ENTERCOM COMMUNICATIONS CORP
Form 10-Q
August 07, 2015
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2015

or

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

For the transition period from __________ to __________

Commission File Number: 001-14461

Entercom Communications Corp.

(Exact name of registrant as specified in its charter)

Pennsylvania	**23-1701044**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification no.)**

401 E. City Avenue, Suite 809

Bala Cynwyd, Pennsylvania 19004

(Address of principal executive offices and zip code)

(610) 660-5610

(Registrant s telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x 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.

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨	Smaller reporting company	¨

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

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date.

Class A common stock, $0.01 par value 32,420,908 Shares Outstanding as of July 29, 2015

(Class A Shares Outstanding include 1,543,825 unvested and vested but deferred restricted stock units)

Class B common stock, $0.01 par value 7,197,532 Shares Outstanding as of July 29, 2015.

Table of Contents

ENTERCOM COMMUNICATIONS CORP.

INDEX

Private Securities Litigation Reform Act Safe Harbor Statement

In addition to historical information, this report contains statements by us with regard to our expectations as to financial results and other aspects of our business that involve risks and uncertainties and may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Forward-looking statements are presented for illustrative purposes only and reflect our current expectations concerning future results and events. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws, including, without limitation, any projections of earnings, revenues or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

You can identify forward-looking statements by our use of words such as anticipates, believes, continues, expects, intends, likely, may, opportunity, plans, potential, project, will, could, would, should, seeks, similar expressions which identify forward-looking statements, whether in the negative or the affirmative. We cannot guarantee that we actually will achieve these plans, intentions or expectations. These forward-looking statements are subject to risks, uncertainties and other factors, some of which are beyond our control, which could cause actual results to differ materially from those forecasted or anticipated in such forward-looking statements. You should not place undue reliance on these forward-looking statements, which reflect our view only as of the date of this report. We undertake no obligation to update these statements or publicly release the result of any revision(s) to these statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

Key risks to our company are described in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 2, 2015 and as may be supplemented by the risks described under Part II, Item 1A, of our quarterly reports on Form 10-Q and in our Current Reports on Form 8-K.

Table of Contents

PART I

FINANCIAL INFORMATION

ITEM 1. Financial Statements

ENTERCOM COMMUNICATIONS CORP.

CONDENSED CONSOLIDATED BALANCE SHEETS

(amounts in thousands)

(unaudited)

	JUNE 30, 2015	DECEMBER 31, 2014
ASSETS:		
Cash	$ 43,663	$ 31,540
Accounts receivable, net of allowance for doubtful accounts	73,767	70,249
Prepaid expenses, deposits and other	6,930	5,937
Prepaid and refundable federal and state income taxes	45	30
Deferred tax assets	2,248	2,248
Total current assets	126,653	110,004
Net property and equipment	45,896	44,662
Radio broadcasting licenses	719,092	718,992
Goodwill	38,850	38,850
Assets held for sale	868	868
Deferred charges and other assets, net of accumulated amortization	10,783	13,239
TOTAL ASSETS	$ 942,142	$ 926,615
LIABILITIES:		
Accounts payable	$ 98	$ 324
Accrued expenses	16,828	13,938
Other current liabilities	15,749	13,499
Long-term debt, current portion	29,835	3,000
Total current liabilities	62,510	30,761
Long-term debt, net of current portion	448,759	476,929
Deferred tax liabilities	68,093	63,470
Other long-term liabilities	26,052	26,434
Total long-term liabilities	542,904	566,833

Total liabilities	605,414	597,594
CONTINGENCIES AND COMMITMENTS		
SHAREHOLDERS EQUITY:		
Preferred stock		
Class A, B and C common stock	396	391
Additional paid-in capital	609,563	608,515
Accumulated deficit	(273,231)	(279,885)
Total shareholders equity	336,728	329,021
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	$ 942,142	$ 926,615

See notes to condensed consolidated financial statements.

1

Table of Contents

ENTERCOM COMMUNICATIONS CORP.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(amounts in thousands, except share and per share data)

(unaudited)

	THREE MONTHS ENDED 2015	THREE MONTHS ENDED 2014	SIX MONTHS ENDED 2015	SIX MONTHS ENDED 2014
NET REVENUES	$ 100,592	$ 100,201	$ 179,012	$ 178,436
OPERATING EXPENSE:				
Station operating expenses, including non-cash compensation expense	70,000	68,221	129,367	126,182
Depreciation and amortization expense	1,905	1,867	3,860	3,841
Corporate general and administrative expenses, including non-cash compensation expense	6,451	6,359	12,730	12,775
Merger and acquisition costs	2,031		3,754	
Net (gain) loss on sale or disposal of assets	(410)	(162)	(567)	(202)
Total operating expense	79,977	76,285	149,144	142,596
OPERATING INCOME (LOSS)	20,615	23,916	29,868	35,840
OTHER (INCOME) EXPENSE:				
Net interest expense	9,313	9,812	18,592	19,715
Other expense (income)		55		
TOTAL OTHER EXPENSE	9,313	9,867	18,592	19,715
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	11,302	14,049	11,276	16,125
INCOME TAXES (BENEFIT)	4,555	5,912	4,622	6,625
NET INCOME (LOSS)	$ 6,747	$ 8,137	$ 6,654	$ 9,500
NET INCOME PER SHARE - BASIC	$ 0.18	$ 0.22	$ 0.17	$ 0.25
NET INCOME PER SHARE - DILUTED	$ 0.17	$ 0.21	$ 0.17	$ 0.25
WEIGHTED AVERAGE SHARES:				
Basic	38,074,240	37,686,679	38,071,049	37,681,004
Diluted	38,928,610	38,445,886	39,026,880	38,515,072

See notes to condensed consolidated financial statements.

Table of Contents

ENTERCOM COMMUNICATIONS CORP.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY

SIX MONTHS ENDED JUNE 30, 2015 AND YEAR ENDED DECEMBER 31, 2014

(amounts in thousands, except share data)

(unaudited)

	Common Stock				Additional	Retained Earnings	
	Class A		Class B		Paid-in	(Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit)	Total
Balance, December 31, 2013	31,308,194	$ 313	7,197,532	$ 72	$ 604,721	$ (306,713)	$ 298,393
Net income (loss)						26,823	26,823
Compensation expense related to granting of stock awards	638,102	7			5,225		5,232
Exercise of stock options	57,500				82		82
Purchase of vested employee restricted stock units	(141,502)	(1)			(1,513)		(1,514)
Forfeitures of dividend equivalents						5	5
Balance, December 31, 2014	31,862,294	319	7,197,532	72	608,515	(279,885)	329,021
Net income (loss)						6,654	6,654
Compensation expense related to granting of stock awards	626,654	6			2,536		2,542
Exercise of stock options	8,750				31		31
Purchase of vested employee restricted stock units	(127,906)	(1)			(1,519)		(1,520)
Balance, June 30, 2015	32,369,792	$ 324	7,197,532	$ 72	$ 609,563	$ (273,231)	$ 336,728

See notes to condensed consolidated financial statements.

Table of Contents

ENTERCOM COMMUNICATIONS CORP.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

(unaudited)

	SIX MONTHS ENDED JUNE 30, 2015	SIX MONTHS ENDED JUNE 30, 2014
OPERATING ACTIVITIES:		
Net income (loss)	$ 6,654	$ 9,500
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,860	3,841
Amortization of deferred financing costs (including original issue discount)	1,588	2,283
Net deferred taxes (benefit) and other	4,622	6,625
Provision for bad debts	564	604
Net (gain) loss on sale or disposal of assets	(567)	(199)
Non-cash stock-based compensation expense	2,542	2,494
Deferred rent	355	415
Unearned revenue - long-term	(10)	(28)
Deferred compensation	558	871
Accretion expense, net of asset retirement obligation adjustments	7	(24)
Changes in assets and liabilities:		
Accounts receivable	(4,082)	(720)
Prepaid expenses and deposits	(993)	(1,242)
Accounts payable and accrued liabilities	5,252	5,689
Accrued interest expense	(44)	(132)
Accrued liabilities - long-term	(1,050)	(970)
Prepaid expenses - long-term	656	(411)
Net cash provided by (used in) operating activities	19,912	28,596
INVESTING ACTIVITIES:		
Additions to property and equipment	(4,744)	(4,782)
Proceeds from sale of property, equipment, intangibles and other assets	406	72
Deferred charges and other assets	(462)	(638)
Net cash provided by (used in) investing activities	(4,800)	(5,348)

Table of Contents

ENTERCOM COMMUNICATIONS CORP.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

(unaudited)

	SIX MONTHS ENDED JUNE 30, 2015	SIX MONTHS ENDED JUNE 30, 2014
FINANCING ACTIVITIES:		
Borrowing under the revolving senior debt		13,500
Payments of long-term debt	(1,500)	(41,000)
Proceeds from the exercise of stock options	31	28
Purchase of vested employee restricted stock units	(1,520)	(908)
Net cash provided by (used in) financing activities	(2,989)	(28,380)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,123	(5,132)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	31,540	12,231
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 43,663	$ 7,099
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 17,456	$ 17,960
Income taxes	$ 81	$ 79

See notes to condensed consolidated financial statements.

5

Table of Contents

ENTERCOM COMMUNICATIONS CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2015 AND 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT POLICIES

The condensed consolidated interim unaudited financial statements included herein have been prepared by Entercom Communications Corp. and its subsidiaries (collectively, the Company) in accordance with: (i) generally accepted accounting principles (U.S. GAAP) for interim financial information; and (ii) the instructions of the Securities and Exchange Commission (the SEC) for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. In the opinion of management, the financial statements reflect all adjustments considered necessary for a fair statement of the results of operations and financial position for the interim periods presented. All such adjustments are of a normal and recurring nature. The Company s results are subject to seasonal fluctuations and, therefore, the results shown on an interim basis are not necessarily indicative of results for a full year.

