

BULL RUN CORP
Form 10-K
October 15, 2002

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

- Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended **June 30, 2002**
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission File Number **0-9385**

BULL RUN CORPORATION

(Exact name of registrant as specified in its charter)

Georgia

(State or other jurisdiction of incorporation or organization)

58-2458679

(I.R.S. Employer Identification No.)

4370 Peachtree Road, N.E., Atlanta, GA

(Address of principal executive offices)

30319

(Zip Code)

Registrant's telephone number, including area code **(404) 266-8333**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class: None

Name of each exchange on which registered: N/A

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$.01 par value

(Title of class)

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

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of September 30, 2002 was \$17,742,118 based on the closing price thereof on The Nasdaq Stock Market.

The number of shares outstanding of the registrant's Common Stock, par value \$.01 per share, as of September 30, 2002, was 38,006,384.

DOCUMENTS INCORPORATED BY REFERENCE

Documents

Form 10-K Reference

None

not applicable

BULL RUN CORPORATION

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PART I

Item 1. Business

General

Bull Run Corporation (the Company or Bull Run), a Georgia corporation based in Atlanta, is a sports, affinity marketing and management company through its primary operating subsidiary, Host Communications, Inc. (Host), acquired in December 1999. Host's Collegiate Marketing and Production Services business segment provides sports marketing and production services primarily to a number of collegiate conferences and universities and the National Collegiate Athletic Association (the NCAA). Host's Affinity Events business segment produces and manages individual events and several events series, including NBA Hoop-It-Up® (the National Basketball Association's official 3-on-3 basketball tour) and the Got Milk? 3v3 Soccer Shootout (Major League Soccer's official 3-on-3 soccer tour). Host's Affinity Management Services business segment provides associations, such as the National Tour Association and Quest (the J.D. Edwards users group association), with services ranging from member communication, recruitment and retention, to conference planning, Internet web site management, marketing, sales representation and administration.

Effective December 17, 1999, the Company acquired (the Host-USA Acquisition) the stock of Host, Universal Sports America, Inc. (USA) and Capital Sports Properties, Inc. (Capital) not then owned, directly or indirectly, by the Company. In January 2000, Host's executive management team assumed executive management responsibilities for USA, and many administrative and operating functions of the two companies were combined. Effective July 1, 2000, USA was merged into Host. Capital was solely an investor in Host and has no operating business.

The Company also has significant investments in other sports, media and marketing companies, including Gray Television, Inc. (Gray, formerly known as Gray Communications Systems, Inc.), the owner and operator of 13 television stations, four newspapers and other media and communications businesses; Rawlings Sporting Goods Company, Inc. (Rawlings), a supplier of team sports equipment; and iHigh, Inc. (iHigh), an Internet and marketing company focused on high school students. The Company has provided consulting services to Gray in connection with Gray's acquisitions and dispositions.

As of June 30, 2002, the Company owned approximately 12.9% of the outstanding common stock of Gray (representing 26.1% of the voting rights), in addition to non-voting preferred stock and warrants to purchase additional Gray common stock; 10.1% of the outstanding common stock of Rawlings; and 35.1% of the outstanding common stock of iHigh.

On September 25, 2002, the Company changed its fiscal year end from June 30 to a new fiscal year end of August 31.

For financial information for each of our business segments described below, see Note 18 of the Notes to Consolidated Financial Statements appearing in Item 8 Financial Statements and Supplemental Data.

Collegiate Marketing and Production Services Segment

NCAA Group Host has had a relationship with the NCAA since 1975. Beginning as an agreement to administer radio rights and form a national NCAA Radio Network for the men's Final Four®, the services rendered by Host expanded to publishing, Internet and corporate marketing representation, including the exclusive licensing of various NCAA trademarks.

