

BEASLEY BROADCAST GROUP INC
Form PREM14C
September 13, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14C
(Rule 14c-101)
Information Statement Pursuant to Section 14(c) of the
Securities Exchange Act of 1934

Check the appropriate box:

- Preliminary Information Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))**
- Definitive Information Statement

BEASLEY BROADCAST GROUP, INC.

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.
(1) Title of each class of securities to which transaction applies:

Class A common stock, \$0.001 par value

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

6,000,000 shares of Class A common stock, which represents an estimate of the maximum number of shares to be issued in the transaction.

- (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):

\$5.07 per share of Class A common stock. For purposes of this determination, in accordance with paragraphs (a)(4) and (c)(1)(i) of Exchange Act Rule 0-11, the price per share of common stock to be issued in the merger is equal to the average of the high and low prices of common stock as reported on The NASDAQ Global Market on September 8, 2016 (a date within five business days prior to the filing of this preliminary Information Statement).

- (4) Proposed maximum aggregate value of transaction:

\$212,220,000. The proposed maximum aggregate value of the transaction is calculated as follows:

(i) \$30,420,000 in shares of Class A common stock (6,000,000 shares multiplied by \$5.07 per share) plus
(ii) \$100,000,000 in cash consideration plus (iii) \$81,800,000 in repayment of Greater Media's debt.

- (5) Total fee paid:

\$21,370.55. The total fee paid equals the proposed maximum aggregate value of the transaction multiplied by the current SEC fee rate of 0.0001007 (or \$100.70 per \$1,000,000).

.. 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:

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Beasley Broadcast Group, Inc.

3033 Riviera Drive

Suite 200

Naples, Florida 34103

**NOTICE OF ACTION TAKEN PURSUANT TO WRITTEN CONSENT OF STOCKHOLDERS AND
INFORMATION STATEMENT**

This Information Statement is dated [], 2016 and is first being mailed to our stockholders on or about [], 2016.

To the stockholders of Beasley Broadcast Group, Inc.:

This Notice and accompanying Information Statement are being furnished to the stockholders of Beasley Broadcast Group, Inc., a Delaware corporation (**we**, **us**, **our**, or the **Company**), in connection with the Agreement and Plan of Merger, dated as of July 19, 2016 (the **Merger Agreement**), by and among the Company, Greater Media, Inc., a Delaware corporation (**Greater Media**), Beasley Media Group 2, Inc., a Delaware corporation and an indirect wholly owned subsidiary of the Company (**Merger Sub**), and Peter A. Bordes, Jr., as the stockholders' representative, pursuant to which, among other things, subject to the satisfaction or waiver of the conditions set forth therein, Merger Sub will be merged with and into Greater Media, with Greater Media surviving the merger as an indirect wholly owned subsidiary of the Company (the **Merger**).

Pursuant to the terms of the Merger Agreement, the Company agreed to acquire all of the issued and outstanding common stock of Greater Media for an aggregate purchase price of \$239,875,000, inclusive of the repayment of approximately \$82 million of Greater Media's outstanding debt and the payment of certain transaction expenses. The proceeds to be paid to the stockholders of Greater Media are expected to consist of (i) approximately \$100 million in cash (the **Cash Consideration**) and (ii) approximately \$25 million in shares of the Company's Class A common stock, which is equal to 5,422,993 shares at a fixed value of \$4.61 per share (the **Merger Shares** and together with the Cash Consideration, the **Merger Consideration**). The Merger Consideration is subject to adjustment for changes in working capital of Greater Media, outstanding debt of Greater Media and its subsidiaries as of the date of the closing and certain other payments and expenses. Additional Merger Shares may be issued in connection with such adjustment. In addition, the stockholders of Greater Media will receive the net cash proceeds from the sale of Greater Media's tower assets, estimated to be approximately \$20 million.

As of July 19, 2016, the Company had 6,654,024 shares of Class A common stock outstanding and 16,662,743 shares of Class B common stock outstanding (together with the Class A common stock, the **Company Common Stock**). On matters other than the election of directors, the holders of Class A common stock and Class B common stock vote as a single class, with each Class A share entitled to one vote and each Class B share entitled to ten votes.

Please review the Information Statement accompanying this Notice for a more complete description of the transaction.

We Are Not Asking You for a Proxy and You are Requested Not To Send Us a Proxy.

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The Board of Directors of the Company has unanimously (i) determined that it is advisable, fair to, and in the best interests of the Company and its stockholders to enter into the Merger Agreement, (ii) adopted the Merger Agreement and approved the transactions contemplated thereby, including the Merger and the issuance of the Merger Shares, and (iii) recommended that the stockholders of the Company approve the issuance of the Merger Shares in connection with the Merger.

Because the matters set forth in this Notice and the accompanying Information Statement have been duly authorized and approved by the Company's Board of Directors and, to the extent necessary, by the written consent of the holders of a majority of the voting power of Company Common Stock, we have not solicited, and will not be soliciting, your authorization or approval of the Merger Agreement, the Merger or the issuance of the Merger Shares pursuant to NASDAQ Listing Rule 5635(a). We are furnishing this Notice and the accompanying Information Statement solely to provide you with material information concerning the actions taken in connection with the written consent of certain stockholders in accordance with the requirements of the Securities Exchange Act of 1934, as amended (the **Exchange Act**). This Notice and the accompanying Information Statement also constitute notice to you under Section 228 of the General Corporation Law of the State of Delaware of the taking of corporate actions without a meeting by less than unanimous written consent of the Company's stockholders.

July 19, 2016 is the record date for the determination of stockholders entitled to notice of the action by written consent. Pursuant to Rule 14c-2 under the Exchange Act, the corporate actions described above can be taken no sooner than 20 calendar days after the accompanying Information Statement is first mailed to the Company's stockholders. Because the accompanying Information Statement is first being mailed to the Company's stockholders on [], 2016, the corporate actions described therein may be taken on or after [], 2016.

We encourage you to read the entire Information Statement carefully and thank you for your continued interest in the Company.

By Order of the Board of Directors,

Caroline Beasley

Interim Chief Executive Officer, Executive Vice

President, Chief Financial Officer, Secretary, Treasurer

and Director

Naples, Florida

[], 2016

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Beasley Broadcast Group, Inc.

3033 Riviera Drive

Suite 200

Naples, Florida 34103

We Are Not Asking You for a Proxy and You are Requested Not To Send Us a Proxy.

ABOUT THIS INFORMATION STATEMENT

This Information Statement is being furnished by Beasley Broadcast Group, Inc., a Delaware corporation (**we**, **us**, **our**, or the **Company**), to advise the stockholders of the approval of the issuance of shares of the Company's Class A common stock in connection with the transactions contemplated by that certain, Agreement and Plan of Merger, dated as of July 19, 2016 (the **Merger Agreement**), by and among the Company, Greater Media, Inc., a Delaware corporation (**Greater Media**), Beasley Media Group 2, Inc., a Delaware corporation and an indirect wholly owned subsidiary of the Company (**Merger Sub**), and Peter A. Bordes, Jr., as the stockholders' representative, pursuant to which, subject to the satisfaction or waiver of the conditions set forth therein, Merger Sub will be merged with and into Greater Media, with Greater Media surviving the merger as an indirect wholly owned subsidiary of the Company (the **Merger**).

Pursuant to the terms of the Merger Agreement, the Company agreed to acquire all of the issued and outstanding common stock of Greater Media for an aggregate purchase price of \$239,875,000, inclusive of the repayment of approximately \$82 million of Greater Media's outstanding debt and the payment of certain transaction expenses. The proceeds to be paid to the stockholders of Greater Media are expected to consist of (i) approximately \$100 million in cash and (ii) approximately \$25 million in shares of the Company's Class A common stock which is equal to 5,422,993 shares at a fixed value of \$4.61 per share (the **Merger Shares**). The Merger Consideration is subject to adjustment for changes in working capital of Greater Media, outstanding debt of Greater Media and its subsidiaries as of the date of the closing and certain other payments and expenses. Additional Merger Shares may be issued in connection with such adjustment. In addition, the stockholders of Greater Media will receive the net cash proceeds from the sale of Greater Media's tower assets, estimated to be approximately \$20 million.

This Information Statement is first being mailed on or about [], 2016 to stockholders of record of the Company as of July 19, 2016 (the **Record Date**), and is being delivered to inform you of the corporate actions described herein before they take effect in accordance with Rule 14c-2 of the Securities Exchange Act of 1934, as amended (the **Exchange Act**). You are urged to review this Information Statement for a more complete description of transactions contemplated pursuant to the Merger Agreement.

As of the Record Date, the Company had 6,654,024 shares of Class A common stock outstanding and 16,662,743 shares of Class B common stock outstanding (together with the Class A common stock, the **Company Common Stock**). On matters other than the election of directors, the holders of Class A common stock and Class B common stock vote as a single class, with each Class A share entitled to one vote and each Class B share entitled to ten votes.

On July 19, 2016, the Board of Directors of the Company (the **Board**) unanimously (i) determined that it is advisable, fair to, and in the best interests of the Company and its stockholders to enter into the Merger

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Agreement, (ii) adopted the Merger Agreement and approved the transactions contemplated thereby, including the Merger and the issuance of the Merger Shares, and (iii) recommended that the stockholders of the Company approve the issuance of the Merger Shares in connection with the Merger. Also, later in the day on July 19, 2016, certain stockholders affiliated with the Beasley family holding 1,280,738 shares of Class A common stock and 10,687,605 shares of Class B common stock, constituting approximately 62.4% of the voting power of the issued and outstanding Company Common Stock, acted by written consent (the **Stockholders Written Consent**) to approve the issuance of the Merger Shares in connection with the Merger. The approval of the issuance of the Merger Shares is required by the Company's stockholders because the Company's Class A common stock is listed on the NASDAQ Global Market, which requires the Company to obtain stockholder approval under NASDAQ Listing Rule 5635(a) because the number of shares of Class A common stock to be issued as Merger Shares will be, equal to or in excess of 20% of the number of shares of Company Common Stock outstanding before the issuance.

None of the corporate actions described above and approved in the Stockholders Written Consent, including the approval of the issuance of the Merger Shares in connection with the Merger, will become effective until [], 2016, which is more than 20 calendar days following the date on which this Information Statement was first sent to our stockholders.

Pursuant to Section 228 of the Delaware General Corporation Law, we are required to provide prompt notice of the taking of corporate action by written consent to our stockholders who have not consented in writing to such action. This Information Statement serves as the notice required by Section 228.

No vote or other consent of our stockholders is solicited in connection with this Information Statement. We Are Not Asking You for a Proxy and You are Requested Not To Send Us a Proxy.

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SUMMARY

This summary highlights selected information from this Information Statement with respect to the Merger Agreement, the proposed Merger and the issuance of the Merger Shares in connection with the Merger. This summary may not contain all of the information that is important to you. To understand the Merger and other related matters fully and for a more complete description of the legal terms of the Merger Agreement and the related agreements, you should carefully read this entire Information Statement. You should also read the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (attached hereto as [Annex B](#)) and its Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2016 and June 30, 2016 (attached hereto as [Annex C](#) and [Annex D](#), respectively). Please see "Where You Can Find More Information" beginning on page 61. We have included references to other portions of this Information Statement to direct you to a more complete description of the topics presented in this summary, which you should review carefully in their entirety.

The Companies (page 17)

Our Company

We are a radio broadcasting company whose primary business is operating radio stations throughout the United States. We own and operate 52 radio stations in the following radio markets: Atlanta, GA, Augusta, GA, Boston, MA, Charlotte, NC, Fayetteville, NC, Fort Myers-Naples, FL, Greenville-New Bern-Jacksonville, NC, Las Vegas, NV, Philadelphia, PA, Tampa-Saint Petersburg, FL, West Palm Beach-Boca Raton, FL, and Wilmington, DE.

We are a Delaware corporation, whose shares of Class A common stock are traded on The NASDAQ Global Market. Our address is 3033 Riviera Drive, Suite 200, Naples, FL 34103.

Merger Sub

Merger Sub was formed as a Delaware corporation by an indirect subsidiary of the Company solely for the purpose of completing the transactions contemplated by the Merger Agreement. Merger Sub is an indirect wholly owned subsidiary of the Company and has not carried on any activities to date, except for activities incidental to its incorporation and activities undertaken in connection with the transactions contemplated by the Merger Agreement.

Merger Sub's address is 3033 Riviera Drive, Suite 200, Naples, FL 34103.

Greater Media

Greater Media celebrated its 60th anniversary in broadcasting on March 31, 2016. Owned by the Bordes family, the Company was founded in 1956 by Yale classmates Peter A. Bordes and Joseph Rosenmiller and grew from the ownership of a single radio station in Southbridge, Massachusetts to a diversified portfolio of successful communications companies. Today, Greater Media is the parent company of 21 AM and FM radio stations in Boston, MA, Charlotte, NC, Detroit, MI, Philadelphia, PA and New Jersey.

Greater Media is a Delaware corporation. Its address is 35 Braintree Hill Park, Suite 300, Braintree, MA 02184.

The Merger (page 17)

On July 19, 2016, we entered into the Agreement and Plan of Merger with Greater Media, Merger Sub and Peter A. Bordes, Jr., as the stockholders' representative. The Merger will be effectuated pursuant to the terms of

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the Merger Agreement. At the effective time of the Merger, Merger Sub will merge with and into Greater Media, and we will acquire all of the issued and outstanding common stock of Greater Media for an aggregate purchase price of \$239,875,000, inclusive of the repayment of approximately \$82 million of Greater Media's outstanding debt and the payment of certain transaction expenses. The proceeds to be paid to the stockholders of Greater Media are expected to consist of (i) approximately \$100 million in cash and (ii) approximately \$25 million in shares of the Company's Class A common stock which is equal to 5,422,993 shares at a fixed value of \$4.61 per share. The Merger Consideration is subject to adjustment for changes in working capital of Greater Media, outstanding debt of Greater Media and its subsidiaries as of the date of the closing and certain other payments and expenses. Additional Merger Shares may be issued in connection with such adjustment. In addition, the stockholders of Greater Media will receive the net cash proceeds from the sale of Greater Media's tower assets, estimated to be approximately \$20 million.

We have obtained a debt financing commitment to fund the transactions contemplated by the Merger Agreement, the aggregate proceeds of which, together with cash and cash equivalents available to the Company and the issuance of the Merger Shares, will be sufficient for the Company to pay the aggregate Merger Consideration and all related fees and expenses.

NASDAQ Stockholder Approval Requirement (page 18)

The Company's Class A common stock is listed on The NASDAQ Global Market. Pursuant to NASDAQ Listing Rule 5635(a), stockholder approval is required to issue shares (or securities convertible into or exercisable for common stock) with voting power equal to or in excess of 20% of the voting power of the shares outstanding before such issuance or equal to or more than 20% of the number of shares outstanding before such issuance. The Merger Shares to be issued in connection with the Merger will equal approximately 23.3% of the number of shares of Company Common Stock outstanding immediately prior to the effective time of the Merger. Accordingly, the approval of the Company's stockholders is required because the issuance of the Merger Shares will result in an issuance in excess of 20% of the number of the shares of Company Common Stock outstanding before such issuance.

Stockholder Action by Written Consent (page 18)

On July 19, 2016, certain stockholders of the Company affiliated with the Beasley family representing approximately 62.4% of the voting power of the issued and outstanding Company Common Stock (the **Approving Stockholders**) executed the Stockholders' Written Consent approving the issuance of the Merger Shares in connection with the Merger in accordance with the NASDAQ Listing Rules. Therefore, because majority stockholder approval has already been obtained, no further action by any other stockholder of the Company is required to approve the issuance of the Merger Shares under the NASDAQ Listing Rules. Delaware law does not require consent of the stockholders of the Company to the Merger itself. The approval of the corporate actions in the Stockholders' Written Consent will not be effective until the date that is 20 calendar days after this Information Statement is first sent or given to our stockholders.

Reasons for the Merger (page 24)

The terms of the Merger Agreement were considered by the Board. The Board (i) determined that it is advisable, fair to, and in the best interests of the Company and its stockholders to enter into the Merger Agreement, (ii) adopted the Merger Agreement and approved the transactions contemplated thereby, including the Merger and the issuance of the Merger Shares, and (iii) recommended that the stockholders of the Company approve the issuance of the Merger Shares in connection with the Merger.

In making its decision, the Board considered the factors described in the section of this Information Statement titled "The Merger - Reasons for the Merger" beginning on page 24 of this Information Statement.

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Interests of Executive Officers and Directors of the Company in the Merger (page 26)

The Company's executive officers and directors do not have any material interests in the Merger that are different from, or in addition to, the interests of all stockholders.

Impact of Stock Issuance on Existing Stockholders (page 26)

The issuance of the Merger Shares will dilute the ownership percentage and voting interests of the Company's existing stockholders. Following consummation of the Merger, based on the Company's capitalization as of July 19, 2016, we estimate that the current Greater Media stockholders will own approximately 19% of the outstanding shares of common stock and approximately 45% of the outstanding shares of Class A common stock of the combined company, and control approximately 3% of the voting power of the combined company, on all matters other than the election of directors. Therefore, the ownership and voting interests of the Company's existing stockholders will be proportionately reduced.

In addition, under the terms of the Investor Rights Agreement that will be entered into as part of the transactions contemplated by the Merger Agreement, the Company will be obligated to increase the number of director seats on the Board from eight to nine and appoint one individual designated by the current Greater Media stockholders to fill the vacancy created by expanding the Board. And, under the terms of the Registration Rights Agreement that will be entered into as part of the transactions contemplated by the Merger Agreement, the Company will, among other things, prepare and file with the SEC, not later than 20 days after the consummation of the Merger, a registration statement with respect to the resale of the Merger Shares by the current Greater Media stockholders.

U.S. Federal Income Tax Consequences of the Merger to the Company and its Stockholders (page 26)

There are no material U.S. federal income tax consequences to the Company's existing stockholders that will result from the issuance of the Merger Shares in connection with the Merger.

Expected Timing of the Merger (page 28)

We expect to complete the Merger during the fourth calendar quarter of 2016. However, the Merger is subject to a number of conditions, some of which are beyond the control of the Company and Greater Media, and we cannot predict the precise timing for completion of the Merger with certainty. See "The Merger Agreement" beginning on page 29 of this Information Statement and "Risk Factors" The Merger may not be completed, which could adversely affect our business operations and stock price and subject us to a number of risks beginning on page 13 of this Information Statement for further information.

Conditions to the Completion of the Merger (page 34)

The completion of the Merger is subject to the satisfaction or, to the extent legally permissible, the waiver of a number of conditions in the Merger Agreement, such as:

the receipt of required regulatory approvals from the Federal Communications Commission (the "FCC") and the satisfaction of any conditions precedent to the consummation of the Merger imposed by the FCC;

the approval of the proposal to adopt the Merger Agreement by the affirmative vote of at least a majority of the outstanding shares of Greater Media's common stock (which has been received);

the approval of the issuance of the Merger Shares in connection with the Merger by the affirmative vote of at least a majority of the outstanding voting power of Company Common Stock (which has been provided);

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the absence of any law or order, judgment, decree, injunction or ruling of a court of competent jurisdiction enjoining or prohibiting the consummation of the Merger;

the parties' representations and warranties in the Merger Agreement being true and correct as of the closing date (except that those representations and warranties that address matters only as of a particular date need only be true and correct as of such date), generally subject to certain materiality standards;

the parties' having performed or complied with, in all material respects, all agreements and covenants required to be performed or complied with at or prior to the closing of the Merger; and

the absence, since the date of the Merger Agreement, of any facts, changes, events, effects or occurrences which has had a material adverse effect on Greater Media.

Termination of the Merger Agreement (page 35)

The Merger Agreement may be terminated at any time prior to the completion of the Merger in any of the following ways:

by mutual written agreement of the Company and Greater Media;

by either the Company or Greater Media, if the closing has not occurred on or before January 19, 2017 (the **End Date**); except that the End Date may be extended for up to three months to the extent necessary to obtain required regulatory approvals so long as all of the other closing conditions have been satisfied; and;

by the Company or Greater Media if there is any law, statute, ordinance, rule, code or regulation, that makes the consummation of the Merger illegal or otherwise prohibited or if a final and non-appealable injunction, order, decree or ruling of a governmental entity has been entered permanently restraining, enjoining or otherwise prohibiting the Merger; or

by either the Company or Greater Media in certain other circumstances.

In certain circumstances, the Company may owe Greater Media a termination fee upon the termination of the Merger Agreement, specifically, the Merger Agreement provides that the Company shall pay Greater Media a termination fee of (a) \$6.39 million if Greater Media terminates the Merger Agreement because all conditions to closing have been satisfied and the Company has not consummated the Merger due to the failure of debt financing to be available (provided that Greater Media is not also able to terminate the Merger Agreement due to the Company's breach) or (b) \$12.78 million if (i) Greater Media terminates the Merger Agreement due to a breach of a representation or covenant by the Company such that an applicable condition to closing is not satisfied or (ii) Greater Media terminates the Merger Agreement because the Company has failed to consummate the Merger when required by the Merger Agreement, in circumstances where debt financing was available.

Appraisal Rights (page 28)

Holders of Company Common Stock will not be entitled to exercise appraisal or dissenters rights under Delaware law in connection with the Merger or the issuance of the Merger Shares pursuant to the Merger.

Directors and Officers (page 28)

Currently, the Board has fixed the number of directors at eight. Under the terms of the Investor Rights Agreement that will be entered into as part of the transactions contemplated by the Merger Agreement, the Company will be obligated to fix the number of director seats on the Board at nine and appoint one individual

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designated by the current Greater Media stockholders to fill the vacancy created by expanding the Board. The Greater Media stockholders have selected Peter A. Bordes, Jr. as their designee. At the effective time of the Merger, the Board will act to appoint Mr. Bordes to the Board.

The composition of the Company's executive officers is not expected to change as a result of the closing of the Merger.

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QUESTIONS AND ANSWERS

The following questions and answers address briefly some questions you may have regarding the Merger, the Merger Agreement and related transactions. These questions and answers may not address all questions that may be important to you as a stockholder of the Company. Please refer to the more detailed information contained elsewhere in this Information Statement, the annexes to this Information Statement and the documents referred to in this Information Statement.

Why has the Company decided to merge with Greater Media?

We believe that the Merger with Greater Media will provide substantial strategic and financial benefits to our Company and our stockholders, including the following:

that the Merger will result in the creation of a combined company with a more geographically diverse footprint and financial profile than the Company on a stand-alone basis;

that the Merger is expected to (i) increase the Company's scale, (ii) enhance the Company's ability to compete in certain markets and (iii) improve the Company's financial strength and flexibility;

the Board's familiarity with the business, operations, properties and assets of Greater Media, including the competitive environment; and

the complementary strengths that are believed to exist within each company that can be leveraged for the benefit of the combined company.

Please see "Reasons for the Merger" beginning on page 24 for a detailed discussion of the reasons for and anticipated benefits of the Merger.

Did the Board approve and recommend the Merger?

Yes. On July 19, 2016, the Board unanimously (i) determined that it is advisable, fair to, and in the best interests of the Company and its stockholders to enter into the Merger Agreement, (ii) adopted the Merger Agreement and approved the transactions contemplated thereby, including the Merger and the issuance of the Merger Shares, and (iii) recommended that the stockholders of the Company approve the issuance of the Merger Shares in connection with the Merger

To review the Board's reasons for approving such transactions and recommending such transactions to our stockholders, see "Reasons for the Merger" beginning on page 24.

What will happen in the Merger?

Pursuant to the Merger Agreement, Merger Sub will merge with and into Greater Media, with Greater Media as the surviving entity. Upon the completion of the Merger, the separate corporate existence of Merger Sub will cease and Greater Media will continue as the surviving corporation and an indirect wholly owned subsidiary of the Company.

What will the current stockholders of Greater Media receive in the Merger?

The proceeds to be paid to the stockholders of Greater Media are expected to consist of (i) approximately \$100 million in cash and (ii) approximately \$25 million in shares of the Company's Class A common stock, which is equal to 5,422,993 shares at a fixed value of \$4.61 per share. The Merger Consideration is subject to adjustment for changes in working capital of Greater Media, outstanding debt of Greater Media and its subsidiaries as of the date of the closing and certain other payments and expenses. Additional Merger Shares may be issued in connection with such adjustment. In addition, the stockholders of Greater Media will receive the net cash proceeds from the sale of Greater Media's tower assets, estimated to be approximately \$20 million.

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What percentage of Common Stock will Greater Media's current stockholders own, in the aggregate, after the Merger?

Following consummation of the Merger, based on the Company's capitalization as of July 19, 2016, we estimate that the current Greater Media stockholders will own approximately 19% of the outstanding shares of common stock and approximately 45% of the outstanding shares of Class A common stock of the combined company, and control approximately 3% of the voting power of the combined company, on all matters other than the election of directors. Therefore, the issuance of Merger Shares in connection with the Merger will cause a significant reduction in the relative percentage interests of our existing stockholders in the earnings, voting power and market value of the Company.

What will be the composition of the board of directors of the Company following the Merger?

Currently, the Board has fixed the number of directors at eight. Under the terms of the Investor Rights Agreement that will be entered into as part of the transactions contemplated by the, the Company will be obligated to fix the number of director seats on the Board at nine and appoint one individual designated by the current Greater Media stockholders to fill the vacancy created by expanding the Board. The Greater Media stockholders have selected Peter A. Bordes, Jr. as their designee. At the effective time of the Merger, the Board will act to appoint Mr. Bordes to the Board.

Who will be the officers of the Company following the Merger?

The composition of the Company's executive officers is not expected to change as a result of the closing of the Merger.

When do you expect the Merger to be completed?

We are working to complete the Merger as quickly as possible. We expect to complete the Merger during the fourth quarter of calendar 2016, assuming that all of the conditions set forth in the Merger Agreement have been satisfied or waived. However, because the Merger is subject to a number of conditions, some of which are beyond the control of the Company and Greater Media, the precise timing for completion of the Merger cannot be predicted with certainty. For a discussion of the conditions to the completion of the Merger and of the risks associated with the failure to satisfy such conditions, please see "The Merger Agreement" beginning on page 29 and "Risk Factors" The Merger may not be completed, which could adversely affect our business operations and stock price and subject us to a number of risks on page 13.

What if the Merger does not close?

If the closing of the Merger does not occur, then Greater Media and its business will not be combined with the Company, the Company will continue to operate its business as a separate entity and the Company will not issue the Merger Shares.

In addition, in certain circumstances, the Company may owe Greater Media a termination fee upon the termination of the Merger Agreement, specifically, the Merger Agreement provides that the Company shall pay Greater Media a termination fee of (a) \$6.39 million if Greater Media terminates the Merger Agreement because all conditions to closing have been satisfied and the Company has not consummated the Merger due to the failure of debt financing to be available (provided that Greater Media is not also able to terminate the Merger Agreement due to the Company's breach) or (b) \$12.78 million if (i) Greater Media terminates the Merger Agreement due to a breach of a representation or covenant by the Company such that an applicable condition to closing is not satisfied or (ii) Greater Media terminates the Merger Agreement because the Company has failed to consummate the Merger when required by the

Merger Agreement, in circumstances where debt financing was available.

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Furthermore, if the Merger is not completed, and depending on the circumstances that would have caused the Merger not to be completed, it is likely that the price of the Company's Class A common stock will decline. If that were to occur, it is uncertain when, if ever, the price of the Company's Class A common stock would return to the price at which it trades as of the date of this Information Statement.

Is stockholder approval of the Merger Agreement or Merger necessary?

Under the Delaware General Corporation Law, the Company's stockholders are not required to approve the Merger. However, because the Company's Class A common stock is listed on The NASDAQ Global Market, it is subject to NASDAQ Listing Rule 5635(a), pursuant to which stockholder approval is required to issue shares of common stock (or securities convertible into or exercisable for common stock) with voting power equal to or in excess of 20% of the voting power of the shares outstanding before such issuance or equal to or more than 20% of the number of shares outstanding before such issuance.

The Merger Shares to be issued in connection with the Merger will equal approximately 23.3% of the number of shares of Company Common Stock outstanding immediately prior to the effective time of the Merger. Accordingly, the approval of the Company's stockholders is required because the issuance of the Merger Shares will result in an issuance in excess of 20% of the number of the shares of Company Common Stock outstanding before such issuance.

Why am I not being asked to vote on the issuance of shares of Class A common stock in connection with the Merger?

On July 19, 2016, the Approving Stockholders, representing, in the aggregate, approximately 62.4% of the voting power of the issued and outstanding Company Common Stock, executed a written consent approving the issuance of the Merger Shares in accordance with the NASDAQ Listing Rules. As a result, because stockholder approval has already been obtained, no further action by any other stockholder of the Company is required. The approval of the issuance of the Merger Shares in the Stockholders' Written Consent will not be effective until the date that is 20 calendar days after this Information Statement is first sent or given to our stockholders.

Why did I receive this Information Statement?

Provisions of federal securities laws and regulations and Delaware law require us to provide you with information regarding the Merger, the Merger Agreement and the issuance of the Merger Shares and require us to provide you with notice of the Stockholders' Written Consent delivered by the holders of our Common Stock having not less than the minimum number of votes that would be necessary to authorize or take such action, even though your vote or consent is neither required nor requested in connection with such transactions.

Am I entitled to appraisal rights?

No. Holders of Company Common Stock will not be entitled to exercise appraisal or dissenters' rights under Delaware law in connection with the Merger and the issuance of Merger Shares in connection with the Merger.

Who can answer any of my questions?

If you have any questions after reading this Information Statement, please write to Beasley Broadcast Group, Inc., Attention: Secretary, 3033 Riviera Drive, Suite 200, Naples, Florida 34103.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Information Statement contains forward-looking statements about the Company and Greater Media within the meaning of the Private Securities Litigation Reform Act of 1995, which relate to future, not past, events. All statements other than statements of historical fact included in this document are forward-looking statements. These forward-looking statements are based on the current beliefs and expectations of the Company's management and are subject to known and unknown risks and uncertainties. Words or expressions such as expects, anticipates, intends, plans, believes, estimates, may, will, plans, projects, could, should, would, seek, forecast, or help identify forward-looking statements.

Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The Company and Greater Media undertake no obligation to update or revise any forward-looking statements.

Forward-looking statements involve a number of risks and uncertainties, and actual results or events may differ materially from those projected or implied in those statements. Factors that could cause actual results or events to differ materially from these forward-looking statements include, but are not limited to:

the risk that the Merger may not be completed;

the ability of the Company to obtain debt financing for the Merger;

the risk that, under certain circumstances, the Company may be required to pay a termination fee to Greater Media;

the ability to successfully combine the businesses of the Company and Greater Media;

the incurrence of significant transaction and other Merger-related fees and costs;

the risk that the public assigns a lower value to Greater Media's business than the value used in negotiating the terms of the Merger;

the effects of the Merger on the interests of the Company's current stockholders in the earnings, voting power and market value of the Company;

the risk that the Merger may not be accretive to the Company's current stockholders;

the risk that any goodwill or identifiable intangible assets recorded due to the Merger could become impaired;

the risk that the Merger may prevent the Company from acting on future opportunities to enhance stockholder value;

the impact of the issuance of the Merger Shares in connection with the Merger;

the risk due to business uncertainties and contractual restrictions while the Merger is pending that could disrupt the Company's business;

the ability of the Company to achieve the expected cost savings, synergies and other benefits from the proposed Merger within the expected time frames or at all;

the incurrence of unexpected costs, liabilities or delays relating to the Merger;

the risk that a closing condition to the proposed Merger may not be satisfied;

the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement; and

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other economic, business, competitive, and regulatory factors affecting the businesses of the Company and Greater Media generally, including those set forth in the Company's filings with the SEC, including its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other SEC filings.

All written and oral forward-looking statements attributable to the Company or Greater Media or persons acting on behalf of the Company or Greater Media are expressly qualified in their entirety by such factors. For additional information with respect to these factors, please see the section entitled "Where You Can Find More Information" beginning on page 61 of this Information Statement.

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RISK FACTORS

You should carefully read and consider the following risk factors, as well as the other information contained and referred to in this Information Statement. In addition, you should carefully read and consider the risks associated with the business of the Company as disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (attached hereto as Annex B) and Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2016 and June 30, 2016 (attached as Annex C and Annex D, respectively).

The Merger may not be completed, which could adversely affect our business operations and stock price and subject us to a number of risks.

If the Merger is not completed for any reason, we would still remain liable for significant transaction costs, including, in certain circumstances, termination fees of up to \$12,780,000, and the focus of our management would have been diverted from seeking other potential strategic opportunities, in each case without realizing any benefits of a completed Merger. For these and other reasons, a failed Merger could adversely affect our financial condition and results of operations. Furthermore, if we do not complete the Merger, the market price of our Class A common stock may decline significantly from the current market price and our current stockholders will not enjoy the benefits of holding stock in the combined company. Certain costs associated with the Merger have already been incurred or may be payable even if the Merger is not completed.

Further, a failed transaction may result in negative publicity or a negative impression of us in the investment community. And any disruptions to our business resulting from the announcement and pendency of the Merger, including any adverse changes in our relationships with our advertisers and employees could continue or accelerate in the event of a failed transaction.

The failure to obtain debt financing in the form of a new \$265.0 million Term Loan B Facility would adversely affect our ability to close the Merger.

In connection with the closing of the Merger, we anticipate that Beasley Mezzanine Holdings, LLC (the **Borrower**), a direct subsidiary of the Company, Royal Bank of Canada (**RBC**) and U.S. Bank National Association (**US Bank**), will enter into a credit facility pursuant to a commitment letter dated July 19, 2016 (the **Commitment Letter**) consisting of (a) a term loan B facility in the amount of \$265.0 million and (b) a revolving credit facility of \$20.0 million. The Commitment Letter provides that we will borrow all of the \$265.0 million term loan at the closing of the Merger, which will be used to pay a portion of the purchase price and fees, costs and expenses incurred in connection with the Merger and to repay existing third party indebtedness of the Borrower and Greater Media.

The obligations of RBC and US Bank to provide the debt financing under the Commitment Letter are subject to certain customary closing conditions, including the consummation of the Merger. If we fail to complete the Merger before January 19, 2017, RBC and US Bank may terminate their commitments under the Commitment Letter; provided that such termination date will automatically extend by an additional three months in certain circumstances. The failure to obtain this debt financing would adversely affect our ability to fund all of our anticipated closing payments in connection with the Merger, could result in a breach of our covenants under the Merger Agreement and could result in the termination of the Merger Agreement.

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We have substantial debt and will incur additional debt to complete the Merger, which could have important consequences to our current stockholders.

We have debt that is substantial, and we will incur additional debt to complete the Merger. As of June 30, 2016, we had long-term debt of \$83.0 million and after completion of the Merger we expect our long-term debt to increase to \$265.0 million. This substantial amount of long-term debt could have an impact on our current stockholders. For example, it could:

require us to dedicate a substantial portion of our cash flow from operations to debt service, thereby reducing the availability of cash flow for other purposes, including ongoing capital expenditures and future acquisitions;

impair our ability to obtain additional financing for working capital, capital expenditures, future acquisitions and general corporate or other purposes;

limit our ability to compete, expand and make capital improvements;

increase our vulnerability to economic downturns, limit our ability to withstand competitive pressures and reduce our flexibility in responding to changing business and economic conditions; and

limit or prohibit our ability to pay dividends and make other distributions.

In the event that a closing condition to the proposed Merger is not satisfied the Merger may not be completed and we may be required to pay a termination fee to Greater Media.

The Merger Agreement contains closing conditions, which are described in the section *The Merger Agreement Conditions to the Completion of the Merger* beginning on page 34. If we are unable to satisfy or obtain a waiver for these conditions, we will be unable to complete the Merger, and we will be subject to a number of risks as detailed in these Risk Factors.

The Merger Agreement also provides that we shall pay Greater Media a termination fee of (i) \$6.39 million if Greater Media terminates the Merger Agreement because all conditions to closing have been satisfied and the Company has not consummated the Merger due to the failure of debt financing to be available or (ii) \$12.78 million if Greater Media terminates the Merger Agreement due to our breach of a representation or covenant such that the applicable closing condition is not satisfied or if Greater Media terminates the Merger Agreement because we have failed to consummate the Merger when required by the Merger Agreement, in circumstances where debt financing was available. The incurrence of such fees could adversely affect our financial condition and results of operations.

The failure to successfully combine our business with Greater Media's business in the expected time frame may adversely affect our financial condition and results of operations.

The success of the Merger will depend, in part, on the ability of the combined company to realize the anticipated benefits from combining our business with Greater Media's business. If a successful combination of the businesses

does not occur, the anticipated benefits of the Merger may not be realized fully or at all or may take longer to realize than expected. The difficulties of combining the operations of the two businesses include:

managing a significantly larger company;

integrating two unique business cultures, which may prove to be incompatible;

the possibility of faulty assumptions underlying expectations regarding the integration process;

consolidating corporate and administrative infrastructures and eliminating duplicative operations;

the diversion of management's attention from ongoing business concerns and any potential performance shortfalls as a result of such diversion;

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unanticipated issues in integrating information technology, communications and other systems;

costs or inefficiencies associated with integrating the operations of the combined company; and

unforeseen expenses, liabilities or delays associated with the Merger.

The Company and Greater Media have operated and, until the completion of the Merger, will continue to operate independently. Even if the operations are combined successfully, the combined company may not realize the full benefits of the merger on the anticipated timeframe, or at all. These integration matters could have an adverse effect on our financial condition and results of operations.

We will incur significant transaction and other Merger-related fees and costs.

We expect to incur costs associated with combining the operations of our business with those of Greater Media, as well as transaction fees and other costs related to the Merger. The total transaction costs to consummate the Merger are estimated to be approximately \$11.7 million including estimated debt issuance costs of \$10.6 million, which do not include any costs to be borne by Greater Media. The amount of transaction costs expected to be incurred is a preliminary estimate and subject to change. In addition, it is expected that our costs related to legal and regulatory compliance may increase substantially, at least in the near term, because Greater Media has not previously been required to comply with the reporting, internal control, public disclosure and similar legal and regulatory compliance obligations applicable to publicly traded companies. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction and Merger-related costs over time, this net benefit may not be achieved in the near term or at all.

Further, while the Merger is pending we will continue to incur costs, fees, expenses and charges related to the Merger, which may materially and adversely affect our financial condition and results of operations. These costs, fees and expenses may exceed the expected level of such liabilities and materially affect the benefit of the Merger to the Company and our stockholders.

If the public markets assign lower values to Greater Media's business than the values used in negotiating the terms of the Merger, the trading price of our Class A common stock may decline.

The stock of Greater Media is not publicly traded, so there is no current market-based valuation for Greater Media's business. In negotiating the Merger, we used what we believe to be a reasonable valuation for Greater Media. However, the public markets may not value Greater Media's business in the same manner as we have valued it for purposes of negotiating the terms of the Merger. Based on the performance of the combined company, the market may conclude that the value assigned to Greater Media in the Merger was too high. In this event, the trading price of our Class A common stock may decline.

The issuance of at least 5,422,993 shares of our Class A common stock in the Merger will substantially reduce the percentage interests of our existing stockholders in the earnings, voting power and market value of the Company.

We will issue at least 5,422,993 shares of Class A common stock in the Merger, subject to adjustment for changes in working capital of Greater Media, outstanding debt of Greater Media and its subsidiaries as of the date of the closing, and certain other payments and expenses. Upon completion of the Merger and the issuance of these shares, we estimate that former stockholders of Greater Media will own approximately 19% of the outstanding shares of common

stock and approximately 45% of the outstanding shares of Class A common stock of the combined company, and control approximately 3% of the voting power of the combined company, on all matters other than the election of directors. The issuance of the Merger Shares in connection with the Merger will cause a significant reduction in the relative percentage interests of our existing stockholders in the earnings, voting power and market value of the Company.

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The Merger may not be accretive to our current stockholders.

Excluding transaction costs, the transaction is expected to be accretive to our operating results immediately upon closing (inclusive of expected financial and operating synergies and the planned divestiture of certain stations). The extent and duration of any accretion will depend on several factors, including the amount of merger-related expenses we incur that are charged against our earnings and the results of operations of the Greater Media business, which will not be known until after the merger is completed. If expenses charged against earnings are higher than we expect or the Greater Media business does not achieve the revenue and earnings growth we project, the Merger may not be accretive at all. In such event, the trading price of our Class A common stock may decline.

Any goodwill or identifiable intangible assets that we record due to the Merger could become impaired, which would adversely affect our results of operations.

Under generally accepted accounting principles (GAAP), the Merger will be accounted for under the acquisition method of accounting as a purchase by the Company of Greater Media. Under the acquisition method of accounting, the total implied purchase price paid for Greater Media in the Merger will be allocated to Greater Media's tangible assets and liabilities and identifiable intangible assets based on their fair values as of the date of completion of the Merger. The excess of the purchase price over those fair values will be recorded as goodwill. We expect that the Merger will result in the creation of goodwill based upon the application of acquisition accounting. To the extent the value of goodwill or identifiable intangible assets become impaired, we may be required to incur material non-cash charges relating to such impairment. Such a potential impairment charge could adversely affect our results of operations.

The Merger may prevent us from acting on future opportunities that may enhance stockholder value.

In the future, opportunities for a business combination could become available that might permit us to enhance our ability to compete and enhance stockholder value on more favorable terms than the Merger currently presents. The fact that the Merger was either completed or not completed or is pending could prevent us from pursuing such opportunities.

While the Merger is pending, we are subject to business uncertainties and contractual restrictions that could disrupt our business or give rise to the termination of the Merger Agreement.

The Merger Agreement contains customary representations, warranties and covenants of the parties, including, among others, covenants to conduct our businesses in the ordinary course between the execution and delivery of the Merger Agreement and the consummation of the Merger and not to engage in certain kinds of transactions during such period (including the payment of dividends other than our routine quarterly dividend declared and paid in the ordinary course). These restrictions could be in place for an extended period of time if the consummation of the Merger is delayed, which could adversely affect our financial condition and results of operations. In addition to the closing conditions detailed above, the occurrence of certain events, changes in circumstances or other factors could lead the termination of the Merger Agreement, which could adversely affect our financial condition and results of operations.

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THE MERGER

This discussion of the Merger is qualified in its entirety by reference to the Merger Agreement, which is attached to this Information Statement as Annex A. You should read the entire Merger Agreement carefully as it is the legal document that governs the Merger.

The Companies

Our Company

We are a publicly traded Delaware corporation, whose shares of Class A common stock are traded on The NASDAQ Global Market under the ticker symbol BBGI. Our principal offices are located at 3033 Riviera Drive, Suite 200, Naples, Florida 34103, and our phone number is (239) 263-5000.

We are a radio broadcasting company whose primary business is operating radio stations throughout the United States. We own and operate 52 radio stations in the following radio markets: Atlanta, GA, Augusta, GA, Boston, MA, Charlotte, NC, Fayetteville, NC, Fort Myers-Naples, FL, Greenville-New Bern-Jacksonville, NC, Las Vegas, NV, Philadelphia, PA, Tampa-Saint Petersburg, FL, West Palm Beach-Boca Raton, FL, and Wilmington, DE.

We seek to secure and maintain a leadership position in the markets we serve by developing market-leading clusters of radio stations in each of our markets. We operate our radio stations in clusters to capture a variety of demographic listener groups, which we believe enhances our radio stations' appeal to a wide range of advertisers. In addition, we have been able to achieve operating efficiencies by consolidating office and studio space where possible to minimize duplicative management positions and reduce overhead expenses.

Merger Sub

Merger Sub was formed as a Delaware corporation by an indirect subsidiary of the Company solely for the purpose of completing the transactions contemplated by the Merger Agreement. Merger Sub is an indirect wholly owned subsidiary of the Company and has not carried on any activities to date, except for activities incidental to its incorporation and activities undertaken in connection with the transactions contemplated by the Merger Agreement.

Greater Media

Greater Media is a Delaware corporation. Its address is 35 Braintree Hill Park, Suite 300, Braintree, MA 02184.

Greater Media celebrated its 60th anniversary in broadcasting on March 31, 2016. Owned by the Bordes family, the Company was founded in 1956 by Yale classmates Peter A. Bordes and Joseph Rosenmiller and grew from the ownership of a single radio station in Southbridge, Massachusetts to a diversified portfolio of successful communications companies. Today, Greater Media is the parent company of 21 AM and FM radio stations in Boston, MA, Charlotte, NC, Detroit, MI, Philadelphia, PA and New Jersey.

General Description of the Merger

Pursuant to the terms of the Merger Agreement, the Company agreed to acquire all of the issued and outstanding common stock of Greater Media for an aggregate purchase price of \$239,875,000, inclusive of the repayment of approximately \$82 million of Greater Media's outstanding debt and the payment of certain transaction expenses. The proceeds to be paid to the stockholders of Greater Media are expected to consist of (i) approximately \$100 million in

cash and (ii) approximately \$25 million in shares of the Company's Class A common stock which is equal to 5,422,993 shares at a fixed value of \$4.61 per share. The Merger Consideration

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is subject to adjustment for changes in working capital of Greater Media, outstanding debt of Greater Media and its subsidiaries as of the date of the closing and certain other payments and expenses. Additional Merger Shares may be issued in connection with such adjustment. In addition, the stockholders of Greater Media will receive the net cash proceeds from the sale of Greater Media's tower assets, estimated to be approximately \$20 million.

NASDAQ Stockholder Approval Requirement

The Company's Class A common stock is listed on The NASDAQ Global Market. Pursuant to NASDAQ Listing Rule 5635(a), stockholder approval is required to issue shares of common stock (or securities convertible into or exercisable for common stock) with voting power equal to or in excess of 20% of the voting power of the shares outstanding before such issuance or equal to or more than 20% of the number of shares outstanding before such issuance. The Merger Shares to be issued in connection with the Merger will equal approximately 23.3% of the number of shares of Company Common Stock outstanding immediately prior to the effective time of the Merger. Accordingly, the issuance of the Merger Shares in connection with the Merger requires stockholder consent.

Stockholder Action by Written Consent

On July 19, 2016, the Approving Stockholders, representing, in the aggregate, approximately 62.4% of the voting power of the issued and outstanding Company Common Stock, executed a written consent approving the issuance of the Merger Shares in connection with the Merger in accordance with the NASDAQ Listing Rules.

Accordingly, because majority stockholder approval has already been obtained, no further action by any other stockholder of the Company is required to approve the issuance of the Merger Shares under the NASDAQ Listing Rules. There is no requirement under Delaware law requiring consent of the stockholders of the Company to the Merger itself. The approval of the corporate actions in the Stockholders' Written Consent will become effective on the date that is 20 calendar days after this Information Statement is first sent or given to our stockholders.

Background of the Merger

During the past several years, as part of its ongoing management of the business and affairs of the Company, the Board regularly reviewed and evaluated available strategic alternatives and considered ways to enhance the Company's performance and prospects in light of then-current business and economic conditions. In connection with this review, the Company from time to time evaluated potential transactions that would further its strategic objectives.

From time to time during the past two years prior to November, 2015, B. Caroline Beasley, Interim Chief Executive Officer, Executive Vice President and Chief Financial Officer of the Company, and Peter H. Smyth, Chairman and Chief Executive Officer of Greater Media met in the scope of their professional activities, as well as at social gatherings. These meetings, did not involve discussions or negotiations with respect to a potential transaction.

During November 2015 and the first two weeks of December 2015, Ms. Beasley met several times with Mr. Smyth to engage in preliminary exploratory discussions about a potential transaction. On December 15, 2015, Ms. Beasley met with Mr. Smyth and a representative of Rockdale Partners, Greater Media's financial advisor (**Rockdale**), at the Links Club in New York to continue the preliminary exploratory discussions about the potential transaction. As a result of that meeting, in early January 2016, Ms. Beasley engaged Latham & Watkins LLP (**Latham**) as the Company's legal advisor for the proposed transaction.

To facilitate further discussions and to enable Greater Media to share information with the Company, on January 8, 2016, Rockdale delivered an initial draft of a confidentiality agreement to the Company. The parties

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exchanged drafts of the confidentiality agreement over the next few days and on January 13, 2016, the Company and Greater Media executed the confidentiality agreement. Following the execution of the confidentiality agreement, Greater Media provided the Company with written diligence materials about its business.

On January 21, 2016, Ms. Beasley met with Mr. Smyth and a representative of Rockdale at the Four Seasons Hotel in Boston and discussed a number of topics related to the potential transaction, including certain expense reductions being contemplated by Greater Media, Greater Media's commission plan and pension liabilities and Greater Media's plans with respect to its tower assets. At that meeting, the participants also discussed the current state of Greater Media's business and the competition in its various markets.

Following these discussions, during the week of January 25, 2016, Ms. Beasley worked with Latham to develop a preliminary non-binding term sheet to frame discussions between the parties regarding the proposed transaction. On February 3, 2016, Ms. Beasley sent to Rockdale an initial draft of a preliminary non-binding term sheet (the **Term Sheet**) reflecting the Company's understanding of the terms pursuant to which the parties would effectuate the merger. The Term Sheet proposed that the Company would acquire all of the outstanding stock of Greater Media for a purchase price of \$250 million, consisting of cash and non-cash consideration. The Term Sheet stated that the purchase price (i) assumed that Greater Media would complete certain previously contemplated expense reductions and (ii) would be subject to (x) adjustment for pension liabilities in excess of an agreed upon amount and (y) customary adjustments for outstanding debt, net working capital and transaction expenses. The Term Sheet also proposed that a portion of the non-cash consideration would be held in escrow as a source of recovery for any post-closing purchase price adjustments. The Term Sheet proposed various closing conditions to the completion of the transaction, including that the Company would be able to complete the financing of the transaction. The Term Sheet also provided that the Greater Media stockholders would provide customary indemnification to the Company for breaches of representations, warranties and pre-closing covenants. Finally, the Term Sheet proposed that Greater Media would agree to work with the Company exclusively for a period of ninety (90) days to negotiate the transaction.

On February 9, 2016, Ms. Beasley, along with representatives of Latham, met by telephone with representatives of Rockdale and Debevoise & Plimpton LLP (**Debevoise**), Greater Media's outside legal advisor, regarding the Term Sheet. During that discussion, representatives of both Rockdale and Debevoise noted that Greater Media was continuing to review the proposed Term Sheet and that many issues remained open. Specifically, the parties needed to resolve the form and terms of the non-cash consideration, and the treatment of the pension liabilities and transaction expenses, including severance liabilities. In addition, the parties discussed Greater Media's expectations with respect to the completion of certain expense reductions and Ms. Beasley noted the Company's expectation that such expense reductions would be completed prior to the completion of the proposed transaction. The parties also discussed the possibility of Greater Media selling certain of its tower assets prior to the completion of the transaction between the Company and Greater Media. Finally, representatives of Debevoise stated that Greater Media would not agree to a financing condition and that, if the parties were able to make progress on the open issues, Greater Media would then consider the exclusivity request.

During the week of February 15, 2016, George G. Beasley, the Company's Chief Executive Officer and Chairman of the Board, and Ms. Beasley met with Mr. Smyth at the Company's offices in Naples, Florida. Although the meeting was largely introductory, the participants also discussed Greater Media's business.

On February 19, 2016, Debevoise sent to Latham a list of the issues raised by the Term Sheet which proposed, among other things, (i) in addition to the adjustments proposed by the Company, the purchase price would be increased by the amount of cash outstanding at Greater Media at the closing of the proposed transaction, (ii) Greater Media's liability for transaction expenses would not include severance costs, (iii) the purchase price adjustment related to pension

liabilities would be a two-way adjustment to the extent pension liabilities were below an agreed-upon threshold, (iv) the Greater Media stockholders would not provide

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indemnification to the Company and (v) in lieu of a financing condition, a reverse termination fee of \$10 million payable by the Company in the event the Company's debt financing is not available and specific performance is not available as a remedy.

On February 22, 2016, Ms. Beasley met by telephone with representatives of Rockdale regarding the cash flows of Greater Media and other issues raised by Greater Media's issues list.

On February 25, 2016, Mr. George Beasley and Ms. Beasley, along with Bruce G. Beasley, President and Chief Operating Officer of the Company (by telephone), Brian E. Beasley, Executive Vice President Operations of the Company, and Marie Tedesco, Vice President of Finance of the Company, met with Mr. Smyth and representatives of Rockdale (by telephone) at Mr. George Beasley's residence in Naples, Florida to discuss Greater Media's business, including performance in its various markets, the use of consultants as part of its business strategy and a potential format change for one of its stations in Detroit. In addition, the participants discussed potential synergies in the proposed transaction.

On February 26, 2016, representatives of Latham and Debevoise met by telephone to negotiate the Term Sheet and issues list and to discuss the legal aspects of the transaction generally, as well as the process for drafting definitive agreements to memorialize the terms of the transaction. Specifically, the advisors discussed issues related to (i) the various purchase price adjustments being contemplated by the parties, (ii) Greater Media's desire for a no indemnity deal and (iii) certain governance matters, including the rights of the Greater Media stockholders to appoint a representative to the Board following completion of the proposed transaction. In addition, representatives of Latham and Debevoise discussed a construct pursuant to which Greater Media would sell certain of its tower assets prior to the closing of the proposed transaction. Following this discussion of the open issues in the revised Term Sheet, the parties agreed that it was appropriate to begin drafting the definitive Merger Agreement, with Debevoise being responsible for preparing the initial draft.

On March 1, 2016, Ms. Beasley met with representatives of Rockdale at the offices of Rockdale in New York. During that meeting, the participants discussed Greater Media's contemplated expense reductions, pension liabilities and retention bonuses.

Given that the proposed non-cash portion of the merger consideration was likely to consist of equity of the Company, Greater Media indicated that it desired to conduct a diligence review of the Company. Therefore, to facilitate further discussions and to enable the delivery of confidential information from the Company to Greater Media, in late February, 2016, the parties exchanged drafts of a confidentiality agreement detailing Greater Media's confidentiality obligations. On March 3, 2016, the Company and Greater Media executed such confidentiality agreement. From time to time following the execution of such confidentiality agreement, the Company provided Greater Media with written diligence material about its business.

On March 5, 2016, Debevoise delivered an initial draft of the Merger Agreement to Latham.

During the weeks following March 5, 2016, Ms. Beasley met with representatives of potential lenders to discuss financing for the potential transaction.

On March 20, 2016, Latham delivered a revised draft of the Merger Agreement to Debevoise which was subsequently followed by a further revised draft of the Merger Agreement from Latham a week later. The further revised draft contained additional revisions resulting from a further review by executives at the Company, including Joyce Fitch, General Counsel of the Company.

On March 30, 2016, Debevoise sent to Latham a list of the issues raised by the revised draft of the Merger Agreement which noted, among other things, that (i) the purchase price should take into account all cash outstanding at Greater Media at the closing of the proposed transaction, (ii) the proposed purchase price adjustment related to the sale of Greater Media's tower assets should take into account certain taxes and fees,

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(iii) the Greater Media stockholders would be responsible for certain severance costs, but not for retention bonuses payable in connection with the transaction, and (iv) Greater Media's pre-closing expense reductions would be discussed and agreed amongst the parties. In addition, this issues list reiterated that Greater Media's stockholders were not willing to provide indemnification to the Company and, in lieu of a financing condition, Greater Media continued to propose a reverse termination fee of \$10 million payable by the Company in the event the Company's debt financing is not available and specific performance is not available as a remedy. On March 31, 2016, representatives of Latham and Debevoise spoke briefly on the telephone regarding the issues list and, following such discussion the Company and Greater Media agreed that an in person meeting would be productive.

On April 5, 2016, Ms. Beasley, Ms. Fitch and Marie Tedesco, Vice President of Finance of the Company, along with representatives of Latham, met with Mr. Smyth and representatives of Rockdale and Debevoise at the offices of Debevoise in New York to discuss various open issues in the transaction. The parties discussed at length Greater Media's plans to sell its tower assets prior to the consummation of the transaction between the Company and Greater Media and a related purchase price adjustment. The parties also discussed the status of Greater Media's proposed expense reductions and the parties' expectations with respect to such actions in connection with the proposed transaction. The parties also discussed Greater Media's proposal for a no indemnity deal and, after much discussion, the Company agreed to that approach; provided that Greater Media agree to bear certain costs of a premium associated with the Company obtaining a representation and warranty insurance policy. In addition, the parties discussed the other issues outlined in the issues list provided by Debevoise. At the conclusion of the meeting, the parties again discussed the Company's request that Greater Media agree to work exclusively to negotiate the transaction. Greater Media again deferred the Company's request.

Following the meeting the week prior, on April 12, 2016, Debevoise delivered an updated version of the March 30th issues list, annotated to reflect the discussions between the parties during the meeting on April 5, 2016. In addition to the issues discussed above, the remaining issues included, among other things, (i) purchase price adjustments related to the cash outstanding at Greater Media at the closing of the proposed transaction, (ii) the exclusion of certain retention bonus obligations from Greater Media's transaction expenses, (iii) whether the Company expected to have committed financing at the time of signing of the Merger Agreement and which party would bear the associated commitment fees and (iv) the size of a reverse termination fee payable by the Company in the event the Company's debt financing is not available and specific performance is not available as a remedy.

During the weeks following the April 5th meeting, Ms. Beasley met with representatives of potential lenders to discuss financing for the potential transaction.

On April 25, 2016, representatives of Latham and Debevoise met by telephone to discuss the issues list. Specifically, they discussed the (i) purchase price adjustments related to the cash outstanding at Greater Media at the closing of the proposed transaction, (ii) the payment of commitment fees related to the Company's committed financing and (iii) certain severance obligations. In addition, the advisors discussed simplifying the purchase price adjustment related to the sale of Greater Media's tower assets. The advisors then discussed some legal matters related to the transaction, including the potential form of the non-cash consideration and related governance terms. Finally, the advisors discussed the current status of the transaction and the financial and legal diligence between the parties.

On April 28, 2016, Ms. Beasley and Ms. Tedesco met with representatives of Greater Media and Rockdale at the offices of Rockdale in New York to discuss Greater Media's expectations for future performance, potential expense reductions and competition in its various markets.

During May 2016, the Company retained RBC Capital Markets, LLC (**RBC Capital Markets**) as its financial advisor for the proposed transaction, which was subsequently documented by an engagement letter executed in July 2016.

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On May 7, 2016, Debevoise delivered to Latham a further revised draft of the Merger Agreement. During the next two weeks, representatives of Latham and Debevoise met numerous times by telephone to negotiate the Merger Agreement. The advisors discussed, among other things, the issues related to (i) Greater Media's obligations to complete its previously contemplated expense reductions, (ii) responsibility for the payment of commitment fees related to the Company's committed financing, (iii) responsibility for certain severance obligations and other post-closing obligations to continuing employees and (iv) the purchase price adjustment related to the sale of Greater Media's tower assets. In addition, on June 2, 2016, Debevoise delivered to Latham initial drafts of term sheets for the Investor Rights Agreement and the Registration Rights Agreement. Latham continued to exchange drafts of these term sheets with Debevoise until July 19, 2016.

Following these discussions, the parties determined to meet in person in New York on June 8, 2016 to further negotiate and resolve the open issues in the proposed transaction. In advance of such meeting, on June 5, 2016, Latham delivered to Debevoise a further revised draft of the Merger Agreement.

On June 7, 2016, Ms. Fitch, along with representatives of Latham, met by telephone with representatives of Debevoise to discuss the legal aspects of the transaction generally and negotiate certain provisions of the Merger Agreement, including the representations and warranties and certain covenants.

During the morning of June 8, 2016, Ms. Fitch, along with representatives of Latham, met with representatives of Debevoise at the offices of Debevoise in New York to continue their discussion of the legal aspects of the transaction. Later that afternoon, Ms. Beasley and representatives of Rockdale joined the meeting. The parties then discussed the economic aspects of the transaction. Specifically, after noting the recent performance of certain of Greater Media's stations, the Company proposed a purchase price adjustment based on a multiple of Greater Media's cash flows at the closing of the proposed transaction. In addition, the parties discussed issues related to (i) contractual requirements providing the Company certainty that Greater Media would complete certain expense reductions prior to the closing of the proposed transaction, and responsibility for related severance obligations, (ii) which party would bear the economic cost of the Company's committed financing, and (iii) the purchase price adjustments related to the sale of Greater Media's tower assets. The parties also discussed certain non-economic terms, including, among others, the size of the reverse termination fee payable by the Company to Greater Media in certain circumstances and the scope of the conduct of business covenant. At the conclusion of the meeting, the parties agreed to reconvene over the next few days to discuss possible solutions to the open issues.