This Form 10-Q should be read in conjunction with the financial statements and related notes included in the Company s audited financial statements as of and for the year ended December 31, 2014 and filed with the SEC on March 2, 2015, as part of the Company s Annual Report on Form 10-K. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations.

There have been no material changes from Note 2, Significant Accounting Policies, as described in the notes to the Company s financial statements contained in its Form 10-K for the year ended December 31, 2014 that was filed with the SEC on March 2, 2015.

Recent Accounting Pronouncements

All new accounting pronouncements that are in effect that may impact the Company s financial statements have been implemented. The Company does not believe that there are any other new accounting pronouncements that have been issued, other than a few of those listed below or those included in the notes to the Company s financial statements contained in its Form 10-K for the year ended December 31, 2014 that was filed with the SEC on March 2, 2015, that might have a material impact on the Company s financial position, results of operations or cash flows.

Fees Paid In A Cloud Computing Arrangement

In April 2015, the accounting guidance was revised to identify when a cloud computing service includes a software license that is to be capitalized and treated consistently with the acquisition of other software licenses. This guidance is effective for the Company as of January 1, 2016. The Company is currently evaluating this guidance, but does not anticipate it will have a material impact on its financial statements.

Debt Issuance Costs

In April 2015, the accounting guidance was amended to modify the presentation of debt issuance costs on the balance sheet by requiring that all costs, including incremental third-party costs, be reflected as an offset to the associated debt liability rather than as a deferred charge. This guidance is effective for the Company as of January 1, 2016. The impact of this guidance to the Company will be for balance sheet presentation purposes only and will have no impact on the Company s results of operations, cash flows or financial condition.

Consolidation

In February 2015, the accounting guidance for consolidation was amended which revises the analysis of and reduces the need to consolidate certain entities. This guidance is effective for the Company as of January 1, 2016. The Company does not anticipate that this accounting guidance will have any material effect on the Company s results of operations, cash flows or financial condition.

Table of Contents

Reporting Discontinued Operations

In April 2014, the criteria for reporting discontinued operations, including enhanced disclosures, was modified under new accounting guidance. Under the new guidance, only disposals that have a major effect through a strategic shift on an organization s operations and financial results should be presented as discontinued operations. In addition, the new guidance requires expanded disclosures that will provide financial statement users with more information about the assets, liabilities, income, and expenses of discontinued operations. The guidance was effective for the Company as of January 1, 2015. The Company expects that this new guidance will reduce the number of transactions that will qualify for reporting discontinued operations.

2. INTANGIBLE ASSETS AND GOODWILL

Goodwill and certain intangible assets are not amortized for book purposes; however, they may be amortized for tax purposes. The Company accounts for its acquired broadcasting licenses as indefinite-lived intangible assets and, similar to goodwill, these assets are reviewed at least annually for impairment. At the time of each review, if the fair value is less than the carrying value of goodwill and certain intangibles (such as broadcasting licenses), then a charge is recorded to the results of operations.

The following table presents the changes in broadcasting licenses:

	Broadcasting Licenses Carrying Amount	
	June 30, 2015	June 30, 2014
	(amounts in thousands)	
Beginning of period balance as of January 1,	$ 718,992	$ 718,542
Acquisitions	100	450
Ending period balance	$ 719,092	$ 718,992

The following table presents the changes in goodwill:

	Goodwill Carrying Amount	
	June 30, 2015	June 30, 2014
	(amounts in thousands)	
Goodwill balance before cumulative loss on impairment as of January 1,	$ 164,465	$ 164,465
Accumulated loss on impairment as of January 1,	(125,615)	(125,615)
Goodwill beginning balance after cumulative loss on impairment as of January 1,	38,850	38,850

Ending period balance	$ 38,850	$ 38,850

Broadcasting Licenses Impairment Test

The Company performs its annual broadcasting license impairment test during the second quarter of each year by evaluating its broadcasting licenses for impairment at the market level using the direct method.

Each market s broadcasting licenses are combined into a single unit of accounting for purposes of testing impairment, as the broadcasting licenses in each market are operated as a single asset. The Company determines the fair value of the broadcasting licenses in each of its markets by relying on a discounted cash flow approach (a 10-year income model) assuming a start-up scenario in which the only assets held by an investor are broadcasting licenses. The Company s fair value analysis contains assumptions based upon past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. These assumptions include, but are not limited to: (1) the discount rate; (2) the market share and profit margin of an average station within a market, based upon market size and station type; (3) the forecast growth rate of each radio market; (4) the estimated capital start-up costs and losses incurred during the early years; (5) the likely media competition within the market area; (6) the tax rate; and (7) future terminal values.

The methodology used by the Company in determining its key estimates and assumptions was applied consistently to each market. Of the seven variables identified above, the Company believes that the assumptions in items (1) through (3) above are the most important and sensitive in the determination of fair value.

The following table reflects the estimates and assumptions used in the second quarter of each year (no interim tests were performed in these years):

	Estimates And Assumptions	
	Second Quarter 2015	**Second Quarter 2014**
Discount rate	9.7%	9.6%
Operating profit margin ranges expected for average stations in the markets where the Company operates	25% to 40%	25% to 40%
Long-term revenue growth rate range of the Company s markets	1.5% to 2.0%	1.5% to 2.0%

During the second quarter for each of the years 2015 and 2014, the Company completed its annual impairment test for broadcasting licenses and determined that the fair value of its broadcasting licenses was greater than the amount reflected in the balance sheet for each of the Company s markets and, accordingly, no impairment was recorded.

The Company has made reasonable estimates and assumptions to calculate the fair value of its broadcasting licenses. These estimates and assumptions could be materially different from actual results.

If actual market conditions are less favorable than those projected by the industry or the Company, or if events occur or circumstances change that would reduce the fair value of the Company s broadcasting licenses below the amount reflected in the balance sheet, the Company may be required to conduct an interim test and possibly recognize impairment charges, which may be material, in future periods.

Goodwill Impairment Test

The Company performs its annual goodwill impairment test during the second quarter of each year by evaluating its goodwill for each reporting unit.

The Company has determined that a radio market is a reporting unit and the Company assesses goodwill in each of the Company s markets. If the fair value of any reporting unit is less than the amount reflected on the balance sheet, an indication exists that the amount of goodwill attributed to a reporting unit may be impaired, and the Company is required to perform a second step of the impairment test. The Company uses quantitative rather than qualitative factors to determine whether it is necessary to perform the two-step goodwill impairment test. In the second step, the Company compares the amount reflected on the balance sheet to the implied fair value of the reporting unit s goodwill, determined by allocating the reporting unit s fair value to all of its assets and liabilities in a manner similar to a purchase price allocation.

To determine the fair value, the Company uses a market approach and, when appropriate, an income approach in computing the fair value of each reporting unit. The market approach calculates the fair value of each market s radio stations by analyzing recent sales and offering prices of similar properties expressed as a multiple of cash flow. The income approach utilizes a discounted cash flow method by projecting the subject property s income over a specified time and capitalizing at an appropriate market rate to arrive at an indication of the most probable selling price.

Table of Contents

The following table reflects the estimates and assumptions used in the second quarter of each year (no interim tests were performed in these years):

	Estimates And Assumptions	
	Second Quarter 2015	Second Quarter 2014
Discount rate	9.7%	9.6%
Long-term revenue growth rate range of the Company s markets	1.5% to 2.0%	1.5% to 2.0%
Market multiple used in the market valuation approach	7.5x to 8.0x	7.5x to 8.0x

During the second quarter in each of the years 2015 and 2014, the results of step one indicated that it was not necessary to perform the second step analysis in any of the reporting units that contained goodwill.

The Company also performed a reasonableness test on the fair value results for goodwill on a combined basis by comparing the carrying value of the Company s assets to the Company s enterprise value based upon its stock price. The Company determined that the results were reasonable.

In step one of the Company s goodwill analysis, the Company considered the results of the market approach and, when appropriate, the income approach in computing the fair value of the Company s reporting units. In the market approach, the Company applied an estimated market multiple to each reporting unit s operating profit to calculate the fair value. In the income approach, the Company utilized the discounted cash flow methodology to calculate the fair value of the reporting unit. Management believes that these approaches are commonly used and appropriate methodologies for valuing broadcast radio stations. Factors contributing to the determination of the reporting unit s operating performance were historical performance and/or management s estimates of future performance.

If actual market conditions are less favorable than those projected by the industry or the Company, or if events occur or circumstances change that would reduce the fair value of the Company s goodwill below the amount reflected in the balance sheet, the Company may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

3. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following as of the periods indicated:

	Other Current Liabilities	
	June 30, 2015	December 31, 2014
	(amounts in thousands)	
Accrued compensation	$ 6,349	$ 5,783
Accounts receivable credits	3,448	2,398
Advertiser obligations	1,214	928

Accrued interest payable	2,733	2,777
Other	2,005	1,613
Total other current liabilities	$ 15,749	$ 13,499

Table of Contents

4. LONG-TERM DEBT
(A) Senior Debt

The Credit Facility

As of June 30, 2015, the amount outstanding under the term loan component (the Term B Loan) of the Company s senior secured credit facility (the Credit Facility) was $260.5 million and no amount was outstanding under the revolving credit facility component (the Revolver) of the Credit Facility. The maximum available amount under the Revolver, which includes the impact of outstanding letters of credit, was $49.3 million as of June 30, 2015. The amount of the Revolver actually available to the Company is a function of covenant compliance at the time of borrowing.

On November 23, 2011, the Company entered into a credit agreement with a syndicate of lenders for a $425 million Credit Facility that was initially comprised of: (a) a $50 million Revolver that matures on November 23, 2016; and (b) a $375 million Term B Loan that matures on November 23, 2018.

