CUMULUS MEDIA INC
Form 424B5
October 10, 2013
Table of Contents

Index to Financial Statements

Filed pursuant to Rule 424(b)(5)
SEC File No. 333-191439

PROSPECTUS SUPPLEMENT

(To prospectus dated October 7, 2013)

16,400,000 Shares

Cumulus Media Inc.

Class A Common Stock

We are offering 16,400,000 shares of our Class A common stock. Our Class A common stock is traded on the NASDAQ Global Select Market under the symbol CMLS. On October 9, 2013, the last sale price of our Class A common stock as reported on the NASDAQ Global Select Market was $5.10 per share.

	Per share	Total
Public offering price	$ 5.0000	$ 82,000,000
Underwriting discounts and commissions	$ 0.2375	$ 3,895,000
Proceeds, before expenses, to us	$ 4.7625	$ 78,105,000

We have granted the underwriters a 30-day option to purchase up to 2,460,000 additional shares of our Class A common stock.

Investing in our Class A common stock involves a high degree of risk. See Risk Factors beginning on page S-13 of this prospectus supplement and on page 3 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of Class A common stock to purchasers on or about October 16, 2013.

Sole Book-Running Manager

RBC CAPITAL MARKETS

Co-Managers

Macquarie Capital **CRT Capital** **Noble Financial Capital Markets**

The date of this prospectus supplement is October 9, 2013.

Table of Contents

Index to Financial Statements

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

We and the underwriters have not authorized any person to provide you with any information other than the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus we provide to you that is required to be filed with the Securities and Exchange Commission, or SEC. We and the underwriters take no responsibility for, and provide no assurance as to the reliability of, any other information that others may give to you. We and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus, as well as the information we previously filed with the SEC that is incorporated by reference in this prospectus supplement or the accompanying prospectus, is accurate as of any date other than its respective date.

Table of Contents

Index to Financial Statements

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement and the information incorporated by reference herein, which, among other things, describes the specific terms of this offering and adds to and updates the information contained in the accompanying prospectus. The second part is the accompanying prospectus and the information incorporated by reference therein, which, among other things, provides more general information about the Company and its business, some of which may not apply to this offering. If any information varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Additional information about us is incorporated in this prospectus supplement by reference to certain of our filings with the SEC. You are urged to read carefully this prospectus supplement and the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus supplement, including the risk factors and other cautionary statements described under the heading Risk Factors included elsewhere in this prospectus supplement and in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2012, before deciding whether to invest in our Class A common stock. See Where You Can Find More Information and Incorporation of Certain Documents by Reference in this prospectus supplement.

References in this prospectus supplement to the terms we, us, our, Cumulus, the Company or other similar terms mean Cumulus Media Inc., including our consolidated subsidiaries, unless we state otherwise or the context indicates otherwise.

We use the term local marketing agreement, or LMA, in this prospectus supplement. In a typical LMA, the licensee of a radio station makes available, for a fee and reimbursement of its expenses, airtime on its station to a party which supplies programming to be broadcast during that airtime, and collects revenues from advertising aired during such programming. In addition to entering into LMAs, we from time to time enter into management or consulting agreements that provide us with the ability, as contractually specified, to assist current owners in the management of radio station assets, subject to Federal Communications Commission, or FCC, approval. In such arrangements, we generally receive a contractually specified management fee or consulting fee in exchange for the services provided.

The data included or incorporated by reference into this prospectus regarding markets, ranking and forecasts, including the size of certain markets and our positions, the positions of other market participants and the position of our competitors within these markets, are based on published industry sources and estimates based on our management s knowledge and experience. Unless otherwise indicated, as disclosed herein:

- we obtained total radio industry listener and revenue levels from the Radio Advertising Bureau;
- we derived historical market revenue statistics and market revenue share percentages from data published by Miller Kaplan, Arase & Co., LLP, a public accounting firm that specializes in serving the broadcasting industry and BIA Financial Network, Inc., or BIA, a media and telecommunications advisory services firm; and
- we derived all audience share data and audience rankings, including ranking by population, except where otherwise stated to the contrary, from surveys of people ages 12 and over, listening Monday through Sunday, 6 a.m. to 12 midnight, and based on the Arbitron Market Report.

While we are not aware of any misstatements regarding any market, industry or similar data presented herein, we have not independently verified any such third-party data, and such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the headings Forward-Looking Statements and Risk Factors in and incorporated by reference into this prospectus supplement and the accompanying prospectus.

Table of Contents

Index to Financial Statements

This prospectus supplement may include trademarks, service marks or trade names of other companies. Our use or display of other parties trademarks, service marks, trade names or products is not intended to, and does not imply a relationship with, or endorsement or sponsorship of us by, the trademark, service mark or trade name owners.

FORWARD-LOOKING STATEMENTS

This prospectus supplement contains and incorporates by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, which we refer to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, which we refer to as the Exchange Act. For purposes of federal and state securities laws, forward-looking statements are all statements other than those of historical fact and are typically identified by the words believes, expects, anticipates, continues, intends, likely, may, plans, potential, should, expressions, whether in the negative or the affirmative. These statements include statements regarding the intent, belief or current expectations of Cumulus and its directors and officers with respect to, among other things, future events, financial results and financial trends expected to impact Cumulus.

Such forward-looking statements are and will be, as the case may be, subject to change and subject to many risks, uncertainties and other factors relating to our operations and business environment, which may cause our actual results to be materially different from any future results, expressed or implied, by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following:

- the possibility that we may be unable to achieve certain expected revenue results, including as a result of unexpected factors or events;
- our ability to execute our business plan and strategy;
- our ability to execute and implement our acquisition and divestiture strategies;
- the possibility that we may be unable to achieve cost-saving or operational synergies in connection with any acquisitions or business improvements, or achieve them within the expected time periods;
- general economic or business conditions affecting the radio broadcasting industry being less favorable than expected, including the impact of decreased spending by advertisers;
- our ability to attract, motivate and/or retain key executives and associates;
- increased competition in the radio broadcasting industry;
- the impact of current or pending legislation and regulations, antitrust considerations, and pending or future litigation or claims;
- changes in regulatory or legislative policies or actions or in regulatory bodies;

changes in uncertain tax positions and tax rates;

changes in the financial markets;

changes in capital expenditure requirements;

changes in market conditions that could impair our goodwill or intangible assets;

changes in interest rates; and

other risks and uncertainties.

Table of Contents

Index to Financial Statements

Many of these factors are beyond our control or are difficult to predict, and their ultimate impact could be material. We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date of this prospectus supplement in the case of forward-looking statements contained in this prospectus supplement, the date of the prospectus in the case of forward-looking statements contained in the prospectus, or the dates of the documents incorporated by reference in this prospectus supplement or the accompanying prospectus in the case of forward-looking statements made in those incorporated documents. Except as may be required by law, we do not undertake any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

Table of Contents

Index to Financial Statements

SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, but does not contain all the information you will need in making your investment decision. You should read carefully this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, especially the risks of investing in our Class A common stock discussed under Risk Factors. See also Where You Can Find More Information and Incorporation of Certain Documents by Reference.

The Company

Our Business

We own and operate commercial radio station clusters throughout the United States, and we believe we are the largest pure-play radio broadcaster in the United States based on number of stations owned and operated. At June 30, 2013, we owned or operated approximately 520 radio stations (including under LMAs for 14 radio stations) in 108 United States media markets. Additionally, we create audio content and partner with third parties to create audio content to support nationwide radio networks serving over 5,500 affiliates. Our combined portfolio of stations reaches over 65 million broadcast listeners weekly through a broad assortment of programming formats including rock, sports, top 40 and country, among others. Furthermore, we distribute our content digitally through radio station websites, mobile applications, or apps, and streaming video.

Operating Overview

We believe that we have created a leading radio broadcasting company with a true national platform and an opportunity to further leverage and expand upon our strengths, market presence and programming. Specifically, we have an extensive radio station portfolio consisting of approximately 520 radio stations, including a presence in eight of the top 10 markets, and broad diversity in format, listener base, geography, advertiser base and revenue stream, all of which are designed to reduce our dependence on any single demographic, region or industry. Our nationwide radio network platform generates premium content that can be distributed through both broadcast and digital mediums. Our scale allows more significant investments in the local digital media marketplace enabling us to leverage our local digital platforms and strategies, including our social commerce initiatives across additional markets. We believe our national platform perspective will allow us to optimize our available advertising inventory while providing holistic and comprehensive solutions for our customers.

Industry Overview

The primary source of revenues for radio stations is the sale of advertising time to local, regional and national spot advertisers, and national network advertisers. National network advertisers place advertisements on a national network show and such advertisements air in each market where the network has an affiliate. Over the past ten years, radio advertising revenue has represented 8% to 10% of the overall United States advertising market, and typically follows macroeconomic growth trends. In 2012, radio advertising revenues reached $16.5 billion.

Table of Contents

Index to Financial Statements

Generally, radio is considered an efficient, cost-effective means of reaching specifically identified demographic groups. Stations are typically classified by their on-air format, such as country, rock, adult contemporary, oldies and news/talk. A station s format and style of presentation enables it to target specific segments of listeners sharing certain demographic features. By capturing a specific share of a market s radio listening audience with particular concentration in a targeted demographic, a station is able to market its broadcasting time to advertisers seeking to reach a specific audience. Advertisers and stations use data published by audience measuring services, such as Arbitron, to estimate how many people within particular geographical markets and demographics listen to specific stations.

The number of advertisements that can be broadcast by a station without jeopardizing listening levels and the resulting ratings is limited in part by the format of a particular station and the local competitive environment. Although the number of advertisements broadcast during a given time period may vary, the total number of advertisements broadcast on a particular station generally does not vary significantly from year to year.

A station s local sales staff generates the majority of its local and regional advertising sales through direct solicitations of local advertising agencies and businesses. To generate national advertising sales, a station usually will engage a firm that specializes in soliciting radio-advertising sales on a national level. Stations also may engage directly with an internal national sales team that supports the efforts of third-party representatives. National sales representatives obtain advertising principally from advertising agencies located outside the station s market and receive commissions based on the revenue from the advertising they obtain.

Our stations compete for advertising revenue with other broadcast radio stations in their particular market as well as with other media, including newspapers, broadcast television, cable television, magazines, direct mail, coupons and outdoor advertising. In addition, the radio broadcasting industry is subject to competition from services that use new media technologies that are being developed or have already been introduced, such as the internet and satellite-based digital radio services. Such services may reach regional and nationwide audiences with multi-channel, multi-format, digital radio services.

We cannot predict how existing, new or any future generated sources of competition will affect our performance and results of operations. The radio broadcasting industry historically has grown over the long term despite the introduction of new technologies for the delivery of entertainment and information, such as television broadcasting, cable television, audio tapes, compact discs, iPods and other similar devices, as well as streaming Internet music providers. We believe population growth and greater availability of radios, particularly car and portable radios, when combined with increased travel and commuting time, have contributed to this growth. There can be no assurance, however, that the development or introduction in the future of any new media technology will not have a material adverse effect on the radio broadcasting industry in general or our stations in particular.

Business Strategies

Our operating strategy is based upon the following principles that we expect will continue to position us for future growth and increase stockholder value:

Focus on unique brands.
We view each of our radio stations and network content assets as a unique brand that serves a local and distinct community of listeners. Our business model is designed to offer local businesses access to each of our stations communities of listeners through the sale of advertising time. To drive sales growth, we structure and incentivize our sales organization to create demand through increased coverage and access to

S-2

Table of Contents

Index to Financial Statements

sophisticated productivity tools, such as our proprietary customer relationship management system, market research and listener databases, as well as continuously updated training and presentation materials and extensive client-focused marketing support. As we grow, organically and through acquisitions, we believe this focused model will be scalable, allowing us to continue to provide a high level of customer service and further expand our advertiser base.

Further leverage our operating efficiencies.
We utilize a scalable, enterprise-wide, proprietary management system and technology platform to run our business, which we believe is a competitive advantage. As a result of our experienced management team and the benefits derived from our technology platform, we intend to continue to maximize this structural competitive advantage across our business. As we continue to grow both organically and through acquisitions, we expect process management and operating efficiency to remain at the core of our culture, leading to continued improvement in, among other things, our expense management and our ability to realize meaningful synergies from such growth.

Leverage experience in the application of uniform systems and practices.
Our management team has significant experience in acquisition integration, and the consistent application of our proprietary systems in such integration. Our success is partly based on adhering to a set of time-proven fundamentals and processes to run and manage our business, which we have standardized throughout our portfolio of stations. We believe that as we grow, organically and through acquisitions, we will continue to implement our systems and technology platform across our business, and obtain additional benefits from increased purchasing power, scale and supplier relationships. We believe our culture promotes the identification and recognition of best practices in all functional areas, which are then evaluated, tested and, upon acceptance, rolled out across our portfolio of stations.

Enhance operating performance across our portfolio of radio stations to drive efficiencies through scale.
Our business is designed to drive local sales growth and reduce costs at each radio station. We believe that in doing so, we are able to provide a higher level of service to the existing customer base at those stations in addition to expanding the advertiser base, which we believe enables us to continue to grow in those markets.

Maintain our financial discipline.
We seek to maintain a strong balance sheet and have focused on enhancing our strong free cash flow to de-leverage. In addition, from time to time, we use derivative financial instruments to mitigate fluctuations in interest rates. We also continually seek to identify and implement cost savings at each of our stations and the stations to which we provide services. To that end, we believe our overall size benefits each station with respect to negotiating favorable terms with programming suppliers and other vendors.

Pursue opportunistic acquisitions.
We believe the familiarity of our management team with the industry enables us to identify attractive acquisition opportunities. We selectively pursue opportunities where we believe we can enhance value and performance. We view these acquisitions as an important component of our business strategy and intend to selectively pursue future acquisitions on attractive terms that complement our strategy and help us achieve further economies of scale. We believe there are enormous benefits to achieving scale in order to compete in the radio industry, where advertisers have choices and are looking for integrated solutions with ease of execution.