On June 9, 2016, representatives of Latham and Debevoise met by telephone a number of times to exchange proposals regarding the open issues. No final decisions were made with respect to the open issues.

On June 15, 2016, representatives of Latham and Debevoise met by telephone to discuss the open issues in the proposed transaction. Representatives of Debevoise explained Greater Media's position on the open issues, including, (i) that Greater Media was willing to be responsible for certain severance costs, (ii) a proposal for a two-tiered reverse termination fee (i.e., a lower fee associated with a failure of financing and a higher fee associated with any other breach), and (iii) that the Greater Media stockholders expected to receive credit for the cash outstanding at Greater Media at the closing of the proposed transaction. In addition, Debevoise communicated an updated proposal regarding the mechanism for determining the purchase price adjustment associated with the sale of the Greater Media tower assets. Finally, in the context of their current proposal, Debevoise explained that Greater Media would be willing to agree to a purchase price reduction of \$5 million. On June 21, 2016, Ms. Beasley met by telephone with representatives of Rockdale to discuss the open issues in the proposed transaction, including each of the issues discussed by the advisors on June 15th.

On June 23, 2016, Ms. Beasley and Ms. Fitch, along with representatives of Latham, met by telephone with representatives of Rockdale and Debevoise to discuss the parties' positions with respect to the open items in the proposed transaction. In the course of that discussion, Greater Media agreed to a purchase price reduction of \$10 million and the parties discussed a framework for resolving the remaining open issues and finalizing the definitive documentation.

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Following these discussions, on June 28, 2016, Debevoise delivered a revised draft of the Merger Agreement to Latham. Following receipt of the revised draft, representatives of Latham and Debevoise met by telephone to negotiate the terms of the Merger Agreement and, on July 3, 2016, Latham delivered a revised draft of the Merger Agreement to Debevoise. On July 5, 2016, Ms. Beasley met by telephone with Mr. Smyth to discuss the performance of certain of Greater Media's stations.

On July 6, 2016, the Board met to consider the potential merger with Greater Media. Present at the meeting were members of the Company management and representatives of Latham and RBC Capital Markets. At the meeting, Ms. Beasley provided the Board with a summary of the negotiations with Greater Media, noting that she has previously spoken individually with each director as the negotiations have progressed. Representatives of RBC Capital Markets then summarized the terms of the proposed transaction, as contemplated at such time, outlined the strategic rationale for the proposed transaction and reviewed certain of the financial aspects of the proposed transaction, including the anticipated synergies, the proposed purchase price relative to various valuation metrics and the anticipated pro forma analysis of the combined company. Ms. Beasley then reiterated the primary business advantages offered by the proposed merger with Greater Media, including that the Merger is expected to increase the Company's scale, strengthen the Company's competitive positioning by adding assets in existing markets and improve the Company's financial strength and flexibility. Ms. Fitch reviewed with the Board their fiduciary duties under Delaware law with respect to the transaction. At the meeting, the Board expressed their desire to continue exploring the proposed transaction with Greater Media and authorized management to continue its negotiations.

On July 11, 2016, representatives of Latham and Debevoise met by telephone to discuss the open items. Following such discussions, on July 12, 2016, Debevoise delivered a revised draft of the Merger Agreement to Latham. Latham continued to exchange drafts of the Merger Agreement with Debevoise until July 19, 2016. In addition, on July 12, 2016, Ms. Beasley met by telephone with representatives of Rockdale to discuss issues related to the mechanism for determining the purchase price adjustment associated with the sale of the Greater Media tower assets.

On July 14, 2016, the Board met to consider the potential merger with Greater Media. Present at the meeting were members of the Company management and representatives of Latham. At the meeting, Ms. Beasley presented the current state of the negotiations with Greater Media, including the resolution of certain economic terms since the Board's prior meeting and reiterated to the Board the strategic rationale for the proposed merger. Latham presented a summary of the current draft of the Merger Agreement and the ancillary agreements, noting the items in such documents that had not yet been agreed. Following these presentations, the Board discussed the proposed terms of the Merger Agreement, including the governance arrangements and, in particular the right of the Greater Media stockholders to appoint a director to the Board. Following this discussion, the Board again expressed their desire to resolve the negotiations related to the Merger Agreement and their support for continuing to pursue the proposed merger and authorized the Company management to continue its negotiations with Greater Media.

During the next few days, Latham and Debevoise continued to exchange drafts of the Merger Agreement and related ancillary documents. Ms. Beasley and representatives of Rockdale exchanged multiple messages advising each other of the progress of the legal advisors and negotiating the open points related to the treatment of cash and related issues.

On July 19, 2016, the Board met to consider the potential merger with Greater Media. Present at the meeting were members of the Company management and representatives of Latham. At the meeting, Ms. Beasley reported on the final negotiations with Greater Media. Thereafter, representatives of Latham reviewed the final terms of the Merger Agreement, noting the changes from the prior board meeting. Ms. Fitch reviewed with the Company directors their fiduciary duties under Delaware law. Following discussion amongst the directors, the Board unanimously (i) determined that it is advisable, fair to, and in the best interests of the Company and its stockholders to enter into the Merger Agreement, (ii) adopted the Merger Agreement and approved the

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transactions contemplated thereby, including the Merger and the issuance of the Merger Shares, and (iii) recommended that the stockholders of the Company approve the issuance of the Merger Shares in connection with the Merger.

On July 19, 2016, the parties executed the Merger Agreement. The merger was announced later that afternoon in a press release issued by the Company.

Reasons for the Merger

In reaching the decision to proceed with the transactions contemplated by the Merger Agreement, including the Merger and the issuance of the Merger Shares, and recommend the issuance of the Merger Shares for approval by the Company's stockholders, the Board consulted with the Company's management and its legal and financial advisors, and considered a variety of factors with respect to such transactions, including those matters discussed in Background of the Merger. As discussed in greater detail below, these consultations included discussions regarding the Company's strategic business plan, the costs and risks of executing that business plan, its past and current business operations and financial condition, its future prospects, the strategic rationale for the transaction and the terms and conditions of the Merger Agreement.

The following discussion of the information and factors considered by the Board is not exhaustive. In view of the wide variety of factors considered in connection with the Merger, the Board did not consider it practical, nor did it attempt, to quantify or otherwise assign relative weight to different factors it considered in reaching its decision. In addition, individual members of the Board may have given different weight to different factors. The Board considered this information as a whole, and overall considered it to be favorable to, and in support of, its determination and recommendations.

Among the material information and factors considered by the Board were the following:

that the Merger would result in the creation of a combined company with a more geographically diverse footprint and financial profile than the Company on a stand-alone basis;

that the Merger is expected to (i) increase the Company's scale, (ii) enhance the Company's ability to compete in certain markets and (iii) improve the Company's financial strength and flexibility;

substantial synergy potential achievable in the near term by consolidating duplicative corporate departments and executive management teams and reducing duplicative costs, such as consulting and legal fees;

that the Company and Greater Media share a common operating philosophy, with a focus on strong core programming and targeted localism;

the Board's familiarity with the business, operations, properties and assets of Greater Media, including the competitive environment;

the complementary strengths that are believed to exist within each company that can be leveraged for the benefit of the combined company;

the use of Merger Shares as a portion of the consideration to be delivered to the Greater Media stockholders in the Merger, which Company management believes will allow the Company to maintain a leverage ratio that is appropriate for the Company's business strategy;

that the Company has received executed debt financing commitment letters from major financial institutions with significant experience in similar lending transactions, which, in the reasonable judgment of the Board, increases the likelihood of such financing being completed;

the Board's belief that the conditions to the closing of the Merger are capable of being satisfied;

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that the Merger Consideration and the other terms and conditions of the Merger Agreement, including the termination provisions, resulted from extensive arm's-length negotiations between the Company and its advisors, on the one hand, and Greater Media and its advisors, on the other hand; and

the relative likelihood or desirability of completing an alternative acquisition transaction or strategic transaction.

The Board also considered the potential risks of the Merger, including the following:

the dilutive effect on existing stockholders by the issuance of the Merger Shares to the Greater Media stockholders, along with the additional rights to be granted to the Greater Media stockholders pursuant to the Investor Rights Agreement and the Registration Rights Agreement;

the challenges inherent in the combination of two businesses of the size and scope of the Company and Greater Media, including the possibility of not achieving the anticipated efficiencies and other benefits of the Merger;

the possibility that the benefits of the transaction to the Company may be significantly less than anticipated given the challenges of combining the businesses, including the risk of diverting management resources for an extended period of time to accomplish this combination;

the risk that the proposed Merger might not be completed and the risks and costs to the Company if the Merger is not completed, including the potential effect of the resulting public announcement of the termination of the Merger Agreement on, among other things, the market price for Company Common Stock, the Company's operating results, the Company's ability to attract and retain key personnel and the Company's ability to complete an alternative transaction. The Merger might not be completed or unduly delayed due to, among other factors:

difficulties in obtaining the requisite financing;

difficulties in obtaining requisite regulatory approvals;

the occurrence of a material adverse effect on Greater Media's business;

that the Company may be required to pay Greater Media a termination fee of up to \$12,780,000 if the Merger Agreement is terminated in certain circumstances;

the provisions of the Merger Agreement restricting the conduct of the Company's business prior to the completion of the Merger;

the substantial costs involved in connection with entering into and completing the Merger and the time and effort of management required to complete such transactions and related disruptions to the operation of the Company's business;

the current and historical financial condition, results of operations, competitive position, business, prospects, liquidity, and strategic objectives of the Company, including potential risks involved in achieving such prospects and objectives, and the current and expected conditions in the general economy and the Company's industry; and

that, in the future, opportunities for a business combination could become available that might permit the Company to enhance its ability to compete and enhance stockholder value on more favorable terms than at present.

The Board believed that, overall, the potential benefits of the Merger to the Company and its stockholders outweigh the risks considered by the Board.

After considering the factors discussed above, the Board (i) determined that it is advisable, fair to, and in the best interests of the Company and its stockholders to enter into the Merger Agreement,

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(ii) adopted the Merger Agreement and approved the transactions contemplated thereby, including the Merger and the issuance of the Merger Shares, and (iii) recommended that the stockholders of the Company approve the issuance of the Merger Shares in connection with the Merger.

The Board realized that there can be no assurance about future results, including results considered or expected as described in the factors listed above. It should be noted that this explanation of the Board's reasoning and all other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements" on page 11 of this Information Statement.

Interests of Executive Officers and Directors of the Company in the Merger

The Company's executive officers and directors do not have any material interests in the Merger that are different from, or in addition to, the interests of all stockholders.

Quantification of Payments and Benefits to Executive Officers.

There is no compensation payable to any of the Company's executive officers that is based on or otherwise relates to the Merger.

Impact of Stock Issuance on Existing Stockholders

The issuance of the Merger Shares will dilute the ownership percentage and voting interests of the Company's existing stockholders. Following consummation of the Merger, based on the Company's capitalization as of July 19, 2016, we estimate that the current Greater Media stockholders will own approximately 19% of the outstanding shares of common stock and approximately 45% of the outstanding shares of Class A common stock of the combined company, and control approximately 3% of the voting power of the combined company, on all matters other than the election of directors. Therefore, the ownership and voting interests of the Company's existing stockholders will be proportionately reduced.

In addition, the Merger Agreement contemplates that the parties or their affiliates will enter into the following additional agreements at Closing: (i) an Investor Rights Agreement and (ii) a Registration Rights Agreement. The Investor Rights Agreement would provide the current stockholders of Greater Media receiving Merger Shares with tag-along rights to participate in certain sales of equity securities by the Company and its affiliates and also would provide such stockholders with the right to nominate one director for election to the Company's Board, so long as they collectively hold at least 75% of the Merger Shares issued to them at the closing of the Merger. The Registration Rights Agreement would require, among other things, the Company to prepare and file with the SEC, not later than 20 days after the consummation of the Merger, a registration statement with respect to the resale of the Merger Shares by the current Greater Media stockholders.

U.S. Federal Income Tax Consequences of the Merger to the Company and its Stockholders

There are no material U.S. federal income tax consequences to the Company's existing stockholders that will result from the issuance of the Merger Shares in connection with the Merger.

Accounting Treatment of the Merger

The Merger will be accounted for as a business combination in accordance with Accounting Standards Codification Topic 805, Business Combinations. Under the guidance, the assets and liabilities of the acquired business, Greater Media, are recorded at their fair value at the date of acquisition. The excess, if any, of the purchase price over the estimated fair values is recorded as goodwill.

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Regulatory Approvals and Clearances

Antitrust Clearance

The transactions contemplated by the Merger Agreement are not notifiable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the **HSR Act**) to the U.S. Antitrust Division of the Department of Justice (the **Antitrust Division**) and the U.S. Federal Trade Commission (the **FTC**).

Although the transactions contemplated by the Merger Agreement are not notifiable under the HSR Act, at any time before or after the completion of the Merger, the Antitrust Division or the FTC could take actions under U.S. antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the Merger, seeking divestiture of substantial assets of the parties or requiring the parties to license, or hold separate, assets or terminate existing relationships and contractual rights. At any time before or after the completion of the Merger any state could take actions under U.S. antitrust laws as it deems necessary or desirable in the public interest. Such action could include seeking to enjoin completion of the Merger or seeking divestiture of substantial assets of the parties. Private parties may also seek to take legal action under the antitrust laws under certain circumstances.

FCC Approval

The Merger is also subject to the Company's receipt of approval from the U.S. Federal Communications Commission (the **FCC**) pursuant to Section 310(d) of the Communications Act of 1934. On August 2, 2016 the Company filed applications with the FCC requesting approvals for the proposed transfers of control of the licensees of Greater Media's radio stations, in accordance with Section 310(d) of the Communications Act of 1934. In addition, to ensure that the Company's control of Greater Media's radio stations complies with FCC regulations limiting the number of radio broadcast stations in which an entity may have an attributable interest in a specific market, on August 2, 2016, an application was filed with the FCC requesting FCC approval to assign the licenses of three radio stations in the Charlotte, North Carolina market from a Greater Media subsidiary to the Charlotte Divestiture Trust, an entity that will be owned and operated by an independent trustee, in which the Company would hold a beneficial interest. Under the Merger Agreement, the Company, Greater Media and Merger Sub have agreed to use their reasonable best efforts to obtain all required FCC consents in connection with the execution of the Merger Agreement and completion of the Merger.

Federal Securities Law Consequences

In the Merger, the Company will issue the Merger Shares to the current stockholders of Greater Media. This issuance will be exempt from the registration requirements of the Securities Act of 1933, as amended (the **Securities Act**), pursuant to Section 4(a)(2) of the Securities Act and pursuant to Regulation D promulgated by the SEC thereunder (**Regulation D**). Prior to the issuance of the Merger Shares, the current stockholders of Greater Media will make certain representations to the Company as required by Regulation D. The Company has not and will not engage in general solicitation or advertising with regard to the issuance of the Merger Shares pursuant to the Merger Agreement. The Merger Shares will not be, at the time of issuance, and have not been, registered under the Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Pursuant to the Merger Agreement, the Company has agreed to enter into a registration rights agreement at the effective time of the Merger under which it will agree, among other things, to prepare and file with the SEC, not later than 20 days after the consummation of the Merger, a registration statement with respect to the resale of the Merger Shares by the current stockholders of Greater Media.

NASDAQ Listing

It is a condition to the closing of the Merger that the Merger Shares be approved for listing on The NASDAQ Global Market, subject to official notice of issuance. As discussed above, the Merger Shares, although

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approved for listing, may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements (see Federal Securities Law Consequences beginning on page 27). The Company's currently outstanding shares of Class A common stock will continue to be traded on The NASDAQ Global Market under the symbol BBGI.

Directors and Officers

Currently, the Board has fixed the number of directors at eight. Under the terms of the Investor Rights Agreement that will be entered into as part of the transactions contemplated by the Merger Agreement, the Company will be obligated to fix the number of directors of the Board at nine and appoint one individual designated by the current Greater Media stockholders to fill the vacancy created by expanding the Board. The Greater Media stockholders have selected Peter A. Bordes, Jr. as their designee. At the effective time of the Merger, the Board will act to appoint Mr. Bordes to the Board. Set forth below is the biography, which includes the skills, qualities and experience, of Mr. Bordes, who has been designated by Greater Media to be appointed to the Board following the closing of the Merger.

Peter A. Bordes, Jr., 53, is the co-founder of oneQube (formerly known as Internet Media Labs Inc.) where he has served as Chief Executive Officer since 2011. Prior to founding oneQube, Mr. Bordes was the CEO of MediaTrust from 2008 to 2011. Mr. Bordes is a part owner of Greater Media, where he has served as a director since 2008. Mr. Bordes served much of his career in the banking and venture capital industries. Mr. Bordes has served as a director of PeekYou LLC since 2010 and OCEARCH since 2014.

The composition of the Company's executive officers is not expected to change as a result of the closing of the Merger.

Expected Timing of the Merger

We are working to complete the Merger as soon as practicable. We expect to complete the Merger during the fourth quarter of 2016, assuming that all of the conditions set forth in the Merger Agreement have been satisfied or waived. However, the Merger is subject to a number of conditions, some of which are beyond the control of the Company and Greater Media, and we cannot predict the precise timing for completion of the Merger with certainty. See The Merger Agreement beginning on page 29 of this Information Statement and Risk Factors The Merger may not be completed, which could adversely affect our business operations and stock price and subject us to a number of risks beginning on page 13 of this Information Statement for further information.

Appraisal Rights

Holders of Company Common Stock will not be entitled to exercise appraisal or dissenters' rights under Delaware law in connection with the Merger or the issuance of the Merger Shares pursuant to the Merger.

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THE MERGER AGREEMENT

The following discussion sets forth the principal terms of the Merger Agreement, a copy of which is attached as Annex A to this Information Statement and is incorporated by reference herein. The rights and obligations of the parties are governed by the express terms and conditions of the Merger Agreement and not by this discussion, which is summary by nature. This discussion is not complete and is qualified in its entirety by reference to the complete text of the Merger Agreement. You are encouraged to read the Merger Agreement carefully in its entirety, as well as this Information Statement and any documents incorporated by reference herein.

The Merger Agreement has been attached as an annex to provide investors and shareholders with information regarding its terms. It is not intended to provide any other factual information about Greater Media, the Company or Merger Sub. The representations, warranties and covenants contained in the Merger Agreement were made only for the purposes of the Merger Agreement and as of specified dates, were solely for the benefit of the parties to the Merger Agreement, and may be subject to limitations agreed upon by the contracting parties. The representations and warranties may have been made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors and shareholders accordingly should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Greater Media, the Company, Merger Sub or any of their respective subsidiaries or affiliates. In addition, the assertions embodied in the representations and warranties contained in the Merger Agreement are qualified by information in confidential disclosure schedules that Greater Media exchanged with the Company and Merger Sub in connection with the execution of the Merger Agreement. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures. The Merger Agreement should not be read alone, but should instead be read in conjunction with the other information regarding the parties to the Merger Agreement and the Merger contained in, or incorporated by reference into, the Information Statement.

The Merger

At the effective time of the Merger, upon the terms and subject to the satisfaction or waiver of the conditions of the Merger Agreement and in accordance with Delaware law Merger Sub will be merged with and into Greater Media, with Greater Media surviving the merger as an indirect wholly owned subsidiary of the Company. The directors and officers of Merger Sub immediately prior to the effective time of the Merger will, from and after the effective time of the Merger, be the initial directors and officers of the surviving corporation.

Merger Consideration

Pursuant to the terms of the Merger Agreement, the Company agreed to acquire all of the issued and outstanding common stock of Greater Media for an aggregate purchase price of \$239,875,000, inclusive of the repayment of approximately \$82 million of Greater Media's outstanding debt and the payment of certain transaction expenses. The proceeds to be paid to the stockholders of Greater Media are expected to consist of (i) approximately \$100 million in cash and (ii) approximately \$25 million in shares of the Company's Class A common stock which is equal to 5,422,993 shares at a fixed value of \$4.61 per share. The Merger Consideration is subject to adjustment for changes in working capital of Greater Media, outstanding debt of Greater Media and its subsidiaries as of the date of the closing and certain other payments and expenses. Additional Merger Shares may be issued in connection with such adjustment. In addition, the stockholders of Greater Media will receive the net cash proceeds from the sale of Greater Media's tower assets, estimated to be approximately \$20 million.

Description of Class A Common Stock

The holders of the Company's Class A common stock are entitled to one vote for each share held on all matters voted upon by stockholders, including the election of directors and any proposed amendment to the

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certificate of incorporation. The holders of Class A common stock are entitled to vote as a class to elect two independent directors to the board of directors and the holders of Class A common stock and Class B common stock, voting together as a class, are entitled to elect the remaining number of directors. The holders of Class A common stock are entitled to one vote per share and the holders of Class B common stock are entitled to ten votes per share.

As and when dividends are declared or paid with respect to shares of Company Common Stock, whether in cash, property or securities of the Company, the holders of Class A common stock and the holders of Class B common stock will be entitled to receive such dividends pro rata at the same rate per share for each such class of common stock; provided that if dividends are declared or paid in shares of Company Common Stock (or rights to subscribe for or purchase shares of Company Common Stock or securities or indebtedness convertible into or exchangeable for shares of Company Common Stock), the dividends payable to the holders of Class A common stock shall be payable in shares of Class A common stock (or rights to subscribe for or purchase shares of Class A common stock or securities or indebtedness convertible into or exchangeable for shares of Class A common stock) and the dividends payable to the holders of Class B common stock shall be payable in shares of Class B common stock (or rights to subscribe for or purchase shares of Class B common stock or securities or indebtedness convertible into or exchangeable for shares of Class B common stock). The holders of Class A common stock will be entitled to share ratably with all other classes of common stock in the net assets of the Company upon liquidation after payment or provision for all liabilities.

The Company's Class B common stock is convertible into Class A common stock on a one-for-one share basis under certain circumstances. The Company's Class A common stock trades on The NASDAQ Global Market under the symbol BBGI.

Representations and Warranties

The Merger Agreement contains representations and warranties made by the Company and Merger Sub to Greater Media and representations and warranties made by Greater Media to the Company and Merger Sub. As discussed above, the assertions embodied in the representations and warranties contained in the Merger Agreement were made only for the purposes of the Merger Agreement, were solely for the benefit of the parties to the Merger Agreement and may be subject to exceptions and limitations agreed upon by the contracting parties not set forth in the Merger Agreement. The representations and warranties set forth in the Merger Agreement may also be subject to contractual standards of materiality different from those generally applicable to investors under securities laws. For the foregoing reasons, you should not rely on the representations and warranties contained in the Merger Agreement as statements of factual information.

In the Merger Agreement, the Company and Merger Sub have made customary representations and warranties to Greater Media with respect to, among other things: (i) corporate matters relating to the Company and Merger Sub, including due organization, existence, qualification, corporate power and authority; (ii) certain corporate and governmental authorizations; (iii) the absence of certain conflicts; (iv) the financial resources available to the Company to allow it to complete the Merger; (v) solvency of the surviving corporation following the Merger; (vi) litigation against the Company or Merger Sub; (vii) the FCC licenses of the Company and its subsidiaries; (viii) financial information and the accuracy of information contained in registration statements, reports and other documents that the Company files with the SEC, the compliance of the Company's SEC filings with applicable federal securities law and, with respect to the financial statements therein, GAAP; (ix) the absence of undisclosed liabilities; (x) the maintenance of disclosure controls and procedures and internal accounting controls; (xi) the capitalization of the Company; (xii) the absence of certain changes with respect to the Company since December 31, 2015; (xiii) compliance with law, regulatory matters and permits; (xiv) the Company's benefit plans; (xv) labor and other employment matters; (xvi) tax matters; and (xvii) finders' fees.

In addition, in the Merger Agreement, Greater Media has made customary representations and warranties to the Company and Merger Sub with respect to, among other things: (i) corporate matters relating to Greater Media, including due organization, existence, qualification, corporate power and authority; (ii) certain corporate

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and governmental authorizations; (iii) the absence of certain conflicts; (iv) the capitalization of Greater Media and its subsidiaries; (v) the financial statements of Greater Media; (vi) the FCC licenses of Greater Media and its subsidiaries; (vii) the absence of undisclosed liabilities; (viii) the absence of certain changes with respect to Greater Media since December 31, 2015; (ix) Greater Media's and its subsidiaries' material contracts; (x) Greater Media's and its subsidiaries' properties; (xi) Greater Media's and its subsidiaries' intellectual property; (xii) litigation against Greater Media and its subsidiaries; (xiii) compliance with law, regulatory matters and permits; (xiv) environmental matters; (xv) Greater Media's benefit plans; (xvi) labor and employment matters; (xvii) tax matters; (xviii) Greater Media's and its subsidiaries' insurance; (xix) finders' fees; (xx) certain affiliate transactions; (xxi) privacy matters; and (xxii) material advertisers.

Covenants Relating to the Conduct of Each Party's Business

From the date of the Merger Agreement until the earlier of the closing of the Merger or the termination of the Merger Agreement, the Company has agreed that it will, and will cause its subsidiaries to, subject to certain exceptions, (a) conduct their respective businesses in the ordinary course in substantially the same manner as currently conducted and (b) use commercially reasonable efforts to (i) preserve substantially intact their respective business organizations and (ii) preserve their material assets and material properties. In addition, during the same period, the Company has also agreed that, subject to certain exceptions, the Company will not and will not permit any of its subsidiaries to do any of the following:

amend or otherwise change its certificate of incorporation or by-laws or take or authorize any action to wind up its affairs or dissolve;

issue, sell or grant options, warrants or rights to purchase or subscribe to, enter into any arrangement or contract with respect to, issuing, selling, transferring, granting, delivering or authorizing, propose agree to or commit to the issuance or sale of, or redeem, repurchase or otherwise acquire any securities of the Company or any of its subsidiaries or securities convertible into, or exchangeable or exercisable for, any such securities (other than the issuance of the Merger Shares pursuant to the Merger Agreement and grants of equity awards in the ordinary course of business consistent with past practice to employees or other service providers of the Company or any of its subsidiaries) or make any changes (by combination, reorganization or otherwise) in the capital structure of the Company or any of its subsidiaries;

make any material change to its accounting policies or practices, except as required by GAAP or applicable law;

merge or consolidate with any other person or adopt a plan of complete or partial liquidation or resolutions providing for a complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

declare, set aside or pay any dividend or other distribution (whether in cash, stock or property) in respect of, or make any other actual, constructive or deemed distribution with respect to, its capital stock, except (x) dividends paid by a direct or indirect wholly owned subsidiary of the Company to the Company or any of the

Company's other direct wholly owned subsidiaries and (y) the Company's routine quarterly dividend declared and paid in the ordinary course of business consistent with past practice;

split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock;

materially adversely modify any Company FCC licenses (as defined in the Merger Agreement) or surrender, allow to terminate, or fail to renew any material Company FCC license, or fail to remain qualified under the Communications Act of 1934, as amended, and the rules, regulations, and published policies of the FCC (the Communication Laws) to perform its obligations hereunder, hold the Company FCC licenses, and own and operate any of the radio stations owned or operated by the Company or any of its subsidiaries;

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acquire (by merger, consolidation or acquisition of stock, securities or assets or otherwise) any interest in any person, any business or any assets with a value in excess of \$10 million, excluding acquisitions of assets in the ordinary course of business and capital expenditures; or

agree or commit to do any of the foregoing.