The Term B Loan requires mandatory prepayments equal to 50% of Excess Cash Flow, as defined within the agreement, subject to incremental step-downs depending on the Consolidated Leverage Ratio. The Excess Cash Flow payment is due in the first quarter of each year for the prior year. An estimate of this payment that is due next year, net of any prepayments made through June 30, 2015, is included under the current portion of long-term debt. The Company expects to fund the payment using cash from operating activities.

As of June 30, 2015, the Company is in compliance with all financial covenants and all other terms of the Credit Facility in all material respects. The Company s ability to maintain compliance with its covenants is highly dependent on its results of operations. Management believes that over the next 12 months the Company can continue to maintain compliance. The Company s operating cash flow is positive, and management believes that it is adequate to fund the Company s operating needs. The Company has not been required to rely upon, and the Company does not anticipate being required to rely upon, the Revolver to fund its operations. Management believes that cash on hand and cash from operating activities, together with available borrowings under the Revolver, will be sufficient to permit the Company to meet its liquidity requirements over the next 12 months, including its debt repayments.

Failure to comply with the Company s financial covenants or other terms of its Credit Facility and any subsequent failure to negotiate and obtain any required relief from its lenders could result in a default under the Company s Credit Facility. Any event of default could have a material adverse effect on the Company s business and financial condition. In addition, a default under either the Company s Credit Facility or the indenture governing the Company s 10.5% senior unsecured notes (the Senior Notes) could cause a cross default in the other and result in the acceleration of the maturity of all outstanding debt. The acceleration of the Company s debt could have a material adverse effect on its business. The Company may seek from time to time to amend its Credit Facility or obtain other funding or additional funding, which may result in higher interest rates on its debt.

(B) Senior Unsecured Debt

The Senior Notes

Simultaneously with entering into the Credit Facility on November 23, 2011, the Company issued $220.0 million of 10.5% unsecured Senior Notes which mature on December 1, 2019. The Company received net proceeds of $212.7 million, which included a discount of $2.9 million, and incurred deferred financing costs of $6.1 million. These amounts are amortized over the term under the effective interest rate method. Interest on the Senior Notes is payable semi-annually in arrears on June 1 and December 1 of each year.

Table of Contents

(C) Net Interest Expense

The components of net interest expense are as follows:

	Net Interest Expense Six Months Ended June 30, 2015	2014
	(amounts in thousands)	
Interest expense	$ 17,004	$ 17,432
Amortization of deferred financing costs	1,423	2,134
Amortization of original issue discount of senior notes	165	149
Total net interest expense	$ 18,592	$ 19,715

	Net Interest Expense Three Months Ended June 30, 2015	2014
	(amounts in thousands)	
Interest expense	$ 8,513	$ 8,689
Amortization of deferred financing costs	716	1,048
Amortization of original issue discount of senior notes	84	75
Total net interest expense	$ 9,313	$ 9,812

5. SHARE-BASED COMPENSATION

Under the Entercom Equity Compensation Plan (the Plan), the Company is authorized to issue share-based compensation awards to key employees, directors and consultants.

Restricted Stock Units (RSUs) Activity

The following is a summary of the changes in RSUs under the Plan during the current period:

	Period Ended	Number Of Restricted Stock	Weighted Average Purchase Price	Weighted Average Remaining Contractual	Aggregate Intrinsic Value As Of

		Units		**Term (Years)**	**June 30, 2015**
RSUs outstanding as of:	December 31, 2014	1,258,685			
RSUs awarded		672,277			
RSUs released		(392,255)			
RSUs forfeited		(45,623)			
RSUs outstanding as of:	June 30, 2015	1,493,084	$	1.5	$ 17,051,019
RSUs vested and expected to vest as of:	June 30, 2015	1,391,251	$	1.4	$ 14,958,724
RSUs exercisable (vested and deferred) as of:	June 30, 2015	81,380	$		$ 929,360
Weighted average remaining recognition period in years		2.2			
Unamortized compensation expense, net of estimated forfeitures		$ 9,412,152			

11

Table of Contents

RSUs With Service And Market Conditions

During the first quarters of 2015 and 2014, the Company issued RSUs with service and market conditions that are included in the above table. These shares vest if: (1) the Company s stock achieves certain shareholder performance targets over a defined measurement period; and (2) the employee fulfills a minimum service period. The compensation expense is recognized even if the market conditions are not satisfied and are only reversed in the event the service period is not met, as all of the conditions need to be satisfied. These RSUs, which are included in the RSU activity table, are amortized over the longest of the explicit, implicit or derived service periods, which range from one to two years.

The following table presents the changes in outstanding RSUs with market conditions:

	Six Months Ended June 30, 2015	Year Ended December 31, 2014
	(amounts in thousands, except per share data)	
Reconciliation Of RSUs With Market Conditions		
Beginning of period balance	290	
Number of RSUs granted	165	290
Number of RSUs forfeited		
Number of RSUs vested	(65)	
End of period balance	390	290
Average fair value of RSUs issued with market conditions	$ 8.39	$ 6.90

The fair value of RSUs with service conditions is estimated using the Company s closing stock price on the date of the grant. To determine the fair value of RSUs with service and market conditions, the Company used the Monte Carlo simulation lattice model. The Company s determination of the fair value was based on the number of shares granted, the Company s stock price on the date of grant and certain assumptions regarding a number of highly complex and subjective variables. If other reasonable assumptions were used, the results could differ.

The specific assumptions used for this valuation are as follows:

	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Expected Volatility Term Structure (1)	34% to 39%	39% to 51%
Risk-Free Interest Rate (2)	0.1% to 1.1%	0.1% to 0.4%
Dividend Yield (3)	0.0%	0.0%

(1) Expected Volatility Term Structure - The Company estimated the volatility term structure using: (1) the historical volatility of its stock; and (2) the implied volatility provided by its traded options from a trailing month s average of the closing bid-ask price quotes.

(2) Risk-Free Interest Rate - The Company estimated the risk-free interest rate based upon the implied yield available on U.S. Treasury issues using the Treasury bond rate as of the date of grant.

(3) Dividend Yield - The Company calculated the dividend yield at the time of grant based upon the Company s most recent history of not paying a dividend on its common stock.

Table of Contents

RSUs With Performance Conditions

In addition to the RSUs included in the table above summarizing the changes in RSUs under the Plan, the Company issued eleven thousand RSUs during 2014 with performance conditions at an average fair market value of $9.60 per share. As of June 30, 2015, three thousand RSUs expired unvested.

Vesting of performance-based awards, if any, is dependent upon the achievement of certain performance targets. If the performance standards are not achieved, all unvested shares will expire and any accrued expense will be reversed. The Company determines the requisite service period on a case-by-case basis to determine the expense recognition period for non-vested performance based RSUs. The fair value is determined based upon the closing price of the Company s common stock on the date of grant.

The Company applies a quarterly probability assessment in computing its non-cash compensation expense and any change in the estimate is reflected as a cumulative adjustment to expense in the quarter of the change.

As of June 30, 2015, no non-cash compensation expense was accrued and no performance RSUs vested.

Option Activity

The following table provides summary information related to the exercise of stock options:

Option Exercise Data	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
	(amounts in thousands)	
Intrinsic value of options exercised	$ 72	$ 147
Tax benefit from options exercised [(1)]	$ 27	$ 56
Cash received from exercise price of options exercised	$ 31	$ 28

(1) Amount excludes impact from suspended income tax benefits and/or valuation allowances.

Table of Contents

The following table presents the option activity during the current period under the Plan:

	Period Ended	Number Of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Intrinsic Value As Of June 30, 2015
Options outstanding as of:	December 31, 2014	486,675	$ 2.11		
Options granted					
Options exercised		(8,750)	3.60		
Options forfeited		(3,750)	8.72		
Options expired		(1,000)	33.90		
Options outstanding as of:	June 30, 2015	473,175	$ 1.97	3.6	$ 4,476,674
Options vested and expected to vest as of:	June 30, 2015	473,175	$ 1.97	3.6	$ 4,476,674
Options vested and exercisable as of:	June 30, 2015	473,175	$ 1.97	3.6	$ 4,476,674
Weighted average remaining recognition period in years					
Unamortized compensation expense, net of estimated forfeitures		$ 13,632			

The following table summarizes significant ranges of outstanding and exercisable options as of the current period:

Range Of Exercise Prices		Options Outstanding			Options Exercisable	
From	To	Number Of Options Outstanding June 30, 2015	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Of Options Exercisable June 30, 2015	Weighted Average Exercise Price
$1.34	$ 1.34	436,925	3.6	$ 1.34	436,925	$ 1.34
$2.02	$ 11.78	36,250	3.0	$ 9.54	36,250	$ 9.54
$1.34	$ 11.78	473,175	3.6	$ 1.97	473,175	$ 1.97

Recognized Non-Cash Stock-Based Compensation Expense

The following non-cash stock-based compensation expense, which is comprised primarily of RSUs, is included in each of the respective line items in our statement of operations:

	Six Months Ended June 30,	
	2015	2014
	(amounts in thousands)	
Station operating expenses	$ 545	$ 395
Corporate general and administrative expenses	1,997	2,099
Stock-based compensation expense included in operating expenses	2,542	2,494
Income tax benefit [(1)]	936	743
Net stock-based compensation expense	$ 1,606	$ 1,751

Table of Contents

	Three Months Ended June 30,			
	2015		2014	
	(amounts in thousands)			
Station operating expenses	$	368	$	259
Corporate general and administrative expenses		1,062		1,026
Stock-based compensation expense included in operating expenses		1,430		1,285
Income tax benefit [1]		523		390
Net stock-based compensation expense	$	907	$	895

(1) Amount excludes impact from suspended income tax benefits and/or valuation allowances.