In 1984, Host and the NCAA initiated the NCAA Corporate Partner Program. Under this Program, the Company partnered with an exclusive group of corporations to link their target markets to, and implement promotions around, NCAA championships through a variety of advertising and promotional opportunities. Host's contract with the NCAA (the Host-NCAA Contract) ended on August 31, 2002. Under an agreement signed July 1, 2001 and effective September 1, 2002, Host agreed to continue its services on behalf of the NCAA as a sublicensee to CBS Sports. The agreement with CBS Sports (the Host-CBS Contract) provided Host certain marketing, licensing and media rights, including the administration of the NCAA Corporate Partner Program. In August 2002, CBS Sports and Host discussed the parties' desire to modify their relationship. In September 2002, CBS Sports and Host restructured their relationship and a new agreement was executed. The new agreement modified the rights provided to Host under the initial agreement and, except for an annual rights fee ranging from \$300,000 to \$350,000 payable by Host to CBS Sports, eliminated a \$575 million guaranteed rights fee commitment payable by Host to CBS Sports over the original 11-year term of their agreement. Under the new agreement, Host will: (a) have the exclusive rights to produce, distribute and sell game programs and publications in connection with 87 NCAA championships; (b) engage in merchandise licensing utilizing registered marks of the NCAA and its championships; (c) coordinate, promote and operate the Hoop City festival interactive events at the Men's and Women's Final Four Division I basketball championships; and (d) assist with sales and administration of the NCAA Corporate Partner Program to the extent deemed necessary by CBS Sports. The agreement is for a four-year term, with the final two years at CBS Sports' sole discretion.

Collegiate Sports The Company, through Host, provides sports and marketing services for a number of NCAA Division I universities and conferences. The agreements relating to the services rendered by the Company vary by school or conference, but typically provide for some or all of the following: (a) the production of radio and television broadcasts of certain athletic events and coaches' shows; (b) sale of advertising during radio and television broadcasts of games and coaches' shows; (c) sale of media advertising and venue signage; (d) sale of official sponsorship rights to corporations; (e) publishing, printing and vending of game-day and other programs; (f) creative design of materials; video production; construction and management of Internet web sites; and (g) coaches' endorsements and pay-per-view telecasts. Universities with which the Company has agreements are Florida State, Kentucky, Michigan, Mississippi State, Notre Dame, Purdue, South Carolina, Southern Methodist, Tennessee and Texas. The Company currently has marketing agreements with the Metro Atlantic Athletic, Horizon, Southeastern and Southern Conferences. The Company also has marketing rights to the Southwestern Bell Red River Shootout featuring the University of Texas and University of Oklahoma's annual football rivalry, and the Lone Star Showdown football game featuring Texas and Texas A&M University.

The Company publishes Dave Campbell's Texas Football Magazine and has marketing rights to two interstate high school football all-star games, the Oil Bowl game featuring high school all-stars from Texas playing those from Oklahoma, and the Shriner's California versus Texas all-star game. In addition, the Company has the rights to an annual series of football games that features six prominent Texas high school teams. The Company also partners with the Texas Radio Network and Fox SportsNet to broadcast and televise key high school championship events.

Integrated Media Group The Company produces more than 700 publications annually for a variety of clients, including the NCAA, college football conferences, universities, and various collegiate associations. The Company's publications include game programs, media guides, posters and marketing brochures, including more than 60 NCAA championship programs in 21 sports and specialty publications, such as the official NCAA Basketball Championship Guide. The Company also provides high quality printing services for corporations and non-profit

organizations nationwide, consisting of directories, annual reports, brochures, posters, programs and catalogs.

The Company produces television programs, videos, radio broadcasts, commercial audio and Internet related services. The Company administers all contracts with all networks and stations that originate NCAA championship radio broadcasts. The Company administers the regional radio networks of 11 NCAA Division I universities and three conferences. The Company's digital recording studios handle network quality soundtracks for radio, television and multi-image presentations.

The Company has collaborated with NCAA On-line and iHigh on www.finalfour.net, the official site for the NCAA Division I Men's and Women's Basketball Championships, and the College World Series' official site. Other web sites developed and managed by Host include those for Quest (the J.D. Edwards software user group association), the International SPA Association and the National Tour Association.

Affinity Events Segment

The Company's Affinity Events division produces and manages large participatory sporting events throughout the United States and internationally. In connection with these events, the Company provides professional marketing and management services to corporations looking to supplement their own sales and promotional activities with sports-based events that target specific participating audiences and demographics.

NBA Hoop-It-Up®, held in approximately 40 U.S. cities and approximately 7 cities in Canada each year, is the official 3-on-3 basketball tournament of the National Basketball Association and NBC Sports. NBA Hoop-It-Up's Germany extension, the TD-1 Basketball Challenge held in 7 cities in 2002, was managed by the Company's Paris, France office in collaboration with NBA Europe. In August 2002, the Company closed the Paris office and discontinued the European tour.