Table of Contents

Index to Financial Statements

Pursue opportunities to expand and diversify our business.
As part of our overall strategy, we selectively evaluate opportunities that have synergies with our core business and add incremental growth opportunities that help to diversify our platform. These opportunities exist in a variety of content verticals both in and out of traditional broadcast radio and are focused on creating a comprehensive experience for our listening audience, as well as offering our advertisers greater flexibility and reach. These growth initiatives may arise out of strategic partnerships, joint ventures or targeted investments, and we believe our scale and management expertise will allow us to intelligently develop and execute on expansion opportunities.

Competitive Strengths

We believe our prior success is, and our future performance will be, directly related to the following combination of strengths that will enable us to implement our strategies:

Large pure-play radio broadcasting company in the United States with a broad national reach.
Currently, we offer advertisers access to a broad portfolio of 520 stations, comprised of 72 large market and 448 small and mid-sized market stations in 108 United States media markets. Our stations cover a wide variety of programming formats, geographic regions, audience demographics and advertising clients. We believe this scale and diversity allows us to offer advertisers the ability to customize advertising campaigns on a national, regional and local basis through broadcast, digital and mobile mediums. We believe this capability enables us to compete effectively with other media to reach our broad and diverse listener and customer base.

We also own one of the largest radio networks in the United States. With approximately 5,500 station affiliates and 9,000 program affiliations, this radio network, combined with our radio station platform, reaches approximately 65 million listeners a week, and provides a national platform to more effectively and efficiently compete for advertising dollars. In addition, this national network platform provides access to targeted and more diverse demographics and age groups to better meet our customers needs and allow for more focused marketing. Our sales team has the ability to consolidate advertising time across our affiliate network, create an aggregated inventory and divide it into packages focused on specific demographics that can be sold to national advertisers looking to reach specific national or regional audiences across all of the radio network affiliates.

Diversified customer base and geographic mix.
We generate substantially all of our revenue from the sale of advertising time to a broad and diverse customer base. We sell our advertising time both nationally and locally through an integrated sales approach that ranges from traditional radio spots to non-traditional sales programs, including on-line couponing and various on-air and internet-related integrated marketing programs.

Our advertising exposure is highly diversified across a broad range of industries, which lessens the impact of the economic conditions applicable to any one specific industry or customer group. Our top industry segments by advertising volume include automotive, restaurants, entertainment, financial, and communications. Due to the localized nature of our business, we have a broad distribution of advertisers across all of our stations. Our geographic reach extends to 108 markets from coast to coast.

Industry-leading margins.
We operate as an integrated business and benefit from leveraging costs and relationships across our markets, all of which allow us to generate strong margins. We have developed a proprietary management system and technology platform that creates operating efficiencies through centralized management

Table of Contents

Index to Financial Statements

functions such as strategic planning, finance, corporate development, financial reporting, expense management, information systems and quality control. This management system consists of web-based applications that were designed to create maximum efficiency while increasing our management s level and span of control.

Leveraging network to create content.
We have over 5,500 broadcast affiliates served by our growing nationwide network. We believe there are growth opportunities in news/talk, sports and traffic content offerings with shared risk and revenue relationships. The content we create is distributed domestically to broadcast and digital platforms, with potential for expansion into other mediums such as television and print, as well as internationally.

Strong technology platform.
Our recent acquisitions and partnerships strategically complement our core terrestrial radio business to help exploit our best-in-class technology platform and operating systems across a much larger platform. Additionally, our in-house technology solutions help to manage costs across our whole network.

Strong and experienced management team.
We have an experienced management team with an average of 27 years of experience in the radio industry. Lew Dickey, our co-founder, Chairman, President and Chief Executive Officer, John Dickey and John Pinch, our co-Chief Operating Officers, Richard Denning, our Senior Vice President, Secretary and General Counsel and J.P. Hannan, our Chief Financial Officer, have been with us for 16, 15, 12, 11 and five years, respectively. Additionally, other members of our senior management team held leadership positions at various media companies, including ABC, Jefferson-Pilot and Clear Channel.

Recent Developments

Pending Acquisition of Dial Global (now known as WestwoodOne)

On August 30, 2013, Cumulus announced that it had entered into an agreement to acquire Dial Global, Inc., now known as WestwoodOne, which we refer to as Dial Global, an independent, full-service radio network company offering news, sports, formats, prep services, talk and music programming, jingles and imaging, and special events, as well as national advertising sales representation, or the Dial Global Acquisition. The Dial Global Acquisition is expected to add sports, news, talk, music and programming services content enabling Cumulus to provide an even broader array of programming content to approximately 10,000 U.S. radio stations, other media platforms and international platforms. New content to be acquired through the Dial Global Acquisition will include NFL, NCAA, NASCAR, Olympics, AP Radio News, NBC News and other popular programming. For the year ended December 31, 2012, Dial Global reported revenues of $239.0 million and an operating loss of $124.2 million (which operating loss reflected goodwill impairment of $92.2 million, depreciation and amortization of $23.4 million, restructuring and other charges of $13.3 million and non-cash stock compensation expense of $6.6 million).

Pursuant to the Dial Global Acquisition, Dial Global will become a wholly owned subsidiary of the Company and, in connection therewith, all of the issued and outstanding shares of capital stock of Dial

Table of Contents

Index to Financial Statements

Global will be automatically cancelled and converted into the right to receive an aggregate of approximately $45 million in cash, and Dial Global will repay all of its outstanding indebtedness, including approximately $215 million with cash from Cumulus. Cumulus expects to fund the purchase price to complete the Dial Global Acquisition with proceeds from its sale of stations in the Townsquare Transaction.

Completion of the Dial Global Acquisition is subject to various customary closing conditions, as well as regulatory approval by the FCC, the absence of a material adverse effect on Dial Global s business prior to closing, and the completion of the Townsquare Transaction.

Townsquare Transaction

Also on August 30, 2013 Cumulus entered into an agreement with Townsquare Media, LLC, or Townsquare pursuant to which it agreed to sell to Townsquare 53 radio stations in 12 small and mid-sized markets for approximately $238 million in cash, or the Townsquare Transaction, and swap 15 radio stations in two small and mid-sized markets with Townsquare in exchange for five radio stations in Fresno, California. The Company intends to use the net proceeds from the Townsquare Transaction to pay a portion of the purchase price to complete the Dial Global Acquisition. For the six months ended June 30, 2013 and 2012, and the year ended December 31, 2012, the radio stations to be sold to Townsquare in the Townsquare Transaction generated revenues of $29.6 million, $30.0 million and $64.5 million, respectively and total direct operating expenses of $15.6 million, $16.8 million and $32.7 million, respectively.

Completion of the Townsquare Transaction is subject to various customary closing conditions, as well as regulatory approval by the FCC, and the condition that Townsquare obtains financing to complete the Townsquare Transaction.

Issuance and Redemption of Preferred Stock

On August 20, 2013, the Company issued 77,241 shares of a newly created series of its preferred stock, or the Series B Preferred Stock, for gross proceeds of approximately $77.2 million. Proceeds from the issuance of the Series B Preferred Stock were used to redeem all outstanding shares of the Company s Series A Preferred Stock, plus accrued and unpaid dividends thereon. The Company intends to use approximately $77.6 million of proceeds from this offering to redeem all outstanding shares of the Series B Preferred Stock, plus accrued and unpaid dividends. See Use of Proceeds.

Agreement with Rdio

On September 13, 2013, the Company and Pulser Media (the parent company of Rdio and Vdio), or Pulser, entered into a five year strategic promotional partnership and sales arrangement, or the Rdio Agreement.

The Rdio Agreement provides that Cumulus will act as the exclusive promotional agent for Rdio ad products, including display, mobile, in-line audio, synched banners and other digital inventory that may become available from time to time. In exchange for $75 million of promotional commitments over five years, Cumulus will receive 15% of the current fully-diluted equity of Pulser, with the opportunity to earn additional equity in the form of warrants based on the achievement of certain performance milestones over the term of the Rdio Agreement.

Table of Contents

Index to Financial Statements

Certain Preliminary Financial Information for the Quarter ended September 30, 2013

Cumulus is in the process of finalizing its financial results for the quarter ended September 30, 2013. The Company has prepared, and is presenting, the following range of estimated net revenues set forth below in good faith based upon our internal reporting for the quarter ended September 30, 2013. The estimates represent the most current information available to Cumulus. Such estimates have not been subject to our normal financial closing and financial statement preparation processes. As a result, our actual results could be different and those differences could be material. Investors should exercise caution in relying on the information contained herein and should not draw any inferences from this information regarding financial or operating data that is not discussed herein.

	Range of Amounts (dollars in thousands)	
Net revenues	$ 279,000	$ 281,000

Net revenues in the quarter ended September 30, 2012 were $275.4 million, which included approximately $5.0 million in political advertising revenue.

In addition, Cumulus expects that its Adjusted EBITDA (as defined below) for the quarter ended September 30, 2013 will be approximately flat as compared to the quarter ended September 30, 2012, excluding the previously disclosed one-time $8.3 million credit from the industry-wide settlement with Broadcast Music Inc., or BMI, that positively impacted Adjusted EBITDA during the quarter ended September 30, 2012.

The preliminary financial information included in this prospectus supplement has been prepared by and, is the responsibility of, Cumulus management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial information. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

Corporate Information

We are a Delaware corporation, organized in 2002, and successor by merger to an Illinois corporation with the same name that had been organized in 1997. Our principal executive office is located at 3280 Peachtree Road, N.W., Suite 2300, Atlanta, Georgia 30305. Our telephone number is (404) 949-0700. Our website address is www.cumulus.com. Information contained in, or accessible through, our website does not constitute part of this prospectus supplement or the accompanying prospectus.

Table of Contents

Index to Financial Statements

The Offering

Issuer	Cumulus Media Inc.
Class A Common Stock Offered	16,400,000 shares (or up to 18,860,000 shares if the underwriters exercise in full their option to purchase an additional 2,460,000 shares).
Class A Common Stock to be Outstanding after the Offering(1)	183,700,363 shares (or up to 186,160,363 shares if the underwriters exercise in full their option to purchase an additional 2,460,000 shares).
Voting Rights	One vote per share of Class A common stock. We have three classes of common stock outstanding. See Description of Capital Stock in the accompanying prospectus.
Use of Proceeds	The net proceeds from this offering are expected to be approximately $77.6 million (or $89.3 million if the underwriters exercise in full their option to purchase additional shares) after deducting underwriting discounts and commissions and estimated offering expenses. We intend to use approximately $77.6 million of the net proceeds from this offering to redeem all outstanding shares of the Series B Preferred Stock, including accrued and unpaid dividends. The remaining net proceeds from this offering, if any, including any net proceeds from the underwriters exercise of their option to purchase additional shares, are expected to be placed in our corporate treasury, and used for general corporate purposes. See Use of Proceeds.
Risk Factors	Investing in our Class A common stock involves substantial risks. You should carefully consider the risk factors set forth in the section entitled Risk Factors and the other information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein, prior to making an investment decision with respect to our Class A common stock. See Risk Factors.
NASDAQ Global Select Market Symbol	CMLS

(1) Based on 167,300,363 shares outstanding as of October 1, 2013, excluding: (i) 20,481,685 shares of Class A common stock issuable pursuant to the exercise of outstanding stock options; (ii) 15,424,944 shares of Class A common stock issuable upon the conversion of outstanding shares of Class B common stock; (iii) 644,871 shares of Class A common stock issuable upon the conversion of outstanding shares of Class C common stock; (iv) 29,801,369 shares of Class A common stock issuable upon the exercise of outstanding warrants to purchase Class A common stock or Class B common stock (including warrants to purchase 2.4 million shares of common stock reserved for potential future issuance in connection with the settlement of certain remaining allowed, disputed or not reconciled claims relating to the bankruptcy of Citadel Broadcasting Corporation, or Citadel, which we acquired in 2011); and (v) 13,750,850 shares of Class A common stock reserved for future issuance under our equity incentive plans.

S-8

Table of Contents

Index to Financial Statements

Summary Historical Financial Information

Set forth below is our summary historical financial information. The summary historical financial information for the six months ended June 30, 2013 and 2012, and as of June 30, 2013, has been derived from our unaudited condensed consolidated financial statements and related notes included elsewhere in this prospectus supplement. The summary historical financial information for the years ended December 31, 2012, 2011 and 2010, and as of December 31, 2012 and 2011, has been derived from our audited consolidated financial statements and related notes included elsewhere in this prospectus supplement. The summary historical financial information as of June 30, 2012 and December 31, 2010 has been derived from our consolidated financial statements and related notes not included or incorporated by reference in this prospectus supplement. Our results of operations for the six months ended, and our financial condition as of, June 30, 2013 are not necessarily indicative of the results or financial condition that may be expected for the year ending December 31, 2013, or any other future period.

The summary historical consolidated financial information presented below does not contain all of the information you should consider before deciding whether or not to invest in our Class A common stock, and should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements, and notes thereto, each of which is included elsewhere in this prospectus supplement. You should read this summary historical financial information in conjunction with that other information as well as the information under Risk Factors and Capitalization included elsewhere in this prospectus supplement and the other documents incorporated by reference in this prospectus supplement. See Where You Can Find More Information and Incorporation of Certain Documents by Reference.