6. NET INCOME (LOSS) PER COMMON SHARE

The following tables present the computations of basic and diluted net income (loss) per share:

	Six Months Ended							
	June 30, 2015				June 30, 2014			
	(amounts in thousands, except share and per share data)							
	Net Income (Loss)	Shares	Net Income (Loss) Per Share		Net Income (Loss)	Shares	Net Income (Loss) Per Share	
Basic net income (loss) per common share:	$ 6,654	38,071,049	$	0.17	$ 9,500	37,681,004	$	0.25
Impact of dilutive equity awards		955,831				834,068		
Diluted net income (loss) per common share:	$ 6,654	39,026,880	$	0.17	$ 9,500	38,515,072	$	0.25

	Three Months Ended							
	June 30, 2015				June 30, 2014			
	(amounts in thousands, except share and per share data)							
	Net Income (Loss)	Shares	Net Income (Loss) Per Share		Net Income (Loss)	Shares	Net Income (Loss) Per Share	
	$ 6,747	38,074,240	$	0.18	$ 8,137	37,686,679	$	0.22

Basic net income (loss) per common share:										
Impact of dilutive equity awards		854,370					759,207			
Diluted net income (loss) per common share:	$ 6,747	38,928,610	$	0.17	$ 8,137		38,445,886	$	0.21	

Table of Contents

Incremental Shares Disclosed As Anti-Dilutive

The following table provides the incremental shares excluded as they were anti-dilutive under the treasury stock method:

Impact Of Equity Awards	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
	(amounts in thousands, except per share data)	
Dilutive or anti-dilutive for all potentially dilutive equivalent shares	dilutive	dilutive
Excluded shares as anti-dilutive under the treasury stock method:		
Options		33
Price range of options: from	$	$ 10.74
Price range of options: to	$	$ 35.05
RSUs with service conditions	6	
Excluded RSUs with service and market conditions as market conditions not met	165	290
Excluded RSUs with service and performance conditions as performance conditions not met	8	3

Impact Of Equity Awards	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014
	(amounts in thousands, except per share data)	
Dilutive or anti-dilutive for all potentially dilutive equivalent shares	dilutive	dilutive
Excluded shares as anti-dilutive under the treasury stock method:		
Options		32
Price range of options: from	$	$ 10.74

Price range of options: to	$	$ 35.05
RSUs with service conditions	7	
Excluded RSUs with service and market conditions as market conditions not met	165	290
Excluded RSUs with service and performance conditions as performance conditions not met	8	3

7. INCOME TAXES

Tax Rates For The Six Months And Three Months Ended June 30, 2015

The effective income tax rates were 41.0% and 40.3% for the six months and three months ended June 30, 2015, respectively. These rates were impacted by an adjustment for expenses that are not deductible for tax purposes and an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill. The income tax rate has been trending down as expenses not deductible for tax purposes has decreased due to the issuance to senior management of a higher percentage of awards that were market based.

Tax Rates For The Six Months And Three Months Ended June 30, 2014

The effective income tax rates were 41.1% and 42.1% for the six months and three months ended June 30, 2014, respectively. These rates were impacted by an adjustment for expenses that are not deductible for tax purposes, an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill and a tax benefit shortfall associated with stock-based awards. The rate was reduced by a tax benefit associated with statutory tax rate changes in certain states.

Net Deferred Tax Assets And Liabilities

As of June 30, 2015 and December 31, 2014, net deferred tax liabilities were $65.8 million and $61.2 million, respectively. The income tax accounting process to determine the deferred tax liabilities involves estimating all temporary differences between the tax and financial reporting bases of the Company s assets and liabilities, based on enacted tax laws and statutory tax rates applicable to the period in which the differences are expected to affect taxable income. The Company estimated the current exposure by assessing the temporary differences and computing the provision for income taxes by applying the estimated effective tax rate to income.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Of Financial Instruments Subject To Fair Value Measurements

Recurring Fair Value Measurements

The following table sets forth the Company s financial assets and/or liabilities that were accounted for at fair value on a recurring basis and are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value and its placement within the fair value hierarchy levels.

Description	Value Measurements At Reporting Date June 30, 2015	December 31, 2014
	(amounts in thousands)	
Liabilities		
Deferred compensation - Level 1 [1]	$ 10,954	$ 11,017

[1] The Company s deferred compensation liability, which is included in other long-term liabilities, is recorded at fair value on a recurring basis. The unfunded plan allows participants to hypothetically invest in various specified investment options. The deferred compensation plan liability is valued at Level 1 as it is based on quoted market prices of the underlying investments.

Non-Recurring Fair Value Measurements

The Company has certain assets that are measured at fair value on a non-recurring basis and are adjusted to fair value only when the carrying values are more than the fair values. The categorization of the framework used to price the assets is considered Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value.

During the quarters ended June 30, 2015 and 2014, the Company reviewed the fair value of its broadcasting licenses, goodwill and net property and equipment and other intangibles (except as identified below), and concluded that these assets were not impaired as the fair value of these assets equaled or exceeded their carrying value.

Fair Value Of Financial Instruments Subject To Disclosures

The carrying amount of the following assets and liabilities approximates fair value due to the short maturity of these instruments: (1) cash and cash equivalents; (2) accounts receivable; and (3) accounts payable, including accrued liabilities.

The following table presents the carrying value of financial instruments and, where practicable, the fair value as of the periods indicated:

	June 30, 2015		December 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(amounts in thousands)			
Credit Facility (1)	$ 260,500	$ 260,826	$ 262,000	$ 261,345
Senior Notes (2)	$ 218,094	$ 234,451	$ 217,929	$ 237,134
Letters of credit (3)	$ 670		$ 620	

The following methods and assumptions were used to estimate the fair value of financial instruments:

(1) The Company s determination of the fair value of the Credit Facility was based on quoted prices for this instrument and is considered a Level 2 measurement as the pricing inputs are other than quoted prices in active markets.

(2) The Company utilizes a Level 2 valuation input based upon the market trading prices of the Senior Notes to compute the fair value as these Senior Notes are traded in the debt securities market.

(3) The Company does not believe it is practicable to estimate the fair value of the outstanding standby letters of credit and does not expect any material loss since the performance of the letters of credit is not likely to be required.

9. ASSETS HELD FOR SALE

Long-lived assets to be sold are classified as held for sale in the period in which they meet all the criteria for the disposal of long-lived assets. The Company measures assets held for sale at the lower of their carrying amount or fair value less cost to sell. Additionally, the Company determined that these assets comprise operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company. As of June 30, 2015, the Company classified $0.9 million as assets held for sale, which reflects land and a building that the Company formerly used as its main studio facility in one of its markets and a co-located tower/antenna structure for two of its AM radio stations that the Company plans to relocate to other suitable sites.

10. CONTINGENCIES AND COMMITMENTS

Contingencies

The Company is subject to various outstanding claims which arise in the ordinary course of business and to other legal proceedings. Management anticipates that any potential liability of the Company, which may arise out of or with respect to these matters, will not materially affect the Company s financial position, results of operations or cash flows. There were no material changes from the contingencies listed in the Company s Form 10-K, filed with the SEC on March 2, 2015.

Commitments

Completed Acquisition - Lincoln

On July 16, 2015, the Company completed its transaction to acquire under a Stock Purchase Agreement (SPA) with The Lincoln National Life Insurance Company the stock of one of its subsidiaries, Lincoln Financial Media Company (Lincoln), which indirectly holds the assets and liabilities of 15 radio stations serving the Atlanta, Denver, Miami and San Diego markets. The purchase price was $105.0 million of which $77.5 million was paid in cash and $27.5 million was paid with the Company s issuance of new perpetual convertible preferred stock. The SPA, originally dated December 7, 2014 and subsequently amended on July 10, 2015, provides for a working capital credit to the

Company of $2.7 million. Other than in Denver, the Company does not currently operate any other stations in these markets. The SPA provides for a step-up in basis for tax purposes. Merger and acquisition related costs of $3.8 million and $2.0 million were expensed as a separate line item in the statement of operations for the six and three months ended June 30, 2015, respectively. The Company used the proceeds from borrowings under its Revolver of $42.0 million and cash on hand to fund the cash portion of this transaction.

The Department Of Justice (DOJ) is one of several government agencies responsible for enforcing federal antitrust laws. In connection with the Company s acquisition of Lincoln, the Company settled with the DOJ and agreed to divest certain Denver radio stations as described below under dispositions. In order to comply with the Federal Communications Commission s rules, one of the Denver radio stations to be divested, KKFN FM, is currently operating in a trust, of which the Company is the beneficiary.

As of the date the Company issued these consolidated financial statements, the Company did not complete its review of the Lincoln financial information and its fair value allocation of the assets and liabilities under purchase price accounting. Therefore, it is impractical to provide the effect of this acquisition on a pro-forma basis and other required business combination disclosures.

Pending Exchange: Denver, Colorado, And Los Angeles, California

On July 10, 2015, the Company entered into an asset exchange agreement (AEA) with Bonneville International Corporation (Bonneville) to acquire a radio station in Los Angeles, California, together with additional consideration of approximately $5.0 million in exchange for four radio stations in Denver, Colorado. On July 17, 2015 the Company entered into two time brokerage agreements (TBAs). Pursuant to these TBAs, on July 17, 2015, the Company commenced operation of the Los Angeles station and Bonneville commenced operation of the Denver stations. During the period of the TBAs, the Company: (i) includes net revenues and station operating expenses associated with the Company s operation of the Los Angeles station in the Company s consolidated financial statements; and (ii) excludes net revenues and station operating expenses associated with Bonneville s operation of the Denver stations in the Company s consolidated financial statements. The Company will incur no TBA expense to Bonneville for operation of the Los Angeles station and will receive $0.3 million of monthly TBA income from Bonneville.

