in operating costs.

Interest expense

Interest expense in 2008 decreased $6.9 million, or 29.5%, to $16.7 million from $23.6 million in 2007 reflecting the decrease in the amount of outstanding debt. Interest expense in 2007 decreased $2.0 million, or 7.7%, to $23.6 million from $25.6 million in 2006. The 2007 decrease was principally attributable to lower average borrowings under our then outstanding credit facility, partially offset by an increase in interest rates, higher amortization of deferred debt costs as a result of amending the then outstanding credit facility in 2006, and a payment to terminate one of our fixed to floating interest rate swap agreements on our aggregate principal amount of then outstanding $150.0 million notes.

Our weighted average interest rate was 6.5%, 6.3% and 5.9% in 2008, 2007 and 2006, respectively.

In January and February 2008, we amended our then outstanding credit facility to increase our leverage ratio and eliminate a provision that deemed the termination of the CBS Radio management agreement an event of default. As a result, our interest rate under the amended agreement for the that facility was increased to LIBOR + 175 basis points from LIBOR + 125 basis points.

Other income

Other income was $12.4 million, $0.4 million and $0.9 million in 2008, 2007 and 2006, respectively. Other income in 2008 was principally due to a gain of $12.4 million on the sale of securities in the third quarter and in 2007, was principally attributable to interest earned on our invested cash balances. In 2006, in addition to interest income, we received $0.5 million in connection with a recapitalization transaction of POP Radio, LP (POP Radio), a company in which we have an investment.

Provision for income taxes

Income tax expense in 2008 decreased $30.5 million to a benefit of $14.8 million from an expense of $15.7 million in 2007 as a result of a portion of the goodwill impairment charge recorded during the year being tax deductible. Income tax expense in 2007 increased $6.9 million, or 78.5%, to $15.7 million from $8.8 million in 2006. In 2008, our effective income tax rate was 3.3%. The effective 2008 income tax rate was impacted by the 2008 goodwill impairment charge being substantially non-deductible for tax purposes. The 2007 effective income tax rate benefited from a change in New York State tax law on our deferred tax balance (approximately $0.1 million). The 2006 income tax provision was impacted by the 2006 goodwill impairment and related deferred tax attributes.

Net income (loss)

Net income in 2008 decreased $452.0 million to a loss of $(427.6) million, or $(878.73) per basic and diluted common share, from net income of $24.4 million, or $56.59 per basic and $56.38 per diluted common share and $3.20 per basic and diluted Class B share in 2007. This compares with a net loss of $(469.5) million, or $(1,091.76) per basic and diluted common share and $51.20 per basic and diluted Class B share in 2006. Net income in 2008 and 2006 was impacted by goodwill impairment charges of $430.1 million and $515.9 million, respectively.

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Weighted-average shares

Weighted-average shares outstanding used to compute basic earnings per share were 490,077, 430,563 and 430,066 shares in 2008, 2007 and 2006, respectively. Weighted-average shares outstanding used to compute diluted earnings per share were 490,077, 432,127 and 430,066 shares in 2008, 2007, and 2006, respectively. Basic and diluted weighted-average common shares outstanding are equivalent, as common stock equivalents from stock options, unvested restricted stock and warrants would be anti-dilutive.

LIQUIDITY AND CAPITAL RESOURCES

We continually project anticipated cash requirements, which may include potential acquisitions, capital expenditures, principal and interest payments on our outstanding indebtedness, share repurchases, dividends and working capital requirements. To date, funding requirements have been financed through cash flows from operations, the issuance of equity and the issuance of long-term debt.

At December 31, 2008, our principal sources of liquidity were our cash and cash equivalents of $6.4 million and borrowings under our Old Credit Agreement (as defined below). As previously disclosed and as discussed elsewhere in this prospectus, on February 27, 2009, our outstanding indebtedness under our Old Credit Agreement, which totaled approximately $41.0 million, matured and became due and payable in its entirety. Additionally, we had not made our most recent interest payment due to holders of the Old Notes (as defined below) on November 30, 2008. The non-payment of such amounts constituted an event of default under the Old Credit Agreement and the Old Notes, respectively. Based upon facts and circumstances that existed as of December 31, 2008, we previously disclosed that there was a substantial doubt about our ability to continue as a going concern. We previously disclosed that as of March 30, 2009, we were unable to meet our outstanding debt obligations, which raised substantial doubt about our ability to continue as a going concern. Absent negotiating and executing definitive documentation with various lenders and Gores, obtaining approximately $47.0 million in additional capital to satisfy our outstanding debt payments and obtaining a waiver of our 4.0 to 1 debt leverage covenant (which we anticipated violating upon delivery of our audited financial statements), our sources of liquidity were anticipated to be inadequate to fund immediate and ongoing operating requirements in the next twelve months.