Beginning in September 2000 with the acquisition of Summit Sports & Events, Inc. (Summit), the Company began operating a participatory soccer tour. The Got Milk? 3v3 Soccer Shootout, Major League Soccer's official 3-on-3 soccer tour, is held in approximately 75 U.S. cities, and includes a series of national championship matches held at Disney World in Orlando, Florida. On June 30, 2000, Summit was merged into Host.

The Company creates and executes events for corporate clients, including the SBC Cotton Bowl Fanfest and the Sony TechPit mobile marketing unit, which travels to NASCAR's Winston Cup races.

The Company capitalizes on developing and implementing customized event marketing platforms for corporations looking to reach certain affinity groups. For example, the Company helped create and managed the Tampax Total You Tour for the Procter & Gamble brand, which traveled to college campus sites and other urban locations to effectively reach the brand's core target audience, African-American females, ages 18 - 24. This tour was awarded a Silver Anvil by the Public Relations Society of America for having the best multicultural public relations program in 1999.

Affinity Management Services Segment

The Affinity Management Services segment, doing business as Affinity Management International, provides a full range of management services to a number of associations, including the National Tour Association (which has been a client since 1974), Quest (the J.D. Edwards software user group association), the National Athletic Trainers Association and the International SPA Association. The Company's services include association management, financial reporting, accounting, marketing, publishing, government lobbying, education, event management, Internet web site management and membership growth activities.

Consulting Segment

The Company has provided consulting services to Gray from time to time in connection with Gray's acquisitions, dispositions and acquisition financing. Consulting services have included transaction search, analysis, due diligence, negotiation and closing. Fees have generally been based on a rate of 1% of transaction value. Gray has stated that it does not intend to engage the Company for such services in the future.

Investment in Affiliated Companies

The Company currently owns approximately 12.9% of the total outstanding common stock (representing approximately 26.1% of the voting power) of Gray. The Company also owns warrants to purchase additional shares of Gray common stock. Parties affiliated with the Company, including officers and directors of the Company and companies of which they are principal stockholders and/or executive officers, currently own approximately an additional 12.9% of Gray common stock (representing approximately an additional 26.1% of the voting power in Gray).

Gray is a communications company headquartered in Atlanta, Georgia, which currently operates:

- (a) three NBC-affiliated television stations *WEAU-TV* in Eau Claire-La Crosse, Wisconsin; *WJHG-TV* in Panama City, Florida; and *WITN-TV*, in the Greenville-Washington-New Bern, North Carolina market;
- (b) ten CBS-affiliated television stations *WCTV-TV* in Tallahassee, Florida; *WVLT-TV* in Knoxville, Tennessee; *WKYT-TV* in Lexington, Kentucky; *WYMT-TV* in Hazard, Kentucky; *WRDW-TV* in Augusta, Georgia; *KOLN-TV* in Lincoln, Nebraska; *KGIN-TV* in Grand Island, Nebraska; *KWTX-TV* in Waco, Texas; *KBTX-TV*, a satellite station of *KWTX-TV* located in Bryan, Texas; and *KXII-TV* in the Sherman, Texas / Ada, Oklahoma market.
- (c) four daily newspapers, *The Albany Herald* in Albany, Georgia; *The Rockdale Citizen* and *The Newton Citizen* in Conyers, Georgia; the *Gwinnett Daily Post* in Lawrenceville, Georgia; and *The Goshen News* in Goshen, Indiana;
- (d) Lynqx Communications, a satellite transmission and production services business based in the southeastern United States; and
- (e) GrayLink, a communications and paging business in the Southeast.