The fair value of the assets to be acquired in exchange for the assets to be disposed of will be determined at a future time based upon an appraisal. The Company does not anticipate that cash will be required to complete the Company s obligations under the AEA. Upon completion of the AEA, the Company will: (1) own one station in Los Angeles, a new market for the Company; and (2) continue to own and operate five radio stations in the Denver market. The Company expects that the AEA, which is subject to regulatory approval, will close in the second half of 2015.

The Denver radio stations to be exchanged with Bonneville did not qualify as assets held for sale as of June 30, 2015. These assets may qualify as assets held for sale as of September 30, 2015, however, if closing with Bonneville does not occur as of September 30, 2015. The pending sale of the Denver stations did not meet the criteria to classify the stations operations as discontinued, effective upon the commencement of the TBA.

During the period of the TBA operated by the Company for those assets to be acquired from Bonneville, it is expected that the Company will not recognize a variable interest entity (VIE). During this period, the Company will not be the primary beneficiary as Bonneville will be the entity absorbing the majority of the profits and losses from the operation of the entity holding the Los Angeles, California radio station during the period of the TBA.

During the period of the TBA for the trust assets operated by Bonneville, (KKFN FM), it is expected that the Company will deconsolidate the trust s assets to be exchanged with Bonneville since Bonneville will remain as the primary beneficiary. As the primary beneficiary, Bonneville will absorb the majority of the profits and losses from the operation of the trust during the period of the TBA.

During the period of the TBA for the assets operated by Bonneville other than the trust assets, (KYGO FM, KEPN AM and KOSI FM), it is expected that the Company will be the primary beneficiary and will be absorbing the majority of the profits and losses from those stations.

Table of Contents

Summary Of Completed Lincoln Transaction And Pending Bonneville Transaction By Radio Station

Markets	Radio Stations	Transactions
Los Angeles, CA	KSWD FM	Company acquires from Bonneville
Denver, CO	KOSI FM	Company disposes to Bonneville
Denver, CO	KYGO FM; KEPN AM	Company acquired from Lincoln and disposes to Bonneville
Denver, CO	KKFN FM	The trust acquired from Lincoln and disposes to Bonneville
Denver, CO	KQKS FM; KRWZ AM	Company acquired from Lincoln
Atlanta, GA	WSTR FM; WQXI AM	Company acquired from Lincoln
Miami, FL	WAXY AM/FM; WLYF FM; WMXJ FM	Company acquired from Lincoln
San Diego, CA	KBZT FM; KSON FM/KSOQ FM; KIFM FM	Company acquired from Lincoln

11. SUBSEQUENT EVENTS

Events occurring after June 30, 2015 and through the date that these consolidated financial statements were issued were evaluated to ensure that any subsequent events that met the criteria for recognition have been included. One of these events is described below.

The Company completed its transaction with Lincoln on July 16, 2015 and entered into AEA and TBA agreements with Bonneville on July 10, 2015 and July 17, 2015, respectively, as described under Note 10.

Table of Contents

ITEM 2. Management s Discussion And Analysis Of Financial Condition And Results Of Operations
In preparing the discussion and analysis contained in this Item 2, we presume that readers have read or have access to the discussion and analysis contained in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the SEC) on March 2, 2015. In addition, you should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and related notes included elsewhere in this report. The following results of operations include a discussion of the six and three months ended June 30, 2015 as compared to the comparable periods in the prior year. Our results of operations during the relevant periods represent the operations of the radio stations owned and operated by us.

We evaluate net revenues, station operating expenses and operating income by comparing the performance of stations owned or operated by us throughout a relevant period to the performance of those same stations in the prior period whether or not owned or operated by us. Same station comparisons are used by us and those in the industry to assess the effect of acquisitions and dispositions on our operations throughout the periods measured.

Results Of Operations For The Year-To-Date

The following significant factors affected our results of operations for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014:

During the first half of 2015, we incurred merger and acquisition costs of $3.8 million primarily related to our acquisition on July 16, 2015 of Lincoln Financial Media Company (Lincoln) from The Lincoln National Life Insurance Company, its parent company. Lincoln indirectly holds the assets and liabilities of 15 radio stations serving the Atlanta, Denver, Miami and San Diego radio markets.

Six Months Ended June 30, 2015 As Compared To The Six Months Ended June 30, 2014

	SIX MONTHS ENDED JUNE 30,		
	2015	2014	% Change
	(dollars in millions)		
NET REVENUES	$ 179.0	$ 178.4	0%
OPERATING EXPENSE:			
Station operating expenses	129.4	126.2	3%
Depreciation and amortization expense	3.9	3.8	3%
Corporate general and administrative expenses	12.7	12.8	(1%)
Merger and acquisition costs	3.8		nmf
Other operating expenses	(0.7)	(0.2)	(250%)
Total operating expense	149.1	142.6	5%
OPERATING INCOME (LOSS)	29.9	35.8	(16%)
OTHER (INCOME) EXPENSE:			
Net interest expense	18.6	19.7	(6%)
TOTAL OTHER EXPENSE	18.6	19.7	(6%)

INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)		11.3		16.1	(30%)
INCOME TAXES (BENEFIT)		4.6		6.6	(30%)
NET INCOME (LOSS)	$	6.7	$	9.5	(29%)

Table of Contents

Net Revenues

Net revenues were flat as advertising demand continues to fluctuate and reflects the uneven performance of the general economy. Also, last year benefited from the influx of advertising from political candidates and groups.

Net revenues increased the most for our stations in the Boston and Kansas City markets, offset by revenue decreases for our stations located in the Denver and Seattle markets.

Station Operating Expenses

Station operating expenses increased for the current year period primarily due to the continuing investment and development within our markets of SmartReach Digital.

Depreciation And Amortization Expense

Depreciation and amortization expense was flat as compared to the prior year.

Corporate General And Administrative Expenses

Corporate general and administrative expenses were essentially flat for the period.

Operating Income

Operating income decreased primarily due to merger and acquisition costs of $3.8 million related to the Lincoln acquisition and increased station operating expenses.

Interest Expense

The decrease in interest expense was primarily due to lower outstanding debt upon which interest is computed as our variable interest rates remained consistent year over year.

Income Before Income Taxes (Benefit)

The decrease was primarily attributable to a decrease in operating income, offset by a decrease in interest expense.

Income Taxes

Tax Rate For The Six Months Ended June 30, 2015

The effective income tax rate was 41.0% for the six months ended June 30, 2015, which was impacted by an adjustment for expenses that are not deductible for tax purposes and an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill. We estimate that our 2015 annual tax rate before discrete items, which may fluctuate from quarter to quarter, will be in the low 40% range. Our income tax rate has been trending down as expenses not deductible for tax purposes have decreased due to the issuance to senior management of a higher percentage of awards that were market based.

Tax Rate For The Six Months Ended June 30, 2014

The effective income tax rate was 41.1% for the six months ended June 30, 2014, which was less than expected primarily due to a discrete tax benefit from legislatively reduced income tax rates in certain states. This rate decrease was offset by an adjustment for expenses that are not deductible for tax purposes and an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill.

Net Deferred Tax Liabilities

As of June 30, 2015 and December 31, 2014, our net deferred tax liabilities were $65.8 million and $61.2 million, respectively. The deferred tax liabilities primarily relate to differences between the book and tax bases of our broadcasting licenses and goodwill.

Table of Contents

Net Income (Loss)

The decrease in net income was primarily attributable to the reasons described above under Income Before Income Taxes, net of income tax expense.

Results Of Operations For The Quarter

The following significant factor affected our results of operations for the three months ended June 30, 2015 as compared to the same period in the prior year:

During the current quarter, we incurred merger and acquisition costs of $2.0 million related to our pending acquisition from Lincoln.

Three Months Ended June 30, 2015 As Compared To The Three Months Ended June 30, 2014

	THREE MONTHS ENDED JUNE 30,		
	2015	**2014**	**% Change**
	(dollars in millions)		
NET REVENUES	$ 100.6	$ 100.2	0%
OPERATING EXPENSE:			
Station operating expenses	70.0	68.2	3%
Depreciation and amortization expense	1.9	1.9	0%
Corporate general and administrative expenses	6.5	6.4	2%
Merger and acquisition costs	2.0		nmf
Other operating expenses	(0.4)	(0.2)	(100%)
Total operating expense	80.0	76.3	5%
OPERATING INCOME (LOSS)	20.6	23.9	(14%)
OTHER (INCOME) EXPENSE:			
Net interest expense	9.3	9.8	(5%)
Other income and expense		0.1	(100%)
Other expense (income)	9.3	9.9	(6%)
INCOME (LOSS) BEFORE INCOME TAXES	11.3	14.0	(19%)
INCOME TAXES (BENEFIT)	4.6	5.9	(22%)
NET INCOME (LOSS)	$ 6.7	$ 8.1	(17%)

Net Revenues

Net revenues were flat during the quarter as advertising demand continues to fluctuate and reflects the uneven performance of the general economy. Also, last year benefited from the influx of advertising from political candidates and groups.

Net revenues increased the most for our stations in the Boston and Kansas City markets, offset by a decrease for our stations in the Denver and New Orleans markets.

Station Operating Expenses

The increase in station operating expenses was primarily due to the continuing investment and development within our markets of SmartReach Digital.

Depreciation And Amortization Expense

Depreciation and amortization expense was flat for the quarter.

Corporate General And Administrative Expenses

Corporate general and administrative expenses remained flat with increases in relocation expenses offset by decreases in our deferred compensation liability, which generally tracks the movements in the stock market.

Operating Income

Operating income decreased primarily due to merger and acquisition costs of $2.0 million related to the Lincoln acquisition and an increase in station operating expenses.

Interest Expense

The decrease in interest expense was primarily due to lower outstanding debt upon which interest is computed.