Table of Contents

Index to Financial Statements

	Six Months Ended June 30,		Year Ended December 31,		
	2013 (Unaudited)	2012 (Unaudited)	2012	2011(1)	2010(1)
	(Dollars in thousands)				
Statement of operations data:					
Net revenues	$ 522,548	$ 517,036	$ 1,076,582	$ 519,963	$ 236,640
Direct operating expenses (excluding depreciation, amortization and LMA fees)	335,934	322,442	661,511	316,253	143,717
Depreciation and amortization	57,866	71,007	142,143	51,148	8,214
LMA fees	1,728	1,724	3,556	2,525	2,054
Corporate general and administrative expenses (including non-cash stock-based compensation expense)	21,626	33,494	57,438	90,761	18,519
(Gain) loss on exchange of assets or stations				(15,278)	
Loss on sale of stations	1,400				
Realized (gain) loss on derivative instrument	(2,844)	753	(12)	3,368	1,957
Impairment of intangible assets and goodwill(2)		12,435	127,141		671
Operating income	106,838	75,181	84,805	71,186	61,508
Interest expense, net	(88,085)	(100,422)	(198,628)	(86,989)	(30,307)
Loss on early extinguishment of debt	(4,539)		(2,432)	(4,366)	
Terminated transaction (income) expense					(7,847)
Other (expense) income, net	(378)	190	(2,474)	39	108
Income tax benefit (expense)	4,276	10,689	26,552	3,313	(1,505)
Gain on equity investment in Cumulus Media Partners, LLC				11,636	
Income (loss) from continuing operations	18,112	(14,362)	(92,177)	(5,181)	21,957
Income from discontinued operations, net of taxes		10,375	59,448	69,041	7,445
Net income (loss)	$ 18,112	$ (3,987)	$ (32,729)	$ 63,860	$ 29,402
Other data:					
Adjusted EBITDA(3)	$ 172,688	$ 179,736	$ 393,737	$ 123,693	$ 91,745
Net cash provided by (used in):					
Operating activities	$ 56,774	$ 55,190	$ 179,490	$ 71,751	$ 42,553
Investing activities	(54,012)	(1,493)	98,143	(2,031,256)	(2,240)
Financing activities	(44,596)	(65,206)	(220,175)	1,977,283	(43,723)
Capital expenditures	(4,830)	(1,919)	(6,607)	(6,690)	(2,475)
Balance sheet data (at period end):					
Total assets	$ 3,690,184	$ 3,914,456	$ 3,743,575	$ 4,040,591	$ 319,636
Long-term debt (including current portion)	2,663,609	2,795,240	2,701,067	2,850,537	591,008
Total Stockholders equity (deficit)	$ 262,927	$ 278,507	$ 246,633	$ 290,713	$ (341,309)

Table of Contents

Index to Financial Statements

(1) On August 1, 2011, we completed the acquisition of the 75.0% of the equity interests in Cumulus Media Partners, LLC, or CMP, that we did not then own, which we refer to as the CMP Acquisition. On September 16, 2011, we completed the acquisition of Citadel, which we refer to as the Citadel Merger. Each of CMP s and Citadel s operating results have been included in Cumulus financial statements since the date of completion of each respective transaction. Revenues of $288.3 million attributable to the acquisitions of CMP and Citadel in 2011 are included in the Company s accompanying consolidated financial statements for the year ended December 31, 2011. Primarily as a result of the completion of these significant transactions at various dates in 2011, Cumulus believes that its results of operations for the year ended December 31, 2012, and its financial condition at December 31, 2011, will provide only limited comparability to prior periods. Investors are cautioned to not place undue reliance on any such comparisons.

(2) Impairment charge recorded in connection with our interim and annual impairment testing under Accounting Standards Codification Topic 350. See Note 6, Intangible Assets and Goodwill, in the notes to our audited consolidated financial statements included elsewhere in this prospectus supplement.

(3) Adjusted EBITDA is the financial metric utilized by management to analyze the cash flow generated by our business. This measure isolates the amount of income generated by our radio stations after the incurrence of corporate general and administrative expenses. Management also uses this measure to determine the contribution of our radio station portfolio, including the corporate resources employed to manage the portfolio, to the funding of our other operating expenses and to the funding of debt service and acquisitions. In addition, Adjusted EBITDA is a key metric for purposes of calculating and determining our compliance with certain covenants contained in our First Lien Facility (as defined below under Risk Factors).

In deriving this measure, management excludes depreciation, amortization and stock-based compensation expense, as these do not represent cash payments for activities directly related to the operation of the radio stations. In addition, we exclude LMA fees, even though such fees require a cash settlement, because they are excluded from the definition of Adjusted EBITDA contained in our First Lien Facility. Management excludes any gain or loss on the exchange of assets or stations as they do not represent a cash transaction. Management also excludes any realized gain or loss on derivative instruments as they do not represent a cash transaction nor are they associated with radio station operations. Interest expense, net of interest income, discontinued operations, income tax (benefit) expense including franchise taxes, and expenses relating to acquisitions (including any terminated transaction expense) are also excluded from the calculation of Adjusted EBITDA as they are not directly related to the operation of radio stations. Management excludes any impairment of goodwill and intangible assets as they do not require a cash outlay. Management believes that Adjusted EBITDA, although not a measure that is calculated in accordance with principles generally accepted in the United States, or GAAP, nevertheless is commonly employed by the investment community as a measure for determining the market value of a radio company. Management has also observed that Adjusted EBITDA is routinely employed to evaluate and negotiate the potential purchase price for radio broadcasting companies, and is a key metric for purposes of calculating and determining compliance with certain covenants in our First Lien Facility. Given the relevance to the overall value of the Company, management believes that investors consider the metric to be extremely useful.

Adjusted EBITDA should not be considered in isolation or as a substitute for net income, operating income, cash flows from operating activities or any other measure for determining our operating performance or liquidity that is calculated in accordance with GAAP. Moreover, because not all

Table of Contents

Index to Financial Statements

companies use identical calculations in determining Adjusted EBITDA, our presentation may not be comparable to similarly titled measures of other companies.

For a quantitative unaudited reconciliation of our net income (loss) to Adjusted EBITDA, see footnote 3 to the table under the heading Selected Historical Consolidated Financial Information included elsewhere in this prospectus supplement.

Table of Contents

Index to Financial Statements

RISK FACTORS

Any investment in our Class A common stock involves a high degree of risk. In addition to the risks described below, you should also carefully read all of the other information included in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference into this prospectus supplement and the accompanying prospectus in evaluating an investment in our Class A common stock. If any of the described risks actually were to occur, our business, financial condition, results of operations and cash flows could be materially adversely affected. In that event, the trading price of our Class A common stock could decline, and you may lose all or part of your investment in our Class A common stock.

The risks described below are not the only ones facing the Company. Additional risks not presently known to us or that we currently deem immaterial individually or in the aggregate may also impair our business operations.

This prospectus supplement, the accompanying prospectus and documents incorporated by reference herein and therein also contain forward-looking statements that involve risks and uncertainties, some of which are described in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks and uncertainties faced by us described below or incorporated by reference in this prospectus supplement and the accompanying prospectus. See Forward-Looking Statements.

Risks Related to Our Business

Our results of operations have been, and could continue to be, adversely affected by the past recession experienced by the U.S. economy and in many of the local economies in which we operate.

Revenue generated by our radio stations depends primarily upon the sale of advertising. Advertising expenditures, which we believe to be largely a discretionary business expense, declined significantly during the 2008 economic recession, and although they have begun to recover, such recovery has remained muted, partially in light of continued economic uncertainty. Furthermore, because a substantial portion of our revenue is derived from local advertisers, our ability to generate advertising revenue in specific markets is directly affected by local or regional economic conditions, many of which have not returned to pre-recessionary levels. Consequently, the continued uncertainty in the general economic environment, including the current government shutdown and potential debt ceiling implications, as well in specific economies of several individual geographic markets in which we own or operate stations, could continue to adversely affect our advertising revenue and, therefore, our results of operations.

In light of the limited and ongoing recovery from the recession, certain individual business sectors that may have historically spent more on advertising than other sectors might be forced to reduce their advertising expenditures or not return them to pre-recessionary levels if that sector fails to recover on pace with the overall economy. If that sector s spending would otherwise have represented a significant portion of our advertising revenues, any continued reduction in its expenditures may adversely affect our revenue.

We operate in a very competitive business environment and a decrease in our ratings or market share would adversely affect our revenues.

The radio broadcasting industry is very competitive. The success of each of our stations depends largely upon rates it can charge for its advertising which in turn depends on, among other things, the number of local advertising competitors and the overall demand for advertising within individual markets. These conditions are subject to change and highly susceptible to both micro and macroeconomic conditions.

Audience ratings and market shares fluctuate, and any adverse change in a particular market could have a material adverse effect on the revenue of stations located in that market. While we already compete

Table of Contents

Index to Financial Statements

with other stations with comparable programming formats in many of our markets, any one of our stations could suffer a reduction in ratings or revenue and could require increased promotion and other expenses, and, consequently, could reduce operating results, if:

- another radio station in the market was to convert its programming format to a format similar to our station or launch aggressive promotional campaigns;
- a new station were to adopt a competitive format;
- we experience increased competition from non-radio sources;
- there is a shift in population, demographics, audience tastes or other factors beyond our control;
- an existing competitor was to strengthen its operations; or
- any one or all of our stations was unable to maintain or increase advertising revenue or market share for any other reasons.

The Telecommunications Act of 1996, or the Telecom Act, may allow for the further consolidation of ownership of radio broadcasting stations in markets in which we operate or may operate in the future, which could further increase competition in these markets. In addition, some competing owners may be larger and have substantially more financial and other resources than we do, which could provide them with certain advantages in competing against us. As a result of all of the foregoing, there can be no assurance that the competitive environment will not adversely affect us, and that any one or all of our stations will be able to maintain or increase advertising revenue market share.

The loss of affiliation agreements by our radio networks could materially adversely affect our financial condition and results of operations.

Our radio networks have approximately 5,500 station affiliates and 9,000 program affiliations. They receive advertising inventory from their affiliated stations, either in the form of stand-alone advertising time within a specified time period or commercials inserted by our radio networks into their programming. In addition, primarily with respect to satellite radio providers, we receive a fee for providing such programming. The loss of network affiliation agreements by our radio networks could adversely affect our results of operations by reducing the reach of our network programming and, therefore, its attractiveness to advertisers. Renewals of such agreements on less favorable terms may also adversely affect our results of operations through reduction of advertising revenue.

We must respond to the rapid changes in technology, services and standards that characterize our industry in order to remain competitive. Our failure to timely or appropriately respond to any such changes could materially adversely affect our business and results of operations.

The radio broadcasting industry is subject to technological change, evolving industry standards and the emergence of new competing media technologies and services. In some cases, our ability to successfully compete will be dependent on our development and acquisition of new technologies and our provision of new services, and there can be no assurance that we will have the resources to develop or acquire those new technologies or provide those new services; in other cases, the introduction of new technologies and services, including online music and other entertainment services, could increase competition and have a material adverse effect on our revenue. Recent new media technologies and services include the following:

- audio programming by cable television systems, direct broadcast satellite systems, internet content providers (both landline and wireless), internet-based audio radio services, smart phone and other mobile applications, satellite delivered digital audio radio service and other digital audio broadcast formats; and

Table of Contents

Index to Financial Statements

HD Radio™ digital radio, which could provide multi-channel, multi-format digital radio services in the same bandwidth currently occupied by traditional AM and FM radio services.

In the future, there may be additional technologies or services developed that compete with radio broadcasting or for advertising revenue, and that could have a material adverse effect on our revenues and results of operations. We also cannot provide any assurances that we will continue to have the resources to develop or acquire any necessary new technologies or to introduce new services that could compete with any new technologies. We cannot predict the effect, if any, that competition arising from new technologies may have on the radio broadcasting industry or on our business.

We have written off, and could in the future be required to write off, a significant portion of the fair market value of our FCC broadcast licenses and goodwill, which may adversely affect our financial condition and results of operations.

As of December 31, 2012 and June 30, 2013, our FCC licenses and goodwill comprised 74.7% and 76.6%, respectively, of our assets. Each year, and more frequently on an interim basis if appropriate, we are required by Accounting Standards Codification Topic 350, Intangibles Goodwill and Other, or ASC 350, to assess the fair market value of our FCC broadcast licenses and goodwill to determine whether the carrying value of those assets is impaired. For the year ended December 31, 2012, we recorded impairment charges of $104.0 million and $14.7 million related to goodwill and FCC broadcast licenses, respectively, and a definite-lived intangible asset impairment of $12.4 million related to the cancellation of a contract. Although there were no similar impairments in 2011, during the year ended December 31, 2010 we recorded an impairment charge of approximately $0.7 million in order to reduce the carrying value of certain broadcast licenses and goodwill to their respective fair market values. Future impairment reviews could result in additional impairment charges. Any such impairment charges would reduce our reported earnings for the periods in which they are recorded, which could materially reduce the value of our Company.

There are risks associated with our acquisition strategy, and our failure to execute on this strategy could materially adversely affect our financial condition and results of operations.

We intend to continue to grow by selectively acquiring radio stations in larger markets and geographically strategic regional clusters in the future, as well as complimentary platforms. We cannot predict whether we will be successful in pursuing or completing any acquisitions, including the pending Dial Global Acquisition, or what the consequences of not completing any acquisitions would be. In addition, there can be no assurances that we will be able to continue to identify suitable acquisition candidates.

Consummation of any proposed acquisitions would likely be, and each of the pending Dial Global Acquisition and Townsquare Transaction are, subject to various conditions such as compliance with FCC rules and policies. Consummation of acquisitions may also be subject to antitrust regulatory requirements. These FCC rules and policies include provisions which:

- require prior FCC approval of license assignments and transfers;
- limit the number of stations a broadcaster may own in a given local market; and
- include ownership attribution rules that could limit our ability to acquire stations in certain markets where one or more of our stockholders, officers or directors has other media interests.

Antitrust regulatory requirements include:

- filings with the Department of Justice, or the DOJ, and the Federal Trade Commission, or the FTC, under the Hart-Scott-Rodino Act, or the HSR Act, where applicable;

Table of Contents

Index to Financial Statements

- expiration or termination of any applicable waiting period under the HSR Act; and

- possible review by the DOJ or the FTC of antitrust issues under the HSR Act or otherwise.

