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LIBERTY CORP
Form 8-K
November 06, 2001

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

Date of report (Date of earliest event reported) November 6, 2001

The Liberty Corporation

(Exact name of Registrant as Specified in Charter)

South Carolina	1-5846	57-0507055
----- (State or Other Jurisdiction of Incorporation)	----- (Commission File Number)	----- (IRS Employer Identification No.)

135 South Main Street, Greenville, SC	29601
----- (Address of Principal Executive Offices)	----- (Zip Code)

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

n/a

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

ITEM 9. REGULATION FD DISCLOSURE.

[LIBERTY CORPORATION LETTERHEAD]

For Further Information: Howard Schrott (864) 241-5400

LIBERTY CORPORATION REPORTS THIRD QUARTER RESULTS

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Greenville, SC (November 6, 2001) - The Liberty Corp. (NYSE: LC) today reported financial results for quarter ended September 30, 2001. Liberty owns and operates 15 network-affiliated television stations along with other ancillary businesses.

For the quarter ended September 30, 2001, net revenue declined seven percent to \$40.2 million compared with \$43.3 million for the prior year. The decline in revenues is due to losses in revenue related to the events of September 11th and the fact that the same quarter in the prior year benefited from revenue related to the Olympics and political activity. For the nine-month period, net revenue increased five percent to \$130.3 million from \$124.3 million from the prior year.

For the latest quarter, broadcast cash flow decreased 32 percent to \$12.8 million from \$18.9 million. For the nine months period, Broadcast Cash Flow decreased ten percent to \$47.1 million from \$52.2 million. Broadcast cash flow is defined as operating income plus depreciation and amortization, non-cash compensation, corporate cash expenses, non-recurring and certain other items. Broadcast Cash Flow is a commonly used measurement to evaluate the operating performance of media properties.

"We are extremely proud of the manner in which our television stations served the public in covering the tragic events of September 11th. Through their tireless efforts, each of the communities we serve was kept informed around the clock," commented Hayne Hipp, Chief Executive Officer of Liberty. "Unquestionably, this type of intensive coverage comes at a cost, which has affected our operating results for the quarter. Revenue was lost and costs increased due to several days of uninterrupted news coverage. In addition, advertisers cancelled orders due to the uncertain economic conditions that followed, however, much of this business is returning in the fourth quarter."

Hipp continued, "The economic fallout of these events has touched every advertising-related business, but our dominant news positions keep us uniquely positioned with our customers and a debt-free balance sheet gives us the freedom to explore growth opportunities which may arise."

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

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

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

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Forward-Looking Statements

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

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THE LIBERTY CORPORATION Income Statement Information

	Three Months Ended September 30,		N
(In 000's, except per share data)	2001	2000	2001
	Unaudited		
REVENUES			
Station revenues (net of commissions)	\$ 37,170	\$ 40,058	\$ 121,4
Cable advertising and other revenues	3,003	3,234	8,8
	40,173	43,292	130,2
EXPENSES			
Operating expenses	25,645	23,187	77,5
Amortization of program rights	2,021	1,704	5,9
Depreciation and amortization of intangibles	8,434	5,272	23,7
Corporate, general, and administrative expenses	3,685	2,661	9,7
	39,785	32,824	116,9
Operating income	388	10,468	13,3
Net investment income (loss)	(1,938)	724	3,7
Interest expense	--	4,314	
	(1,550)	6,878	17,1
Income (loss) from continuing operations before income taxes	(1,550)	6,878	17,1
Provision for (benefit from) income taxes	(589)	2,885	6,5
	(961)	3,993	10,6
Income (loss) from continuing operations	(961)	3,993	10,6
Income from discontinued operations (net of taxes)	--	7,573	

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NET INCOME (LOSS)	\$ (961)	\$ 11,566	\$ 10,6
DILUTED EARNINGS PER SHARE:			
Diluted earnings (loss) per common share from continuing operations	\$ (0.05)	\$0.20	\$0.
Diluted earnings per common share from discontinued operations	--	0.38	
Diluted earnings (loss) per common share	\$ (0.05)	\$0.58	\$0.
Weighted average common dilutive shares	19,526	19,736	19,6
Actual common and common equivalent shares outstanding at end of period	19,683	19,916	19,6
RECONCILIATION OF OPERATING INCOME TO ADJUSTED BROADCAST CASH FLOW			
Operating income per income statement	\$ 388	\$ 10,468	\$ 13,3
One time charges (1)	--	461	
Adjusted operating income	388	10,929	13,3
Add:			
Depreciation and amortization	8,434	5,272	23,7
Adj. for network compensation due vs. accrued	248	--	2
Non-cash compensation	224	648	5
Operating cash flow	\$ 9,294	\$ 16,849	\$ 37,8
Corporate cash expenses	3,461	2,011	9,2
Broadcast cash flow	\$ 12,755	\$ 18,860	\$ 47,0

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

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SIGNATURE

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

THE LIBERTY CORPORATION

By: /s/ Martha Williams

Name: Martha Williams
Title: Vice President, General Counsel
and Secretary

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