G III APPAREL GROUP LTD /DE/
Form DEF 14A
May 11, 2001

Section 240.14a-101 Schedule 14A.
Information required in proxy statement.
Schedule 14A Information
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934
(Amendment No.)

Filed by the Registrant [X]
Filed by a party other than the Registrant [ ]
Check the appropriate box:
[ ] Preliminary Proxy Statement
[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

G-III Apparel Group, Ltd.
....
(Name of Registrant as Specified In Its Charter)

....
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
[X] No fee required
[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

....

(2) Aggregate number of securities to which transaction applies:

....

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

....

(4) Proposed maximum aggregate value of transaction:

....

(5) Total fee paid:

....

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

....

(2) Form, Schedule or Registration Statement No.:

....

(3) Filing Party:

....

(4) Date Filed:

....

[Logo]

Dear Stockholder:

You are cordially invited to attend the Company's Annual Meeting of Stockholders to be held on Tuesday, June 12, 2001 at 10:00 a.m., New York time, at the offices of Fulbright & Jaworski L.L.P., 666 Fifth Avenue, 31st Floor, New York, New York 10103.

The formal Notice of Meeting and the accompanying Proxy Statement set forth proposals for your consideration this year. You are being asked to elect directors and to ratify the appointment of Ernst & Young LLP as the independent certified public accountants of the Company.

At the meeting, the Board of Directors will also report on the affairs of the Company, and a discussion period will be provided for questions and comments of general interest to stockholders.

We look forward to greeting personally those of you who are able to be present at the meeting. However, whether or not you are able to be with us at

the meeting, it is important that your shares be represented. Accordingly, you are requested to sign, date and mail, at your earliest convenience, the enclosed proxy in the envelope provided for your use.

Thank you for your cooperation.

Very truly yours,

/s/ MORRIS GOLDFARB

MORRIS GOLDFARB
Chief Executive Officer

May 11, 2001

G-III APPAREL GROUP, LTD.
512 SEVENTH AVENUE
NEW YORK, NEW YORK 10018

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
JUNE 12, 2001

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of G-III Apparel Group, Ltd. (the 'Company') will be held on Tuesday, June 12, 2001 at 10:00 a.m., New York time, at the offices of Fulbright & Jaworski L.L.P., 666 Fifth Avenue, 31st Floor, New York, New York 10103, for the following purposes:

(1) To elect nine directors to serve for the ensuing year.

(2) To consider and act upon a proposal to ratify the appointment of Ernst & Young LLP as the Company's independent certified public accountants for the fiscal year ending January 31, 2002.

(3) To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Only stockholders of record at the close of business on May 7, 2001 will be entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

All stockholders are cordially invited to attend the Annual Meeting in person. HOWEVER, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON, EACH STOCKHOLDER IS URGED TO COMPLETE, DATE AND SIGN THE ENCLOSED FORM OF PROXY AND RETURN IT PROMPTLY IN THE ENVELOPE PROVIDED. No postage is required if the proxy is mailed in the United States. Stockholders who attend the Annual Meeting may revoke their proxy and vote their shares in person.

By Order of the Board of Directors

/s/ Wayne S. Miller
....
WAYNE S. MILLER
Secretary

New York, New York
May 11, 2001

G-III APPAREL GROUP, LTD.
512 SEVENTH AVENUE
NEW YORK, NEW YORK 10018

PROXY STATEMENT

GENERAL INFORMATION

GENERAL

This Proxy Statement (first mailed to stockholders on or about May 11, 2001) is furnished to the holders of Common Stock, par value $.01 per share (the 'Common Stock'), of G-III Apparel Group, Ltd. (the 'Company') in connection with the solicitation by the Board of Directors of the Company of proxies for use at the Annual Meeting of Stockholders (the 'Annual Meeting'), or at any adjournment thereof, pursuant to the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held on Tuesday, June 12, 2001, at 10:00 a.m., New York time, at the offices of Fulbright & Jaworski L.L.P., 666 Fifth Avenue, 31st Floor, New York, New York 10103.

It is proposed that at the Annual Meeting: (i) nine directors will be elected and (ii) the appointment of Ernst & Young LLP as the independent certified public accountants of the Company for the fiscal year ending January 31, 2002 will be ratified.

Management currently is not aware of any other matters that will come before the Annual Meeting. If any other matters properly come before the Annual Meeting, the persons designated as proxies intend to vote in accordance with their best judgment on such matters.

Proxies for use at the Annual Meeting are being solicited by the Board of Directors of the Company. Proxies will be solicited chiefly by mail; however, certain officers, directors, employees and agents of the Company, none of whom will receive additional compensation therefor, may solicit proxies by telephone, telegram or other personal contact. The Company will bear the cost of the solicitation of the proxies, including postage, printing and handling, and will reimburse the reasonable expenses of brokerage firms and others for forwarding material to beneficial owners of shares of Common Stock.

REVOCABILITY AND VOTING OF PROXY

A form of proxy for use at the Annual Meeting and a return envelope for the

proxy are enclosed. Unless otherwise indicated on the form of proxy, shares of Common Stock represented by any proxy in the enclosed form, assuming the proxy is properly executed and received by the Company prior to the Annual Meeting, will be voted with respect to the following items on the agenda: (i) the election of each of the nominees for director as shown on the form of proxy and (ii) the appointment of Ernst & Young LLP as the independent certified public accountants of the Company.

Stockholders may revoke the authority granted by their execution of a proxy at any time prior to the effective exercise of the powers conferred by that proxy, by filing with the Secretary of the Company a written notice of revocation or a duly executed proxy bearing a later date, or by voting in person at the meeting. Shares of Common Stock represented by executed and unrevoked proxies will be voted in accordance with the instructions specified in such proxies. If no specifications are given, the proxies intend to vote the shares represented thereby 'for' the election of each of the nominees for director as shown on the form of proxy and 'for' the ratification of the appointment of Ernst & Young LLP as the independent certified public accountants of the Company, and in accordance with their best judgment on any other matters which may properly come before the meeting.

RECORD DATE AND VOTING RIGHTS

On May 7, 2001, there were 6,665,164 shares of Common Stock outstanding (excluding those held by the Company). Each of these shares is entitled to one vote upon each of the matters to be presented at the Annual Meeting. Only stockholders of record at the close of business on May 7, 2001 are entitled to notice of and to vote at the Annual Meeting or any adjournment thereof. The holders of a majority of the outstanding shares of Common Stock, present in person or by proxy and entitled to vote, will constitute a quorum at the Annual Meeting. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum, but will not be counted with respect to the specific matter being voted upon. 'Broker non-votes' are shares held by brokers or nominees which are present in person or represented by proxy, but which are not voted on a particular matter because instructions have not been received from the beneficial owner.

The affirmative vote of the holders of a plurality of the shares of Common Stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required for the election of directors. The affirmative vote of the holders of a majority of the shares of Common Stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required for the ratification of the appointment of Ernst & Young LLP.

BENEFICIAL OWNERSHIP OF COMMON STOCK BY

CERTAIN STOCKHOLDERS AND MANAGEMENT

The following table sets forth information as of March 31, 2001 (except as otherwise noted in the footnotes) regarding the beneficial ownership of the Company's Common Stock of: (i) each person known by the Company to own beneficially more than five percent of the outstanding Common Stock; (ii) each director and nominee for director of the Company; (iii) each executive officer named in the Summary Compensation Table (see 'Executive Compensation' below); and (iv) all directors and executive officers of the Company as a group. Except as otherwise specified, the named beneficial owner has the sole voting and investment power over the shares listed.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP OF COMMON STOCK	PERCENTAGE COMMON STOC
Aron Goldfarb(1)	1,092,105(2)	16.1%
Morris Goldfarb(1)	2,873,665(3)	40.8%
Lyle Berman 433 Bushaway Road Wayzata, MN 55391	128,900(4)	1.9%
Thomas J. Brosig 1174 Glendale Place Gulfport, MS 39507	0	*
Alan Feller(1)	10,675	*
Carl Katz(1)	77,450(5)	1.2%
Willem van Bokhorst Julianaplein 5 Curacao, Netherlands Antilles	12,150(6)	*
Sigmund Weiss c/o Green & Weiss 225 West 34th Street New York, NY 10001	11,350(7)	*
George J. Winchell c/o Sea Oaks 8785 Lakeside Boulevard Vero Beach, FL 32963	7,150(8)	*
Dimensional Fund Advisors Inc 1299 Ocean Avenue 11th Floor Santa Monica, CA 90401	532,465(9)	8.0%
Buckingham Capital Management Incorporated 630 Third Avenue, Sixth Floor New York, NY 10017	478,900(10)	7.2%
Jeanette Nostra-Katz(1)	77,450(11)	1.2%
Keith Sutton Jones(1)	120,975(12)	1.8%
Wayne S. Miller(1)	60,000(8)	*
Deborah Gaertner(1)	26,275(13)	*
All directors and executive officers as a group (13 persons)	4,420,695(14)	59.9%

----

* Less than one percent

(footnotes continued on next page)

(footnotes continued from previous page)

(1) The address of such individual is c/o G-III Apparel Group, Ltd., 512 Seventh Avenue, New York, New York 10018.

(2) Includes 107,500 shares of Common Stock which may be acquired within 60 days upon the exercise of options.

(3) Includes (i) 378,000 shares of Common Stock which may be acquired within 60 days upon the exercise of options; (ii) 130,000 shares of Common Stock held in a trust, of which Mr. Goldfarb's wife is one of two trustees with shared voting and dispositive power, for the benefit of Mr. Goldfarb's daughter; (iii) 130,000 shares of Common Stock held in a trust, of which Mr. Goldfarb's wife is one of two trustees with shared voting power, for the benefit of Mr. Goldfarb's son; (iv) 19,889 shares of Common Stock owned by Mr. Goldfarb's son; (v) 9,889 shares held by Mr. Goldfarb's wife; (vi) 6,400 shares of Common Stock held by Morris and Arlene Goldfarb as joint tenants; and (vii) 6,400 shares of Common Stock held by the Morris Goldfarb Family Trust.

(4) Include 19,500 shares of Common Stock which may be acquired within 60 days upon the exercise of options.

(5) Consists of 7,000 shares of Common Stock which may be acquired within 60 days upon the exercise of options, 19,950 shares which are held jointly by Mr. Katz and his wife, Jeanette Nostra-Katz, an executive officer of the Company, and 50,500 shares of Common Stock which may be acquired within 60 days upon exercise of options held by Ms. Nostra-Katz.

(6) Includes 7,150 shares of Common Stock which may be acquired within 60 days upon the exercise of options.

(7) Includes 6,100 shares of Common Stock which may be acquired within 60 days upon the exercise of options.

(8) Shares which may be acquired within 60 days upon the exercise of options.

(9) Information is derived from the Schedule 13G, dated February 2, 2001 (the 'DFA Schedule 13G'), filed by Dimensional Fund Advisors Inc. ('DFA'), a registered investment advisor, with the Securities and Exchange Commission. The DFA Schedule 13G states that DFA is deemed to have beneficial ownership as of December 31, 2000 of 532,465 shares of Common Stock, all of which shares are owned by advisory clients of DFA, no one of which, to the knowledge of DFA, owns more than 5% of the outstanding Common Stock. In the DFA Schedule 13G, DFA disclaims beneficial ownership of such shares.

(10) Information is derived from the Schedule 13G, dated February 9, 2001 (the 'BCM Schedule 13G'), filed by Buckingham Capital Management Incorporated ('BCM'), a registered investment advisor with the Securities and Exchange Commission. The BCM Schedule 13G states that BCM is deemed to have beneficial ownership as of December 31, 2000 of 478,900 shares of Common Stock.

(11) Consists of 50,500 shares of Common Stock which may be acquired within 60 days upon the exercise of options, 19,950 shares which are held jointly

by Ms. Nostra-Katz and her husband, Carl Katz, a director and executive officer of the Company, and 7,000 shares of Common Stock which may be acquired within 60 days upon exercise of options held by Mr. Katz.

(footnotes continued on next page)

(footnotes continued from previous page)

(12) Includes 50,375 shares of Common Stock which may be acquired within 60 days upon the exercise of options.

(13) Consists of 24,275 shares of Common Stock which may be acquired within 60 days upon the exercise of options and 2,000 shares held by Ms. Gaertner's husband.

(14) Includes an aggregate of 717,550 shares of Common Stock which may be acquired within 60 days upon exercise of options.

PROPOSAL NO. 1-ELECTION OF DIRECTORS

Nine directors (constituting the entire Board) are to be elected at the Annual Meeting. Unless otherwise specified, the enclosed proxy will be voted in favor of the persons named below (all of whom are currently directors of the Company) to serve until the next annual meeting of stockholders and until their respective successors shall have been duly elected and qualified. If any of these nominees become unavailable for any reason, or if a vacancy should occur before the election, the shares represented by the proxy will be voted for the person, if any, who is designated by the Board of Directors to replace the nominee or to fill the vacancy on the Board. All nominees have consented to be named and have indicated their intent to serve if elected. The Board of Directors has no reason to believe that any of the nominees will be unable to serve or that any vacancy on the Board of Directors will occur.

The nominees, their respective ages, the year in which each first became a

director of the Company and their principal occupations or employment during the past five years are as follows:

NOMINEE	AGE	YEAR FIRST BECAME DIRECTOR	PRINCIPAL OCCUPATION DURING THE PAST FIVE YEARS
Morris Goldfarb.............	50	1974	Co-Chairman of the Board and Chief Executive Off the Company. Until April 1997, served as either or Vice President of the Company and its predec since its formation in 1974. Director of Lakes Inc. and Wilsons The Leather Experts, Inc.
Aron Goldfarb...............	78	1974	Director of the Company and former Co-Chairman o Board. Until December 1994, served as either Pr or Vice President of the Company and its predec since its formation in 1974. As of January 1, 1 Goldfarb became a consultant to the Company.
Lyle Berman.................	59	1989	Since October 1991, Chairman and Chief Executive of Lakes Gaming, Inc. or its predecessor, Grand Inc. Currently serves as a Director of Lakes Ga Inc., New Horizon Kids Quest, Inc. and Wilsons Leather Experts, Inc.
Thomas J. Brosig............	51	1992	Since January 2001, Mr. Brosig has served as Sen President, Administration, Park Place Entertain Vegas, Nevada. From January 1999 to January 200 served as President, Mid-South Region, Park Pla Entertainment. For more than the past five year served its predecessor, Grand Casinos, Inc., in executive capacities including its President fr September 1996 to January 1999. From January 19 October 1999, he served as President and was a of Lakes Gaming, Inc. Additionally, he is a Dir Wilson's The Leather Experts, Inc. and Famous D America.
Alan Feller.................	59	1995	Mr. Feller was the Company's Chief Financial Off December 1989 to April 1998, and served as the Executive Vice President, Treasurer and Secreta Company from January 1990 through October of 19 Feller served as a consultant to the Company fr November 1998 through October 1999.
Carl Katz...................	61	1989	Executive Vice President of the Siena Leather di ('Siena') of the Company. Mr. Katz has been an of Siena since 1981.
Willem van Bokhorst.........	55	1989	Partner in the Netherlands Antilles law firm of Thesseling van Bokhorst for more than the past years.
Sigmund Weiss...............	79	1974	Certified Public Accountant since 1948. Operated general accounting practice for over 40 years. an accountant for the Company since its incepti
George J. Winchell..........	74	1990	Retired as Senior Vice President of W.R. Grace & 1994. Joined W.R. Grace & Co. in 1949 and held with the controller's office, the Specialty Che Group, the office of the President and the Reta

Aron Goldfarb and Morris Goldfarb are father and son, respectively. Carl Katz and Jeanette Nostra-Katz, President of the Company, are married to each other.

The Board of Directors of the Company has several committees, including an Executive Committee, Audit Committee, Option Committee and Compensation Committee. The Board of Directors held five meetings during the fiscal year ended January 31, 2001. During the fiscal year

ended January 31, 2001, each director in office during such fiscal year attended not less than 75% of the aggregate number of meetings of the Board of Directors and of meetings of committees of the Board on which he served.

The Executive Committee, composed of Morris Goldfarb, Aron Goldfarb and Carl Katz, is vested with the powers of the Board of Directors, to the fullest extent permitted by law, between meetings of the Board. The Executive Committee did not act during the fiscal year ended January 31, 2001.