From the date of the Merger Agreement until the earlier of the closing of the Merger or the termination of the Merger Agreement, Greater Media has agreed that it will, and will cause its subsidiaries to, subject to certain exceptions, (a) conduct their respective businesses in the ordinary course in substantially the same manner as currently conducted and (b) use commercially reasonable efforts to (i) preserve substantially intact their respective business organizations and (ii) preserve their material assets and material properties. In addition, during the same period, Greater Media has also agreed that, subject to certain exceptions, Greater Media will not and will not permit any of its subsidiaries to do any of the following:

amend or otherwise change its certificate of incorporation or by-laws or take or authorize any action to wind up its affairs or dissolve;

amend in any respect or terminate any of its benefit plans or collective bargaining agreements or establish any new arrangement that would constitute a benefit plan, including the entry into any new employment contracts or the renewal of any employment contract with any employees, subject to certain exceptions;

take any action to increase the rate of compensation or accelerate the vesting or payment of compensation or benefits payable or to become payable to any of Greater Media's current or former employees, officers or other individual service providers;

grant any severance or termination payments or benefits to any of Greater Media's current or former employees or other individual service providers;

grant or materially amend the terms of any equity based awards (with respect to equity securities of Greater Media or any of its subsidiaries) granted to any current or former employees, officers or other individual service providers, subject to certain exceptions;

hire any officer of Greater Media;

issue, sell or grant options, warrants or rights to purchase or subscribe to, enter into any arrangement or contract with respect to, issuing, selling, transferring, granting, delivering or authorizing, propose agree to or commit to the issuance or sale of, or redeem, repurchase or otherwise acquire any securities of Greater Media or any of its subsidiaries or securities convertible into, or exchangeable or exercisable for, any such securities or make any changes (by combination, reorganization or otherwise) in the capital structure of Greater Media or any of its subsidiaries;

sell, assign, transfer, pledge, dispose of, lease, license, mortgage, encumber, abandon, dedicate to the public, permit to lapse or fail to maintain or grant any lien (other than certain permitted liens) on, any of its material property or assets, in each case, except for the sale of property or assets that are obsolete, in the ordinary course of business consistent with past practice;

make any change to Greater Media's accounting policies, methods, procedures or practices, except as required by GAAP or applicable law;

make, change or revoke any material accounting method for federal income tax purposes or any material election in respect of taxes, consent to any extension or waiver of the limitation period applicable to any claim, assessment or collection of taxes, file any amended material tax return or take any other action with respect to taxes that would reasonably be expected to materially increase the present or future tax liability or materially decrease any present or future tax asset of Greater Media or any of its affiliates on or after the closing date of the transactions contemplated by the Merger Agreement;

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merge or consolidate with any other person or adopt a plan of complete or partial liquidation or resolutions providing for a complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

assume, amend, modify, renew, extend, waive any material provisions of or terminate certain material contracts or any agreement that provides for aggregate payments to Greater Media or its subsidiaries of more than \$300,000 during any twelve-month period;

enter into any material contract or any agreement that provides for aggregate payments to Greater Media or its subsidiaries of more than \$300,000 during any twelve-month period;

incur, create, assume or otherwise become liable for any indebtedness (other than drawings under Greater Media's current credit facilities to fund Greater Media's and its subsidiaries' payroll requirements and related taxes and expenses which will be paid off prior to completion of the Merger) or issue any debt securities or, assume or guarantee or endorse the obligations of any person (other than a subsidiary of Greater Media);

declare, set aside or pay any dividend or other distribution (whether in stock or property) in respect of, or make any other actual, constructive or deemed distribution with respect to, Greater Media's capital stock, except dividends paid by a direct or indirect wholly owned subsidiary of Greater Media to Greater Media or any of its other direct wholly owned subsidiaries;

split, combine or reclassify any of Greater Media's capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock;

make or commit to make any capital expenditures or commitments for capital expenditures in excess of \$500,000 in the aggregate in any calendar quarter (or incur any obligations or liabilities in connection therewith);

forgive, cancel or compromise any non-de minimis debt or claim, or waive or release any right of non-de minimis value;

fail to pay or satisfy when due any liability of Greater Media or any of its subsidiaries in excess of \$50,000 (other than any such liability that is being contested in good faith);

modify any of Greater Media's FCC licenses or surrender, allow to terminate, or fail to renew any of Greater Media's FCC licenses;

apply to the FCC for any license, authorization, or take any other action before the FCC, that would reasonably be expected to materially restrict the present operations of Greater Media or any of its subsidiaries,

fail to remain qualified under the Communications Laws (as defined in the Merger Agreement) to perform Greater Media's obligations under the Merger Agreement, hold Greater Media's FCC licenses, and own and operate the facilities authorized thereby;

apply to the FCC for any construction permit that would materially restrict Greater Media's present operations;

settle or compromise (i) any pending or threatened litigation relating to the Merger Agreement or the transactions contemplated thereby or (ii) any other litigation (A) having a value or in an amount in excess of \$150,000, except as required under the terms of applicable insurance policies where the liability of Greater Media and its subsidiaries, in the aggregate, in respect thereof does not exceed the portion of the applicable deductible under such insurance policy required to be paid by Greater Media or its subsidiaries, or (B) involving equitable relief to be imposed on Greater Media, its subsidiaries or any of their respective assets;

acquire any interest in any person, any business or any assets with a value in excess of \$10,000, subject to certain exceptions;

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make any loans, advances or capital contributions to, or investments in, any other person (other than any subsidiary of Greater Media), subject to certain exceptions;

make any material change in the buildings, leasehold improvements, or fixtures of Greater Media or any of its subsidiaries that is not in the ordinary course of business consistent with past practice;

terminate or permit any material permit to lapse, other than in accordance with the terms and regular expiration of any material permit, or fail to apply on a timely basis for any renewal of any material permit;

make or commit to make any format changes at any of the radio stations owned or operated by Greater Media or any of its subsidiaries.;

fail to maintain in full force and effect Greater Media's insurance policies;

exercise or fail to exercise any rights of renewal with respect to any lease of Greater Media's leased real property that by its terms would otherwise expire; or

agree or commit to do any of the foregoing.

Greater Media has also agreed to cease and terminate any activities, discussions or negotiations with any third parties conducted prior to the date of the Merger Agreement with respect to any alternative merger or sale proposal.

Directors and Officers Indemnification

Under the terms of the Merger Agreement, the Company has agreed that all rights to exculpation and indemnification for acts or omissions occurring at or prior to the effective time of the Merger as provided in the certificate of incorporation or bylaws of Greater Media or any of its subsidiaries in favor of persons who are or were directors, officers, employees or agents of Greater Media or its subsidiaries, will survive for a period of six years following the Merger. The Merger Agreement further provides that, prior to the closing of the Merger, Greater Media will purchase a tail policy providing coverage to its directors and officers for six years following the effective time of the Merger with at least the same coverage as under Greater Media's existing directors and officers liability insurance policy and fiduciary insurance policies.

NASDAQ Listing

It is a condition to the closing of the Merger that the Merger Shares be approved for listing on The NASDAQ Global Market, subject to official notice of issuance. As discussed above, the Merger Shares, although approved for listing, may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements (see Federal Securities Law Consequences beginning on page 27). The Company's currently outstanding shares of Class A common stock will continue to be traded on The NASDAQ Global Market under the symbol BBGI.

Conditions to the Completion of the Merger

The obligations of the Company and Greater Media to close the Merger are subject to the satisfaction or waiver of the following conditions:

the approval of the proposal to adopt the Merger Agreement by the affirmative vote of at least a majority of the outstanding shares of Greater Media's common stock (which has been received);

an affirmative vote of stockholders of the Company who collectively own a majority of the voting power of the Company Common Stock in favor of the issuance of the Merger Shares (which has been provided);

the receipt of regulatory approvals from the FCC with respect to the transfer of control of the Greater Media subsidiaries that hold the Greater Media FCC Licenses and the assignment of the FCC licenses

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of the Greater Media Charlotte, North Carolina stations to the Charlotte Divestiture Trust and the satisfaction of any conditions precedent to the consummation of the Merger imposed by the FCC;

the expiration or earlier termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; and

the absence of any law or order, judgment, decree, injunction or ruling of a court of competent jurisdiction enjoining or prohibiting the consummation of the Merger;

The obligation of Greater Media to close the Merger is subject to the satisfaction or waiver of the following conditions:

subject to customary materiality qualifiers, the accuracy of the representations and warranties of the Company and Merger Sub contained in the Merger Agreement;

compliance in all material respects by the Company with its covenants contained in the Merger Agreement;

the delivery by the Company of a certificate signed by an authorized officer certifying as to the matters set forth in the preceding two bullet points;

the Merger Shares shall have been approved for listing on NASDAQ; and

the Company shall have delivered executed counterparts to certain ancillary agreements.

The obligation of the Company to close the Merger is subject to the satisfaction or waiver of the following conditions:

subject to customary materiality qualifiers, the accuracy of the representations and warranties of Greater Media contained in the Merger Agreement;

compliance in all material respects by Greater Media with its covenants contained in the Merger Agreement;

the delivery by Greater Media of a certificate signed by an authorized officer certifying as to (i) certain tax matters and (ii) the matters set forth in the preceding two bullet points; and

there shall have been no material adverse effect on the condition (financial or otherwise), assets, properties, liabilities or results of operations of Greater Media and its subsidiaries, taken as a whole.

Termination of the Merger Agreement

The Merger Agreement may be terminated at any time prior to the completion of the Merger in any of the following ways:

by mutual written consent of the Company and Greater Media;

by the Company or Greater Media if:

the Merger has not been consummated on or before January 19, 2017, subject to certain conditions and possible extensions;

a final and non-appealable injunction, order, decree or ruling of a governmental entity has been entered permanently restraining, enjoining or otherwise prohibiting the Merger;

any application seeking the applicable FCC approvals has been (x) denied pursuant to a final order, (y) granted subject to any condition that, if imposed, would result in a material adverse effect on the Company or Greater Media or (z) designated for hearing by the FCC or any subdivision thereof;

by Greater Media if the Company breaches or fails to perform any of its representations, warranties, covenants or agreements contained in the Merger Agreement, or any of such representations or

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warranties become untrue as of any date subsequent to the date the Merger Agreement was executed, which breach, failure to perform or untruth (1) would result in the failure of a condition to the Merger and (2) if curable, cannot be cured prior to the closing of the Merger or is not cured within 30 days after the receipt of written notice of such breach or failure to perform from Greater Media, subject to certain conditions;

by the Company if Greater Media breaches or fails to perform any of its representations, warranties, covenants or agreements contained in the Merger Agreement, or any of such representations or warranties become untrue as of any date subsequent to the date the Merger Agreement was executed, which breach, failure to perform or untruth (1) would result in the failure of a condition to the Merger and (2) if curable, cannot be cured prior to the closing of the Merger or is not cured within 30 days after the receipt of written notice of such breach or failure to perform from the Company, subject to certain conditions;

by Greater Media if each of the conditions to the Merger has been satisfied and Greater Media has provided the Company irrevocable notice stating that it is ready to consummate the transaction as required pursuant to the Merger Agreement and the Company fails to consummate the closing of the transaction within three business days following the date such closing should have occurred under the terms of the Merger Agreement due to a the failure of financing to be available; or

by Greater Media if, prior to the closing of the Merger, the 10-day volume weighted average price per share of the Company's Class A common stock on the NASDAQ Global Market is below \$2.31.

Subject to the payment of the Termination Fee in the circumstances in which it is payable described below, if terminated in accordance with its terms, the Merger Agreement will become void and of no effect and there shall be no liability of any party, except with respect to any liability or damages resulting from fraud or any willful breach of the Merger Agreement.

Termination Fee

The Merger Agreement provides that the Company will be required to pay Greater Media a termination fee of (a) \$6.39 million if Greater Media terminates the Merger Agreement because all conditions to closing have been satisfied and the Company has not consummated the Merger due to the failure of debt financing to be available (provided that Greater Media is not also able to terminate the Merger Agreement due to the Company's breach) or (b) \$12.78 million if (i) Greater Media terminates the Merger Agreement due to a breach of a representation or covenant by the Company such that an applicable condition to closing is not satisfied or (ii) Greater Media terminates the Merger Agreement because the Company has failed to consummate the Merger when required by the Merger Agreement, in circumstances where debt financing was available.

Amendment of the Merger Agreement

The Merger Agreement may be amended by the parties at any time prior to the effective time of the Merger, provided that (i) after Greater Media's shareholders have approved the Merger, which has already occurred pursuant to a written consent, then any amendment must be further approved by Greater Media's shareholders, if the nature of the amendment is such that shareholder approval is required by applicable law, and (ii) after the approval of the Company's stockholders, which has already been given pursuant to a written consent, then any amendment must be further approved by the Company's stockholders, if the nature of the amendment is such that stockholder approval is required by applicable law and the rules of the NASDAQ Capital Market.

Expenses

Under the Merger Agreement, whether or not the Merger is closed, all costs and expenses incurred by either party in connection with the Merger Agreement, the Merger and the transactions contemplated thereby will be paid by the party incurring or required to incur such expenses, subject to certain exceptions set forth in the Merger Agreement.

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AGREEMENTS RELATED TO THE MERGER

Investor Rights Agreement

At the closing of the Merger, the Company and certain stockholders affiliated with the Beasley family have agreed to enter into an Investor Rights Agreement with the Greater Media stockholders who will receive Merger Shares (the Investor Rights Agreement).

Pursuant to the Investor Rights Agreement, for so long as such Greater Media stockholders collectively hold at least 75% of the Merger Shares, such stockholders will have the right to designate one director to the Company's board of directors and the stockholders affiliated with the Beasley family party to the Investor Rights Agreement will agree to vote or give written consent in favor of such designee.

In addition, pursuant to the Investor Rights Agreement, such Greater Media stockholders will have tag-along rights allowing them to sell their shares on a pro rata basis with the certain stockholders affiliated with the Beasley family, subject to certain limitations.

Registration Rights Agreement

At the closing of the Merger, the Company has agreed to enter into a Registration Rights Agreement with the Greater Media stockholders who will receive Merger Shares (the Registration Rights Agreement). Pursuant to the Registration Rights Agreement, the Company will be required, not later than twenty days following the closing of the Merger, to file a shelf registration statement on Form S-3 with the SEC with respect to the resale of the Merger Shares by such stockholders. The Company will be required to use its reasonable best efforts to have such registration statement declared effective as soon as reasonably practicable and kept effective until the earlier of six years thereafter or when such Greater Media stockholders no longer hold any Merger Shares. In addition, such Greater Media stockholders will have unlimited shelf takedowns, but will only have the right, on four occasions and subject to certain limitations, to underwritten takedowns.

If the shelf registration statement on Form S-3 is not declared effective or becomes unavailable, such Greater Media stockholders will have the right, on two occasions, to demand that the Company to file a registration statement on Form S-1 with the SEC with respect to the resale of the Merger Shares by such stockholders, subject to certain limitations. In addition, such Greater Media stockholders are entitled to unlimited piggyback registration rights with respect to the registration of any equity securities of the Company, subject to certain limitations.

These registration rights will be subject to conditions and limitations, including the right of the underwriters of an offering to limit the number of Merger Shares held by such stockholders to be included in such registration. Subject to certain exceptions, the Company is generally required to bear all expenses of such registration (other than underwriting discounts and commissions and certain travel expenses). The Registration Rights Agreement also places indemnity obligations on the Company, to indemnify such Greater Media stockholders, under certain circumstances, and on such stockholders, to indemnify the Company under certain circumstances.

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HOUSEHOLDING OF MATERIALS

SEC rules permit registrants to send a single Information Statement to any household at which two or more stockholders reside if the registrant believes they are members of the same family. This procedure, referred to as householding, reduces the volume of duplicate information stockholders receive and reduces the expense to the registrant. The Company has not implemented these householding rules with respect to its record holders; however, a number of brokerage firms have instituted householding which may impact certain beneficial owners of Class A common stock. If your family has multiple accounts by which you hold Class A common stock, you may have previously received a householding notification from your broker. Please contact your broker directly if you have any questions, require additional copies of the Information Statement or wish to revoke your decision to household, and thereby receive multiple Information Statements. Those options are available to you at any time.

Table of Contents**COMPARATIVE PER SHARE DATA**

The following tables present historical per share data for the Company and Greater Media; pro forma per share data for the Company after giving effect to the to the Company's proposed acquisition of Greater Media and the related financing transactions and unaudited pro forma equivalent per share data for Greater Media with respect to the consideration that will be received in the form of shares of Class A common stock. You should read these tables in conjunction with the Company's historical consolidated financial statements, which are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 (attached hereto as [Annex B](#)) and the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 (attached hereto as [Annex D](#)), and Greater Media's historical consolidated financial statements included herein. See also the sections entitled "Where You Can Find More Information" beginning on page 61 and "Greater Media's Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 43.

We are providing the unaudited pro forma combined condensed financial data for informational purposes only. It does not necessarily represent or indicate what the financial position and results of operations of the Company would actually have been had the Merger with Greater Media and other pro forma adjustments in fact occurred at the dates indicated. It also does not necessarily represent or indicate the future financial position or results of operations the Company will achieve after the Merger with Greater Media.

	Greater Media (actual)	Beasley (actual)	Pro Forma Condensed Combined Income Statement
Net income (loss) or pro forma net loss for the six months ended June 30, 2016	\$ (36,711,000)	\$ 4,290,231	\$ (20,712,097)
Weighted average basic shares outstanding	1,941,143	23,003,436	28,426,429
Weighted average diluted shares outstanding	1,941,143	23,089,039	28,512,032
Net income (loss) per share or pro forma net loss per share for the six months ended June 30, 2016	\$ (18.91)	\$ 0.19	\$ (0.73)
Net income (loss) or pro forma net loss for the year ended December 31, 2015	\$ (37,153,000)	\$ 6,362,322	\$ (20,463,114)
Weighted average basic shares outstanding	1,941,143	22,911,727	28,334,720
Weighted average diluted shares outstanding	1,941,143	23,025,720	28,448,713
Net income (loss) per share or pro forma net loss per share for the year ended December 31, 2015	\$ (19.14)	\$ 0.28	\$ (0.72)
	Greater Media	Beasley (actual)	

	(actual)		Pro Forma Condensed Combined
Shares outstanding	1,941,143	23,316,767	28,739,760
Stockholders' equity	\$ 143,174,000	\$ 135,994,336	\$ 207,420,336
Book value per share or pro forma book value per share at June 30, 2016	\$ 73.76	\$ 5.83	\$ 7.22
Cash dividends declared or pro forma cash dividends declared per share for the six months ended June 30, 2016	\$ 5,000	\$ 2,071,950	\$ 2,071,950
Cash dividends declared or pro forma cash dividends declared per share for the year ended December 31, 2015	\$ 14,000	\$ 4,126,749	\$ 4,126,749

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The following table sets forth certain information regarding beneficial ownership of the Company's Class A common stock and Class B common stock as of September 5, 2016 by:

each person who is known by the Company to own beneficially more than 5% of its Class A common stock or Class B common stock;

each of the Company's directors;

each of the Company's named executive officers; and

all of the Company's executive officers and directors as a group

Beneficial ownership of shares is determined under the rules of the Securities and Exchange Commission, and generally includes any shares over which a person exercises sole or shared voting or investment power. Each stockholder possesses sole voting and investment power with respect to the shares listed, unless otherwise noted. Shares of the Company's Class B common stock are convertible into shares of the Company's Class A common stock on a one-for-one basis at the option of the holder at any time, and are all deemed outstanding for calculating the percentage of outstanding shares of the person holding those shares of Class B common stock, but are not deemed outstanding for calculating the percentage of any other person. Shares of the Company's Class A common stock subject to options currently exercisable or exercisable within 60 days of September 5, 2016 are deemed outstanding for calculating the percentage of outstanding shares of the person holding those options but are not deemed outstanding for calculating the percentage of any other person. Restricted shares of the Company's Class A common stock that are currently vested or that will be vested within 60 days of September 5, 2016 (but no other shares of restricted common stock) are deemed outstanding for calculating the percentage of outstanding shares of the person holding those shares of restricted common stock. All restricted shares of Class A common stock currently outstanding, whether vested or not, are deemed outstanding for calculating the aggregate number of shares outstanding. The address of each beneficial owner, unless stated otherwise, is c/o Beasley Broadcast Group, 3033 Riviera Drive, Suite 200, Naples, FL 34103.

Name of Beneficial Owner	Class A		Common Stock Class B		Percent of Economic Interest (1)	Percent of Total Voting Power (2)
	Number of Shares	Percent of Class	Number of Shares	Percent of Class		
George G. Beasley	1,280,738 ⁽³⁾	20.1%	10,687,605 ⁽⁴⁾	64.1%	52.0%	62.5%
Bruce G. Beasley	215,676	3.4	1,497,955 ⁽⁵⁾	9.0	7.4	8.8
Caroline Beasley	179,332 ⁽⁶⁾	2.8	1,497,955 ⁽⁷⁾	9.0	7.3	8.8
Bradley C. Beasley	106,412 ⁽⁸⁾	1.7	1,080,292 ⁽⁹⁾	6.5	5.2	6.3

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Brian E. Beasley	148,332 ⁽¹⁰⁾	2.3	948,100 ⁽¹¹⁾	5.7	4.8	5.6
Joe B. Cox	36	*			*	*
Mark S. Fowler	27,983	*			*	*
Herbert W. McCord	25,983	*			*	*
Allen B. Shaw	19,491	*			*	*
GAMCO Investors, Inc.	2,443,002	38.4			10.6	1.4

One Corporate Center

Rye, NY 10580

Dimensional Fund Advisors LP	411,262	6.5			1.8	*
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6300 Bee Cave Road

Austin, TX 78746

All directors and executive officers as a group	1,897,571	29.8%	14,182,700	85.1%	69.8%	83.1%
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* Less than one percent.

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- (1) The percent of total economic interest for each beneficial owner is based on the number of shares beneficially owned of Class A Common Stock plus the number of shares beneficially owned of Class B Common Stock divided by the sum of (i) 6,654,024 shares of Class A Common Stock outstanding, (ii) 16,662,743 shares of Class B Common Stock outstanding; and (iii) if applicable, the number of shares of Class A common stock issuable upon exercise of options held by such person that are currently exercisable or will be exercisable before September 5, 2016.
- (2) The percent of total voting power for each beneficial owner is based on the number of shares beneficially owned of Class A Common Stock which carry one vote per share plus the number of shares beneficially owned of Class B Common Stock which carry ten votes per share multiplied by ten divided by the sum of (i) 6,356,406 shares of Class A Common Stock outstanding, (ii) 16,662,743 shares of Class B Common Stock outstanding multiplied by ten to reflect the ten votes per share for Class B Common Stock; and (iii) if applicable, the number of Class A common stock issuable upon exercise of options held by such person that are currently exercisable or will be exercisable before September 5, 2016.
- (3) Includes (i) 152,544 shares held by the beneficial owner; (ii) 47,733 shares held by GGB II Family Limited Partnership; (iii) 1,071,595 shares held by GGB Family Limited Partnership; (iv) 2,288 shares held by George G. Beasley Revocable Living Trust dated May 26, 2006; (v) 482 shares held by GGB Family Enterprises, Inc., and (vi) 6,096 shares held by the REB Florida Intangible Tax Trust dated August 20, 2004.
- (4) Includes (i) 9,894,229 shares held by GGB II Family Limited Partnership; (ii) 332,171 shares held by GGB Family Limited Partnership; (iii) 164,469 shares held by George G. Beasley Revocable Living Trust dated May 26, 2006; and (iv) 296,736 shares held by the REB Florida Intangible Tax Trust dated August 20, 2004. Does not include 39,835 shares held by the Shirley Ann Beasley Revocable Trust dated June 16, 1998. Shirley Beasley is Mr. Beasley's spouse.
- (5) Includes (i) 553,276 shares held by the Bruce G. Beasley Revocable Trust dated June 19, 2006; (ii) 495,764 shares held by the George G. Beasley Trust f/b/o Bruce G. Beasley u/a/d 12/9/08, and (iii) 448,915 shares held by the George Beasley Estate Reduction Trust, of which the beneficial owner is a co-trustee.
- (6) Includes (i) 167,832 shares held by the beneficial owner, and (ii) 11,500 shares held by the beneficial owner's children.
- (7) Includes (i) 553,276 shares held by the Barbara Caroline Beasley Revocable Trust dated April 14, 1998; (ii) 495,764 shares held by the George G. Beasley Trust f/b/o Barbara Caroline Beasley u/a/d 12/9/08, and (iii) 448,915 shares held by the George Beasley Estate Reduction Trust, of which the beneficial owner is a co-trustee.
- (8) Includes (i) 25,693 shares held by the beneficial owner, (ii) 64,219 shares held by the Bradley C. Beasley Revocable Trust dated July 13, 1999; and (iii) 16,500 shares held by the beneficial owner's children.
- (9) Includes (i) 584,528 shares held by the Bradley C. Beasley Revocable Trust dated July 13, 1999, and (ii) 495,764 shares held by the George G. Beasley Trust f/b/o Bradley C. Beasley u/a/d 12/9/08.
- (10) Includes (i) 137,832 shares held by the beneficial owner, and (ii) 10,500 shares held by the beneficial owner's children.
- (11) Includes (i) 196,540 shares held by the Brian E. Beasley Revocable Trust dated June 17, 2003, and (ii) 751,560 shares held by the George G. Beasley Trust f/b/o Brian E. Beasley u/a/d 12/9/08.

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INFORMATION ABOUT GREATER MEDIA

Business of Greater Media

Greater Media celebrated its 60th anniversary in broadcasting on March 31, 2016. Owned by the Bordes family, the Company was founded in 1956 by Yale classmates Peter A. Bordes and Joseph Rosenmiller and grew from the ownership of a single radio station in Southbridge, Massachusetts to a diversified portfolio of successful communications companies. Today, Greater Media is the parent company of 21 AM and FM radio stations in Boston, MA, Charlotte, NC, Detroit, MI, Philadelphia, PA and New Jersey and collectively reaches approximately 12 million average listeners each week.

During the six months ended June 30, 2016, Greater Media had net revenue of \$78.4 million and a net loss of \$36.7 million. During the year ended December 31, 2015, Greater Media had net revenue of \$159.8 million and a net loss of \$37.2 million.

Greater Media's principal executive offices are located at 35 Braintree Hill Park, Suite 300, Braintree, MA 02184, and its telephone number is (718) 348-8600.

Greater Media is a Delaware corporation with approximately 825 employees, the majority of which are full time.

Market Price of Equity and Dividends

There is no established public trading market for shares of Greater Media common stock. As of December 31, 2015, there were 21 holders of record of Greater Media common stock. With the exception of immaterial tax amounts paid to various states on behalf of the shareholders, no dividends have been paid in the fiscal years ending December 31, 2015 and 2014.

Selected Financial Data

The following table sets forth Greater Media's selected historical consolidated financial data as of and for the periods indicated. Greater Media derived its selected historical consolidated financial data for the years ended December 31, 2013, 2012 and 2011 from its audited consolidated financial statements, which are not included in this Information Statement. Greater Media derived its selected historical consolidated financial data for the years ended December 31, 2015 and 2014 from its audited consolidated financial statements, which are included elsewhere in this Information Statement.

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Greater Media derived its selected historical consolidated financial data for the six months ended June 30, 2016 and 2015 from its unaudited consolidated financial statements which are included elsewhere in this Information Statement. Operating results for the six-month periods are not necessarily indicative of results for a full year, or any other periods.

*Amounts in thousands,
except per share
data*

	For and as of the Six Months Ended June 30,		For and as of the Years Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
Statement of Operations							
Data:							
Net revenues	\$ 78,385	\$ 76,110	\$ 159,756	\$ 161,387	\$ 161,904	\$ 166,388	\$ 166,436
Income from operations	\$ 5,932	\$ 8,995	\$ 24,127	\$ 22,404	\$ 20,310	\$ 26,525	\$ 25,769
Interest expense	\$ 2,459	\$ 2,650	\$ 5,214	\$ 5,559	\$ 7,358	\$ 9,896	\$ 11,066
Income (loss) before income taxes	\$ (37,297)	\$ 5,819	\$ (37,349)	\$ 7,804	\$ 5,110	\$ 23,456	\$ 10,847
Net income (loss)	\$ (36,711)	\$ 5,551	\$ (37,153)	\$ 7,098	\$ 4,144	\$ 22,615	\$ 9,547
Income (loss) per common share, basic and diluted	\$ (18.91)	\$ 2.86	\$ (19.14)	\$ 3.66	\$ 2.13	\$ 11.65	\$ 4.92
Weighted-average shares outstanding, basic and diluted	1,941	1,941	1,941	1,941	1,941	1,941	1,941
Balance Sheet Data (end of period):							
Property, plant, and equipment, net	\$ 26,415	\$ 28,614	\$ 27,055	\$ 28,147	\$ 29,441	\$ 30,870	\$ 35,895
FCC licenses	\$ 186,893	\$ 276,763	\$ 224,560	\$ 276,763	\$ 276,763	\$ 276,750	\$ 277,027
Total assets	\$ 291,604	\$ 382,036	\$ 331,465	\$ 378,588	\$ 383,163	\$ 487,659	\$ 479,071
Total debt (including current portion)	\$ 83,738	\$ 90,713	\$ 87,338	\$ 94,088	\$ 103,613	\$ 205,000	\$ 205,000
Stockholders' equity	\$ 143,174	\$ 231,376	\$ 180,480	\$ 226,222	\$ 247,946	\$ 228,330	\$ 205,434

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Greater Media's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this Information Statement. The following discussion should be read in conjunction with Greater Media's financial statements and related notes thereto included elsewhere in this Information Statement.

Overview

Greater Media is a media company that owns and operates 21 radio stations in the following radio markets: Boston, MA, Charlotte, NC, Detroit, MI, New Jersey (Middlesex-Somerset-Union, Monmouth-Ocean, and Morristown), and Philadelphia, PA. Greater Media refers to each group of radio stations in each radio market as a market cluster. Greater Media owns a number of broadcast towers, primarily for the purpose of broadcasting its radio stations,

on which it also leases space to third parties.

Recent Developments

On July 19, 2016, Greater Media entered into the Merger Agreement pursuant to which, subject to the satisfaction or waiver of the conditions set forth therein, Merger Sub will be merged with and into Greater Media, with Greater Media surviving the Merger as an indirect wholly owned subsidiary of the Company.

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Financial Statement Presentation

The following discussion provides a brief description of certain key items that appear in Greater Media's financial statements and general factors that impact these items.

Net Revenue. Greater Media's net revenue is primarily derived from the sale of advertising airtime to local and national advertisers. Net revenue is gross revenue less agency commissions, generally 15% of gross revenue. Local revenue generally consists of airtime sales, digital sales and event marketing for advertisers in a radio station's local market either directly to the advertiser or through the advertiser's agency. National revenue generally consists of advertising airtime and digital sales to agencies purchasing advertising for multiple markets. National sales are generally facilitated by Greater Media's national representation firm, which serves as its agent in these transactions.

Greater Media's net revenue is generally determined by the advertising rates that it is able to charge and the number of advertisements that it can broadcast without jeopardizing listener levels. Advertising rates are primarily based on the following factors:

a radio station's audience share in the demographic groups targeted by advertisers as measured principally by periodic reports issued by Nielson Audio;

the number of radio stations, as well as other forms of media, in the market competing for the attention of the same demographic groups;

the supply of, and demand for, radio advertising time; and

the size of the market.

Greater Media's net revenue is affected by general economic conditions, competition and its ability to improve operations at its market clusters. Seasonal revenue fluctuations are also common in the radio broadcasting industry and are primarily due to variations in advertising expenditures by local and national advertisers. Greater Media's revenues are typically lowest in the first calendar quarter of the year.

Greater Media uses trade sales agreements to reduce cash paid for operating costs and expenses by exchanging advertising airtime for goods or services; however, Greater Media endeavors to minimize trade revenue in order to maximize cash revenue from its available airtime.

Greater Media also continues to invest in digital support services to develop and promote its radio station websites. Greater Media derives revenue from its websites through the sale of advertiser promotions and advertising on its websites and the sale of advertising airtime during audio streaming of its radio stations over the internet. Greater Media also generates revenue from selling other digital products.

Net revenue of Greater Media's publishing division is primarily derived from the sale of advertising in its newspapers.

Net revenue of Greater Media's tower division is primarily derived from leasing space on broadcast towers that it owns to various third parties.