On April 23, 2009, we completed the Restructuring (see Note 20 to our financial statements Subsequent Events). As part of the Restructuring, we entered into a Securities Purchase Agreement (Securities Purchase Agreement) with: (1) holders of our outstanding Old Notes both of which were issued under the Note Purchase Agreement, dated as of December 3, 2002 and (2) lenders under the Credit Agreement, dated as of March 3, 2004 (the Old Credit Agreement).

Pursuant to the Securities Purchase Agreement, in consideration for releasing all of their respective claims under the Old Notes and the Old Credit Agreement, the debt holders collectively received: (1) $117.5 million of Senior Notes; (2) 34,962 shares of Series B Preferred Stock; and (3) a one-time cash payment of $25.0 million. Gores purchased at a discount approximately $22.6 million principal amount of our then existing debt held by debt holders who did not wish to participate in the Senior Notes as set forth in the Securities Purchase Agreement.

In connection with the Restructuring, we also entered into a Credit Agreement (the Senior Credit Facility) with Wells Fargo Foothill, LLC, as the arranger, administrative agent and initial lender, pursuant to which we obtained a $15.0 million revolving line of credit (which includes a $1.5 million letter of credit sub-facility) on a senior unsecured basis and a $20.0 million unsecured non-amortizing

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term loan, the obligations in respect of which are subordinated to obligations in respect of the Senior Notes. As of the date of this prospectus we have borrowed the entire amount of the term loan and have not made any borrowings under the revolving line of credit. Loans under the Senior Credit Facility will mature on July 15, 2012 and proceeds of the term loan will be used to, among other things, consummate the transactions contemplated by the Restructuring, and pay fees and expenses in connection therewith. Proceeds of the revolving loans are expected to be used for working capital and general corporate purposes.

In addition, as part of the Restructuring, Gores (1) agreed to purchase, at a discount, approximately $22.6 million principal amount of our then existing debt held by debt holders who did not wish to participate in the Senior Notes, (2) agreed to guarantee the Senior Credit Facility and a $10.0 million contractual commitment by one of our wholly owned subsidiaries and (3) invested $25.0 million in the Company for 25,000 shares of Series B Preferred Stock. In connection with Gores providing the guarantees and purchasing the debt from non-participating holders, the 75,000 shares of Series A Preferred Stock held by Gores immediately prior to the Restructuring, which then had a liquidation preference of approximately $79.0 million, were exchanged for 75,000 shares of Series A-1 Preferred Stock.

As described in the section entitled Prospectus Summary Recent Events above, we recently obtained waivers of compliance with our debt leverage covenants for the fourth quarter of 2009 measurement period which means our debt leverage covenant will first be measured on March 31, 2010 and thereafter on a quarterly basis on a trailing four-quarter basis.

Management believes that after giving effect to cost containment measures including furloughs and salary reductions for employees, we will generate sufficient Adjusted EBITDA in order to meet our debt leverage covenant over the next twelve months (namely, on March 31, 2010, June 30, 2010 and September 30, 2010 when the covenants are measured on a trailing four-quarter basis). However, as described elsewhere in this prospectus, we are operating in an uncertain economic environment with limited visibility on advertising orders for the duration of 2009 and the beginning of 2010. As described in the section entitled Use of Proceeds , we have agreed to pay down our Senior Notes in an amount of either $15.0 or 20.0 million, depending on the amount of gross proceeds of the offering. If we are unable to achieve our forecasted results, or sufficiently mitigate those results with certain cost reduction measures, and cannot obtain a waiver or amendment of our debt covenant requirements at March 31, 2010 or beyond, it could have a material and adverse effect on our business continuity, results of operations, cash flows and financial condition.

Management has reviewed the impact of the Restructuring, including projected covenant compliance under the new debt (as amended to date), the results of our restructuring plan and our current forecasted results and has concluded that the conditions that gave rise to substantial doubt about our ability to continue as a going concern have been removed. We believe that our sources of liquidity are adequate to fund ongoing operating requir