Until April 30, 2001, the Audit Committee was composed of Sigmund Weiss and Willem van Bokhorst. Mr. Thomas J. Brosig became the third member of the Audit Committee on May 1, 2001. Messrs. Weiss, van Bokhorst, and Brosig are 'independent directors' as that term is defined in the listing standards of the National Association of Securities Dealers. The Audit Committee is responsible for, among other things, (i) reviewing and discussing the annual audited financial statements with management, (ii) discussing with management and the auditors information relating to the financial reporting issues and judgments in connection with the preparation of the Company's financial statements, (iii) reviewing with management and the auditors the Company's interim financial reports prior to filing with the Securities and Exchange Commission, (iv) meeting with management to review the Company's major financial risk exposures, (v) reviewing major changes to the Company's accounting principles, (vi) reviewing the adequacy of the Company's internal controls and (vii) overseeing compliance with the Securities and Exchange Commission. A complete description of the Audit Committee's responsibilities is described in the Audit Committee Charter which is appended to this proxy statement. The Audit Committee met four times and acted by written consent one time during the fiscal year ended January 31, 2001.

The Option Committee, composed of George J. Winchell and Willem van Bokhorst, is empowered to oversee and make all decisions regarding the Company's 1989 Stock Option Plan (the '1989 Plan') and its 1997 Stock Option Plan, functioning as the 'Committee' under both plans. The Option Committee acted by unanimous written consent three times in the fiscal year ended January 31, 2001. The G-III Apparel Group, Ltd. Stock Option Plan for Non-Employee Directors, effective June 1991 and the 1999 Stock Option Plan For Non-Employee Directors (the '1999 Non-Employee Directors Plan'), which provides for annual option grants to non-employee directors of the Company, are administered by the Board of Directors.

The Compensation Committee, composed of Thomas J. Brosig and Sigmund Weiss, is empowered to establish and review compensation practices and policies of the Company. The Compensation Committee is empowered to recommend and/or set the compensation for the executive officers and key employees of the Company as well as authorize and approve employment agreements. The Compensation Committee did not meet during the fiscal year ended January 31, 2001.

VOTE REQUIRED

The nine nominees receiving the highest number of affirmative votes of the shares present in person or represented by proxy and entitled to vote for them shall be elected as directors. Only votes cast for a nominee will be counted, except that the accompanying proxy will be voted for all nominees in the absence of instructions to the contrary. Abstentions, broker non-votes and instructions on the accompanying proxy card to withhold authority to vote for one or more nominees will not be counted as a vote for any such nominee.

THE BOARD OF DIRECTORS DEEMS THE ELECTION AS DIRECTORS OF THE NINE NOMINEES LISTED ABOVE TO BE IN THE BEST INTERESTS OF THE COMPANY AND ITS STOCKHOLDERS AND RECOMMENDS A VOTE 'FOR' THEIR ELECTION.

EXECUTIVE COMPENSATION

The following table sets forth information concerning all cash and non-cash compensation awarded to, earned by or paid to the Company's Chief Executive Officer and each of the four other most highly compensated executive officers for the fiscal year ended January 31, 2001 for services in all capacities to the Company and its subsidiaries.

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION(1)			LONG-TERM COMPENSATION
NAME AND PRINCIPAL POSITION	YEAR(2)	SALARY ($)	BONUS ($)	OTHER ANNUAL COMPENSATION	OPTIONS (#)
Morris Goldfarb	2001	$650,000	$1,058,419	$50,000(3)	--
Chief Executive Officer	2000	650,000	494,355	50,000(3)	100,000
	1999	650,000	--	--	--
Jeanette Nostra-Katz	2001	$325,000	$ 300,000	$--	--
President	2000	325,000	150,000	--	50,000
	1999	325,000	--	--	--
Wayne S. Miller	2001	$262,000	$ 200,000	$--	--
Senior Vice-President,	2000	262,000	100,000	--	25,000
Treasurer and Secretary	1999	201,539	--	--	100,000
Deborah Gaertner	2001	$210,600	$ 78,975	$--	3,000
Vice President-Women's	2000	210,600	35,000	--	2,500
Sales Division of G-III	1999	210,600	--	--	--
Leather Fashions, Inc.					
Keith Sutton Jones	2001	$205,000	$ 75,000	$--	--
Vice President of Foreign	2000	205,000	25,000	--	--
Manufacturing-G-III	1999	205,000	--	--	--
Leather Fashions, Inc.					

----

(1) Amounts reflected do not include perquisites and other personal benefits received by any named executive, which, in all instances, were less than the lesser of $50,000 or 10% of the total of annual salary and bonus reported for the named executive.

(2) Represents the fiscal year ended January 31 of that year.

(3) Represents a contribution to a supplemental pension trust pursuant to the terms of Mr. Goldfarb's employment agreement. See 'Employment Agreement.'

(4) Amounts represent insurance premiums paid by the Company for life insurance for the benefit of Mr. Goldfarb's wife.

(5) Amounts represent insurance premiums paid by the Company for life and long-term disability insurance.

The following table sets forth information on option grants in the fiscal year ended January 31, 2001 to the persons named in the Summary Compensation Table.

OPTION GRANTS IN LAST FISCAL YEAR

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR(1)	EXERCISE PRICE ($/SH)	EXPIRATION DATE	POTENTIAL VALUE AT ANNUAL RAT PRICE APPRE OPTION
					5%
Deborah Gaertner.............	3,000	3.7%	$6.125	August 22, 2010	$11,556

----

(1) Based upon options to purchase 81,000 shares granted to all employees in the fiscal year ended January 31, 2001.

(2) These amounts represent assumed rates of appreciation in the price of the Common Stock during the terms of the options in accordance with rates specified in applicable federal securities regulations. Actual gains, if any, on stock option exercises will depend on the future price of the Common Stock and overall market conditions. There is no representation that the rates of appreciation reflected in this table will be achieved.

The following table sets forth information with respect to (i) stock options exercised in the fiscal year ended January 31, 2001 by the persons named in the

Summary Compensation Table and (ii) unexercised stock options held by such individuals.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND
FISCAL YEAR-END OPTION VALUES

NAME	SHARES ACQUIRED ON EXERCISE	VALUE REALIZED	NUMBER OF UNEXERCISED OPTIONS HELD AT FISCAL YEAR END		VALUE OF UNEXE IN-THE-MONEY OP FISCAL YEAR END	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNE
Morris Goldfarb...........	26,250	$123,060	378,000	80,000	$1,512,814	$
Jeanette Nostra-Katz(2)...	0	0	50,500	60,000	$ 136,244	$
Wayne Miller..............	0	0	45,000	80,000	$ 114,790	$
Deborah Gaertner..........	6,300	$ 30,319	24,275	6,000	$ 114,526	$
Keith Sutton Jones........	0	0	50,375	20,000	$ 243,752	$

----

(1) Computed based on the difference between the last sale price per share of the Common Stock of $6.938 on January 31, 2001 and the exercise price of each option.

(2) Excludes 16,000 options held by Ms. Nostra-Katz' husband, Carl Katz, a director of the Company.

10

EMPLOYMENT AGREEMENT

The Company has an employment agreement with Morris Goldfarb effective through January 31, 2004. Two years prior to the end of the agreement, it will automatically be extended for an additional year unless prior to that time either the Company or Mr. Goldfarb provides a written notice that the term should not be extended any further. The agreement provides for a base annual salary of $650,000, with increases at the discretion of the Board of Directors. The agreement also provides for a $2,000,000 life insurance policy which names Mr. Goldfarb's wife as beneficiary and an annual incentive bonus equal to varying percentages of pre-tax income (as defined in the employment agreement) if pre-tax income exceeds $2,000,000. The percentages vary from 3% of pre-tax income in excess of $2,000,000 up to 6% of pre-tax income in excess of $2,000,000 if pre-tax income exceeds $4,000,000. Pursuant to the agreement, the Company will contribute $50,000 per year to a supplemental pension trust for Mr. Goldfarb's benefit for each year in which net after-tax income (as defined in the employment agreement) exceeds $1,500,000. In addition, pursuant to the agreement, in the event that Morris Goldfarb's employment is terminated (i) by the Company without cause or (ii) by Morris Goldfarb because of a material

breach by the Company of the agreement, in either case at any time after a 'Change in Control' (as defined in the agreement), then Mr. Goldfarb will be entitled to receive from the Company, in general, (a) an amount equal to 2.99 times his base salary and bonus, as well as (b) certain employment-related benefits for a period of three years from the date of his termination.

COMPENSATION OF DIRECTORS

Directors who are not employees of the Company receive $5,000 per year, in addition to $500 for each meeting of the Board attended and $500 for each meeting of each Audit Committee of the Board attended, plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attendance at Board of Directors' meetings.

Aron Goldfarb, a director of the Company, acts as a consultant to the Company and is paid at the rate of $1,000 per month for services rendered in such capacity. The Company also provides an automobile and medical insurance for Mr. Goldfarb and his wife.

G-III Apparel Group, Ltd. Stock Option Plan for Non-Employee Directors

Pursuant to the G-III Apparel Group, Ltd. 1999 Stock Option Plan for Non-Employee Directors (the '1999 Non-Employee Directors Plan'), the Company automatically grants options to purchase shares of Common Stock on an annual basis to members of its Board of Directors who are not also employees of, or consultants to, the Company (a 'Non-Employee Director'). Subject to adjustment to reflect stock splits and other capital changes, a maximum of 50,000 shares are issuable under the 1999 Non-Employee Directors Plan.

Under the 1999 Non-Employee Directors Plan, each Non-Employee Director is automatically granted an option to purchase 1,000 shares of Common Stock on the day after each annual meeting of the Company's stockholders (each, a 'Grant Date'). All options issued under the 1999 Non-Employee Directors Plan are exercisable at a per share exercise price equal to the closing sales price of a share of Common Stock on the Grant Date.

In general, each option granted under the 1999 Non-Employee Directors Plan becomes exercisable in equal increments of 200 shares on each of the first through fifth anniversaries of the date

the option is granted, and subject to the foregoing, may be exercised during the ten year period from the date the option is granted. However, a Non-Employee Director who ceases to perform services for the Company will have three months (one year in the case of termination by reason of death or total disability) to exercise his or her outstanding options, but only to the extent otherwise exercisable under the vesting schedule.

Under the 1999 Non-Employee Directors Plan, the Board of Directors, acting in its discretion, may (i) make a one-time grant of an option to purchase up to 10,000 shares of Common Stock to an individual when he or she first becomes a Non-Employee Director and (ii) increase the number of shares covered by the automatic annual option grant to Non-Employee Directors to as many as 2,000 shares.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

General. The Compensation Committee consists of Thomas J. Brosig and Sigmund Weiss. The Company's compensation policies have evolved over the years since the Company's initial public stock offering in December 1989. At the time of the public offering and periodically since then, the compensation levels of the Company's executive officers were reviewed and compared to officers of other publicly held apparel companies. The Company adopted the 1989 Plan in 1989 and increased the number of shares subject to the 1989 Plan in January 1992 and June 1994. In 1997, the Company adopted the 1997 Plan and in 2000 the Company increased the number of shares subject to the 1997 Plan. The 1989 Plan and 1997 Plan are administered by the Option Committee, which is currently composed of Willem van Bokhorst and George J. Winchell.

One of the Company's strengths is a strong management team. The compensation program is designed to enable the Company to attract, retain and reward capable employees who contribute to the Company's success. Equity participation and a strong alignment to stockholders' interests are key elements of the Company's compensation philosophy. The Company's executive compensation policies are intended to (i) attract and retain the most highly qualified managerial and executive talent; (ii) afford appropriate incentives to produce superior performance; (iii) emphasize sustained performance by aligning rewards with stockholder interests; (iv) motivate executives and employees to achieve the Company's annual and long-term business goals; and (v) reward executives for superior individual contributions to the Company. To implement these policies, the Board of Directors designed an executive compensation program consisting, in general, of base salary, annual bonus plan and stock options.

Under Section 162(m) of the Internal Revenue Code of 1986, as amended (the 'Code') publicly held companies may be prohibited from deducting as an expense for federal income tax purposes total remuneration in excess of $1 million paid to certain executive officers in a single year. However, Section 162(m) of the Code provides an exception for 'performance-based' remuneration, including remuneration attributable to certain stock options. The Company expects to keep 'non-performance-based' remuneration within the $1 million limit to ensure that all executive compensation will be fully deductible. Nevertheless, although the Committee considers the net cost to the Company in making all compensation decisions (including, for this purpose, the potential limitation on deductibility of executive compensation), there is no assurance that compensation realized with respect to any particular award will qualify as 'performance-based' remuneration.

Base Salary. Base salaries reflect individual responsibilities, experience, leadership and contribution to the success of the Company. Annual salary adjustments are generally determined by

evaluating the performance of the executive and any increased responsibilities assumed by the executive, the performance of the Company and the competitive marketplace. During the fiscal year ended January 31, 1999 ('fiscal 1999'), the fiscal year ended January 31, 2000 ('fiscal 2000'), and the fiscal year ended January 31, 2001 ('fiscal 2001'), the Company granted certain salary increases based on performance and the competitive marketplace.

Annual Bonuses. The Company has a discretionary bonus program for corporate management personnel, which includes Ms. Nostra-Katz, Mr. Miller, and Mr. Sutton Jones. Under the discretionary program, if the Company's overall profit target is met, corporate management personnel are entitled to receive bonuses, determined by Morris Goldfarb, the Chief Executive Officer of the Company, based on an evaluation of the executive's individual performance and contribution to the Company's results of operations. The Company's range of profit targets for fiscal 2000 and fiscal 2001 were met and the bonuses awarded Ms. Nostra-Katz, Mr. Miller, and Mr. Sutton Jones are set forth in the Summary Compensation Table. Management personnel were not awarded bonuses for fiscal 1999 as profit targets were not met. The Company has an incentive compensation program for division Vice-Presidents, including Ms. Gaertner. The incentive compensation program is based on targeted division and overall company performance. The Company's and division's overall targets were met in fiscal 2000 and fiscal 2001 and the bonus paid to Ms. Gaertner for those years is set forth in the Summary Compensation table.

Mr. Goldfarb has a performance-based incentive bonus provision in his employment agreement. This incentive provision is intended to recognize Mr. Goldfarb's unique role in overall management and corporate strategy and provide incentive compensation based on overall performance by the Company. Pursuant to the terms of his employment agreement, Mr. Goldfarb was paid a bonus of $494,355 with respect to fiscal 2000 and a bonus of $1,058,419 with respect to fiscal 2001. Mr. Goldfarb was not paid a bonus with respect to fiscal 1999.

Stock Options. The Compensation Committee endorses the position that equity ownership by management is beneficial in aligning management's and stockholders' interests in the enhancement of stockholder value. Stock option awards provide a long-term view and incentives tied to growth in stockholder values. The Committee strongly believes that the compensation program should provide employees with an opportunity to increase their ownership and potentially gain financially from Company stock price increases. By this approach, the best interests of stockholders, executives and employees will be closely aligned.

The Committee believes that the use of stock options as the basis for long-term incentive compensation meets the Company's compensation strategy and business needs of the Company by achieving increased value for stockholders and retaining key employees. The Committee intends to work closely with the Option Committee to achieve these goals.

COMPENSATION COMMITTEE	OPTION COMMITTEE
Thomas J. Brosig	Willem van Bokhorst
Sigmund Weiss	George J. Winchell

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Morris Goldfarb, Chief Executive Officer and a director of the Company, is a director of Wilsons The Leather Experts, Inc. ('Wilsons'). Thomas J. Brosig, a director of the Company, is also a director

of Wilsons. Mr. Brosig served as Executive Vice President of Administration and Finance of the Company from August 1989 through March 1990.

AUDIT COMMITTEE REPORT

In accordance with its written charter adopted by the Board of Directors attached as an appendix to this proxy statement, the Audit Committee of the Board of Directors (the 'Committee') is responsible for, among other things, reviewing and discussing the audited financial statements with management, and discussing with the Company's auditors information relating to the auditors' judgments about the quality of the Company's accounting principles. Management has the primary responsibility for the financial statements and the reporting process. The Company's independent auditors are responsible for expressing an opinion on the conformity of our audited financial statements to generally accepted accounting principles.

Review of Audited Financial Statements. The Audit Committee has reviewed the Company's audited financial statements for the fiscal year ended January 31, 2001 as audited by Ernst & Young LLP, the Company's independent auditors, and has discussed these financial statements with management. In addition, the Audit Committee has discussed with Ernst & Young LLP the matters required to be discussed by generally accepted auditing standards, including those described in Statement on Auditing Standards No. 61 (Communication with Audit Committees). Furthermore, the Audit Committee has received the written disclosures from Ernst & Young LLP required by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with Ernst & Young LLP its independence.

Recommendation. In reliance on the reviews and discussions referenced above, the Audit Committee recommended to the Board of Directors that the audited financial statements for the fiscal year ended January 31, 2001 be included in the Company's Annual Report on Form 10-K for that fiscal year.

Membership. Until April 30, 2001, the Audit Committee consisted of Messrs. Weiss and van Bokhorst.

AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS

Sigmund Weiss
Willem van Bokhorst

INDEPENDENT PUBLIC ACCOUNTANTS

On July 20, 2000, the Company dismissed Grant Thornton LLP as its principal accountants and engaged Ernst & Young LLP. The decision to change accountants was approved by the Company's Audit Committee.

Neither of the reports of Grant Thornton LLP on the financial statements for the Company's fiscal years ended January 31, 1999 and January 31, 2000 contained an adverse opinion or disclaimer of opinion, nor was either qualified or modified as to uncertainty, audit scope, or accounting principles. During the fiscal years ended January 31, 1999 and January 31, 2000, the three months ended April 30, 2000, and through July 20, 2000, there were no disagreements with Grant Thornton LLP on

any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Grant Thornton LLP, would have caused it to make reference to the subject matter of the disagreements in connection with its report.

During the fiscal years ended January 31, 1999 and January 31, 2000, the three months ended April 30, 2000, and through July 20, 2000, the Company had not consulted Ernst & Young LLP regarding any matter requiring disclosure under Item 304(a)(2) of Regulation S-K.

The Company provided Grant Thornton LLP with a copy of this disclosure and requested that Grant Thornton LLP furnish it with a letter addressed to the SEC stating whether it agrees with the above statements. In a letter to the SEC dated July 27, 2000, Grant Thornton LLP stated that it agreed with the statements in the prior three paragraphs as such statements pertained to Grant Thornton LLP.

AUDIT FEES

Ernst & Young LLP and the member firms of Ernst & Young (collectively 'Ernst & Young') billed the Company an aggregate of $172,000 in fees for professional services rendered in connection with the audit of the Company's financial statements for the fiscal year ended January 31, 2001 and the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q for the quarters ended July 31, 2000 and October 31, 2000.

FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES

Ernst & Young did not provide any professional services to the Company for the fiscal year ended January 31, 2001 in connection with the design or implementation of any financial information systems.

ALL OTHER FEES

Ernst & Young billed the Company an aggregate of $43,000 in fees for other services rendered to the Company for the fiscal year ended January 31, 2001. The Audit Committee has considered whether the provision of non-audit services is compatible with maintaining Ernst & Young's independence.

PROPOSAL NO. 2-RATIFICATION OF APPOINTMENT
OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The stockholders will be asked to ratify the appointment of Ernst & Young LLP as the independent certified public accountants of the Company for the fiscal year ending January 31, 2002. Ernst & Young LLP audited the financial statements of the Company for the fiscal year ended January 31, 2001. A representative of Ernst & Young LLP is expected to be present at the Annual Meeting, and will have an opportunity to make a statement if such person desires to do so, and is expected to be available to respond to appropriate questions from stockholders.

THE BOARD OF DIRECTORS DEEMS PROPOSAL NO. 2 TO BE IN THE BEST INTERESTS OF THE COMPANY AND ITS STOCKHOLDERS AND RECOMMENDS A VOTE 'FOR' APPROVAL THEREOF.

COMPARATIVE PERFORMANCE BY THE COMPANY

The Securities and Exchange Commission requires the Company to present a chart comparing the cumulative total stockholder return on its Common Stock with the cumulative total stockholder return of (i) a broad equity market index and (ii) a published industry index or peer group. This chart compares the Common Stock with (i) the S&P 500 Composite Index and (ii) the S&P Textiles Index, and assumes an investment of $100 on January 31, 1996 in each of the Common Stock, the stocks comprising the S&P 500 Composite Index and the stocks comprising the S&P Textile Index.

G-III APPAREL GROUP, LTD.
COMPARISON OF CUMULATIVE TOTAL RETURN
(JANUARY 31, 1996 -- JANUARY 31, 2001)

[PERFORMANCE GRAPH]

Symbol	GIII	SPX	STEXA
	G-III	S&P 500	S&P Textile (Apparel)
1/31/96	100	100	100
1/31/97	122	124	138
1/31/98	196	154	137
1/31/99	102	201	122
1/31/00	121	219	80
1/31/01	241	215	110

COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

To the Company's knowledge, except for Keith Sutton Jones who was three days late in filing a Form 4, which reported three transactions, the Company's directors, executive officers and beneficial owners of more than ten percent of the Company's Common Stock are in compliance with the reporting requirements of Section 16(a) under the Securities Exchange Act of 1934, as amended.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In September 1986, the New York City Industrial Development Agency ('IDA') issued $1,442,000 of floating rate Industrial Development Revenue Bonds to a commercial bank for the purpose of acquiring and renovating real property

located at 345 West 37th Street in New York City (the '345 Property'). Simultaneously, the IDA leased the 345 Property for a term of 15 years to 345 West 37th Corp. ('345 West'), a company owned and managed by Morris Goldfarb and Aron Goldfarb, for sublease to a subsidiary of the Company as its headquarters. Monthly rental payments are due under the sublease in an amount equal to the aggregate of all amounts due under the bonds (including principal, redemption premium, if any, and interest), plus real estate taxes and building operating expenses. Two of the Company's subsidiaries and Morris Goldfarb and Aron Goldfarb (collectively, the

'Guarantors'), have jointly and severally guaranteed the payments and obligations under the lease and the payment of principal and interest on the bonds.

In April 1988, 345 West received a loan in the principal amount of $1,153,000 from the New York Job Development Authority (the 'Authority'), to assist 345 West in its renovation of the 345 West Property. The loan is for a period of 15 years and is repayable in monthly installments of $11,217, which includes interest at 8.25%. The loan is financed by long-term bonds issued by the Authority. G-III and the two principal stockholders of the Company have signed corporate and personal guarantees for this loan. The outstanding principal of this debt was approximately $284,000 at January 31, 2001.

Morris Goldfarb and Lyle Berman and/or related family partnerships or trusts for the benefit of their children are beneficial owners of an aggregate of more than 10% of the fully diluted common equity of Wilsons, a retail leather apparel chain. Mr. Goldfarb and Mr. Berman are also directors of Wilsons. During the year ended January 31, 2001, sales by the Company to Wilsons accounted for approximately $13.1 million of the Company's net sales.

STOCKHOLDER PROPOSALS

All stockholder proposals which are intended to be presented at the Annual Meeting of Stockholders of the Company to be held in 2002 must be received by the Company no later than January 15, 2002 for inclusion in the Board of Directors' proxy statement and form of proxy relating to that meeting.

OTHER BUSINESS

The Board of Directors knows of no other business to be acted upon at the Annual Meeting. However, if any other business properly comes before the Annual Meeting, it is the intention of the persons named in the enclosed proxy to vote on such matters in accordance with their best judgment.

The prompt return of your proxy will be appreciated and helpful in obtaining the necessary vote. Therefore, whether or not you expect to attend the Annual Meeting, please sign the proxy and return it in the enclosed envelope.

By Order of the Board of Directors

/s/ Wayne S. Miller
....

WAYNE S. MILLER
Secretary

Dated: May 11, 2001

A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K WILL BE SENT WITHOUT CHARGE TO ANY STOCKHOLDER REQUESTING IT IN WRITING FROM: G-III APPAREL GROUP, LTD., ATTENTION: CORPORATE SECRETARY, 512 SEVENTH AVENUE, NEW YORK, NEW YORK 10018.

APPENDIX

G-III APPAREL GROUP, LTD.
AUDIT COMMITTEE CHARTER

The Audit Committee is appointed by the Board to assist the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the compliance by the Company with legal and regulatory requirements and (3) the independence and performance of the Company's independent auditors.

There shall be at least three members of the Audit Committee. The members of the Audit Committee shall meet the independence and experience requirements of Nasdaq, or any Stock Exchange on which the Company's shares are listed for trading. If the Board of Directors appoints one member who does not meet those requirements, the Company shall disclose in its Proxy Statement the nature of the relationship that makes that individual not independent and the reasons for the Board's determination to appoint that director to the Audit Committee.

The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise the Committee. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Audit Committee shall make regular reports to the Board.

The Audit Committee shall:

1. Review and reassess the adequacy of this Charter annually and submit it to the Board for approval.

2. Review the annual audited financial statements with management, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the Company's financial statements.

3. Review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.

4. Review with management and the independent auditor the Company's interim financial report prior to its filing with the SEC or prior to the release of earnings.

5. Meet periodically with management, in person or by telephone, to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

6. Review major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management.

7. Consider and review with the independent accountant the adequacy of the Company's internal controls, including computerized information system controls and security.

8. Consider and review with the independent accountant any related significant findings and recommendations of the independent accountant together with management's responses thereto.

9. Recommend to the Board the appointment of the independent auditor, which firm is ultimately accountable to the Audit Committee and the Board.

10. Approve the fees to be paid to the independent auditor.

11. Receive periodic written reports from the independent auditor regarding the auditor's independence, discuss such reports with the auditor, and if so determined by the Audit

Committee, recommend that the Board take appropriate action to insure the independence of the auditor.

12. Evaluate the performance of the independent auditor and, if so determined by the Audit Committee, recommend that the Board replace the independent auditor.

13. Meet with the independent auditor and financial management to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and at the conclusion thereof review such audit, including any comments or recommendations of the independent auditors.

14. Obtain from the independent auditor assurance that Section 10a of the Private Securities Litigation Reform Act of 1995 has not been implicated.

15. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61, as modified or amended, relating to the conduct of the audit.

16. Review with the independent auditor any problems or difficulties the auditor may have encountered and any management letter provided by

the auditor and the Company's response to that letter. Such review should include:

Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.

Any changes required in the planned scope of the audit.

17. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

18. Review filings with the SEC and other published documents containing the company's financial statements and consider whether the information contained in these documents is consistent with the information contained in the financial statements.

19. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Conduct.

20. Review with the Company's General Counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.

21. The audit committee shall have the power to conduct or authorize investigations into any matters within the committee's scope of responsibilities. The committee shall be empowered to retain independent counsel, accountants or other to assist it in the conduct of any investigation.

22. Meet at least annually with the Chief Financial Officer and the independent auditor in separate executive sessions.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations and the Company's Code of Conduct.

APPENDIX I

PROXY CARD

G-III APPAREL GROUP, LTD.

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS FOR THE
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 12, 2001

The undersigned, a stockholder of G-III Apparel Group, Ltd. (the 'Corporation'), hereby constitutes and appoints Morris Goldfarb, Aron Goldfarb and Wayne S. Miller and each of them, the true and lawful proxies and attorneys-in-fact of the undersigned, with full power of substitution in each of them, to vote all shares of Common Stock of the Corporation which the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Corporation to be held on Tuesday, June 12, 2001, and at any and all adjournments or postponements thereof, as follows:

(1) ELECTION OF DIRECTORS

[ ] FOR the nominees listed below (except as marked to the contrary below)

[ ] WITHHOLDING AUTHORITY to vote fo all the nominees listed below

(INSTRUCTIONS: To withhold authority to vote for any individual nominee, strike a line through the nominee's name in the list below.)

Nominees: Morris Goldfarb, Aron Goldfarb, Lyle Berman, Thomas J. Brosig, Alan Feller, Carl Katz, Willem van Bokhorst, Sigmund Weiss and George J. Winchell

(2) PROPOSAL TO RATIFY THE APPOINTMENT OF ERNST & YOUNG LLP

[ ] FOR [ ] AGAINST [ ] ABSTAIN

(3) In their discretion upon such other business as may properly come before the meeting and any and all adjournments and postponements thereof.

(Continued on reverse side.)

(Continued)

Shares represented by this Proxy will be voted in accordance with the instructions indicated in items 1 and 2 above. IF NO INSTRUCTION IS INDICATED, THIS PROXY WILL BE VOTED FOR ALL LISTED NOMINEES FOR DIRECTORS AND FOR PROPOSAL 2.

Any and all proxies heretofore given by the undersigned are hereby revoked.

Dated: ____________________

____

____

Please sign exactly as your name(s) appear hereon. If shares are held by two or more persons each should sign. Trustees, executors and

other fiduciaries should
indicate their capacity.
Shares held by
corporations,
partnerships,
associations, etc. should
be signed by an authorized
person, giving full title
or authority.

PLEASE DATE, SIGN AND MAIL IN THE ENCLOSED REPLY ENVELOPE

colspan="3" style="vertical-align:bottom;padding-left:2px;padding-top:2px;padding-bottom:2px;padding-right:2px;">

Accounts receivable
37,090

29,888

Trade receivable
235

(1,648
)
Prepaid expenses and other current assets
(5,971
)

(5,180
)
Other assets
(5,746
)

(574
)
Accounts payable and accrued expenses
7,154

(9,406
)

Trade payable
(28
)

765

Other liabilities
(2,536
)

(3,822
)
Net cash provided by operating activities
33,185

20,978

Cash flows from investing activities:

Restricted cash
(1,810
)

1,641

Proceeds from sale of assets or stations
—

3,055

Capital expenditures
(4,161
)

(10,095
)
Net cash used in investing activities
(5,971
)

(5,399
)
Cash flows from financing activities:

Tax withholding payments on behalf of employees

—

(93
)
Proceeds from exercise of warrants
3

1

Net cash provided by (used in) financing activities
3

(92
)
Increase in cash and cash equivalents
27,217

15,487

Cash and cash equivalents at beginning of period
31,657

7,271

Cash and cash equivalents at end of period
$
58,874

$
22,758

Supplemental disclosures of cash flow information:

Interest paid
$
19,539

$
20,229

Income taxes paid (refunds)
983

(112
)
Supplemental disclosures of non-cash flow information:

Trade revenue
$
9,961

$
10,176

Trade expense
10,027

9,439

Equity interest in Pulser Media Inc.
—

435

See accompanying notes to the unaudited condensed consolidated financial statements.

5

Table of Contents

1. Description of Business, Interim Financial Data and Basis of Presentation:

Description of Business

Cumulus Media Inc. (and its consolidated subsidiaries, except as the context may otherwise require, “Cumulus,” “Cumulus Media,” “we,” “us,” “our,” or the “Company”) is a Delaware corporation, organized in 2002, and successor by merg to an Illinois corporation with the same name that had been organized in 1997.

Nature of Business

A leader in the radio broadcasting industry, Cumulus Media combines high-quality local programming with iconic, nationally syndicated media, sports and entertainment brands to deliver premium content choices to the 245 million people reached each week through its 454 owned-and-operated stations broadcasting in 90 U.S. media markets (including eight of the top ten), more than 8,200 broadcast radio stations affiliated with our WestwoodOne network and numerous digital channels. Together, the Cumulus/WestwoodOne platforms make Cumulus Media one of the few media companies that can provide advertisers with national reach and local impact. Cumulus/WestwoodOne is the exclusive radio broadcast partner to some of the largest brands in sports, entertainment, news, and talk, including the NFL, the NCAA, the Masters, the Olympics, the GRAMMYs, the Academy of Country Music Awards, the American Music Awards, the Billboard Music Awards, WestwoodOne News, and more. Additionally, it is the nation's leading provider of country music and lifestyle content through its NASH brand, which serves country fans nationwide through radio programming, exclusive digital content, and live events.

Interim Financial Data

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company and the notes related thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015. The accompanying unaudited condensed consolidated financial statements include the condensed consolidated accounts of Cumulus and its wholly-owned subsidiaries, with all intercompany balances and transactions eliminated in consolidation. The December 31, 2015 condensed balance sheet data was derived from audited financial statements. These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting only of normal, recurring adjustments) necessary for a fair presentation of our results of operations for, and financial condition as of the end of, the interim periods have been made. The results of operations and cash flows for the three months ended March 31, 2016 and the Company’s financial condition as of March 31, 2016, are not necessarily indicative of the results of operations or cash flows that can be expected for, or the Company’s financial condition that can be expected as of the end of, any other interim period or for the fiscal year ending December 31, 2016.

Reportable Segments

During the first quarter of 2016 the Company modified its management reporting framework affecting how the Company evaluates operating performance and internally reports financial information. This modification resulted in a reorganization of the Company's reportable segments. Prior to this reorganization, the Company operated in one reportable business segment which consisted of radio broadcasting, advertising and related services. The Company now operates in two reportable segments for which there is discrete financial information available and whose operating results are reviewed by the chief operating decision maker. Historical information included in these financial statements has been revised to reflect the change to two segments, with no impact to previously disclosed consolidated results (See Note 3, "Intangible Assets and Goodwill" and Note 12, "Segment Data").

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including significant estimates related to revenue recognition, bad debts,

intangible assets, income taxes, stock-based compensation, contingencies, litigation, and, if applicable, purchase price allocation. The Company bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts and results may differ materially from these estimates.

Table of Contents

Assets Held for Sale

During the year ended December 31, 2015, the Company entered into an agreement to sell certain land to a third party. The closing of the transaction is subject to various conditions and approvals, which remain pending. During the year ended December 31, 2014, the Company entered into an agreement to sell certain land and buildings to a third party which the Company expects to close in the next nine months. The identified assets have been classified as held for sale in the condensed consolidated balance sheets at March 31, 2016 and December 31, 2015. The estimated fair value of the land and buildings to be disposed of in both sales are in excess of their carrying value.

