

Edgar Filing: WESTWOOD ONE INC /DE/ - Form 10-Q

WESTWOOD ONE INC /DE/
Form 10-Q
May 14, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-13020

WESTWOOD ONE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-3980449
(I.R.S. Employer
Identification No.)

40 West 57th Street, 5th Floor, New York, NY
(Address of principal executive offices)

10019
(Zip Code)

(212) 641-2000

Registrant's telephone number, including area code

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes X No ___

Number of shares of stock outstanding at May 1, 2003 (excluding treasury shares):

Common Stock, par value \$.01 per share - 101,864,308 shares
Class B Stock, par value \$.01 per share - 703,466 shares

WESTWOOD ONE, INC.

INDEX

Page No.

Edgar Filing: WESTWOOD ONE INC /DE/ - Form 10-Q

PART I.	FINANCIAL INFORMATION	
Item 1.	Financial Statements	
	Consolidated Balance Sheets	3
	Consolidated Statements of Operations	4
	Consolidated Statements of Cash Flows	5
	Notes to Consolidated Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	8
Item 3.	Qualitative and Quantitative Disclosures About Market Risk	10
Item 4.	Controls and Procedures	10
PART II.	OTHER INFORMATION	
	Exhibits and Reports on Form 8K	11
	SIGNATURES	13
	CERTIFICATIONS	14

2

Item 1. Financial Statements

WESTWOOD ONE, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)

	Three Months March 31 ----- 2003 -----
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 5,316
Accounts receivable, net of allowance for doubtful accounts of \$6,565 (2003) and \$11,757 (2002)	112,899
Other current assets	10,030

Total Current Assets	128,245
PROPERTY AND EQUIPMENT, NET	52,877
GOODWILL	990,192
INTANGIBLE ASSETS, NET	9,072

Edgar Filing: WESTWOOD ONE INC /DE/ - Form 10-Q

OTHER ASSETS	59,776

TOTAL ASSETS	\$1,240,162
	=====
LIABILITIES AND SHAREHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Accounts payable	\$24,455
Other accrued expenses and liabilities	74,163

Total Current Liabilities	98,618
LONG-TERM DEBT	233,111
DEFERRED INCOME TAXES	31,733
OTHER LIABILITIES	10,186

TOTAL LIABILITIES	373,648

COMMITMENTS AND CONTINGENCIES	
SHAREHOLDERS' EQUITY	
Preferred stock: authorized 10,000 shares, none outstanding	-
Common stock, \$.01 par value: authorized, 274,237 shares; issued and outstanding, 104,255 (2003) and 103,989 (2002)	1,043
Class B stock, \$.01 par value: authorized, 3,000 shares: issued and outstanding, 704 (2003 and 2002)	7
Additional paid-in capital	690,393
Accumulated earnings	235,895

	927,338
Less treasury stock, at cost; 1,804 shares (2003) and 35 shares (2002)	(60,824)

TOTAL SHAREHOLDERS' EQUITY	866,514

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$1,240,162
	=====

See accompanying notes to consolidated financial statements.

3

WESTWOOD ONE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2003	2002
	----	----
GROSS REVENUES	\$145,618	\$146,667
Less Agency Commissions	19,823	20,371
	-----	-----
NET REVENUES	125,795	126,296
	-----	-----
Operating Costs and Expenses Excluding Depreciation and Amortization	92,052	92,401

Edgar Filing: WESTWOOD ONE INC /DE/ - Form 10-Q

Depreciation and Amortization	2,880	2,835
Corporate General and Administrative Expenses	1,644	1,737
	-----	-----
	96,576	96,973
	-----	-----
OPERATING INCOME	29,219	29,323
Interest Expense	2,451	1,758
Other Income	(20)	(35)
	-----	-----
INCOME BEFORE INCOME TAXES	26,788	27,600
INCOME TAXES	9,874	10,157
	-----	-----
NET INCOME	\$16,914	\$17,443
	=====	=====
NET INCOME PER SHARE:		
BASIC	\$.16	\$.16
	=====	=====
DILUTED	\$.16	\$.16
	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING:		
BASIC	103,063	106,629
	=====	=====
DILUTED	105,638	110,434
	=====	=====

See accompanying notes to consolidated financial statements.