Operating Expenses. Greater Media's operating expenses consist primarily of (1) programming, engineering, sales, advertising and promotion, and general and administrative expenses incurred at its radio stations and publishing and tower operations, and (2) expenses, including compensation and other expenses, incurred at its corporate offices. Greater Media strives to control its operating expenses by centralizing certain functions at its corporate offices and consolidating certain functions in each of its market clusters.

Table of Contents***Critical Accounting Estimates***

The preparation of financial statements in conformity with GAAP requires Greater Media to make estimates and assumptions that affect reported amounts and related disclosures. Greater Media considers an accounting estimate to be critical if:

it requires assumptions to be made that were uncertain at the time the estimate was made; and

changes in the estimate or different estimates that could have been selected could have a material impact on its results of operations or financial condition.

FCC Broadcasting Licenses. As of June 30, 2016, FCC broadcasting licenses with an aggregate carrying amount of \$186.9 million represented 64.1% of Greater Media's total assets. Greater Media is required to test its licenses for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that its licenses might be impaired. Greater Media assesses qualitative factors to determine whether it is more likely than not that its licenses are impaired. If Greater Media determines it is more likely than not that its licenses are impaired then it is required to perform the quantitative impairment test. The quantitative impairment test compares the fair value of Greater Media's licenses with their carrying amounts. If the carrying amounts of the licenses exceed their fair value, an impairment charge is recognized in an amount equal to that excess. For the purpose of testing its licenses for impairment, Greater Media combines its licenses into reporting units based on its market clusters, consistent with the fact that stations within a particular market are operated as a cluster, that economies of scale exist that allow a group of radio stations to operate more efficiently than stand-alone properties, and that advertising on the stations is often sold in combination.

On July 19, 2016, Greater Media entered into the Merger Agreement. Greater Media determined that this event provided evidence about the value of its FCC licenses as of the June 30, 2016 balance sheet date. The purchase price attributable to the radio stations under the Merger Agreement is significantly lower than the enterprise value of the stations calculated as of September 30, 2015, the date of its previous impairment test. Therefore Greater Media believed that the likelihood of impairment was greater than 50%, and proceeded with a quantitative assessment.

For the quantitative assessment, Greater Media used a variation on its traditional market approach methodology to estimate the fair value of its licenses. As in the past, an enterprise value was calculated for each station by using either a cash flow multiple or a revenue multiple. Then, the purchase price attributable to the radio stations was allocated pro-rata based on the resulting enterprise values. Greater Media then applied a typical industry factor to the allocated purchase price, and compared the resulting total, by market cluster, to the carrying amount of the FCC licenses.

As of June 30, 2016, the key assumptions used in the valuation analyses are as follows:

Cash flow multiples	5.3x (AM); 6.6x (FM)
Revenue multiples	1.2x (AM); 2.3x (FM)
FCC license % factor	85.0%

If Greater Media had made different assumptions or used different estimates, the fair value of its licenses could have been materially different.

Cash flows and operating income are dependent on advertising revenues. Advertising revenues are influenced by competition from other radio stations and media, demographic changes, and changes in government rules and regulations. In addition, advertising is generally considered a discretionary expense meaning advertising expenditures tend to decline disproportionately during economic downturns as compared to other types of business expenditures. If actual results are lower going forward, Greater Media may incur impairment charges in the future and they may be material.

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As of June 30, 2016, the quantitative test resulted in impairment charges totaling \$37.7 million, as follows:

Amounts in thousands

Market cluster	FCC license value	FCC license carrying amount	Impairment charge
Boston, MA	\$ 72,722	\$ 75,215	\$ 2,493
Charlotte, NC	14,046	20,485	6,439
Detroit, MI	18,938	19,975	1,037
New Jersey	25,789	35,020	9,231
Philadelphia, PA	55,399	73,865	18,466

Other critical accounting estimates are described in Note 1 to Greater Media's consolidated financial statements as of and for the six months ended June 30 2016 and 2015, which are included elsewhere in this Information Statement.

As of December 31, 2015, FCC broadcasting licenses with an aggregate carrying amount of \$224.6 million represented 67.8% of Greater Media's total assets. Greater Media assessed qualitative factors, including financial performance and industry conditions, as of September 30, 2015. Due to the amount by which fair value exceeded the carrying amounts in previous quantitative assessments, as well as growing credible evidence of a decline in radio station trading multiples, Greater Media no longer felt confident that the likelihood of impairment was below 50%. Therefore Greater Media elected to perform the quantitative impairment test for its licenses.

Greater Media estimates the fair value of its licenses using a market approach. The market approach uses available statistics for recent radio station sales transactions to estimate the enterprise value of Greater Media's radio stations, and then applies a typical industry factor to the enterprise value to estimate the fair value of its licenses.

As of September 30, 2015, the key assumptions used in the valuation analyses are as follows:

Cash flow multiples	6.9x (AM); 7.0x (FM)
Revenue multiples	1.6x (AM); 2.1x (FM)
FCC license % factor	85.0%

If Greater Media had made different assumptions or used different estimates, the fair value of its licenses could have been materially different.

As of September 30, 2015, the quantitative test resulted in impairment charges totaling \$52.2 million, as follows:

Amounts in thousands

Market cluster	FCC license value	FCC license carrying amount	Impairment charge
Boston, MA	\$ 104,550	\$ 75,215	\$

Charlotte, NC	20,485	23,550	3,065
Detroit, MI	19,975	27,200	7,225
New Jersey	35,020	42,692	7,672
Philadelphia, PA	73,865	108,106	34,241

Newspaper Titles. Greater Media considers its newspaper title assets to have indefinite lives, and therefore it does not amortize them but, instead, tests them for impairment at least annually. At September 30, 2015 Greater Media determined that, due to ongoing weakness in the market for newspaper businesses, its newspaper titles were 100% impaired. As a result, Greater Media's publishing division recorded an impairment charge of \$1.5 million.

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Property and Equipment. Greater Media is required to assess the recoverability of its property and equipment whenever an event has occurred that may result in an impairment charge. If such an event occurs, Greater Media will compare estimates of related future undiscounted cash flows to the carrying amount of the asset. If the future undiscounted cash flow estimates are less than the carrying amount of the asset, Greater Media will reduce the carrying amount to the estimated fair value. The determination of when an event has occurred and estimates of future cash flows and fair value all require management judgment. The use of different assumptions or estimates may result in alternative assessments that could be materially different. Greater Media did not identify any events that may have resulted in an impairment charge on its property and equipment in 2015. However, there can be no assurance that impairments of Greater Media's property and equipment will not occur in future periods.

Accounts Receivable. Greater Media continually evaluates its ability to collect its accounts receivable. Greater Media's ongoing evaluation includes review of specific accounts at its radio stations, the current financial condition of its customers and its historical write-off experience. This ongoing evaluation requires management judgment and if Greater Media had made different assumptions about these factors, the allowance for doubtful accounts could have been materially different.

Results of Operations**Six Months Ended June 30, 2016 Compared to Six Months Ended June 30, 2015**

The following summary table presents a comparison of Greater Media's results of operations for the six months ended June 30, 2016 and 2015 with respect to certain of its key financial measures. The changes illustrated in the table are discussed in greater detail below. This section should be read in conjunction with Greater Media's consolidated financial statements and notes thereto included elsewhere in this Information Statement.

	Six Months ended June 30,		Change	
	2016	2015	\$	%
Net revenue	\$ 78,384,594	\$ 76,109,886	\$ 2,274,708	3.0%
Divisional operating expenses	69,030,902	64,017,831	5,013,071	7.8
Corporate operating expenses	3,422,184	3,097,490	324,694	10.5
Depreciation and amortization	1,908,589	2,046,325	(137,736)	(6.7)
Impairment charge	37,666,600		37,666,600	
Interest expense	2,459,167	2,649,691	(190,524)	(7.2)
Other income (expense), net	(1,194,084)	1,520,460	(2,714,184)	(178.6)
Income tax expense (benefit)	(586,166)	268,452	854,618	318.4
Net income (loss)	(36,710,766)	5,550,557	(42,261,323)	(761.4)

Net Revenue. Net revenue increased \$2.3 million during the six months ended June 30, 2016 as compared to the six months ended June 30, 2015. Significant factors affecting net revenue included a \$1.5 million increase in advertising revenue from Greater Media's Philadelphia market cluster, a \$0.8 million increase in advertising revenue from its Detroit market cluster, and a \$0.5 million increase in advertising revenue from its Boston market cluster, partially offset by a \$0.4 million decrease in advertising revenue from its New Jersey market cluster. Net revenue for the six months ended June 30, 2016 was comparable to net revenue for the same period in 2015 at Greater Media's Charlotte market cluster. The primary factor behind the overall increase in net revenue was an increase of \$1.5 million in local revenue.

Divisional Operating Expenses. Divisional operating expenses increased \$5.0 million during the six months ended June 30, 2016 as compared to the six months ended June 30, 2015. Significant factors affecting divisional operating expenses included a \$4.7 million increase at Greater Media's radio division, which includes increases of \$2.6 million at its Philadelphia market cluster, \$0.8 million at its Boston market cluster, and \$0.8 million at its

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Detroit market cluster. A one-time severance charge of \$1.4 million recorded in June 2016 contributed to these increases. Other increases included \$1.1 million in programming expenses, \$1.0 million in selling expenses, and \$0.5 million in general and administrative expenses. In addition, there was a \$0.4 million increase in operating expenses at Greater Media's interactive division.

Corporate Operating Expenses. The increase in corporate operating expenses of \$0.3 million during the six months ended June 30, 2016 was primarily due to the transfer of certain employee costs from the radio clusters to corporate.

Depreciation and Amortization. Depreciation and amortization for the six months ended June 30, 2016 were comparable to depreciation and amortization for the same period in 2015.

Impairment Charge. Because the purchase price attributable to Greater Media's radio stations under the Merger Agreement (see "Critical Accounting Estimates" above) is significantly lower than the enterprise value of the stations calculated as of September 30, 2015, the date of its previous impairment test, Greater Media believed that the likelihood of further impairment as of June 30, 2016 was greater than 50%. Therefore Greater Media proceeded with a quantitative assessment, which showed that the licenses in all of its market clusters were impaired. As a result, Greater Media recorded impairment charges of \$18.5 million in its Philadelphia market cluster, \$9.2 million in its New Jersey market cluster, \$6.5 million in its Charlotte market cluster, \$2.5 million in its Boston market cluster, and \$1.0 million in its Detroit market cluster.

Other Income (Expense), Net. Other income (expense), net changed to expense of \$1.2 million for the six months ended June 30, 2016 as compared to income of \$1.5 million for the six months ended June 30, 2015. This change was primarily due to a decrease of \$1.1 million in the cash surrender value of company-owned life insurance, and legal fees of \$0.9 million related to the Merger.

Income Tax Expense (Benefit). Income tax changed to a benefit of \$0.6 million for the six months ended June 30, 2016 as compared to an expense of \$0.3 million for the six months ended June 30, 2015. This change was due to the recognition of a tax benefit of \$0.8 million resulting from a reduction in deferred tax liability related to the impairment of the fair value of the FCC license held by one of Greater Media's subsidiaries.

Net Income (Loss). Net income (loss) changed to a net loss of \$36.7 million for the six months ended June 30, 2016 as compared to net income of \$5.6 million for the six months ended June 30, 2015 as a result of the factors described above.

Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014

The following summary table presents a comparison of Greater Media's results of continuing operations for the years ended December 31, 2015 and 2014 with respect to certain of its key financial measures. The changes illustrated in the table are discussed in greater detail below. This section should be read in conjunction with Greater Media's consolidated financial statements and notes thereto included elsewhere in this Information Statement.

	Year ended December 31,		Change	
	2015	2014	\$	%
Net revenue	\$ 159,756,184	\$ 161,387,191	\$ (1,631,007)	(1.0)%
Divisional operating expenses	129,485,244	132,223,850	(2,738,606)	(2.1)
Corporate operating expenses	6,143,911	6,759,232	(615,321)	(9.1)

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Depreciation and amortization	3,777,105	5,333,195	(1,556,090)	(29.2)
Impairment charge	53,684,098		53,684,098	
Interest expense	5,213,529	5,559,193	(345,664)	(6.2)
Other income (expense), net	1,198,568	(3,707,941)	4,906,509	132.3
Income tax expense (benefit)	(195,873)	705,877	901,750	(127.7)
Net income (loss)	(37,153,262)	7,097,903	(44,251,165)	(623.4)

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Net Revenue. Net revenue decreased \$1.6 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014. Significant factors affecting net revenue included a \$0.7 million decrease in advertising revenue from Greater Media's radio division, which includes \$3.2 million in additional advertising revenue from its Detroit market cluster, offset by a \$1.4 million decrease in advertising revenue from its Charlotte market cluster, a \$1.3 million decrease in advertising revenue from its Philadelphia market cluster, a \$0.6 million decrease in advertising revenue from its New Jersey market cluster, and a \$0.5 million decrease in advertising revenue from its Boston market cluster. In addition, there was a \$1.1 million decrease in advertising revenue from Greater Media's publishing division.

Divisional Operating Expenses. Divisional operating expenses decreased \$2.7 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014. Significant factors affecting divisional operating expenses included a \$2.0 million decrease in operating expenses at Greater Media's radio division, which includes decreases of \$1.4 million at its Boston market cluster, \$1.0 million at its New Jersey market cluster, and \$0.6 million at its Charlotte market cluster, partially offset by increases in operating expenses of \$0.6 million at its Philadelphia market cluster and \$0.3 million at its Detroit market cluster. A substantial portion, \$1.7 million, of the overall decrease in radio division operating expenses was due to a decrease in selling expenses. In addition, there was a \$0.8 million decrease in operating expenses at Greater Media's publishing division.

Corporate Operating Expenses. Corporate operating expenses during the year ended December 31, 2015 decreased by \$0.6 million as compared with the same period in 2014.

Depreciation and Amortization. The \$1.6 million decrease in depreciation and amortization during the year ended December 31, 2015 as compared to the year ended December 31, 2014 was primarily due to a reduction in expense of \$1.3 million at Greater Media's Charlotte market cluster.

Impairment Charge. As a result of Greater Media's qualitative assessment at September 30, 2015, Greater Media determined it was more likely than not that the fair value of its FCC licenses was less than their carrying amount. Therefore Greater Media proceeded with a quantitative assessment, which showed that, due to declines in radio station trading multiples, the licenses in four of its market clusters were impaired. As a result, Greater Media recorded impairment charges of \$34.2 million in its Philadelphia market cluster, \$7.7 million in its New Jersey market cluster, \$7.2 million in its Detroit market cluster, and \$3.1 million in its Charlotte market cluster. Greater Media also assessed its newspaper title assets for impairment at September 30, 2015, resulting in a determination that, due to ongoing weakness in the market for newspaper businesses, its newspaper titles were 100% impaired. As a result, Greater Media's publishing division recorded an impairment charge of \$1.5 million.

Interest Expense. Interest expense decreased \$0.3 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014. The primary factor affecting interest expense was a decrease in long-term debt outstanding.

Other Income (Expense), Net. Other income (expense), net increased \$4.9 million during the year ended December 31, 2015. Significant factors affecting other income (expense), net included growth in the cash surrender value of company-owned life insurance totaling \$2.7 million, as well as a \$2.1 million reduction in deferred compensation liabilities.

Income Tax Expense (Benefit). With the exception of two C-Corporation subsidiaries, Greater Media has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code, and has elected to be treated as an S-Corporation for state tax purposes in a variety of states. Under those provisions, the stockholders' respective share of Greater Media's taxable income or loss flows through to their individual tax returns. Aside from the two C-Corporation

subsidiaries, Greater Media is not required to pay federal corporate income taxes, and it pays state income taxes at a reduced rate. Income tax expense decreased from an expense of \$0.7 million for the year ended December 31, 2014 to a benefit of \$0.2 million for the year ended December 31, 2015, a net favorable change of \$0.9 million, primarily as a result of various deferred tax changes.

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Net Income (Loss). Net income (loss) changed to a net loss of \$37.2 million for the year ended December 31, 2015 as compared to net income of \$7.1 million for the year ended December 31, 2014 as a result of the factors described above.

Liquidity & Capital Resources

Overview. Greater Media's primary sources of liquidity are internally generated cash flow and its revolving credit facility. Greater Media's primary liquidity needs have been, and for the next twelve months and thereafter are expected to continue to be, for working capital, debt service, and other general corporate purposes, including capital expenditures and the payment of premiums on corporate-owned life insurance policies. Historically, Greater Media's capital expenditures have not been significant. They have generally been, and are expected to continue to be, related to enhancements to Greater Media's studio and office space, replacement of obsolete equipment, and the technological improvement of its broadcasting towers and equipment.

Greater Media's credit agreement governing its revolving credit facility and term loan permits it to pay cash dividends, subject to compliance with financial covenants, up to an aggregate amount of \$7.0 million in 2015 and subsequent years.

Greater Media expects to provide for future liquidity needs through one or a combination of the following sources of liquidity:

internally generated cash flow;

its revolving credit facility;

additional borrowings, other than under its existing revolving credit facility, to the extent permitted thereunder; and

additional equity offerings.

Greater Media believes that it will have sufficient liquidity and capital resources to permit it to provide for its liquidity requirements and meet its financial obligations for the next twelve months. However, poor financial results or unanticipated expenses could give rise to defaults under Greater Media's credit facilities, additional debt servicing requirements or other additional financing or liquidity requirements sooner than Greater Media expects and it may not be able to secure financing when needed or on acceptable terms.

The following summary table presents a comparison of Greater Media's capital resources for the six months ended June 30, 2016 and 2015 with respect to certain of its key measures affecting its liquidity. The changes set forth in the table are discussed in greater detail below. This section should be read in conjunction with Greater Media's consolidated financial statements and notes thereto included elsewhere in this Information Statement.

Amounts in thousands

	Six months ended	
	June 30,	
	2016	2015
Net cash provided by operating activities	\$ 6,348	\$ 3,097
Net cash used in investing activities	(3,839)	(3,485)
Net cash used in financing activities	(3,605)	(3,634)
Net decrease in cash and cash equivalents	\$ (1,096)	\$ (4,022)

Net Cash Provided By Operating Activities. Net cash provided by operating activities increased \$3.3 million during the six months ended June 30, 2016 as compared to the six months ended June 30, 2015. Significant factors affecting this increase in net cash provided by operating activities included a \$6.4 million increase in cash receipts collected from customers and a \$0.2 million decrease in interest payments, partially offset by a \$2.5 million increase in cash paid for operating expenses and legal fees of \$0.9 million related to the Merger.

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Net Cash Used In Investing Activities. Net cash used in investing activities during the six months ended June 30, 2016 included payments of \$2.6 million for corporate-owned life insurance premiums, \$1.3 million for capital expenditures, and \$0.5 million for purchases of investments, partially offset by proceeds of \$0.5 million from sales of investments. Net cash used in investing activities for the same period in 2015 included payments of \$2.1 million for corporate-owned life insurance premiums, \$2.3 million for capital expenditures, and \$0.5 million for purchases of investments, partially offset by proceeds of \$0.6 million from sales of investments, and \$0.8 million from the sale of property and equipment.

Net Cash Used In Financing Activities. Net cash used in financing activities during the six months ended June 30, 2016 included repayments of \$3.6 million under Greater Media's credit facilities. Net cash used in financing activities for the same period in 2015 included repayments of \$3.4 million under Greater Media's credit facilities and \$0.2 million in deferred financing costs.

Credit Facilities. As of June 30, 2016, the credit facilities consisted of a term loan with a remaining balance of \$68.7 million and a revolving credit facility with a total commitment of \$50.0 million. At Greater Media's option, the credit facilities may bear interest at either (i) the LIBOR rate, as defined in the credit agreement, plus a margin ranging from 2.5% to 4.0% that is determined by its leverage ratio, as defined in the credit agreement or (ii) the base rate, as defined in the credit agreement, plus a margin ranging from 1.5% to 2.5% that is determined by its leverage ratio. Interest on adjusted LIBOR loans is payable at the end of each applicable interest period and, for those interest periods with a duration in excess of three months, the three month anniversary of the beginning of such interest period. Interest on base rate loans is payable quarterly in arrears. The credit facilities carried interest, based on LIBOR, of 4.1% as of June 30, 2016 and mature on February 26, 2018. The credit agreement requires mandatory prepayments for defined amounts from net proceeds of asset sales, net insurance proceeds, and net proceeds of debt issuances.

The credit agreement requires Greater Media to comply with certain financial covenants which are defined in the credit agreement. These financial covenants include:

Leverage Ratio. Greater Media's consolidated funded debt as of June 30, 2016 must not exceed 4.0 times its consolidated EBITDA (each as defined in the credit agreement) for the four quarters then ended. For the period from July 1, 2016 through December 31, 2016, the maximum ratio is also 4.0 times. For the period from January 1, 2017 through December 31, 2017, the maximum ratio is 3.5 times. For the period beginning January 1, 2018 and thereafter the maximum ratio is 3.0 times.

Fixed Charge Coverage Ratio. Greater Media's consolidated EBITDA, net of certain adjustments as defined in the credit agreement, for the four quarters ending on the last day of each fiscal quarter through maturity must not be less than 1.1 times the sum of its consolidated cash interest expense and its scheduled principal payments on indebtedness for the four quarters then ended.

The credit facility is secured by a first-priority lien on substantially all of Greater Media's assets and the assets of substantially all of its subsidiaries and is guaranteed jointly and severally by Greater Media and substantially all of its subsidiaries. If Greater Media defaults under the terms of the credit agreement, Greater Media and its applicable subsidiaries may be required to perform under their guarantees. As of June 30, 2016, the maximum amount of undiscounted payments Greater Media and its applicable subsidiaries would have been required to make in the event of default was \$83.7 million. The guarantees for the credit facility expire on February 26, 2018.

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The aggregate scheduled principal repayments of the credit facilities for the remainder of 2016 and the next five years are as follows:

2016	\$ 3,825,000
2017	8,662,500
2018	71,250,000
2019	
2020	
Total	\$ 83,737,500

Failure to comply with financial covenants, scheduled interest payments, scheduled principal repayments, or any other terms of the credit agreement could result in the acceleration of the maturity of Greater Media's outstanding debt, which could have a material adverse effect on its business or results of operations. As of June 30, 2016, Greater Media was in compliance with all applicable financial covenants under its credit agreement; Greater Media's leverage ratio was 3.58 times, and its fixed charge coverage ratio was 1.51 times.

Greater Media's credit agreement requires it to maintain an interest hedging contract, such as an interest rate swap, with a notional amount of at least 50% of the outstanding term loan balance, and with a term of at least three years. As of June 30, 2016, Greater Media is a party to two interest rate swaps with a total notional amount of \$80.0 million. The interest rate swaps convert a portion of its variable rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future interest expense. One of the instruments, with a notional amount of \$45.0 million, carries a fixed interest rate of 1.0% and expires December 29, 2017. The other instrument, with a notional amount of \$35.0 million, carries a fixed interest rate of 1.2% and expires December 29, 2017.

Off-balance Sheet Arrangements

As of June 30, 2016, Greater Media had no material off-balance sheet arrangements.

Tabular Disclosure of Contractual Obligations

The following table summarizes Greater Media's contractual obligations and commitments as of June 30, 2016.

<i>Amounts in thousands</i>	Total	Less than one year	One to three years	Three to five years	More than five years
Debt obligations	\$ 83,738	\$ 7,988	\$ 75,750	\$	\$
Interest on debt obligations ⁽¹⁾⁽²⁾	6,256	3,887	2,369		
Operating leases	22,369	5,219	8,024	5,590	3,536
Purchase obligations	14,251	9,071	5,180		
Contractual obligations	16,925	5,604	10,010	1,311	
Total	\$ 143,539	\$ 31,769	\$ 101,333	\$ 6,901	\$ 3,536

- (1) Interest payments on debt obligations are calculated for future periods using interest rates in effect at June 30, 2016. The projected payments only pertain to obligations outstanding at June 30, 2016.
- (2) Amounts include impact of interest rate swaps. See Quantitative and Qualitative Disclosures About Market Risk below for more information regarding Greater Media's interest rate swaps.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Greater Media is subject to interest rate market risk in connection with its term loan and revolving credit facilities. At June 30, 2016, the outstanding balance of borrowings under the term loan facility was \$68.7 million,

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and the outstanding balance of borrowings under the revolving credit facility was \$15.0 million. The total commitment under the revolving credit facility is \$50.0 million. The interest on these borrowings is variable, and is a function of Greater Media's total debt outstanding and earnings before income taxes, depreciation and amortization (EBITDA). At June 30, 2016 the rate was 3.5% plus the bank's LIBO rate of 0.625%. The term loan facility calls for quarterly principal repayments, with a balloon payment of \$56.3 million due on the maturity date of February 26, 2018. The revolving credit facility also matures on that same date.

From time to time, Greater Media enters into interest rate swap agreements to hedge its variable interest rate debt. Below is a list of Greater Media's interest rate swaps as of June 30, 2016:

Swap Name	Counterparty	Effective Date		Notional Amount (in millions)	Rate
Interest Rate Swap A	U.S. Bank	June 2013	December 2017	\$ 45.0	1.01%
Interest Rate Swap B	Citizens Bank	June 2014	December 2017	\$ 35.0	1.19%

If interest rates rise, Greater Media could be exposed to increased interest expense if a counterparty defaults. Because a large portion of Greater Media's outstanding debt is hedged (\$80.0 million of \$83.7 million total outstanding debt at June 30, 2016), a one-eighth percent increase or decrease in assumed interest rates for Greater Media debt facilities as of June 30, 2016 would have an immaterial effect on its interest expense.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On July 19, 2016, the Company entered into the Merger Agreement to acquire all of the issued and outstanding equity stock of Greater Media for an aggregate purchase price of \$239,875,000, inclusive of the repayment of approximately \$81.8 million of Greater Media's outstanding debt and the payment of certain transaction expenses. The proceeds to be paid to the stockholders of Greater Media are expected to consist of (i) approximately \$100.0 million in cash and (ii) approximately \$25.0 million in shares of the Company's Class A common stock, which is equal to 5,422,993 shares at a fixed value of \$4.61 per share (the **Merger Shares**). The Merger consideration is subject to adjustment for changes in working capital of Greater Media, outstanding debt of Greater Media and its subsidiaries as of the date of the closing and certain other payments and expenses. Additional Merger Shares may be issued in connection with such adjustment. In addition, the stockholders of Greater Media will receive the net cash proceeds from the sale of Greater Media's tower assets, estimated to be approximately \$20.0 million.

In connection with the transactions contemplated by the Merger Agreement, RBC, US Bank and Beasley Mezzanine Holdings, LLC (the **Borrower**), a direct subsidiary of the Company, entered into a commitment letter, dated July 19, 2016, pursuant to which RBC and US Bank have agreed to provide a credit facility consisting of (a) a term loan B facility in the amount of \$265.0 million (the **Term Loan B Facility**) and (b) a revolving credit facility of \$20.0 million. The Company will receive the funds from the Term Loan B Facility at the closing of the Merger, which, along with the Merger Shares, will be used to pay the purchase price, fees, costs and expenses incurred in connection with the Merger, and to repay existing third party indebtedness of the Borrower and Greater Media.

The unaudited pro forma condensed combined financial statements are based on the Company's historical consolidated financial statements and Greater Media's historical consolidated financial statements as adjusted to give effect to the Company's proposed acquisition of Greater Media and the related financing transactions. The unaudited pro forma condensed combined balance sheet as of June 30, 2016 gives effect to these transactions as if they had occurred on June 30, 2016. The unaudited pro forma condensed combined statements of operations for the twelve months ended December 31, 2015 and the six months ended June 30, 2016 give effect to these transactions as if they had occurred on January 1, 2015.

The assumptions and estimates underlying the unaudited adjustments to the pro forma condensed combined financial statements are described in the accompanying notes, which should be read together with the pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial statements should be read together with the Company's historical consolidated financial statements, which are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 (attached hereto as Annex B) and the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 (attached hereto as Annex D), and Greater Media's historical consolidated financial statements included herein.