Adoption of New Accounting Standards

ASU 2015-03. In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-03. The amendments in this ASU require that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of long-term debt, consistent with debt discounts or premiums. The new standard requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. We adopted this standard retrospectively in the first quarter of 2016. The balance sheet as of December 31, 2015 was retrospectively adjusted, which resulted in reductions to other assets of $22.4 million and long-term debt of $22.4 million.

Recent Accounting Standards Updates

ASU 2014-09. In May 2014, the FASB issued ASU 2014-09. The amended guidance under this ASU outlines a single comprehensive revenue model for entities to use in accounting for revenue arising from contracts with customers. The guidance supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the single comprehensive revenue model is that “an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.” In August 2015, the FASB issued ASU 2015-14, which delayed the effective date of ASU 2014-09 by one year. Transition to the new guidance may be done using either a full or modified retrospective method. ASU 2014-09, as amended, is effective for fiscal years, and interim reporting periods within those years, beginning after December 15, 2017. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is currently assessing the expected impact that this ASU, as amended, will have on the consolidated financial statements.

ASU 2014-15. In August 2014, the FASB issued ASU 2014-15. The amendments in this update provide guidance in GAAP about management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern and to provide related footnote disclosures. Management’s evaluation should be based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued. In doing so, the amendments should reduce diversity in the timing and content of footnote disclosures. The amendments in this ASU are effective for public and nonpublic entities for annual periods ending after December 15, 2016, and interim periods thereafter. Early adoption is permitted. The adoption of this guidance is not expected to have an impact on the consolidated financial statements.

ASU 2016-01. In January 2016, the FASB issued ASU 2016-01. The amendments in this ASU enhance the reporting model for financial instruments, which includes amendments to address aspects of recognition, measurement, presentation and disclosure of financial instruments. This ASU will be effective for fiscal years beginning after December 15, 2017, and interim periods thereafter. Early adoption is not permitted, except for certain amendments within the ASU. The Company is currently assessing the expected impact, if any, that this ASU will have on the consolidated financial statements.

ASU 2016-02. In February 2016, the FASB issued ASU 2016-02. The amendments in this ASU provide guidance for accounting for leases. This update requires lessees to recognize, on the balance sheet, assets and liabilities for the rights and obligations created by leases of greater than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. This ASU will be effective for fiscal years beginning after December 15, 2018, and interim periods thereafter. A modified retrospective

transition method is required, with the option to elect a package of practical expedients. Early adoption is permitted. The Company is currently assessing the expected impact that this ASU will have on the consolidated financial statements.

ASU 2016-09. In March 2016, the FASB issued ASU 2016-09. The amendments in this ASU provide guidance for employee share-based payment accounting. This update removes the requirement that reporting entities present tax benefits as

7

Table of Contents

excess cash flows from financing activities and cash flows from operating activities. As a result of this amendment, cash flows related to excess tax benefits will be classified in operating activities. This ASU will be effective for fiscal years beginning after December 15, 2016, and interim periods thereafter. Early adoption is permitted. The Company is currently assessing the expected impact, if any, that this ASU will have on the consolidated financial statements.
ASU 2016-08. In March 2016, the FASB issued ASU 2016-08. The amended guidance under this ASU for revenue models for contract with customers updates the effective dates, transition requirements and early adoption period. Early adoption is not permissible for this amendment until after December 2017 as new and or revised disclosures have not yet been released by the Securities and Exchange Commission. The Company is currently assessing the expected impact, if any, that this ASU will have on the consolidated financial statements.

2. Restricted Cash
As of March 31, 2016 and December 31, 2015, the Company's balance sheet included approximately $9.8 million and $8.0 million, respectively, in restricted cash, of which $0.6 million at each date relates to securing the maximum exposure generated by automated clearinghouse transactions in the Company's operating bank accounts and as dictated by the Company's bank's internal policies with respect to cash. In addition, at March 31, 2016 and December 31, 2015, the Company held $8.2 million and $7.4 million, respectively, relating to collateralizing standby letters of credit pertaining to certain leases and insurance policies.

3. Intangible Assets and Goodwill
As described in Note 1, "Description of Business, Interim Financial Data and Basis of Presentation" and Note 12 "Segment Data", during the first quarter of 2016 the Company modified its management reporting framework. This modification resulted in a reorganization of the Company's reportable segments and reporting units. Prior to this reorganization, the Company had three reporting units for purposes of goodwill allocation. The Company's top 50 Nielsen Audio rated markets and WestwoodOne comprised one reporting unit ("Reporting Unit 1"), the second reporting unit consisted of all of the Company's other radio markets ("Reporting Unit 2") while the third reporting unit, in which there was no goodwill, consisted of all non-radio lines of business ("Reporting Unit 3"). After the modification, all of the Company's radio markets comprise one reporting unit ("Reporting Unit 1"), WestwoodOne comprises the second reporting unit ("Reporting Unit 2") and the third reporting unit ("Reporting Unit 3"), in which there is no goodwill, continues to consist of the Company's all non-radio lines of business. As part of the reorganization of reportable segments and reporting units, the Company allocated goodwill to the new reporting unit structure based upon a relative fair value approach. The Company determined that goodwill was not impaired before or immediately after the allocation.
The following table presents the changes in intangible assets, other than goodwill, on a consolidated basis during the period January 1, 2016 to March 31, 2016, and balances as of such dates (dollars in thousands):

	Indefinite-Lived	Definite-Lived	Total
Intangible Assets:			
Balance as of January 1, 2016	$ 1,578,066	$ 174,530	$1,752,596
Amortization	—	(15,126)	(15,126)
Balance as of March 31, 2016	$ 1,578,066	$ 159,404	$1,737,470

The following tables present the changes in goodwill and accumulated impairment losses on a segment and consolidated basis during the period from January 1, 2016 to March 31, 2016 and balances as of such dates (dollars in thousands):

Table of Contents

Radio Station Group	
Goodwill:	2016
Balance as of January 1:	
Goodwill	$1,278,526
Accumulated impairment losses	(710,386)
Subtotal	568,140
Balance as of March 31:	
Goodwill	1,278,526
Accumulated impairment losses	(710,386)
Total	$568,140

WestwoodOne	
Goodwill:	2016
Balance as of January 1:	
Goodwill	$304,280
Accumulated impairment losses	(169,066)
Subtotal	135,214
Balance as of March 31:	
Goodwill	304,280
Accumulated impairment losses	(169,066)
Total	$135,214

Consolidated	
Goodwill:	2016
Balance as of January 1:	
Goodwill	$1,582,806
Accumulated impairment losses	(879,452)
Subtotal	703,354
Balance as of March 31:	
Goodwill	1,582,806
Accumulated impairment losses	(879,452)
Total	$703,354

A significant portion of the Company's intangible assets are comprised of broadcast licenses and goodwill acquired through acquisitions. The Company performs its annual impairment testing of broadcast licenses and goodwill during the fourth quarter and on an interim basis if events or circumstances indicate that broadcast licenses or goodwill may be impaired. The Company performs this test at the reporting unit level. The calculation of the fair value of each reporting unit is prepared using an income approach and discounted cash flow methodology. If the carrying value exceeds the estimate of fair value, the Company calculates impairment as the excess of the carrying value of goodwill over its estimated fair value and charges the impairment to results of operations in the period in which the impairment occurred. The Company reviews the carrying value of its definite-lived intangible assets for recoverability whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. There were no triggering events as of March 31, 2016 to necessitate an interim impairment test as of such date, and the fair value of such assets exceeded their carrying value.

9

Table of Contents

4. Long-Term Debt

The Company's long-term debt consisted of the following as of March 31, 2016 and December 31, 2015 (dollars in thousands):

	March 31, 2016	December 31, 2015
Term Loan:		
Term loan	$1,838,940	$1,838,940
Less: unamortized term loan discount and debt issuance costs	(35,707)	(37,524)
Total Term Loan	1,803,233	1,801,416
7.75% senior notes	610,000	610,000
Less: unamortized debt issuance costs	(7,954)	(8,515)
Total 7.75% senior notes	602,046	601,485
Less: Current portion of long-term debt	—	—
Long-term debt, net	$2,405,279	$2,402,901

Amended and Restated Credit Agreement

On December 23, 2013, the Company entered into an Amended and Restated Credit Agreement (the "Credit Agreement"), among the Company, Cumulus Media Holdings Inc., a direct wholly-owned subsidiary of the Company ("Cumulus Holdings"), as borrower, and certain lenders and agents. The Credit Agreement consists of a $2.025 billion term loan (the "Term Loan") maturing in December 2020 and a $200.0 million revolving credit facility (the "Revolving Credit Facility") maturing in December 2018. Under the Revolving Credit Facility, up to $30.0 million of availability may be drawn in the form of letters of credit.

Term Loan borrowings and borrowings under the Revolving Credit Facility bear interest, at the option of Cumulus Holdings, based on the Base Rate (as defined below) or the London Interbank Offered Rate ("LIBOR"), in each case plus 3.25% on LIBOR-based borrowings and 2.25% on Base Rate-based borrowings. LIBOR-based borrowings are subject to a LIBOR floor of 1.0% under the Term Loan. Base Rate-based borrowings are subject to a Base Rate floor of 2.0% under the Term Loan. Base Rate is defined, for any day, as the fluctuating rate per annum equal to the highest of the (i) Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 1/2 of 1.0%, (ii) prime commercial lending rate of JPMorgan Chase Bank, N.A., as established from time to time, and (iii) 30 day LIBOR plus 1.0%. Amounts outstanding under the Term Loan amortize at a rate of 1.0% per annum of the original principal amount of the Term Loan, payable quarterly, with the balance payable on the maturity date.

At March 31, 2016, the Term Loan bore interest at 4.25% per annum.

The representations, covenants and events of default in the Credit Agreement are customary for financing transactions of this nature. Events of default in the Credit Agreement include, among others: (a) the failure to pay when due the obligations owing thereunder; (b) the failure to comply with (and not timely remedy, if applicable) certain covenants; (c) certain defaults and accelerations under other indebtedness; (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 Credit Agreement). 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 Credit Agreement and the ancillary loan documents as a secured party.

In the event amounts are outstanding under the Revolving Credit Facility or any letters of credit are outstanding that have not been collateralized by cash as of the end of each quarter, the Credit Agreement requires compliance with a consolidated first lien leverage ratio covenant. The required ratio at March 31, 2016 was 5.0 to 1, and the first lien net leverage ratio covenant periodically decreases until it reaches 4.0 to 1 on March 31, 2018. As the Company currently has no borrowings outstanding under the Revolving Credit Facility, the Company is not required to comply with such

ratio. However, as of March 31, 2016, the Company's actual leverage ratio was in excess of that ratio. If the Company accessed borrowings under the Revolving Credit Facility, the Company would be required to comply with such ratio.

10

Table of Contents

Certain mandatory prepayments on the Term Loan are required upon the occurrence of specified events, including upon the incurrence of certain additional indebtedness, upon the sale of certain assets and upon the occurrence of certain condemnation or casualty events, and from excess cash flow.

The Company’s, Cumulus Holdings’ and their respective restricted subsidiaries’ obligations under the Credit Agreement are collateralized by a first priority lien on substantially all of the Company’s, Cumulus Holdings’ and their respective restricted subsidiaries’ assets (excluding the Company’s accounts receivable collateralizing the Company's revolving accounts receivable securitization facility (the “Securitization Facility”) with General Electric Capital Corporation (“GE”) as described below) in which a security interest may lawfully be granted, including, without limitation, intellectual property and substantially all of the capital stock of the Company’s direct and indirect domestic wholly-owned subsidiaries and 66% of the capital stock of any future first-tier foreign subsidiaries. In addition, Cumulus Holdings’ obligations under the Credit Agreement are guaranteed by the Company and substantially all of its restricted subsidiaries, other than Cumulus Holdings.

At March 31, 2016 and December 31, 2015, the Company had $1.839 billion outstanding under the Term Loan and no amounts outstanding under the Revolving Credit Facility.

7.75% Senior Notes

On May 13, 2011, the Company issued $610.0 million aggregate principal amount of its 7.75% Senior Notes due 2019 (the "7.75% Senior Notes"). Proceeds from the sale of the 7.75% Senior Notes were used to, among other things, repay the $575.8 million outstanding under the term loan facility under the Company's prior credit agreement.

On September 16, 2011, the Company and Cumulus Holdings entered into a supplemental indenture with the trustee under the indenture governing the 7.75% Senior Notes which provided for, among other things, the (i) assumption by Cumulus Holdings of all obligations of the Company; (ii) substitution of Cumulus Holdings for the Company as issuer; (iii) release of the Company from all obligations as original issuer; and (iv) Company’s guarantee of all of Cumulus Holdings’ obligations, in each case under the indenture and the 7.75% Senior Notes.

Interest on the 7.75% Senior Notes is payable on each May 1 and November 1 of each year. The 7.75% Senior Notes mature on May 1, 2019.

Cumulus Holdings, as issuer of the 7.75% Senior Notes, may redeem all or part of the 7.75% Senior Notes at any time at a price equal to 100% of the principal amount, plus a “make-whole” premium. If Cumulus Holdings sells certain assets or experiences specific kinds of changes in control, it will be required to make an offer to purchase the 7.75% Senior Notes.

The indenture governing the 7.75% Senior Notes contains representations, covenants and events of default customary for financing transactions of this nature. At March 31, 2016, the Company was in compliance with all required covenants under the indenture governing the 7.75% Senior Notes.

In connection with the substitution of Cumulus Holdings as the issuer of the 7.75% Senior Notes, the Company has guaranteed the 7.75% Senior Notes. In addition, each existing and future domestic restricted subsidiary that guarantees the Company’s indebtedness, Cumulus Holdings’ indebtedness or indebtedness of the Company’s subsidiary guarantors (other than the Company’s subsidiaries that hold the licenses for the Company’s radio stations) guarantees, and will guarantee, the 7.75% Senior Notes. The 7.75% Senior Notes are senior unsecured obligations of Cumulus Holdings and rank equally in right of payment to all existing and future senior unsecured debt of Cumulus Holdings and senior in right of payment to all future subordinated debt of Cumulus Holdings. The 7.75% Senior Notes guarantees are the Company’s and the other guarantors’ senior unsecured obligations and rank equally in right of payment to all of the Company’s and the other guarantors’ existing and future senior debt and senior in right of payment to all of the Company’s and the other guarantors’ future subordinated debt. The 7.75% Senior Notes and the guarantees are effectively subordinated to any of Cumulus Holdings’, the Company’s or the guarantors’ existing and future secured debt to the extent of the value of the assets securing such debt. In addition, the 7.75% Senior Notes and the guarantees are structurally subordinated to all indebtedness and other liabilities, including preferred stock, of the Company’s non-guarantor subsidiaries, including all of the liabilities of the Company’s and the guarantors’ foreign subsidiaries and the Company’s subsidiaries that hold the licenses for the Company’s radio stations.

Accounts Receivable Securitization Facility

On December 6, 2013, the Company entered into a 5-year, $50.0 million Securitization Facility with GE, as a lender, as swingline lender and as administrative agent (together with any other lenders party thereto from time to time, the "Lenders").
In connection with the entry into the Securitization Facility, pursuant to a Receivables Sale and Servicing Agreement, dated as of December 6, 2013 (the "Sale Agreement"), certain subsidiaries of the Company (collectively, the "Originators")

may sell and/or contribute their existing and future accounts receivable (representing all of the Company's accounts receivable) to a special purpose entity and wholly owned subsidiary of the Company (the "SPV"). The SPV may thereafter make borrowings from the Lenders, which borrowings will be secured by those receivables, pursuant to a Receivables Funding and Administration Agreement, dated as of December 6, 2013 (the "Funding Agreement"). Cumulus Holdings services the accounts receivable on behalf of the SPV.

Advances available under the Funding Agreement at any time are subject to a borrowing base determined based on advance rates relating to the value of the eligible receivables held by the SPV at that time. The Securitization Facility matures on December 6, 2018, subject to earlier termination at the election of the SPV. Advances bear interest based on either LIBOR plus 2.50% or the Index Rate (as defined in the Funding Agreement) plus 1.00%. The SPV is also required to pay a monthly fee based on any unused portion of the Securitization Facility. The Securitization Facility contains representations and warranties, affirmative and negative covenants, and events of default that are customary for financings of this type.

At March 31, 2016 and December 31, 2015, there were no amounts outstanding under the Securitization Facility.