The Communications Act of 1934, as amended, or the Communications Act, and FCC rules allow members of the public and other interested parties to file petitions seeking to deny, or other objections to the FCC with respect to, the grant of any transfer or assignment application. The FCC could rely on those objections or its own initiative to deny a transfer or assignment application or to require changes in the transaction, including the divestiture of radio stations and other assets that we already own or propose to acquire, as a condition to having the application granted. The FCC could also change its existing rules and policies to reduce the number of stations that we would be permitted to acquire in some markets. We cannot be certain that any of these conditions would be satisfied in connection with any pending or future proposed acquisition, the timing thereof or the potential impact that any such conditions may have on us, which may include one or more requirements that we divest stations or assets in order to complete any proposed acquisition. In addition, the FCC has in the past asserted the authority to review levels of local radio market concentration as part of its acquisition approval process, even where proposed assignments would comply with the numerical limits on local radio station ownership in the FCC s rules and the Communications Act, and the assertion of this authority may materially adversely affect our ability to complete, or obtain the expected benefits from, any proposed acquisition. Any actions by the FCC or DOJ that have the effect of denying, delaying or affecting the terms of any potential acquisitions could have a material adverse effect on our financial condition or results of operations.

Our acquisition strategy, involves numerous other risks, which may include risks associated with:

- identifying suitable acquisition candidates and negotiating definitive purchase agreements on satisfactory terms;

- integrating operations and systems and managing a large and geographically diverse group of stations;

- obtaining financing to complete acquisitions, which financing may not be available to us at times, in amounts, or at rates acceptable to us, if at all, and potentially the related risks associated with increased debt;

- diverting our management s attention from other business concerns;

- potentially losing key employees at acquired stations; and

- potential changes in the regulatory approval process that may make it materially more expensive, or materially delay our ability, to consummate any proposed acquisitions.

We cannot be certain that we will be able to successfully integrate any acquired stations or businesses, including the pending Dial Global Acquisition, or manage the resulting business effectively, or that any acquisition will achieve the benefits that we anticipate. In addition, we are not certain that we will be able to acquire properties at valuations as favorable as those of previous acquisitions. Depending upon the nature, size and timing of potential future acquisitions, we may be required to obtain additional financing in order to consummate any acquisitions. We cannot assure you that our debt agreements, as may be in place at any time, will permit us to consummate an acquisition or access the necessary additional financing because of certain covenant restrictions or that additional financing will be available to us or, if available, that financing would be on terms acceptable to our management.

Our failure to identify, complete or integrate any acquired business, or to obtain the expected benefits therefrom, could materially adversely affect our strategy, and our financial condition and results of operations.

S-16

Table of Contents

Index to Financial Statements

We may fail to realize any benefits and incur unanticipated losses related to any acquisition.

The success of our future strategic acquisitions, including the pending Dial Global Acquisition, will depend, in part, on our ability to successfully combine the acquired business and assets with our business and our ability to successfully manage the assets so acquired. It is possible that the integration process could result in the loss of key employees, the disruption of ongoing business or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers and employees or to achieve the anticipated benefits of the acquisition. Successful integration may also be hampered by any differences between the operations and corporate culture of the two organizations. Additionally, general market and economic conditions may inhibit our successful integration of any business, including Dial Global. If we experience difficulties with the integration process, the anticipated benefits of the acquisition may not be realized fully, or at all, or may take longer to realize than expected. Finally, any cost savings that are realized may be offset by losses in revenues from the acquired business, any assets or operations disposed of in connection therewith or otherwise, or charges to earnings in connection with such acquisitions. For example, Dial Global has experienced significant financial difficulties in recent periods due to its leverage and cash flows. If we do not realize the synergies we expect from the pending Dial Global Acquisition, then such acquisition could be dilutive to our earnings.

We may not be able to complete any of our recently announced transactions, including for reasons outside of our control.

We have recently announced our entry into a number of definitive transaction agreements in furtherance of our strategy, including agreements governing the Dial Global Acquisition and the Townsquare Transaction. Notwithstanding the entry into definitive agreements to complete these transactions, they are subject to the satisfaction of a number of conditions to closing, including the satisfaction of various regulatory conditions described above. In addition, the Townsquare Transaction is subject to the condition that Townsquare obtain financing to complete the Townsquare Transaction, the satisfaction of which condition is outside of our control. Further, the Dial Global Acquisition is conditioned on the completion of the Townsquare Transaction, and, as a result, if we do not complete the Townsquare Transaction (including for reasons outside of our control), we will not be able to complete the Dial Global Acquisition.

The failure to complete these transactions could have a material adverse effect on our business and the price of our Class A common stock.

This prospectus supplement contains only limited financial information on which to evaluate the Dial Global Acquisition and the Townsquare Transaction.

As described above, each of the Dial Global Acquisition and the Townsquare Transaction are subject to a number of conditions to completion. As a result, this prospectus supplement contains and incorporates by reference only limited financial information on which to evaluate certain pending transactions, including the Dial Global Acquisition and the Townsquare Transaction, and our business after such transactions. The prospectus supplement may not contain all of the financial and other information about Dial Global and the assets that we intend to acquire, or the stations we intend to sell in the Townsquare Transaction, that you may consider important, including information related to the content that we will acquire, the impact of the acquisition on our business in the future and, ultimately, an investment in our Class A common stock.

Disruptions in the capital and credit markets could restrict our ability to access further financing.

We may rely in significant part on the capital and credit markets to meet our financial commitments and short-term liquidity needs if internal funds from operations are not sufficient for these purposes in the future. Disruptions in the capital and credit markets, such as have been experienced over the past several

Table of Contents

Index to Financial Statements

years, could adversely affect our ability to draw on our credit facilities or access capital. Access to funds under credit facilities is dependent on the ability of our lenders to meet their funding commitments. Those lenders may not be able or willing to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from their borrowers within a short period of time. Disruptions in the capital and credit markets have also resulted in increased costs associated with bank credit facilities. Continued disruptions could increase our interest expense and adversely affect our results of operations.

Longer term disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives or failures of significant financial institutions, could adversely affect our access to financing. Any such disruption could increase our costs, require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding could be arranged. Such measures could include seeking higher cost financings, deferring capital expenditures and reducing or eliminating future uses of cash, any of which could materially adversely affect our business and results of operations.

We are exposed to credit risk on our accounts receivable. This risk is heightened during periods of worsened economic conditions.

Our outstanding trade receivables are not covered by collateral or credit insurance. While we have procedures to monitor and limit exposure to credit risk on our receivables, which risk is heightened during periods of worsened economic conditions, there can be no assurance that such procedures will effectively limit our credit risk and enable us to avoid losses, which could have a material adverse effect on our financial condition and operating results.

Counterparties to derivative transactions we enter into may not be able to perform their obligations under such transactions.

Although we evaluate the credit quality of potential counterparties to derivative transactions and only enter into agreements from time to time with those deemed to have minimal credit risk at the time the agreements are executed, there can be no assurances that such counterparties will be able to perform their obligations under the relevant agreements. If our counterparties fail to perform their obligations, we may not be able to receive the expected benefits from such derivative transactions, which could adversely affect our financial condition and results of operations.

We are dependent on key personnel.

Our business is managed by a small number of key management and operating personnel, and our loss of one or more of these individuals could have a material adverse effect on our business. We believe that our future success will depend in large part on our ability to attract and retain highly skilled and qualified personnel and to expand, train and manage our employee base. Although we have entered into employment agreements with some of our key management personnel that include provisions restricting their ability to compete with us under specified circumstances, we cannot assure you that all of those restrictions would be enforced if challenged in court.

We also enter into agreements with several on-air personalities with large loyal audiences in their individual markets to protect our interests in those relationships that we believe to be valuable. The loss of one or more of these personalities could result in losses of audience share in that particular market which, in turn, could adversely affect revenues in that particular market.

The broadcasting industry is subject to extensive and changing federal regulation.

The radio broadcasting industry is subject to extensive regulation by the FCC under the Communications Act. We are required to obtain licenses from the FCC to operate our stations. Licenses are

Table of Contents

Index to Financial Statements

normally granted for a term of eight years and are renewable. Although the vast majority of FCC radio station licenses are routinely renewed, we cannot assure you that the FCC will grant our existing or future renewal applications or that the renewals will not include conditions out of the ordinary course of our operations. The non-renewal, or renewal with conditions, of one or more of our licenses could have a material adverse effect on us.

We must also comply with the extensive FCC regulations and policies in the ownership and operation of our radio stations. FCC regulations limit the number of radio stations that a licensee can own in a market, which could restrict our ability to acquire radio stations that could be material to our overall financial performance or our financial performance in a particular market.

The FCC also requires radio stations to comply with certain technical requirements to limit interference between two or more radio stations. Despite those limitations, a dispute could arise whether another station is improperly interfering with the operation of one of our stations or another radio licensee could complain to the FCC that one our stations is improperly interfering with that licensee s station. There can be no assurance as to how the FCC might resolve that dispute. These FCC regulations and others may change over time, and we cannot assure you that those changes would not have a material adverse effect on us.

The FCC has been vigorous in its enforcement of its indecency rules against the broadcast industry, a violation of which could have a material adverse effect on our business.

FCC regulations prohibit the broadcast of obscene material at any time, and indecent material between the hours of 6:00 a.m. and 10:00 p.m. The FCC regulatory oversight is augmented by statutory authority for the FCC to impose substantial penalties (up to $325,000 for each violation). The FCC also has the statutory authority to revoke a station license or to shorten or condition the renewal of a station license in the event that the station broadcasts indecent or obscene material. In June 2012, the United States Supreme Court issued a decision which held that the FCC had failed to give broadcasters adequate notice of a change in FCC policy in 2004 that exposed a station owner to penalties because of broadcasts which included fleeting expletives or momentary nudity (in a television broadcast). In April 2013, the FCC invited comment on the Supreme Court s decision and what, if any, changes are required in its policies and how it should handle the volume of indecency complaints that are still pending at the FCC. This matter remains pending at the FCC and, it is therefore impossible to predict what, if any, impact the Supreme Court s decision will have on any complaints that have been or may be filed against our stations. Whatever the impact, we may in the future become subject to new FCC inquiries or proceedings related to our stations broadcast of allegedly indecent or obscene material. To the extent that such an inquiry or proceeding results in the imposition of fines, a settlement with the FCC, revocation of any of our station licenses or denials of license renewal applications, our results of operation and business could be materially adversely affected.

Proposed legislation requires radio broadcasters to pay royalties to record labels and recording artists.

We currently pay royalties to song composers and publishers through BMI, the American Society of Composers, Authors and Publishers and SESAC, Inc. but not to record labels or recording artists for exhibition or use of over the air broadcasts of music. Congress has been considering legislation which would change the copyright fees and the procedures by which the fees are determined. The legislation has been the subject of considerable debate and activity by the broadcast industry and other parties affected by the legislation. It cannot be predicted whether any proposed legislation will become law or what impact it would have on our results from operations, cash flows or financial position.

Table of Contents

Index to Financial Statements

We are a holding company with no material independent assets or operations and we depend on our subsidiaries for cash.

We are a holding company with no material independent assets or operations, other than our investments in our subsidiaries. Because we are a holding company, we are dependent upon the payment of dividends, distributions, loans or advances to us by our subsidiaries to fund our obligations. These payments could be or become subject to restrictions on dividends or other payment restrictions under applicable laws in the jurisdictions in which our subsidiaries operate. Payments by our subsidiaries are also contingent upon the subsidiaries earnings. If we are unable to obtain sufficient funds from our subsidiaries to fund our obligations, our financial condition and ability to meet our obligations may be adversely affected.

Risks Related to Our Indebtedness

The level of our outstanding debt may make it more difficult to comply with the covenants in our debt instruments, including the financial covenants in our First Lien Facility, which could cause a default or an event of default under such debt instruments and could result in the loss of our sources of liquidity, acceleration of our indebtedness and, in some instances, the foreclosure on some or all of our assets, any of which could have a material adverse effect on our financial condition and results of operations.

The instruments governing our outstanding indebtedness contain restrictive covenants. In addition, our First Lien Credit Agreement, dated as of September 16, 2011, among the Company, Cumulus Holdings, as Borrower, certain lenders, JPMorgan Chase Bank, N.A., as Administrative Agent, or JPMorgan, UBS, Macquarie, Royal Bank of Canada and ING Capital LLC, as Co-Syndication Agents, and U.S. Bank National Association and Fifth Third Bank, as Co-Documentation Agents, as amended and restated, the First Lien Facility, requires us to comply with a financial covenant if any amounts are outstanding under the revolving credit facility, or the Revolving Credit Facility, or any letters of credit are outstanding that have not been collateralized by cash. As of June 30, 2013, we had no amounts outstanding under the Revolving Credit Facility, and, as result, were not subject to the financial covenant. Our ability to comply with the covenants in (i) the indenture governing our 7.75% Senior Notes due 2019, or the Indenture, (ii) the First Lien Facility and (iii) our Second Lien Credit Agreement dated as of September 16, 2011, among the Company, Cumulus Holdings, as Borrower, certain lenders, JPMorgan, as Administrative Agent, and UBS, Macquarie, Royal Bank of Canada and ING Capital LLC, as Co-Syndication Agents, which we refer to as the Second Lien Facility and which, together with the First Lien Facility, we refer to as the 2011 Credit Facilities, will depend upon our future performance and various other factors, such as business, competitive, technological, legislative and regulatory factors, some of which are beyond our control. We may not be able to maintain compliance with all of our covenants in the future. In that event, we would need to seek an amendment or waiver to the applicable agreement, or a refinancing of such obligations. There can be no assurance that we would be able obtain any amendment or waiver of any such facilities or the costs associated therewith, and, if so, it is likely that such relief would only last for a specified period, potentially necessitating additional amendments, waivers or refinancings in the future.

