

PRICE COMMUNICATIONS CORP
Form 10-Q
May 10, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2005

Commission file number

1-8309

PRICE COMMUNICATIONS CORPORATION

(Exact Name of Registrant as specified in its charter)

New York
(State or other jurisdiction
of incorporation or organization)

**45 Rockefeller Plaza,
New York, New York**
(Address of principal executive offices)

13-2991700
(I.R.S. Employer
Identification No.)

10020
(Zip Code)

Registrant's telephone number (212) 757-5600

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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$.01 per share	New York Stock Exchange
Associated Common Stock Rights Under Rights Plan	Boston Stock Exchange
	Chicago Stock Exchange
	Pacific Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

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 is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes No

The number of shares outstanding of the issuer's common stock as of March 31, 2005 was 56,216,445.

PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

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Item 1. *Financial Statements*

PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

(\$ in thousands)

	March 31, 2005 (Unaudited)	December 31, 2004 (Audited)
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 3,660	\$ 2,739
Available for sale securities	4,801	5,588
Escrow deposit	13,738	13,666
Deferred income taxes	5,005	4,890
Prepaid expense	107	106
Total current assets	27,311	26,989
Restricted cash and securities (principally securities)	81,785	90,998
Investment in limited partnership	1,159,732	1,155,499
Other assets	598	617
	\$ 1,269,426	\$ 1,274,103
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Income taxes payable (current and deferred)	3,000	3,893
Estimated liability to former minority partners-current	13,190	12,947
Other current liabilities	6,595	4,966
Total current liabilities	22,785	21,806
Deferred income taxes, net	525,654	529,468
Estimated liability to former minority partners	13,864	13,570
Total liabilities	562,303	564,844
Commitments and contingencies		
Shareholders' equity	707,123	709,259
	\$ 1,269,426	\$ 1,274,103

See accompanying notes to consolidated financial statements.

PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Operations

(\$ in thousands, except per share data)

(Unaudited)

	For the three months ended March 31,	
	2005	2004
Revenue:		
Earnings from partnership	\$ 8,420	\$ 8,299
Operating expenses:		
General and administrative	2,624	3,128
Depreciation and amortization	19	
Operating income	5,777	5,171
Interest expense	536	
Other income, net	962	4,459
Income before income taxes	6,203	9,630
Income tax expense	2,206	3,500
Net income	3,997	6,130
Other comprehensive income, net of tax		
Unrealized loss on available for sale securities	(5,927)	(506)
Reclassification adjustment	(206)	(1,189)
Comprehensive income	\$ (2,136)	\$ 4,435
Per share data:		
Basic earnings per share	\$ 0.07	\$ 0.11
Weighted average shares outstanding	56,216,445	56,591,850
Diluted earnings per share	\$ 0.07	\$ 0.11
Weighted average shares outstanding	56,497,045	56,837,550

See accompanying notes to consolidated financial statements.

PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(\$ in thousands)

(Unaudited)

	For the three months ended March 31,	
	2005	2004
Cash flows from operating activities:		
Net income	\$ 3,997	\$ 6,130
Adjustments to reconcile net income to net cash provided by operating activities:		
Earnings from partnership	(8,420)	(8,299)
Depreciation and amortization	19	
Accrued interest on estimated liability to former minority partners	536	
Gain on available for sale marketable securities and options	(17)	(3,164)
Increase in escrow deposit	(72)	
Increase (decrease) in income taxes receivable/payable	(896)	3,325
Increase in other current liabilities		395
Increase in accrued expenses	1,627	
Increase (decrease) in deferred income tax liability	(204)	
Total adjustments	(7,427)	(7,743)
Net cash used in operating activities	(3,430)	(1,613)
Cash flows from investing activities:		
Capital expenditures		(35)
Proceeds from sale of securities and put and call options	19,226	45,157
Purchase of securities and put and call options	(18,536)	(47,752)
Decrease (increase) in cash in collateral account cash	(526)	206
Distribution of profits from partnership	4,187	4,127
Net cash provided by (used in) investing activities	4,351	1,703
Cash flows from financing activities:		
Purchase and retirement of common stock		(1,946)
Net cash used in financing activities		(1,946)
Net increase (decrease) in cash and cash equivalents	921	(1,856)
Cash and cash equivalents at the beginning of period	2,739	6,499
Cash and cash equivalents at the end of period	\$ 3,660	\$ 4,643
Supplemental disclosure of cash flow information:		
Income taxes paid	\$ 3,302	\$ 175

See accompanying notes to consolidated financial statements.

PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

Consolidated Statement of Shareholders Equity

(in thousands)

(Unaudited)

	Common Stock Class A Shares	Par Value	Additional paid-in capital	Accumulated other comprehensive income/(loss)	Retained earnings	Total shareholders equity
Balance at December 31, 2004	56,216	\$ 562	\$ 156,628	\$ 6,202	\$ 545,867	\$ 709,259
Change in unrealized gain (loss) on available for sale securities net of tax effect				(6,133)		(6,133)
Net income					3,997	