For the three months ended March 31, 2016, the Company recorded an aggregate of $2.4 million of amortization of debt discount and debt issuance costs related to its Term Loan, 7.75% Senior Notes, and Securitization Facility. For the three months ended March 31, 2015, the Company recorded an aggregate of $2.3 million of amortization of debt discount and debt issuance costs related to its Term Loan, 7.75% Senior Notes, and Securitization Facility.

5. Fair Value Measurements

The three levels of the fair value hierarchy to be applied to financial instruments when determining fair value are described below:

Level 1 — Valuations based on quoted prices in active markets for identical assets or liabilities that the entity has the ability to access;

Level 2 — Valuations based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities; and

Level 3 — Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table shows the gross amount and fair value of the Company's Term Loan and 7.75% Senior Notes (dollars in thousands):

	March 31, 2016	December 31, 2015
Term Loan:		
Carrying value	$1,838,940	$ 1,838,940
Fair value - Level 2	1,250,479	1,360,816
7.75% Senior Notes:		
Carrying value	$610,000	$ 610,000
Fair value - Level 2	231,800	204,350

As of March 31, 2016, the Company used trading prices of 68.00% to calculate the level 2 fair value of the Term Loan and 38.00% to calculate the level 2 fair value of the 7.75% Senior Notes.

As of December 31, 2015, the Company used trading prices of 74.00% to calculate the level 2 fair value of the Term Loan and 33.50% to calculate the level 2 fair value of the 7.75% Senior Notes.

6. Stockholders' Equity

The Company is authorized to issue an aggregate of 1,450,644,871 shares of stock divided into four classes consisting of: (i) 750,000,000 shares designated as Class A common stock, (ii) 600,000,000 shares designated as Class B common stock, (iii) 644,871 shares designated as Class C common stock and (iv) 100,000,000 shares of preferred stock, each with a par value of $0.01 per share.

12

Table of Contents

Common Stock

Except with regard to voting and conversion rights, shares of Class A, Class B and Class C common stock are identical in all respects. The preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the common stock and the various classes of common stock are as follows:

- Voting Rights. The holders of shares of Class A common stock are entitled to one vote per share on any matter submitted to a vote of the stockholders of the Company, and the holders of shares of Class C common stock are entitled to ten votes for each share of Class C common stock held. Generally, the holders of shares of Class B common stock are not entitled to vote on any matter. However, holders of Class B common stock and Class C common stock are entitled to a separate class vote on any amendment or modification of any specific rights or obligations of the holders of Class B common stock or Class C common stock, respectively, that does not similarly affect the rights or obligations of the holders of Class A common stock. The holders of Class A common stock and of Class C common stock vote together, as a single class, on all matters submitted to a vote to the stockholders of the Company.

- Conversion. Each holder of Class B common stock and Class C common stock is entitled to convert at any time all or any part of such holder's shares into an equal number of shares of Class A common stock; provided, however, that to the extent that such conversion would result in the holder holding more than 4.99% of the Class A common stock following such conversion, the holder will first be required to deliver to the Company an ownership certification to enable the Company to (a) determine that such holder does not have an attributable interest in another entity that would cause the Company to violate applicable FCC rules and regulations and (b) obtain any necessary approvals from the FCC or the Department of Justice. During the year ended December 31, 2014, all of the approximately 15.4 million shares of outstanding Class B common stock were converted into shares of Class A common stock.

The holders of all classes of common stock are entitled to share ratably in any dividends that may be declared by the board of directors of the Company.

2009 Warrants

In June 2009, in connection with the execution of an amendment to the Company's then-existing credit agreement, the Company issued warrants to the lenders thereunder that allow them to acquire up to 1.3 million shares of Class A common stock at an exercise price of $1.17 per share (the "2009 Warrants"). The 2009 Warrants expire on June 29, 2019. The number of shares of Class A common stock issuable upon exercise of the 2009 Warrants is subject to adjustment in certain circumstances, including upon the payment of a dividend in shares of Class A common stock. None of such warrants were converted during the three months ended March 31, 2016 and, as of such date, 0.3 million 2009 Warrants remained outstanding.

Company Warrants

As a component of the Company's September 16, 2011 acquisition of Citadel Broadcasting Corporation (the "Citadel Merger") and the related financing transactions, the Company issued warrants to purchase an aggregate of 71.7 million shares of Class A common stock (the "Company Warrants") under a warrant agreement dated September 16, 2011 (the "Warrant Agreement"). The Company Warrants are exercisable at any time prior to June 3, 2030 at an exercise price of $0.01 per share. The exercise price of the Company Warrants is not subject to any anti-dilution protection, other than standard adjustments in the case of stock splits, dividends and the like. Pursuant to the terms and conditions of the Warrant Agreement, upon the request of a holder, the Company has the discretion to issue, upon exercise of the Company Warrants, shares of Class B common stock in lieu of an equal number of shares of Class A common stock and, upon request of a holder and at the Company's discretion, the Company has the right to exchange such warrants to purchase an equivalent number of shares of Class B common stock for outstanding warrants to purchase shares of Class A common stock.

Conversion of the Company Warrants is subject to compliance with applicable FCC regulations, and the Company Warrants are exercisable provided that ownership of the Company's securities by the holder does not cause the Company to violate applicable FCC rules and regulations relating to foreign ownership of broadcasting licenses.

Holders of Company Warrants are entitled to participate ratably in any distributions on the Company's common stock on an as-exercised basis. No distribution will be made to holders of Company Warrants or common stock if (i) an FCC ruling, regulation or policy prohibits such distribution to holders of Company Warrants or (ii) the Company's FCC counsel opines that such distribution is reasonably likely to cause (a) the Company to violate any applicable FCC rules or regulations or (b) any holder of Company Warrants to be deemed to hold an attributable interest in the Company.

During the three months ended March 31, 2016, approximately 0.3 million Company Warrants were converted into shares of Class A common stock. At March 31, 2016, approximately 0.6 million Company Warrants remained outstanding.

Table of Contents

Crestview Warrants
Also on September 16, 2011, but pursuant to a separate warrant agreement, the Company issued warrants to purchase 7.8 million shares of Class A common stock with an exercise price, as adjusted to date, of $4.34 per share (the "Crestview Warrants"). The Crestview Warrants are exercisable until September 16, 2021, and the per share exercise price is subject to standard weighted average adjustments in the event that the Company issues additional shares of common stock or common stock derivatives for less than the fair market value per share, as defined in the Crestview Warrants, as of the date of such issuance. In addition, the number of shares of Class A common stock issuable upon exercise of the Crestview Warrants, and the exercise price of the Crestview Warrants, are subject to adjustment in the case of stock splits, dividends and the like. As of March 31, 2016, all 7.8 million Crestview Warrants remained outstanding.

7. Stock-Based Compensation Expense

The Company uses the Black-Scholes option pricing model to estimate the fair value of stock options issued. The determination of the fair value of stock options on the date of grant is affected by the Company’s stock price, historical stock price volatility over the expected term of the awards, risk-free interest rates and expected dividends. With respect to restricted stock awards, the Company recognizes compensation expense over the vesting period equal to the grant date fair value of the shares awarded. To the extent non-vested restricted stock awards include performance or market conditions management examines the requisite service period to recognize the cost associated with the award on a case-by-case basis. There were no changes to the Black-Scholes calculations or assumptions during the year.
During the three months ended March 31, 2016, the Company granted 400,000 stock options with an aggregate grant date fair value of $0.1 million. During the three months ended March 31, 2015, the Company granted 250,000 stock options with an aggregate grant date fair value of $0.6 million. The options granted in both periods range in exercise price from $0.31 to $4.01 per share, and provide for vesting on each of the first four anniversaries of the date of grant, with 30% of the award vesting on each of the first two anniversaries thereof, and 20% of the award vesting on each of the next two anniversaries thereof.
For the three months ended March 31, 2016 and 2015, the Company recognized approximately $0.9 million and $3.9 million, respectively, in stock-based compensation expense related to equity awards.
As of March 31, 2016, unrecognized stock-based compensation expense of approximately $5.1 million related to equity awards is expected to be recognized over a weighted average remaining life of 2.28 years. Unrecognized stock-based compensation expense for equity awards will be adjusted for future changes in estimated forfeitures.
There were no stock options exercised during the three months ended March 31, 2016 or March 31, 2015.

8. Loss Per Share
For all periods presented, the Company has disclosed basic and diluted (loss) earnings per common share utilizing the two-class method. Basic (loss) earnings per common share is calculated by dividing net (loss) income available to common shareholders by the weighted average number of shares of common stock outstanding during the period. In accordance with the terms of the Company's certificate of incorporation, the Company allocates undistributed net (loss) income after any allocation for preferred stock dividends between each class of common stock on an equal basis.
Non-vested restricted shares of Class A common stock and the Company Warrants are considered participating securities for purposes of calculating basic weighted average common shares outstanding in periods in which the Company records net income. Diluted (loss) earnings per share is computed in the same manner as basic (loss) earnings per share after assuming issuance of common stock for all potentially dilutive equivalent shares, which includes stock options and certain other warrants to purchase common stock. Antidilutive instruments are not considered in this calculation. Under the two-class method, net income is allocated to common stock and participating securities to the extent that each security may share in earnings, as if all of the (loss) earnings for the period had been distributed. (Loss) earnings are allocated to each participating security and common shares equally. The following table sets forth the computation of basic and diluted (loss) earnings per common share for the three months ended

March 31, 2016 and 2015 (amounts in thousands, except per share data):

Table of Contents

	Three Months Ended March 31,	
	2016	2015
Basic Loss Per Share		
Numerator:		
Undistributed net loss from continuing operations	$(14,429)	$(12,015)
Less:		
Participation rights of the Company Warrants in undistributed earnings	—	—
Participation rights of unvested restricted stock in undistributed earnings	—	—
Basic undistributed net loss attributable to common shares	$(14,429)	$(12,015)
Denominator:		
Basic weighted average shares outstanding	234,050	233,125
Basic undistributed net loss per share attributable to common shares	$(0.06)	$(0.05)
Diluted Loss Per Share:		
Numerator:		
Undistributed net loss from continuing operations	$(14,429)	$(12,015)
Less:		
Participation rights of the Company Warrants in undistributed net earnings	—	—
Participation rights of unvested restricted stock in undistributed earnings	—	—
Basic undistributed net loss attributable to common shares	$(14,429)	$(12,015)
Denominator:		
Basic weighted average shares outstanding	234,050	233,125
Effect of dilutive stock options and warrants	—	—
Diluted weighted average shares outstanding	234,050	233,125
Diluted undistributed net loss per share attributable to common shares	$(0.06)	$(0.05)

9. Income Taxes

For the three months ended March 31, 2016, the Company recorded an income tax benefit of $9.1 million on a pre-tax loss of $23.6 million, resulting in an effective tax rate for the three months ended March 31, 2016 of approximately 38.8%. For the three months ended March 31, 2015, the Company recorded an income tax benefit of $10.4 million on a pre-tax loss of $22.4 million, resulting in an effective tax rate for the three months ended March 31, 2015 of approximately 46.4%.

The difference between the effective tax rate and the federal statutory rate of 35.0% for the three months ended March 31, 2016 primarily relates to state and local income taxes and the tax effect of certain statutory non deductible items.

The difference between the effective tax rate and the federal statutory rate of 35.0% for the three months ended March 31, 2015 primarily relates to state and local income taxes, an increase in the valuation allowance with respect to state net operating losses and the tax effect of certain statutory non deductible items.

The Company continually reviews the adequacy of the valuation allowance and recognizes the benefits of deferred tax assets only as the reassessment indicates that it is more likely than not that the deferred tax assets will be recognized in accordance with ASC Topic 740, Income Taxes ("ASC 740"). As of March 31, 2016, the Company continues to maintain a valuation allowance on certain state net operating loss carryforwards for which the Company does not believe they will be able to meet the more likely than not recognition standard for recovery. The valuation of deferred tax assets requires judgment in assessing the likely future tax consequences of events that have been recognized in the Company's financial statements or tax returns as well as future profitability.

Table of Contents

10. Commitments and Contingencies

Future Commitments

The radio broadcast industry's principal ratings service is Nielsen Audio, which publishes surveys for domestic radio markets. Certain of the Company's subsidiaries have agreements with Nielsen Audio under which they receive programming ratings materials in a majority of their respective markets. The remaining aggregate obligation under the agreements with Nielsen Audio is approximately $83.4 million and is expected to be paid in accordance with the agreements through December 2017.

The Company engages Katz as its national advertising sales agent. The national advertising agency contract with Katz contains termination provisions that, if exercised by the Company during the term of the contract, would obligate the Company to pay a termination fee to Katz, calculated based upon a formula set forth in the contract.

The Company is committed under various contractual agreements to pay for broadcast rights that include news services and to pay for executives, talent, research, weather and other services.

The Company from time to time enters into radio network contractual obligations to guarantee a minimum amount of revenue share to contractual counterparties on certain programming in future years. Generally, these guarantees are subject to decreases dependent on clearance targets achieved. As of March 31, 2016, the Company believes that it will meet such minimum obligations.

On January 2, 2014 (the "Commencement Date"), Merlin Media, LLC ("Merlin") and the Company entered into an LMA. Under this LMA, the Company is responsible for operating two FM radio stations in Chicago, Illinois, for monthly fees payable to Merlin of approximately $0.4 million, $0.5 million and $0.6 million in the second, third and fourth years following the Commencement Date, respectively, in exchange for the Company retaining the operating profits from these radio stations.

In connection therewith, the Company and Merlin also entered into an agreement pursuant to which the Company has the right to purchase these two FM radio stations until October 4, 2017 for an amount in cash equal to the greater of (i) $70.0 million minus the aggregate amount of monthly fees paid by the Company on or prior to the earlier of the closing date or the date that is four years after the Commencement Date; or (ii) $50.0 million, and Merlin has the right to require the Company to purchase these two FM radio stations at any time during a ten-day period commencing October 4, 2017 for $71.0 million, minus the aggregate amount of monthly fees paid by the Company on or prior to the earlier of the closing date and January 2, 2018.

The Company determined through its review of the requirements of ASC Topic 810, Consolidation ("ASC 810") that the Company is not the primary beneficiary of the LMA with Merlin, and, therefore consolidation of the stations is not required.

On April 1, 2014, the Company initiated an exit plan for a lease due to a restructuring in connection with the acquisition of WestwoodOne (the "Exit Plan"), which includes charges related to terminated contract costs. In connection with the Exit Plan, the Company recorded restructuring costs of $5.2 million for the year ended December 31, 2014, which costs are included in corporate expenses in the consolidated statement of operations. As of March 31, 2016, liabilities related to the Exit Plan of $0.5 million were included in accounts payable and accrued expenses and are expected to be paid within one year, and $3.8 million of non-current liabilities are included in other liabilities in the condensed consolidated balance sheet. We anticipate no additional future charges for the Exit Plan other than true-ups to closed facilities lease charges and accretion expense.

On April 25, 2014, the Company entered into an LMA with Universal Media Access, LLC "(Universal") pursuant to which the Company was originally responsible for operating one FM radio station serving San Jose and San Francisco, California for a fixed fee to Universal of approximately $1.4 million each year for two years in exchange for the Company retaining the operating profits from this radio station.

In connection therewith, the Company and Universal also entered into an agreement (the "Put and Call Agreement") pursuant to which each the Company and Universal had certain rights to require the other party to sell or buy the radio station, as applicable. Effective February 29, 2016, the Company and Universal terminated the LMA and the Put and Call Agreement and the Company paid a net termination fee of $2.5 million to Universal.

In connection with the departure from the Company of two executives, the Company recorded restructuring costs of $10.2 million for year ended December 31, 2015 which were included in corporate expenses in the condensed consolidated statements of operations for such period. As of March 31, 2016, related liabilities of $7.3 million were included in accounts payable and accrued expenses in the condensed consolidated balance sheet and are expected to be paid within one year.

Table of Contents

The Company may be required to pay additional cash consideration in connection with the WFME Asset Exchange in New York and the Wise Brothers Acquisition. In addition, as a component of the Country Weekly Acquisition, the Company entered into an agreement with one of the sellers to collaborate on the production, publication and distribution of Country Weekly for a fee of $1.0 million for a period of 6 years from date of the Country Weekly Acquisition.

Legal Proceedings

In March 2011, the Company and certain of our subsidiaries were named as defendants along with other radio companies, including Beasley Broadcast Group, Inc., CBS Radio, Inc., Entercom Communications, Greater Media, Inc. and Townsquare Media, LLC in a patent infringement suit. The case, Mission Abstract Data L.L.C., d/b/a Digimedia v. Beasley Broadcast Group, Inc., et. al., Civil Action Case No: 1:99-mc-09999, U.S. District Court for the District of Delaware (filed March 1, 2011), alleges that the defendants are infringing or have infringed on plaintiff's patents entitled "Selection and Retrieval of Music from a Digital Database." Plaintiff is seeking injunctive relief and unspecified damages. This case has been stayed, and is awaiting further action by the court.