Income Before Income Taxes

The decrease was primarily attributable to the decrease in operating income that was primarily attributable to the merger and acquisition costs of $2.0 million and the increase in station operating expenses. This decrease was offset by a decrease in interest expense.

Income Taxes

For the current and prior periods, the income tax rate was 40.3% and 42.1%, respectively, which primarily reflects adjustments for expenses that are not deductible for tax purposes and an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill. Our income tax rate has been trending down as expenses not deductible for tax purposes has decreased due to the issuance to senior management of a higher percentage of awards that were market based.

Net Income

The net decrease in net income was primarily attributable to the reasons described above under Income Before Income Taxes, net of Income Taxes.

Liquidity And Capital Resources

Liquidity

As of June 30, 2015, we had $260.5 million outstanding under our senior secured credit facility (the Credit Facility) and $220.0 million in principal for our 10.5% senior unsecured notes (the Senior Notes). In addition, we had $0.7 million in outstanding letters of credit. As of June 30, 2015, we had $43.7 million in cash and cash equivalents. For the six months ended June 30, 2015, we increased our outstanding cash by $12.1 million. We completed the Lincoln acquisition on July 16, 2015 and used $35.5 million of this cash together with $42 million in borrowing under our revolving credit facility.

The Credit Facility

On November 23, 2011, we entered into a credit agreement with a syndicate of lenders for a $425 million Credit Facility, which was initially comprised of: (a) a $50 million revolving credit facility (the Revolver) that matures on November 23, 2016; and (b) a $375 million term loan (the Term B Loan) that matures on November 23, 2018. The Term B Loan presently amortizes in quarterly installments of $0.8 million and any remaining principal and interest is due at maturity (except for certain mandatory principal prepayments of Excess Cash Flow and other events as described below).

The undrawn amount of the Revolver was $49.3 million as of June 30, 2015. The amount of the Revolver available to us is a function of covenant compliance at the time of borrowing. Based on our financial covenant analysis as of June 30, 2015, we would not be limited in these borrowings. We were also not limited in our borrowing as of the July 16, 2015 closing of our Lincoln transaction.

The Term B Loan requires mandatory prepayments equal to 50% of Excess Cash Flow, as defined within the agreement, subject to incremental step-downs depending on the Consolidated Leverage Ratio. The Excess Cash Flow payment is due in the first quarter of each year. An estimate of this payment, net of any prepayments made through June 30, 2015, is included under the current portion of long-term debt. We expect to fund the payments using cash from operating activities.

As of June 30, 2015, we are in compliance with all financial covenants and all other terms of the Credit Facility in all material respects. Our ability to maintain compliance with our covenants will be highly dependent on our results of operations. A default under our Credit Facility or the indenture governing our Senior Notes could cause a cross default in the other. Any event of default could have a material adverse effect on our business and financial condition.

Our operating cash flow remains positive, and we believe that it is adequate to fund our operating needs. As a result, we have not been required to rely upon, and we do not anticipate being required to rely upon, the Revolver to fund our operations. We believe that over the next 12 months we can continue to maintain our compliance with these covenants. We believe that cash on hand and cash from operating activities, together with available borrowings under the Revolver, will be sufficient to permit us to meet our liquidity requirements over the next 12 months, including our debt repayments.

Failure to comply with our financial covenants or other terms of our Credit Facility and any subsequent failure to negotiate and obtain any required relief from our lenders could result in the acceleration of the maturity of all outstanding debt. Under these circumstances, the acceleration of our debt could have a material adverse effect on our business. We may seek from time to time to amend our Credit Facility or obtain other funding or additional financing, which may result in higher interest rates.

The Senior Notes

Simultaneously with entering into the Credit Facility on November 23, 2011, we issued the Senior Notes which mature on December 1, 2019 in the amount of $220.0 million. Interest on the Senior Notes is payable semi-annually in arrears on June 1 and December 1 of each year.

In addition to the parent, Entercom Communications Corp., all of our existing subsidiaries (other than Entercom Radio, LLC, which is a finance subsidiary and is the issuer of the Senior Notes), jointly and severally guaranteed the Senior Notes. Under certain covenants, our subsidiary guarantors are restricted from paying dividends or distributions in excess of amounts defined under the Senior Notes, and the subsidiary guarantors are limited in their ability to incur additional indebtedness under certain restrictive covenants.

A default under our Senior Notes could cause a default under our Credit Facility. Any event of default could have a material adverse effect on our business and financial condition.

Perpetual Convertible Preferred Stock

Upon the acquisition of Lincoln on July 16, 2015, we issued perpetual convertible preferred stock that ranks senior to common stock in our capital structure. The payment of dividends on the preferred stock and the repayment of the liquidation preference of the preferred stock will take preference over any dividends or other payments to our common stockholders. The preferred stock is convertible by Lincoln into a fixed number of shares after a three-year waiting period. At certain times (including the first three years after issuance), we can redeem the preferred shares in cash at a price of 100%. The dividend rate on the preferred stock increases over time from 6% to 12%.

Operating Activities

Net cash flows provided by operating activities were $19.9 million and $28.6 million for the six months ended June 30, 2015 and 2014, respectively. The cash flows from operating activities decreased primarily as a result of: (1) $3.8 million in merger and acquisition costs in 2015 associated with our acquisition of Lincoln; and (2) an increase in accounts receivable requirements of $3.4 million.

Investing Activities

Net cash flows used in investing activities were $4.8 million and $5.3 million for the six months ended June 30, 2015 and 2014, respectively.

For the six months ended June 30, 2015 and 2014, the cash used in investing activities primarily reflects the additions to property and equipment of $4.7 million and $4.8 million, respectively.

Financing Activities

Net cash flows used in financing activities were $3.0 million and $28.4 million for the six months ended June 30, 2015 and 2014, respectively.

For the six months ended June 30, 2015 the cash flows used in financing activities primarily reflect purchase of vested employee restricted stock units of $1.5 million and the reduction of our net borrowings of $1.5 million. For the six months ended 2014, the cash flows used in financing activities primarily reflect the reduction of our net borrowings of $27.5 million.

Dividends

We do not currently pay, and have not paid for the past several years, any dividends on our common stock. Any future dividends will be at the discretion of the Board of Directors based upon the relevant factors at the time of such consideration, including, without limitation, compliance with the restrictions set forth in our Credit Facility, the Indenture governing our Senior Notes and our issuance of new perpetual convertible preferred stock. The payment of dividends on the preferred stock and the repayment of the liquidation preference of the preferred stock will take preference over any dividends or other payments to our common stockholders.

Income Taxes

During the six months ended June 30, 2015, we paid a nominal amount in state income taxes. We anticipate that it will not be necessary to make any quarterly estimated federal or state income tax payments for the remainder of 2015 based upon available net operating loss carryovers, existing prepayments and expected quarterly income subject to tax.

Capital Expenditures

Capital expenditures for the six months ended June 30, 2015 were $4.7 million. We anticipate that total capital expenditures in 2015 will be between $7.5 million and $8.5 million.

Contractual Obligations

As of June 30, 2015, there have been no material changes from the contractual obligations listed in our Form 10-K for the year ended December 31, 2014, filed with the SEC on March 2, 2015.

Off-Balance Sheet Arrangements

As of June 30, 2015, we had no off-balance sheet arrangements, other than as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on March 2, 2015.

Lincoln Acquisition

On July 16, 2015, we completed our transaction to acquire under a Stock Purchase Agreement (SPA) with The Lincoln National Life Insurance Company the stock of one of its subsidiaries, Lincoln Financial Media Company (Lincoln), which indirectly holds the assets and liabilities of 15 radio stations serving the Atlanta, Denver, Miami and San Diego markets. The purchase price was $105.0 million of which $77.5 million was paid in cash and $27.5 million was paid with our issuance of new perpetual convertible preferred stock. The SPA, originally dated December 7, 2014 and subsequently amended on July 10, 2015, provides for a working capital credit to the Company of $2.7 million. Other than in Denver, the Company does not currently operate any other stations in these markets. The SPA provides for a step-up in basis for tax purposes. Merger and acquisition related costs of $3.8 million and $2.0 million were expensed as a separate line item in the statement of operations for the six and three months ended June 30, 2015, respectively. We used the proceeds from borrowings under our Revolver of $42.0 million and cash on hand to fund the cash portion of this transaction.

The Department Of Justice (DOJ) is one of several government agencies responsible for enforcing federal antitrust laws. In connection with our acquisition of Lincoln, we settled with the DOJ and agreed to divest certain Denver radio stations as described below under dispositions. In order to comply with the Federal Communications Commission s rules, one of the Denver radio stations to be divested, KKFN FM, is currently operating in a trust, of which we are the beneficiary.

Pending Exchange: Denver, Colorado, And Los Angeles, California

On July 10, 2015, we entered into an asset exchange agreement (AEA) with Bonneville International Corporation (Bonneville) to acquire a radio station in Los Angeles, California, together with additional consideration of approximately $5.0 million in exchange for four radio stations in Denver, Colorado. On July 17, 2015, we entered into two time brokerage agreements (TBAs). Pursuant to these TBAs, on July 17, 2015, we commenced operation of the Los Angeles station and Bonneville commenced operation of the Denver stations. During the period of the TBAs, we: (i) include net revenues and station operating expenses associated with our operation of the Los Angeles station in our consolidated financial statements; and (ii) exclude net revenues and station operating expenses associated with Bonneville s operation of the Denver stations in our consolidated financial statements. We will incur no TBA expense to Bonneville for operation of the Los Angeles station and we will receive $0.3 million of monthly TBA income from Bonneville.

The fair value of the assets to be acquired in exchange for the assets to be disposed of will be determined at a future time based upon an appraisal. We do not anticipate that cash will be required to complete our obligations under the AEA. Upon completion of the AEA, we will: (1) own one station in Los Angeles, a new market for us; and (2) continue to own and operate five radio stations in the Denver market. We expect that the AEA, which is subject to regulatory approval, will close in the second half of 2015.