4

WESTWOOD ONE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended March 31, 2003

	2003

CASH FLOW FROM OPERATING ACTIVITIES:	
Net income	\$16,914
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	2,880
Deferred taxes	1,000
Amortization of deferred financing costs	159

	20,953

Changes in assets and liabilities:	
Decrease in accounts receivable	18,777
Decrease in other assets	4,551
Increase in accounts payable and accrued liabilities	10,388

Total change in assets and liabilities	33,716

Edgar Filing: WESTWOOD ONE INC /DE/ - Form 10-Q

Net Cash Provided By Operating Activities	54,669

CASH FLOW FROM INVESTING ACTIVITIES:	
Capital expenditures	(1,046)
Acquisition of companies and other	(145)

Net Cash Used For Investing Activities	(1,191)

CASH PROVIDED BEFORE FINANCING ACTIVITIES	53,478

CASH FLOW FROM FINANCING ACTIVITIES:	
Issuance of common stock	4,235
Borrowings under bank and other long-term obligations	-
Debt repayments and payments of capital lease obligations	(138)
Repurchase of common stock and warrants	(59,525)
Deferred financing costs	(105)

NET CASH (USED IN) FINANCING ACTIVITIES	(55,533)

NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,055)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,371

CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$5,316
=====	

See accompanying notes to consolidated financial statements.

5

WESTWOOD ONE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share data)

NOTE 1 - Basis of Presentation:

The accompanying consolidated balance sheet as of March 31, 2003, the consolidated statements of operations and the consolidated statements of cash flows for the three month periods ended March 31, 2003 and 2002 are unaudited, but in the opinion of management include all adjustments necessary for a fair presentation of the financial position and the results of operations for the periods presented. These financial statements should be read in conjunction with the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission.

NOTE 2 - Reclassification:

Certain prior period amounts have been reclassified to conform to the current presentation.

NOTE 3 - Earnings Per Share:

Net income per share is computed in accordance with SFAS No. 128. Basic earnings per share excludes all dilution and is calculated using the weighted average number of shares outstanding in the period. Diluted earnings per share

Edgar Filing: WESTWOOD ONE INC /DE/ - Form 10-Q

reflects the potential dilution that would occur if all financial instruments which may be exchanged for equity securities were exercised or converted to Common Stock.

The Company has issued options and warrants which may have a dilutive effect on reported earnings if they were exercised or converted to Common Stock. The following numbers of shares related to options and warrants were added to the basic weighted average shares outstanding to arrive at the diluted weighted average shares outstanding for each period:

	March 31,	
	----- 2003	2002 -----
Options	2,575	3,411
Warrants	-	394

NOTE 4 - Debt:

A March 31, 2003 the Company had outstanding borrowings of \$200,000 pursuant to its outstanding Notes and \$30,000 under its bank revolving credit facility. In addition, the Company had available borrowings of \$197,500 under its bank revolving credit facility.

The estimated fair value of the Company's interest rate swaps at March 31, 2003 was \$3,111.

6

NOTE 5 - Stock Options

The Company applies APB 25 and related interpretations in accounting for its stock option plans. Accordingly, no compensation expense has been recognized for its plans. Had compensation cost been determined in accordance with the methodology prescribed by SFAS 123, the Company's net income and earnings per share would have been reduced by approximately \$2,037 (\$.02 per basic and diluted share) in the first quarter of 2003 and \$2,018 (\$.02 per basic and diluted share) in the first quarter of 2002.

	Three Months Ended March 31,	
	----- 2003	2002 -----
Net Income as Reported	\$16,914	\$17,443
Deduct: Total Stock Based Employee Compensation Expense, Net of Tax	(2,037)	(2,018)
	-----	-----
Pro Forma Net Income	\$14,877	\$15,425
	=====	=====
 Net Income Per Share:		
Basic - As Reported	\$.16	\$.16
	=====	=====
Basic - Pro Forma	\$.14	\$.14
	=====	=====
Diluted - As Reported	\$.16	\$.16
	=====	=====

Edgar Filing: WESTWOOD ONE INC /DE/ - Form 10-Q

Diluted - Pro Forma

\$.14

\$.14

====

====

7

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (In thousands, except per share amounts)