In the event that we do not maintain compliance with the covenants under the 2011 Credit Facilities, lenders could declare an event of default, subject to applicable notice and cure provisions, which would likely result in a material adverse impact on our financial position. Upon the occurrence of an event of default, the lenders could elect to declare all amounts outstanding under the 2011 Credit Facilities to be immediately due and payable and terminate all commitments to extend further credit. In addition, lenders under any of our indebtedness to which a cross-default or cross-acceleration provision applies may then be entitled to take certain similar actions. In the event any of our lenders or note holders accelerate the required repayment of our borrowings, we may not have sufficient assets to repay such indebtedness.

The lenders under the 2011 Credit Facilities have taken security interests in substantially all of our consolidated assets, and we have pledged the stock of certain of our subsidiaries to secure the debt under the

Table of Contents

Index to Financial Statements

2011 Credit Facilities. If the lenders accelerate the required repayment of borrowings, we may be forced to liquidate certain assets to repay all or part of such borrowings, and we cannot assure you that sufficient assets will remain after we have paid all of the borrowings under such 2011 Credit Facilities. If we were unable to repay those amounts, the lenders could proceed against the collateral granted to them to secure that indebtedness and we could be forced into bankruptcy or liquidation. Our ability to liquidate assets could also be affected by the regulatory restrictions associated with radio stations, including FCC licensing, which may make the market for these assets less liquid and increase the chances that these assets would be liquidated at a significant loss. Any requirement for us to liquidate assets would likely have a material adverse effect on our business.

We require substantial cash flows to service our debt and other obligations. Our inability to generate sufficient cash flows could have a material adverse effect on our business.

In order to service our significant indebtedness, we require, and will continue to require, significant cash flows. Our revenue is subject to such factors as shifts in population, station listenership, demographics, or audience tastes, and fluctuations in preferred advertising media. Our ability to generate sufficient cash flow to make required principal and interest payments on, or refinance, our debt obligations depends on our financial condition and operating performance, which are subject to prevailing micro-economic and macro-economic and competitive conditions, some of which are beyond our control. We may be unable to maintain or derive a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to seek to dispose of material assets or operations, seek additional debt or equity capital or seek to restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. Our inability to generate sufficient cash from operations to service our debt and other obligations would lead to a material adverse effect on our business.

Despite our current level of indebtedness, we may still be able to incur additional debt. This could further exacerbate the risks to our financial condition described above.

We may be able to incur additional indebtedness in the future. Although the Indenture and the 2011 Credit Facilities contain, and credit facilities we enter into in the future may contain, restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and any additional indebtedness incurred in compliance with these restrictions could be material. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under the First Lien Facility and the Second Lien Facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income would decrease. As a result, a significant increase in interest rates could have a material adverse effect on our financial condition.

Table of Contents

Index to Financial Statements

The terms of the Indenture and the 2011 Credit Facilities restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The Indenture and the 2011 Credit Facilities contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interests, including restrictions on our ability to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends or make other distributions or repurchase or redeem capital stock;
- prepay, redeem or repurchase certain debt;
- issue certain preferred stock or similar equity securities;
- make loans and investments;
- sell assets;
- incur liens;
- enter into transactions with affiliates;
- alter the businesses we conduct;
- enter into agreements restricting our restricted subsidiaries ability to pay dividends; and
- consolidate, merge or sell all or substantially all of our assets.

In addition, as described above, the restrictive covenants in the 2011 Credit Facilities require us to maintain compliance with specified financial ratios and satisfy other financial condition tests.

As a result of these restrictions, we may be:

- limited in how we conduct our business;

- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may adversely affect our ability to operate our current and planned business, or make certain changes in our business and to respond to changing circumstances, any of which could have a material adverse effect on our financial condition or results of operations.

Risks Related to Our Class A Common Stock and this Offering

The public market for our Class A Common Stock may be volatile.

We cannot assure you that the market price of our Class A common stock will not decline and the market price could be subject to wide fluctuations in response to such factors as:

- conditions and trends in the radio broadcasting industry;
- actual or anticipated variations in our operating results, including audience share ratings and financial results;
- changes in financial estimates by securities analysts;
- technological innovations;
- competitive developments;

Table of Contents

Index to Financial Statements

adoption of new accounting standards affecting companies in general or affecting companies in the radio broadcasting industry in particular; and

general market conditions and other factors.

Further, the stock markets, and in particular the NASDAQ Global Select Market, the market on which our Class A common stock is listed, from time to time have experienced extreme price and volume fluctuations that were not necessarily related or proportionate to the operating performance of the affected companies. In addition, general economic, political and market conditions such as recessions, interest rate movements or international currency fluctuations, may adversely affect the market price of our Class A common stock.

Certain stockholders or groups of stockholders have, and will continue to have, the right to appoint members to our board of directors and, consequently, the ability to exert significant influence over us.

As of October 1, 2013, and after giving effect to the exercise of all of their respective options exercisable within 60 days of that date, Lewis W. Dickey, Jr., our Chairman, President, Chief Executive Officer and a director, his brother, John W. Dickey, our Executive Vice President, and their father, Lewis W. Dickey, Sr., together with members of their family, collectively referred to as the Dickeys, collectively beneficially owned shares representing approximately 17.1% of the outstanding voting power of our common stock.

Also as of October 1, 2013, Crestview Radio Investors, LLC, referred to, with its affiliates, as Crestview, was our largest shareholder and, according to a Schedule 13D/A filed on December 14, 2012, beneficially owned shares representing approximately 39.4% of the outstanding voting power of our common stock.

In addition, in connection with the financing transactions undertaken in connection with the completion of the Citadel Merger, on September 16, 2011, the Company entered into a stockholders agreement, which we refer to as the Stockholders Agreement, with BA Capital Company, L.P. and Banc of America Capital Investors SBIC, L.P., together referred to as the BofA Stockholders, Blackstone, the Dickeys, Crestview, Macquarie and UBS. Under the Stockholders Agreement, the size of the our board was increased to seven members, and the two vacancies on our board created thereby were filled by individuals designated by Crestview. In accordance with the Stockholders Agreement, Crestview maintains the right to designate two individuals for nomination to our board, and each of the Dickeys, the BofA Stockholders and Blackstone maintains the right to designate one individual for nomination to our board. The Stockholders Agreement provides that the other two positions on our board will be filled by directors who meet applicable independence criteria. The Stockholders Agreement also provides that, for so long as Crestview is our largest stockholder, it will have the right to have one of its designees, who shall meet the definition of an independent director and who is elected to our board, and is selected by it, appointed as the lead director of our board. Further, the parties to the Stockholders Agreement (other than the Company) have agreed to support such directors (or others as may be designated by the relevant stockholders) as nominees to be presented to our stockholders for approval at subsequent stockholder meetings for the term set out in the Stockholders Agreement. Each stockholder party s respective director nomination rights will generally survive for so long as it continues to own a specified percentage of our stock, subject to certain exceptions.

As a result of these significant stockholdings, and their right to designate members of our board, these stockholders are expected to be able to continue to exert significant influence over our policies and management, potentially in a manner which may not be in our best interests or the best interests of the other shareholders.

Table of Contents

Index to Financial Statements

The trading volume of our Class A common stock has been low, and the sale of a substantial number of shares in the public market could depress the price of our Class A common stock.

Our Class A common stock is listed on the NASDAQ Global Select Market, but has had a low average daily trading volume relative to many other stocks. Thinly traded stocks can have more price volatility than stocks trading in an active public market, which can lead to significant price swings even when a relatively small number of shares are being traded, and can limit an investor s ability to quickly sell blocks of stock.

There may be future sales or other dilution of our equity, which may adversely affect the market price of our Class A common stock.

Except as described under the heading Underwriting of this prospectus supplement, we are not restricted from issuing additional Class A common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, Class A common stock. The issuance of any additional shares of Class A common stock or preferred stock or securities convertible into, exchangeable for or that represent the right to receive Class A common stock or the conversion or exercise of such securities could be substantially dilutive to holders of our Class A common stock. Holders of our shares of Class A common stock have no preemptive rights that entitle them to purchase their pro rata share of any offering of shares of any class or series of our equity securities. Moreover, certain holders of shares of our common stock or securities convertible into, or exercisable for, shares of our common stock, have rights, subject to certain conditions, to require us to file registration statements covering the such securities, or to include these securities in registration statements that we may file for ourselves or other stockholders. We cannot predict or estimate the amount, timing or nature of any such requests from holders of registration rights or when any sales by such stockholders may occur.

The market price of our Class A common stock could decline as a result of this offering as well as sales of shares of our Class A common stock made after this offering by us or stockholders with registration rights, or the perception that such sales could occur. Because our decision to issue securities in any future offering, or decisions by holders of registration rights to sell shares in any future offerings, will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future offerings. Thus, our stockholders bear the risk of future offerings reducing the market price of our Class A common stock and/or diluting their stock holdings in us. In addition, after giving effect to the issuance of Class A common stock in this offering, the receipt of the expected net proceeds and the use of those proceeds, the issuance of such shares in this offering will have a dilutive effect on our expected earnings per share.

We do not plan to pay cash dividends on our Class A common stock in the foreseeable future. As a result, investors must look solely to stock appreciation for a return on their investment in our Class A common stock.

We do not currently pay, nor do we expect to pay, cash dividends on our Class A common stock in the foreseeable future. We currently intend to retain any future earnings to support our operations and growth. The payment of cash dividends on our Class A common stock in the future will depend on our earnings, financial condition, capital requirements and other factors that our board of directors may deem relevant at the appropriate time. Additionally, our debt agreements restrict the payment of dividends. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not purchase our Class A common stock.

Anti-takeover provisions contained in our Third Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our Third Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws provisions may have the effect of delaying, deferring or discouraging a prospective acquiror from making a

Table of Contents

Index to Financial Statements

tender offer for our shares of Class A common stock or otherwise attempting to obtain control of us. To the extent that these provisions discourage takeover attempts, they could deprive stockholders of opportunities to realize takeover premiums for their shares. Moreover, these provisions could discourage accumulations of large blocks of Class A common stock, thus depriving stockholders of any advantages which large accumulations of stock might provide.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the General Corporation Law of the State of Delaware. Section 203 prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations unless the business combination was approved in advance by our board of directors, results in the stockholder holding more than 85% of our outstanding common stock or is approved by the holders of at least 66 2/3% of our outstanding common stock not held by the stockholder engaging in the transaction.

Any provision of our Third Amended and Restated Certificate of Incorporation or our Amended and Restated Bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock and could also affect the price that some investors are willing to pay for our Class A common stock.

Table of Contents

Index to Financial Statements

USE OF PROCEEDS

We expect to receive net proceeds of approximately $77.6 million from this offering (or $89.3 million if the underwriters exercise in full their option to purchase additional shares), after deducting underwriting discounts and commissions and estimated offering expenses. We intend to use approximately $77.6 million of the net proceeds from this offering to redeem all outstanding shares of the Series B Preferred Stock, including accrued and unpaid dividends. The remaining net proceeds from this offering, if any, including any net proceeds from the underwriters exercise of their option to purchase additional shares, are expected to be placed in our corporate treasury for general corporate purposes, and may be used from time to time for, among other things, repayment of debt, capital expenditures, the financing of possible business expansions and acquisitions, increasing our working capital and the financing of ongoing operating expenses and overhead.

Table of Contents

Index to Financial Statements

PRICE RANGE OF COMMON STOCK

Shares of our Class A common stock, par value $0.01 per share, have been listed on the NASDAQ Global Select Market (or its predecessor, the NASDAQ National Market) under the symbol CMLS since July 1, 1998. There is no established public trading market for our Class B common stock or our Class C common stock. The following table sets forth, for the calendar quarters indicated, the high and low closing sales prices of the Class A common stock on the NASDAQ Global Select Market, as reported in published financial sources.

2012	High	Low
First Quarter	$ 3.91	$ 3.21
Second Quarter	$ 3.63	$ 2.75
Third Quarter	$ 3.11	$ 2.44
Fourth Quarter	$ 2.76	$ 2.16
2013		
First Quarter	$ 3.45	$ 2.61
Second Quarter	$ 3.89	$ 2.90
Third Quarter	$ 5.59	$ 3.31
Fourth Quarter (through October 9, 2013)	$ 5.51	$ 4.87

As of October 1, 2013, there were approximately 1,144 holders of record of our Class A common stock, 17 holders of record of our Class B common stock and one holder of record of our Class C common stock. The number of holders of our Class A common stock does not include an estimate of the number of beneficial holders whose shares may be held of record by brokerage firms or clearing agencies.

DIVIDEND POLICY

We have not declared or paid any cash dividends on our common stock since our inception and do not currently anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain future earnings for use in our business. We are currently subject to restrictions under the terms of the 2011 Credit Facilities that limit the amount of dividends that we may pay on our common stock. For a more detailed discussion of the restrictions in the 2011 Credit Facilities, see Note 7, Long-Term Debt to our unaudited condensed consolidated financial statements included elsewhere in this prospectus supplement.

Holders of the Series B Preferred Stock are entitled to receive mandatory and cumulative dividends in an amount per annum equal to the dividend rate (described below) multiplied by the $1,000 liquidation preference per share, calculated on the basis of a 360-day year, from the date of issuance, whether or not declared and whether or not we report net income. Dividends on the Series B Preferred Stock accrue at a rate of 12% per annum until September 30, 2014, thereafter at a rate of 14% per annum until March 31, 2015, and thereafter at a rate of 17% per annum, in each case subject to increase as described below. Dividends are payable in cash, except that, if on any dividend payment date we do not have cash on hand and availability under our financing agreements to pay dividends due in full in cash, we will be required to pay the portion of such dividend that we are unable to pay in cash through the issuance of additional shares of the Series B Preferred Stock. In such event, the applicable dividend rate will increase by 200 basis points until all accrued but unpaid dividends outstanding on the Series B Preferred Stock are paid in cash and all shares of the Series B preferred stock previously issued in lieu of cash dividends are redeemed in full. If we do not redeem all outstanding shares of the Series B Preferred Stock on the maturity date therefor, the applicable dividend rate will increase by 300 basis points until all shares of the Series B Preferred Stock are redeemed. Payments of dividends on the Series B Preferred Stock are in preference and prior to any

Table of Contents

Index to Financial Statements

dividends payable on any class of our common stock and, in the event of any liquidation, dissolution or winding up of the Company, holders of the Series B Preferred Stock are entitled to the liquidation value thereof prior to, and in preference of, payment of any amounts to holders of any class of our common stock.