In August 2015, we were named as a defendant in two separate putative class action lawsuits relating to our use and public performance of certain sound recordings fixed prior to February 15, 1972 (the "Pre-1972 Recordings"). The first suit, ABS Entertainment, Inc., et. al. v, Cumulus Media Inc., was filed in the United States District Court for the Central District of California and alleges, among other things, violation of California rights of publicity, common law conversion, misappropriation and unfair business practices. On December 11, 2015, this suit was dismissed without prejudice. The second suit, ABS Entertainment, Inc., v. Cumulus Media Inc., was filed in the United States District Court for the Southern District of New York and alleges, among other things, common law copyright infringement and unfair competition. The New York lawsuit has been stayed pending an appeal before the Second Circuit involving unrelated third-parties over whether the owner of a Pre-1972 Recording holds an exclusive right to publicly perform that recording under New York common law.

The pending suit seeks unspecified damages. The Company is evaluating the suit, and intends to defend itself vigorously. The Company is not yet able to determine what effect the lawsuit will have, if any, on its financial position, results of operations or cash flows.

In the first quarter of 2016, CBS Radio Inc. ("CBS") filed a demand for arbitration against certain of our subsidiaries. This action alleges that certain of our subsidiaries breached the terms of one or more contracts with CBS relating to sports network radio programming and content. The demand seeks cash damages, interest and injunctive relief. Arbitration is currently scheduled to be held in the fourth quarter of 2016. We intend to defend ourselves vigorously against this claim, and are not yet able to determine what effect, if any, the result of this arbitration will have on our financial position, results of operations or cash flows.

The Company currently is, and expects that from time to time in the future will be, party to, or a defendant in, various other claims or lawsuits that are generally incidental to its business. The Company expects that it will vigorously contest any such claims or lawsuits and believes that the ultimate resolution of any known claim or lawsuit will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

11. Supplemental Condensed Consolidating Financial Information

At March 31, 2016, Cumulus (the "Parent Guarantor") and certain of its 100% owned subsidiaries (such subsidiaries, the "Subsidiary Guarantors") provided guarantees of the obligations of Cumulus Holdings (the "Subsidiary Issuer") under the 7.75% Senior Notes. These guarantees are full and unconditional (subject to customary release provisions) as well as joint and several. Certain of the Subsidiary Guarantors may be subject to restrictions on their respective ability to distribute earnings to Cumulus Holdings or the Parent Guarantor. Not all of the subsidiaries of Cumulus and Cumulus Holdings guarantee the 7.75% Senior Notes (such non-guaranteeing subsidiaries, collectively, the "Subsidiary Non-guarantors").

The following tables present (i) unaudited condensed consolidated statements of operations for the three months ended March 31, 2016 and 2015, (ii) unaudited condensed consolidated balance sheets as of March 31, 2016 and December 31, 2015, and (iii) unaudited condensed consolidated statements of cash flows for the three months ended March 31, 2016 and 2015, of each of the Parent Guarantor, Cumulus Holdings, the Subsidiary Guarantors, and the

Subsidiary Non-guarantors.
Investments in consolidated subsidiaries are held primarily by the Parent Guarantor in the net assets of its subsidiaries and have been presented using the equity method of accounting. The “Eliminations” entries in the following tables primarily eliminate investments in subsidiaries and intercompany balances and transactions. The columnar presentations in the following tables are not consistent with the Company’s business groups; accordingly, this basis of presentation is not intended to present the Company’s financial condition, results of operations or cash flows on a consolidated basis.

CUMULUS MEDIA INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Three Months Ended March 31, 2016
(Dollars in thousands)
(Unaudited)

	Cumulus Media Inc. (Parent Guarantor)	Cumulus Media Holdings Inc. (Subsidiary Issuer)	Subsidiary Guarantors	Subsidiary Non-guarantors	Eliminations	Total Consolidated
Net revenue	$—	$—	$268,530	$ —	$ —	$268,530
Operating expenses:						
Content costs	—	—	100,045	—	—	100,045
Selling, general & administrative expenses	—	—	116,689	538	—	117,227
Depreciation and amortization	—	404	22,693	—	—	23,097
LMA fees	—	—	5,388	—	—	5,388
Corporate expenses (including stock-based compensation expense of $878)	—	12,654	—	—	—	12,654
Loss on sale of assets or stations	—	—	5	—	—	5
Total operating expenses	—	13,058	244,820	538	—	258,416
Operating (loss) income	—	(13,058)	23,710	(538)	—	10,114
Non-operating (expense) income:						
Interest (expense) income, net	(2,178)	(32,256)	85	(47)	—	(34,396)
Other income, net	—	—	720	—	—	720
Total non-operating (expense) income, net	(2,178)	(32,256)	805	(47)	—	(33,676)
(Loss) income before income taxes	(2,178)	(45,314)	24,515	(585)	—	(23,562)
Income tax benefit (expense)	845	18,198	(10,137)	227	—	9,133
(Loss) earnings from consolidated subsidiaries	(13,096)	14,020	(358)	—	(566)	—
Net (loss) income	$(14,429)	$(13,096)	$14,020	$ (358)	$ (566)	$(14,429)

Table of Contents

CUMULUS MEDIA INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Three Months Ended March 31, 2015
(Dollars in thousands)
(Unaudited)

	Cumulus Media Inc. (Parent Guarantor)	Cumulus Media Holdings Inc. (Subsidiary Issuer)	Subsidiary Guarantors	Subsidiary Non-guarantors	Eliminations	Total Consolidated
Net revenue	$—	$ 125	$ 270,954	$ —	$ —	$ 271,079
Operating expenses:						
Content costs	—	—	100,807	—	—	100,807
Selling, general & administrative expenses	—	—	115,776	531	—	116,307
Depreciation and amortization	—	260	25,051	—	—	25,311
LMA fees	—	—	2,498	—	—	2,498
Corporate expenses (including stock-based compensation expense of $3,863)	—	13,462	—	—	—	13,462
Loss on sale of assets or stations	—	—	819	—	—	819
Total operating expenses	—	13,722	244,951	531	—	259,204
Operating (loss) income	—	(13,597)	26,003	(531)	—	11,875
Non-operating (expense) income:						
Interest expense	(2,184)	(32,753)	—	(47)	—	(34,984)
Interest income	—	—	358	—	—	358
Other income, net	—	—	379	—	—	379
Total non-operating (expense) income, net	(2,184)	(32,753)	737	(47)	—	(34,247)
(Loss) income before income taxes	(2,184)	(46,350)	26,740	(578)	—	(22,372)
Income tax benefit (expense)	867	28,242	(10,617)	(8,135)	—	10,357
(Loss) income from continuing operations	(1,317)	(18,108)	16,123	(8,713)	—	(12,015)
(Loss) earnings from consolidated subsidiaries	(10,698)	7,410	(8,713)	—	12,001	—
Net (loss) income	$ (12,015)	$ (10,698)	$ 7,410	$ (8,713)	$ 12,001	$ (12,015)

Table of Contents

CUMULUS MEDIA INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2016
(Dollars in thousands, except for share and per share data)
(Unaudited)

	Cumulus Media Inc. (Parent Guarantor)	Cumulus Media Holdings Inc. (Subsidiary Issuer)	Subsidiary Guarantors	Subsidiary Non-guarantors	Eliminations	Total Consolidated
Assets						
Current assets:						
Cash and cash equivalents	$—	$58,874	$—	$—	$—	$58,874
Restricted cash	—	9,791	—	—	—	9,791
Accounts receivable, less allowance for doubtful accounts of $4,709	—	—	—	206,188	—	206,188
Trade receivable	—	—	3,911	—	—	3,911
Asset held for sale	—	—	45,157	—	—	45,157
Prepaid expenses and other current assets	—	6,385	26,492	—	—	32,877
Total current assets	—	75,050	75,560	206,188	—	356,798
Property and equipment, net	—	3,460	162,162	—	—	165,622
Broadcast licenses	—	—	—	1,578,066	—	1,578,066
Other intangible assets, net	—	—	159,404	—	—	159,404
Goodwill	—	—	703,354	—	—	703,354
Investment in consolidated subsidiaries	99,180	3,801,788	1,052,498	—	(4,953,466)	—
Intercompany receivables, net	—	97,202	1,659,696	—	(1,756,898)	—
Other assets	—	26,406	115,339	506	(118,823)	23,428
Total assets	$99,180	$4,003,906	$3,928,013	$1,784,760	$(6,829,187)	$2,986,672
Liabilities and Stockholders’ Equity (Deficit)						
Current liabilities:						
Accounts payable and accrued expenses	$—	$41,976	$83,574	$—	$—	$125,550
Trade payable	—	—	4,346	—	—	4,346
Total current liabilities	—	41,976	87,920	—	—	129,896
Long-term debt, excluding 7.75% Senior Notes	—	1,803,233	—	—	—	1,803,233
7.75% Senior Notes	—	602,046	—	—	—	602,046
Other liabilities	—	3,963	38,305	—	—	42,268
Intercompany payables, net	96,696	1,453,508	—	206,694	(1,756,898)	—
Deferred income taxes	—	—	—	525,568	(118,823)	406,745
Total liabilities	96,696	3,904,726	126,225	732,262	(1,875,721)	2,984,188
Stockholders’ equity (deficit):						
Class A common stock, par value $0.01 per share; 750,000,000	2,561	—	—	—	—	2,561

shares authorized; 256,248,431 shares issued and 233,798,935 shares outstanding						
Class C common stock, par value $0.01 per share; 644,871 shares authorized, issued and outstanding	6	—	—	—	—	6
Treasury stock, at cost, 22,449,496 shares	(229,310)	—	—	—	—	(229,310)
Additional paid-in-capital	1,620,500	270,399	4,222,277	2,029,392	(6,522,068)	1,620,500
Accumulated (deficit) equity	(1,391,273)	(171,219)	(420,489)	(976,894)	1,568,602	(1,391,273)
Total stockholders' equity (deficit)	2,484	99,180	3,801,788	1,052,498	(4,953,466)	2,484
Total liabilities and stockholders' equity (deficit)	$ 99,180	$ 4,003,906	$ 3,928,013	$ 1,784,760	$ (6,829,187)	$ 2,986,672

20

Table of Contents

CUMULUS MEDIA INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
December 31, 2015
(Dollars in thousands, except for share and per share data)
(Unaudited)

	Cumulus Media Inc. (Parent Guarantor)	Cumulus Media Holdings Inc. (Subsidiary Issuer)	Subsidiary Guarantors	Subsidiary Non-guarantors	Eliminations	Total Consolidated
Assets						
Current assets:						
Cash and cash equivalents	$—	$31,657	$—	$—	$—	$31,657
Restricted cash	—	7,981	—	—	—	7,981
Accounts receivable, less allowance for doubtful accounts of $4,923	—	—	—	243,428	—	243,428
Trade receivable	—	—	4,146	—	—	4,146
Asset held for sale	—	—	45,157	—	—	45,157
Prepaid expenses and other current assets	—	6,375	20,531	—	—	26,906
Total current assets	—	46,013	69,834	243,428	—	359,275
Property and equipment, net	—	3,685	165,752	—	—	169,437
Broadcast licenses	—	—	—	1,578,066	—	1,578,066
Other intangible assets, net	—	—	174,530	—	—	174,530
Goodwill	—	—	703,354	—	—	703,354
Investment in consolidated subsidiaries	110,550	3,784,551	1,056,150	—	(4,951,251)	—
Intercompany receivables, net	—	95,072	1,650,829	—	(1,745,901)	—
Other assets	—	27,491	95,716	554	(106,035)	17,726
Total assets	$110,550	$3,956,812	$3,916,165	$1,822,048	$(6,803,187)	$3,002,388
Liabilities and Stockholders' Equity (Deficit)						
Current liabilities:						
Accounts payable and accrued expenses	$—	$31,997	$86,399	$—	$—	$118,396
Trade payable	—	—	4,374	—	—	4,374
Total current liabilities	—	31,997	90,773	—	—	122,770
Long-term debt, excluding 7.75% Senior Notes	—	1,801,416	—	—	—	1,801,416
7.75% Senior Notes	—	601,485	—	—	—	601,485
Other liabilities	—	3,963	40,841	—	—	44,804
Intercompany payables, net	94,518	1,407,401	—	243,982	(1,745,901)	—
Deferred income taxes	—	—	—	521,916	(106,035)	415,881
Total liabilities	94,518	3,846,262	131,614	765,898	(1,851,936)	2,986,356
Stockholders' equity (deficit):						
Class A common stock, par value $0.01 per share; 750,000,000	2,558	—	—	—	—	2,558

shares authorized; 255,902,892 shares issued and 233,456,945 shares outstanding						
Class C common stock, par value $0.01 per share; 644,871 shares authorized, issued and outstanding	6	—	—	—	—	6
Treasury stock, at cost, 22,445,947 shares	(229,310)	—	—	—	—	(229,310)
Additional paid-in-capital	1,619,622	268,673	4,219,060	2,032,686	(6,520,419)	1,619,622
Accumulated (deficit) equity	(1,376,844)	(158,123)	(434,509)	(976,536)	1,569,168	(1,376,844)
Total stockholders' equity (deficit)	16,032	110,550	3,784,551	1,056,150	(4,951,251)	16,032
Total liabilities and stockholders' equity (deficit)	$110,550	$3,956,812	$3,916,165	$ 1,822,048	$(6,803,187)	$3,002,388

21

Table of Contents

CUMULUS MEDIA INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2016
(Dollars in thousands)
(Unaudited)

	Cumulus Media Inc. (Parent Guarantor)	Cumulus Media Holdings Inc. (Subsidiary Issuer)	Subsidiary Guarantors	Subsidiary Non-guarantors	Eliminations	Total Consolidated
Cash flows from operating activities:						
Net (loss) income	$(14,429)	$(13,096)	$14,020	$ (358)	$ (566)	$(14,429)
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:						
Depreciation and amortization	—	404	22,693	—	—	23,097
Amortization of debt issuance costs/discounts	—	2,427	—	—	—	2,427
Provision for doubtful accounts	—	—	150	—	—	150
Loss on sale of assets or stations	—	—	—	—	—	—
Deferred income taxes	(845)	(18,198)	10,134	(227)	—	(9,136)
Stock-based compensation expense	—	878	—	—	—	878
Loss (earnings) from consolidated subsidiaries	13,096	(14,020)	358	—	566	—
Changes in assets and liabilities	—	120,503	(90,890)	585	—	30,198
Net cash (used in) provided by operating activities	(2,178)	78,898	(43,535)	—	—	33,185
Cash flows from investing activities						
Restricted cash	—	(1,810)	—	—	—	(1,810)
Capital expenditures	—	(179)	(3,982)	—	—	(4,161)
Net cash used in investing activities	—	(1,989)	(3,982)	—	—	(5,971)
Cash flows from financing activities:						
Intercompany transactions, net	2,175	(49,692)	47,517	—	—	—
Proceeds from exercise of warrants	3	—	—	—	—	3
Net cash provided by (used in) financing activities	2,178	(49,692)	47,517	—	—	3
Increase in cash and cash equivalents	—	27,217	—	—	—	27,217
Cash and cash equivalents at beginning of period	—	31,657	—	—	—	31,657
Cash and cash equivalents at end of period	$—	$58,874	$—	$ —	$ —	$58,874

Table of Contents

CUMULUS MEDIA INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2015
(Dollars in thousands)
(Unaudited)

	Cumulus Media Inc. (Parent Guarantor)	Cumulus Media Holdings Inc. (Subsidiary Issuer)	Subsidiary Guarantors	Subsidiary Non-guarantors	Eliminations	Total Consolidated
Cash flows from operating activities:						
Net (loss) income	$ (12,015)	$ (10,698)	$ 7,410	$ (8,713)	$ 12,001	$ (12,015)
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:						
Depreciation and amortization	—	260	25,051	—	—	25,311
Amortization of debt issuance costs/discount	—	2,295	—	47	—	2,342
Provision for doubtful accounts	—	—	596	—	—	596
Loss on sale of assets or stations	—	—	819	—	—	819
Deferred income taxes	(867)	(27,846)	10,617	8,135	—	(9,961)
Stock-based compensation expense	—	3,863	—	—	—	3,863
Loss (earnings) from consolidated subsidiaries	10,698	(7,410)	8,713	—	(12,001)	—
Changes in assets and liabilities	—	100,389	(90,897)	531	—	10,023
Net cash (used in) provided by operating activities	(2,184)	60,853	(37,691)	—	—	20,978
Cash flows from investing activities:						
Proceeds from sale of assets or stations	—	—	3,055	—	—	3,055
Restricted cash	—	1,641	—	—	—	1,641
Capital expenditures	—	(423)	(9,672)	—	—	(10,095)
Net cash provided by (used in) investing activities	—	1,218	(6,617)	—	—	(5,399)
Cash flows from financing activities:						
Intercompany transactions, net	2,183	(46,488)	44,305	—	—	—
Tax withholding payments on behalf of employees	—	(93)	—	—	—	(93)
Proceeds from exercise of warrants	1	—	—	—	—	1
Net cash provided by (used in) financing activities	2,184	(46,581)	44,305	—	—	(92)
Increase (decrease) in cash and cash equivalents	—	15,490	(3)	—	—	15,487
Cash and cash equivalents at beginning of period	—	7,268	3	—	—	7,271
Cash and cash equivalents at end of period	$ —	$ 22,758	$ —	$ —	$ —	$ 22,758

Table of Contents

12. Segment Data

During the first quarter of 2016 the Company modified its management reporting framework, affecting how the Company evaluates operating performance and internally reports financial information. This modification resulted in a reorganization of its reportable segments. Prior to this reorganization, the Company operated in one reportable business segment which consisted of radio broadcasting, advertising and related services. The Company now operates two reportable segments for which there is discrete financial information available and whose operating results are reviewed by the chief operating decision maker. Radio station group revenue is derived primarily from the sale of broadcasting time to local, regional and national advertisers. WestwoodOne revenue is generated primarily through network advertising.