Table of Contents**BEASLEY BROADCAST GROUP, INC.****UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET****JUNE 30, 2016**

	Beasley Broadcast Group, Inc.	Greater Media, Inc.	Pro Forma Adjustments	Notes	Pro Forma Combined
Cash and cash equivalents	14,121,452	7,361,000	(18,836,000)	(a)	2,646,452
Accounts receivable	18,945,682	31,434,000			50,379,682
Prepaid expenses	3,762,425	5,522,000			9,284,425
Other current assets	895,772				895,772
Total current assets	37,725,331	44,317,000	(18,836,000)		63,206,331
Property and equipment, net	27,335,806	26,415,000	(1,415,000)	(b)	52,335,806
FCC broadcasting licenses	234,719,505	187,627,000	82,373,000	(c)	504,719,505
Goodwill	5,336,583				5,336,583
Other intangibles, net	405,822		500,000	(d)	905,822
Other assets	5,793,120	33,245,000	(14,908,000)	(e)	24,130,120
Total assets	311,316,167	291,604,000	47,714,000		650,634,167
Current installments of long-term debt	59,671	7,988,000	(7,988,000)	(f)	59,671
Accounts payable	2,120,646	1,375,000			3,495,646
Other current liabilities	9,321,712	6,346,000	(300,000)	(g)	16,367,712
Total current liabilities	11,502,029	15,709,000	(8,288,000)		18,923,029
Due to related parties	904,109				904,109
Long-term debt	82,040,520	75,750,000	95,625,000	(f)	253,415,520
Deferred tax liabilities	79,147,682	20,168,000	33,003,000	(h)	132,318,682
Other long-term liabilities	1,727,491	36,803,000	(878,000)	(i)	37,652,491
Total liabilities	175,321,831	148,430,000	119,462,000		443,213,831
Class A common stock	9,584		5,423	(j)	15,007
Class B common stock	16,662				16,662
Common stock		182,000	(182,000)	(j)	
Additional paid-in capital	119,936,165	93,020,000	(68,025,423)	(j)	144,930,742
Treasury stock	(15,514,082)				(15,514,082)
Retained earnings	31,520,335	79,939,000	(33,513,000)	(j)	77,946,335
Accumulated other comprehensive income	25,672	(29,967,000)	29,967,000	(j)	25,672
Total stockholder s equity	135,994,336	143,174,000	(71,748,000)		207,420,336
Total liabilities and stockholder s equity	311,316,167	291,604,000	47,714,000		650,634,167

Table of Contents**BEASLEY BROADCAST GROUP, INC.****UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS****SIX MONTHS ENDED JUNE 30, 2016**

	Beasley Broadcast Group, Inc.	Greater Media, Inc.	Pro Forma Adjustments	Notes	Pro Forma Combined
Net revenue	55,232,328	78,384,594	(4,554,099)	(a)	129,062,823
Operating expenses:					
Station operating expenses	39,716,112	69,030,902	(4,077,942)	(b)	104,669,072
Corporate general and administrative expenses	4,944,618	3,422,184			8,366,802
Depreciation and amortization	1,669,987	1,908,589	(993,578)	(c)	2,584,998
Impairment loss		37,666,600			37,666,600
Total operating expenses	46,330,717	112,028,275	(5,071,520)		153,287,472
Operating income (loss)	8,901,611	(33,643,681)	517,421		(24,224,649)
Non-operating income (expense):					
Interest expense	(1,887,084)	(2,459,167)	(4,693,928)	(d)	(9,040,179)
Other income (expense), net	229,411	(1,194,084)	(5,370)		(970,043)
Income (loss) before income taxes	7,243,938	(37,296,932)	(4,181,877)		(34,234,871)
Income tax expense (benefit)	2,953,707	(586,166)	(15,890,315)	(e)	(13,522,774)
Net income (loss)	4,290,231	(36,710,766)	11,708,438		(20,712,097)
Net income per share:					
Basic	0.19				(0.73)
Diluted	0.19				(0.73)
Weighted average shares outstanding:					
Basic	23,003,436		5,422,993	(f)	28,426,429
Diluted	23,089,039		5,422,993	(f)	28,512,032

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BEASLEY BROADCAST GROUP, INC.
UNAUDITED PRO FORMA CONDENSED
COMBINED STATEMENTS OF OPERATIONS
YEAR ENDED DECEMBER 31, 2015

	Beasley Broadcast Group, Inc.	Greater Media, Inc.	Pro Forma Adjustments	Notes	Pro Forma Combined
Net revenue	105,946,670	159,756,184	(9,183,062)	(a)	256,519,792
Operating expenses:					
Station operating expenses	75,609,147	129,485,244	(8,176,511)	(b)	196,917,880
Corporate general and administrative expenses	8,983,860	6,143,911			15,127,771
Radio station exchange transaction costs	349,917				349,917
Depreciation and amortization	3,834,992	3,777,105	(1,947,084)	(c)	5,665,013
Impairment loss	3,520,933	53,684,098	(1,481,198)	(d)	55,723,833
Total operating expenses	92,298,849	193,090,358	(11,604,793)		273,784,414
Operating income (loss)	13,647,821	(33,334,174)	2,421,731		(17,264,622)
Non-operating income (expense):					
Interest expense	(3,967,794)	(5,213,529)	(8,899,034)	(e)	(18,080,357)
Loss on extinguishment of long-term debt	(558,856)				(558,856)
Other income (expense), net	881,938	1,198,568			2,080,506
Income (loss) before income taxes	10,003,109	(37,349,135)	(6,477,303)		(33,823,329)
Income tax expense (benefit)	3,640,787	(195,873)	(16,805,129)	(f)	(13,360,215)
Net income (loss)	6,362,322	(37,153,262)	10,327,826		(20,463,114)
Net income per share:					
Basic	0.28				(0.72)
Diluted	0.28				(0.72)
Weighted average shares outstanding:					
Basic	22,911,727		5,422,993	(g)	28,334,720
Diluted	23,025,720		5,422,993	(g)	28,448,713

(1) Basis of presentation

The historical consolidated financial statements have been adjusted in the pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the business combination, (2) factually supportable and (3) with respect to the pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results following the business combination.

The business combination will be accounted for under the acquisition method of accounting. As the acquirer for accounting purposes, the Company has estimated the fair value of Greater Media's assets acquired and liabilities assumed and conformed the accounting policies of Greater Media to its own accounting policies.

The pro forma combined financial statements do not necessarily reflect what the combined company's financial condition or results of operations would have been had the acquisition occurred on the dates indicated. They also may not be useful in predicting the future financial condition and results of operations of the combined company. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The combined pro forma financial information does not reflect the realization of any expected cost savings or other synergies from the acquisition of Greater Media as a result of restructuring activities and other planned cost savings initiatives following the completion of the business combination.

Table of Contents**(2) Preliminary purchase price allocation**

The Company has performed a preliminary valuation analysis of the fair value of Greater Media's assets and liabilities. The following table summarizes the preliminary allocation of the purchase price as of the acquisition date:

Accounts receivable, net	\$ 31,434,000
Prepaid expenses	5,522,000
Property and equipment, net	25,000,000
FCC broadcasting licenses	270,000,000
Other intangibles, net	500,000
Other assets	18,337,000
Accounts payable	(1,375,000)
Other current liabilities	(6,046,000)
Long-term debt	(81,825,000)
Deferred tax liabilities	(53,171,000)
Other long-term liabilities	(35,925,000)
Net assets acquired	172,451,000
Estimated gain on acquisition	(47,451,000)
Purchase price	125,000,000
Debt assumed	81,825,000
Purchase price and debt assumed	\$ 206,825,000

The preliminary purchase price allocation has been used to prepare pro forma adjustments in the pro forma balance sheet and statements of operations. The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments. The final allocation may include (1) changes in fair values of FCC broadcasting licenses, goodwill, and other intangibles, (2) changes in fair values of property and equipment, (3) changes in deferred tax liabilities, and (4) other changes to assets and liabilities.

(3) Pro Forma Adjustments

The pro forma adjustments are based on our preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the unaudited pro forma condensed combined financial information:

Adjustments to the pro forma condensed combined balance sheet as of June 30, 2016

- (a) Represents the expected utilization of Greater Media's cash and cash equivalents of \$7.4 million, the payment of debt issuance costs of \$10.6 million and the payment of estimated transaction costs of \$1.0 million related to the Merger.

- (b) Reflects the adjustment of \$0.1 million to remove the assets of Greater Media's Publishing Division and the adjustment of \$3.1 million to remove the assets of Greater Media's Communications Division which are to be sold prior to the closing date of the Merger, and the adjustment of \$1.4 million to decrease Greater Media's remaining property and equipment to the estimated fair value of \$25.0 million.

- (c) Reflects the adjustment of \$82.4 million to increase Greater Media's FCC broadcasting licenses to the estimated fair value of \$270.0 million.

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- (d) Reflects the adjustment to record other intangibles of \$0.5 million including acquired advertising contracts and advertiser relationships related to the Merger.
- (e) Reflects the adjustment of \$3.7 million to remove certain investments and the adjustment of \$10.1 million to remove certain life insurance assets of Greater Media which will not be acquired. Also reflects the adjustment of \$1.0 million to remove debt issuance costs related to Greater Media's long-term debt that will be repaid on the closing date of the Merger.
- (f) Reflects the new long-term debt of \$265.0 million incurred to (i) finance the \$100.0 million cash portion of the Merger consideration, (ii) repay Greater Media's long-term debt of \$81.8 million, and (iii) repay the Company's long-term debt of \$83.0 million; less debt issuance costs of \$10.6 million.
- (g) Reflects the adjustment of \$0.3 million to decrease the assumed deferred revenue obligations to an estimated fair value of zero.
- (h) Adjusts the deferred tax liabilities resulting from the Merger. The estimated increase in deferred tax liabilities is primarily due to the fair value adjustments for property and equipment and FCC broadcasting licenses based on an estimated tax rate of 39.5%. This estimate is preliminary and subject to change based on management's final determination of the fair value of assets acquired and liabilities assumed.
- (i) Reflects the adjustment of \$0.4 million to decrease the assumed deferred lease liability to an estimated fair value of zero. Also reflects the adjustment of \$0.5 million to remove an interest rate swap liability related to Greater Media's long-term debt that will be repaid on the closing date of the Merger.
- (j) Represents the elimination of the historical equity of Greater Media and the issuance of 5,422,993 shares of Class A common stock at a price of \$4.61 per share to partially finance the Merger. Also reflects the accrual of estimated transaction costs of \$1.0 million and an estimated gain on acquisition of \$47.5 million related to the Merger.

Adjustments to the pro forma condensed combined statement of operations for the six months ended June 30, 2016

- (a) Reflects the adjustment of \$3.6 million to remove the net revenue of Greater Media's Publishing Division and the adjustment of \$1.0 million to remove the net revenue of Greater Media's Communications Division which are to be sold prior to the closing of the Merger.
- (b) Reflects the adjustment of \$3.9 million to remove the operating expenses of Greater Media's Publishing Division and the adjustment of \$0.2 million to remove the operating expenses of Greater Media's Communications Division which are to be sold prior to the closing of the Merger.

- (c) Reflects the adjustment of \$0.1 million to remove the depreciation expense of Greater Media's Publishing and Communications Divisions which are to be sold prior to the closing of the Merger and the net adjustment to depreciation and amortization expense of \$0.9 million based on the decrease in fair value of Greater Media's property and equipment and other intangibles.
- (d) Represents the adjustment to interest expense of \$4.7 million resulting from interest, using an estimated interest rate of 6.25%, on the new long-term debt used to (i) finance the \$100.0 million cash portion of the Merger consideration, (ii) repay Greater Media's long-term debt of \$81.8 million, and (iii) repay the Company's long-term debt of \$83.0 million. Also reflects the amortization of related debt issuance costs over seven years.
- (e) Tax expense was estimated using a blended effective tax rate of 39.5% for the six months ended June 30, 2016.
- (f) Represents the increase in weighted average shares outstanding after issuance of 5,422,993 shares of Class A common stock to partially finance the Merger.

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Adjustments to the pro forma condensed combined statement of operations for the year ended December 31, 2015

- (a) Reflects the adjustment of \$7.4 million to remove the net revenue of Greater Media's Publishing Division and the adjustment of \$1.8 million to remove the net revenue of Greater Media's Communications Division which are to be sold prior to the closing of the Merger.
- (b) Reflects the adjustment of \$7.7 million to remove the operating expenses of Greater Media's Publishing Division and the adjustment of \$0.5 million to remove the operating expenses of Greater Media's Communications Division which are to be sold prior to the closing of the Merger.
- (c) Reflects the adjustment of \$0.2 million to remove the depreciation expense of Greater Media's Publishing and Communications Divisions which are to be sold prior to the closing of the Merger and the net adjustment to estimated depreciation and amortization expense of \$1.7 million based on the decrease in fair value of Greater Media's property and equipment and other intangibles.
- (d) Reflects the adjustment of \$1.5 million to remove the impairment loss of Greater Media's Publishing Division which is to be sold prior to the closing of the Merger.
- (e) Represents the adjustment to interest expense of \$8.9 million resulting from interest, using an estimated interest rate of 6.25%, on the new long-term debt used to (i) finance the \$100.0 million cash portion of the Merger consideration, (ii) repay Greater Media's long-term debt of \$81.8 million, and (iii) repay the Company's long-term debt of \$83.0 million. Also reflects the amortization of related debt issuance costs over seven years.
- (f) Tax expense was estimated using a blended effective tax rate of 39.5% for the year ended December 31, 2015.
- (g) Represents the increase in weighted average shares outstanding after issuance of 5,422,993 shares of Class A common stock to partially finance the Merger.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Exchange Act relating to our business, financial condition and other matters. Such reports and other information may be inspected and copied at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain more information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Copies of such information may be obtained by mail, upon payment of the SEC's customary charges, by writing to the SEC's principal office at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. The SEC also maintains an internet website located at www.sec.gov, which contains reports, proxy statements and other information that we file with the SEC electronically via the EDGAR system.

INFORMATION INCORPORATED BY REFERENCE

Pursuant to Item 13(b) to Schedule 14A and Section 14(a) of the Exchange Act, we incorporate by reference our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (attached hereto as [Annex B](#)) and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2016 and June 30, 2016 (attached hereto as [Annex C](#) and [Annex D](#), respectively).

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Greater Media, Inc. and Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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GREATER MEDIA, INC. AND SUBSIDIARIES

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Table of Contents**GREATER MEDIA, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****JUNE 30, 2016 AND 2015**

(Dollars in Thousands)

	2016	2015 (as restated)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 7,361	\$ 5,649
Accounts receivable (less allowance for doubtful accounts of \$1,085 in 2016 and \$1,572 in 2015)	31,434	34,015
Prepaid expenses and other current assets	5,522	6,328
Total Current Assets	44,317	45,992
Property and Equipment, Net	26,415	28,614
Intangible Assets, Net	187,627	278,384
Other Assets	33,245	29,046
Total Assets	\$ 291,604	\$ 382,036
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	\$ 1,375	\$ 1,700
Accrued liabilities	5,711	5,796
Federal and state taxes payable	335	376
Deferred revenue	300	21
Current maturities of long-term debt	7,988	6,975
Total Current Liabilities	15,709	14,868
Long-Term Debt, Net of Current Maturities	75,750	83,738
Deferred Income Taxes	20,168	21,772
Other Long-Term Liabilities	36,803	30,282
Stockholders Equity:		
Common stock	182	182
Additional paid-in capital	93,020	93,020
Retained earnings	79,939	159,394
Accumulated other comprehensive loss	(29,967)	(21,220)
Total Stockholders Equity	143,174	231,376

Total Liabilities and Stockholders Equity	\$ 291,604	\$ 382,036
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The Notes to Consolidated Financial Statements are an integral part of these statements.

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GREATER MEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE (LOSS) INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Dollars in Thousands)

	2016	2015
Revenues	\$ 87,084	\$ 84,485
Less: agency commissions and discounts	8,699	8,375
Net Revenues	78,385	76,110
Operating Expenses:		
Technical expenses	6,493	6,438
Programming expenses	25,812	24,115
Selling expenses	26,796	24,381
General and administrative expenses	13,352	12,181
Total Operating Expenses	72,453	67,115
Income from Operations Before Depreciation, Amortization, Impairments, and Other Expense (Income)	5,932	8,995
Other Expense (Income):		
Gain on sale/disposal of assets	(5)	(781)
Interest expense	2,459	2,650
Depreciation	1,739	1,839
Amortization	170	207
Interest income	(13)	(14)
Impairment charge on intangible assets	37,667	
Other expense (income), net	1,212	(725)
Total Other Expense (Income), Net	43,229	3,176
(Loss) Income Before Provision for Income Taxes	(37,297)	5,819
(Benefit from) Provision for Income Taxes	(586)	268
Net (Loss) Income	(36,711)	5,551
Other Comprehensive Loss:		
Unrealized (losses) gains on marketable securities	(44)	99
Change in derivative instruments	(546)	(482)

Total Other Comprehensive Loss	(590)	(383)
Comprehensive (Loss) Income	\$ (37,301)	\$ 5,168

The Notes to Consolidated Financial Statements are an integral part of these statements.

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GREATER MEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Dollars in Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 2015 (as previously reported)	\$ 182	\$ 93,020	\$ 175,829	\$ (20,837)	\$ 248,194
Adjustment, correction of accounting error			(21,972)		(21,972)
Balance, January 1, 2015 (as restated)	182	93,020	153,857	(20,837)	226,222
Net Income			5,551		5,551
Dividends			(14)		(14)
Change in Marketable Securities				99	99
Change in Derivative Instruments				(482)	(482)
Balance, June 30, 2015 (as restated)	182	93,020	159,394	(21,220)	231,376
Balance, January 1, 2016	182	93,020	116,655	(29,377)	180,480
Net Loss			(36,711)		(36,711)
Dividends			(5)		(5)
Change in Marketable Securities				(44)	(44)
Change in Derivative Instruments				(546)	(546)
Balance, June 30, 2016	\$ 182	\$ 93,020	\$ 79,939	\$ (29,967)	\$ 143,174

The Notes to Consolidated Financial Statements are an integral part of these statements.

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GREATER MEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Dollars in Thousands)

	2016	2015
Cash Flows from Operating Activities:		
Net (loss) income	\$ (36,711)	\$ 5,551
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	1,909	2,046
Loss (gain) on sale of investments	30	(21)
Impairment charge on intangible assets	37,667	
Gain on sale/disposal of assets	(5)	(781)
Deferred income tax	(840)	
Changes in:		
Accounts receivable	2,813	(2,103)
Prepaid expenses and other current assets	2,589	988
Other assets	(2,527)	(4,190)
Accounts payable	(160)	(121)
Accrued liabilities	1,227	1,558
Federal and state taxes payable	94	65
Deferred revenue	291	12
Other liabilities	(29)	93
Net Cash Provided by Operating Activities	6,348	3,097
Cash Flows from Investing Activities:		
Proceeds from sale of investments	469	604
Purchases of investments	(506)	(474)
Proceeds from sale of property and equipment	5	781
Payments on note receivable	22	22
Purchases of property, equipment and intangible assets	(1,258)	(2,311)
Purchases of corporate-owned life insurance	(2,571)	(2,107)
Net Cash Used in Investing Activities	(3,839)	(3,485)
Cash Flows from Financing Activities:		
Payment of deferred financing costs		(245)
Repayment of long-term debt	(3,600)	(3,375)
Dividends paid	(5)	(14)
Net Cash Used in Financing Activities	(3,605)	(3,634)

Net Decrease in Cash and Cash Equivalents	(1,096)	(4,022)
Cash and Cash Equivalents at Beginning of Period	8,457	9,671
Cash and Cash Equivalents at End of Period	\$ 7,361	\$ 5,649

The Notes to Consolidated Financial Statements are an integral part of these statements.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 1 - Summary of Significant Accounting Policies:

Principles of Consolidation and Business Activity

Greater Media, Inc. is a Delaware corporation. The consolidated financial statements include the accounts of Greater Media, Inc. and its subsidiaries (the Company) after elimination of intercompany accounts and transactions. The Company is primarily engaged in the Radio Broadcasting, Publishing and Communications businesses in the Boston, Charlotte, Detroit, New Jersey and Philadelphia markets.

The Company's operations and its ability to grow may be affected by numerous factors, including changes in audience tastes, priorities of advertisers, new laws and governmental regulations and policies, changes in broadcast technical requirements and technological advances by competitors. The Company cannot predict which, if any, of these or other factors might have a significant impact on the radio industry in the future, nor can it predict what impact, if any, the occurrence of these or other events might have on the Company's operations.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates within the consolidated financial statements include the valuation of indefinite-lived intangible assets, as discussed in the Intangible Assets accounting policy, and the provision for income taxes, as discussed in the Income Taxes accounting policy.

Long-Lived Assets

The Company periodically evaluates the net realizable values of long-lived assets, principally identifiable intangibles and property and equipment, for potential impairment when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable, as determined based on the estimated future undiscounted cash flows. If such assets were considered to be impaired, the carrying value of the related assets would be reduced to their estimated fair value.

Property and Equipment

Property and equipment are stated at cost. Depreciation for financial reporting purposes is provided on the straight-line method based on the following estimated useful lives:

Classification	Estimated Life (Years)
Land improvements	20
Buildings	15-40
Furniture, fixtures and equipment	3-15
Broadcasting and technical equipment	7-20

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures for betterments and major renewals are capitalized and, therefore, are included in property and equipment.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 1 - Summary of Significant Accounting Policies (continued):

Intangible Assets

The Company follows the provisions of the Codification Topic Intangibles Goodwill and Other, which addresses financial accounting and reporting for acquired goodwill and other intangible assets. According to these provisions, intangible assets that have indefinite lives are not amortized but rather are tested at least annually for impairment. Intangible assets that have finite useful lives continue to be amortized over their useful lives. FCC licenses and newspaper titles, which the Company believes have indefinite lives, are not amortized. Other intangible assets are amortized over useful lives ranging between three and thirteen years.

At September 30, 2015, the Company performed a qualitative assessment of its indefinite-lived intangible assets as permitted by Accounting Standards Update (ASU) 2012-02, in order to comply with the Codification requirement for testing for impairment on at least an annual basis. According to the ASU, if the qualitative assessment indicates that it is more likely than not (i.e., a greater than 50 percent probability) that an indefinite-lived intangible asset has been impaired, then a quantitative assessment must be performed. The Company reviewed statistics for sales of comparable radio stations, as reported in a publication that focuses on media asset valuations. Those statistics showed a significant number of arms-length radio station sales at lower cash flow multiples within the past year, and therefore the Company determined that there was plausible evidence suggesting that the likelihood of impairment of its FCC license assets might be greater than 50 percent.

As a result, the Company proceeded with the quantitative assessment. The methodology for the quantitative assessment was the same as that used in prior years. To determine the fair value of the FCC licenses, first an overall enterprise value was calculated for each market by applying a cash flow multiple to each radio station's operating cash flow for the preceding twelve months. For some radio stations it was deemed that the use of a revenue multiple would result in a more accurate estimate of enterprise value. The cash flow and revenue multiples were based on the same statistics as were used in the qualitative assessment described above.

The value of the FCC licenses was then determined by applying a typical industry factor to the calculated enterprise values. The results of the quantitative assessment showed impairments in the value of FCC license assets in the Charlotte, Detroit, New Jersey, and Philadelphia markets. Therefore impairment charges of \$52,203 were recognized related to these markets.

On July 19, 2016, the Company entered into an agreement under which all of the Company's equity stock will be acquired by Beasley Broadcast Group, Inc. (the Merger Agreement) (see Note 14). The Company determined that this event provided evidence about the value of its FCC licenses as of the June 30, 2016 balance sheet date. The purchase price attributable to the radio stations under the Merger Agreement is significantly lower than the enterprise value of the stations calculated as of September 30, 2015 discussed above, therefore the Company believed that the likelihood

of impairment was greater than 50%, and proceeded with a quantitative assessment, as required by the Codification.

For the quantitative assessment, the Company used a variation on its traditional methodology. As in the past, an enterprise value was calculated for each station by using either a cash flow multiple or a revenue multiple. Then, the purchase price attributable to the radio stations was allocated pro-rata based on the resulting enterprise values. The allocated purchase price was then compared to the carrying amount for FCC licenses in each market. The results of this quantitative assessment indicated impairments to the FCC license carrying amounts in all five of the Company's markets, therefore impairment charges totaling \$37,667 were recognized as of June 30, 2016.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 1 - Summary of Significant Accounting Policies (continued):

At September 30, 2015, the Company had, despite its best efforts, been unable to find a buyer for its newspaper division. As a result, the Company concluded that its newspaper title assets have no value. Therefore an impairment charge of \$1,481 was recorded as of September 30, 2015, representing the full book value of those assets.

Deferred Charges

Debt issuance costs incurred in connection with long-term financing are being amortized over the life of the loan and are included in other assets. At June 30, 2016 and 2015, net deferred charges amounted to \$1,041 and \$1,667, respectively.

Cash Equivalents

The Company considers as cash equivalents all highly liquid debt instruments with a maturity of three months or less at the date of purchase.

Concentration of Credit Risk

The Company maintains cash balances at financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation. Management monitors the soundness of these institutions and considers the Company's risk negligible.

Income Taxes

The Company, with the exception of two C-Corporation subsidiaries, has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code, and has elected to be treated as an S-Corporation for state tax purposes in a variety of states. Under those provisions, the stockholders' respective share of the Company's taxable income or loss flows through to their individual tax returns. The Company is not required to pay federal corporate income taxes, and pays state income taxes at a reduced rate.

The Company accounts for federal and state income taxes in accordance with the Codification Topic on Income Taxes. Therefore, deferred federal and state income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities.

The primary deferred income tax items are the result of certain temporary differences as detailed in Note 8.

Receivables and Credit Policies

Accounts receivable are uncollateralized customer obligations. Normal credit terms call for payment by the 28th of the following month unless the customer's credit history indicates that a longer period is justified. Accounts receivable are stated at the amounts billed to the customer. Customer account balances with invoices over 90 days old are considered delinquent. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's estimate of the amounts that will not be collected. The Company does not bill or accrue interest on delinquent accounts receivable.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 1 - Summary of Significant Accounting Policies (continued):

Revenue Recognition

Revenue is recognized as advertisements are broadcast or appear in print, and are generally billed monthly. Payments received in advance of being earned are recorded as deferred revenue. Revenue arrangements often contain multiple products and services and revenues are allocated based on the relative fair value of each delivered item and recognized in accordance with the applicable revenue recognition criteria for the specific unit of accounting.

Barter transactions represent the exchange of broadcast or printed advertising for merchandise or services. These transactions are recorded at the estimated fair market value of the advertising or the fair value of the merchandise or services received, whichever is most readily determinable. Revenue is recognized on barter transactions when the advertisements are broadcast or appear in print. Expenses are recorded ratably over a period that estimates when the merchandise or service received is utilized. Barter revenues and expenses from operations are included in revenues and selling expenses, respectively.

Investments

Management determines the appropriate classification of its investments in debt and equity securities at the time of purchase and reevaluates such determination on an annual basis. The Company's investments in marketable equity securities are classified as available for sale. Securities available for sale are carried at fair value, with any unrealized holding gains and losses, net of income taxes, reported as a separate component of accumulated other comprehensive (loss) income. Marketable equity and debt securities available for sale are classified in the consolidated balance sheets as other assets. Permanent impairment is recognized in the consolidated statements of operations and comprehensive (loss) income when the impairment is determined by management, based upon a variety of factors, to be other than temporary. The adjusted cost of each specific security sold is used to compute realized gains or losses on the sale of securities available for sale.

Advertising Costs

The Company expenses the cost of advertising as incurred. Advertising costs charged to operations were approximately \$1,551 and \$740 in 2016 and 2015, respectively.

Comprehensive (Loss) Income

Comprehensive (loss) income includes charges and credits to equity that are not the result of transactions with stockholders. Comprehensive (loss) income is comprised of two subsets – net (loss) income and other comprehensive income (OCI). Other comprehensive (loss) income includes the unrealized gain or loss on marketable securities

classified as available for sale held by the Company, unrealized gain or loss on derivative financial instruments and changes in pension and postretirement benefit plans.

Financial Instruments

The Company's financial instruments consist primarily of cash and cash equivalents, marketable securities, accounts receivable, accounts payable, debt and derivative financial instruments. The fair values of cash and cash equivalents, accounts receivable, and accounts payable approximated book values at June 30, 2016 and 2015. See Notes 4, 5, and 6 for the fair value estimates of marketable securities, debt and derivative financial instruments, respectively.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 1 - Summary of Significant Accounting Policies (continued):

The Company utilizes derivative financial instruments for interest rate risk exposure management purposes. The Company does not hold or issue derivative financial instruments for trading purposes. The Company recognizes all derivatives as either assets or liabilities on the consolidated balance sheets and measures those instruments at fair value. Changes in fair value of those instruments are reported in operations or other comprehensive (loss) income depending on the use of the derivative and whether it qualifies for hedge accounting. The accounting for gains and losses associated with changes in the fair value of a derivative and the effect on the consolidated financial statements depends on the derivative's hedge designation and whether the hedge is anticipated to be highly effective in achieving offsetting changes in the fair value of the hedged item or cash flows of the asset hedged.

Restatement of Consolidated Financial Statements

Due to an error in the calculation of deferred income taxes related to the impairment of goodwill, the Company has determined that its consolidated balance sheet as of June 30, 2015, and consolidated statement of stockholders' equity as of January 1, 2015 and June 30, 2015 should be restated. There was no impact on the consolidated statements of operations and comprehensive loss or cash flows as a result of the restatement. The following table provides a summary of the impact of the correction on affected line items from the Company's consolidated balance sheet as of June 30, 2015:

	As Previously Reported	Correction of Deferred Income Taxes	As Restated
Deferred income tax (asset)	\$ 200	\$ (200)	\$
Total assets	\$ 382,236	\$ (200)	\$ 382,036
Deferred income tax (liability)	\$	\$ 21,772	\$ 21,772
Retained earnings	\$ 181,366	\$ (21,972)	\$ 159,394
Total stockholders' equity	\$ 253,348	\$ (21,972)	\$ 231,376
Total liabilities and stockholders' equity	\$ 382,236	\$ (200)	\$ 382,036

Note 2 - Property and Equipment:

The major classifications of property and equipment at June 30 consist of the following:

	2016	2015
Land and land improvements	\$ 6,190	\$ 5,894
Buildings	24,229	23,893
Furniture, fixtures and equipment	34,054	33,353
Broadcasting and technical equipment	45,333	44,147
Construction in progress	2,943	5,049
	112,749	112,336
Accumulated depreciation	86,334	83,722
Property and Equipment, Net	\$ 26,415	\$ 28,614

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 2 - Property and Equipment (continued):

Depreciation expense included as a charge to other income and expense amounted to \$1,739 and \$1,839 for 2016 and 2015, respectively.

Note 3 - Intangible Assets:

Intangible assets at June 30 are summarized as follows:

	Amortization Period (Years)	2016	2015
<u>Subject to amortization:</u>			
Computer software:			
Gross cost		\$ 3,617	\$ 3,365
Accumulated amortization	3-7	2,893	3,235
Net book value		724	130
Not subject to amortization:			
FCC licenses		186,893	276,763
Newspaper titles			1,481
Other		10	10
		186,903	278,254
Intangible Assets, Net		\$ 187,627	\$ 278,384

Aggregate amortization expense on the above intangible assets, included as a charge to other income and expense, amounted to \$170 and \$207 for 2016 and 2015, respectively. Estimated future amortization expense is as follows:

2017	\$ 317
2018	289
2019	118
2020	

2021

Note 4 - Investments:

The cost and fair market value of marketable securities were \$2,923 and \$3,743 at June 30, 2016, and \$2,901 and \$3,998 at June 30, 2015, respectively. Marketable securities are classified as available for sale, and are included in other assets.

Gross unrealized holding gains and losses amounted to \$820 and \$0 at June 30, 2016 and \$1,097 and \$0 at June 30, 2015, respectively.