After payment of dividends to the holders of the Series B Preferred Stock, the holders of our common stock share ratably in any dividends that may be declared by our board of directors. We intend to use a portion of the net proceeds from this offering to redeem all outstanding shares of the Series B Preferred Stock, including accrued and unpaid dividends thereon.

Table of Contents

Index to Financial Statements

CAPITALIZATION

The following table sets forth our cash and cash equivalents and consolidated capitalization at June 30, 2013:

on a historical basis; and

on an as adjusted basis, giving effect to: (i) our issuance, on August 20, 2013, of 77,241 shares of the Series B Preferred Stock, the proceeds from which issuance were used to redeem all outstanding shares of Series A Preferred Stock, including accrued and unpaid dividends; and (ii) the completion of this offering and our application of the estimated net proceeds thereof of approximately $77.6 million, after deducting underwriting discounts and commissions and estimated offering expenses, as described in Use of Proceeds, but assuming no exercise of the underwriters option to purchase 2,460,000 additional shares of Class A common stock.

Except as described below, adjustments have been made to reflect normal course operations by us or other developments with our business after June 30, 2013. As a result, the as adjusted information provided below is not indicative of our actual cash and cash equivalents position or consolidated capitalization as of any date. The following table is unaudited and should be read together with Use of Proceeds, the discussion under the heading Management s Discussion and Analysis of Financial Condition and Results

Table of Contents

Index to Financial Statements

of Operations , and our historical consolidated financial statements and the related notes thereto, each of which is included elsewhere in this prospectus supplement.

	At June 30, 2013,	
	Actual	**As Adjusted**
	(In thousands, except for shares)	
Cash and cash equivalents	$ 46,216	$ 46,216
Long-term debt, including current portion:		
7.75% Senior Notes	$ 610,000	$ 610,000
2011 Credit Facilities:		
First Lien Term Loan	1,287,260	1,287,260
Second Lien Term Loan	785,496	785,496
Revolving Credit Facility		
Total debt	$ 2,682,756	$ 2,682,756
Redeemable preferred stock[1]:		
Series A cumulative redeemable preferred stock, par value $0.01 per share; stated value of $1,000 per share; 100,000,000 shares authorized; 75,767 shares issued and outstanding	72,871	
Series B cumulative redeemable preferred stock, par value $0.01 per share; stated value of $1,000 per share; 150,000 shares authorized; no shares issued or outstanding		
Stockholders equity:		
Class A common stock, par value $0.01 per share; 750,000,000 shares authorized; 186,456,601 and 202,856,601 shares issued, and 162,326,226 and 178,726,226 shares outstanding at June 30, 2013, actual and as adjusted, respectively	1,864	2,029
Class B common stock, par value $0.01 per share; 600,000,000 shares authorized; 15,424,944 shares issued and outstanding	154	154
Class C common stock, par value $0.01 per share; 644,871 shares authorized, issued and outstanding	6	6
Treasury stock, at cost, 24,130,375 shares	(250,697)	(250,697)
Additional paid-in capital	1,511,689	1,584,759
Accumulated deficit	(1,000,089)	(1,000,453)
Total stockholders equity	262,927	335,798
Total capitalization	$ 3,018,554	$ 3,018,554

(1) On August 20, 2013, the Company issued 77,241 shares of Series B Preferred Stock for gross proceeds of approximately $77.2 million. Proceeds from the issuance of the Series B Preferred Stock were used to redeem all outstanding shares of the Company s Series A Preferred Stock, plus accrued and unpaid dividends thereon. The Company intends to use approximately $77.6 million of proceeds from this offering to redeem all outstanding shares of Series B Preferred Stock, plus accrued and unpaid dividends.

Table of Contents

Index to Financial Statements

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

Set forth below is selected historical consolidated financial information for Cumulus as of and for the six months ended June 30, 2013 and 2012 and the fiscal years ended December 31, 2012, 2011, 2010, 2009 and 2008 (dollars in thousands, except per share data). The selected historical consolidated financial information as of June 30, 2013 and December 31, 2012 and 2011 and for the six months ended June 30, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010 has been derived from our historical consolidated financial statements and related notes included elsewhere in this prospectus supplement. The selected historical consolidated financial information as of June 30, 2012, December 31, 2010, 2009 and 2008, and for the years ended December 31, 2009 and 2008, has been derived from our historical consolidated financial statements and related notes previously filed with the SEC, but not included or incorporated by reference herein.

The selected historical consolidated financial information presented below does not contain all of the information you should consider when evaluating Cumulus, and should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical consolidated financial statements, and notes thereto, each of which is included elsewhere in this prospectus supplement. Various factors are expected to have an effect on our financial condition and results of operations in the future, including the ongoing integration of acquired businesses. You should also read this selected historical consolidated financial information in conjunction with the information under Risk Factors included elsewhere in this prospectus supplement.

	Six Months Ended June 30,		Year Ended December 31,				
	2013 (unaudited)	2012 (unaudited)	2012	2011(1)	2010(1)	2009(1)	2008(1)
	(Dollars in thousands)						
Statement of Operations Data:							
Net revenues	$ 522,548	$ 517,036	$ 1,076,582	$ 519,963	$ 236,640	$ 230,585	$ 281,719
Direct operating expenses (excluding depreciation, amortization and LMA fees)	335,934	322,442	661,511	316,253	143,717	149,384	183,999
Depreciation and amortization	57,866	71,007	142,143	51,148	8,214	10,236	11,563
LMA fees	1,728	1,724	3,556	2,525	2,054	2,332	631
Corporate general and administrative expenses (including non-cash stock-based compensation expense)	21,626	33,494	57,438	90,761	18,519	20,699	19,325
Gain on exchange of assets or stations				(15,278)		(7,204)	
Realized (gain) loss on derivative instrument	(2,844)	753	(12)	3,368	1,957	3,640	
Impairment of intangible assets and goodwill(2)		12,435	127,141		671	174,950	498,897
Loss on sale of stations	1,400						
Other operating expense							2,041
Operating income (loss)	106,838	75,181	84,805	71,186	61,508	(123,452)	(434,737)
Interest expense, net	(88,085)	(100,422)	(198,628)	(86,989)	(30,307)	(33,989)	(47,262)
Loss on early extinguishment of debt	(4,539)		(2,432)	(4,366)			

Table of Contents

Index to Financial Statements

	Six Months Ended June 30, 2013 (unaudited)	Six Months Ended June 30, 2012 (unaudited)	Year Ended December 31, 2012	Year Ended December 31, 2011(1)	Year Ended December 31, 2010(1)	Year Ended December 31, 2009(1)	Year Ended December 31, 2008(1)
	(Dollars in thousands)						
Terminated transaction expense (income)					(7,847)		15,000
Other (expense) income, net	(378)	190	(2,474)	39	108	(136)	(10)
Equity losses in affiliate							(22,252)
Gain on equity investment in Cumulus Media Partners, LLC				11,636			
Income (loss) from continuing operations before income taxes	13,836	(25,051)	(118,729)	(8,494)	23,462	(157,577)	(489,261)
Income tax (expense) benefit	4,276	10,689	26,552	3,313	(1,505)	3,259	3,637
Income (loss) from continuing operations	18,112	(14,362)	(92,177)	(5,181)	21,957	(154,318)	(485,624)
Income from discontinued operations, net of taxes		10,375	59,448	69,041	7,445	27,616	123,955
Net income (loss)	18,112	(3,987)	(32,729)	63,860	29,402	(126,702)	(361,669)
Less: dividends declared and accretion of redeemable preferred stock	6,307	12,491	21,432	6,961			
Income (loss) attributable to common shareholders	$ 11,805	$ 16,478	$ (54,161)	$ 56,899	$ 29,402	$ (126,702)	$ (361,669)
Basic income (loss) per common share	$ 0.05	$ (0.17)	$ (0.33)	$ 0.80	$ 0.70	$ (3.13)	$ (8.55)
Diluted income (loss) per common share	$ 0.05	$ (0.17)	$ (0.33)	$ 0.80	$ 0.68	$ (3.13)	$ (8.55)
Other Data:							
Adjusted EBITDA(3)	$ 172,688	$ 179,736	$ 393,737	$ 123,693	$ 91,745	$ 63,381	$ 83,059
Cash flows related to:							
Operating activities	$ 56,774	$ 55,190	$ 179,490	$ 71,751	$ 42,553	$ 28,691	$ 76,654
Investing activities	(54,012)	(1,493)	98,143	(2,031,256)	(2,240)	(3,060)	(6,754)
Financing activities	(44,596)	(65,206)	(220,175)	1,977,283	(43,723)	(62,410)	(49,183)
Capital expenditures	(4,830)	(1,919)	(6,607)	(6,690)	(2,475)	(3,110)	(6,069)
Balance Sheet Data:							
Total assets	$ 3,690,184	$ 3,914,456	$ 3,734,575	$ 4,040,591	$ 319,636	$ 334,064	$ 543,519
Long-term debt (including current portion)	2,663,609	2,795,240	2,701,067	2,850,537	591,008	633,508	696,000
Total stockholders equity (deficit)	$ 262,927	$ 278,507	$ 246,633	$ 290,713	$ (341,309)	$ (372,512)	$ (248,147)

(1) On August 1, 2011, we completed the CMP Acquisition and on September 16, 2011, we completed the Citadel Merger. Each of CMP s and Citadel s operating results have been included in Cumulus financial statements since the date of completion of each respective transaction. Revenues of $288.3 million attributable to the acquisitions of CMP and Citadel in 2011 are included in the selected historical consolidated financial information for the year ended December 31, 2011. Primarily

S-32

Table of Contents

Index to Financial Statements

as a result of the completion of these significant transactions at various dates in 2011, Cumulus believes that its results of operations for the year ended December 31, 2012, and its financial condition as of December 31, 2011, will provide only limited comparability to prior periods. Investors are cautioned to not place undue reliance on any such comparisons.

(2) Impairment charge recorded in connection with our interim and annual impairment testing under ASC Topic 350. See Note 6, Intangible Assets and Goodwill, in the consolidated financial statements included elsewhere in this prospectus supplement.

(3) The following table provides an unaudited reconciliation of our net income (loss) to Adjusted EBITDA:

	Six Months Ended June 30,		Year Ended December 31,				
	2013	2012	2012	2011(a)	2010(a)	2009(a)	2008(a)
	(Dollars in thousands)						
Net income (loss)	$ 18,112	$ (3,987)	$ (32,729)	$ 63,860	$ 29,402	(126,702)	(361,669)
Income tax (benefit) expense	(4,276)	(10,689)	(26,552)	(3,313)	1,505	(3,259)	(3,677)
Non-operating expenses, including net interest expense	93,002	100,232	201,102	86,950	30,199	34,125	32,272
LMA fees	1,728	1,724	3,556	2,525	2,054	2,332	631
Depreciation and amortization	57,866	71,007	142,143	51,148	8,214	10,236	11,563
Stock-based compensation expense	5,134	12,906	18,779	10,744	2,451	2,879	4,664
Loss on sale of stations	1,400						
Gain on exchange of assets or stations				(15,278)		(7,204)	
Realized (gain) loss on derivative instrument	(2,844)	753	(12)	3,368	1,957	3,640	
Acquisition-related costs	2,214	5,465	16,989				
Franchise taxes	352	265	336				
Impairment of goodwill and intangible assets		12,435	127,141		671	174,950	498,897
Loss on early extinguishment of debt			2,432	4,366			
Gain on equity investment in CMP				(11,636)			22,252
Terminated transaction expense					7,847		2,041
Discontinued operations: income from discontinued operations, net of tax		(10,375)	(59,448)	(69,041)	7,445	(27,616)	(123,915)
Adjusted EBITDA	$ 172,688	$ 179,736	$ 393,737	$ 123,693	$ 91,745	$ 63,381	$ 83,059

(a) As described in footnote 1 above, primarily as a result of the completion of the acquisitions of CMP and Citadel at various dates in 2011, Cumulus believes that its results of operations for the year ended December 31, 2012, and its financial condition at December 31, 2011, will provide only limited comparability to prior periods. Investors are cautioned to not place undue reliance on any such comparisons.

Table of Contents

Index to Financial Statements

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is intended to provide the reader with an overall understanding of our financial condition, changes in financial condition, results of operations, cash flows, sources and uses of cash, and contractual obligations. This section also includes general information about our business and management s analysis of certain trends, risks and opportunities in our industry. We also provide a discussion of accounting policies that require critical judgments and estimates. This discussion contains and refers to statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Such statements relate to our intent, belief or current expectations primarily with respect to our future operating, financial and strategic performance. Any such forward-looking statements are not guarantees of future performance and may involve risks and uncertainties. Many of these risks and uncertainties are beyond our control, and the unexpected occurrence or failure to occur of any such events or matters could significantly alter our actual results of operations or financial condition. You should read the following information in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus supplement, as well as the information set forth under Risk Factors and Forward-Looking Statements.

Our Business

We own and operate commercial radio station clusters throughout the United States, and we believe we are the largest pure-play radio broadcaster in the United States based on number of stations owned and operated. At June 30, 2013, we owned or operated approximately 520 radio stations (including under LMAs for 14 radio stations) in 108 United States media markets. Additionally, we create audio content and partner with third parties to create audio content to support nationwide radio networks serving over 5,500 affiliates. Our combined portfolio of stations reaches over 65 million broadcast listeners weekly through a broad assortment of programming formats including rock, sports, top 40 and country, among others. Further, we distribute our content digitally through radio station websites, apps and streaming audio.