Corporate includes support for each of the Company’s reportable segments, including information technology, human resources, legal, finance and administrative functions, as well as overall executive, administrative and support functions.

Historical information has been revised to reflect the change in segments, with no impact on consolidated results.

The Company presents segment adjusted EBITDA ("Adjusted EBITDA") as the financial metric utilized by management the Company to analyze the cash flow generated by the Company’s reportable segments. This measure isolates the amount of income generated by our core operations after the incurrence of corporate, general and administrative expenses. Management also uses this measure to determine the contribution of our core operations, including the corporate resources employed to manage the operations, to the funding of our other operating expenses and to the funding of debt service. In addition, Adjusted EBITDA is a key metric for purposes of calculating and determining our compliance with certain covenants contained in the Credit Agreement. In deriving this measure, the Company excludes depreciation, amortization, and stock-based compensation expense, as these do not represent cash payments for activities directly related to our core operations. The Company excludes any gain or loss on the exchange or sale of any assets as it does not represent a cash transaction. The Company also excludes any gain or loss on derivative instruments as it does not represent a cash transaction nor are they associated with core operations. Expenses relating to acquisitions and restructuring costs are also excluded from the calculation of Adjusted EBITDA as they are not directly related to our core operations. The Company excludes any costs associated with impairment of assets as they do not require a cash outlay. The Company believes that Adjusted EBITDA, although not a measure that is calculated in accordance with GAAP, nevertheless is commonly employed by the investment community as a measure for determining the market value of a media company. The Company has also observed that Adjusted EBITDA is routinely employed to evaluate and negotiate the potential purchase price for media companies and is a key metric for purposes of calculating and determining compliance with certain covenants in our credit facility. Given the relevance to the Company’s overall value, the Company 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 the Company’s operating performance or liquidity that is calculated in accordance with GAAP. In addition, Adjusted EBITDA may be defined or calculated differently by other companies, and comparability may be limited.

The Company is undergoing transition in its business and will continue to evaluate its reporting structure on an ongoing periodic basis. Any future changes will be retrospectively recasted in accordance with GAAP.

The Company’s financial data by segment is presented in the tables below:

	Three Months Ended March 31, 2016			
	Radio Station Group	WestwoodOne	Corporate and Other	Consolidated
Net revenue	$176,476	$ 91,565	$ 489	$ 268,530

Table of Contents

	Three Months Ended March 31, 2016
Adjusted EBITDA by segment	
Radio station group	$43,719
WestwoodOne	7,758
Segment Adjusted EBITDA	51,477
Adjustments	
Corporate and other	(9,544)
Income tax benefit	9,133
Non operating expense, including net interest expense	(33,676)
LMA fees	(5,388)
Depreciation and amortization	(23,097)
Stock-based compensation expense	(878)
Loss on sale of assets or stations	(5)
Acquisition-related and restructuring costs	(2,266)
Franchise and state taxes	(185)
Consolidated net loss	$(14,429)

	Three Months Ended March 31, 2015			
	Radio Station Group	WestwoodOne	Corporate and Other	Consolidated
Net revenue	$175,668	$ 94,549	$ 862	$ 271,079

	Three Months Ended March 31, 2015
Adjusted EBITDA by segment	
Radio station group	$45,416
WestwoodOne	8,424
Segment Adjusted EBITDA	53,840
Adjustments	
Corporate and other	(9,177)
Income tax benefit	10,357
Non operating expense, including net interest expense	(34,247)
LMA fees	(2,498)
Depreciation and amortization	(25,311)
Stock-based compensation expense	(3,863)
Loss on sale of assets or stations	(819)
Franchise and state taxes	(297)
Consolidated net loss	$(12,015)

Table of Contents

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

In the following Management's Discussion and Analysis, we provide information regarding the following areas:
l General Overview;
l Results of Operations; and
l Liquidity and Capital Resources.

General Overview

The following discussion of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto included elsewhere in this quarterly report and our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2015. This discussion, as well as various other sections of this quarterly report, 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. Actual results may differ from those contained in or implied by the forward-looking statements as a result of various factors, including, but not limited to, risks and uncertainties relating to the need for additional funds to execute our business strategy, our ability to access borrowings under our revolving credit facility, our ability from time to time to renew one or more of our broadcast licenses, changes in interest rates, changes in the value of any of our investments, our ability to complete any acquisitions pending from time to time, the timing, costs and synergies resulting from the integration of any completed acquisitions, our ability to eliminate certain costs, our ability to manage rapid growth, the popularity of radio as a broadcasting and advertising medium, changing consumer tastes, any material changes from the preliminary to final purchase price allocations in completed acquisitions, the impact of general economic conditions in the United States or in specific markets in which we currently do, or expect to do, business, industry conditions, including existing competition and future competitive technologies, cancellation, disruptions or postponements of advertising schedules in response to national or world events, our ability to generate revenue from new sources, including technology-based initiatives, the impact of regulatory rules or proceedings that may affect our business, from time to time, our ability to meet the listing standards for our Class A common stock to continue to be listed for trading on the NASDAQ stock market the write off of a material portion of the fair value of our FCC broadcast licenses and goodwill, our ability to meet the continued listing standards of NASDAQ, and other risk factors described from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2015. 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.

For additional information about certain of the matters discussed and described in the following Management’s Discussion and Analysis of Financial Condition and Results of Operations, including certain defined terms used herein, see the notes to the accompanying unaudited condensed consolidated financial statements included elsewhere in this quarterly report.

Our Business

A leader in the radio broadcasting industry, we combine high-quality local programming with iconic, nationally syndicated media, sports and entertainment brands to deliver premium content choices for the 245 million people reached each week through its 454 owned-and-operated stations broadcasting in 90 US media markets (including eight of the top ten), more than 8,200 broadcast radio stations affiliated with our WestwoodOne network and numerous digital channels. Together, the Cumulus/WestwoodOne platforms make us one of the few media companies that can provide advertisers with national reach and local impact. Cumulus/WestwoodOne is the exclusive radio broadcast partner to some of the largest brands in sports, entertainment, news, and talk, including the NFL, the NCAA, the

Masters, the Olympics, the GRAMMYs, the Academy of Country Music Awards, the American Music Awards, the Billboard Music Awards, WestwoodOne News, and more. Additionally, it is the nation's leading provider of country music and lifestyle content through its NASH brand, which serves country fans nationwide through radio programming, exclusive digital content, and live events.

Operating Overview

We believe that we have created a leading national audio advertising platform that allows us to leverage and expand upon our strengths, market presence and programming. Specifically we have an extensive radio station portfolio, including a

presence in eight of the top 10 markets, and broad diversity in format, listener base, geography, advertiser base and revenue stream, designed to reduce our dependence on any single demographic, region or industry. As a leader in the radio broadcast industry, we provide exclusive content that is fully distributed through our 454 owned-and-operated stations in 90 U.S. media markets, more than 8,200 broadcast radio affiliates and numerous digital channels. Our nationwide platform generates premium content distributable through both broadcast and digital platforms, and our scale allows larger, 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. Our websites average over 15.3 million page views from approximately 7.2 million unique users on a monthly basis and stream music to approximately 4.5 million people users each month. We believe our national platform perspective allows us to optimize our available advertising inventory while providing holistic and comprehensive solutions for our customers.

We further believe that our capital structure provides adequate liquidity and scale for us to operate and grow our current business.

Liquidity Considerations

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

Our principal sources of funds have primarily been cash flow from operations and borrowings under credit facilities in existence from time to time. Our cash flow from operations is subject to factors such as changes in demand due to shifts in population, station listenership, demographics, 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 national platform and extensive station portfolio representing a broad diversity in format, listener base, geography, and advertiser base helps us maintain a more stable revenue stream by reducing our dependence on any single demographic, region or industry. We continually monitor our capital structure and from time to time have evaluated, and expect that we will continue to evaluate opportunities to obtain additional public or private capital from the divestiture of radio stations or other assets that are not a part of, or do not complement, our strategic operations, as well as 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.

In furtherance of our strategy, we have entered into various agreements intended to stabilize our balance sheet and supplement our cash flows. We are party to an Amended and Restated Credit Agreement, dated as of December 23, 2013 (the "Credit Agreement"). The Credit Agreement consists of a $2.025 billion term loan (the “Term Loan”) maturing in December 2020 and a $200.0 million revolving credit facility (the "Revolving Credit Facility") maturing in December 2018. Under the Revolving Credit Facility, up to $30.0 million of availability may be drawn in the form of letters of credit.

In the event amounts are outstanding under the Revolving Credit Facility or any letters of credit are outstanding that have not been collateralized by cash as of the end of each quarter, the Credit Agreement requires compliance with a consolidated first lien leverage ratio covenant. The required ratio at March 31, 2016 was 5.00 to 1, and that ratio periodically decreases until it reaches 4.0 to 1 on March 31, 2018. As we currently have no borrowings outstanding under the Revolving Credit Facility, we are not required to comply with that ratio. However, as of March 31, 2016, our actual leverage ratio was in excess of the required ratio. If we accessed borrowings under the Revolving Credit Facility, we would be required to comply with such ratio.

We have also entered into a 5-year, $50.0 million revolving accounts receivable securitization facility, dated as of December 6, 2013 (the “Securitization Facility”) with General Electric Capital Corporation, as a lender, as swing line lender and as administrative agent (together with any other lenders party thereto from time to time, the “Lenders”). In connection with the entry into the Securitization Facility, pursuant to a Receivables Sale and Servicing Agreement,

dated as of December 6, 2013 (the “Sale Agreement”), certain subsidiaries of the Company may sell and/or contribute their existing and future accounts receivable to a special purpose entity and wholly owned subsidiary of the Company (the “SPV”). The SPV may thereafter make borrowings from the Lenders, which borrowings are secured by those receivables, pursuant to a Receivables Funding and Administration Agreement, dated as of December 6, 2013.

At March 31, 2016, our long-term debt consisted of $1.839 billion outstanding under the Term Loan maturing in December 2020 and $610.0 million in 7.75% Senior Notes maturing in May 2019. No amounts were outstanding under the Revolving Credit Facility or the Securitization Facility.

Table of Contents

We have assessed the current and expected 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 March 31, 2016, that cash on hand, cash expected to be generated from operating activities, and cash expected to be available from various financing sources, assuming we do not have access to borrowings under the Revolving Credit Facility, will be sufficient to satisfy our anticipated financing needs for working capital, capital expenditures, interest and debt service payments, and any repurchases of securities and other debt obligations for at least the next twelve months.
In order to service our significant indebtedness we will continue to require significant cash flows. If we are unable to maintain or derive a level of cash flows from operating and financing activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, we 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 seek to dispose of material assets or operations, seek additional debt or equity capital or seek to restructure or refinance our indebtedness, although no assurances can be provided that any of these remedies could be successful. Our inability to service our debt and other obligations would lead to a material adverse effect on our business after the next twelve months.
As previously disclosed, we have engaged in discussions with certain holders (the "Noteholders") of our 7.75% Senior Notes regarding a potential exchange transaction (the “Exchange”). To date, we have we provided the Noteholders a proposal that included the following terms. (1) An exchange of the 7.75% Senior Notes such that each Note would be exchanged for up to 42.5% of the principal amount of each Note in certificates, with such certificates representing interests in a trust that would hold a participation in our Revolving Credit Facility; (2) the lenders under our Revolving Credit Facility would assign their commitments to a new lender; (3) our Revolving Credit Facility would be amended pursuant to an extension amendment to (a) extend its maturity to May 15, 2020, (b) increase its applicable LIBOR margin to 11%, subject to a 1% LIBOR floor, and (c) increase its undrawn commitment fee to 5%, as well as separately amended to (x) modify its financial covenant to permit the borrowing under the revolving credit facility in connection with the Exchange, (y) to require compliance with a Consolidated First Lien Net Leverage Ratio (as defined in the credit agreement governing the Revolving Credit Facility) of 3.75x for future draws, and (z) to eliminate the financial maintenance covenant; and (4) provide for each exchanging Noteholder to receive in the Exchange its pro rata share of an offering of 19.9% of our pro forma outstanding Class A common stock after taking into account such issuance and full participation of the 7.75% Senior Notes in the exchange.

In addition, discussions have included us potentially using additional capital to facilitate full participation by holders of Notes in the Exchange. We continue to discuss the Exchange, including potential modifications thereto, with the Noteholders. There is no assurance that the Exchange will take place on the same or similar terms to those set out above, on different terms or at all.
As previously disclosed, on November 3, 2015, we received a notification from the Listing Qualifications Department of The NASDAQ Stock Market LLC (“NASDAQ”) indicating that we were not in compliance with NASDAQ Listing Rule 5450(a)(1) (the “Rule”) because the minimum bid price of our Class A common stock on the NASDAQ Global Select Market has closed below $1.00 per share for 30 consecutive business days.
On May 3, 2016 we received approval from NASDAQ to transfer the listing of our Class A common stock from the NASDAQ Global Select Market to the NASDAQ Capital Market. This provides us an additional 180 calendar days to comply with the Rule in order for our Class A common stock to remain listed on the NASDAQ Capital Market. Should we not regain compliance with this listing rule, we intend to evaluate all potential alternatives, which could include evaluating a reverse stock split, although no assurances can be provided. Our inability to maintain the listing of our common stock on any NASDAQ market may materially adversely affect the liquidity and market price of our common stock.
Seasonality and Cyclicality
Our operations and revenues tend to be seasonal in nature, with generally lower revenue generated in the first quarter of the year and generally higher revenue generated in the second and fourth quarters of the year. The seasonality of our business reflects the adult orientation of our formats and relationship between advertising purchases on these

formats with the retail cycle. This seasonality causes and will likely continue to cause a variation in our quarterly operating results. Such variations could have a material effect on the timing of our cash flows and cash on had at the end of any period.

Table of Contents

Advertising Revenue and Adjusted EBITDA

Our primary source of revenue 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 the 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 platform 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. Our larger markets are also supported with content through network programming.

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. 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 typically represents a majority of our net revenues.

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.

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 $10.0 million and $10.2 million for the three months ended March 31, 2016 and 2015, respectively.

Our advertising revenues vary by quarter throughout the year. As is typical with advertising revenue supported businesses, 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. We continually evaluate opportunities to increase revenues through new platforms, including technology based initiatives. As a result of those revenue increasing opportunities through new platforms, our operating results in any period may be affected by the incurrence of advertising and promotion expenses that typically do not have an effect on revenue generation until future periods, if at all. In addition, as part of this evaluation we also from time to time reorganize and discontinue certain redundant and/or unprofitable content vehicles across our platform which we expect will impact our broadcast revenues in the future. To date inflation has not had a material effect on our revenues or results of operations, although no assurances can be provided that material inflation in the future would not materially adversely affect us.

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 core operations after the incurrence of corporate, general and administrative expenses. Management also uses this measure to determine the contribution of our core operations, including the corporate resources employed to manage the operations, 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 Credit Agreement.

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 our core operations. Management excludes any gain or loss on the exchange or sale of any assets as it does not represent a cash transaction. Management also excludes any gain or loss on derivative instruments as it does not represent a cash transaction nor are they associated with core operations. Expenses relating to acquisitions and restructuring costs are also excluded from the calculation of Adjusted EBITDA as they are not directly related to our core operations. Management excludes any non-cash costs associated with impairment of assets as they do not require a cash outlay.