In June 2002, Gray announced that it had entered into a pending merger transaction with Stations Holding Company, Inc. by which Gray will acquire 15 additional television stations for cash consideration of approximately \$502.5 million. Also, in September 2002, Gray announced that it had entered into an agreement to purchase KOLO-TV in Reno, Nevada in a separate transaction for \$41.5 million. Upon completion of these two transactions, Gray will

own a total of 29 television stations serving 25 markets. The stations will include 15 CBS affiliates, 7 NBC affiliates and 7 ABC affiliates. The combined station group will have 22 stations ranked #1 in both viewing audience and local news audience within their respective markets. The combined group will reach approximately 5% of total U.S. TV households. In addition, with 15 CBS affiliated stations, Gray will be the largest independent owner of CBS affiliates in the country. The combined station group will have a significant presence in the Southeast, Southwest, Midwest and Great Lakes regions of the United States. These transactions are currently expected to close by December 2002. Gray previously reported its intention to finance a portion of the costs of these transactions by issuing a combination of equity and debt securities. As part of this financing effort, in September 2002 Gray completed the follow-on sale of an additional \$100 million of its 9 1/4% Senior Subordinated Notes due 2011. In September 2002, Gray announced its intention to commence a public offering of 27,500,000 shares of its common stock, plus up to 4,125,000 shares to cover over-allotments, if any. The net proceeds of this offering would be used to finance the pending and/or future acquisitions, refinance debt, and/or for general corporate purposes.

J. Mack Robinson, the Company's Chairman of the Board, Hilton H. Howell, Jr., the Company's Vice President, Secretary and a director, and Robert S. Prather, Jr., the Company's President and Chief Executive Officer and a director, are members of Gray's board of directors. Mr. Robinson is also Chairman and the Chief Executive Officer of Gray, Mr. Prather is also President and Chief Operating Officer of Gray and Mr. Howell is Vice Chairman of Gray.

From November 1997 through January 1998, the Company accumulated approximately 10.1% of Rawlings common stock in the open market. Pursuant to a standstill agreement with Rawlings, which terminates in July 2003, the Company is restricted from acquiring additional shares of Rawlings common stock or participating in corporate events relating to Rawlings, including proxy contests and tender offers, subject to specified exceptions. Rawlings, headquartered near St. Louis, Missouri, is a leading supplier of team sports equipment in North America and, through its licensee, of baseball equipment and uniforms in Japan. Rawlings operates manufacturing facilities throughout the United States and in Costa Rica, as well as warehouse/distribution centers in the United States and Canada.

At the time of the Host-USA Acquisition, Host owned shares of iHigh common stock and as of June 30, 2002, the Company, through Host, owned approximately 35.1% of the outstanding common stock of iHigh.

As of June 30, 2002, the Company's investment in Gray represented approximately 16% of the Company's total assets; the investment in Rawlings represented approximately 3% of the Company's total assets; and the investment in iHigh represented approximately 1% of the Company's total assets.

Sales and Marketing

The Company provides sponsorship opportunities to a variety of corporate clients, typically ranging from one to five years in length. The Company also provides sports and marketing services for a number of NCAA Division I universities and conferences, under contracts typically ranging from three to five years in length. The Company intends to continue to seek long-term sponsorship agreements.

The Company employs a full-time national sales and marketing staff and has dedicated a senior group of sales and marketing executives to identify potential client relationship opportunities and promote the Company's expertise and range of services. The Company solicits prospective clients through its managers responsible for business development and through personal contacts by members of the Company's senior management. When a new

account is established, the Company immediately assigns a sales executive to the client to ensure that the client's needs are met and to seek out further opportunities to expand the relationship. Generally, account managers are assigned several different clients, which may be comprised of a number of businesses or divisions, departments or groups within the same business. In addition, the personnel that staff the Company's offices on university campuses and at athletic conference locations are responsible for soliciting local sponsors and advertisers.

Competition

As a provider of marketing services, the Company competes with suppliers of traditional advertising in broadcast and print media as well as with other marketing service producers and internal marketing programs. The competition for brand marketing expenditures is very intense and highly fragmented. The Company believes that in certain of its business segments, certain of its competitors have capabilities and resources comparable to and in some respects greater than those of the Company; however, the Company does not believe that there is any other competitor that currently provides all of the marketing and integrated media services offered by the Company. The Company's success will depend on its ability to create value-added marketing opportunities that utilize its uniquely wide range of service capabilities.

Seasonality

The Company's Collegiate Marketing and Production Services business is seasonal, in that the majority of the revenue and operating profit is derived from the period beginning in September and concluding in March, since much of the revenue derived in this segment is related to events and promotions held during the collegiate football and basketball seasons.

The Company's Affinity Events business is seasonal, in that the majority of the revenue and operating profit is derived during the period beginning in March and ending in September, since much of the revenue derived in this segment is currently generated during the NBA Hoop-It-Up 3-on-3 basketball tour.