Operating Overview and Highlights

We believe that we have created a leading radio broadcasting company with a true national platform and an opportunity to further leverage and expand upon our strengths, market presence and programming. Specifically, we have an extensive radio station portfolio consisting of approximately 520 radio stations, including a presence in eight of the top 10 markets, and broad diversity in format, listener base, geography, advertiser base and revenue stream, all of which are designed to reduce our dependence on any single demographic, region or industry. Our nationwide radio networks platform generates premium content that can be distributed through broadcast and digital mediums. Our increased scale allows larger, more significant investments in the local digital media marketplace enabling us to apply our local digital platforms and strategies, including our social commerce initiatives, across additional markets. We believe national platform perspective will allow us to optimize our available advertising inventory while providing holistic and comprehensive solutions for our customers.

Cumulus believes that our capital structure provides adequate liquidity and scale for Cumulus to operate and grow our current business operations, as well as to pursue and finance potential strategic acquisitions in the future.

Liquidity Considerations

Historically, our principal needs for funds have been for acquisitions of radio stations, expenses associated with our station and corporate operations, capital expenditures, and interest and debt service payments. We believe that our funding needs in the future will be for substantially similar matters.

Table of Contents

Index to Financial Statements

Our principal sources of funds have primarily been cash flow from operations and borrowings under credit facilities in existence from time to time. We continually monitor our capital structure, and from time to time have evaluated, and expect that we will continue to evaluate, future opportunities to, obtain other public or private capital from the divestiture of radio stations or other assets that are not a part of, or do not compliment, our strategic operations, and the issuance of equity and/or debt securities, in each case subject to market and other conditions in existence at the appropriate time. No assurances can be provided that any source of funds would be available when needed on terms acceptable to the Company, or at all. Our cash flow from operations is subject to such factors as shifts in population, station listenership, demographics, and audience tastes, and fluctuations in preferred advertising media. In addition, customers may not be able to pay, or may delay payment of, accounts receivable that are owed to us, which risks may be exacerbated in challenging economic periods. In recent periods, management has taken steps to mitigate this risk through heightened collection efforts and enhancements to our credit approval process, although no assurances as to the longer-term success of these efforts can be provided. In addition, we believe that our broad diversity in format, listener base, geography, advertiser base and revenue stream helps us to reduce our dependence on any single demographic, region or industry.

On September 16, 2011, we entered into the First Lien Facility and the Second Lien Facility. The First Lien Facility (as amended and restated to date) consists of a $1.325 billion first lien term loan facility, net of an original issue discount of $13.5 million, maturing in September 2018, which we refer to as the First Lien Term Loan, and the $150.0 million Revolving Credit Facility, maturing in September 2016. Under the Revolving Credit Facility, up to $15.0 million of availability may be drawn in the form of letters of credit and up to $15.0 million is available for swingline borrowings. The Second Lien Facility consists of a $790.0 million second lien term loan facility, net of an original issue discount of $12.0 million, maturing in September 2019, which we refer to as the Second Lien Term Loan.

On December 20, 2012, we entered into an amendment and restatement of the First Lien Facility, which we refer to as the Amendment and Restatement. Pursuant to the Amendment and Restatement, the terms and conditions contained in the First Lien Facility remained substantially unchanged, except as follows: (i) the amount outstanding thereunder was increased to $1.325 billion; (ii) the margin for LIBOR (as defined below) based borrowings was reduced from 4.5% to 3.5% and for Base Rate (as defined below) based borrowings was reduced from 3.5% to 2.5%; and (iii) the LIBOR floor for LIBOR-based borrowings was reduced from 1.25% to 1.0%. The Amendment and Restatement resulted in both a debt modification and extinguishment for accounting purposes. As a result, we wrote off $2.4 million of deferred financing costs related to the First Lien Facility in the year ended December 31, 2012. We also capitalized $0.8 million of deferred financing costs related to the Amendment and Restatement.

On May 31, 2013, we entered into an amendment to the First Lien Facility, which we refer to as the Amendment. Pursuant to the Amendment, the consolidated total net leverage ratio covenant contained in the First Lien Facility with which we were required to comply in the event amounts were outstanding under the Revolving Credit Facility was replaced with a consolidated first lien net leverage ratio covenant, and the total commitments under the Revolving Credit Facility were reduced from $300.0 million to $150.0 million. The Amendment constituted an extinguishment of debt for accounting purposes. As a result, we wrote off $4.5 million of deferred financing costs related to the Revolving Credit Facility which has been included in Loss on early extinguishment of debt of the unaudited condensed consolidated statement of operations for the three and six months ended June 30, 2013 included elsewhere in this prospectus supplement.

Borrowings under the First Lien Facility bear interest, at the option of Cumulus Media Holdings Inc., or Cumulus Holdings, a wholly owned subsidiary of the Company, based on the Base Rate or the London Interbank Offered Rate, or LIBOR, in each case plus 3.5% on LIBOR-based borrowings and 2.5% on Base Rate-based borrowings. LIBOR-based borrowings are subject to a LIBOR floor of 1.0% for the First Lien Term Loan and 1.0% for the Revolving Credit Facility. Base Rate-based borrowings are subject to a Base

Table of Contents

Index to Financial Statements

Rate Floor of 2.25% for the First Lien Term Loan and 2.0% for the Revolving Credit Facility. Base Rate is defined, for any day, as the fluctuating rate per annum equal to the highest of (i) the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 1/2 of 1.0%, (ii) the prime commercial lending rate of JPMorgan, as established from time to time, and (iii) 30 day LIBOR plus 1.0%. The First Lien Term Loan amortizes at a per annum rate of 1.0% of the original principal amount of the First Lien Term Loan, payable quarterly, which commenced on March 31, 2012, with the balance payable on the maturity date. Amounts outstanding under the Revolving Credit Facility are due and payable on the maturity date.

Borrowings under the Second Lien Facility bear interest, at the option of Cumulus Holdings, at either the Base Rate plus 5.0%, subject to a Base Rate floor of 2.5%, or LIBOR plus 6.0%, subject to a LIBOR floor of 1.5%. The Second Lien Term Loan original principal amount is due on the maturity date, September 16, 2019.

At June 30, 2013, borrowings under the First Lien Term Loan bore interest at 4.5% per annum and borrowings under the Second Lien Term Loan bore interest at 7.5% per annum. Effective December 8, 2011, the Company entered into an interest rate cap agreement with an aggregate notional amount of $71.3 million, which agreement caps the interest rate on an equivalent amount of the Company s LIBOR based term loans at a maximum of 3.0% per annum. The interest rate cap agreement matures on December 8, 2015. See Note 6, Derivative Financial Instruments in the notes to the unaudited condensed consolidated financial statements included elsewhere in this prospectus supplement.

The representations, covenants and events of default in the 2011 Credit Facilities and financial covenants in the First Lien Facility are customary for financing transactions of this nature. Events of default in the 2011 Credit Facilities include, among others: (a) the failure to pay when due the obligations owing under the credit facilities; (b) the failure to comply with (and not timely remedy, if applicable) certain financial covenants (as required by the First Lien Facility); (c) certain cross defaults and cross accelerations; (d) the occurrence of bankruptcy or insolvency events; (e) certain judgments against the Company or any of its restricted subsidiaries; (f) the loss, revocation or suspension of, or any material impairment in the ability to use one or more of, any material FCC licenses; (g) any representation or warranty made, or report, certificate or financial statement delivered, to the lenders subsequently proven to have been incorrect in any material respect; and (h) the occurrence of a Change in Control (as defined in the First Lien Facility and the Second Lien Facility, as applicable). Upon the occurrence of an event of default, the lenders may terminate the loan commitments, accelerate all loans and exercise any of their rights under the First Lien Facility and the Second Lien Facility, as applicable, and the ancillary loan documents as a secured party.

In the event amounts are outstanding under the Revolving Credit Facility, the First Lien Facility requires compliance with a consolidated first lien net leverage ratio covenant. At June 30, 2013, this ratio would have been 4.5 to 1.0. Such ratio will be reduced in future periods if amounts are outstanding under the Revolving Credit Facility at an applicable date. At June 30, 2013, the Company would have been in compliance with the covenant if the Company had amounts outstanding under the Revolving Credit Facility. The Second Lien Facility does not contain any financial covenants.

At June 30, 2013, we had $1.287 billion outstanding under the First Lien Term Loan, $785.5 million outstanding under the Second Lien Facility and $0.0 million outstanding under the Revolving Credit Facility. We also had outstanding $610.0 million of 7.75% Senior Notes due 2019.

On August 20, 2013, the Company issued 77,241 shares of newly designated Series B Preferred Stock. Proceeds from the issuance of approximately $77.2 million were used to redeem all outstanding shares of Series A Preferred Stock, including accrued and unpaid dividends. Dividends on the Series B Preferred Stock accrue at a rate of 12% per annum until September 30, 2014, thereafter at a rate of 14% per annum until March 31, 2015, and thereafter at a rate of 17% per annum, in each case subject to increase as described in Description of Capital Stock Preferred Stock in the accompanying prospectus.

Table of Contents

Index to Financial Statements

We have assessed the current and expected conditions of our business climate, our current and expected needs for funds, and our current and expected sources of funds and determined, based on our financial condition as of June 30, 2013, that cash on hand, cash expected to be generated from operating activities and cash available from various financing sources will be sufficient to satisfy our anticipated financing needs for working capital, capital expenditures, interest and debt service payments, and repurchases of securities and other debt obligations through June 30, 2014.

Advertising Revenue and Adjusted EBITDA

Our primary source of revenues is the sale of advertising time. Our sales of advertising time are primarily affected by the demand from local, regional and national advertisers, which impacts the advertising rates charged by us. Advertising demand and rates are based primarily on a station s ability to attract audiences in the demographic groups targeted by its advertisers, as measured principally by various ratings agencies on a periodic basis. We endeavor to develop strong listener loyalty and we believe that the diversification of our formats and programs helps to insulate us from the effects of changes in the musical tastes of the public with respect to any particular format as a substantial portion of our revenue comes from non-music format and proprietary content. In addition, we believe that the portfolio that we own and operate, which has increased diversity in terms of format, listener base, geography, advertiser base and revenue stream as a result of our acquisitions and the development of our strategy to focus on radio stations in larger markets and geographically strategic regional clusters, will further reduce our revenue dependence on any single demographic, region or industry.

We strive to maximize revenue by managing our on-air inventory of advertising time and adjusting prices up or down based on supply and demand. The optimal number of advertisements available for sale depends on the programming format of a particular radio program. Each sales vehicle has a general target level of on-air inventory available for advertising. This target level of advertising inventory may vary at different times of the day but tends to remain stable over time. We seek to broaden our base of advertisers in each of our markets by providing a wide array of audience demographic segments across each cluster of stations, thereby providing each of our potential advertisers with an effective means of reaching a targeted demographic group. In the broadcasting industry, we sometimes utilize trade or barter agreements that exchange advertising time for goods or services such as travel or lodging, instead of for cash. Trade revenue totaled \$12.5 million, \$13.6 million, \$27.7 million, \$21.2 million and \$16.7 million in the six months ended June 30, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010, respectively. Our advertising contracts are generally short-term. We generate most of our revenue from local and regional advertising, which is sold primarily by a station s sales staff. Local and regional advertising represented approximately 67.6%, 67.3%, 77.4%, 72.6% and 84.5% of our total revenues during six months ended June 30, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010, respectively.

In addition to local advertising revenues, we monetize our available inventory in both national spot and network sales marketplaces using our national platform. To effectively deliver our network advertising for our customers, we distribute content and programming through third-party affiliates in order to achieve a broader national audience. Typically, in exchange for the right to broadcast radio network programming, third-party affiliates remit a portion of their advertising time, which is then aggregated into packages focused on specific demographic groups and sold by us to our advertiser clients that want to reach the listeners who comprise those demographic groups on a national basis. Revenues derived from third-party affiliates in all periods presented represented less than 10% of consolidated revenues.

Our advertising revenues vary by quarter throughout the year. As is typical in the radio broadcasting industry, our first calendar quarter typically produces the lowest revenues of a last twelve month period, as advertising generally declines following the winter holidays. The second and fourth calendar quarters typically produce the highest revenues for the year. Our operating results in any period may be affected by

[Table of Contents](#)

[Index to Financial Statements](#)

the incurrence of advertising and promotion expenses that typically do not have an effect on revenue generation until future periods, if at all. We continually evaluate opportunities to increase revenues through new platforms, including technology-based initiatives.

Adjusted EBITDA is the financial metric utilized by management to analyze the cash flow generated by the Company s business. For a discussion of Adjusted EBITDA, including the Company s definition thereof and its utilization, see footnote 2 in Summary Summary Historical Financial Information included elsewhere in this prospectus supplement. A quantitative reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP, follows in this section.