Critical Accounting Policies

The SEC defines critical accounting policies as those that are most important to the portrayal of a company s financial condition and results and that require management s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

There have been no material changes to our critical accounting policies from the information provided in Part II, Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies, in our Annual Report on Form 10-K for the year ended December 31, 2014. We have, however, provided additional disclosures related to one of our critical accounting policies for impairment testing of radio broadcasting licenses and goodwill, as we conducted our annual impairment test of broadcasting licenses and goodwill during the second quarter of 2015.

Radio Broadcasting Licenses And Goodwill

We have made acquisitions in the past for which a significant amount of the purchase price was allocated to broadcasting licenses and goodwill assets. As of June 30, 2015, we have recorded approximately $758 million in radio broadcasting licenses and goodwill, which represents 80% of our total assets at that date. We must conduct impairment testing at least annually, or more frequently if events or changes in circumstances indicate that the assets might be impaired, and charge to operations an impairment expense in the periods in which the recorded value of these assets is more than their fair value. Any such impairment could be material. After an impairment expense is recognized, the recorded value of these assets will be reduced by the amount of the impairment expense and that result will be the assets new accounting basis. Our most recent impairment loss to our broadcasting licenses and goodwill was in 2012.

We believe our estimate of the value of our radio broadcasting licenses and goodwill assets is a critical accounting estimate as the value is significant in relation to our total assets, and our estimate of the value uses assumptions that incorporate variables based on past experiences and judgments about future performance of our stations.

Broadcasting Licenses Impairment Test

We perform our broadcasting license impairment test by using the direct method at the market level. Each market s broadcasting licenses are combined into a single unit of accounting for the purpose of testing impairment, as the broadcasting licenses in each market are operated as a single asset. We determine the fair value of broadcasting licenses in each of our markets by relying on a discounted cash flow approach (a 10-year income model) assuming a start-up scenario in which the only assets held by an investor are broadcasting licenses. Our fair value analysis contains assumptions based upon past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. These assumptions include, but are not limited to: (1) the discount rate; (2) the market share and profit margin of an average station within a market, based upon market size and station type; (3) the forecast growth rate of each radio market; (4) the estimated capital start-up costs and losses incurred during the early years; (5) the likely media competition within the market area; (6) a tax rate; and (7) future terminal values. Changes in our estimates of the fair value of these assets could result in material future period write-downs in the carrying value of our broadcasting licenses and goodwill assets.

The methodology used by us in determining our key estimates and assumptions was applied consistently to each market. Of the seven variables identified above, we believe that the first three (in items (1) through (3) above) are the most important and sensitive in the determination of fair value.

We completed our annual impairment test for broadcasting licenses during the second quarter of 2015 and determined that the fair value of the broadcasting licenses was more than the carrying value in each of our markets and, as a result, we did not record an impairment loss.

The following table reflects the estimates and assumptions used in 2015 as compared to the second quarter of 2014, the date of the most recent prior impairment test:

	Estimates And Assumptions	
	Second Quarter 2015	**Second Quarter 2014**
Discount rate	9.7%	9.6%
Operating profit margin ranges expected for average stations in the markets where the Company operates	25% to 40%	25% to 40%
Long-term revenue growth rate range of the Company s markets	1.5% to 2.0%	1.5% to 2.0%

We believe we have made reasonable estimates and assumptions to calculate the fair value of our broadcasting licenses; however, these estimates and assumptions could be materially different from actual results.

If actual market conditions are less favorable than those projected by the industry or by us, or if events occur or circumstances change that would reduce the fair value of our broadcasting licenses below the carrying value, we may be required to recognize impairment charges, which could be material, in future periods.

The table below presents the percentage within a range by which the fair value exceeded the carrying value of our radio broadcasting licenses as of June 30, 2015 for 20 units of accounting (20 geographical markets) where the carrying values of the licenses are considered material to our financial statements (three of our 23 markets are considered immaterial). Rather than presenting the percentage separately for each unit of accounting, management s opinion is that this table in summary form is more meaningful to the reader in assessing the recoverability of the broadcasting licenses. In addition, the units of accounting are not disclosed with the specific market name as such disclosure could be competitively harmful to us.

Table of Contents

	Units Of Accounting As Of June 30, 2015 Based Upon The Valuation As Of June 30, 2015 Percentage Range By Which Fair Value Exceeds The Carrying Value			
	0% To 5%	Greater Than 5% To 10%	Greater Than 10% To 15%	Greater Than 15%
Number of units of accounting	4	4		12
Carrying value (in thousands)	$ 220,224	$ 243,392	$	$ 253,568

Broadcasting Licenses Valuation At Risk

The second quarter 2015 impairment test of our broadcasting licenses indicated that there were eight units of accounting where the fair value exceeded their carrying value by 10% or less. In aggregate, these eight units of accounting have a carrying value of $463.6 million. If overall market conditions or the performance of the economy deteriorates, advertising expenditures and radio industry results could be negatively impacted, including expectations for future growth. This could result in future impairment charges for these or other of our units of accounting.

Goodwill Impairment Test

We perform our annual goodwill impairment test during the second quarter of each year by evaluating our goodwill for each reporting unit. We determined that a radio market is a reporting unit and, in total, we assessed goodwill at 19 separate reporting units (four of our 23 reporting units have no goodwill recorded as of June 30, 2015). If the fair value of any reporting unit is less than the amount reflected in the balance sheet, an indication exists that the amount of goodwill attributed to a reporting unit may be impaired, and we are required to perform a second step of the impairment test. In the second step, we compare the amount reflected in the balance sheet to the implied fair value of the reporting unit s goodwill, determined by allocating the reporting unit s fair value to all of its assets and liabilities in a manner similar to a purchase price allocation.

To determine the fair value, we use a market approach and, when appropriate, an income approach for each reporting unit. The market approach calculates the fair value of each market s radio stations by analyzing recent sales and offering prices of similar properties expressed as a multiple of cash flow. The income approach utilizes a discounted cash flow method by projecting the subject property s income over a specified time and capitalizing at an appropriate market rate to arrive at an indication of the most probable selling price.

In step one of our goodwill analysis, we considered the results of the market and, where appropriate, the income approach in computing the fair value of our reporting units. In the market approach, we applied an estimated market multiple of between seven and a half times and eight times to each reporting unit s operating performance to calculate the fair value. This multiple was consistent with the multiple applied to all markets in the second quarter of 2014. We also utilized the discounted cash flow method to calculate the fair value of the reporting unit. Management believes that these approaches are an appropriate measurement given the current market valuations of broadcast radio stations together with historical market transactions, including those in recent months. Factors contributing to the determination of the reporting unit s operating performance were historical performance and management s estimates of future performance.

Table of Contents

The following table reflects certain key estimates and assumptions that applied to our markets and were used in the second quarter of 2015 and in the second quarter of 2014, the date of the most recent prior impairment test:

	Second Quarter 2015	Second Quarter 2014
Discount rate	9.7%	9.6%
Long-term revenue growth rate range of the Company s markets	1.5% to 2.0%	1.5% to 2.0%
Market multiple used in the market valuation approach	7.5x to 8.0x	7.5x to 8.0x

The results of step one indicated that it was not necessary to perform the second step analysis in any of the markets tested. As a result of the step one test, no impairment loss was recorded during the second quarter of 2015. We performed a reasonableness test by comparing the fair value results for goodwill (by using the implied multiple based on our consolidated cash flow performance and our current stock price) to prevailing radio broadcast transaction multiples.

If actual market conditions are less favorable than those projected by the industry or us, or if events occur or circumstances change that would reduce the fair value of our goodwill below the amount reflected in the balance sheet, we may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

The table below presents the percentage within a range by which the fair value exceeded the carrying value of the reporting unit as of June 30, 2015 for 19 reporting units under step one of the goodwill impairment test during the second quarter of 2015. Rather than presenting the percentage separately for each reporting unit, management s opinion is that this table in summary form is more meaningful to the reader in assessing the recoverability of the reporting unit, including goodwill. In addition, the reporting units are not disclosed with the specific market name as such disclosure could be competitively harmful to us.

	Reporting Units As Of June 30, 2015 Based Upon The Valuation As Of June 30, 2015 Percentage Range By Which Fair Value Exceeds Carrying Value			
	0% To 5%	**Greater Than 5% To 10%**	**Greater Than 10% To 15%**	**Greater Than 15%**
Number of reporting units	2	3	1	13
Carrying value (in thousands)	$ 175,379	$ 189,118	$ 8,968	$ 383,740

Goodwill Valuation At Risk

The second quarter 2015 impairment test of our goodwill indicated that there were five reporting units that exceeded the carrying value by 10% or less. In aggregate, these three reporting units have a carrying value of $364.5 million, of which $10.8 million is goodwill. Future impairment charges may be required on these, or other of our reporting units, as the discounted cash flow and market-based models are subject to change based upon our performance, our stock price, peer company performance and their stock prices, overall market conditions, and the state of the credit markets.

Sensitivity Of Key Broadcasting Licenses And Goodwill Assumptions

If we were to assume a 100 basis point change in certain of our key assumptions (a reduction in the long-term revenue growth rate, a reduction in the operating performance cash flow margin and an increase in the weighted average cost of capital) used to determine the fair value of our broadcasting licenses and goodwill using the income approach during the second quarter of 2015, the following would be the incremental impact:

Sensitivity Analysis [1]

	Results Of Long-Term Revenue Growth Rate Decrease	Results Of Operating Performance Cash Flow Margin Decrease	Results Of Weighted Average Cost Of Capital Increase
	(amounts in thousands)		
Broadcasting Licenses			
Incremental broadcasting licenses impairment	$ 18,929	$ 4,631	$ 46,718
Goodwill [2]			
Incremental goodwill impairment	$ 4,246	$	$ 20,081

(1) Each assumption used in the sensitivity analysis is independent of the other assumptions.

