

LIBERTY CORP
Form 8-K
February 05, 2002

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) February 5, 2002

The Liberty Corporation

(Exact name of Registrant as Specified in Charter)

South Carolina

1-5846

57-0507055

(State or Other Jurisdiction
of Incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

135 South Main Street, Greenville, SC

29601

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code (864) 241-5400

n/a

(Former Name or Former Address, if Changed Since Last Report)

ITEM 9. REGULATION FD DISCLOSURE.

[LIBERTY CORPORATION LETTERHEAD]

For further information: Howard Schrott, 864-241-5400

LIBERTY CORPORATION REPORTS FOURTH QUARTER RESULTS

Greenville, SC (February 5, 2002) The Liberty Corp. (NYSE: LC) today reported financial results for quarter ended December 31, 2001. Liberty owns and operates 15 network-affiliated television stations along with other ancillary businesses.

For the quarter ended December 31, 2001, net revenue declined three percent to \$48.1 million compared with \$49.4 million for the prior year. On a pro forma basis, total revenue for time sales (excluding political) increased two percent in the quarter. For the year, net revenue increased three percent to \$178.4 million from \$173.7 million from the prior year.

For the latest quarter, broadcast cash flow decreased eight percent to \$21.4 million from \$23.2 million. For the twelve-month period, broadcast cash flow decreased nine percent

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to \$68.4 million from \$75.5 million. The decline in broadcast cash flow was primarily due to the absence of political and Olympic revenue in the current year. Broadcast cash flow is operating income plus depreciation and amortization, non-cash compensation, corporate cash expenses, non-recurring and certain other items. Broadcast cash flow is a commonly used measurement to evaluate the operating performance of media properties.

The past year has been one of challenges. It began with what is now a well-documented, nationwide advertising recession and ended with the economic fallout related to the events of September 11, commented Hayne Hipp, Chief Executive Officer of Liberty. But despite these events, our stations have performed as well as any television group. We come into 2002 with a debt-free balance sheet that will allow us to continually focus on our core operations and acquisition opportunities.

A major group broadcaster, Liberty owns fifteen network-affiliated television stations, including eight NBC affiliates (WAVE-TV, Louisville, KY; WIS-TV, Columbia, SC; WLBT-TV, Jackson, MS; WFIE-TV, Evansville, IN; WSFA-TV, Montgomery, AL; KCBD-TV, Lubbock, TX; WALB-TV, Albany, GA and KPLC-TV, Lake Charles, LA); five ABC affiliates (KLTN-TV, Tyler, TX; KTRE-TV, the satellite affiliate of KLTN in Lufkin, TX; WLOX-TV, Biloxi, MS; WWAY-TV, Wilmington, NC and KAIT-TV, Jonesboro, AR); and two CBS affiliates (WTOL-TV, Toledo, OH and KGBT-TV, Harlingen, TX). In addition, Liberty owns CableVantage Inc., a cable advertising sales subsidiary; Take Ten Productions, a video production facility; and Broadcast Merchandising Company, a professional broadcast equipment dealership.

Liberty has operational agreements and equity positions in WorldNow, the leading provider of Internet technology solutions for local media companies; MyWeather, developer of innovative technologies to provide personalized weather on the web, and iBlast, the nation's largest wireless data broadcast distribution network that provides a fast, cost-effective last mile solution for content providers and consumers.

For further information about Liberty, visit the corporate website, <http://www.libertycorp.com/>

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The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. Certain information contained herein or in any other written or oral statements made by, or on behalf of the Company, is or may be viewed as forward-looking. The words expect, believe, anticipate or similar expressions identify forward-looking statements. Although the Company has used appropriate care in developing any such forward-looking information, forward-looking information involves risks and uncertainties that could significantly impact actual results. These risks and uncertainties include, but are not limited to, the following: changes in national and local markets for television advertising; changes in general economic conditions, including the performance of financial markets and interest rates; competitive, regulatory, or tax changes that affect the cost of or demand for the Company's products; and adverse litigation results. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise.

Broadcast cash flow is a commonly used measurement to evaluate the operating performance of media properties, and is not a measure of financial performance under generally accepted accounting principles.

THE LIBERTY CORPORATION
Income Statement Information

| | <u>Three Months</u> <u>Ended</u> <u>December 31,</u> | | <u>Twelve</u> <u>Months Ended</u> <u>December 31,</u> | |
|-----------------------------------|--|-------------|---|-------------|
| | <u>2001</u> | <u>2000</u> | <u>2001</u> | <u>2000</u> |
| (In 000's, except per share data) | | | | |
| | Unaudited | | | |

REVENUES

Station revenues (net of commissions)
\$44,722 \$46,447 **\$166,129** \$161,184
 Cable advertising and other revenues
3,419 2,949 **12,304** 12,488

Net revenues
48,141 49,396 **178,433** 173,672

EXPENSES

Operating expenses
26,386 27,398 **103,904** 95,564
 Amortization of program rights
1,980 1,060 **7,937** 5,852
 Depreciation and amortization of intangibles
8,253 6,233 **31,970** 21,097
 Corporate, general, and administrative expenses
2,099 4,213 **11,882** 12,238

Total operating expenses

38,718 38,904 **155,693** 134,751

Operating income

9,423 10,492 **22,740** 38,921

Net investment income

197 4,680 **3,996** 16,696

Interest expense

1,661 14,366

Income from continuing operations before income taxes

9,620 13,511 **26,736** 41,251

Provision for income taxes

3,656 4,808 **10,160** 16,256

Income from continuing operations

5,964 8,703 **16,576** 24,995

Income from discontinued operations (net of taxes)

2,502 28,563

NET INCOME

\$5,964 \$11,205 **\$16,576** \$53,558

DILUTED EARNINGS PER SHARE:

Diluted earnings per common share from continuing operations
\$0.30 \$0.44 **\$0.84** \$1.27
Diluted earnings per common share from discontinued operations
0.13 1.45

Diluted earnings per common share
\$0.30 \$0.57 **\$0.84** \$2.72

Weighted average common dilutive shares
19,743 19,725 **19,680** 19,721
Actual common and common equivalent shares outstanding at end of period
19,750 19,538 **19,750** 19,538

RECONCILIATION OF OPERATING INCOME TO ADJUSTED BROADCAST CASH FLOW

Operating income per income statement
\$9,423 \$10,492 **\$22,740** \$38,921
One time charges (1)
2,263 3,198

Adjusted operating income
9,423 12,755 **22,740** 42,119
Add:

Depreciation and amortization
8,253 6,233 **31,970** 21,097
Adj. for network compensation due vs. accrued
425 **673**
Non-cash compensation
1,589 **2,122** 1,211

Operating cash flow
\$19,690 \$18,988 **\$57,505** \$64,427
Corporate cash expenses
1,694 4,216 **10,944** 11,028

Broadcast cash flow
\$21,384 \$23,204 **\$68,449** \$75,455

(1) Adjusted to exclude charges in 2000 related to the phase-out and winding up of the Company's direct mail operations
-END-

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SIGNATURE

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

THE LIBERTY CORPORATION

By: /s/ Martha Williams

Martha Williams
Vice President, General Counsel and Secretary

February 5, 2002