Results of Operations

Analysis of Unaudited Condensed Consolidated Results of Operations

The following analysis of selected data from our unaudited condensed consolidated statements of operations and other supplementary data should be referred to while reading the results of operations discussion that follows (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,		% Change Three Months Ended	% Change Six Months Ended
	2013	2012	2013	2012		
Statement of Operations Data:						
Net revenues	$ 289,676	$ 281,041	$ 522,548	$ 517,036	3.1%	1.1%
Direct operating expenses (excluding depreciation, amortization and LMA fees)	171,762	168,746	335,934	322,442	1.8%	4.2%
Depreciation and amortization	28,935	36,200	57,866	71,007	(20.2)%	(18.5)%
LMA fees	759	885	1,728	1,724	(14.2)%	0.2%
Corporate, general and administrative expenses (including stock-based compensation expense)	7,760	16,802	21,626	33,494	(53.8)%	(35.5)%
Loss on sale of stations	91		1,400		**	**
(Gain) loss on derivative instrument	(2,106)	841	(2,844)	753	**	**
Impairment of intangible assets		12,435		12,435	**	**
Operating income	82,475	45,132	106,838	75,181	82.7%	42.1%
Interest expense, net	(43,833)	(49,619)	(88,085)	(100,422)	(11.7)%	(12.3)%
Loss on early extinguishment of debt	(4,539)		(4,539)		**	**
Other (loss) income, net	(511)	(74)	(378)	190	590.5%	(298.9)%
Income (loss) from continuing operations before income taxes	33,592	(4,561)	13,836	(25,051)	**	**
Income tax (expense) benefit	(6,491)	2,798	4,276	10,689	**	**
Income (loss) from continuing operations	27,101	(1,763)	18,112	(14,362)	**	**
Income from discontinued operations, net of taxes		9,906		10,375	**	**
Net income (loss)	$ 27,101	$ 8,143	$ 18,112	$ (3,987)	**	**
Other Data:						
Adjusted EBITDA	$ 112,800	$ 106,129	$ 172,688	$ 179,736	6.3%	(3.9)%

** Calculation is not meaningful.

Table of Contents

Index to Financial Statements

Three Months Ended June 30, 2013 Compared to the Three Months Ended June 30, 2012

Net Revenues. Net revenues for the three months ended June 30, 2013 increased $8.7 million, or 3.1%, to $289.7 million, compared to $281.0 million for the three months ended June 30, 2012. This increase was attributable to a $4.3 million increase in local advertising revenue, a $3.9 million increase in revenue related to digital initiatives and a $2.8 million increase in revenue due to the addition of stations in the Bloomington and Peoria markets that we acquired from Townsquare as a part of our sale of 55 stations in eleven non-strategic markets to Townsquare in exchange for Townsquare s radio stations in Bloomington, IL and Peoria, IL, plus approximately $114.9 million in cash, which we refer to as the Townsquare Asset Exchange, in July 2012. These increases were partially offset by a decrease of $2.3 million in cyclical political revenue.

Direct Operating Expenses, Excluding Depreciation and Amortization. Direct operating expenses for the three months ended June 30, 2013 increased $3.1 million, or 1.8%, to $171.8 million, compared to $168.7 million for the three months ended June 30, 2012. The increase was primarily attributable to a $4.6 million increase in our strategic content initiatives, a $4.1 million increase related to ongoing investments in our sales infrastructure and a $1.9 million increase in expenses due to the addition of stations in the Bloomington and Peoria markets we acquired from Townsquare in July 2012. These increases were partially offset by a $7.5 million decrease in music royalties.

Depreciation and Amortization. Depreciation and amortization for the three months ended June 30, 2013 decreased $7.3 million, or 20.2%, to $28.9 million, compared to $36.2 million for the three months ended June 30, 2012. This decrease was primarily due to a $6.6 million decrease in amortization expense on our definite lived intangible assets, which results from the accelerated amortization methodology we have applied since acquisition of the assets based on the expected pattern in which the underlying assets economic benefits are consumed. There was also a $0.7 million decrease in depreciation expense.

Corporate, General and Administrative Expenses, Including Stock-based Compensation Expense. Corporate general and administrative expenses, including stock-based compensation expense, for the three months ended June 30, 2013 decreased $9.0 million, or 53.8%, to $7.8 million, compared to $16.8 million for the three months ended June 30, 2012. This decrease is primarily due to a decrease of $4.4 million mostly associated with the closure of the legacy Citadel corporate offices, a $3.5 million decrease in stock-based compensation expense and a $1.1 million decrease in other overhead costs.

(Gain) loss on Derivative Instrument. For the three months ended June 30, 2013, we recorded a $2.1 million gain related to the fair value adjustment of the put option on five radio stations in Green Bay we operate under an LMA, which we refer to as the Green Bay Option, compared to a $0.8 million loss recorded for the three months ended June 30, 2012.

Impairment of Intangible Assets. For the three months ended June 30, 2012, we recorded a definite-lived intangible asset impairment of $12.4 million related to the cancellation of a contract. There was no similar impairment for the three months ended June 30, 2013.

Interest Expense, net. Total interest expense, net of interest income, for the three months ended June 30, 2013 decreased $5.8 million, or 11.7%, to $43.8 million compared to $49.6 million for the three months ended June 30, 2012. Interest expense associated with outstanding debt decreased by $6.3 million to $41.4 million as compared to $47.7 million in the prior year period. This decrease was due to lower average indebtedness outstanding resulting from principal repayments and a lower weighted average cost of debt

Table of Contents

Index to Financial Statements

due to the December 2012 amendment to our First Lien Facility. The following summary details the components of our interest expense, net of interest income (dollars in thousands):

	Three Months Ended June 30,		2013 vs 2012	
	2013	2012	$ Change	% Change
7.75% Senior Notes	$ 11,819	$ 11,819	$	%
Bank borrowings term loans and revolving credit facilities	29,534	35,848	(6,314)	(17.6)%
Other interest expense	2,876	2,089	787	37.7%
Change in fair value of interest rate cap and swap	(32)	165	(197)	(119.4)%
Interest income	(364)	(302)	(62)	20.5%
Interest expense, net	$ 43,833	$ 49,619	$ (5,786)	(11.7)%

Income Taxes. For the three months ended June 30, 2013, the Company recorded income tax expense of $6.5 million, on a pre-tax income from continuing operations of $33.6 million, resulting in an effective tax rate for the three months ended June 30, 2013 of approximately 19.3%. For the three months ended June 30, 2012, the Company recorded an income tax benefit of $2.8 million, on pre-tax loss from continuing operations of $4.6 million, resulting in an effective tax rate for the three months ended June 30, 2012 of approximately 60.9%.

The difference between the effective tax rate for each period and the federal statutory rate of 35.0% primarily relates to state and local income taxes and the tax amortization of broadcast licenses and goodwill and changes in the valuation allowance on net deferred tax assets.

In accordance with ASC 740, Accounting for Income Taxes, each quarter we assess the likelihood that the Company will be able to recover its deferred tax assets with respect to the amount of its federal and state net operating loss carryovers available to satisfy the settlement of its deferred tax liability related to the prior elections made by certain of its acquired subsidiaries to defer the recognition of cancellation of debt income, or CODI. As a result of this quarter s assessment, the Company estimates that more of its net operating loss carryovers will become available to settle the deferred tax liabilities associated with the deferred CODI resulting in a $14.1 million release of its valuation allowance during the three months ended June 30, 2013.

Adjusted EBITDA. As a result of the factors described above, Adjusted EBITDA for the three months ended June 30, 2013 increased $6.7 million to $112.8 million from $106.1 million for the three months ended June 30, 2012.

Table of Contents

Index to Financial Statements

Reconciliation of Non-GAAP Financial Measure. The following table reconciles Adjusted EBITDA to net income (loss) (the most directly comparable financial measure calculated and presented in accordance with GAAP) as presented in the accompanying consolidated statements of operations (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,		% Change Three Months Ended	% Change Six Months Ended
	2013	2012	2013	2012		
Net income (loss)	$ 27,101	$ 8,143	$ 18,112	$ (3,987)	**	**
Income tax expense (benefit)	6,491	(2,798)	(4,276)	(10,689)	**	**
Non-operating expenses, including net interest expense	48,883	49,693	93,002	100,232	(1.6)%	(7.2)%
LMA fees	759	885	1,728	1,724	(14.2)%	0.2%
Depreciation and amortization	28,935	36,200	57,866	71,007	(20.1)%	(18.5)%
Stock-based compensation expense	2,470	5,928	5,134	12,906	(58.3)%	(60.2)%
Loss on sale of stations	91		1,400		**	**
(Gain) loss on derivative instrument	(2,106)	841	(2,844)	753	**	**
Impairment of intangible assets		12,435		12,435	**	**
Acquisition-related costs		4,443	2,214	5,465	**	(59.5)%
Franchise taxes	176	265	352	265	(33.6)%	32.8%
Discontinued operations		(9,906)		(10,375)	**	**
Adjusted EBITDA	$ 112,800	$ 106,129	$ 172,688	$ 179,736	6.3%	(3.9)%

** Calculation is not meaningful.

Six Months Ended June 30, 2013 Compared to the Six Months Ended June 30, 2012

Net Revenues. Net revenues for the six months ended June 30, 2013 increased $5.5 million, or 1.1%, to $522.5 million, compared to $517.0 million for the six months ended June 30, 2012. This increase was attributable to a $1.5 million increase in local advertising revenue, a $3.0 million increase in revenue related to digital initiatives and a $5.0 million increase in revenue due to the addition of stations in the Bloomington and Peoria markets we acquired from Townsquare in July 2012. These increases were partially offset by a decrease of $4.0 million in cyclical political revenue.

Direct Operating Expenses, Excluding Depreciation and Amortization. Direct operating expenses for the six months ended June 30, 2013 increased $13.5 million, or 4.2%, to $335.9 million, compared to $322.4 million for the six months ended June 30, 2012. The increase was primarily attributable to an $18.7 million increase in our strategic content initiatives as well as ongoing investments in our sales infrastructure and a $3.5 million increase in expenses due to the addition of stations in the Bloomington and Peoria markets we acquired from Townsquare in July 2012. These increases were partially offset by an $8.7 million decrease in music royalties.

Depreciation and Amortization. Depreciation and amortization for the six months ended June 30, 2013 decreased $13.1 million to $57.9 million, compared to $71.0 million for the six months ended June 30, 2012. This decrease was primarily due to a $13.7 million decrease in amortization expense on our definite

Table of Contents

Index to Financial Statements

lived intangible assets, which results from the accelerated amortization methodology we have applied since acquisition of the assets based on the expected pattern in which the underlying assets economic benefits are consumed. There was also a $0.6 million increase in depreciation expense.

Corporate, General and Administrative Expenses, Including Stock-based Compensation Expense. Corporate general and administrative expenses, including stock-based compensation expense, for the six months ended June 30, 2013 decreased $11.9 million, or 35.5%, to $21.6 million, compared to $33.5 million for the six months ended June 30, 2012. The decrease is primarily due to a decrease in acquisition related costs of $3.3 million mostly associated with the closure of the legacy Citadel corporate offices, a $7.8 million decrease in stock-based compensation expense and a $0.8 million decrease in other overhead costs.

(Gain) loss on Derivative Instrument. For the six months ended June 30, 2013, we recorded a $2.8 million gain related to the fair value adjustment of the put option on five Green Bay stations we operate under an LMA, compared to a $0.8 million loss recorded for the six months ended June 30, 2012.

Impairment of Intangible Assets. For the six months ended June 30, 2012, we recorded a definite-lived intangible asset impairment of $12.4 million related to the cancellation of a contract. There was no similar impairment for the six months ended June 30, 2013.

Interest Expense, net. Total interest expense, net of interest income, for the six months ended June 30, 2013 decreased $12.3 million, or 12.3%, to $88.1 million compared to $100.4 million for the six months ended June 30, 2012. Interest expense associated with outstanding debt decreased by $12.8 million to $82.9 million as compared to $95.7 million in the prior year period. This decrease was due to lower average indebtedness outstanding resulting from principal repayments and a lower weighted average cost of debt due to the December 2012 amendment to our First Lien Facility. The following summary details the components of our interest expense, net of interest income (dollars in thousands):

	Six Months Ended June 30,		**2013 vs 2012**	
	2013	**2012**	**$ Change**	**% Change**
7.75% Senior Notes	$ 23,638	$ 23,638	$	%
Bank borrowings term loans and revolving credit facilities	59,214	72,067	(12,853)	(17.8)%
Other interest expense	5,894	5,065	829	16.4%
Change in fair value of interest rate cap and swap	(27)	250	(277)	(110.8)%
Interest income	(634)	(598)	(36)	6.0%
Interest expense, net	$ 88,085	$ 100,422	$ (12,337)	(12.3)%

Income Taxes. For the six months ended June 30, 2013, the Company recorded an income tax benefit of $4.3 million on pre-tax income from continuing operations of $13.8 million, resulting in an effective tax rate of approximately (31.2%). For the six months ended June 30, 2012, the Company recorded an income tax benefit of $10.7 million on pre-tax loss from continuing operations of $25.1 million, resulting in an effective tax rate of 42.6%.

The difference between the effective tax rate for each period and the federal statutory rate of 35.0% primarily relates to state and local income taxes and the tax amortization of broadcast licenses and goodwill and changes in the valuation allowance on net deferred tax assets.

In accordance with ASC 740, Accounting for Income Taxes, each quarter we assesses the likelihood that the Company will be able to recover its deferred tax assets with respect to the amount of its federal and state net operating loss carryovers available to satisfy the settlement of its deferred tax liability related to the

Table of Contents

Index to Financial Statements

prior elections made by certain of its acquired subsidiaries to defer the recognition of CODI. As a result of this quarter s assessment, the Company estimates that more of its net operating loss carryovers will become available to settle the deferred tax liabilities associated with the deferred CODI resulting in a $14.1 million release of its valuation allowance during the six months ended June 30, 2013.

Adjusted EBITDA. As a result of the factors described above, Adjusted EBITDA for the six months ended June 30, 2013 decreased $7.0 million to $172.7 million from $179.7 million for the six months ended June 30, 2012.

Analysis of Audited Consolidated Results of Operations

Primarily as a result of the completion the CMP Acquisition and the Citadel Merger at various times in 2011, Cumulus believes that its results of operations for the year ended December 31, 2012, and its financial condition at December 31, 2012 and 2011, will provide only limited comparability to prior periods. Investors are cautioned to not place undue reliance on any such comparison. Revenues of $288.3 million attributable to the CMP Acquisition and Citadel Merger in 2011 are included in the Company s accompanying consolidated financial statements for the year ended December 31, 2011.

Analysis of Consolidated Statements of Operations

The following analysis of selected data from our consolidated statements of operations should be referred to while reading the results of operations discussion that follows (dollars in thousands):

	Year Ended December 31,			2012 vs 2011		2011 vs 2010	
	2012	2011	2010	$ Change	% Change	$ Change	% Change
Statement of Operations Data:							
Net revenues							