

LIN Media LLC
Form 10-Q
August 09, 2013
[Table of Contents](#)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-Q

Quarterly Report pursuant to Section 13 OR 15 (d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2013

Commission file number: 001-36032

LIN Media LLC

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

90-0935925

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

Commission file number: 000-25206

LIN Television Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

13-3581627

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

One West Exchange Street, Suite 5A, Providence, Rhode Island 02903

(Address of principal executive offices)

(401) 454-2880

(Registrant's telephone number, including area code)

Edgar Filing: LIN Media LLC - Form 10-Q

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

Indicate by check mark whether the registrant has submitted electronically and posted to its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding twelve months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

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

Smaller reporting company

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

This combined Form 10-Q is separately filed by (i) LIN Media LLC and (ii) LIN Television Corporation. LIN Television Corporation meets the conditions set forth in general instruction H (1) (a) and (b) of Form 10-Q and is, therefore, filing this form with the reduced disclosure format permitted by such instruction.

LIN Media LLC Class A common shares, outstanding as of July 30, 2013: 33,471,856 shares.

LIN Media LLC Class B common shares, outstanding as of July 30, 2013: 20,901,726 shares.

LIN Media LLC Class C common shares, outstanding as of July 30, 2013: 2 shares.

LIN Television Corporation common stock, \$0.01 par value, outstanding as of July 30, 2013: 1,000 shares.

Table of Contents

EXPLANATORY NOTE

On July 30, 2013, LIN TV Corp. (LIN TV), completed its merger with and into LIN Media LLC, a Delaware limited liability company and wholly owned subsidiary of LIN TV (LIN LLC), with LIN LLC as the surviving entity (the Merger) pursuant to the Agreement and Plan of Merger, dated February 12, 2013, by and between LIN TV and LIN LLC (the Merger Agreement). Entry into the Merger Agreement was previously announced by LIN TV on its Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on February 15, 2013. LIN LLC had not commenced operations and had no assets or liabilities as of June 30, 2013.

LIN LLC filed a Current Report on Form 8-K on July 31, 2013 (the Form 8-K) for the purpose of establishing LIN LLC as the successor issuer pursuant to Rule 12g-3(a) under the Securities Exchange Act of 1934, as amended (the Exchange Act), and to disclose certain related matters, including the consummation of the Merger. Pursuant to Rule 12g-3(a) under the Exchange Act and in accordance with the filing of the Form 8-K, the class A common shares representing limited liability interests in LIN LLC, as the successor issuer to LIN TV, were deemed registered under Section 12(b) of the Exchange Act. References to LIN TV in this Quarterly Report on Form 10-Q that include any period at and after the effectiveness of the Merger shall be deemed to refer to LIN LLC. For more information concerning the effects of the Merger and the succession of LIN LLC to LIN TV upon its effectiveness, please see the Form 8-K.

Table of Contents

Table of Contents

Part I. Financial Information

<u>Item 1. Unaudited Consolidated Financial Statements of LIN TV Corp.</u>	3
<u>Consolidated Balance Sheets</u>	3
<u>Consolidated Statements of Operations</u>	4
<u>Consolidated Statements of Comprehensive Income</u>	5
<u>Consolidated Statements of Stockholders' Deficit</u>	6
<u>Consolidated Statements of Cash Flows</u>	8
<u>Notes to Unaudited Consolidated Financial Statements (See separate index for Financial Statements of LIN Television Corporation)</u>	9
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	32
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	39
<u>Item 4. Controls and Procedures</u>	39

Part II. Other Information

<u>Item 1. Legal Proceedings</u>	39
<u>Item 1A. Risk Factors</u>	39
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	40
<u>Item 3. Defaults Upon Senior Securities</u>	40
<u>Item 4. Mine Safety Disclosure</u>	40
<u>Item 5. Other Information</u>	40
<u>Item 6. Exhibits</u>	41
<u>Signature Page</u>	42