Management's discussion and analysis should be read in conjunction with the Consolidated Financial Statements and related Notes and the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

Discussions included herein related to "revenue" or "net revenues" corresponds to the financial statement caption of Net Revenues on the Company's Consolidated Statements of Operations. The principal components of Operating costs and expenses excluding depreciation and amortization are personnel costs (exclusive of corporate personnel), affiliate compensation, broadcast rights fees, program production and distribution costs, sales related expenses (including bad debt expenses, commissions, and promotional and advertising expenses), expenses related to the Company's representation agreement with Infinity and news expenses. Corporate general and administrative expenses are primarily comprised of costs associated with the Infinity Management Agreement, personnel costs and other administrative expenses.

Results of Operations

Three Months Ended March 31, 2003 Compared
With Three Months Ended March 31, 2002

Westwood One derives substantially all of its revenue from the sale of advertising time to advertisers. Net revenue in the first quarter of 2003 was \$125,795 compared with \$126,296 in the first quarter of 2002, a decrease of \$501. The non-recurrence of approximately \$6,000 of revenue associated with the Company's exclusive radio broadcast of the Winter Olympics in 2002 was partially offset by revenue attributable to new programming. Additionally, we experienced a softening of advertiser sales prior to and immediately after the commencement of the war with Iraq.

Operating costs and expenses excluding depreciation and amortization decreased \$349 to \$92,052 in the first quarter of 2003 from \$92,401 in the first quarter of 2002. The non-recurrence of expenses attributable to the Company's broadcast of the Winter Olympics (approximately 6% of 2002 first quarter operating costs and expenses) and lower employee related expenses were partially offset by costs associated with new program offerings, higher insurance expenses and news costs. .

Depreciation and amortization increased 2% to \$2,880 in the first quarter of 2003 compared with \$2,835 in the first quarter of 2002.

Corporate administrative expenses decreased 5% to \$1,644 in the first quarter of 2003 from \$1,737 in the first quarter of 2002. The decrease was primarily attributable to lower compensation expense, partially offset by higher expenses associated with new corporate governance regulations.

Operating income decreased nominally to \$29,219 in the first quarter of 2003 from \$29,323 in the first quarter of 2002, primarily due to the non-recurrence of profit associated with the 2002 Winter Olympics broadcast in

the first quarter of 2002.

8

Net interest expense increased 41% in the first quarter of 2003 to \$2,431 from \$1,723 in 2002. The increase was attributable to higher debt outstanding in the first quarter of 2003 as a result of the Company's issuance of \$200 million in a combination of 7 and 10-year fixed rate Senior Unsecured Notes in the fourth quarter of 2002 and higher average interest rates.

Income tax expense in the first quarter of 2003 was \$9,874 compared with \$10,157 in the first quarter of 2002. The Company's effective income tax rate was approximately 37% in both periods.

Net income in the first quarter of 2003 was \$16,914 compared with \$17,443 in the first quarter of 2002 a decrease of \$529 or 3%. Net income per basic and diluted share were \$.16 in both periods.

Weighted average shares outstanding used to compute basic and diluted earnings per share decreased to 103,063 and 105,638, respectively, in the first quarter of 2003 compared with 106,629 and 110,434, respectively, in the first quarter of 2002. The decrease is principally attributable to the Company's stock repurchase program.

Liquidity and Capital Resources

The business is financed through cash flows from operations and the issuance of debt and equity. The Company continually projects anticipated cash requirements, which include share repurchases, acquisitions, capital expenditures, and principal and interest payments on its outstanding indebtedness, as well as cash flows generated from operating activity available to meet these needs. Any net cash funding requirements are financed with short-term borrowings and long-term debt.

At March 31, 2003, the Company's cash and cash equivalents were \$5,316, a decrease of \$2,055 from the December 31, 2002 balance.

For the three months ended March 31, 2003 versus the comparable prior year period, net cash from operating activities increased \$11,757. The improvement was primarily attributable to increased accounts receivable collections.

