

Radio One Posts Major Losses - Blames LA Hip Hop Station

Written by Davey D and Jeffrey Yorke ID3472
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Next time some industry blow hard tells you that record sales are down because of downloads ask him to explain the low ratings that are being posted up by some of these radio stations. Are people downloading radio signals as well? Hell No! What's going on is that folks are just tired of the bullsh*t music that they keep playing over and over again. One should note that all the Hip Hop stations in LA have fallen out of the top 10 not because people don't like Hip Hop, they simply don't like the narrow selection being offered by these stations. If you don't believe me, check out the sold out Paid Dues show in San Bernadino this weekend and you'll see Hip Hop is alive and well. None of the hip hop or rap groups on the bill are played on the radio...

Before the KKBT changed format to Adult R&B, the station was supposedly "playing the hits" as a way to attract listeners, but hits for who? is the big question. You can only bling bling so much in a song. Time for folks to change up or more losses will come down the pipe for these outlets.

Davey D

Radio One Loses \$23 Million In Q4 2006 As Revenues Fall

By Jeffrey Yorke

Urban media specialist Radio One said Wednesday that its preliminary fourth-quarter net loss totaled \$22.9 million, or 23 cents a share, off from net earnings of nearly \$10 million, or 10 cents a share, during the same period in 2005. The Lanham, Md.-based operation said its net broadcast revenues slipped to \$86.2 million, down from \$90.6 million.

During a conference call after markets closed Wednesday, Radio One president and CEO Alfred Liggins blamed the revenue drop on the "downward trend in traditional advertisement spending," "another soft quarter for the radio industry" and on a lackluster performance from the company's workhorse KKBT-FM/Los Angeles.

KKBT once generated a rating as high as 3.8 among 12-plus listeners but last year fell to about

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a one share, Liggins said during the teleconference. "Our problems are truly isolated to one market: Los Angeles," he said, "given the significant changes we implemented at our L.A. station late last year."

KKBT has been reformatted from urban "the Beat" to urban AC "V100" to target the 24-54 age group and is on the rebound, Liggins said. He told Wachovia analyst Bishop Cheen that he expects to see the changes pay off with greater success for the station no sooner than "18 to 24 months."

"I am confident that that market will be a growth driver for us in the not too distant future," Liggins said. "The early research is very positive, and we have a great team in place out there."

Radio One reported that net broadcast revenue was approximately \$89.2 million, down 2% from the same period in 2005. Station operating income was approximately \$39.7 million, down 9%, while adjusted EBITDA was approximately \$33.5 million, a decrease of 9% from the same period in 2005. Operating income was approximately \$29.4 million, off 2% from 2005. Net loss applicable to common stockholders was approximately \$22.9 million, or 23 cents per diluted share.

The company reminded investors that all the results reported are presented without taking into account any adjustments that will be required in connection with the anticipated restatement and should be considered preliminary until Radio One files its Form 10-K for the year ended Dec. 31, 2006. The company is currently being investigated by the SEC concerning the method it used to distribute stock options to employees from May 5, 1999 through 2005.