Table of Contents

Management believes that Adjusted EBITDA, although not a measure that is calculated in accordance with GAAP, nevertheless is commonly employed by the investment community as a measure for determining the market value of a media company. Management has also observed that Adjusted EBITDA is routinely employed to evaluate and negotiate the potential purchase price for media companies and is a key metric for purposes of calculating and determining compliance with certain covenants in our credit facility. Given the relevance to our overall value, 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 the Company's operating performance or liquidity that is calculated in accordance with GAAP. In addition, Adjusted EBITDA may be defined or calculated differently by other companies, and comparability may be limited.

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.

Consolidated Results of Operations

The following 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 March 31,		% Change Three Months Ended
	2016	2015	
STATEMENT OF OPERATIONS DATA:			
Net revenue	$268,530	$271,079	(0.9)%
Content costs	100,045	100,807	(0.8)%
Selling, general & administrative expenses	117,227	116,307	0.8 %
Depreciation and amortization	23,097	25,311	(8.7)%
LMA fees	5,388	2,498	115.7 %
Corporate expenses (including stock-based compensation expense)	12,654	13,462	(6.0)%
Loss on sale of assets or stations	5	819	**
Operating income	10,114	11,875	(14.8)%
Interest expense	(34,481)	(34,984)	(1.4)%
Interest income	85	358	(76.3)%
Other income, net	720	379	90.0 %
Loss before income taxes	(23,562)	(22,372)	(5.3)%
Income tax benefit	9,133	10,357	(11.8)%
Net loss	$(14,429)	$(12,015)	(20.1)%
KEY FINANCIAL METRIC:			
Adjusted EBITDA	$41,933	$44,663	(6.1)%

** Calculation is not meaningful

Three Months Ended March 31, 2016 Compared to the Three Months Ended March 31, 2015

Net Revenue

Net revenue for the three months ended March 31, 2016 decreased $2.5 million, or 0.9%, to $268.5 million, compared to $271.1 million for the three months ended March 31, 2015. The decrease resulted from decreases of $0.5 million and $4.8 million in broadcasting advertising and license fees and other revenue, respectively, partially offset by an increases of $2.5 million and $0.3 million in political advertising and digital advertising, respectively.

Table of Contents

Content Costs

Content costs consist of all costs related to the licensing, acquisition and development of our programming.

Content costs for the three months ended March 31, 2016 remained relatively flat decreasing by $0.8 million, or 0.8%, to $100.0 million, compared to $100.8 million for the three months ended March 31, 2015.

Selling, General & Administrative Expenses

Selling, general & administrative expenses consist of expenses related to the distribution and monetization of our content across our platform and overhead expenses.

Selling, general & administrative expenses for the three months ended March 31, 2016 remained relatively flat decreasing by $0.9 million, or 0.8%, to $117.2 million compared to $116.3 million for the three months ended March 31, 2015.

Depreciation and Amortization

Depreciation and amortization for the three months ended March 31, 2016 decreased $2.2 million, or 8.7%, to $23.1 million, compared to $25.3 million for the three months ended March 31, 2015. This decrease was primarily due to a decrease in amortization expense on our definite-lived intangible assets, which resulted from the accelerated amortization methodology we have applied since acquisition of these assets that is based on the expected pattern in which the underlying assets' economic benefits are consumed.

Corporate Expenses, Including Stock-based Compensation Expense

Corporate expenses consist primarily of compensation and related costs for our executive, finance, human resources, information technology and legal personnel, and fees for professional services. Professional services are principally comprised of outside legal, audit and consulting services.

Corporate expenses, including stock-based compensation expense, for the three months ended March 31, 2016 increased $0.8 million, or 6.0%, to $12.7 million, compared to $13.5 million for the three months ended March 31, 2015.

Interest Expense

Total interest expense for the three months ended March 31, 2016 decreased $0.5 million, or 1.4%, to $34.5 million compared to $35.0 million for the three months ended March 31, 2015. Interest expense associated with outstanding debt decreased by $0.5 million to $31.5 million as compared to $32.0 million in the prior year period.

The following summary details the components of our interest expense (dollars in thousands):

	Three Months Ended March 31,		2016 vs 2015	
	2016	2015	$ Change	% Change
7.75% Senior Notes	$11,819	$11,819	$—	— %
Bank borrowings – term loans and revolving credit facilities	19,756	20,228	(472)	(2.3)%
Other, including debt issue cost amortization	2,906	2,937	(31)	(1.1)%
Interest expense	$34,481	$34,984	$(503)	(1.4)%

Income Taxes

For the three months ended March 31, 2016, the Company recorded an income tax benefit of $9.1 million on a pre-tax loss of $23.6 million, resulting in an effective tax rate for the three months ended March 31, 2016 of approximately 38.8%. For the three months ended March 31, 2015, the Company recorded an income tax benefit of $10.4 million on a pre-tax loss of $22.4 million, resulting in an effective tax rate for the three months ended March 31, 2015 of approximately 46.4%.

The difference between the effective tax rate and the federal statutory rate of 35% for the three months ended March 31, 2016 primarily relates to state and local income taxes and the tax effect of certain statutory non deductible items.

The difference between the effective tax rate and the federal statutory rate of 35% for the three months ended March 31, 2015 primarily relates to state and local income taxes, an increase in the valuation allowance with respect to state net operating losses and the tax effect of certain statutory non deductible items.

Table of Contents

The Company continually reviews the adequacy of the valuation allowance and recognizes the benefits of deferred tax assets only as the reassessment indicates that it is more likely than not that the deferred tax assets will be recognized in accordance with Accounting Standards Codification ("ASC") Topic 740, Income Taxes ("ASC 740"). As of March 31, 2016, the Company continues to maintain a valuation allowance on certain state net operating loss carryforwards for which the Company does not believe they will be able to meet the more likely than not recognition standard for recovery. The valuation of deferred tax assets requires judgment in assessing the likely future tax consequences of events that have been recognized in the Company's financial statements or tax returns as well as future profitability.

Adjusted EBITDA

As a result of the factors described above, Adjusted EBITDA for the three months ended March 31, 2016 decreased $2.7 million to $41.9 million from $44.7 million for the three months ended March 31, 2015.

Reconciliation of Non-GAAP Financial Measure

The following table reconciles Adjusted EBITDA to net 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 March 31,		% Change Three Months Ended
	2016	2015	
Net loss	$(14,429)	$(12,015)	(20.1)%
Income tax benefit	(9,133)	(10,357)	(11.8)%
Non-operating expenses, including interest expense	33,676	34,247	(1.7)%
LMA fees	5,388	2,498	115.7 %
Depreciation and amortization	23,097	25,311	(8.7)%
Stock-based compensation expense	878	3,863	(77.3)%
Loss on sale of assets or stations	5	819	**
Acquisition-related and restructuring costs	2,266	—	**
Franchise and state taxes	185	297	(37.7)%
Adjusted EBITDA	$41,933	$44,663	(6.1)%

** Calculation is not meaningful

Segment Results of Operations

During the first quarter of 2016 we modified our management reporting framework affecting how we evaluate operating performance and internally reports financial information. This modification resulted in a reorganization of our reportable segments. Prior to this reorganization, we operated in one reportable business segment which consisted of, radio broadcasting, advertising and related services. We now operates in two reportable segments for which there is discrete financial information available and whose operating results are reviewed by our chief operating decision maker. Historical information included in these financial statements has been revised to reflect the change to two segments, with no impact to previously disclosed consolidated results.

Corporate includes support for each of our reportable segments, including information technology, human resources, legal, finance and administrative functions, as well as overall executive, administrative and support functions.

As described above, the Company presents Adjusted EBITDA as the financial metric utilized by us to analyze the cash flow generated by our reportable segments. The reconciliation of Adjusted EBITDA to net loss is presented in Note 12, "Segment Data" of the notes to the condensed consolidated financial statements.

The Company is undergoing transition in its business and will continue to evaluate its reporting structure on an ongoing periodic basis. Any future changes will be retrospectively recasted in accordance with GAAP.

The Company’s financial data by segment is presented in the tables below:

32

Table of Contents

	Three Months Ended March 31, 2016			
	Radio Station Group	WestwoodOne	Corporate and Other	Consolidated
Net revenue	$176,476	$ 91,565	$ 489	$ 268,530
% of total revenue	65.7 %	34.1 %	0.2 %	100.0 %
% change from three months ended March 31, 2015	0.5 %	(3.2)%	(43.2)%	(0.9)%

	Three Months Ended March 31, 2015			
	Radio Station Group	WestwoodOne	Corporate and Other	Consolidated
Net revenue	$175,668	$ 94,549	$ 862	$ 271,079
% of total revenue	64.8 %	34.9 %	0.3 %	100.0 %

Net revenue for the three months ended March 31, 2016 decreased $2.5 million, or 0.9%, to $268.5 million, compared to $271.1 million for the three months ended March 31, 2015. The decrease resulted from decreases of $3.0 million and $0.4 million in WestwoodOne and corporate and other revenue, respectively, partially offset by an increase of $0.8 million in radio station group. The decrease in revenue at WestwoodOne was a result of a decline in national broadcasting revenue.

	Three Months Ended March 31, 2016			
	Radio Station Group	WestwoodOne	Corporate and Other	Consolidated
Adjusted EBITDA	$43,719	$ 7,758	$ (9,544)	$ 41,933
% change from three months ended March 31, 2015	(3.7)%	(7.9)%	(4.0)%	(6.1)%

	Three Months Ended March 31, 2015			
	Radio Station Group	WestwoodOne	Corporate and Other	Consolidated
Adjusted EBITDA	$45,416	$ 8,424	$ (9,177)	$ 44,663

Adjusted EBITDA for the three months ended March 31, 2016 decreased $2.7 million or 6.1% to $41.9 million from $44.7 million for the three months ended March 31, 2015. The decrease resulted from decreases of $1.7 million, $0.6 million and $0.4 million at the radio station group, WestwoodOne and corporate and other, respectively. The decrease in Adjusted EBITDA at the radio station group was a result of a $2.5 million increase in content costs and selling, general and administrative expenses partially offset by a $0.8 million increase in net revenue.

Liquidity and Capital Resources

Cash Flows Provided by Operating Activities

	Three Months Ended March 31,	
(Dollars in thousands)	2016	2015
Net cash provided by operating activities	$33,185	$20,978

For the three months ended March 31, 2016 compared to the three months ended March 31, 2015, net cash provided by operating activities increased $12.2 million. The increase was primarily due to an increase in operating cash flows from changes in our assets and liabilities of $20.0 million partially offset by a decrease in operating cash flows from net income and

Table of Contents

adjustments for deprecation and amortization of intangibles and debt issuance costs/discounts, deferred income taxes and stock-based compensation expense of $7.8 million.

Cash Flows Used in Investing Activities

(Dollars in thousands)	Three Months Ended March 31, 2016	2015
Net cash used in investing activities	$(5,971)	$(5,399)

For the three months ended March 31, 2016 compared to the three months ended March 31, 2015, net cash used in investing activities increased $0.6 million. Capital expenditures for the three months ended March 31, 2016 totaled $4.2 million primarily related to ongoing maintenance and other routine expenditures. Capital expenditures for the three months ended March 31, 2015 totaled $10.1 million and related to investments in a new office and studio facility in our San Francisco market, computer upgrades across our broadcast platform, and ongoing maintenance and other routine expenditures, partially offset by the proceeds from the sale of stations of $3.1 million.

Cash Flows Provided by (Used in) Financing Activities

(Dollars in thousands)	Three Months Ended March 31, 2016	2015
Net cash provided by (used in) financing activities	$3	$(92)

For the three months ended March 31, 2016 compared to the three months ended March 31, 2015, net cash used in financing activities decreased $0.1 million.

For additional detail regarding the Company's material liquidity considerations, see "Liquidity Considerations" above.

Table of Contents

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to our market risks from those disclosed in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2015 (the “2015 Annual Report”).

Item 4. Controls and Procedures

We maintain a set of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, the “Exchange Act”) designed to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. Such disclosure controls and procedures are designed to ensure that information required to be disclosed in reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our President and Chief Executive Officer (“CEO”) and Senior Vice President and Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management’s control objectives. Our management, including the CEO and CFO, does not expect that our disclosure controls and procedures can prevent all possible errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. There are inherent limitations in all control systems, including the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of one or more persons. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and, while our disclosure controls and procedures are designed to be effective under circumstances where they should reasonably be expected to operate effectively, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in any control system, misstatements due to possible errors or fraud may occur and not be detected.

At the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of our management, including our CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, the CEO and CFO have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2016.

There were no changes to our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f)) during the quarter ended March 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In March 2011, the Company and certain of our subsidiaries were named as defendants along with other radio companies, including Beasley Broadcast Group, Inc., CBS Radio, Inc., Entercom Communications, Greater Media, Inc. and Townsquare Media, LLC in a patent infringement suit. The case, Mission Abstract Data L.L.C., d/b/a Digimedia v. Beasley Broadcast Group, Inc., et. al., Civil Action Case No: 1:99-mc-09999, U.S. District Court for the District of Delaware (filed March 1, 2011), alleges that the defendants are infringing or have infringed on plaintiff’s patents entitled “Selection and Retrieval of Music from a Digital Database.” Plaintiff is seeking injunctive relief and unspecified damages. This case has been stayed, and is awaiting further action by the court.

In August 2015, we were named as a defendant in two separate putative class action lawsuits relating to our use and public performance of certain sound recordings fixed prior to February 15, 1972 (the "Pre-1972 Recordings"). The first suit, ABS Entertainment, Inc., et. al. v, Cumulus Media Inc., was filed in the United States District Court for the Central District of California and alleges, among other things, violation of California rights of publicity, common law conversion, misappropriation and unfair business practices. On December 11, 2015, this suit was dismissed without prejudice. The second suit, ABS Entertainment, Inc., v. Cumulus Media Inc., was filed in the United States District Court for the Southern District of New York and alleges, among other things, common law copyright infringement

and unfair competition. The New York lawsuit has been stayed pending an appeal before the Second Circuit involving unrelated third-parties over whether the owner of a Pre-1972 Recording holds an exclusive right to publicly perform that recording under New York common law.

Table of Contents

The pending suit seeks unspecified damages. The Company is evaluating the suit, and intends to defend itself vigorously. The Company is not yet able to determine what effect the lawsuit will have, if any, on its financial position, results of operations or cash flows.

In the first quarter of 2016, CBS Radio Inc. ("CBS") filed a demand for arbitration against certain of our subsidiaries. This action alleges that certain of our subsidiaries breached the terms of one or more contracts with CBS relating to sports network radio programming and content. The demand seeks cash damages, interest and injunctive relief. Arbitration is currently scheduled to be held in the fourth quarter of 2016. We intend to defend ourselves vigorously against this claim, and are not yet able to determine what effect, if any, the result of this arbitration will have on our financial position, results of operations or cash flows.

The Company currently is, and expects that from time to time in the future will be, party to, or a defendant in, various other claims or lawsuits that are generally incidental to its business. The Company expects that it will vigorously contest any such claims or lawsuits and believes that the ultimate resolution of any known claim or lawsuit will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Item 1A. Risk Factors

Please refer to Part I, Item 1A, “Risk Factors,” in our 2015 Annual Report for information regarding known material risks that could affect our results of operations, financial condition and liquidity. These known risks have not changed materially. In addition to these risks, other risks that we presently do not consider material, or other unknown risks, could materially adversely impact our business, financial condition and results of operations in future periods.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On May 21, 2008, our Board of Directors authorized the purchase, from time to time, of up to $75.0 million of our Class A Common Stock, subject to the terms and limitations obtained in any applicable agreements and compliance with other applicable legal requirements. During the three months ended March 31, 2016, we did not purchase any shares of our Class A Common Stock.

Table of Contents

Item 6. Exhibits

10.1	First Amendment to Employment Agreement, dated March 30, 2016, by and between Cumulus Media Inc. and Joseph P. Hannan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 31, 2016)
10.2	First Amendment to Employment Agreement, dated March 30, 2016, by and between Cumulus Media Inc. and Richard S. Denning (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on March 31, 2016)
10.3	Employment Agreement, dated as of December 13, 2015, by and between Cumulus Media Inc. and Suzanne Grimes (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on March 31, 2016)
10.4	First Amendment to Employment Agreement, dated March 30, 2016, by and between Cumulus Media Inc. and Suzanne Grimes (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on March 31, 2016)
10.5	First Amendment to Employment Agreement, dated March 30, 2016, by and between Cumulus Media Inc. and Mary G. Berner (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the SEC on March 31, 2016)
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

Table of Contents

SIGNATURES

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

	CUMULUS MEDIA INC.	
Date: May 5, 2016	By:	/s/ Joseph P. Hannan Joseph P. Hannan Senior Vice President, Treasurer and Chief Financial Officer

EXHIBIT INDEX

31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.