Table of Contents**Part I. Financial Information****Item 1. Unaudited Consolidated Financial Statements****LIN TV Corp.****Consolidated Balance Sheets****(unaudited)**

	June 30, 2013	December 31, 2012
	(in thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 19,799	\$ 46,307
Accounts receivable, less allowance for doubtful accounts (2013 - \$3,858; 2012 - \$3,599)	132,942	126,150
Deferred income tax assets	389	
Other current assets	7,355	6,863
Total current assets	160,485	179,320
Property and equipment, net	232,204	241,926
Deferred financing costs	18,064	19,135
Goodwill	202,998	192,079
Broadcast licenses, net	536,515	536,515
Other intangible assets, net	57,371	59,554
Other assets	14,197	12,885
Total assets (a)	\$ 1,221,834	\$ 1,241,414
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS DEFICIT		
Current liabilities:		
Current portion of long-term debt	\$ 14,028	\$ 10,756
Accounts payable	16,254	18,955
Income taxes payable	160,284	766
Accrued expenses	58,106	153,246
Deferred income tax liabilities		168,219
Program obligations	8,989	10,770
Total current liabilities	257,661	362,712
Long-term debt, excluding current portion	930,910	879,471
Deferred income tax liabilities	51,750	40,556
Program obligations	4,073	4,281
Other liabilities	40,925	42,716
Total liabilities (a)	1,285,319	1,329,736
Commitments and Contingencies (Note 11)		
Redeemable noncontrolling interest	13,846	3,242
LIN TV Corp. stockholders deficit:	316	313

Edgar Filing: LIN Media LLC - Form 10-Q

Class A common stock, \$0.01 par value, 100,000,000 shares authorized, Issued: 38,431,316 and 35,672,528 shares as of June 30, 2013 and December 31, 2012, respectively

Outstanding: 33,483,657 and 30,724,869 shares as of June 30, 2013 and December 31, 2012, respectively

Class B common stock, \$0.01 par value, 50,000,000 shares authorized, 20,901,726 and 23,401,726 shares as of June 30, 2013 and December 31, 2012, respectively, issued and outstanding; convertible into an equal number of shares of class A or class C common stock

Class C common stock, \$0.01 par value, 50,000,000 shares authorized, 2 shares as of June 30, 2013 and December 31, 2012, issued and outstanding; convertible into an equal number of shares of class A common stock

Treasury stock, 4,947,659 shares of class A common stock as of June 30, 2013 and

December 31, 2012, at cost	(21,984)	(21,984)
Additional paid-in capital	1,136,784	1,129,691
Accumulated deficit	(1,157,816)	(1,164,435)
Accumulated other comprehensive loss	(34,866)	(35,384)
Total stockholders' deficit	(77,331)	(91,564)
Total liabilities, redeemable noncontrolling interest and stockholders' deficit	\$ 1,221,834	\$ 1,241,414

The accompanying notes are an integral part of the unaudited consolidated financial statements.

(a) Our consolidated assets as of June 30, 2013 and December 31, 2012 include total assets of: \$61,614 and \$60,380, respectively, of variable interest entities (VIEs) that can only be used to settle the obligations of the VIEs. These assets include broadcast licenses and other intangible assets of: \$45,870 and \$46,604 and program rights of: \$2,680 and \$2,060 as of June 30, 2013 and December 31, 2012, respectively. Our consolidated liabilities as of June 30, 2013 and December 31, 2012 include \$5,999 and \$5,440, respectively, of total liabilities of the VIEs for which the VIEs' creditors have no recourse to the Company, including \$3,802 and \$4,152, respectively, of program obligations. See further description in Note 1 Basis of Presentation and Summary of Significant Accounting Policies.

Table of Contents

LIN TV Corp.

Consolidated Statements of Operations

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(in thousands, except per share data)			
Net revenues	\$ 164,346	\$ 121,016	\$ 305,338	\$ 224,216
Operating expenses:				