Employees

The Company has approximately 400 employees, of whom, approximately 250 are employed by Host at its Lexington, Kentucky facilities and approximately 50 are employed by Host at its Dallas, Texas facility. The Company is not a party to any collective bargaining agreements and believes its relations with its employees are satisfactory.

Executive Officers

The information contained in Item 10 hereof is incorporated herein by reference.

Discontinued Segment Datasouth

The Company formerly marketed and sold heavy-duty dot matrix and thermal printers under the Datasouth name. The Company decided to discontinue its Datasouth business segment as a result of the strategic decision to focus on the sports and affinity marketing and management businesses following the Host-USA Acquisition. The Company consummated a sale of Datasouth's business on September 29, 2000. For additional information with respect to this business segment, including financial reporting as a discontinued operation, see Management's Discussion and Analysis Results of Discontinued Operations and Note 4 to the Company's Consolidated Financial Statements.

Item 2. Properties

The Company's executive offices are located in Atlanta, Georgia in approximately 2,000 square feet of office space leased from Delta Life Insurance Company, an affiliate of J. Mack Robinson, the Company's Chairman of the Board. The lease expires in December 2002, subject to several renewal options on the part of the Company.

The Company owns seven acres of land and a building with approximately 25,000 square feet of production, office and warehouse space in Lexington, Kentucky for Host's Printing and Publishing Divisions. Host also has approximately 50,500 square feet of office space under three leases in Lexington expiring beginning in January 2003; approximately 48,600 square feet of office space under lease in Dallas, Texas through December 2005, of which, approximately 28,600 is subleased through December 2005; and approximately 4,300 square feet of office space under lease in New York City through August 2010. Host also has small regional and local field offices primarily located close to the universities and conferences with which it has contracts.

Item 3. Legal Proceedings

On February 12, 1999, Sarkes Tarzian, Inc. (Tarzian) filed a complaint in the United States District Court for the Southern District of Indiana against the Company and U.S. Trust Company of Florida Savings Bank as Personal Representative of the Estate of Mary Tarzian (the Estate). On May 3, 1999, the action was dismissed without prejudice against the Company, leaving the Estate as the sole defendant. The suit involves the Company's acquisition of 301,119 shares of Tarzian common stock, \$4.00 par value, from the Estate for \$10 million on January 28, 1999. Tarzian claims that it had a binding and enforceable contract to purchase the Tarzian shares from the Estate prior to the Company's purchase of such shares, and requests judgment providing that the contract be enforced. The Company contends that a binding contract between Tarzian and the Estate did not exist prior to the Company's purchase of the Tarzian shares from the Estate. The Company does not believe that a judgment in favor of Tarzian in this litigation would have a materially adverse effect on the Company, because, among other reasons, the Company's purchase agreement with the Estate provides that if a court of competent jurisdiction awards title to the shares to a person or entity other than the Company, the purchase agreement will be rescinded and the Estate will be required to pay the Company the full \$10 million purchase price, plus interest. In December 2001, the Company sold its interest in Tarzian to Gray for \$10 million.

On January 8, 2002, the Company filed a complaint in the State Court of Fulton County, Georgia, against Ernst & Young LLP, claiming negligent misrepresentation. The Company claims that it placed significant reliance on Ernst & Young's audit reports on the audited financial statements of Universal Sports America, Inc. issued prior to the Host-USA Acquisition in December 1999, and that those financial statements contained material errors. The State Court of Fulton County has ruled that the matter is subject to binding arbitration.

Item 4. Submission of Matters to a Vote of Security Holders

The Company did not submit any matter to a vote of security holders during the quarter ended June 30, 2002.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters**Market Information**

The Company's common stock, par value \$.01 per share (the "Common Stock"), trades on The Nasdaq Stock Market under the symbol "BULL". The following table sets forth for each period indicated the high and low sale prices for the Common Stock as reported by The Nasdaq Stock Market. Such prices reflect interdealer prices without adjustments for retail markups, markdowns or commissions.