Proceeds from sales of marketable securities were \$469 and \$604 in 2016 and 2015, respectively, and the Company realized losses totaling \$30 in 2016 and gains totaling \$21 in 2015, which are included in other income, net on the consolidated statements of operations and comprehensive (loss) income.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 5 - Long-Term Debt:

Long-term debt at June 30 consisted of the following:

	2016	2015
Note payable bank, term loan facility dated February 26, 2013, collateralized by the stock and assets of the Company and its subsidiaries	\$ 68,738	\$ 75,713
Note payable bank, revolving credit facility dated February 26, 2013, collateralized by the stock and assets of the Company and its subsidiaries	15,000	15,000
Total long-term debt	83,738	90,713
Current maturities of long-term debt	7,988	6,975
Long-term debt, net of current maturities	\$ 75,750	\$ 83,738

On February 26, 2013 the Company entered into an agreement with a bank, acting as agent for a group of banks, to borrow up to \$160,000 in the form of a term loan of \$90,000 and a revolving credit facility of \$70,000. The interest on these borrowings is a function of the Company's total debt outstanding and earnings before income taxes, depreciation and amortization (EBITDA), and was 3.5 percent over the bank's LIBO rate of 0.6 percent as of June 30, 2016. The Company must pay a commitment fee on the unused balance of the available commitment. This fee is also a function of the Company's total debt and EBITDA, and is currently at 0.4 percent.

The term loan facility provides for quarterly principal repayments beginning June 30, 2013. The quarterly principal amount to be repaid starts at 1.6 percent of the initial term loan amount, increasing to 1.9 percent effective June 30, 2014, 2.1 percent effective June 30, 2016, and 2.5 percent effective June 30, 2017. The remaining principal amount is due on the maturity date of February 26, 2018. The revolving credit facility also matures on that same date.

The loan agreement requires the Company to maintain compliance with certain financial covenants as defined in the agreement. In addition, certain restrictions have been imposed limiting the incurrence of debt, liens, investments, guaranty obligations, dividends, changes in lines of business, consolidations and mergers, sales of assets, acquisitions, and interaffiliate transactions.

The agreement also requires, within the first 90 days, that the Company enter into an interest hedging contract, such as an interest rate swap, with a notional amount of at least 50% of the outstanding term loan balance, and with a term of at least three years. In May 2013, the Company entered into two interest rate swap derivative instruments with a total notional amount of \$80,000. One of the instruments, with a notional amount of \$45,000, carries a fixed interest rate of

1.0% and a term beginning June 28, 2013 and expiring December 29, 2017. The other instrument, with a notional amount of \$35,000, carries a fixed interest rate of 1.2% and a term beginning June 30, 2014 and expiring December 29, 2017. By entering into these instruments, the Company meets the hedging requirements contained in its debt agreement.

In March 2015, the Company entered into an amendment agreement (the Amendment) with its lending banks to modify certain aspects of its debt agreement. The Amendment makes certain changes to financial covenants, and also reduces the total revolving loan commitment to \$50,000.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 5 - Long-Term Debt (continued):

Aggregate maturities of long-term debt of the Company due within the next five years are as follows:

2017	\$ 7,988
2018	75,750
2019	
2020	
2021	

Borrowings under the Company's debt agreements have variable rates that reflect currently available terms and conditions for similar debt, therefore the carrying amount of this debt is considered by management to be a reasonable estimate of its fair value.

Note 6 - Derivatives:

The Company follows the provisions of the Codification Topic on Derivatives and Hedging. Accordingly, the Company is required to recognize its derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value. The method of accounting for changes in the fair value (periodic unrealized gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship and the effectiveness of the arrangement. See Note 7 for fair value disclosures related to derivatives.

Interest Rate Swaps

The Company has entered into interest rate swap derivative instruments with two banks for interest rate risk exposure-management purposes. The interest rate swaps utilized by the Company convert a portion of its variable rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future interest expense.

The effectiveness of the interest rate swaps is determined using a calculation which measures the cash flow impact of the expected future changes in the variable interest rate under the swap agreement (i.e., LIBOR) and the expected future changes in the variable interest rate of the related notes. The expected cash flow amounts determined in this calculation are discounted to present value and the difference between the amount calculated for the variable payment under the swap agreement and the variable payments under the notes represents the ineffectiveness of the derivative instrument.

The Company has designated the interest rate swap agreements as cash flow hedge transactions and, accordingly, the effective portion of the gain or loss on the agreement is recognized as a gain or loss on derivative instrument and reported as a component of other comprehensive income (loss). Any remaining gain or loss on the derivative instruments in excess of the cumulative change in the present value of future cash flows of the hedged item, which represents the ineffective portion of the derivative instruments, is reported as income or expense.

At June 30, 2016, the Company expects to reclassify during the next twelve months \$371 of net losses on the derivative instruments from accumulated other comprehensive loss to interest expense due to the payment of fixed rate interest associated with the interest rate swap agreements.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 6 - Derivatives (continued):

The change in the derivative contracts consisted of the following:

	2016	2015
Unrealized loss in fair value of interest rate swap contracts arising during the period	\$ (734)	\$ (819)
Current effect of variability of the cash flows on interest rate swap contracts transferred into interest expense	188	337
Change in Derivative Contracts	\$ (546)	\$ (482)

The fair value of the Company's interest rate swap derivative contracts is determined utilizing forward interest rate estimates and present value techniques. Those fair values are as follows as of June 30:

	2016		2015	
	Consolidated Balance Sheet Location	Fair Value	Consolidated Balance Sheet Location	Fair Value
Liability derivatives designated as hedging instruments:				
Interest rate swap derivative contracts	Other long-term liabilities	\$ 463	Other long-term liabilities	\$ 62

Disclosures regarding the Company's cash flow hedging relationships are as follows for the periods ended June 30:

	Amount of Loss Recognized in OCI on Derivatives (Effective Portion)	
	2016	2015
Derivatives in Cash Flow Hedging Relationships		
Interest rate swap derivative contracts	\$ (734)	\$ (819)

Derivatives in Cash Flow Hedging Relationships	Location of Gain (Loss) Reclassified from Accumulated OCI into Operations (Effective Portion)	Amount of Loss Reclassified from Accumulated OCI into Operations (Effective Portion)	
		2016	2015
Interest rate swap derivative contracts	Interest expense	\$ (188)	\$ (337)

Note 7 - Fair Value Measurements:

The following fair value disclosures are provided pursuant to the requirements of the Codification Topic on Fair Value Measurements and Disclosures. For applicable assets and liabilities subject to these requirements, the Company will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible. To the extent that such market prices are not available, the Company will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 7 - Fair Value Measurements (continued):

markets and other corroborated factors. In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Company will develop measurement criteria based on the best information available.

Recurring Fair Value Measurements

The following table summarizes assets which have been accounted for at fair value on a recurring basis, along with the basis for the determination of fair value:

	Total	Basis for Valuation		
		Quoted Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
As of June 30, 2016:				
Assets:				
Available-for-sale securities	\$ 3,743	\$ 3,743	\$	\$
Liabilities:				
Derivatives	\$ (463)	\$	\$ (463)	\$
As of June 30, 2015:				
Assets:				
Available-for-sale securities	\$ 3,998	\$ 3,998	\$	\$
Liabilities:				
Derivatives	\$ (62)	\$	\$ (62)	\$

Note 8 - Income Taxes:

The Company and its subsidiaries file a consolidated federal income tax return.

Significant components of the provision for (benefit from) income taxes for the periods ended June 30 are as follows:

	2016	2015
Current:		
Federal	\$ 49	\$ 46
State	205	222
Total Current	254	268
Deferred:		
Federal	(840)	
State		
Total Deferred	(840)	
Total (Benefit from) Provision for Income Taxes	\$ (586)	\$ 268

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 8 - Income Taxes (continued):

Deferred income taxes are summarized as follows at June 30:

	2016	2015 (as restated)
Deferred income tax assets:		
Impairment charge on goodwill	\$ 1,030	\$ 1,030
Pension	412	342
Deferred compensation	68	104
Other	176	169
Total deferred income tax assets	1,686	1,645
Valuation allowance		
Net deferred income tax assets	1,686	1,645
Deferred income tax liabilities:		
Acquired basis of FCC license asset	19,209	20,049
Depreciation	1,716	1,720
Amortization	90	802
Deferred gain on like-kind exchange	838	838
Interest rate swaps	1	8
Total deferred income tax liabilities	21,854	23,417
Net Deferred Income Tax Liability	\$ 20,168	\$ 21,772

At June 30, 2016, the Company had Massachusetts, New Jersey and Philadelphia net operating loss (NOL) carryforwards of approximately \$9,230, which may be used to reduce future taxable income in those jurisdictions. The NOL carryforwards will expire through 2034.

The Company adopted the provisions of the Codification Topic on Income Taxes which clarify the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. These provisions prescribe a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. They also provide guidance on de-recognition, classification, interest and

penalties, accounting in interim periods, disclosure and transition.

Based on the Company's evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in the consolidated financial statements or adjustments to deferred tax assets or liabilities.

The Company may from time to time be assessed interest or penalties by major tax jurisdictions, although any such assessments historically have been minimal and immaterial to its consolidated financial results. The Company's policy is to classify assessed interest as interest expense and assessed penalties as other expense in the consolidated financial statements.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 9 - Common Stock:

Common stock consisted of the following at June 30:

	2016	2015
Common stock, \$.000001 par, \$.09375 stated value, voting:		
Authorized 100,000 shares		
Issued and outstanding 80,000 shares	\$ 8	\$ 8
Common stock, \$.000001 par, \$.093697 stated value, non-voting:		
Authorized 5,000,000 shares		
Issued and outstanding 1,861,142.91 shares	174	174
	\$ 182	\$ 182

Note 10 - Accumulated Other Comprehensive Income (Loss):

The after-tax components of accumulated other comprehensive income (loss) are as follows:

	Marketable Securities Unrealized Holding Gains/ (Losses)	Derivative Contracts	Pension and Postretirement Benefit Plans	Total Accumulated Other Comprehensive Income (Loss)
Balance at January 1, 2015	\$ 998	\$ 413	\$ (22,248)	\$ (20,837)
Change during period	99	(482)		(383)
Balance at June 30, 2015	\$ 1,097	\$ (69)	\$ (22,248)	\$ (21,220)
Balance at January 1, 2016	\$ 864	\$ 82	\$ (30,323)	\$ (29,377)
Change during period	(44)	(546)		(590)
Balance at June 30, 2016	\$ 820	\$ (464)	\$ (30,323)	\$ (29,967)

Note 11 - Employee Benefit Plans:

The Company has non-contributory defined benefit pension plans covering substantially all of its employees. The Company's funding policy is to make annual contributions to the qualified plan in amounts that are required under the provisions of ERISA, such that all employees' benefits will be fully provided by the time they retire. Effective December 31, 2008 the Company froze benefits being accrued under the major plan covering its employees. Effective January 1, 2009, the Company froze benefits being accrued as part of its Supplemental Employee Retirement Plan. The Company follows the alternative disclosure for a non-public company as stated in the Codification Topic on Compensation - Retirement Benefits. The Company made contributions of \$2,087 in both 2016 and 2015. The Company estimates that its total contribution for 2015 will be \$4,173.

The Company also provides an employees' savings plan for certain employees. Participants may contribute from 1 percent to 60 percent of their compensation. The Company makes a matching contribution equal to the participant's contribution, limited to the lesser of 6 percent of the participant's compensation or \$1.5 per year. The Company contributed \$694 and \$550 in 2016 and 2015, respectively. Participants are fully vested at all times in their contributions.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 11 - Employee Benefit Plans (continued):

In addition to providing pension benefits, the Company sponsors a retiree health plan that provides post-retirement medical benefits to full-time non-union employees who have worked at least 15 years and attained age 55 while in service with the Company. Effective June 30, 2001, the plan was closed to new retirees. The plan, which is unfunded, is contributory, with retiree contributions adjusted annually, and contains other cost-sharing features such as deductibles and coinsurance. The Company's contribution rates for future years have been fixed at the rates in effect on January 1, 2001. The Company made contributions of \$36 and \$37 in 2016 and 2015, respectively. The Company estimates that its total contribution for 2016 will be \$110.

In addition, included in other long-term liabilities at June 30, 2016 and 2015 was approximately \$3,703 and \$5,846, respectively, representing deferred compensation arrangements associated with certain key employees. The costs have been accrued according to the terms of the Company's deferred compensation plans.

Note 12 - Commitments and Contingencies:

There are various legal actions and other claims pending against the Company incidental to its business and operations. In the opinion of management, the resolution of these matters will not have a material effect on the consolidated financial position or results of operations.

The Company and its subsidiaries lease office space, towers, real estate related to tower sites, office equipment and transmitting equipment. The most significant obligations assumed under the lease terms are the upkeep of the facilities, insurance and property taxes. Total rent expense for the Company was \$3,212 for 2016 and \$3,104 for 2015.

The Company also has various non-cancellable commitments under operating leases, on-air talent contracts and other contracts with aggregate minimum annual commitments as of June 30, 2016 as follows:

	Operating Leases	On-Air Talent	Other Contracts	Total
2017	\$ 5,219	\$ 5,604	\$ 9,071	\$ 19,894
2018	4,596	5,312	5,159	15,067
2019	3,428	4,698	21	8,147
2020	2,859	1,311		4,170
2021	2,731			2,731
2022 and subsequent	3,536			3,536

Total	\$ 22,369	\$ 16,925	\$ 14,251	\$ 53,545
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Note 13 - Supplemental Disclosure of Cash Flow Information:

	2016	2015
<u>Cash paid during the period for:</u>		
Interest	\$ 2,146	\$ 2,356
Income taxes (net of refunds)	\$ 246	\$ 362

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 14 - Subsequent Events:

On July 19, 2016, the Company entered into an Agreement and Plan of Merger with Beasley Broadcast Group, Inc. (Beasley), Beasley Media Group 2, Inc., an indirect wholly-owned subsidiary of Beasley (Merger Sub), and Peter A. Bordes, Jr., as the Stockholders Representative (the Merger Agreement) pursuant to which, subject to the satisfaction or waiver of the conditions set forth therein, Merger Sub will be merged with and into the Company, with the Company surviving the merger as an indirect wholly-owned subsidiary of Beasley (the Merger).

Pursuant to the terms of the Merger Agreement, Beasley agreed to acquire all of the Company s issued and outstanding equity stock for an aggregate purchase price of \$239,875, inclusive of the refinancing of approximately \$80,000 of the Company s outstanding debt and the payment of certain transaction expenses. The proceeds to be paid to the Company s stockholders are expected to consist of (i) approximately \$100,000 in cash and (ii) approximately \$25,000 in shares of Beasley s Class A common stock, which is equal to 5,422,993 shares at a fixed value of \$4.61 per share (the Merger Shares). The Merger consideration is subject to adjustment for changes in the Company s working capital, outstanding debt of the Company and its subsidiaries as of the date of the closing, and certain other payments and expenses. Additional Merger Shares may be issued in connection with such adjustment. In addition, the Company s stockholders will receive the net cash proceeds from the sale of the Company s tower assets, estimated to be approximately \$20,000.

Consummation of the Merger is subject to customary closing conditions, including (i) approval from the Federal Communications Commission, (ii) absence of any order or injunction prohibiting the consummation of the Merger, (iii) subject to customary materiality qualifiers, the accuracy of the representations and warranties of Beasley and Merger Sub contained in the Merger Agreement and compliance by Beasley with its covenants contained in the Merger Agreement, (iv) the Merger Shares having been approved for listing on the Nasdaq Global Select Market, and (v) Beasley having delivered executed counterparts to certain ancillary agreements. Beasley has obtained a debt financing commitment to fund the transactions contemplated by the Merger Agreement, the aggregate proceeds of which, together with cash and cash equivalents available to Beasley and issuance of the Merger Shares, will be sufficient for Beasley to pay the aggregate Merger Consideration and all related fees and expenses.

The Merger Agreement contains certain customary termination rights for both the Company and Beasley. The Merger Agreement also provides that Beasley shall pay the Company a termination fee of \$6,390 if the Company terminates the Merger Agreement because all conditions to closing have been satisfied and Beasley has not consummated the Merger due to the failure of the financing to be available, provided that the Company is not also able to terminate the Merger Agreement due to Beasley s breach. It further provides that Beasley shall pay the Company a termination fee of \$12,780 if (i) the Company terminates the Merger Agreement due to a breach of a representation or covenant by Beasley such that the applicable condition to closing is not satisfied, or (ii) the Company terminates the Merger Agreement because Beasley has failed to consummate the Merger when required by the Merger Agreement, in circumstances where the financing was available.

The Merger Agreement contemplates that the parties or their affiliates will enter into the following additional agreements at Closing: (i) an Investor Rights Agreement and (ii) a Registration Rights Agreement. The Investor Rights Agreement would provide the former stockholders of the Company receiving Merger Shares (the Greater Media Stockholders) with tag-along rights to participate in certain sales of equity securities by Beasley and its affiliates and also would provide the Greater Media Stockholders with the right to nominate one director for election to Beasley s Board, so long as the Greater

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

(Dollars in Thousands)

Note 14 - Subsequent Events (continued):

Media Stockholders collectively hold at least 75% of the Merger Shares issued to them at the closing of the Merger. The Registration Rights Agreement would require Beasley to prepare and file with the Securities and Exchange Commission, not later than 20 days after the consummation of the Merger, a registration statement with respect to the resale of the Merger Shares by the Greater Media Stockholders, among other things.

The Company determined that the agreement entered into with Beasley provided evidence about the value of its FCC license assets as of the June 30, 2016 balance sheet date. Since these licenses are considered by the Company to have indefinite lives they are not amortized and, hence, must be tested for impairment when events or changes in circumstances indicate that it is more likely than not that they are impaired. Accordingly, the Company performed impairment testing as of the June 30, 2016 balance sheet date, resulting in recognition of impairment charges totaling \$37,667. See Note 1.

The Company has evaluated subsequent events occurring after the consolidated balance sheet date through the date of August 29, 2016, the date the consolidated financial statements were available for release. Based upon this evaluation, the Company has determined that no subsequent events occurred, other than the Merger Agreement and related impairment testing described above, which require adjustment to or disclosure in the consolidated financial statements.

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Greater Media, Inc. and Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 and 2014

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INDEPENDENT AUDITORS REPORT

To the Board of Directors and Stockholders,

Greater Media, Inc. and Subsidiaries:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Greater Media, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations and comprehensive (loss) income, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greater Media, Inc. and its subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Correction of Error

As discussed in Note 1 to the financial statements, due to an error in the calculation of deferred income taxes related to the impairment of goodwill, the Company has restated, and an adjustment has been made to retained earnings as of January 1, 2014 to correct the error.

/s/ Withum Smith & Brown, PC

March 30, 2016

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Table of Contents**GREATER MEDIA, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****DECEMBER 31, 2015 AND 2014**

	2015	2014 (as restated)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 8,457	\$ 9,671
Accounts receivable (less allowance for doubtful accounts of \$1,394 in 2015 and \$1,677 in 2014)	34,247	31,912
Prepaid expenses and other current assets	5,540	5,209
Total Current Assets	48,244	46,792
Property and Equipment, Net	27,055	28,147
Intangible Assets, Net	225,305	278,586
Other Assets	30,861	25,063
Total Assets	\$ 331,465	\$ 378,588
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	\$ 1,535	\$ 1,821
Accrued liabilities	4,484	4,238
Federal and state taxes payable	241	311
Deferred revenue	9	9
Current maturities of long-term debt	7,425	6,750
Total Current Liabilities	13,694	13,129
Long-Term Debt, Net of Current Maturities	79,913	87,338
Deferred Income Taxes	21,008	21,772
Other Long-Term Liabilities	36,370	30,127
Stockholders Equity:		
Common stock	182	182
Additional paid-in capital	93,020	93,020
Retained earnings	116,655	153,857
Accumulated other comprehensive loss	(29,377)	(20,837)
Total Stockholders Equity	180,480	226,222
Total Liabilities and Stockholders Equity	\$ 331,465	\$ 378,588

The Notes to Consolidated Financial Statements are an integral part of these statements.

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GREATER MEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE (LOSS) INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(Dollars in Thousands)

	2015	2014
Revenues	\$ 177,276	\$ 178,619
Less: agency commissions and discounts	17,520	17,232
Net Revenues	159,756	161,387
Operating Expenses:		
Technical expenses	12,687	13,412
Programming expenses	48,457	48,104
Selling expenses	50,699	53,604
General and administrative expenses	23,786	23,863
Total Operating Expenses	135,629	138,983
Income from Operations Before Depreciation, Amortization, Impairments, and Other Expense (Income)	24,127	22,404
Other Expense (Income):		
Gain on sale/disposal of assets	(751)	(16)
Interest expense	5,214	5,559
Depreciation	3,478	3,667
Amortization	299	1,667
Interest income	(27)	(35)
Impairment charge on intangible assets	53,684	
Other expense (income), net	(421)	3,758
Total Other Expense (Income), Net	61,476	14,600
(Loss) Income Before Provision for Income Taxes	(37,349)	7,804
(Benefit from) Provision for Income Taxes	(196)	706
Net (Loss) Income	(37,153)	7,098
Other Comprehensive Loss:		
Unrealized (losses) gains on marketable securities	(134)	(91)
Change in derivative instruments	(331)	(432)
Change in pension and postretirement benefit plans	(8,075)	(6,183)

Total Other Comprehensive Loss	(8,540)	(6,706)
Comprehensive (Loss) Income	\$ (45,693)	\$ 392

The Notes to Consolidated Financial Statements are an integral part of these statements.

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GREATER MEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(Dollars in Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 2014 (as previously reported)	\$ 182	\$ 93,020	\$ 168,875	\$ (14,131)	\$ 247,946
Adjustment, correction of accounting error			(21,972)		(21,972)
Balance, January 1, 2014 (as restated)	182	93,020	146,903	(14,131)	225,974
Net Income			7,098		7,098
Dividends			(144)		(144)
Change in Marketable Securities, Net				(91)	(91)
Change in Derivative Instruments, Net				(432)	(432)
Change in Pension and Postretirement Benefit Plans, Net				(6,183)	(6,183)
Balance, December 31, 2014 (as restated)	182	93,020	153,857	(20,837)	226,222
Net Loss			(37,153)		(37,153)
Dividends			(49)		(49)
Change in Marketable Securities, Net				(134)	(134)
Change in Derivative Instruments, Net				(331)	(331)
Change in Pension and Postretirement Benefit Plans, Net				(8,075)	(8,075)
Balance, December 31, 2015	\$ 182	\$ 93,020	\$ 116,655	\$ (29,377)	\$ 180,480

The Notes to Consolidated Financial Statements are an integral part of these statements.

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GREATER MEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(Dollars in Thousands)

	2015	2014
Cash Flows from Operating Activities:		
Net (loss) income	\$ (37,153)	\$ 7,098
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	3,777	5,334
Gain on sale of investments	(88)	(199)
Impairment charge on intangible assets	53,684	
Gain on sale/disposal of assets	(751)	(16)
Deferred income tax	(610)	231
Changes in:		
Accounts receivable	(2,335)	(352)
Prepaid expenses and other current assets	2,917	1,903
Other assets	(6,170)	(3,237)
Accounts payable	(286)	682
Accrued liabilities	246	(2,144)
Federal and state taxes payable	(70)	57
Deferred revenue		3
Other liabilities	(1,980)	8
Net Cash Provided by Operating Activities	11,181	9,368
Cash Flows from Investing Activities:		
Proceeds from sale of investments	874	830
Purchases of investments	(692)	(646)
Proceeds from sale of property and equipment	787	31
Payments on note receivable	52	52
Purchases of property, equipment and intangible assets	(3,124)	(2,474)
Purchases of corporate-owned life insurance	(3,248)	(3,248)
Net Cash Used in Investing Activities	(5,351)	(5,455)
Cash Flows from Financing Activities:		
Payment of deferred financing costs	(245)	
Repayment of long-term debt	(6,750)	(9,525)
Dividends paid	(49)	(144)
Net Cash Used in Financing Activities	(7,044)	(9,669)

Net Decrease in Cash and Cash Equivalents	(1,214)	(5,756)
Cash and Cash Equivalents at Beginning of Year	9,671	15,427
Cash and Cash Equivalents at End of Year	\$ 8,457	\$ 9,671

The Notes to Consolidated Financial Statements are an integral part of these statements.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

(Dollars in Thousands)

Note 1 - Summary of Significant Accounting Policies:

Principles of Consolidation and Business Activity

Greater Media, Inc. is a Delaware corporation. The consolidated financial statements include the accounts of Greater Media, Inc. and its subsidiaries (the Company) after elimination of intercompany accounts and transactions. The Company is primarily engaged in the Radio Broadcasting, Publishing and Communications businesses in the Boston, Charlotte, Detroit, New Jersey and Philadelphia markets.

The Company's operations and its ability to grow may be affected by numerous factors, including changes in audience tastes, priorities of advertisers, new laws and governmental regulations and policies, changes in broadcast technical requirements and technological advances by competitors. The Company cannot predict which, if any, of these or other factors might have a significant impact on the radio industry in the future, nor can it predict what impact, if any, the occurrence of these or other events might have on the Company's operations.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates within the consolidated financial statements include the valuation of indefinite-lived intangible assets, as discussed in the Intangible Assets accounting policy, and the provision for income taxes, as discussed in the Income Taxes accounting policy.

Long-Lived Assets

The Company periodically evaluates the net realizable values of long-lived assets, principally identifiable intangibles and property and equipment, for potential impairment when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable, as determined based on the estimated future undiscounted cash flows. If such assets were considered to be impaired, the carrying value of the related assets would be reduced to their estimated fair value.

Property and Equipment

Property and equipment are stated at cost. Depreciation for financial reporting purposes is provided on the straight-line method based on the following estimated useful lives:

Classification	Estimated Life (Years)
Land improvements	20
Buildings	15-40
Furniture, fixtures and equipment	3-15
Broadcasting and technical equipment	7-20

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures for betterments and major renewals are capitalized and, therefore, are included in property and equipment.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

(Dollars in Thousands)

Note 1 - Summary of Significant Accounting Policies (continued):

Intangible Assets

The Company follows the provisions of the Codification Topic Intangibles Goodwill and Other, which addresses financial accounting and reporting for acquired goodwill and other intangible assets. According to these provisions, intangible assets that have indefinite lives are not amortized but rather are tested at least annually for impairment. Intangible assets that have finite useful lives continue to be amortized over their useful lives. FCC licenses and newspaper titles, which the Company believes have indefinite lives, are not amortized. Other intangible assets are amortized over useful lives ranging between three and thirteen years.

At September 30, 2015, the Company performed a qualitative assessment of its indefinite-lived intangible assets as permitted by Accounting Standards Update (ASU) 2012-02, in order to comply with the Codification requirement for testing for impairment on at least an annual basis. According to the ASU, if the qualitative assessment indicates that it is more likely than not (i.e., a greater than 50 percent probability) that an indefinite-lived intangible asset has been impaired, then a quantitative assessment must be performed. The Company reviewed statistics for sales of comparable radio stations, as reported in a publication that focuses on media asset valuations. Those statistics showed a significant number of arms-length radio station sales at lower cash flow multiples within the past year, and therefore the Company determined that there was plausible evidence suggesting that the likelihood of impairment of its FCC license assets might be greater than 50 percent.

As a result, the Company proceeded with the quantitative assessment. The methodology for the quantitative assessment was the same as that used in prior years. To determine the fair value of the FCC licenses, first an overall enterprise value was calculated for each market by applying a cash flow multiple to each radio station's operating cash flow for the preceding twelve months. For some radio stations it was deemed that the use of a revenue multiple would result in a more accurate estimate of enterprise value. The cash flow and revenue multiples were based on the same statistics as were used in the qualitative assessment described above.

The value of the FCC licenses was then determined by applying a typical industry factor to the calculated enterprise values. The results of the quantitative assessment showed impairments in the value of FCC license assets in the Charlotte, Detroit, New Jersey, and Philadelphia markets. Therefore impairment charges of \$52,203 were recognized related to these markets.

Additionally, the Company has, despite its best efforts, been unable to find a buyer for its newspaper division. As a result, the Company has concluded that its newspaper title assets have no value. Therefore an impairment charge of \$1,481 was recorded as of September 30, 2015, representing the full book value of those assets.

At September 30, 2014, the Company's qualitative assessments did not substantiate a greater than 50 percent likelihood of impairment of any indefinite-lived intangible assets, therefore no quantitative assessment was required.

Deferred Charges

Debt issuance costs incurred in connection with long-term financing are being amortized over the life of the loan and are included in other assets. At December 31, 2015 and 2014, net deferred charges amounted to \$1,354 and \$1,715, respectively.

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

(Dollars in Thousands)

Note 1 - Summary of Significant Accounting Policies (continued):

Cash Equivalents

The Company considers as cash equivalents all highly liquid debt instruments with a maturity of three months or less at the date of purchase.

Concentration of Credit Risk

The Company maintains cash balances at financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation. Management monitors the soundness of these institutions and considers the Company's risk negligible.

Income Taxes

The Company, with the exception of two C-Corporation subsidiaries, has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code, and has elected to be treated as an S-Corporation for state tax purposes in a variety of states. Under those provisions, the stockholders' respective share of the Company's taxable income or loss flows through to their individual tax returns. The Company is not required to pay federal corporate income taxes, and pays state income taxes at a reduced rate.

The Company accounts for federal and state income taxes in accordance with the Codification Topic on Income Taxes. Therefore, deferred federal and state income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities.

The primary deferred income tax items are the result of certain temporary differences as detailed in Note 8.

Receivables and Credit Policies

Accounts receivable are uncollateralized customer obligations. Normal credit terms call for payment by the 28th of the following month unless the customer's credit history indicates that a longer period is justified. Accounts receivable are stated at the amounts billed to the customer. Customer account balances with invoices over 90 days old are considered delinquent. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's estimate of the amounts that will not be collected. The Company does not bill or accrue interest on delinquent accounts receivable.

Revenue Recognition

Revenue is recognized as advertisements are broadcast or appear in print, and are generally billed monthly. Payments received in advance of being earned are recorded as deferred revenue. Revenue arrangements often contain multiple products and services and revenues are allocated based on the relative fair value of each delivered item and recognized in accordance with the applicable revenue recognition criteria for the specific unit of accounting.