At March 31, 2003, the Company had available borrowings of \$197,500 on its revolving credit facility. Pursuant to the terms of the facility, the amount of available borrowings declines by \$7,500 at the end of each quarter in 2003. The Company has used its available cash to either repurchase its Common Stock and warrants and/or repay its debt. In the first quarter of 2003, the Company repurchased approximately 1,769 shares of Common Stock at a cost of \$59,526. In the month of April, the Company repurchased an additional 515 shares of Common Stock at a cost of approximately \$17,025.

The Company's business does not require, and is not expected to require, significant cash outlays for capital expenditures.

The Company believes that its cash, other liquid assets, operating cash flows and available bank borrowings, taken together, provide adequate resources to fund ongoing operating requirements.

9

Item 3. Qualitative and Quantitative Disclosures about Market Risk

In the normal course of business, the Company employs established policies and procedures to manage its exposure to changes in interest rates using financial instruments. The Company uses derivative financial instruments (fixed-to-floating interest rate swap agreements) for the purpose of hedging specific exposures and holds all derivatives for purposes other than trading. All derivative financial instruments held reduce the risk of the underlying hedged item and are designated at inception as hedges with respect to the underlying hedged item. Hedges of fair value exposure are entered into in order to hedge the fair value of a recognized asset, liability, or a firm commitment.

In order to achieve a desired proportion of variable and fixed rate debt, in December 2002, the Company entered into a seven year interest rate swap agreement covering \$25 million notional value of its outstanding borrowing to effectively float the interest rate at three-month LIBOR plus 74 basis points and two ten year interest rate swap agreements covering \$75 million notional value of its outstanding borrowing to effectively float the interest rate at three-month LIBOR plus 80 basis points.

These swap transactions allow the Company to benefit from short-term declines in interest rates. The instruments meet all of the criteria of a fair-value hedge. The Company has the appropriate documentation, including the risk management objective and strategy for undertaking the hedge, identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the hedging instrument's effectiveness offsets the exposure to changes in the hedged item's fair value or variability in cash flows attributable to the hedged risk.

With respect to the borrowings pursuant to the Company's revolving credit facility, the interest rate on the borrowings is based on the prime rate plus an applicable margin of up to .25%, or LIBOR plus an applicable margin of up to 1.25%, as chosen by the Company. Historically, the Company has typically chosen the LIBOR option with a three month maturity. Every .25% change in interest rates has the effect of increasing or decreasing our annual interest expense by \$5,000 for every \$2 million of outstanding debt.

The Company continually monitors its positions with, and the credit quality of, the financial institutions that are counterparties to its financial instruments, and does not anticipate nonperformance by the counterparties.

The Company's receivables do not represent a significant concentration of credit risk due to the wide variety of customers and markets in which the Company operates.

Item 4. Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934, as amended) within 90 days of the filing date of this report, and have concluded that the Company's disclosure controls and procedures are effective for gathering, analyzing and disclosing the information we are required to disclose in our reports filed under the Securities and Exchange Act of 1934. There have been no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the evaluation date.

Edgar Filing: WESTWOOD ONE INC /DE/ - Form 10-Q

PART II OTHER INFORMATION

Items 1 through 5

These items are not applicable.

Item 6 - Exhibits and Reports on Form 8-K

(a)	EXHIBIT NUMBER	DESCRIPTION
	3.1	Restated Certificate of Incorporation, as filed on October 25, 2002. (14)
	3.2	Bylaws of Registrant as currently in effect. (6)
	4.1	Note Purchase Agreement, dated December 3, 2002, between Registrant and the Purchasers. (15)
*	10.1	Employment Agreement, dated April 29, 1998, between Registrant and Norman J. Pattiz. (8)
	10.2	Form of Indemnification Agreement between Registrant and its Directors and Executive Officers. (1)
	10.3	Amended and Restated Credit Agreement, dated September 30, 1996, between Registrant and The Chase Manhattan Bank and Co-Agents. (6)
	10.4	Second Amended and Restated Credit Agreement dated November 17, 2000, between Registrant and The Chase Manhattan Bank and Co-Agents. (12)
	10.5	Amendment One dated October 24, 2002 to the Amended and Restated Credit Agreement. (15)
	10.6	Purchase Agreement, dated as of August 24, 1987, between Registrant and National Broadcasting Company, Inc. (2)
	10.7	Agreement and Plan of Merger among Registrant, Copter Acquisition Corp. and Metro Networks, Inc. dated as of June 1, 1999 (9)
*	10.8	Amendment No. 1 to the Agreement and Plan Merger, dated as of August 20, 1999, by and among Registrant, Copter Acquisition Corp. and Metro Networks, Inc. (10)
	10.9	Management Agreement, dated as of March 30, 1999, and amended on April 15, 2002 between Registrant and Infinity Broadcasting Corporation. (9) (13)
	10.10	Representation Agreement, dated as of March 31, 1997, between Registrant and CBS, Inc. (7) (13)
	10.11	Westwood One Amended 1999 Stock Incentive Plan. (9)
	10.12	Westwood One, Inc. 1989 Stock Incentive Plan. (3)
	10.13	Amendments to the Westwood One, Inc. Amended 1989 Stock Incentive Plan. (4) (5)
	10.14	Leases, dated August 9, 1999, between Lefrak SBN LP and Westwood One, Inc. and between Infinity and Westwood One, Inc. relating to New York, New York offices. (11)
	99.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
	99.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*Indicates a management contract or compensatory plan or arrangement.