(2) The sensitivity goodwill analysis is computed using data from testing goodwill using the income approach under step 1.

To determine the radio broadcasting industry s future revenue growth rate, management uses publicly available information on industry expectations rather than management s own estimates, which could be different. In addition, these long-term market growth rate estimates could vary in each of our markets. Using the publicly available information on industry expectations, each market s revenues were forecasted over a ten-year projection period to reflect the expected long-term growth rate for the radio broadcast industry, which was further adjusted for each of our markets. If the industry s growth is less than forecasted, then the fair value of our broadcasting licenses could be negatively impacted.

Operating profit is defined as profit before interest, depreciation and amortization, income tax and corporate allocation charges. Operating profit is then divided by broadcast revenues, net of agency and national representative commissions, to compute the operating profit margin. For the broadcast license fair value analysis, the projections of operating profit margin that are used are based upon industry operating profit norms, which reflect market size and station type. These margin projections are not specific to the performance of our radio stations in a market, but are predicated on the expectation that a new entrant into the market could reasonably be expected to perform at a level similar to a typical competitor. For the goodwill fair value analysis, the projections of operating margin for each market are based on our actual historical performance. If the outlook for the radio industry s growth declines, then operating profit margins in both the broadcasting license and goodwill fair value analyses would be negatively impacted, which would decrease the value of those assets.

The discount rate to be used by a typical market participant reflects the risk inherent in future cash flows for the broadcast industry. The same discount rate was used for each of our markets. The discount rate is calculated by weighting the required returns on interest-bearing debt and common equity capital in proportion to their estimated percentages in an expected capital structure. The capital structure was estimated based upon data available for publicly traded companies in the broadcast industry.

ITEM 3. Quantitative And Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates on our variable rate senior debt (the Term B Loan and Revolver). If the borrowing rates under London Interbank Offered Rate (LIBOR) were to increase 1% above the current rates as of June 30, 2015, our interest expense on: (1) our Term B Loan would increase $0.4 million on an annual basis as our Term Loan provides for a minimum LIBOR floor; and (2) our Revolver would increase by $0.5 million, assuming our entire Revolver was outstanding as of June 30, 2015. From time to time, we may seek to limit our exposure to interest rate volatility through the use of interest rate hedging instruments.

Assuming LIBOR remains flat, interest expense in 2015 is expected to be higher due to the increase in our outstanding debt upon which interest is computed as a result of our transaction with Lincoln on July 16, 2015.

As of June 30, 2015, there were no interest rate hedging transactions outstanding.

From time to time, we invest in cash equivalents that are money market instruments consisting of short-term government securities and repurchase agreements that are fully collateralized by government securities. When such investments are made, we do not believe that we have any material credit exposure with respect to these assets. As of June 30, 2015, we did not have any investments in money market instruments.

Our credit exposure related to our accounts receivable does not represent a significant concentration of credit risk due to the quantity of advertisers, the minimal reliance on any one advertiser, the multiple markets in which we operate and the wide variety of advertising business sectors.

See also additional disclosures regarding liquidity and capital resources made under Liquidity and Capital Resources in Part 1, Item 2, above.

ITEM 4. Controls And Procedures

Evaluation Of Controls And Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) that are designed to ensure that: (i) information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms; and (ii) such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our President/Chief Executive Officer and Executive Vice President/Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

Changes In Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

OTHER INFORMATION

ITEM 1. Legal Proceedings

There were no material developments relating to the legal proceedings described in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission on March 2, 2015.

ITEM 1A. Risk Factors

There have been no material changes to the Risk Factors described in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission on March 2, 2015.

ITEM 2. Unregistered Sales Of Equity Securities And Use Of Proceeds

The following table provides information on our repurchases during the quarter ended June 30, 2015:

Period [1]	(a) Total Number Of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number Of Shares Purchased As Part Of Publicly Announced Plans Or Programs	(d) Maximum Approximate Dollar Value Of Shares That May Yet Be Purchased Under The Plans Or Programs
April 1, 2015 - April 30, 2015	9,489	$ 12.96		$
May 1, 2015 - May 31, 2015	4,317	$ 11.44		$
June 1, 2015 - June 30, 2015	866	$ 11.38		$
Total	14,672			

(1) As a result of our withholding shares to satisfy employee tax obligations related to the vesting of restricted stock units during the three months ended June 30, 2015, we are deemed to have repurchased the following shares

withheld to satisfy employees tax obligations: 9,489 shares at an average price of $12.96 per share in April 2015; 4,317 shares at an average price of $11.44 per share in May 2015 and 866 shares at an average price of $11.38 in June 2015. These shares are included in the table above.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

N/A

ITEM 5. Other Information

None.

ITEM 6. Exhibits

Exhibit Number	Description
3.01	Amended and Restated Articles of Incorporation of the Entercom Communications Corp. as further amended on December 19, 2007 and May 15, 2009. (1)
3.02	Amended and Restated Bylaws of the Entercom Communications Corp. (2)
3.03	Statement with Respect to Shares, filed with the Pennsylvania Department of State on July 16, 2015. (3) (Originally filed as Exhibit 3.1)
4.01	Credit Agreement, dated as of November 23, 2011, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (4) (Originally filed as Exhibit 4.1)
4.02	First Amendment to Credit Agreement, dated as of November 27, 2012, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (5) (Originally filed as Exhibit 4.02)
4.03	Second Amendment to Credit Agreement, dated as of December 2, 2013, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (6) (Originally filed as Exhibit 4.03)
4.04	Indenture, dated as of November 23, 2011, by and among Entercom Radio, LLC, as the Issuer, the Note Guarantors (as defined therein) and Wilmington Trust, National Association, as trustee. (4) (Originally filed as Exhibit 4.2)
4.05	Form of Note. (4) (Originally filed as Exhibit 4.3)
4.06	Registration Rights Agreement, dated July 16, 2015, by and between Entercom Communications Corp. and The Lincoln National Life Insurance Company. (3) (Originally filed as Exhibit 4.1)
10.01	Entercom Non-Employee Director Compensation Policy adopted February 19, 2015. (7)
31.01	Certification of President and Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a), as created by Section 302 of the Sarbanes-Oxley Act of 2002. (8)
31.02	Certification of Executive Vice President and Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a), as created by Section 302 of the Sarbanes-Oxley Act of 2002. (8)
32.01	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002. (9)
32.02	Certification of Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002. (9)
101.INS	XBRL Instance Document (8)
101.SCH	XBRL Taxonomy Extension Schema Document (8)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (8)
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (8)

101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (8)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (8)

(1) Incorporated by reference to Exhibit 3.01 of our Amendment to Registration Statement on Form S-1, as filed on January 27, 1999 (File No. 333-61381), Exhibit 3.1 of our Current Report on Form 8-K as filed on December 21, 2007 and Exhibit 3.02 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as filed on August 5, 2009.
(2) Incorporated by reference to Exhibit 3.01 of our Current Report on Form 8-K as filed on February 21, 2008.
(3) Incorporated by reference to an exhibit (as indicated above) to our Current Report on Form 8-K filed on July 17, 2015.
(4) Incorporated by reference to an exhibit (as indicated above) to our Current Report on Form 8-K filed on November 25, 2011.
(5) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2012, as filed on February 27, 2013.

Table of Contents

(6) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2013, as filed on March 3, 2014.
(7) Incorporated by reference to Exhibit 10.01 to our Current Report on Form 8K as filed on February 19, 2015.
(8) Filed herewith.
(9) These exhibits are submitted herewith as accompanying this Quarterly Report on Form 10-Q and shall not be deemed to be filed as part of such Quarterly Report on Form 10-Q.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	ENTERCOM COMMUNICATIONS CORP.
	(Registrant)
Date: August 7, 2015	/S/ David J. Field Name: David J. Field Title: President and Chief Executive Officer (principal executive officer)
Date: August 7, 2015	/S/ Stephen F. Fisher Name: Stephen F. Fisher Title: Executive Vice President and Chief Financial Officer (principal financial officer)

EXHIBIT INDEX

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10.01	Entercom Non-Employee Director Compensation Policy adopted February 19, 2015. (7)
31.01	Certification of President and Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a), as created by Section 302 of the Sarbanes-Oxley Act of 2002. (8)
31.02	Certification of Executive Vice President and Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a), as created by Section 302 of the Sarbanes-Oxley Act of 2002. (8)
32.01	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002. (9)
32.02	Certification of Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002. (9)
101.INS	XBRL Instance Document (8)
101.SCH	XBRL Taxonomy Extension Schema Document (8)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (8)

101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (8)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (8)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (8)

(1) Incorporated by reference to Exhibit 3.01 of our Amendment to Registration Statement on Form S-1, as filed on January 27, 1999 (File No. 333-61381), Exhibit 3.1 of our Current Report on Form 8-K as filed on December 21, 2007 and Exhibit 3.02 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as filed on August 5, 2009.
(2) Incorporated by reference to Exhibit 3.01 of our Current Report on Form 8-K as filed on February 21, 2008.
(3) Incorporated by reference to an exhibit (as indicated above) to our Current Report on Form 8-K filed on July 17, 2015.
(4) Incorporated by reference to an exhibit (as indicated above) to our Current Report on Form 8-K filed on November 25, 2011.
(5) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2012, as filed on February 27, 2013.

(6) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2013, as filed on March 3, 2014.

(7) Incorporated by reference to Exhibit 10.01 to our Current Report on Form 8K as filed on February 19, 2015.

(8) Filed herewith.

(9) These exhibits are submitted herewith as accompanying this Quarterly Report on Form 10-Q and shall not be deemed to be filed as part of such Quarterly Report on Form 10-Q.