Barter transactions represent the exchange of broadcast or printed advertising for merchandise or services. These transactions are recorded at the estimated fair market value of the advertising or the fair value of the merchandise or services received, whichever is most readily determinable. Revenue is

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GREATER MEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

(Dollars in Thousands)

Note 1 - Summary of Significant Accounting Policies (continued):

recognized on barter transactions when the advertisements are broadcast or appear in print. Expenses are recorded ratably over a period that estimates when the merchandise or service received is utilized. Barter revenues and expenses from operations are included in revenues and selling expenses, respectively.

Investments

Management determines the appropriate classification of its investments in debt and equity securities at the time of purchase and reevaluates such determination on an annual basis. The Company's investments in marketable equity securities are classified as available for sale. Securities available for sale are carried at fair value, with any unrealized holding gains and losses, net of income taxes, reported as a separate component of accumulated other comprehensive (loss) income. Marketable equity and debt securities available for sale are classified in the consolidated balance sheets as other assets. Permanent impairment is recognized in the consolidated statements of operations and comprehensive (loss) income when the impairment is determined by management, based upon a variety of factors, to be other than temporary. The adjusted cost of each specific security sold is used to compute realized gains or losses on the sale of securities available for sale.

Advertising Costs

The Company expenses the cost of advertising as incurred. Advertising costs charged to operations were approximately \$2,218 and \$2,775 in 2015 and 2014, respectively.

Comprehensive (Loss) Income

Comprehensive (loss) income includes charges and credits to equity that are not the result of transactions with stockholders. Comprehensive (loss) income is comprised of two subsets – net (loss) income and other comprehensive income (OCI). Other comprehensive (loss) income includes the unrealized gain or loss on marketable securities classified as available for sale held by the Company, unrealized gain or loss on derivative financial instruments and changes in pension and postretirement benefit plans.

Financial Instruments

The Company's financial instruments consist primarily of cash and cash equivalents, marketable securities, accounts receivable, accounts payable, debt and derivative financial instruments. The fair values of cash and cash equivalents, accounts receivable, and accounts payable approximated book values at December 31, 2015 and 2014. See Notes 4, 5, and 6 for the fair value estimates of marketable securities, debt and derivative financial instruments, respectively.

The Company utilizes derivative financial instruments for interest rate risk exposure management purposes. The Company does not hold or issue derivative financial instruments for trading purposes. The Company recognizes all derivatives as either assets or liabilities on the consolidated balance sheets and measures those instruments at fair value. Changes in fair value of those instruments are reported in operations or other comprehensive (loss) income depending on the use of the derivative and whether it qualifies for hedge accounting. The accounting for gains and losses associated with changes in the fair value of a derivative and the effect on the consolidated financial statements depends on the derivative's hedge designation and whether the hedge is anticipated to be highly effective in achieving offsetting changes in the fair value of the hedged item or cash flows of the asset hedged.

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Note 1 - Summary of Significant Accounting Policies (continued):**Restatement of Consolidated Financial Statements**

Due to an error in the calculation of deferred income taxes related to the impairment of goodwill, the Company has determined that its consolidated balance sheet as of December 31, 2014, and consolidated statement of stockholders equity as of January 1, 2014 and December 31, 2014 should be restated. There was no impact on the consolidated statements of operations and comprehensive (loss) income or cash flows as a result of the restatement. The following table provides a summary of the impact of the correction on affected line items from the Company's consolidated balance sheet as of December 31, 2014:

	As Previously Reported	Correction of Deferred Income Taxes	As Restated
Deferred income tax (asset)	\$ 200	\$ (200)	\$
Total assets	\$ 378,788	\$ (200)	\$ 378,588
Deferred income tax (liability)	\$	\$ 21,772	\$ 21,772
Retained earnings	\$ 175,829	\$ (21,972)	\$ 153,857
Total stockholders' equity	\$ 248,194	\$ (21,972)	\$ 226,222
Total liabilities and stockholders' equity	\$ 378,788	\$ (200)	\$ 378,588

Note 2 - Property and Equipment:

The major classifications of property and equipment at December 31 consist of the following:

	2015	2014
Land and land improvements	\$ 6,176	\$ 5,889
Buildings	24,189	23,591
Furniture, fixtures and equipment	33,445	35,854

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Broadcasting and technical equipment	44,520	43,915
Construction in progress	3,326	3,333
	111,656	112,582
Accumulated depreciation	84,601	84,435
Property and Equipment, Net	\$ 27,055	\$ 28,147

Depreciation expense included as a charge to other income and expense amounted to \$3,478 and \$3,667 for 2015 and 2014, respectively.

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Note 3 - Intangible Assets:

Intangible assets at December 31 are summarized as follows:

	Amortization Period (Years)	2015	2014
<u>Subject to amortization:</u>			
Gross cost			
Acquired customer base	7	\$ 9,515	\$ 9,515
Computer software	3-7	3,459	3,360
		12,974	12,875
Accumulated amortization			
Acquired customer base		9,515	9,402
Computer software		2,724	3,141
		12,239	12,543
Net book value:			
Acquired customer base			113
Computer software		735	219
		735	332
<u>Not subject to amortization:</u>			
		2015	2014
FCC licenses		224,560	276,763
Newspaper titles			1,481
Other		10	10
		224,570	278,254
Intangible Assets, Net		\$ 225,305	\$ 278,586

Aggregate amortization expense on the above intangible assets, included as a charge to other income and expense, amounted to \$299 and \$1,667 for 2015 and 2014, respectively. Estimated future amortization expense is as follows:

2016	\$ 293
2017	250
2018	192
2019	
2020	

Note 4 - Investments:

The cost and fair market value of marketable securities were \$2,916 and \$3,779 at December 31, 2015, and \$3,011 and \$4,009 at December 31, 2014, respectively. Marketable securities are classified as available for sale, and are included in other assets.

Gross unrealized holding gains and losses amounted to \$864 and \$0 at December 31, 2015 and \$998 and \$0 at December 31, 2014, respectively.

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Note 4 - Investments (continued):

Proceeds from sales of marketable securities were \$874 and \$830 in 2015 and 2014, respectively, and the Company realized gains totaling \$88 and \$199 in 2015 and 2014, respectively, which are included in other income, net on the consolidated statements of operations and comprehensive (loss) income.

Note 5 - Long-Term Debt:

Long-term debt at December 31 consisted of the following:

	2015	2014
Note payable bank, term loan facility dated February 26, 2013, collateralized by the stock and assets of the Company and its subsidiaries	\$ 72,338	\$ 79,088
Note payable bank, revolving credit facility dated February 26, 2013, collateralized by the stock and assets of the Company and its subsidiaries	15,000	15,000
Total long-term debt	87,338	94,088
Current maturities of long-term debt	7,425	6,750
Long-term debt, net of current maturities	\$ 79,913	\$ 87,338

On February 26, 2013 the Company entered into an agreement with a bank, acting as agent for a group of banks, to borrow up to \$160,000 in the form of a term loan of \$90,000 and a revolving credit facility of \$70,000. The interest on these borrowings is a function of the Company's total debt outstanding and earnings before income taxes, depreciation and amortization (EBITDA), and was 3.8 percent over the bank's LIBO rate of 0.6 percent as of December 31, 2015. The Company must pay a commitment fee on the unused balance of the available commitment. This fee is also a function of the Company's total debt and EBITDA, and is currently at 0.4 percent.

The term loan facility provides for quarterly principal repayments beginning June 30, 2013. The quarterly principal amount to be repaid starts at 1.6 percent of the initial term loan amount, increasing to 1.9 percent effective June 30, 2014, 2.1 percent effective June 30, 2016, and 2.5 percent effective June 30, 2017. The remaining principal amount is due on the maturity date of February 26, 2018. The revolving credit facility also matures on that same date.

The loan agreement requires the Company to maintain compliance with certain financial covenants as defined in the agreement. In addition, certain restrictions have been imposed limiting the incurrence of debt, liens, investments, guaranty obligations, dividends, changes in lines of business, consolidations and mergers, sales of assets, acquisitions,

and interaffiliate transactions.

The agreement also requires, within the first 90 days, that the Company enter into an interest hedging contract, such as an interest rate swap, with a notional amount of at least 50% of the outstanding term loan balance, and with a term of at least three years. In May 2013, the Company entered into two interest rate swap derivative instruments with a total notional amount of \$80,000. One of the instruments, with a notional amount of \$45,000, carries a fixed interest rate of 1.0% and a term beginning June 28, 2013 and expiring December 29, 2017. The other instrument, with a notional amount of \$35,000, carries a fixed interest rate of 1.2% and a term beginning June 30, 2014 and expiring December 29, 2017. By entering into these instruments, the Company meets the hedging requirements contained in its debt agreement.

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Note 5 - Long-Term Debt (continued):

In March 2015, the Company entered into an amendment agreement (the Amendment) with its lending banks to modify certain aspects of its debt agreement. The Amendment makes certain changes to financial covenants, and also reduces the total revolving loan commitment to \$50,000.

Aggregate maturities of long-term debt of the Company due within the next five years are as follows:

2016	\$ 7,425
2017	8,663
2018	71,250
2019	
2020	

Borrowings under the Company's debt agreements have variable rates that reflect currently available terms and conditions for similar debt, therefore the carrying amount of this debt is considered by management to be a reasonable estimate of its fair value.

Note 6 - Derivatives:

The Company follows the provisions of the Codification Topic on Derivatives and Hedging. Accordingly, the Company is required to recognize its derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value. The method of accounting for changes in the fair value (periodic unrealized gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship and the effectiveness of the arrangement. See Note 7 for fair value disclosures related to derivatives.

Interest Rate Swaps

The Company has entered into interest rate swap derivative instruments with two banks for interest rate risk exposure-management purposes. The interest rate swaps utilized by the Company convert a portion of its variable rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future interest expense.

The effectiveness of the interest rate swaps is determined using a calculation which measures the cash flow impact of the expected future changes in the variable interest rate under the swap agreement (i.e., LIBOR) and the expected future changes in the variable interest rate of the related notes. The expected cash flow amounts determined in this calculation are discounted to present value and the difference between the amount calculated for the variable payment

under the swap agreement and the variable payments under the notes represents the ineffectiveness of the derivative instrument.

The Company has designated the interest rate swap agreements as cash flow hedge transactions and, accordingly, the effective portion of the gain or loss on the agreement is recognized as a gain or loss on derivative instrument and reported as a component of other comprehensive income (loss). Any remaining gain or loss on the derivative instruments in excess of the cumulative change in the present value of future cash flows of the hedged item, which represents the ineffective portion of the derivative instruments, is reported as income or expense.

At December 31, 2015, the Company expects to reclassify during the next twelve months \$371 of net losses on the derivative instruments from accumulated other comprehensive loss to interest expense due to the payment of fixed rate interest associated with the interest rate swap agreements.

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Note 6 - Derivatives (continued):

The change in the derivative contracts consisted of the following:

	2015	2014
Unrealized loss in fair value of interest rate swap contracts arising during the year	\$ (992)	\$ (955)
Current effect of variability of the cash flows on interest rate swap contracts transferred into interest expense	655	515
Deferred income tax effect on changes in interest rate swap derivative contracts	6	8
Change in Derivative Contracts	\$ (331)	\$ (432)

The fair value of the Company's interest rate swap derivative contracts is determined utilizing forward interest rate estimates and present value techniques. Those fair values are as follows as of December 31:

	2015		2014	
	Consolidated	Fair Value	Consolidated	Fair Value
	Balance Sheet Location		Balance Sheet Location	
Liability derivatives designated as hedging instruments:				
Interest rate swap derivative contracts	Other assets	\$ 84	Other assets	\$ 420

Disclosures regarding the Company's cash flow hedging relationships are as follows for the years ended December 31:

Derivatives in Cash Flow Hedging Relationships	Amount of Loss Recognized in OCI on Derivatives (Effective Portion)	
	2015	2014
	Interest rate swap derivative contracts	\$ (986)

Derivatives in Cash Flow Hedging Relationships	Location of Gain (Loss) Reclassified from Accumulated OCI into Operations (Effective Portion)	Amount of Loss Reclassified from Accumulated OCI into Operations (Effective Portion)	
		2015	2014
Interest rate swap derivative contracts	Interest expense	\$ (655)	\$ (515)

Note 7 - Fair Value Measurements:

The following fair value disclosures are provided pursuant to the requirements of the Codification Topic on Fair Value Measurements and Disclosures. For applicable assets and liabilities subject to these requirements, the Company will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible. To the extent that such market prices are not available, the Company will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors. In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Company will develop measurement criteria based on the best information available.

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Note 7 - Fair Value Measurements (continued):**Recurring Fair Value Measurements**

The following table summarizes assets which have been accounted for at fair value on a recurring basis, along with the basis for the determination of fair value:

	Total	Quoted Prices in Active Markets	Basis for Valuation	
			Observable Measurement Criteria	Unobservable Measurement Criteria
As of December 31, 2015:				
Assets:				
Available-for-sale securities	\$ 3,779	\$ 3,779	\$	\$
Derivatives	84		84	
Total Assets	\$ 3,863	\$ 3,779	\$ 84	\$
As of December 31, 2014:				
Assets:				
Available-for-sale securities	\$ 4,009	\$ 4,009	\$	\$
Derivatives	420		420	
Total Assets	\$ 4,429	\$ 4,009	\$ 420	\$

Note 8 - Income Taxes:

The Company and its subsidiaries file a consolidated federal income tax return.

Significant components of the provision for (benefit from) income taxes for the years ended December 31 are as follows:

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	2015	2014
Current:		
Federal	\$ 95	\$ 91
State	319	384
Total Current	414	475
Deferred:		
Federal		
State	(610)	231
Total Deferred	(610)	231
Total (Benefit from) Provision for Income Taxes	\$ (196)	\$ 706

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Note 8 - Income Taxes (continued):

Deferred income taxes are summarized as follows at December 31:

	2015	2014 (as restated)
Deferred income tax assets:		
Impairment charge on goodwill	\$ 1,030	\$ 1,030
Pension	412	342
Deferred compensation	68	104
Other	176	169
Total deferred income tax assets	1,686	1,645
Valuation allowance		
Net deferred income tax assets	1,686	1,645
Deferred income tax liabilities:		
Acquired basis of FCC license asset	20,049	20,049
Depreciation	1,716	1,720
Amortization	90	802
Deferred gain on like-kind exchange	838	838
Interest rate swaps	1	8
Total deferred income tax liabilities	22,694	23,417
Net Deferred Income Tax Liability	\$ 21,008	\$ 21,772

At December 31, 2015, the Company had Massachusetts, New Jersey and Philadelphia net operating loss (NOL) carryforwards of approximately \$9,444, which may be used to reduce future taxable income in those jurisdictions. The NOL carryforwards will expire through 2034.

The Company adopted the provisions of the Codification Topic on Income Taxes which clarify the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. These provisions prescribe a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. They also provide guidance on de-recognition, classification, interest and

penalties, accounting in interim periods, disclosure and transition.

Based on the Company's evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in the consolidated financial statements or adjustments to deferred tax assets or liabilities.

The Company may from time to time be assessed interest or penalties by major tax jurisdictions, although any such assessments historically have been minimal and immaterial to its consolidated financial results. The Company's policy is to classify assessed interest as interest expense and assessed penalties as other expense in the consolidated financial statements.

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Note 9 - Common Stock:

Common stock consisted of the following at December 31:

	2015	2014
Common stock, \$.000001 par, \$.09375 stated value, voting:		
Authorized 100,000 shares		
Issued and outstanding 80,000 shares	\$ 8	\$ 8
Common stock, \$.000001 par, \$.093697 stated value, non-voting:		
Authorized 5,000,000 shares		
Issued and outstanding 1,861,142.91 shares	174	174
	\$ 182	\$ 182

Note 10 - Accumulated Other Comprehensive Income (Loss):

The after-tax components of accumulated other comprehensive income (loss) are as follows:

	Marketable Securities Unrealized Holding Gains/ (Losses)	Derivative Contracts	Pension and Postretirement Benefit Plans	Total Accumulated Other Comprehensive Income (Loss)
Balance at January 1, 2014	\$ 1,089	\$ 845	\$ (16,065)	\$ (14,131)
Change during year	(91)	(432)	(6,183)	(6,706)
Balance at December 31, 2014	998	413	(22,248)	(20,837)
Change during year	(134)	(331)	(8,075)	(8,540)
Balance at December 31, 2015	\$ 864	\$ 82	\$ (30,323)	\$ (29,377)

Note 11 - Employee Benefit Plans:

The Company has non-contributory defined benefit pension plans covering substantially all of its employees. Effective December 31, 2008, benefits that were accruing under the qualified plan were frozen. Effective January 2, 2009, benefits that were accruing under the non-qualified plan were frozen. The Company's funding policy is to make annual contributions to the qualified plan in amounts that are required under the provisions of ERISA, such that all employees' benefits will be fully provided by the time they retire. The Company follows the alternative disclosures for a non-public company as stated in the Codification Topic Compensation - Retirement Benefits. The Company's defined benefit pension plans use a December 31 measurement date.

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Note 11 - Employee Benefit Plans (continued):

The following table sets forth the funded status of the plans and amounts recognized in the Company's consolidated balance sheets at December 31:

Actuarial present value of benefit obligations:

	2015	2014
Projected benefit obligation, including accumulated benefits of \$89,513 in 2015 and \$85,942 in 2014	\$ 89,513	\$ 85,942
Plan assets at fair value (primarily listed stocks, bonds and U.S. government securities)	74,906	75,198
Funded status	\$ (14,607)	\$ (10,744)
Accrued pension cost included in other long-term liabilities	\$	\$
Prepaid pension cost included in other assets	\$ 16,270	\$ 11,910
Additional liability included in other long-term liabilities	\$ (30,877)	\$ (22,654)

Assumptions:

	2015	2014
Weighted average assumptions used to determine benefit obligations at December 31:		
Discount rate	4.15%	3.80%
Rate of increase in compensation levels	n/a	n/a
Expected rate of return on assets	7.00%	7.00%
Weighted average assumptions used to determine net periodic benefit cost for years ended December 31:		
Discount rate	3.80%	4.75%
Rate of increase in compensation levels	n/a	n/a
Expected rate of return on assets	7.00%	7.00%

In developing its expected rate of return on assets assumption, the Company evaluated input from its third party pension plan asset managers, including their review of asset class return expectations and long-term inflation assumptions. Mortality assumptions at December 31, 2015 are based on the RP-2014 Mortality Table using the MP-2014 and MP-2015 Mortality Improvement Scales. Mortality assumptions at December 31, 2014 are based on the IRS 2015 Static Mortality Table.

Plan Assets:

The Company's defined benefit pension plan has implemented a liability driven investment strategy (LDI) in light of the plan's improving funding status. The goal of such a strategy is to reduce the plan's overall risk by investing plan assets in a manner which over time will reduce interest rate and market risks while achieving returns which will allow the plan to satisfy projected plan liabilities as they come due. With LDI, plan asset target allocations are periodically adjusted as the plan moves down the funding status glide path, so that assets are invested more conservatively as funding status increases. Current target allocations are approximately 35 percent return-enhancing assets (such as U.S. and non-U.S. equities, U.S. high yield fixed income securities, and emerging market fixed income securities), and 65 percent risk management assets (primarily long duration U.S. fixed income securities).

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Note 11 - Employee Benefit Plans (continued):

The fair values of the Company's pension plan assets by asset category are as follows:

	Total	Basis for Valuation (see Note 7)		
		Quoted Prices in Active Markets	Observable Measurement Criteria	Unobservable Measurement Criteria
As of December 31, 2015:				
Equity mutual funds (a)	\$ 20,964	\$ 20,964	\$	\$
Fixed income mutual funds (b)	53,942	53,942		
Total	\$ 74,906	\$ 74,906	\$	\$
As of December 31, 2014:				
Equity mutual funds (a)	\$ 27,664	\$ 27,664	\$	\$
Fixed income mutual funds (b)	47,534	47,534		
Total	\$ 75,198	\$ 75,198	\$	\$

(a) This category comprises actively managed equity funds including funds that invest in equity securities of U.S. and international companies.

(b) This category comprises actively managed fixed income funds which invest in a variety of U.S. and international debt securities.

Contributions:

The Company anticipates making contributions to the plans totaling \$4,338 in 2016.

Estimated future benefit payments:

2016	\$ 3,014
2017	3,332

2018	3,584
2019	3,895
2020	4,081
2021-2025	23,414

Other information:

	2015	2014
Components of accumulated other comprehensive income (loss) (before tax effects) consist of the following:		
Net actuarial loss	\$ 30,877	\$ 22,654
Prior service cost (credit)		
Unrecognized net initial (asset) obligation		
Total	\$ 30,877	\$ 22,654

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Note 11 - Employee Benefit Plans (continued):

	2015	2014
Amounts included in accumulated other comprehensive income (loss) that will be included in pension costs in the future consist of the following:		
Loss recognition	\$ 3,047	\$ 1,919
Interest cost		
Expected return on plan assets		
Net periodic pension cost	\$ 3,047	\$ 1,919
Other information related to the plan is as follows:		
Net periodic benefit cost	\$ (186)	\$ (40)
Employer contribution	\$ 4,174	\$ 4,162
Plan participants' contributions	\$	\$
Benefits paid	\$ 2,255	\$ 2,030
Pension liability adjustment (before tax effect) included in other comprehensive income (loss)	\$ (8,223)	\$ (6,295)

The Company also provides an employees' savings plan for certain employees. Participants may contribute from 1% to 60% of their compensation. The Company makes a matching contribution equal to the participant's contribution, limited to the lesser of 6% of the participant's compensation or one thousand five hundred dollars per year. The Company contributed \$649 and \$682 in 2015 and 2014, respectively. Participants are fully vested at all times in their contributions.

In addition to providing pension benefits, the Company sponsors a retiree health plan that provides post-retirement medical benefits to full-time non-union employees who have worked at least 15 years and attained age 55 while in service with the Company. Effective June 30, 2001, the plan was closed to new retirees. The plan, which is unfunded, is contributory, with retiree contributions adjusted annually, and contains other cost-sharing features such as deductibles and coinsurance. The Company's contribution rates for future years have been fixed at the rates in effect on January 1, 2001. The Company's retiree health plan uses a December 31 measurement date.

The following table sets forth the funded status of the plan and amounts recognized in the Company's consolidated balance sheets at December 31:

2015 2014

Accumulated post-retirement benefit obligation	\$ 1,752	\$ 1,851
Plan assets		
Funded status	\$(1,752)	\$(1,851)
Accrued post-retirement benefit cost included in other long-term liabilities	\$ 1,313	\$ 1,291

Estimated future benefit payments:

2016	\$ 114
2017	111
2018	108
2019	105
2020	102
2021-2025	481

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Note 11 - Employee Benefit Plans (continued):Other information:

	2015	2014
Components of accumulated other comprehensive income (loss) (before tax effects) consist of the following:		
Net actuarial loss	\$ 410	\$ 543
Prior service credit	29	17
Unrecognized net initial (asset) obligation		
Total	\$ 439	\$ 560

Amounts included in accumulated other comprehensive income (loss) that will be included in postretirement costs in the future consist of the following:

Loss recognition	\$ 20	\$ 29
Interest cost	12	(13)
Expected return on plan assets		
Net periodic postretirement cost	\$ 36	\$ 16

Other information related to the plan is as follows:

	2015	2014
Net periodic benefit cost	\$ 133	\$ 97
Employer contributions	\$ 112	\$ 117
Plan participant contributions	\$ 15	\$ 14
Benefits paid	\$ 127	\$ 132

The Company anticipates making contributions to the plan totaling \$114 in 2016.

The discount rate used in determining the accumulated postretirement benefit obligation was 4.15 percent and 3.80 percent at December 31, 2015 and 2014, respectively. The discount rate used in determining net periodic benefit cost was 3.80 percent and 4.75 percent for 2015 and 2014, respectively. Mortality assumptions at December 31, 2015 are

based on the RP-2014 Mortality Table using the MP-2014 and MP-2015 Mortality Improvement Scales. Mortality assumptions at December 31, 2014 are based on the IRS 2015 Static Mortality Table.

In addition, included in other long-term liabilities at December 31, 2015 and 2014 was approximately \$3,770 and \$5,795, respectively, representing deferred compensation arrangements associated with certain key employees. The costs have been accrued according to the terms of the Company's deferred compensation plans.

Note 12 - Commitments and Contingencies:

There are various legal actions and other claims pending against the Company incidental to its business and operations. In the opinion of management, the resolution of these matters will not have a material effect on the consolidated financial position or results of operations.

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Note 12 - Commitments and Contingencies (continued):

The Company and its subsidiaries lease office space, towers, real estate related to tower sites, office equipment and transmitting equipment. The most significant obligations assumed under the lease terms are the upkeep of the facilities, insurance and property taxes. Total rent expense for the Company was \$6,292 for 2015 and \$6,084 for 2014.

The Company also has various non-cancellable commitments under operating leases, on-air talent contracts and other contracts with aggregate minimum annual commitments as of December 31, 2015 as follows:

	Operating Leases	On-Air Talent	Other Contracts	Total
2016	\$ 5,269	\$ 5,424	\$ 8,951	\$ 19,644
2017	5,008	5,430	9,192	19,630
2018	4,123	4,926	550	9,599
2019	2,911	3,488		6,399
2020	2,799			2,799
2021 and subsequent	4,863			4,863
Total	\$ 24,973	\$ 19,268	\$ 18,693	\$ 62,934

Note 13 - Supplemental Disclosure of Cash Flow Information:

	2015	2014
<u>Cash paid during the year for:</u>		
Interest	\$ 4,607	\$ 5,053
Income taxes (net of refunds)	\$ 536	\$ 413

Note 14 - Subsequent Events:

The Company has evaluated subsequent events occurring after the consolidated balance sheet date through the date of March 30, 2016, the date the consolidated financial statements were available for release. Based upon this evaluation, the Company has determined that no subsequent events occurred which require adjustment to or disclosure in the consolidated financial statements, except as noted at Note 15.

Note 15 - Event Subsequent to the Date of the Independent Auditors Report (Unaudited):

On July 19, 2016, the Company entered into an Agreement and Plan of Merger with Beasley Broadcast Group, Inc. (Beasley), Beasley Media Group 2, Inc., an indirect wholly-owned subsidiary of Beasley (Merger Sub), and Peter A. Bordes, Jr., as the Stockholders Representative (the Merger Agreement) pursuant to which, subject to the satisfaction or waiver of the conditions set forth therein, Merger Sub will be merged with and into the Company, with the Company surviving the merger as an indirect wholly-owned subsidiary of Beasley (the Merger).

Pursuant to the terms of the Merger Agreement, Beasley agreed to acquire all of the Company s issued and outstanding equity stock for an aggregate purchase price of \$239,875, inclusive of the refinancing of approximately \$80,000 of the Company s outstanding debt and the payment of certain transaction expenses. The proceeds to be paid to the Company s stockholders are expected to consist of (i) approximately \$100,000 in cash and (ii) approximately \$25,000 in shares of Beasley s Class A common

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(Dollars in Thousands)

Note 15 - Event Subsequent to the Date of the Independent Auditors Report (Unaudited) (continued):

stock, which is equal to 5,422,993 shares at a fixed value of \$4.61 per share (the Merger Shares). The Merger consideration is subject to adjustment for changes in the Company s working capital, outstanding debt of the Company and its subsidiaries as of the date of the closing, and certain other payments and expenses. Additional Merger Shares may be issued in connection with such adjustment. In addition, the Company s stockholders will receive the net cash proceeds from the sale of the Company s tower assets, estimated to be approximately \$20,000.

Consummation of the Merger is subject to customary closing conditions, including (i) approval from the Federal Communications Commission, (ii) absence of any order or injunction prohibiting the consummation of the Merger, (iii) subject to customary materiality qualifiers, the accuracy of the representations and warranties of Beasley and Merger Sub contained in the Merger Agreement and compliance by Beasley with its covenants contained in the Merger Agreement, (iv) the Merger Shares having been approved for listing on the Nasdaq Global Select Market, and (v) Beasley having delivered executed counterparts to certain ancillary agreements. Beasley has obtained a debt financing commitment to fund the transactions contemplated by the Merger Agreement, the aggregate proceeds of which, together with cash and cash equivalents available to Beasley and issuance of the Merger Shares, will be sufficient for Beasley to pay the aggregate Merger Consideration and all related fees and expenses.

The Merger Agreement contains certain customary termination rights for both the Company and Beasley. The Merger Agreement also provides that Beasley shall pay the Company a termination fee of \$6,390 if the Company terminates the Merger Agreement because all conditions to closing have been satisfied and Beasley has not consummated the Merger due to the failure of the financing to be available, provided that the Company is not also able to terminate the Merger Agreement due to Beasley s breach. It further provides that Beasley shall pay the Company a termination fee of \$12,780 if (i) the Company terminates the Merger Agreement due to a breach of a representation or covenant by Beasley such that the applicable condition to closing is not satisfied, or (ii) the Company terminates the Merger Agreement because Beasley has failed to consummate the Merger when required by the Merger Agreement, in circumstances where the financing was available.

The Merger Agreement contemplates that the parties or their affiliates will enter into the following additional agreements at Closing: (i) an Investor Rights Agreement and (ii) a Registration Rights Agreement. The Investor Rights Agreement would provide the former stockholders of the Company receiving Merger Shares (the Greater Media Stockholders) with tag-along rights to participate in certain sales of equity securities by Beasley and its affiliates and also would provide the Greater Media Stockholders with the right to nominate one director for election to Beasley s Board, so long as the Greater Media Stockholders collectively hold at least 75% of the Merger Shares issued to them at the closing of the Merger. The Registration Rights Agreement would require Beasley to prepare and file with the Securities and Exchange Commission, not later than 20 days after the consummation of the Merger, a registration statement with respect to the resale of the Merger Shares by the Greater Media Stockholders, among other things.

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Annex A

PRIVILEGED & CONFIDENTIAL

EXECUTION VERSION

AGREEMENT AND PLAN OF MERGER

by and among

GREATER MEDIA, INC.

BEASLEY BROADCAST GROUP, INC.

BEASLEY MEDIA GROUP 2, INC.

and

PETER A. BORDES, JR.,

as the Stockholders Representative

Dated as of: July 19, 2016

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