(b) Reports on Form 8-K

On February 11, 2003, Registrant filed a current report on Form 8-K announcing its fourth quarter and full year 2002 financial results.

On March 18, 2003, Registrant filed a current report on Form 8-K updating its financial guidance for the first quarter and full year 2003.

Edgar Filing: WESTWOOD ONE INC /DE/ - Form 10-Q

11

*Indicates a management contract or compensatory plan

- (1) Filed as part of Registrant's September 25, 1986 proxy statement and incorporated herein by reference.
- (2) Filed an exhibit to Registrant's current report on Form 8-K dated September 4, 1987 and incorporated herein by reference.
- (3) Filed as part of Registrant's March 27, 1992 proxy statement and incorporated herein by reference.
- (4) Filed as an exhibit to Registrant's July 20, 1994 proxy statement and incorporated herein by reference.
- (5) Filed as an exhibit to Registrant's May 17, 1996 proxy statement and incorporated herein by reference.
- (6) Filed as an exhibit to Registrant's Quarterly report on Form 10-Q for the quarter ended September 30, 1996 and incorporated herein by reference.
- (7) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the year ended December 31, 1997 and incorporated herein by reference.
- (8) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the year ended December 31, 1998 and incorporated herein by reference.
- (9) Filed as an exhibit to Registrant's August 24, 1999 proxy statement and incorporated herein by reference.
- (10) Filed as an exhibit to Registrant's current report on Form 8-K dated October 1, 1999 and incorporated herein by reference.
- (11) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference.
- (12) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the year ended December 31, 2000 and incorporated herein by reference.
- (13) Filed as an exhibit to Registrant's April 29, 2002 proxy statement and incorporated herein by reference.
- (14) Filed as an exhibit to Registrant's Quarterly report on Form 10-Q for the quarter ended September 30, 2002 and incorporated herein by reference.
- (15) Filed as an exhibit to Registrant's current report on Form 8-K dated December 3, 2002 and incorporated herein by reference.

12

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.

WESTWOOD ONE, INC.

By: /S/ JOEL HOLLANDER

Joel Hollander
Chief Executive Officer

By: /S/ JACQUES TORTOROLI

Jacques Tortoroli
Chief Financial Officer

Dated: May 14, 2003

13

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Joel Hollander, Chief Executive Officer of the Company, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Westwood One, Inc.;
- 2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
- 4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - (a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - (c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as the Evaluation Date;
- 5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - (a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

Edgar Filing: WESTWOOD ONE INC /DE/ - Form 10-Q

- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

14

- 6) The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/S/ JOEL HOLLANDER

Joel Hollander
Chief Executive Officer
May 14, 2003

15

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Jacques Tortoroli, Chief Financial Officer of the Company, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Westwood One, Inc.;
- 2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
- 4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - (a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - (c) presented in this quarterly report our conclusions about the

Edgar Filing: WESTWOOD ONE INC /DE/ - Form 10-Q

effectiveness of the disclosure controls and procedures based on our evaluation as the Evaluation Date;

- 5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
- (a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

16

- 6) The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/S/ JACQUES TORTOROLI

Jacques Tortoroli
Chief Financial Officer
May 14, 2003

17