	<u>High</u>	<u>Low</u>
Fiscal Year Ended June 30, 2001		
First Quarter	\$3.13	\$2.00
Second Quarter	2.50	1.25
Third Quarter	2.34	1.13
Fourth Quarter	1.70	1.00
Fiscal Year Ended June 30, 2002		
First Quarter	\$1.51	\$.78
Second Quarter	1.29	.47
Third Quarter	1.25	.53
Fourth Quarter	1.04	.58

Holders

As of September 20, 2002, there were 2,370 holders of record of Common Stock.

Dividends

Since its inception, the Company has not declared or paid a cash dividend on its Common Stock. It is the present policy of the Company's Board of Directors to retain all earnings to finance the development and growth of the Company's business. The Company's future dividend policy will depend upon its earnings, capital requirements, financial condition and other relevant circumstances existing at that time. The Company's bank credit agreement also contains restrictions on the Company's ability to declare and pay dividends on the Common Stock.

Equity Plan Compensation Information

As of June 30, 2002:	(a)	(b)	(c)
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	5,459,443	\$ 1.18	680,205
Equity compensation plans not approved by security holders			
Total	<u>5,459,443</u>	<u>\$ 1.18</u>	<u>680,205</u>

Item 6. Selected Financial Data

Set forth below are certain selected historical consolidated financial data of the Company. This information should be read in conjunction with the audited consolidated financial statements of the Company and related notes thereto appearing elsewhere herein, as well as Management's Discussion and Analysis. The selected consolidated financial data as of and for the fiscal years ended June 30, 2002, 2001 and 2000, as of and for the six months ended June 30, 1999, as of December 31, 1998 and 1997 and for each of the years ended December 31, 1998 and 1997 are derived from the audited consolidated financial statements of the Company. The selected consolidated financial data as of and for the six months ended June 30, 1998 are derived from unaudited condensed consolidated financial statements of the Company.

SELECTED FINANCIAL DATA

(Dollar and share amounts in thousands, except per share amounts)

OPERATING RESULTS:

	Year Ended June 30,			Six Months Ended June 30,		Year Ended December 31,	
	2002	2001	2000	1999	1998	1998	1997
					(unaudited)		
Total revenue	\$ 113,072	\$ 120,337	\$ 72,000	\$ 609	\$ 652	\$ 1,618	\$ 681
Direct operating costs	(88,531)	(81,421)	(49,437)				
Selling, general and administrative	(32,773)	(38,527)	(21,891)	(693)	(691)	(1,312)	(1,039)
Amortization of acquisition intangibles	(7,824)	(4,267)	(2,602)				
Income (loss) from operations	(16,056)	(3,878)	(1,930)	(84)	(39)	306	(358)
Equity in earnings (losses) of affiliated companies	(1,962)	(4,235)	(2,533)	(910)	(61)	6,337	(428)
Correction of purchase price allocation			(11,330)				
Other income (expense) derived from investments in affiliates, net	242	(6,796)	(2,360)			1,680	
Net change in value of derivatives	(3,345)	2,988					
Interest expense and other, net	(12,042)	(11,891)	(7,909)	(1,858)	(1,547)	(3,162)	(1,614)
Income (loss) from continuing operations before income taxes, extraordinary item and cumulative effect of accounting change	(33,163)	(23,812)	(26,062)	(2,852)	(1,647)	5,161	(2,400)
Income tax benefit (provision)	7,257	6,228	5,077	911	509	(2,094)	966
Income (loss) from continuing operations before extraordinary item and cumulative effect of accounting change	(25,906)	(17,584)	(20,985)	(1,941)	(1,138)	3,067	(1,434)
	(627)						

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Extraordinary loss, net of tax							
Cumulative effect of accounting change, net of tax	(2,620)	(1,120)					
Income (loss) from continuing operations	(29,153)	(18,704)	(20,985)	(1,941)	(1,138)	3,067	(1,434)
Income (loss) from discontinued operations, net of tax			(6,839)	(266)	(92)	81	(234)
Net income (loss)	(29,153)	(18,704)	(27,824)	(2,207)	(1,230)	3,148	(1,668)
Preferred dividends	(396)						
Net income (loss) available to common stockholders	\$ (29,549)	\$ (18,704)	\$ (27,824)	\$ (2,207)	\$ (1,230)	\$ 3,148	\$ (1,668)

See Notes to the Selected Financial Data on the following page.

SELECTED FINANCIAL DATA, continued

EARNINGS (LOSS) PER SHARE:

Six Months Ended

Year Ended